Sherwood Forest Hospitals NHS
NHS Foundation Trust

ANNUAL REPORT 2007/08

Image of King's Treatment Centre

Annual Report 2007/08

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

Sherwood Forest Hospitals NHS foundation trust

ANNUAL REPORT 2007/08

Chairman's statement

I am delighted to be able to commend to you our Annual Report for 2007/08. Every year provides a new set of challenges and this year was no different. We have just completed a tremendous first year as a foundation trust and it has been an exciting period of change and transformation.

Everything we do is focused on providing the highest quality service to patients and our efforts continued at a ferocious pace.

Providing The Best Care

On behalf of the board of directors, I am proud to report that during the year we have exceeded delivery against almost all of our core clinical performance & access targets.

The Healthcare Commission rated us 'good' for our standards of service and we achieved a rating of 'excellent' for use of resources.

We have continued to deliver year on year improvements whilst also ensuring that patients receive their care, diagnosis and treatment more quickly than ever before.

In January 2008, our maternity services were rated as excellent by the independent Healthcare Commission in the most comprehensive national study ever undertaken. We were one of only two trusts in the East Midlands to secure the highest rating of "Best Performing".

Managing Our Finances

Financially, our revenues were up more than 5% to over £190m and we successfully delivered a healthy retained surplus of £3.63m financial surplus – vital in assisting us to meet the future costs of our new hospital and in maintaining our record of delivering year on year improvements in our financial performance.

EBITDA (earnings before interest, tax, depreciation and amortisation) the measure we believe is the best indication of our progress, was £14.13m.

I am delighted to report that we completed the year to 31 March 2008 having achieved a financial risk rating of 4 from Monitor, the independent regulator of foundation trusts, the highest level for a 1st year foundation trust.

Despite our good performance, we are not complacent. We will continue to focus relentlessly on improving our services and on providing healthcare of the very highest standards - meeting the expectations of our local community.

Engaging Our Community

Being a foundation trust has already enabled us to begin to shape our vision for the next decade by making sure that we focus attention on the things that really matter to patients, to members, and to our staff.

During the year we have benefited from the ongoing involvement and development of our board of governors. For the first time, their views have assisted in determining our annual planning priorities for the coming 12 months.

As well as listening to the views of our local community, our governance arrangements are there to ensure engagement, transparency and openness in all that we do. By the end of March 2008, we had successfully recruited 13,486 members, placing us in the top 6 foundation trusts nationally – an achievement we are particularly proud of.

I am grateful for the hard work and enthusiasm of our board of governors during the year in supporting our work and in working with us to influence and shape our services for the future.

Improving Our Hospitals

During the year, work on our new £320m 'super-hospital' on our King's Mill site has progressed well. In June 2008, we will formally open the Kings Treatment Centre, enabling us to provide first class diagnostic, treatment and outpatient services within our brand new 'state of the art' facility.

Over the past year we have continued work on our modernisation of acute services (MAS) project, representing the biggest ever investment in the NHS locally. Towers one and two are now a highly visible landmark on our site. They are due for completion in January 2009, accommodating day case surgery, pharmacy, imaging and in-patients in 19 new wards – with 50% of patients in single bedrooms, all with ensuite bathroom facilities.

Over the past 12 months we have also invested an additional £250,000 in developing and improving services at Newark Hospital, including the refurbishment of the hospital, improved car parking and medical equipment.

Work at Mansfield Community Hospital as part of the MAS project has also progressed during the year and new modern facilities are starting to have a positive impact on the people of Mansfield.

Reducing Our Impact On The Environment

During 2007/8 we joined with our construction partners in developing a new geothermal scheme to provide environmentally effective heating and cooling for our new hospital.

The geothermal project will be the largest in Europe and will ensure that our new hospital remains at the leading edge of innovative environmental design.

By 2010 we will halve King's Mill Hospital's carbon footprint and we will reduce our energy use by more than 19%, exceeding government targets.

Leading Our Staff

There were a number of personnel changes on the board of directors during the year. Brian Meakin retired from his post as chairman of the trust at the end of 2007/08, having served for 9 years. Brian has been instrumental in all of our achievements and I am extremely grateful to Brian for his substantial contribution to the success of the trust.

Two long standing non executive directors, Dawn George and Sheila Andrews also retired during the year and I would also like to thank Dawn and Sheila for their dedication, commitment and contribution.

We also witnessed changes to our executive directors during the year with Bil Gregory leaving the trust in May 2007. Details of our current board of directors are provided in the annual report.

Challenges For The Year Ahead

Much has been achieved in the last 12 months. Much more remains to be done.

Continuing to design more streamlined, effective patient services will be essential if we are to continue to transform the effectiveness and quality of care for patients. During 2007/8 we began the process of re-designing our divisional management and clinical leadership structures in order to prepare for the challenges ahead.

From April 2008 our new divisional structure will enable us to improve our focus on the core areas of our work. The development of our service line teams will provide clearer accountability,

greater clinical engagement and will ensure that our staff have more opportunities to influence and drive the change required in the future.

It is imperative the we continue to deliver solid, sustainable financial perfomance upon which we can build for the future. To do this we will continue to set stretching financial targets and to renew our focus on increasing our efficiency and effectiveness and on controlling our costs.

I believe that as a trust we are uniquely placed to seize the opportunities that these challenges bring. We should be ambitious by focusing relentlessly on improving our services and on really *'putting our patients at the heart of everything we do.'*

A Bright Future

I am proud that people often talk about the sense of 'friendliness and caring' at our trust and this praise is down to the dedication and commitment of our staff and volunteers. They make this a very special place to work.

On behalf of the board of governors and board of directors, I would like to extend my personal thanks and recognition to those at the heart of this excellent performance – our staff and volunteers, whose talents, enthusiasm and commitment to providing the very best standards of customer and patient care are greatly appreciated.

Our future as a foundation trust is bright indeed – I look forward to the coming year with confidence.

Tracy Doucét
CHAIRMAN **Date: 9 June 2008**

2. Director's report

The trust was authorised to operate as an NHS foundation trust on the 1 February 2007, and so this annual report provides a review of our first full year as an NHS foundation trust.

Board of directors

During the year the following people acted as either executive directors or non executive directors of the trust:

Brian Meakin – chairman (until 1 April 2008)
Sheilah Andrews – non executive director (until 31 January 2008)
Dawn George – non executive director (until 31 January 2008)
David Leah – non executive director
Stephen Pearson – non executive director
Peter Harris – non executive director, vice chairman and senior independent director
Tracy Doucet – non executive director (chairman from 2 April 2008)
Bonnie Jones – non executive director
David Heathcote – non executive director

Jeffrey Worrall – chief executive
Carolyn White – executive nurse director
Mike Mowbray – executive medical director
Sandra Rollett – executive director of human resources (until 20 March 2008)
Bill Gregory – executive director of finance – (until 31 May 2007)
Elaine Konieczny – acting executive director of finance (1 June 2007 to 31 July 2007)
Lee Bond – executive director of finance (from 1 August 2007)
Jane Warder – executive director of strategy and improvement – (from 1 June 2007)

Details of the directors who were on the board of director's on the 31 March 2008 are provided in section 6 of the annual report.

Principal activities of the trust in 2007/08

During 2007/08 the trust continued to provide comprehensive district general hospital (DGH) services and services for elderly people throughout central Nottinghamshire at three hospital sites - King's Mill Hospital (561 beds), Newark Hospital (102 beds), and Mansfield Community Hospital (112 acute beds). We previously provided inpatient services for elderly people at Ashfield Community Hospital, but this service was withdrawn during the year as part of a planned reconfiguration of services.

We continued to serve a population of around 350,000 people, drawn mainly from the local District Councils of Ashfield, Mansfield and Newark & Sherwood, together with areas of the North East Derbyshire, Amber Valley, and Bolsover District Councils, and other surrounding District Council Areas in Nottinghamshire.

We also continued to put our values into practice for the benefit of people who rely on our clinical services – our patients - and the people who work with us to maintain our high service standards - our staff.

Business review of the trust in 2007/08

The trust enjoyed a further successful year. At the end of the financial year, we recorded a financial surplus over and above that planned; we achieved the majority of our access and workload targets; and we continued to recruit and retain staff. We received a number of positive endorsements from external independent agencies and continued to act in partnership with other agencies in the local health community.

The membership of the trust continued to grow, and became increasingly representative.

The operating and financial review (OFR) in section 4, provides further details of our achievements as well as the levels of performance that we achieved in financial, access and quality terms.

The board of directors was regularly updated on the risks facing the trust during the year through its assurance framework, and the aspects of performance that did not entirely meet the board's expectations were highlighted. These included the less than expected reduction in the number of MRSA bacteraemias recorded by the trust during the year, and the slight deterioration in performance against the A&E 4 hour waiting target in the final quarter of the year. The board of directors considered action plans for these and other areas of risk and will continue to monitor performance and drive improvements in 2008/09.

While section 4 confirms that the trust did not meet its activity plans for 2007/08, the board of directors received assurance that demand for its services was increasing as rates of external referrals for services, especially for services at Newark Hospital continued to increase. Despite not achieving the anticipated levels of activity, the trust successfully met the 18 week wait milestones in 2007/08.

The trust's longer term financial plan includes a number of activity assumptions that were developed and agreed as the basis of the business case for the MAS development and associated PFI agreement. While the 2007/08 activity plans were not achieved, the board of directors considered the reasons for this and remains confident that demand for our services is increasing and that the growth assumptions included in our financial model remain realistic.

The trust continued to work in partnership with a number of organisations and individuals during the year, in particular the Nottinghamshire County PCT its chief commissioner, Central Nottinghamshire Hospitals plc (CNH plc) and its sub-contractors, our staff, volunteers and other voluntary groups including the League of Friends, Daffodils, Newark Hospital volunteers, practice based commissioners and other voluntary organisations.

The trust remained conscious of the need to protect the environment and amongst other actions, agreed to invest in state of the art heat transfer technology in partnership with CNH plc. Details of this scheme are provided within the operating and financial review, but this provides an excellent example of the trust's commitment to sustainability.

The board of directors, through its human resources sub committee, and board of governors focused on a number of employment issues during the year and policies and procedures designed to ensure that the working lives of staff were as constructive and enjoyable as possible were introduced. The OFR provides excellent examples of these initiatives.

The board of directors routinely considers key aspects of the trust's performance at its monthly meetings, using a range of performance indicators. These include financial indicators, access and workload indicators, workforce indicators and clinical governance indicators. Further details of the performance indicators used during the year are provided in the OFR.

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

Highlights of 2007/8

On behalf of the board of directors I would also like to record what I consider to be the highlights of the year.

- Meeting targets:

- Improving safety and clinical outcomes for patients.
- achieving the majority of our waiting time and access targets;
- achieving a financial surplus at the end of 2007/08 and ensuring continued financial stability for the trust;.

We were also able to remain at the leading edge of a number of local and national initiatives, especially in the field of information technology (IMT) – the continuing successful implementation of Choose and Book, the extended use of the VOCERA communication system and the implementation of a range of other innovative and imaginative IMT solutions designed to improve the work of staff across the trust, were excellent examples of our continuing success.

- Developing the MAS Project - witnessing the continuing progress of the modernisation of our hospital to become one of the most up to date hospitals in the country, and developing new ways of working in preparation.

  The principal focus of the MAS project in 2007/08 was the commissioning of the King's Treatment Centre (KTC) which became operational in June 2008 following months of preparation. Significant progress was also made with the creation of the first two 'towers' that will provide inpatient accommodation in late 2008/09.

- Progressing MRSA reductions – While we were unable to meet the agreed reduction target, we did reduce the number of MRSA bacteraemias recorded at our hospitals in the year by 18.2% when compared to 2006/07.The board of directors also recognised that reducing the incidence of MRSA bacteraemia and other infections was one of the highest priorities for the board of directors, and a significant amount of work was undertaken during the year to improve our performance, including the implementation of a deep clean programme in the final three months of the year. The deep clean programme will continue into 2008/09 to ensure that we continue in our fight against infection.

- Developing more services at Newark Hospital – during the year we completed a major refurbishment of Newark hospital and completed plans to develop a genitourinary medical service at the hospital. We initiated a breast care service and made a number of service improvements that will benefit the users of the hospital. These include a new foam sclerotherapy service, as well as extended maternity services and gynaecological services. The board of directors was particularly pleased that the rate of referrals for services at Newark Hospital increased dramatically during the year, reflecting the work that has been done to highlight the level of services now available.

- Attracting excellent new clinical staff to work at our hospitals - people who see the prospect of helping us develop our new facilities and of being around when the new hospital starts operating as good reasons for choosing us as their employer. The success of the MAS scheme will rely on securing sufficient staff with the right skills and experience at the right time.

- Increasing our membership and increasing the level of engagement – At the end of March 2008 we had over 13,486 public members as well as over 4000 staff members and 317 'affiliate' members. During 2007/08 we arranged a number of successful member events and held our first constituency meetings where our public governors were able to meet public members first hand and find out their views of the trust and how they wish to see our services develop.

- Introducing new management arrangements across the trust following the principles of service line reporting, and ensuring that more clinical staff are involved in the management of the trust and its future development.

- Ensuring that the quality of our services remains high and that these attract independent endorsement. In January 2008, our maternity services received an 'excellent' rating from the Healthcare Commission following a comprehensive review of trusts across England. We were highlighted as one of only two trusts in the region to have achieved the highest rating of 'best performing' when compared to other trusts in the country. A number of our services received accreditation during the year, - pathology, angioplasty and our endoscopy service all were accredited by the relevant external agency.

Looking Towards the Future

While 2007/08 has been a largely successful year for the trust, the directors acknowledge that we must continue to review our performance and develop to remain successful – achieving foundation trust status and developing the MAS project have given us a once in a lifetime opportunity to make a significant contribution to the health of our population and to increase the level of community involvement.

The board of directors has itself witnessed a number of changes during the year and we welcomed Bonnie Jones and David Heathcote as two new non executive directors in February 2008, and Lee Bond (August 2007), Jane Warder (June 2007) and Karen Fisher (April 2008) as executive directors.

We are looking forward with enthusiasm to the challenges that 2008/09 will bring and as such we are committed to:

- Continuing the development of models of care and treatment that will need to be in place in the medium and long-term future as part of the MAS scheme, especially relating to the KTC and inpatient wards.

- Maximising the benefits from the new management structure that we introduced during 2007/08.

- Working with our key stakeholders – local people, staff and other partnership agencies to develop to meet their needs and aspirations.

Jeffrey Worrall
Chief Executive **Date: 9 June 2008**
On behalf of the board of directors

3. Background Information

Sherwood Forest Hospitals NHS foundation trust was founded in February 2007, under the Health and Social Care (Community Health Standards) Act 2003.

Before being authorised as an NHS foundation trust, the trust was known as the Sherwood Forest Hospitals NHS trust, which was founded in April 2001.

Our principal aim is to be:

"A hospitals trust committed to providing the best possible patient care for the people of our local communities."

Our values are to:

- Provide the best possible patient care, based on evidence and in a culture that encourages continuous improvement.
- Listen and understand what patients have to say, and encourage their involvement in decisions about their care.
- Provide a clean, healthy and welcoming hospital environment for patients, visitors and staff.
- Improve the patient's experience of care at the hospitals, respecting their privacy and preserving their dignity.
- Have open and honest communications between staff and with patients.
- Recognise the contribution of staff by developing and supporting them to do their jobs better, and involving them in decision-making.
- Provide high quality services through working in partnership.

The board of directors initiated a consultation process with members in the Autumn of 2007 to seek their views of what is important to them and what they felt were our strengths.

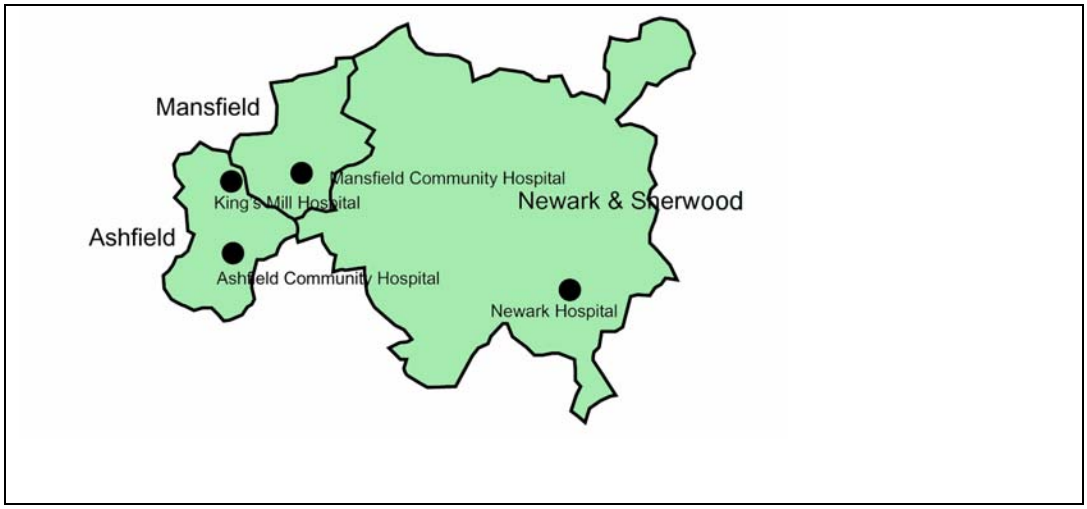
The outcome of this consultation process is being used to prepare a set of promises for patients and staff that more closely describes the way we work and which our staff and local population can understand and identify with.

We want our local hospitals to be the ‘hospitals of choice’ for the residents of our local communities, and to be the place where local people choose to work.

We want to ensure that local people have more say in how our services are provided – an aim that we think will be best achieved as a Foundation Trust.

We want our values and trust promises to confirm these objectives in a succinct and meaningful way.

Our Local Communities



Although the majority of our patients live within Central Nottinghamshire, approximately 14% of patients come from other areas, particularly North East Derbyshire and the Amber Valley within Southern Derbyshire, and increasingly Lincolnshire.

The area varies considerably in terms of urbanisation, deprivation and population concentration, with the main hubs of population in the west, focused around the towns of Mansfield and Sutton in Ashfield and to the east the main centre of population is Newark.

Much of the area is rural, particularly towards Newark, and the higher levels of urbanisation seen in and around Sutton in Ashfield and Mansfield are matched by increased levels of deprivation and health need.

All three areas have a greater proportion of older people within their population than the England average, and the population as a whole is expected to continue to increase by a slightly higher rate than nationally.

The areas served by our trust have comparatively low indices of socio-economic measurement, with high levels of respiratory problems and other causes of chronic illness and long term disability, mainly resulting from the industrial past, especially the coal mining industry. The local area also has high levels of obesity, smoking, falls, and teenage pregnancy.

The overall impact of this local socio-economic context is higher than average hospitalisation rates, especially levels of emergency admissions, and this high level of health need has been reflected in the organisation's future activity modelling.

With regard to our workforce, the majority of our non-medical staff is drawn from the Central Nottinghamshire area, and so the local labour market is a very significant factor in our workforce development plans.

The communities of Mansfield and Ashfield have particularly low levels of educational attainment, and given the fact that most of the organisation's workforce is drawn locally, this could represent a risk to our future workforce development requirements.

The importance of this issue is reflected in our strategic objectives and we are taking a number of steps to manage this risk, working in partnership with local education providers.

The NHS locally

There are a number of factors and trends that, combined with the new health policy agenda, will have implications for us and our role in providing acute healthcare within the Central Nottinghamshire health community.

Clinical networks and the local sustainability of smaller specialties

We continue to participate in formal clinical networks and also in more informal partnerships with other providers, in order to ensure that the range and scope of services provided by smaller specialties is sustainable in the future. These include the Mid Trent Cancer Network, the Cardiac Network, (to be East Midlands wide from April 2008), and the Nottinghamshire Pathology Network.

In addition, we have strengthened joint services with the Nottingham tertiary providers including Haematology, Dermatology, ENT, Histopathology and a Joint Breast Service.

We have also developed partnership arrangements for on-call provision in a number of specialties in order to maintain local service provision and effectively manage the reductions in working hours required.

As a foundation trust we have strengthened our involvement in local Clinical Networks, and during the year we have been able to review our Inter-Trust Agreements (ITAs) covering those services that we provide and receive from other trusts.

Changing Primary and Community Care

Changes in clinical practice are enabling care that has traditionally been provided in acute hospitals to be provided in the community, and we are working with our local Primary Care Trust (PCT), and in particular practice based commissioners. There is increasing clinical engagement and leadership in this to support these developments.

Our plans for the future include assumptions regarding the impact of these changes including the transfer of some routine outpatient work, admission avoidance and earlier discharge from hospital.

Other changes are likely to lead to an increased range of services closer to home for patients, some being provided by the trust and some being provided by other healthcare providers, competing with us for some of our assessment, diagnosis and treatment services. Whilst reductions in outpatient activity and minor surgery have been built into our delivery plan to compensate for these developments, more significant shifts than have currently been anticipated have been incorporated into our scenario modelling and risk management planning.

Plurality and Choice

The development of a wider range of alternative providers of hospital services locally and the associated choices for patients provides opportunity and poses a potential threat to our delivery plans.

Our development plans include adjustments to take account of local commissioners' pre-committed levels of independent sector activity, but we have not incorporated any additional reduction in activity into our plans as a result of patients choosing alternative providers, but we have considered these issues in our modeling and risk management plans.

Our Services

We provide comprehensive district general hospital (DGH) services and services for elderly people throughout Central Nottinghamshire at three hospital sites - King's Mill Hospital (561 beds), Newark Hospital (102 beds), and Mansfield Community Hospital (112 acute beds). We previously provided inpatient services for elderly people at Ashfield Community Hospital, but this service was withdrawn during the year as part of a planned reconfiguration of services.

We are also planning to transfer services from Mansfield Community Hospital in Spring 2009.

While our medium to long-term aim is to continue to be regarded as the 'hospitals of choice' for our immediate catchment area, we are also committed to encouraging local residents who currently seek treatment at other hospitals to start using our services routinely.

Our current financial model for the next 10 years, as well as the MAS Business Case, assumes that both areas of demand will increase, and we are currently taking steps to ensure that our aims are fulfilled.

At the end of 2007/08, we had an income of around £190m and employed over 4,000 staff. We also received support for our volunteers, who currently number around 600.

Modernising Acute Services (MAS)

The Modernisation of Acute Services (MAS) project is a £320m private finance initiative (PFI) that we are leading in partnership with Nottinghamshire County Teaching PCT. The scheme is centred on the redevelopment of King's Mill and Mansfield Community Hospitals, and with a programme of service modernisation that will realise a number of benefits for the local community including:

- Shorter waiting times for hospital treatment
- Improved access to healthcare and fewer visits to hospital
- Reduced lengths of stay in hospital and care delivered closer to home
- Improved quality of care, based upon the latest national guidance
- More pleasant and welcoming hospital environments
- A major boost to the regeneration of local economies
- Assistance in the prevention of ill health
- Reduced levels of pollution

The scheme involves the provision and enhancement of a wide range of clinical and non-clinical services including, but not restricted to, all Women's and Children's services, Emergency Care, Diagnostic Imaging, Outpatients, Theatres and Adult Inpatients, taking the opportunity to group some of these within three new clinical care centres:

- The King's Treatment Centre - Diagnosis and Treatment Centre
- Emergency Care Assessment Centre
- Women and Children's Centre

In addition, the positioning of the new accommodation will enable the creation of a single group of buildings to replace the fragmented layout of the existing estate creating a single unified hospital.

We achieved financial close on the scheme at the end of October 2005 and the completion date of the project remains as 2011/12. The capacity within the scheme, and the configuration of facilities and services provided, have all been developed within the context outlined above and are fully incorporated into our delivery plan.

The PFI is of 30 years duration and details of the financial aspects of the scheme are included in the trust's accounts.

Our PFI Partner, Skanska Innisfree, is recognised as a leader within the construction industry in sustainable development and is committed to improving the environmental, social and economic benefits of all of its projects.

A sustainability plan for the MAS project has been developed by Skanska Innisfree, and this highlights the approach being taken against the following key aspects of the project.

- Design
- Energy
- Water management
- Transport
- Construction
- Waste management
- Pollution

During 2007/08 and in collaboration with our PFI Partner, we installed state of the art heat transfer technology at King's Mill Hospital. This uses the geothermal properties of the adjacent King's Mill reservoir to achieve reductions in the energy use at the hospital and to assist us in meeting our carbon dioxide emission reduction targets.

This is an excellent example of the trust working in partnership to increase energy efficiency and protect the local environment.

King's Mill Hospital

King's Mill Hospital provides Medical, Surgical, Paediatric, Obstetric and Gynaecological services from a range of settings including general wards, an Accident and Emergency department, a Critical Care Unit, a new Day Case Unit, and a Neonatal Intensive Care Unit. We have a state of the art Ophthalmology unit with its own dedicated operating theatre, and an Angiography Laboratory.

We also have Oncology and Endoscopy day care beds, and a full range of diagnostic and support services on the site.

The hospital is undergoing major refurbishment as part of the £320m MAS Project.

Newark Hospital

Newark Hospital provides services from mainly modern accommodation, with two operating theatres and 101 beds in four wards. There is a wide range of general hospital services including General Medicine and Care of the Elderly, General Surgery including Trauma and Orthopaedics, Gynaecology, Urology, Ophthalmics, and a small accident and emergency unit. A Women's Assessment and Treatment Centre – the Sherwood Unit - was opened in early 2006, a Minor Operations Suite was opened in late 2006, and diagnostic and support services are provided, including a new CT Suite.

A Treatment Centre is also being developed at the hospital to improve the organisation of planned care services, increase capacity and the range of services provided locally and a new Genito-Urinary Medical service is planned for 2008/09.

Newark Clinical Development Strategy

We have continued to review and develop services at Newark Hospital in accordance with an agreed clinical development strategy that was initiated in 2001. This has lead both to the provision of new services and to greater integration with King's Mill Hospital.

Mansfield Community Hospital

Mansfield Community Hospital is currently managed by Nottinghamshire County Teaching PCT, and we provide health care of the elderly services from four wards with 96 beds. These services are supported by a small x-ray unit, pharmacy and therapy services.

The hospital is also undergoing major refurbishment as part of the £320m MAS project and we expect to transfer inpatient services to King's Mill Hospital during 2008/09 as part of our planned reconfiguration of these services.

4. Operating & Financial Review

Our Performance in 2007/08

The board of directors routinely considers key aspects of the Trust's performance at its monthly meetings.

The key monitoring documents are;

- Monthly corporate performance management reports (CPMR) - which include both cumulative and monthly descriptions of performance, with a focus on finance, access, and workforce. A summary of our performance is published each month;

- Monthly clinical governance reports (CGR) - which include both cumulative and monthly descriptions of performance, with a focus on quality, including complaints handling, patient advice and liaison service and patient and public involvement, infection rates and patient safety. A summary of our performance is published each month;

- Quarterly annual plan implementation reports - which highlight the achievement of key developmental milestones;

- Quarterly assurance framework update reports - which detail the key risks to the achievement of the annual plan objectives and the controls and assurances in place to manage these risks.

- Other regular reports on key aspects of the trust's operation – for example, quarterly connecting for health reports, and monthly reports on infection control.

Together, these reports provide the board of directors with an excellent overview of our performance during the year.

A summary report on our performance is provided on a monthly basis to our governors, and this is complemented with regular reports on performance at general meetings of the board of governors.

The monthly CPMRs and CGRs contain a number of key performance indicators (KPIs) against which our performance is monitored by the board of directors. During 2007/08, we reviewed the content of our performance management process to ensure that the directors continued to receive relevant and timely information with which to monitor performance.

A brief description of the main KPIs and our performance against these is provided below.

i) Meeting targets

Performance Target	***Threshold***	***Achievement at 31/03/08***
Maximum waiting time of 31 days from diagnosis to treatment for all cancers	98%	March available from 10 May, Feb = 100%
Maximum waiting time of 62 days from urgent referral to treatment for all cancers	95%	March available from 10 May, Feb = 99%
Maximum waiting time of 6 months for inpatients	99.97%	100%
Maximum waiting time of 13 weeks outpatients	99.97%	100%
MRSA year-on-year reduction (to fit trajectory for the year – usually a 40% reduction from baseline)	Target 24 cases by 31/03/08	36
18-week maximum wait ***Pathways where patients are admitted for hospital treatment*** ***Pathways that do not end in admission***	 85% 90%	 86% 90%
Sexual Health – 48 hour access to Access to Genito Urinary Medical (GUM) clinics (appointments offered within 48 hours).	100%	100%
Implementation of choice and booking – convenience and choice – elective (inpatient and daycase) and outpatient booking	100%	100%
Maximum waiting time of 4 hours in Accident and Emergency (A&E) from arrival to admission, transfer, or discharge	98%	98%
All patients with operations cancelled for non-clinical reasons to be offered another binding date within 28 days	95%	100%
People suffering heart attack to receive thrombolysis within 60 minutes of call	68%	78%
Maximum waiting time of 3 months for revascularisation	99%	N/A
Maximum waiting time of 2 weeks from urgent GP referral to first outpatient appointment for all urgent suspect cancer referrals	98%	99%
Maximum waiting time of 2 weeks for rapid access pain clinics	98%	100%
Minimising delayed transfers of care by 2008	No more than 3.5%	0.11%

ii) Treating patients

Category of Service	***2007/08 Target***	***Actual at 31/03/08***	***2006/07 Actual***
Elective inpatients & Day Cases	35,774	34,021	35,468
Non-elective inpatients	39,060	36,933	38,439
New Outpatients (excluding GUM)	67,762	69,167	64,384
Accident and Emergency	109,892	104,049	108,296

iii) Managing our Finances

We again faced a challenging year financially during 2007/08, and the summary financial statements included within section 7 of this annual report provide further detail on our performance at the end of March 2008.

Despite the challenges we faced, we were once again able to meet all of our financial duties, including the achievement of our planned EBITDA (earnings before interest, tax, depreciation and amortisation) one of the key Monitor performance measures, and achieved a retained surplus of £3,629,0000.

One of the key actions that we took during the year was to introduce an improved process for the development and monitoring of our productivity improvement programme (PIP). A number of ambitious schemes were identified and progress against the targets for each scheme was monitored by the board of directors. While performance against the PIP was adversely affected by the lower levels of planned activity in 2007/08, the progress against the PIP was largely successful with 90% of the target being achieved.

The board of directors remains confident that demand for services remains strong, and the contract for 2008/09 is already in place with our main purchasers.

The board of directors also recognises that a number of new services will be coming 'on stream' during 2008/09 through our PFI scheme and that the affordability of these will remain one of the main areas of attention. The trust will need to meet the objectives of its original financial plan to ensure continuing financial strength.

During 2007/08, the trust successfully implemented a new management structure using the principles of service line reporting. The finance directorate was instrumental in ensuring that the financial reporting mechanisms supporting this radical change were effective and during the year service line income and expenditure accounts were introduced.

During the year, the trust appointed a new auditor with KPMG being appointed from November 2007, following a process of competitive tendering. The auditor's fees at the end of 2007/08 were £61k and so far the trust has not engaged KPMG in non-audit work.

During the year, we agreed in consultation with our main commissioner, Nottinghamshire County PCT, to adopt the new standard contract from the 1 April 2008, a year ahead of schedule. While this contract includes penalties for under performance, the Trust is confident that it can manage and mitigate this risk.

With regard to Capital, while the trust was unable to fully invest the planned level of capital during 2007/08, we did invest over £6.4m in a range of schemes and purchases. These included:

Scheme	***Level of Investment***
Medical equipment across the trust, including • Lasers • Operating tables (4) • Cardio respiratory equip • Ophthalmic camera • Cardiac monitoring Newark • Critical care beds • Endoscopy information technology	 £135,000 £150,000 £72,000 £67,000 £96,000 £70,000 £68,000 £1.1m (in total)

Newark Hospital (including car parking upgrade and ward changes)	£150,000
Trust wide – Information, Management Technology (IM&T)	£1.1m
Autoclaves	£300,000
Equipment ordered for the opening of the King's Treatment Centre – • automated pharmacy dispenser • radiology equipment	 £506,000 £1.2m

Our accounting policies for pensions and other retirement benefits are set out in note 1.16 (page 9) to the accounts and details of senior employees' remuneration can be found in page 77 of the remuneration report.

iv) Valuing our staff

In seeking continual improvement to the services we provide to our patients the trust has implemented a number of change programmes during 2007/08.

The introduction of new operational management arrangements involves clinicians in service management, thus driving improvements required to deliver long term sustainability. The review of structures has been completed in partnership with staff side representatives and has led to the creation of three new divisions:

- Emergency Care and Medicine
- Planned Care and Surgery
- Clinical Support Services

In recognising the value of our workforce, the trust has undertaken a number of initiatives designed to improve the working lives of our staff.

Our staff continue to benefit from the provision of high quality occupational health and staff counselling services and the trust employees a manual handling co-ordinator and a health & safety manager to promote good practice. These services foster employee well-being and improved patient experiences. In addition we have a significant range of staff benefits including a 96 place on-site nursery at King's Mill Hospital, which also offers holiday care for children under the age of eight. The staff support & benefits co-ordinator has developed a range of non-pay benefits designed to promote and support employee well-being. Particular focus is given to supporting employees with a childcare and/or care commitment, those preparing to become parents and those preparing to retire. Initiatives implemented to date include:

- salary sacrifice schemes, two of which help to reduce the cost of childcare;
- local discounts including holiday clubs, day nurseries, opticians, local gyms and fitness centres and high street stores; and
- aerobics sessions on-site at King's Mill Hospital.

The trust completes an annual staff survey to identify how our staff view working within the trust. The 2007 survey results show that 75% of staff were using flexible working options, placing the trust in the top 20% of acute trusts in England, these include staff working on term time working and annualised hours.

Overall results from the national 2007 staff survey were largely positive, with improvements being made in a number of areas. For example the percentage of staff working longer hours than those for which they have been contracted has dropped by 10% since last year's survey. However, we recognise that there is scope to do more to improve the working lives of staff and the trust continues to review information from a

variety of sources in order to identify areas of good practice, which can be built upon and areas of weakness to be addressed. Work in 2008/09 on staff premises will reflect this.

The 2007 staff survey results and those of the previous year, identified that there was a need to reduce the number of incidents of harassment, bullying, abuse and violence to staff. In response the trust created a post to lead training for handling violence and aggression, and an appointment was made in early 2007/08. It is believed that the quality of training and support now being offered to staff will see an improvement in this area and this will be evidenced by a reduction in the number of incidents, and staff feeling better able to manage and de-escalate situations. Feedback from staff who have attended the training has been very positive.

The trust has continued to provide an extensive programme of training and development opportunities during 2007/08. We continue to provide twice-monthly compulsory orientation days for all new starters, with Junior Doctors on rotation receiving their own tailored programmes in August and February. A programme of mandatory manager updates has been introduced and this has been supplemented by a series of management seminars covering a range of topics aimed to inform and support managers across the trust.

We continue to hold Investors in People status and the 2007 staff survey results showed that we were above average for acute trusts in England with regard to:

- the percentage of staff appraised within the last 12 months;
- the percentage of staff receiving job-relevant training within the last 12 months; and
- the percentage of staff receiving health and safety training within the last 12 months.

We have also been greatly encouraged by our ability to attract and retain high quality clinical staff, and during 2007/08 we successfully recruited to a number of long-standing vacancies in key clinical areas.

During 2007/08, the board of directors received reports from its diversity and inclusivity working group and its staff well-being group. These reports highlighted the policy and procedural work instigated across the trust and outlined a number of new initiatives designed to improve the working lives of staff.

Examples of such initiatives include the musculo-skeletal and the stress management programmes, both of which are designed to enable staff to access intervention and treatment at an early stage, whilst facilitating line managers to better identify and support staff who are experiencing difficulties in these areas.
These programmes help staff to effectively understand and manage their conditions/symptoms, thereby reducing periods of sickness absence, which in turn positively impacts on the workload of colleagues and on service delivery.

Once again, the board of directors was able to say a big ‘Thank You’ to many staff at our annual staff excellence awards’ ceremony, which was held in September 2007. While the ceremony provides the opportunity to celebrate our successes and share good practice, we recognise that we would not be able to meet the increasing demands placed upon our services without the loyalty, dedication, commitment and hard work of all staff at the trust. Consequently, we were pleased to launch our ‘Milestone Awards’ marking 5, 10, 15, 20 and 25 years of service with the trust.

v) Making Experiences Count - learning from complaints

In our Annual Report for 2006/07, we were able to highlight the continuous improvements that we had achieved in our complaints handling performance.

The trust received 395 formal complaints in 2007/08, compared with 352 in 2006/07.

The main performance targets for receiving and responding to complaints are:

- providing an acknowledgement of a formal complaint within 2 working days; and
- providing a substantive response from the chief executive within 25 working days.

During 2007/08, 100% of complaints received by the trust were acknowledged within 2 working days and 82% of complaints received a substantive response from the chief executive within 25 working days, compared to 87% in 2006/07. This is a level of performance that we are keen to maintain.

The reasons for complaints being answered outside the national target included the unavailability of key staff, and the complexity of the complaint. When we were not able to respond within the target, we consulted with the complainant and kept them informed of progress.

The vast majority of complaints were resolved by the Trust locally, with only 6% requiring a second substantive response (compared with 9% in 2006/07). As in previous years we used a number of ways to deal with complaints at the local resolution stage, including meetings with complainants involving senior clinical and managerial staff, both at the trust and at complainants' homes and inviting complainants to meet and discuss their concerns with staff.

Having listened to complainants we were able to make improvements to our services during the year, for example:

- Working practices on a Ward were reviewed to enable more effective monitoring of patients.

- Additional training was arranged for consultant medical staff on the trust's Choose and Book process.

- The system for arranging medications between pharmacy and Welcome Treatment Centre were reviewed, to improve efficiency.

- The timing of routine patient observations was reviewed by a Ward leader.

- A modern matron reinforced with staff the importance of effective communication for patients attending for a sleep study.

- The system for taking blood within the pregnancy day care unit was reviewed by a nurse manager.

The national complaints handling process enables complainants who remain unhappy with their response to seek an independent review. Since July 2004, the Healthcare Commission has taken responsibility for the independent review stage of the national complaints procedure.

During 2007/08, we were informed of 8 requests for independent review that were received by the Healthcare Commission relating to complaints handled by the trust.

The Healthcare Commission has considered 3 of these requests. 2 requests were not accepted as the Healthcare Commission considered that we had taken appropriate action to resolve the complaint. We have acted on the recommendations made on the third case.

5 requests remain under consideration by the Healthcare Commission and the outcome of these requests is awaited.

We are proud of the improvements that we have made in responding to complaints and in using complaints in a positive way and we achieve a consistent improvement in response times, again illustrating the successful partnership that has been established between our operational divisions and our complaints' handling team.

Patient Advice and Liaison Service (PALS)

This year was a busy year for our patient advice and liaison service (PALS). During the year, PALS received a total of 2721 enquiries, an increase of 23% compared to 2006/07 and equates to 227 enquiries per month.

Of these enquiries:

- 46% related to issues with communication
- 23% related to issues with appointments or waiting times
- 11% related to issues with procedures
- 3% related to praise for care and treatment received
- 17% related to other categories of enquiries including clinical issues, environmental issues and the attitude and behaviour of staff.

Of the 1250 communication issues, 67% were requests for information and 18% were concerns with information received by patients and visitors.

There were 301 procedure issues of which 27% related to patient transport and 21% related to car parking.

During this year PALS was instrumental in assisting patients with the relocation of services due to the building work at King's Mill Hospital and refurbishment of areas at Newark Hospital.

The aim of encouraging PALS enquiries is to improve services for patients across the trust, and the following provide some good examples of improvements that have been made:

- An enquiry relating to incorrect contact details given on a support leaflet resulted in the leaflet being amended.

- An enquiry resulted in a correction to visitor information for the day case unit being issued.

- Several enquiries resulted in corrections to patient appointment letters.

- Several enquiries resulted in improvements to signage across both sites.

- Wheelchair access across both sites has been improved following kerb alterations.

- A ward staff information board was implemented to raise awareness of the needs of a specific patients group.

During March 2008, the PALS team led the introduction of the patient experience trackers (PETS). The PALS team coordinated, supported and trained a team of hospital volunteers to capture our patients' experiences from over 400 patients at both King's Mill Hospital and Newark sites. The information gathered has assisted with a number of immediate service improvements.

Clinical Governance

Good Clinical Governance - making sure our clinical services meet high standards - continued to be one of our key focuses during the year.

In practice good clinical governance means:

- maintaining a focus on continuous, demonstrable improvement in the quality of the patient experience and improvement in health care outcomes;
- ensuring that clinical governance principles of quality and patient safety together with their processes and systems are embedded throughout the organisation;
- ensuring the implementation of the national quality imperatives such as national patient safety agency (NPSA) reporting, national institute for clinical excellence (NICE) guidance, and other national best practice guidance;
- operating effective risk management processes and accounting for clinical governance.

The trust monitors its performance on clinical governance against the Healthcare Commission's standards for better health. The Standards are grouped under the following areas:

- Safety
- Clinical and cost effectiveness
- Governance
- Patient focus
- Accessible and responsive care
- Care environment and amenities
- Public health.

The following sections provide an overview of this work and how we work to achieve national standards of clinical governance.

Safety

- The trust achieved accreditation with the NHS litigation authority risk management scheme at Level 1. Our policies meet national standards for a wide range of patient safety related work such as incident reporting and learning, staff induction and training, resuscitation and blood transfusion best practice.

Clinical and cost effectiveness

- ***National standards and guidance***
  The trust's maternity services were reviewed by the independent Healthcare Commission. We received a favourable report and were one of only two trusts in the East Midlands with the highest rating of "Best Performing". Our endoscopy, pathology and planned angioplasty services all received accreditation for their services for meeting nationally recognised standards.

- ***Professional updating for clinical staff*** – We recognise the importance of ensuring that clinical staff are up to date in their clinical practice and provided a wide range of opportunities for professional updating and development. We have an active in-house training department that offers a wide range of training courses and professional development opportunities, including annual mandatory professional

update days for clinical staff and professional development days focussing on single clinical issues.

- ***Improving standards of clinical care*** – We use a number of data collection systems to provide evidence of improvements. Data on mortality rates, readmission rates and lengths of stay showed that our performance is in-line with national averages. Clinical staff also participated in clinical audits to measure performance against recommended standards of care. During 2007/08, we strengthened our reporting processes to ensure that we record the changes identified in audit work, that lead to improved outcomes for patients.

Governance

- ***Risk management –*** We continued to develop our systematic approach to risk management, with divisions holding risk registers that inform our register of high risks. The clinical risk board has reviewed these risks and monitored action plans to reduce risk levels.

- ***Research governance -*** We continued to be research active and were compliant in reporting research activity to the national research register. We further strengthened our research governance arrangements according to the research governance framework for health and social care, which sets out standards, responsibilities and monitoring arrangements for all research.

Patient Focus

The Healthcare Commission conducted a planned visit to the trust in 2007 to review privacy and dignity in respect of care for older patients. Overall the Commission was satisfied that the trust provided a good level of care for older patients. As part of the Commission's review it made a number of minor recommendations primarily related to nutrition. The recommendations formed an action plan for improvements in this area and these have been achieved in year.

Accessible and Responsive Care

The length of time that a patient waits for hospital treatment is an important quality issue and is a visible and public indicator of the efficiency of our services. This year, we made significant progress on a number of key national waiting time targets.

- All patients with a suspected cancer, referred to hospital by their GP, were seen by a hospital specialist within 14 days of the GP referral.

- More than 95% of patients with a diagnosed cancer were treated within 62 days of their GP referral.

- The trust and Nottinghamshire County Teaching PCT received a visit from the national sexual health support team to review the measures we are taking to meet national access targets for the genitourinary medicine (GUM) service. The team concluded that we have a very good GUM service and made a small number of recommendations to improve it further still.

Care Environment and Amenities

The trust's facilities are undergoing major transformation as part of the MAS scheme. In the interim the trust is working hard to maintain high standards of cleanliness and to provide appropriate environments for patients to access and to receive quality care. As part of the 'deep clean' programme all wards have undergone a thorough chlorine clean

and we have replaced almost all bedside lockers, chairs, commodes, curtains and mattresses across the trust.

Public Health

We continued to work closely with health and social care partners in central Nottinghamshire. Planning, commissioning and service improvement structures have changed over the last year to further support joint planning, service improvement and delivery, and to ensure that operational issues which arise between organisations are effectively addressed.

Working within this structure, we have developed and improved a wide range of integrated services including:

- Joint working with the local primary care trusts and social services on the Jonah project to safely reduce patient length of stay.
- Children and young people's services including dietetics, drug and alcohol liaison, psychology services and sexual health.
- Mental health liaison within A&E.

The trust also began to establish effective partnership working with Practice Based Commissioning colleagues, particularly with High Point Health, (representing 29 practices in Mansfield and Ashfield), and Newark and Sherwood, (19 practices). Work has established to improve care pathways and provide care closer to home were applicable.

5. Putting Our Values into Practice

- ***Provide the best possible patient care, based on evidence and in a culture that encourages continuous improvement.***

Best performing maternity services

The trust's maternity services have been rated as excellent by the independent Healthcare Commission in the most comprehensive national study ever undertaken.

We are one of only two trusts in the East Midlands with the highest rating of "best performing" compared to other organisations around the country.

The detailed review gathered information on clinical practice within, and efficiency and capability of, the maternity services at 148 trusts.

It also sought the views of over 26,000 mothers who gave birth across the country in February 2007. The women completed a comprehensive questionnaire to rate their care from the time when they first accessed maternity services to their sign-off by the midwife – up to 28 days after the birth.

Performance was measured in 25 different areas including staffing levels, numbers of midwives and consultants, the mothers' own views about the state of delivery suites and standards of care, and the welfare of mothers and babies.

The review revealed that the trust has strong processes and practices in place to ensure maternity services are safe and effective and, that women are well-informed, counselled and supported.

In particular it highlighted the trust's high percentage of natural births, having one of the lowest caesarean section rates in the country at just 15%. Our home birth rate of 6% is also way above the national average.

It commended the trust for its excellent performance in giving women choice about their birthing options, involving them in decision-making about their care and ensuring that they see the same midwife throughout their pregnancy.

The trust gained the highest score possible for staffing levels and was also praised for:

- Good infant feeding support
- Postnatal care of women and babies
- The extent that staff are trained in core maternity skills
- High percentage of women attending antenatal classes
- Quality of support in caring for babies after discharge

Newark Breast Services

Plans were drawn up for a brand new facility to be created within Newark Hospital's Sherwood Women's Centre. It is intended that the unit will provide routine breast screening for local women over the age of 50 years and will have full disabled access.

Previously this service was provided on an intermittent basis by a mobile screening unit.

The brand new state-of-the-art £250,000 digital screening ultrasound machine required for the scanning service is being partly funded through donations as part of a major fund-raising campaign by the trust, which is kindly supported by the Newark Mayor, Councillor Bryan Richardson.

An outpatient clinic for post-surgery follow-up appointments commenced at the hospital in July 2007 and is held twice monthly on Thursday afternoons. A counselling service and prosthesis fitting service is also being provided.

The new breast services are led by full-time consultant breast surgeon, Mr Ali Jahan, supported by breast care nurses.

Electronic maternity records

Revolutionary electronic maternity records are enabling midwives at the trust to provide an even better service for local mums-to-be.

King's Mill voluntary services made a generous donation of over £23,000 to partially fund the 60 remote working laptops required by the midwives to run the new system, which is one of the first of its kind in the country to be accessed remotely using GPRS mobile technology.

It enables community midwives to access a client's secure electronic records, and type in new information, from any location – including a client's house. It is a web-based system so is completely secure, with no data actually held on the laptops themselves.

The records are also accessed and updated by consultants and staff at the trust's antenatal clinic, pregnancy day care, early pregnancy unit, and Sherwood birthing unit. This ensures that all trust staff involved in a client's care have instant access to the very latest accurate up-to-date information about that person wherever they are.

The system is used to record details of every contact a client has with the trust during her pregnancy – including all telephone calls, all home visits by community midwives and all of the client's admissions or visits to hospital.

In addition to improving quality of care, client safety and efficiency is also increased by the new electronic records.

The reduction in administrative time and duplication of handwritten notes enables midwives to spend more quality time talking to clients during visits.

The new system was designed exclusively for maternity services at the trust by the Nottinghamshire health informatics service in conjunction with the trust's Women & Children's Division.

Healthcare Commission Report

A hospital watchdog praised the trust's services in its annual 2007 ratings.
The Healthcare Commission said the trust provided patients with "good" quality services and managed its resources, including finances, in an "excellent" way.
This was a major improvement on the previous year's rating, when the Commission said that the trust's resource management was "good".
In its report, the Commission said:
"Based on our assessment, Sherwood Forest Hospitals NHS foundation trust continued to provide a good quality of service to patients. During the same period, this trust was excellent at managing its finances."
The trust "fully met" its core standards of looking after patients, showing it is strong at promoting, protecting and demonstrably improving the health of the community it serves.

Trust chief executive Jeffrey Worrall welcomed the report: "We work hard to provide the best possible care for the communities we serve, and special thanks go from me to our staff for doing such an excellent job. A big key to our success is that we listen to local people – patients, staff and volunteers – and actively encourage them in taking part in improving what we do. Everyone takes pride in our hospitals, and this is reflected in the quality of our services and the recognition we get for them."

RAPA – Medical Futures Innovation

The trust fought off stiff competition to win the best oncology service innovation category in the 2007 Medical Futures Innovation Awards.

The prestigious award was presented to the trust for inventing a pioneering new system called 'RAPA' – recurring admission patient alerts – which has improved efficiency of treatment for known cancer patients and reduced their length of stay in hospital.

RAPA is a computerised system for ensuring that when a known cancer patient presents at accident & emergency (A&E), the acute medical unit or the surgical assessment unit, they are automatically directed to the most appropriate place under the care of the most appropriate clinical team to manage their symptoms. This will be the team who has previously looked after that particular patient and so is fully aware of their history.

All clinical team members who have previously cared for a patient are immediately notified by an email alert if their patient is re-admitted. Each known cancer patient is also assigned a clinical nurse specialist as their 'key worker', who carries a hand-held device to access their email so is not reliant upon being sat at a PC to receive the email alert.

Trust chief executive Jeffrey Worrall said: "We're absolutely delighted to win this award, which provides recognition of our efforts to continually improve the quality of care for cancer patients. It shows how a very simple idea can make such a huge impact on patients and I commend all the staff who have pioneered the RAPA service.

Providing patients with the most appropriate treatment at the earliest possible opportunity, administered by clinicians they know and trust, ensures the best possible care. The challenge now is to further develop this already excellent service."

The best oncology service innovation category was one of four categories in the Oncology Innovation Awards section, which attracted more than 700 entries. The prize was £1,000 from Medical Futures, which will be reinvested in further developing RAPA.

Major benefits of the service include:

- Avoiding the need for patients to explain their medical history on arrival at A&E;
- Reducing the length of stay in hospital for known cancer patients, making their treatment more efficient and releasing beds for other patients (a specific reduction in unplanned lung patient length of stay from 8 to 6 days, and bowel patients from 9.5 to 5 days was recorded during the test period);
- Enabling some patients to be met and given symptom control at the rapid access clinic, thereby avoiding unnecessary admittance;
- Clinical nurse specialists and key workers being able to ensure that clinic appointments are kept or cancelled, as they are aware of the patient being admitted, which avoids non-attendance and frees up clinic slots for other patients.

A total of 335 RAPA alerts were received during the test period, which ran from 23 August 2006 to 18 February 2007.

Initial tests focussed on four main cancer groups, but the system is now being rolled-out to cover all cancer patients at the trust due to its overwhelming success.

The roll-out will also enable the trust to gain a better understanding of why patients are re-admitted and identify if anything can be done within the primary care setting to avoid this. Potentially RAPA could also be used with other types of patients too.

- ***Listen and understand what patients have to say, and encourage their involvement in decisions about their care.***

PRG help develop Choose & Book web

Patient reference groups (PRGs) from King's Mill and Newark hospitals have been working closely with the national Choose and Book team in recent months to help improve the public website used to make hospital appointments.

An invitation was received from the clinical lead business manager of the NHS Connecting for Health Choose and Book programme to participate in the project to review the Choose and Book website for patients wishing to book their appointment on-line rather than through a call centre.

Several enjoyable and informative meetings were held at the PRG venues, including presentations and hands-on workshops, with all patients feeling able to express their views and knowing that their input was valued.

Patients reported feeling much better informed and more aware.

Various aspects of the website were reviewed including; usability, screen layout, content, process flows and accessibility aids.

All the feedback and suggestions were examined in detail before the groups actually went on to meet with website designers from the USA and view live demonstrations of the new screen designs incorporating their ideas.

The designers were able to learn directly from the patients, who helped clarify the design improvements required.

Peter Appleton, clinical lead business manager, said: “The active involvement of the PRGs directly supported a major redesign of the website and has resulted in significant user improvements. Their enthusiasm and quality of ideas was fantastic.”

Outpatient Pharmacy survey

As part of the preparations for the new pharmacy dispensary, which is due to open in Summer 2008, a survey of King’s Mill Hospital’s existing pharmacy outpatient dispensary was carried out in 2007.

Results showed that 94.4% of patients were satisfied with the dispensing service and also revealed that the busiest time of day was between 3pm - 5.15pm. In addition to the dispensary being well-signed and easy to find, 75.6% of patients did not have to queue to hand over their prescription.

93 patients took part in the survey and 86 of those felt that a reasonable time to wait for their prescription to be dispensed at quiet times was 10 minutes, with 88 people feeling that 20 minutes was reasonable at busy times.

The survey revealed that on the day the average wait was 20 minutes, with one person waiting 75 minutes, and another waiting only 2 minutes. 97.8% of patients were asked if they were taking other medicines and 77% were offered advice or information about medicines prescribed.

During the survey, various comments were noted, including:

- There was a need for a more private place when discussing matters of a personal nature.
- The service could be improved by not closing over the lunch hour;
- Staff were described as very helpful and friendly, welcoming and professional.

The survey concluded that dissatisfaction was linked to patient privacy and opening times rather than the turnaround time for dispensing their drugs, though the trust still aims to improve this further in the new dispensary. We are using the results of the survey to improve our service.

Caption: Senior Pharmacy Technician Rosie Roberts gives advice to a patient.

Our NHS Our Future - 60th Anniversary

The NHS celebrates its 60th anniversary in 2008 and at the same time is undertaking a major review of the kind of healthcare people want for the 21st century.
Health minister Lord Darzi is leading a process to examine what should be improved, changed and maintained during the next 10 years.
It is about creating an NHS with services that keep up with the changing demands and expectations of patients.
Local people and staff became involved across Nottinghamshire and a series of events were held between October – December 2007.
The NHS project is focusing on:

- Acute care;
- Long-term conditions;
- Maternity and newborn care;
- Mental health;
- Children;
- Planned care;
- End of life care;
- Staying healthy;

The project follows Lord Darzi's review of healthcare in London, in which he stated that services should be focused on the individual's needs and choices, with patients feeling in control of their care and able to make choices.

He also said that routine healthcare should take place as close to home as possible, with more complex care being centralised to ensure that it is carried out by the most skilled professionals with the most cutting-edge equipment. Better communication and co-operation was needed; between the community and the hospital, between urgent and planned care and between health and social care.
Lastly, Lord Darzi said healthcare should be intelligently commissioned to tackle health inequalities. Preventative and outreach work should focus on the most deprived populations and new services should be located in the areas of greatest need.
Patients should have more information to make choices about their care and this should be accessible to all.

Clinicians across the trust have been working together on the review, with staff and a public consultation planned for spring 2008.

The review will be looking at:
• Levels of satisfaction with health services in Nottinghamshire;
• Priorities for change – everything from public transport provision reaching services, shortening hospital waiting times and getting an appointment with your GP when you need one, to getting the most effective treatment and drugs, cleanliness and provision of services close to home;
• Who should be tackling big problems like obesity, smoking and binge drinking;
• What works particularly well, or badly, in local health services;
• Ways of helping clinicians and staff to improve NHS patient care.

- ***Provide a clean, healthy and welcoming hospital environment for patients visitors and staff***

Geothermal MAS

The £4m eco-friendly project that will help to halve King's Mill Hospital's carbon footprint, and save the NHS over £120,000 in fuel bills each year, reached a crucial stage in January 2008 when seven huge radiators were sunk into King's Mill Reservoir.
The radiators are connected to the hospital by large-bore pipes running under the A38.
The biggest geothermal scheme in Europe will provide:

- the entire air conditioning requirements of the hospital every summer, making it much more comfortable when the weather's hot
- over 40% of the energy for heating the hospital in the winter
- a reduction in the hospital's carbon footprint of 400 tonnes a year (it currently produces 2,400 tonnes of carbon a year)
- a saving of 9,600MWh of gas and electricity a year
- the equivalent in pollution reduction that would be achieved if 600 cars were taken off the road

It will also exceed the Government's requirement that all NHS trusts make 15% energy savings by 2010 by saving an impressive 19%.

The technology works by pumping water in a sealed system, to avoid polluting the reservoir, through pipes to a series of radiators sunk at the outflow-end of the reservoir. This water is cooled to around 12 degrees Celsius by the natural water temperature at that depth, and then pumped back to the hospital.

In summer, this chilled water will be used to run the air conditioning system, and in winter to help heat the hospital (water coming in from the mains is typically only a couple of degrees Celsius in winter).

Plans are in place for the system to be up and running by June 2008.

Trees, shrubs and greenery will be replaced, so that the only environmental impact on the reservoir will be a visual one: the siting of a small, low, maintenance building.
It will have no impact on any of the reservoir's users, which include the local sailing club, anglers, wildlife and canoeists.

More than half of the £4m costs are being met by a Government grant.

John Williams, project director for the £320m rebuild of King's Mill Hospital, who is managing the geothermal scheme, said: "We are a major health organisation and the biggest employer in the area, and with that comes a major responsibility for minimising our impact on the environment."

"This project will make life much more comfortable for our staff and patients, reduce our carbon footprint and save the NHS money."

Be a Star – Medirest

Medirest, the trust's provider of soft facilities management services, (including portering, catering and housekeeping services), introduced an employee recognition programme called Be a Star.

The scheme operates on a very simple basis that everyone can be a star and that anyone can recognise colleagues when they experience or see examples of special and exceptional contribution at work.

Anita Chapman, housekeeping supervisor at King's Mill Hospital, was the proud winner of September's 'Be A Star'.

Anita was nominated by her line manager, patient services coordinator Rose Clowes, and the domestic team leader, Paula Kelby.

Rose felt Anita's contribution to the housekeeping service, through implementing new systems and suggesting service efficiencies, made her a deserving winner of the award. Paula commented that Anita is always on hand to make people laugh, and will help anybody with anything – the true sign of a team player.

Caption: Rose Clowes, Paula Kelby, Anita Chapman and Jenny Higgins

A Ward Winning Team

Caring for the ward environment

Achieving high standards of cleanliness and customer service has seen the critical care unit scoop a new award.

The trust has joined forces with Medirest to launch a recognition scheme for domestic staff working at King's Mill Hospital, Newark Hospitals, and Mansfield Community Hospital.

Teams are judged on:

- Cleanliness/audit results
- Customer satisfaction
- Customer service

- Operational excellence

The monthly awards are judged and presented by the Medirest management team, the trust's chief executive Jeffrey Worrall and executive nursing director Carolyn White.

Winning teams are presented with a certificate to display on their ward or department and a trophy to keep for one month.

Staff are also invited along to the Spice of Life Restaurant to enjoy coffee and a cake.

Jenny Higgins, medirest general manager, praised the winners of the first award for:
- Maintaining a high standard of cleanliness;
- Being self-motivated and supporting each other;
- Having a diplomatic approach.

She said the domestic team on the critical care unit was a well-established team led by Sue Rate and Mick Holland.

The dynamics of the team had been complemented by the addition of Glen Harrison while Elaine Thompson ensured consistency was maintained over the weekends.

Jenny said: "Working on this ward and in this environment must be hard at times and the feedback we've had is that the domestic team always ensure they do not intrude on the patient or their families.

"They are diplomatic in their approach and adjust their working schedules to suit. This is further enhanced by the support received from Andrew Tinsley and his team who ensure that good communication aids the smooth running of domestic services in this area. The Infection Control team have also been very supportive, giving clear guidance to the team to ensure standards are maintained. This was particularly well demonstrated during the recent steam clean carried out on the whole department."

Caption: Pictured receiving the award from Jenny Higgins (left), Carolyn White (centre) and Jeffrey Worrall (right) are domestic staff Mick Holland, Sue Rate, Glen Harrison, Elaine Thompson, Mandy Wright and Jean Parkin.

Cleanyourhands campaign

Campaign posters have been displayed on all wards and departments across the trust, featuring a hard-hitting bold design to convey the serious message behind the campaign.

The first two years of the campaign saw a steady and encouraging improvement in hand hygiene, but the year three message was to step up the pressure for action now.

The black and white images of real hands with the hard-hitting facts communicate the importance and a sense of urgency.

Hand hygiene is a simple but effective tool to reduce the spread of infections.

The design for the new posters was a result from an extensive research by the national patient safety agency (NPSA), which incorporated interviews with NHS staff and visual audits of a number of hospitals.

The research found that:
- Staff wanted a harder hitting campaign
- Materials to be clear why staff should clean their hands, as well as when and where
- Materials to be able to stand out in the hospital environment
- Location of alcohol hand rub dispensers should be highlighted

Hands Up!

The CLEAN YOUR HANDS campaign is in its 3rd year now and all is going well, but there are always improvements that can be made.

To work alongside this initiative the trust has been running an in-house campaign to make people more aware of hand hygiene and promote the use of alcohol gel around the hospital.

One of the people behind this campaign is medical photographer Wendy Case. Working alongside senior nurse, infection control Elaine Overton and executive nurse director Carolyn White, Wendy researched and designed a floor graphic to be placed directly on the floor of every ward entrance asking everyone to use the alcohol gel.

It was initially piloted on the entrance to ward 7 at King's Mill Hospital and, with funding from the Department of Health, and is now being rolled-out to all ward entrances. Wendy has helped to co-ordinate this as part of her thesis project for her final year for her BSc in Medical Illustration degree.

The next stage of the campaign will involve placing banner stands, posters and 3D visuals around outpatient areas to further increase awareness of the risks of not using alcohol gel.

Caption: Wendy shows off her graphic

£1.2m deep clean first in war against infections

The biggest ever deep clean of wards and clinical areas at King's Mill and Newark Hospitals has taken place as part of a national campaign launched by Prime Minister Gordon Brown.

The trust was the first in the East Midlands to take part in the project, with the backing of the Department of Health and chief nursing officer Christine Beasley.

The £1.2m clean involved steam cleaning and disinfecting all walls, ceilings, fittings, equipment and ventilation shafts.

Every ward is cleaned from top to bottom, with staff endeavouring to keep disruption to patients and visitors to a minimum.

The trust has invested heavily to improve each patient bed space, including the use of disposable curtains, new chairs, lockers, mattresses and commodes.

Staff on every ward were trained in steam cleaning.

A new 24 hour cleaning team is to be introduced, ensuring that patient areas are spotless out of hours as well as during the working day.

Modern matrons carry out weekly spot-checks to ensure standards of cleanliness remain excellent throughout, together with a programme of continuous audits.

The deep clean, which started in mid-December 2007 included Mansfield Community Hospital.

Modern matron Yvonne Simpson said: "This was the biggest ever clean of our hospitals, and we were proud to be the first in the East Midlands to take up the challenge. We are routinely checked for cleanliness and always score highly, but there's always room for improvement. This deep clean gave us an extra boost and ensures we are doing the absolute best for the entire community." From 1st April 2008 we have introduced an antibacterial wash for all inpatients.

- ***Improve the patient's experience of care at the hospitals, respecting their privacy and preserving their dignity.***

  New admissions bay cuts untimely waits

  A new admissions bay has been created on Ward 11 at King's Mill Hospital, providing patients with a comfortable, efficient place to receive same day assessment and care prior to their operation.

  The new service was introduced to improve the service and reduce the trust's percentage (60%) of joint replacement patients being admitted the day before surgery. The concept was borne out of a visit to York Hospital, which introduced a similar facility a year ago.

  A six-bed ward bay has been converted to create this facility, which consists of five chairs and one bed. It is staffed by a registered nurse from the existing nursing team from 7am Monday to Friday and the benefits for patients include no longer being admitted onto the ward unnecessarily the day before surgery, and having a guaranteed private and equipped area for admission and pre-operative assessment.

  It also means that patients no longer have untimely waits in dayrooms for a bed to become available. Patients have a dedicated nurse responsible for their admission and preparation for theatre.

  Following surgery, patients are transferred to a bed in the main area of the ward. The introduction of the admissions ward has resulted in a significant reduction in the number of patients being admitted on the day before surgery. For example in March 2008 nearly 90% of patients were admitted on the day of surgery with only 10% the day before.

  Caption:

  Officially opening the admissions bay are (L-R) Tracey Corcoran-Wall, nurse manager, Emergency and Planned Surgery; Patient Heather Mycroft (seated); Katie Harvey,

deputy ward Leader, Ward 11; Sue Banner, matron, Trauma and Orthopaedics; and Sush Kulkarni, consultant orthopaedic surgeon.

Improving Newark's Haematology Service

Major improvements have been implemented by Newark Hospital's Haematology service during the year.

Anticoagulation Service

This is a service for patients requiring warfarin – a blood thinning medication to improve circulation and prevent the formation of clots.

Patients requiring warfarin may include those suffering from atrial fibrillation (abnormal heart rhythm), deep vein thrombosis or people who have had heart valve surgery.

The anticoagulation team consists of bio-medical scientists, a haematology nurse specialist, lead consultant, and a team of phlebotomists.

The team, which is now nurse-led, meets on a monthly basis to review the service, discuss any clinical issues and consider service improvements. Previously, when it was consultant-led, the numbers attending the main clinic on a Wednesday morning could be upwards of 125 people, which resulted in long waiting times for patients.

Time available for counselling and supporting new patients was extremely limited and it was altogether a pressured environment for both patients and staff.

The Anticoagulation Team designed improvements to the service and implemented many changes:

There is now a Tuesday teleclinic – a clinic conducted by telephone - which operates a "no waiting" system for stable patients.

An answer phone facility is planned for all warfarin patients to use for information and assistance running from 10am-4pm weekdays.

Patients have been delighted with the new clinic, resulting in shorter waiting times, less impact on their daily lives, reduced parking fees and a generally easier and quicker service.

The knock-on effect of less patients at Wednesday's anticoagulation clinic has resulted in shorter waiting times there, and more time available for staff to provide clinical advice and support to new patients.

There is more time to speak to patients who are experiencing problems or who are in the midst of the induction process, and better continuity for both patients and staff.

Other changes made include improvements to standard letters, which have been computerised to reduce clerical time and improve communication with GPs.

Routine blood tests for new patients now taken in Eastwood day hospital when patients come to view the warfarin information video, thereby enabling staff to see the test results before commencing warfarin.

Small clinics still run on Monday afternoons and Friday mornings for unstable patients.

Haematology

This is a service for patients suffering from diseases of the blood or organs involved in making blood.

Monday afternoon haematology clinics used to be enormous and would often run late into the evening.

It was decided to introduce the haematology teleclinic (conducted by telephone) to Newark Hospital, already successfully implemented at King's Mill Hospital.

Blood request forms are posted to patients for them to take to their surgery on a Wednesday. Blood results are then reviewed on a Friday and staff then telephone the patients to discuss any problems.

A letter is sent to the patient confirming the test results, with a prescription if required, new blood test request forms and their next appointment time.

This dramatically reduces previous considerable waiting times for patients and has far less impact on their daily lives.

Infirm patients no longer have to struggle to attend the hospital, which in turn reduces transport costs.

Patients have continuity and build a satisfying and therapeutic relationship with staff as they get to know one another.

Photo Captions:

Newark Haematology 1

Members of the Newark Haematology Team, from left to right, Sue Williams – Phlebotomist, Dawn Muers - Haematology Nurse Specialist, Ellie Howell - Medical Laboratory Assistant, Joyce Tutt - HCA Outpatient Department, Tracey Hopewell - HCA Outpatient Department, Christine Holt - Bio-medical Scientist, Dr Tim Moorby - Consultant Haematologist, Margaret Morton – Phlebotomist.

Pioneering acute care practitioners at Newark

A brand new hybrid role at Newark Hospital is thought to be the first of its kind and is attracting interest from hospitals across the country.
Acute care practitioners (ACPs) are a cross between hospital at night and critical care outreach.

This unique role has been created by Newark staff to supplement existing staffing and provide additional advanced airway and critical care expertise.
A 24-hour Accident & Emergency department operates at Newark and critically ill patients are admitted onto the wards but, as with any hospital, patients are at their most vulnerable during the out of hours period when there are fewer staff around and no on-site anaesthetist.
Four staff took up the new ACP role during the autumn – Mick Coppin, Neil Jordan, Vincent Hannington and Simon Parkes.

Three have come with extensive theatre experience with backgrounds as operating department practitioners and one with A&E and ITU nursing experience.
All work 12-hour night shifts Monday to Friday and provide 24-hour cover at weekends and bank holidays.

The introduction of the role was warmly welcomed by ward staff and medical staff alike.

Already in the first few months there has been a big improvement noted in the care of medical emergencies.

Careful assessment and monitoring is needed to ensure that patients who can be safely cared for at Newark are not unnecessarily transferred, but those who need the facilities and expertise of King's Mill are identified quickly and moved safely.
About 15% of the 30,000 patients treated by Newark Hospital's A&E department each year are critically ill.

Once these patients are stabilised, ACPs will now travel with them during transfers to King's Mill instead of a casualty doctor.

In addition to their work in A&E, the practitioners can be found on the wards monitoring patients who are in for routine operations but are at risk of developing more serious conditions, such as breathing difficulties.

Out-of-hours "point of care testing" has also recently been introduced for haematology and clinical chemistry, with ACPs undertaking the majority of the analysis.
Following a very involved project led by Dr Robert Hill, Dr Elisabeth Logan, Mr Chris Sleight, Mr Andrew Barnes and the pathology staff, this major change has been introduced remarkably smoothly.

However this is just the start, as the role is planned to evolve and grow to encompass more training, audit and advanced clinical skills.

Photo Caption: Simon Parkes – one of Newark's pioneering acute care practitioners

PETs have arrived at King's Mill and Newark Hospitals

The trust has invested in patient experience trackers (PETs), state-of-the-art electronic hand held survey devices that hold five questions and are given to patients to record their feedback.

Information is sent via GPRS to a central area and a report is generated, and then returned to the department.

The PETs were used with over 800 people in outpatient settings at King's Mill and Newark hospitals for four weeks during March 2008. The results are in the form of easy to understand pie charts being displayed in these areas.

Volunteers were recruited to support the patients and the trust process. They collected comments and suggestions from people, which sometimes led to instant service improvements.

The next phase of implementation will be to survey every service over the coming year, which will enable staff and services to really understand the patient experience and monitor improvements.

Tracy Brassington, PALS and voluntary services manager, said: "Volunteers have been very enthusiastic to support this. They are crucial to the success of using the PETs; they are a dedicated team of people and a valuable resource to the trust."

Caption: (back L-R) Tracy, Ann and Sally look on as Sylvia and Malcolm try out a PET.

Point of Care Testing introduced

The trust has invested in “point of care” testing at Newark Hospital to improve the out-of-hours pathology service and enhance patient care.

A wide range of blood tests can now be performed on patients using hi-tech portable hand-held equipment operated by non-laboratory personnel. High quality results are immediately displayed on the equipment itself and plans are in place to deliver the results to the laboratory computer for archiving purposes.

Providing rapid results at the place they are needed enables doctors to change a patient’s management or treatment quickly - giving the fastest possible response time in delivering care. The tests provided by this new service include blood counts, tests of kidney function and blood oxygen.

Point of care testing carried out on a patient presenting at A&E with chest pain could, in some circumstances, immediately confirm if they were actually having a heart attack. The five devices can be found in Newark’s A&E department and on the medical wards. They are currently used during the out-of-hours period.

Nursing staff and Newark’s new acute care practitioners have been trained in the use of this latest technology, which is already proving invaluable.

A&E staff no longer need to call in a laboratory scientist from home each time a test is required.

Photo Caption: A&E leader/emergency nurse practitioner Sue Sterling and ACP Neil Jordan are pictured using the new point of care testing equipment at Newark Hospital’s A&E department.

- ***Have open and honest communications between staff and with patients.***

Newark Hospital open day

More than 400 visitors through the doors made Newark Hospital’s open day in September its busiest ever.

Opened by Newark Mayor and Mayoress Bryan and Penelope Richardson, it gave local people the chance to talk with staff, tour the departments and view interactive displays and demonstrations.

Staff and representatives from the trust’s board of governors signed up many visitors on their recruitment stand, while meet and greet volunteers took the public on site tours of clinical areas, including theatres, A&E, the radiography department, the CT scanner unit, and the Sherwood Women’s Centre.

Eastwood day hospital hosted the podiatry and occupational therapy team and the pharmacy display.

Visitors were given an exclusive opportunity to find out about new service developments at the hospital including breast services on site, and the planned introduction of a genitourinary medicine clinic to provide a general sexual health service for the local community and the expansion of drug and alcohol services.

Resuscitation techniques were demonstrated in a cardiac arrest situation and hoards of children queued up for plaster casts to be applied.

Newly appointed acute care practitioners provided a display outlining their role and theatre tours also gave visitors a chance to see the various instruments used in surgery.

The infection control team offered advice and guidance, using a glow and tell machine to demonstrate correct hand-washing techniques.

The endoscopy team demonstrated equipment used and explained procedures performed in its unit.

Patient administration services offered information relating to patient choice, the computerised GP booking system and current waiting time targets.

The pre-operative assessment team performed blood pressure checks and measured visitors' body mass indexes.

Displays and demonstrations were also provided by the chaplaincy department, voluntary services, and about Jonah, Genesis and Vocera.

The Newark Hospital League of Friends ran a tombola and organised a raffle towards the further development of the cardiorespiratory department.

The event was also supported by Newark Fire Service, local community police, East Midlands Ambulance Service, Nottinghamshire Education Business Alliance and the Voluntary Transport Scheme.

Caption: A&E leader/emergency nurse practitioner Sister Sue Sterling applies a plaster cast on open day visitor Charlotte Millie Smith.

King's Mill Health Fair

King's Mill Hospital invited the public to take a look behind the scenes at their health fair in September.

Visitors flocked to talk with staff, tour the new state-of-the-art pathology laboratory, view the MAS mock-up building and see a range of health information stands, interactive displays and demonstrations.

Meet and greet volunteers welcomed members to the event, while trust governors explained the benefits of becoming a member, and managed to recruit over 50 new members on the day.

The tours around the pathology laboratory were a huge success, where visitors were able to follow the process of blood sample analysis from arrival at the lab to result reporting.

The Infection Control team was on hand to offer advice and guidance, using the Glow and Tell machine to demonstrate correct hand-washing techniques.

Visitors also got an exclusive preview of the MAS mock-up building, which houses exact replicas of some of the rooms and facilities that will be provided in the new £320m King's Mill super-hospital.

Children were kept amused in the mock-up children's ward, where they could discover more about play and school activities, meet the "Care Bear" and bring their favourite teddy/doll for a health check.

The pre-operation assessment team carried out blood pressure checks and also measured visitors' body mass indexes.

The PCT provided advice on smoking cessation, and offered smokers the opportunity to measure the amount of carbon monoxide in their lungs by blowing into a tube.

The radiography department offered visitors a rare opportunity to view the new CT scanner and find out how it works.

Visitors were queuing up to watch exciting trauma roleplays enacted by the A&E department, followed by a reconstruction of an orthopaedic operation.

Choose and Book demonstrations were provided to help people better understand the electronic booking system with a choice of place, date and time for first outpatient appointments.

Displays and demonstrations were also provided on midwifery services, men's health, Patient Advice and Liaison Service (PALS), voluntary services, pharmacy, NHS Careers, Vocera, League of Hospital Friends, pathology, genitourinary medicine and the ever popular "hook a duck" to keep the children amused.

The annual members' meeting also took place on the day, attracting public members of the trust to find out more about the achievements of 2006/7.

Caption 1:Children bring along their favourite teddy for a health check

Caption 2: Visitors have a go on the glow and tell machine with the Infection Control Team

Caption 3: Geoff Stafford, public governor for Mansfield has his blood pressure taken

Caption 4: Exciting trauma roleplays by our A&E staff had the audience gripped

Patient information panel

The patient information panel (PIP) was established by the trust in 2007 as an independent assessment panel for information leaflets that are provided for patients, carers and visitors. The trust's healthcare professionals prepare the leaflets, with patients.

The PIP aims to raise the standards of written information for the people who use the trust's services and for their carers. It is made up of members of the public and staff and is run and chaired by patients for patients.

Anyone can join the panel to help provide valuable expertise. Members do not have to review every leaflet, but can select the information they wish to receive, either general or condition specific information, or both.

The panel also requires members who have gone through a particular procedure or operation to check that the information in the letters or leaflets is appropriate. They may wish to add some information that is vital to patients. Members of the panel contribute in various ways: by attending monthly meetings, by post or email or any combination of all of these.

Members indicate which area they would like to be involved in when joining the Patient Information Panel. Meetings are held monthly and alternately at King's Mill and Newark Hospitals and last approximately two hours.

Photo: The Patient Information Panel

- ***Recognise the contribution of staff by developing and supporting them to do their jobs better, and involving them in decision-making***.

Investing in our greatest asset

The trust has been accredited as an Investor in People (IIP) for over seven years, but more recently the IIP standard has been revised and enhanced, which means retaining it is much more demanding.

However, it also means that retaining IIP ensures higher standards within the trust, particularly around how staff are managed and supported.

To take full advantage of these changes and the resulting benefits, the trust's external IIP assessor has been working with a number of staff who have received accredited training as internal reviewers.

Periodically the external assessor and internal reviewers conduct confidential interviews with a random selection of staff, asking for their views on how the standard is applied within their area.

This means that what is happening across the trust can be assessed against the IIP standard on an ongoing basis, not just before formal re-assessments every three years. Short reports on the findings of these interviews are written and used to support the re-accreditation process.

A summary of the information collected is also passed to the relevant divisions to enable them to constantly monitor and maintain good practice in managing their staff.
The trust is required to provide evidence for a formal three-year re-assessment against the IIP Standard in June 2008.

To help collect evidence of good practice for this reassessment, another round of interviews with staff took place in October 2007, with more planned for the spring.
The interviews were carried out by the trust's internal reviewers and external assessor.

Investor in People is not just about maintaining an existing standard but using the assessment process to constantly seek to improve.

Top awards for excellent staff

The winners of the trust's fifth Staff Excellence Awards were announced in September, along with the Chris McFarlane Training Award and the Chairman's Special Award.
Many outstanding teams and individuals submitted entries from across the trust sites.
The first place winner of each category received £300 prize money and a presentation shield, with trophies and certificates presented to all runners-up.

Employee of the Year
Sponsored by Bevan Brittan

Winner: Mr Ranjan Chowdhary – Acting Consultant A&E, Newark
Since Mr Chowdhary moved to Newark Hospital A&E he has worked hard to raise the department's profile and improve the skills of the staff.
He has almost eradicated staff sickness, with the department now demonstrating one of the best attendance records for the trust.
To achieve this he developed a model for managing absence that is now being shared as best practice across the trust.
He has established regular training sessions for the whole team, which has resulted in improved teamwork and outcomes for patients.
This may be seen as his job, but it is quite evident that Mr Chowdhary goes the extra mile.

Mr Chowdhary is an accomplished artist and has donated pieces of his own art work to the department to brighten the waiting room area and to quote the nursing staff “was found one weekend in his stocking feet stood on a trolley painting cartoon characters in a mural on the wall of the children’s examination room”.
In addition, Mr Chowdhary has worked hard to raise the profile of the department and the hospital in the local community.
Mr Chowdhary said: “I am thrilled to be nominated for this coveted award and it has reinforced my commitment to provide an ideal service to the patients attending Newark’s A&E department.”

Photo caption: Employee of the Year Mr Ranjan Chowdhary

Employee of the Year second place: Maria Curtis, midwife/modern matron: “I felt very honoured to have been nominated for this award.
I work within an excellent team and that the support and commitment I receive needs to be equally acknowledged - I thank everyone for that.”

Employee of the Year third place: Carl Miller, radiographer: “I felt both surprised and honoured to be considered for the nomination and to be short listed was an even greater shock.
The whole Radiology team is committed to ensuring that we provide the best possible service and I hope the recognition of these efforts through the award will continue to nurture that commitment.”

Team of the Year
Sponsored by Medirest

Joint winners: Theatre Department and Theatre Recovery Nursing Team
There have been many recent changes in the Theatre Department to increase

productivity.

Extra theatre sessions have been introduced without any extra funding towards the establishment, prompting a review of workforce and many roles being changed.
Staff have accepted a number of off-duty changes and stay behind on duty if operations are not going to plan.
They are constantly reviewing ways by which the theatres can be more productive and are constantly reviewing products to encourage savings.
The safety and comfort of patients is paramount to this team.

The Recovery Nursing Team has been established since the late 1980’s and has developed from small beginnings to a large established cohesive team of dedicated nurses specialising in caring for post-operative patients.
The team prides itself on the delivery of high standards of nursing care to all patients that undergo an operation or receive treatment in the operating department, many of whom can be critically ill.
The team responds quickly and adapts to changing service needs with a minimum of fuss and disruption.
Changes introduced have included the use of Vocera communication devices, sending for patients earlier, giving patients a choice of how to be transferred to theatres, a criteria drawn up so day case patients can be collected by healthcare workers, and the escorting of patients back to the surgical wards by the Recovery Team, which has drastically reduced the waiting time for patients in recovery, freeing up space for the next patient.
These changes have not only brought benefits to the efficiency of the Operating Theatre Department, but have reduced the ward nurse workload and improved patients’ journeys to and from theatres.

Denise Guzdz, department leader/modern matron theatres said: “I am so very proud of Theatres and Recovery for receiving the Staff Excellence Award. Everything we have achieved has been done by working as a team, we could not have done it had we not shared the same vision - the vision being to improve the patient’s experience whilst in our care and improve theatre utilisation.
“The methods of improvement were generated by the whole department including medical staff, and were taken forward with the impetus of the Theatre Efficiency Group, with changes in practice implemented by all levels of staff.
“I would like to commend all of the staff for their continued hard work, dedication and motivation. Well done to everyone.”

Photo caption: Team of the Year – Theatre Department and Theatre Recovery Nursing Team

Team of the Year second place: The Cancer Management Team: “It was great for the Cancer Management Team to be recognised for their contribution to improving cancer services within the Trust.” The trust consistently achieves all it’s cancer targets and receives national accolades, like the recent one for RAPA.

Team of the Year third place: RIS, (Radiology Information System), and PACS, (Picture Archiving and Communication System), Implementation Team: “Being nominated for the best team award was an honour, and then to be runner-up in such outstanding company was testimony not only to the hard work put in by members of the PACS team but also to the excellent work being done by groups across the trust in order to improve the care we provide to our patients.”

Improvement of the Year
Sponsored by Central Notts Hospitals Plc

Winner: The Orthotics Department

The Orthotics Department has gone from a paper-based system to a fully computerised, choose and book service within a year.
In the same year, they started a payment by results system for the service - the only Orthotics Department in the country with this system in use.
The benefits are that they can now offer direct access to the service for any clinician/GP in the Nottingham/Lincolnshire/Derbyshire area and the trust is paid for these services by the GP/PCT.
This gives fast, direct patient access to the service, which could only be accessed through a hospital consultant a year ago.
Their working practices have changed completely over the past year and it is only due to having a small dedicated team and proactive management that they have been able to achieve so much in such a short time.
Ultimately, the patient will benefit from a fast, easy access service and the hospital outpatient departments will benefit from a reduction in inappropriate referrals.
“We were thrilled to be awarded Improvement of The Year at the Staff Excellence Award ceremony as we genuinely did not expect to win.”
“We have been through a lot of changes in a short period of time and it is very rewarding to be recognised for our efforts.
“We felt as though we had won the lottery and it has really lifted our spirits. The whole evening was a very enjoyable event.”

Improvement of the Year second place: Endoscopy Booking Team: “We were really pleased to receive our award. It is nice to be recognised for the joint effort from waiting list staff on both sites and for all the hard work we do on a daily basis.” The booking team in Endoscopy were particularly praised by the national team that came to review Endoscopy this year.

Improvement of the Year joint third place: Cardiorespiratory Department: “It is gratifying to know that all our hard work and dedication is recognised, not just within the Cardiorespiratory and Vascular Department, but across the trust as a whole".

Improvement of the Year joint third place: Medical Equipment Management Department, (MEMD): “We were delighted that the infusion store established by MEMD was recognised via the staff excellence award.
“We set up the store on a shoe-string with no additional funding and staff have absorbed this work on top of all their other responsibilities.
“It has been a wonderful team effort and I would like to thank everyone in MEMD for their hard work.”

Chairman’s Special Award

This award was presented by the chairman for an outstanding, unpaid, dedicated contribution to the trust.

Winner: Newark CT Helpers

These volunteers always have a smile on their faces, never grumble, and do whatever is asked of them to ensure the smooth running of the department.
Their communication with the patients, putting them at ease, is second to none and “regulars” look forward to seeing them again.
Helping patients, collecting case notes from the wards, keeping the room clean and tidy, preparing barium solution and coaxing patients into drinking it are all some of the many duties they perform to the highest standard.
“It was a lovely evening and such an honour. It made us all feel very much appreciated.”

Photo caption: **Chairman’s Special Award – Newark CT Helpers**

The Chris McFarlane Training Award – winner: Alyson Feely.
In recognition of her work to supervise students undertaking the postgraduate medical ultrasound programme.

Recognition of service – Milestone Awards

Recognising that a key factor of its success is the loyalty, commitment and dedication of its staff, the trust has launched a Recognition of Service Award scheme.
Management and staff side representatives worked together to develop a system to recognise the years of service given by employees to the Trust.
Financial constraints, the public’s perception of how money should be spent within the NHS and the recent age legislation all played their part in increasing the challenge of developing a scheme by which the trust could effectively communicate the value it places upon the endeavours, loyalty and commitment of its staff.
Under the scheme, as 5, 10, 15, 20 and 25 years of service are completed with the trust, a specially designed pin badge and a certificate (denoting the milestone in service achieved) is awarded.
In addition those staff who have completed 20 or 25 years of service with the trust or its predecessor organisations will be invited to attend a presentation buffet and given the day off to attend the event.
Employees with 20 or more years of aggregated NHS service (of which 10 years has been with the trust), will also, on retirement, become eligible to receive the Retirement Award for Long Service.

- ***Provide high quality services through working in partnership.***

  Towering milestone for King's Mill super-hospital

  A topping out ceremony was held in September to add the final touches to the outer shells of the two landmark ward tower structures – marking the latest milestone in the flagship £320m Modernisation of Acute Services (MAS) project.

  Trust board members were also given a behind-the-scenes tour of the state-of-the-art King's Treatment Centre (KTC), which is due to open in Summer 2008.
  There will be three tower blocks in total. Towers one and two will accommodate day case surgery, pharmacy, imaging and in-patient stays in 19 new wards; with 50% of patients in single bedrooms all with en-suite bathroom facilities.
  They will comprise of 33,034 square metres of accommodation over six floors, rising above the KTC and the Women and Children's Centre.
  Set for completion in January 2009, towers one and two will enjoy a southerly aspect overlooking the picturesque King's Mill Reservoir and countryside beyond, while providing patients with light and airy accommodation.
  The third and final tower – which will house a range of services including breast and gynaecology outpatients, delivery suite and neonatal, plus a paediatric ward and four wards especially for older persons' healthcare – will be ready by Autumn/Winter 2010.
  It will also boast the Skytop Restaurant, giving patients and staff panoramic views from the highest point of the new development.
  Former trust chairman and MAS design champion Brian Meakin said: "Completing the outer 'shells' of towers one and two marked a defining moment in our plans to provide local people with truly modern, state-of-the-art hospital buildings from which to deliver first class patient care.
  "The front-facing wards on both towers will provide patients with a comfortable place to stay while taking advantage of views over the reservoir and surrounding fields, giving as much natural light as possible."
  Chief executive Jeffrey Worrall said: "The towers form an impressive visual landmark on the border of Mansfield and Ashfield. The MAS project is running on time and on budget and when complete in 2011 will provide some of the most modern acute services and buildings in Europe."
  The KTC will be the first new building to treat patients as part of the MAS project.
  It will accommodate patient visits that are planned and do not require an in-patient stay including outpatient appointments, day surgery, endoscopy and diagnostic tests.

  Local residents help to fight infections

  In a first for the trust, staff from King's Mill Hospital's Infection Control Team attended a local residents' association meeting to highlight ways it is combating infections.
  They outlined the hospital's current infection control practices to members of the Newgate Area Tenants' and Residents' Association in Mansfield and explained how new technology is helping in the war against MRSA and C-difficile.
  This includes using machines that clean patient equipment and wards more effectively, introducing new systems to detect MRSA more quickly and piloting hi-tech hand scanners that detect whether alcohol gel has been used before allowing access to wards.
  Staff also handed out literature and promoted hand hygiene using the 'Glow and Tell' light box. This reveals how well people wash their hands, which is vital for everyone entering a hospital's clinical areas including visitors.
  Carolyn White, the trust's executive nurse director, said: "We take healthcare-associated infections very seriously and have firm measures in place to tackle them.

“Everybody who comes into hospital can help reduce the spread of infections by washing their hands with soap or using alcohol gel, and we’re keen to get this message across.
“This is the first time we’ve taken our infection control education programme direct from our wards into the community and we are looking at rolling it out further.”
A report by health watchdog the Healthcare Commission earlier this year found the trust complied with the Hygiene Code for the prevention and control of healthcare-associated infections.

Caption: Senior infection control nurse Elaine Overton (front, second left) demonstrates the importance of using alcohol gel, watched by infection control audit officer Sarah Watson (front, left).

Newark Hospital celebrates National Volunteers’ Week

Town mayor of Newark, councillor Bryan Richardson and Mrs Penelope Richardson launched the 2007 National Volunteers’ Week at Newark Hospital.
They toured the premises with general manager Liz Cooper, nurse manager Andrew Jones and public governor Adrian Hartley, where they met many of the hospital’s 250 volunteers in their area of work, thanking them for their valuable contribution and dedication.

Photo Captions:

Newark Volunteers’ Week 1:

L to R: Mayoress Mrs Penelope Richardson with chaplaincy volunteer Betty Perkins and the town mayor of Newark, councillor Bryan Richardson.

Newark Volunteer’s Week 2

L to R: Town mayor of Newark, councillor Bryan Richardson with Accident & Emergency volunteer Thelma Footitt.

Governors support National Volunteers’ Week

Staff from across King’s Mill Hospital stepped into the shoes of our valued volunteers to help celebrate the 23rd National Volunteers’ Week in early June.
The week is the UK’s largest annual celebration of volunteering to recognise and reward existing volunteers and attract new recruits.
Those taking part included governors, directors and senior managers, who all spent a shift with a volunteer and tried their hand at a range of activities, including buggy driving, taking the library trolley around the wards, escorting patients, assisting in A&E and serving in the tea bars.
The Town Mayor of Newark, Councillor Bryan Richardson launched the National Volunteers’ Week at Newark Hospital and met all the volunteers along with Adrian Hartley (public governor for Newark and Sherwood).

“It was lovely to be cherished by Janet and Brian as I joined them with the library trolley around the wards.
Volunteering for me is a two-way street: not only does it enrich the lives of people you are helping, but also your own.”
Yvette Price-Mear
Public governor - Mansfield

“It was great to have the opportunity to do voluntary work in A&E under the expert guidance of volunteer Josie Jones.
I enjoyed chatting to the patients waiting for treatment in the cubicles.

Given the nature of A&E, it really does have a lovely atmosphere.
My thanks to the staff for making me feel welcome, and to Josie for all her help."
Christine Bacon
Public governor - Mansfield

"I was very impressed when I met the volunteers who support Newark Hospital at the launch of National Volunteers' week. They explained to me how a guiding word or listening ear can make such a difference to the patient's experience."

Adrian Hartley
Public governor – Newark and Sherwood

Chairman's tea party

Former chairman Brian Meakin hosted his annual tea party for King's Mill Hospital's craft workers and charity shop volunteers in October 2007.
The party allows everyone to meet and exchange ideas, to see one another's work and buy lots of Christmas gifts.
During the party, when the former chairman reported on the exciting stages of the new build of King's Mill Hospital, a renewed vigour was awakened within the craft workers as they began thinking of new things to make!

Caption: (L-R) Volunteer Kathleen Wilson, Sancha Meakin, former chairman Brian Meakin and volunteer Betty Hackett

League's double donation

King's Mill Hospital's "League of Hospital Friends" recently presented a projector to use with a laptop for patient teaching sessions in the osteoarthritis school, and for those who have fibromyalgia, to the delighted Physiotherapy Department.
It also funded a new piece of hand exercising equipment from America for the department.

Caption 1: Pauline Platt and Barbara Glass with Tony Drozdziol, (physiotherapy housekeeper) and Karen Street (team leader, therapy services)

Caption 2: Barbara Glass (trustee), Cheryl Flint (Occupational Therapy) and Pauline Platt (chairman, fundraising committee)

6. Board of Governors

The board of governors was formally established in February 2007 following our authorisation as an NHS foundation trust. However, the board of governors has been in existence since early 2006, initially in shadow form, and we held the first round of elections in March 2006. A by-election was held in July 2006.

Vacancies that have arisen amongst elected governors since July 2006, have been filled in accordance with the provisions of the constitution and no further elections have been necessary.

The first meeting of the substantive Board of Governors was held on 1st March 2007, and during 2007/08 a further 6 meetings have been held. Our first annual members' meeting was held on the 30 September 2007.

All meetings of the board of governors are public meetings, and while the majority of formal meetings have been held at King's Mill Hospital, which is situated in the Ashfield

constituency, the January 2008 meeting was held in the Newark and Sherwood constituency.

The governors continue to represent the interests of their members in the development of the foundation trust and during 2007/08 we ensured that governors were able to become more involved in our annual planning process. A joint development session with the board of directors and the board of governors was held in December 2007, when governors had the opportunity on commenting on proposed developments for the coming year and highlighting their priorities.

As well as representing the views of members on the annual plan, governors have also raised questions to be answered on the performance of the trust and that we continue to meet the terms of the authorisation.

In addition they have been involved in the process for assessing evidence for the trust's compliance with all of the Healthcare Commission's Standards for Better Health, focusing in detail on three of the core standards.

We have provided many opportunities during 2007/08 for members of the trust to meet their governors first hand. A number of member events were held focusing on issues that our members had indicated were their priority areas of interest. We have arranged events on food and nutrition, cancer services, maternity services, developments at Newark Hospital infection control and the new hospital build. Members attending these events have been encouraged to meet their governors and to share views on the services we provide.

We also held our first public constituency meetings in the year and will be using the experiences of these for further meetings in 2008/09.

The board of governors was also able to exercise some of its other functions during the year. A new external auditor was appointed by the governors in November 2007, and two new non executive directors were appointed in February 2008. The governors also appointed a new chairman in March 2008, and Tracy Doucét took up her appointment on the 2 April 2008, replacing Brian Meakin.

In the early months following its creation, the shadow board of governors established a number of sub-committees to assist with its work.

- A patient and public involvement (PPI) and membership development sub-committee – to advise the board of governors and the board of directors on how the trust is meeting its PPI strategy and developing its membership;
- An access and quality of patient services sub-committee – looking at aspects of patient services that are of importance to members;
- An appointments committee – to manage the recruitment and selection process for the chairman and non executive directors as vacancies occur, and to make recommendations to the board of governors in respect of the terms and conditions of service for the chairman and non executive directors. It was also agreed by the board of governors that the chair of the appointments committee for the chairman should be involved, with the senior independent director, in the appraisal of the chairman.

During the year, the board of governors reviewed the reporting arrangements for the King's Mill Hospital and Newark Hospital patient reference groups (PRGs) and agreed that these should be more closely aligned with its work. As such governors were appointed as chairmen of the two groups and it is expected that the work of the PRGs will become increasingly integrated into the work of the board of governors on behalf of the trust's members.

All governors are appointed for three years.

At 31st March 2008, the composition of our board of governors was as follows:

Governor	Constituency	Elected or Appointed	Attendance at meetings Total – 5 meetings
Eve Booker	Ashfield	E	4
Mary Wilde	Ashfield	E	4
Beryl Perrin	Ashfield	E	5
Ann Lee	Ashfield	E	5
Jennifer Doohan	Ashfield	E	2
Richard Webster	Ashfield	E	4
Yvette Price-Mear	Mansfield	E	3
Christine Bacon	Mansfield	E	3
Davina Fordom	Mansfield	E	5
Geoff Stafford	Mansfield	E	4
John Marsh	Mansfield	E	4
Chris Nolan (to October 2007) Deryck Brown (from November 2007)	Mansfield	E	0 0
John Marlow (to April 30th 2007) Hilda Tagg (from May 2007)	Newark & Sherwood	E	1 2
Chris Brill (to October 2007) Margaret Ralls (from February 2008)	Newark & Sherwood	E	0 N/A
Vivienne Carmichael (to 31 October 2007) Geoff Seymour from February 2008)	Newark & Sherwood	E	3 N/A
Enid Clarke	Newark & Sherwood	E	5
Adrian Hartley	Newark & Sherwood	E	4
Graham Tomlinson	Newark & Sherwood	E	4
Nigel Mellors	Staff – King's Mill Hospital	E	3
Janice Matthews	Staff – King's Mill Hospital	E	4
Kay Orgill	Staff – King's Mill Hospital	E	3
Clive Gie	Staff – King's Mill Hospital	E	2
Claire Braybrook (to June 2007) John Wood (from February 2008)	Staff – Ashfield Community Hospital. Staff - King's Mill Hospital	E	1 N/A
Bucky Oladeinde	Staff – Newark Hospital	E	4
Larry Khongwir	Staff – Newark	E	3

	Hospital		
Mel Chiverton	Staff – Mansfield Community Hospital	E	2
Peter Gradwell	Staff – Volunteers	E	4
Elaine Wilson	Staff – Volunteers	E	5
Barry Answer	Mansfield District Council	A	3
David Walsh (to October 2007) Vacancy (from November 2007)	Nottingham University	A	1
Beryl Anthony (to June 2007) John Knight (from July 2007)	Ashfield District Council	A	0 3
Nora Armstrong (to June 2007) David Payne (from July 2007)	Newark & Sherwood District Council	A	0 3
Barbara Brady	Nottinghamshire County (teaching) PCT	A	3
Barbara Dempster	Nottinghamshire County (teaching) PCT	A	2
Andrew White (to December 2007) Patricia Harman (from February 2008)	West Notts. College	A	3 N/A
Vickie Minion	Nottinghamshire County Council	A	3
Chris Kerrigan	Nottinghamshire County (teaching) PCT	A	3
Chris Kenny (Interim appointment from the 30/9/07)	Nottinghamshire County (teaching) PCT	A	1

A register of governors' interests is maintained by the trust and information regarding this can be obtained by contacting Mike Tasker, company secretary, at the trust's headquarters.

7. Board of Directors

In accordance with the 2003 Act, the directors of the former Sherwood Forest Hospitals NHS Trust were appointed as the initial directors of the NHS foundation trust, with Brian Meakin being appointed chairman, Jeffrey Worrall being appointed chief executive, and Peter Harris being appointed vice-chairman and senior independent director (SID).

We have experienced a number of changes on the board of directors during the year, with two new executive directors and two new non executive directors joining the board. A new chairman was appointed in April 2008, and a new executive director of human resources will join the board in April 2008.

All of our non executive directors were determined as being independent.

During 2007/08 the trust continued to operate key governance committees including an audit committee, and a remuneration committee and a nominations committee.

The membership of these committees as at 31st March 2008, were as follows:

audit committee – (chair and members)

David Leah – Chair
David Heathcote - Member
Stephen Pearson – Member
Dawn George - Member (until 31 January 2008)

Peter Harris – Observer
Sheilah Andrews – Observer (until 31 January 2008)

nominations committee – (chair and members)

Brian Meakin – Chair
(Tracy Doucét – Chair from 2 April 2008)
Peter Harris - Member
Stephen Pearson - Member
Jeffrey Worrall – Member
Sandra Rollett – Member
Karen Fisher – Member (from 14 April 2008).

remuneration committee – (chair and members)

Brian Meakin – Chair
Dawn George – Member (to 31 January 2008)
Tracy Doucét – (Chair from 2 April 2008)
Bonnie Jones – Member
Jeffrey Worrall – (not in attendance for discussions regarding the chief executive's remuneration)

The audit committee

The audit committee is a sub-committee of the board of directors and supports the Board in ensuring that effective internal control arrangements are in place.

The audit committee comprises of three independent non executive directors and provides an independent check on the executive arm of the board of directors. The audit committee reviewed its terms of reference during the year, and while membership was limited to three independent non executive directors, the chair of the quality assurance committee, the trust's governance committee, attended meetings as observer. Likewise the chair of the audit committee attended meetings of the quality assurance committee as an observer.

The audit committee provides assurance to the board of directors on a wide spectrum of control issues, and in recent years has widened its scope to include other areas in addition to financial controls.

The audit committee receives reports on all systems of control including operational management issues and risks. It also considers the controls and assurances that underpin the statement of internal control (SIC) included in the annual report and accounts and the declaration of compliance with the Healthcare Commission's standards for better health.

It also reviews the adequacy of the trust's assurance framework.

The audit committee met on five occasions during 2007/08 and focused on specific items identified in its annual work plan. The non executive directors met in private with the trust's auditors in December 2007.

An assessment of the audit committee's effectiveness was carried out and a work plan to address any issues identified, was agreed.

As an NHS foundation trust, the board of governors is responsible for the appointment of the external auditor, and a competitive procurement process was undertaken during 2007/08. This process resulted in the appointment of KPMG as the trust's external auditors in November 2007.

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

The audit committee acknowledged that the external auditor may be asked to carry out non-audit services and agreed that a policy would be developed to ensure that the objectivity and independence of the auditor was safeguarded should such a request be made.

The nominations committee

The nominations committee met 3 times in 2007/08. The principal focus of the nominations committee is the development and assessment of the board of directors.

During the year the nominations committee considered job roles and specifications for the impending vacancies on the board of directors, including the non executive director and the chairman. These vacancies were advertised in December 2007 and appointments were made from February and April 2008.

During 2008/09, the following meetings of the board of directors, the nominations committee, remuneration committee and audit committee, took place.

Directors in attendance are also noted:

Name of Director	Board of Directors Maximum 13 (includes 2 extraordinary meetings)	Nominations Committee – Maximum 3	Remuneration Committee – Maximum 3	Audit Committee – Maximum 5	Board of governor meetings – Maximum 5
Brian Meakin	13	3	3	N/A	5
Peter Harris	11	3	N/A	3 (observer)	4
Dawn George (to 31 January 2008)	11 Max. 11	N/A	2 Max. 3	4 Max.4	2
Sheilah Andrews (to 31 January 2008)	10 Max. 11	N/A	N/A	4 (observer) Max.4	1
David Leah	13	N/A	N/A	5	3

Stephen Pearson	12	1	N/A	4	1
Tracy Doucét	12	2(observer)	3	N/A	1
Bonnie Jones (from 1 February 2008)	2 Max. 2		1 Max. 1	N/A	N/A
David Heathcote (from 1 February 2008)	2 Max 2		N/A	1 Max. 1	N/A
Jeffrey Worrall	13	2	3	N/A	4
Carolyn White	9	N/A	N/A	N/A	1
Bill Gregory (to 31 May 2007)	3 Max. 3	N/A	N/A	1 (adviser) Max. 1	0
Mike Mowbray	12	N/A	N/A	N/A	0
Sandra Rollett (to 20 March 2008	10 Max. 12	3	3 (adviser)	N/A	1
Jane Warder (from June 2007)	7 Max. 9	N/A	N/A	N/A	0
Lee Bond (from August 2007)	5 Max. 6	N/A	N/A	3 Max. 3	1
Elaine Konieczny (1 June 2007 to 31 July 2007)	3 Max.3	 N/A	 N/A	1 Max. 1	0

The following section provides a brief profile of the directors who were members of the board of directors on the 31 March 2008.

Directors' Profiles

Brian Meakin, Chairman (until 1 April 2008)

Brian joined the former King's Mill Centre for Healthcare Services NHS trust as a non executive director in 1993 and was appointed chairman in 1999, a role in which he continued with the formation of Sherwood Forest Hospitals NHS trust in 2001. Brian was appointed chair of the NHS foundation trust in February 2007.

Born in Sutton in Ashfield, Brian attended the local primary school, completing his education at Newark Magnus Grammar School.

His background is in finance and chartered accountancy, with experience of company law and governance. Brian has been closely involved with the Institute of Chartered Accountants national committees, and is a past District Society President. Brian has also been closely involved in the design of the MAS facilities and is currently the trust's Design Champion, receiving a 'Better Building Healthcare Award' in 2004.

Brian continues to practice as a chartered accountant and is the financial director of Belvoir Fruit Farms Ltd and these commitments have not changed during 2007/08.

Brian retired from his role as chairman on the 1 April 2008.

Jeffrey Worrall, chief executive

Jeffrey was appointed as chief executive of Sherwood Forest Hospitals NHS trust on 7 February 2002, and subsequently appointed chief executive of the NHS foundation trust on the 1 February 2007.

Jeffrey began his working life in local government, before joining the NHS in 1984 with Rotherham Health Authority. He was subsequently appointed deputy chief executive of Derbyshire family health services authority (FHSA), and has been an NHS chief executive since 1997. His more recent posts include chief executive of both Southern Derbyshire Health Authority and North Nottinghamshire Health Authority.

He is chair of the local cardiac network and chair of the local pathology network

Jane Warder executive director of strategy and improvement

Jane joined the board of directors in June 2007.

Passionate about improving patient experience, Jane has worked in the NHS for over 20 years. Initially trained as a nurse, Jane has had numerous roles to support organisations in improvement, including working cross organisationally, nationally, with boards, clinical teams and individuals.

Her responsibilities now include improvement, performance, cancer, PALS, volunteers, marketing, communications, strategy and engagement.

Jane is influenced by a desire to really understand and appreciate what works well in organisations in order to build on the organisation's strengths as well as addressing deficits.

Lee Bond, executive director of finance

Lee joined the board of directors in August 2007. Lee was previously executive director of finance at Sheffield Children's Hospital NHS foundation trust and has worked in the NHS since 1993.

Lee is qualified with the chartered institute of management accountants (CIMA) and acts as the trust's principal advisor on all financial matters.

Carolyn White, executive nursing director

Carolyn joined the trust on 16 July 2001, having previously worked for 12 years at the Hull and East Yorkshire Hospitals NHS trust in a variety of senior nursing and management roles.

She trained as a registered children's nurse and state registered nurse in Liverpool and qualified in 1982.

Carolyn has worked for most of her clinical career in paediatric intensive care.

Since her appointment Carolyn has significantly raised the profile of nursing services within the trust. Her professional drive has improved recruitment, retention and training of nurses and other clinical staff. She has highly developed leadership skills and change management experience most recently demonstrated in her role as lead for the trust's emergency services collaborative. This resulted in the trust being recognised as one of the country's top performing hospitals for emergency care.

Carolyn was appointed executive nurse director of the foundation trust on 1 February 2007

Mike Mowbray, Executive Medical Director

Mike has been a consultant anaesthetist at King's Mill Hospital since July 1991 and was appointed executive medical director to the Sherwood Forest Hospitals NHS trust in June 2002.

He was subsequently appointed as executive medical director of the foundation trust on 1 February 2007.

Since 2000, Mike has been a college advisor for the royal college of anaesthetists with a PASK certificate from the association of anaesthetists.

While continuing to provide clinical care, the executive medical director's role is to provide dynamic leadership of the trust's medical profession, play a key part in developing policies and strategies, and offer a medical perspective on all matters to the board of directors.

Sandra Rollett, executive director of human resources

Sandra was appointed director of human resources in 2003 and was appointed executive director of human resources of the foundation trust on 1 February 2007.

Sandra has held a number of human resources and hospital management posts in the local health community since 1990.
She assisted in the transfer of staff on the closure of Mansfield General Hospital and provided HR management support to the integration of the healthcare of the elderly services on the formation of Sherwood Forest Hospitals NHS trust.

Sandra was also the HR Lead for the MAS Project and her experience and skills of change management and maintaining good employee relations will be an important contribution as a Foundation Trust.

Sandra left the trust on the 20 March 2008 and was replaced by Karen Fisher from 14 April 2008.

Tracy Doucét, independent non executive director and chairman from 2 April 2008.

Tracy joined the Sherwood Forest Hospitals NHS trust on 1 July 2006, in a designate capacity, before being appointed substantively to the foundation trust board of directors on 1 February 2007.

Tracy is managing partner of a management consultancy practice with extensive experience at executive and non executive director level across both public and private sectors. She was formerly director of corporate development and HR with Greater Nottingham TEC.

Tracy has assisted a number of FTSE 100 companies and public sector organisations to develop and implement ambitious and strategic plans, improving communication, governance, customer focus, leadership and performance.

Tracy's work on corporate communication strategies, stakeholder engagement, effective governance, partnership working and leadership development, has been published widely.

During 2007/08, Tracy was a member of the financial strategy and investments committee and the remuneration committee.

Tracy was appointed chairman of the board of directors and took up her post on the 2 April 2008, succeeding Brian Meakin.

Peter Harris, independent non executive director
vice chairman and senior independent director

Peter joined the Sherwood Forest Hospitals NHS trust on 1 November 2001, and was appointed to the foundation trust board of directors on 1 February 2007.

Peter is currently vice-chairman and senior independent director (SID). He is also chair of the quality assurance committee, a member of the nominations committee and an observer at audit committee meetings.

Peter is currently a school head teacher, after previously working as a school inspector, education advisor and an actuarial underwriter in the City of London.

Peter is also a Town and District Councillor for Southwell.

Bonnie Jones, independent non executive director,

Bonnie joined the board of directors on the 1 February 2008.

Bonnie is a member of the quality assurance committee, the remuneration committee and is the non executive director representative on the trust's infection control committee.

Bonnie was formerly an investigator with HM Customs & Excise specialising in common agricultural policy fraud. She represented the National Childbirth Trust at North Nottinghamshire Health Authority's Maternity Services Liaison Committee, and went on to be the lay member of Newark and Sherwood primary care group.

Bonnie was subsequently appointed chair of Newark and Sherwood primary care trust in 2000, where she spent six years.

During this time the trust developed as a lead commissioning organisation in Trent, working closely with the trust.
Currently Bonnie is chair of a charity providing out of school care in Newark, an executive committee member of Newark and Sherwood community and voluntary services (CVS) and a member of Nottinghamshire probation board.

David Heathcote, independent non executive director

David joined the board of directors on the 1 February 2008.

David is a member of the human resources committee, the financial strategy and investments committee and the audit committee.

Currently David is a chartered certified accountant and is a non executive director of two Nottingham companies, which between them cover construction, design, engineering and financial services.

His achievements include the successful turnaround of companies and helping to develop and motivate people into roles carrying greater challenges and responsibilities.

David Leah, independent non executive director

David joined the Sherwood Forest Hospitals NHS trust on 1 November 2005, and was appointed to the foundation trust board of directors on 1 February 2007.

David is the chair of the audit committee, a member of the financial strategy and investments committee and attends meetings of the quality assurance committee as an observer.

David is a chartered certified accountant by profession and has worked for a wide range of companies.

Previously he was group finance director of one of the country's leading interior contracting groups, and his wide commercial knowledge has enabled him to contribute to the establishment of successful business strategies.

David is now a director of a business support consultancy.

Stephen Pearson, independent non executive director

Stephen joined the Sherwood Forest Hospitals NHS trust on 1 January 2006, and was appointed to the foundation trust board of directors on 1 February 2007.

Stephen is a member of the audit committee, the nominations committee and the financial strategy and investments committee.

Stephen is a solicitor by profession and has substantial experience in public-private matters, acting on behalf of a range of public and not-for-profit bodies. He has worked as an in house lawyer in the public sector and commercial industry, and is currently a partner in a major Nottingham law firm. He holds a postgraduate diploma in local government law.

His experience includes a role as secretary to Nottingham Health Authority for 2 years, and he has lectured on PFI/PPP, the role of local improvement finance trusts in the NHS and, most recently concerning the effect of changes in EU procurement law and the obligations imposed by freedom of information legislation.

In accordance with good governance practice, the board of directors includes a balance of independent non executive directors, with skills and expertise to complement those of the executive directors.

The board of directors is confident that its composition is appropriate to face the challenges of healthcare locally. During 2007/08, the nominations committee reviewed the composition of the board of directors, its collective skills and expertise and highlighted areas of development. This work will continue during 2008/09 especially given the number of changes to the composition of the board of directors during 2007/08.

The board of directors will continue to evaluate its performance and the performance of its sub-committees in order to ensure that it continues to remain effective.

Assessment of the effectiveness of the board of directors, selected sub committees (the audit committee and the quality assurance committee) and individual directors, was undertaken during 2007/08. The processes used included individual assessment of

directors using established processes, and a self assessment questionnaire that sub committee members completed.

The assessment process will be reviewed in 2008/09 to extend this to further sub committees.

A register of directors' interests is maintained by Mike Tasker, company secretary, at the trust's headquarters.

8. Governance statement

2007/08 was the first full year that we operated as a NHS foundation trust and we continued to use the corporate governance framework that had been in place at authorisation.

The respective roles of the two boards as described in the constitution and the standing orders were maintained and we sought to develop these roles further and ensure that the two boards work effectively together.

During the year, the constitution needed to be amended to reflect the abolition of the Ashfield Community Hospital class of the staff constituency, and the subsequent increase in the number of governors representing King's Mill Hospital following the transfer of services.

The opportunity was taken at this time to amend the rules regarding the filling of vacancies on the board of governors, so that the board had more options regarding how the vacancy at King's Mill could be filled.

These amendments were approved by Monitor in November 2007.

The board of governors faced some difficulties during the year in achieving quoracy and as a result, the standing orders of the board of governors were amended in January 2008. A number of meetings had to be adjourned as a result of not being quorate meaning that key items of business could not be progressed as planned. The new requirements will allow business to progress while ensuring that appropriate numbers of governors and representation are achieved.

Section 8.17 of the constitution confirms the role and responsibilities of governors These include:

- The appointment of the chairman and non executive directors and the setting of their terms and conditions of service;
- The appointment of the trust's auditor;
- To comment on the trust's forward plans;
- Consideration and provide comment on the annual accounts annual report;
- To provide views on the trust's strategic direction;
- The development of membership;
- To represent the interests of members;
- Holding the board of directors to account in relation to the authorisation.

Section 9.7 of the constitution confirms the role and responsibilities of directors, including:

- Exercising the powers of the trust;
- Establishing arrangements to allow the exercise of these powers through sub-committees and executive directors;
- The preparation of the trust's forward plans;
- The presentation to the board of governors of the annual accounts and annual report.

The standing orders, standing financial instructions and, in particular, the scheme of reservation and delegation, detail the types of decisions that have been delegated to management by the board of directors. The chief executive remains the accounting officer for the foundation trust.

During the year the board of governors appointed a new external auditor and assisted the chairman in the appointment of two new non executive directors.

Foundation Trust – Code of Governance

In October 2006 Monitor, the independent regulator of NHS foundation trusts, published the NHS foundation trust code of governance ('the Code') which contains a number of disclosure requirements.

The Code also includes a number of ***Main & Supporting Principles*** and ***Provisions.*** In this year's annual report, we are required to publish a two part statement confirming in the first part how we have applied the main and supporting principles of the Code, and in the second part to confirm if we comply with the provisions of the Code or if we do not, provide an explanation.

Part 1 – Acceptance of the main and supporting principles of the Code of Governance (the Code)

A. Directors

The trust has accepted the principles described within the Code in relation to its directors, and is confident that the trust is led by an effective board of directors, and that there is a clear division of responsibilities between the chairman and the chief executive as described within the trust's key governance documents. The board has a balance of executive and independent non executive directors.

Currently all directors can exercise one full vote, with the chairman having a casting vote – the only circumstances when this would not be achieved would be if a director post was filled through job-sharing arrangements when in accordance with the constitution, the parties to the job share would exercise one 'collective' vote.

B. Governors

The trust has accepted the principles described within the Code in relation to its governors and has established a board of governors to meet Schedule 1 of the 2003 Act.

The board of governors has met frequently during 2007/08 and has adopted the trust's key governance documents. A code of conduct for governors has been issued to all governors.

The board of governors has established a number of sub-committees in order to meet its responsibilities and ensure that it focuses on issues of importance to members of the trust.

C. Appointments and Terms of Office

The trust has applied the principles of the Code relating to appointments and terms of office, and accepts that there should be a formal, rigorous and transparent procedure for the appointment or election of new directors.

A nominations committee, chaired by the trust's chairman, has been established and has reviewed the structure, size and composition of the board of directors. The nominations committee was involved in reviewing the job specifications for all executive and non executive director vacancies on the board of directors during 2007/08.

The trust has one nominations committee for both executive and non executive director appointments, and has worked closely with the board of governor's appointments committee.

D. Information Development and Evaluation

During 2007/08, both the board of directors and the board of governors have received information in a timely manner, to enable them to discharge their respective duties.

Directors and governors joining the two boards receive induction and ongoing training.

Developmental sessions for directors and governors and a joint governors and directors session have been arranged during the year. An initial assessment of governors' skills and knowledge was used to inform a development programme during 2007/08.

The board of directors accepts the need to conduct a formal and rigorous evaluation of its own performance, and a process to enable this was developed during the year. The chairman conducted individual appraisals of non executive directors, and the chief executive conducted appraisals for executive directors. An agreed process for the appraisal of the chairman was agreed with the board of governors, involving the senior independent director and the chair of the appointments committee. An appraisal of the chairman's performance for 2007/08 will be undertaken in early 2008/09 to inform the induction of the new chairman.

E. Director Remuneration

The board of directors and the board of governors accept that levels of remuneration for directors should be sufficient to attract, retain and motivate people of a high calibre, without paying more than is necessary.

The remuneration committee reviewed levels of executive directors' pay in 2007/08 and the board of governors considered the remuneration of the chair and non executive directors in April 2007.

The board of governor's appointments committee will review remuneration in early 2008/09.

F. Accountability and Audit

The board of directors accepts its responsibility to present a balanced and understandable assessment of its performance and endeavours to do this in all of its public statements and reports to regulators and inspectors.

With regard to internal control, the board of directors is assured through the audit committee that the trust's systems are sound and safeguard public and private investment.

The trust appointed the Audit Commission as its interim internal auditor from February 2007 to November 2007, and then KPMG from November 2007.

G. Dialogue with Stakeholders

The board of directors accepts the requirement to consult with and involve members, patients, clients and the local community, regarding its plans and recognises the complementary role played by governors in this responsibility.

A number of formal and informal opportunities for interaction between the two boards have been created, including a joint developmental session in December 2007 specifically designed to consider the annual plan for 2008/09.

Part 2 – Compliance with the Provisions of the Code of Governance (the Code)

The following section highlights those areas where the board of directors feels that compliance had not been fully achieved, together with an explanation for this assessment.

Section A.1.3 – While a formal process for appraising the performance of the trust's chairman was agreed in 2007/08, the chairman's appraisal was not conducted formally in the year, given the impending retirement of the current chairman.

Section B.1.7 – The constitution and standing orders for the board of directors provide mechanisms for the board of governors to raise concerns as described within the Code however, a policy for raising concerns was not established over and above these mechanisms.

Section C.2.1 – The remuneration committee on behalf of the board of directors has considered the principle of the re-appointment of the chief executive and executive directors on a 5 yearly basis, but considered that the contracts offered to the chief executive and executive directors included sufficient powers to address any areas of concern regarding performance without the time limit suggested.

Section E 1.1 – The remuneration committee on behalf of the board of directors has concluded that performance related pay for executive directors was not appropriate.

Section G 2.1 – A schedule of specific third party bodies had not been developed over and above those detailed in Appendix E to the Compliance Framework. Consideration will be given to developing a local schedule in 2008/09.

9. Membership

The trust has four public constituencies and a staff constituency, consisting of 4 classes.

Public constituencies

Ashfield Constituency – including the geographic boundaries of Ashfield District Council and the Wards of Ravenshead and Newstead, from Gedling District Council.

Derbyshire Constituency – including Wards from Bolsover District Council and North East Derbyshire District Council.

Mansfield Constituency - including the geographic boundaries of Mansfield District Council and the Ward of Welbeck from Bassetlaw District Council.

Newark & Sherwood Constituency – including the geographic boundaries of Newark & Sherwood District Council plus Wards from Bassetlaw District Council, South Kesteven District Council and Rushcliffe District Council.

As well as residing within the geographic boundaries described above, members must be aged 16 years of age and over and meet other eligibility criteria as described in the trust's constitution.

At the 31 March 2008, the trust had 13,486 public members and 317 affiliate members.

In order to ensure that our public membership is representative of those eligible to become members, we analysed the membership and compared it to the make-up of our catchment population.

The percentage of people living in the catchment areas of our four public constituencies are approximately as follows:

Ashfield - 28.5%
Derbyshire - 15.5%
Mansfield - 24.0%
Newark & Sherwood - 32.0%

As at the 31 March 2008 the percentage of members living in our four constituencies was approximately:

Ashfield – 24.9%
Derbyshire – 12.8%
Mansfield – 33.0%
Newark & Sherwood – 29.3%

We have also analysed other aspects of our public membership, against our catchment population.

- 6.3% of our catchment population is aged 16-21, and 74% is aged 22 years plus. In our public membership, 1.49% are aged 16-21, and 90.08% are aged over 22.

- 49.1% of our catchment population are males and 50.9% females. In our membership, 40.75% are males and 58.79% are females. 0.46% of our members have not confirmed their gender.

A membership manager was recruited in May 2007 to drive forward the membership by recruiting more members and enhancing the engagement programme. The profile of the membership has increased across the trust and the community. The board of governors has also been heavily involved in the recruitment and engagement of the members in 2007/08.

During 2007/08, the principal means of membership recruitment was through face to face recruitment at local events, community and voluntary groups and within the trust. We have targeted all areas in our catchment area with a particular focus on those groups who are under-represented.

We will continue to use targeted recruitment methods to ensure that our public membership is representative of those eligible to join.

Staff constituency

The staff constituency is divided into 4 Classes – King's Mill Hospital, Newark Hospital, Mansfield Community Hospital, and Volunteers. During 2007/08, the Ashfield Community Hospital class of the staff constituency was abolished following the transfer of services to King's Mill Hospital. The number of staff governors allocated to the King's Mill Hospital class was increased by one as a result.

We also encourage membership from organisations that work with or on behalf of the trust, including our PFI partners.

Engagement with members

The engagement with our members is extremely important and we are constantly improving and increasing the level of this. There is evidence that there is an increase in the number of members responding to surveys and attending member events. This is monitored regularly at the PPI and membership development sub committee of the board of governors, where new innovative methods of engagement are discussed.

During 2007/08 representatives from the trust, including governors, attended a number of meetings of local community groups to highlight the work of governors. And we held

our first constituency meetings. We intend to continue holding these meetings in 2008/09 to ensure that members are aware of their governors and how they can be contacted.

The board of directors recognises the need to seek governors' views on developments at the trust and to gain an understanding of members' aspirations and concerns. As a result, the board of directors has taken the following steps to engage with governors:

- Directors, including non executive directors, have been invited to and have attended board of governors meetings;
- Directors, including non executive directors, have attended governors' induction meetings and developmental sessions;
- A joint developmental event was held in December 2007, followed by an informal social event, to enable all directors and governors to meet and exchange views on the annual plan;
- Governors have been invited to and have attended board of directors meetings;
- Two workshops for governors were held in February and May 2007 to discuss the annual plan for 2007/08, which provided the opportunity for governors to express their views to directors on the content.

Following the successful launch of the member magazine 'Acorns' in March 2007, this has continued during 2007/08, one issue each quarter. Excellent feedback has been received from our members and the publication has increased in size due to its popularity.

In July 2007 we surveyed our members to find out those areas of the trust's work that were of particular interest. Member events were then arranged based on the most popular choices for members, to find out more about their area of interest, and to pass on their views. Events during 2007/08 included infection control, the new hospital build, food and nutrition, Newark Hospital developments, cancer services and maternity services and paediatrics. The member events have been very successful and well attended. These will continue in 2008/09.

7. Summary Financial Statements

This section includes summary financial statements and a statement on internal control (SIC) for the accounting period:

1 April 2007 to 31 March 2008

A copy of the Trust's Full Annual Accounting Statements for both periods are available on request and free of charge by telephoning 01623 672277 or email sue.newburn@sfh-tr.nhs.uk.

Statement of the Chief Executive's responsibilities as the Accounting Officer of Sherwood Forest Hospitals NHS foundation trust

The Health and Social Care (Community Health and Standards) Act 2003 states that the chief executive is the accounting officer of the NHS foundation trust. The relevant responsibilities of accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the accounting officers' Memorandum issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

Under the Health and Social Care (Community Health and Standards) Act 2003, Monitor has directed the Sherwood Forest Hospitals NHS foundation trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Sherwood Forest Hospitals NHS foundation trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the NHS foundation trust Financial Reporting Manual and in particular to:

• observe the Accounts Direction issued by Monitor, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;

• make judgements and estimates on a reasonable basis;

• state whether applicable accounting standards as set out in the NHS foundation trust Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and

• prepare the financial statements on a going concern basis.

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

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

Signed _____ **Date: 9 June 2008**
Jeffrey Worrall
Chief Executive

EXECUTIVE DIRECTOR OF FINANCE REPORT

OVERVIEW

Whilst 2007/2008 was a challenging financial year, the Foundation Trust has successfully used its financial resources to improve services for patients and also meet its plan targets.

In comparison to Monitors performance measures the full year results achieved an overall rating of 4.
This and the individual targets are detailed below.

Key Performance Indicators		Annual Plan		Actual Outturn	
Financial Metrics	**Weight**	**Value**	**Rating**	**Value**	**Rating**
EBITDA Margin %	25.0%	7.3%	3	7.4%	3
EBITDA % Achieved	10.0%	100.0%	5	100.6%	5
Return on Assets %	20.0%	5.0%	4	6.1%	5
I and E Surplus Margin %	20.0%	1.2%	3	1.9%	3
Liquid Ratio -Days	25.0%	37.8	5	93.9	5
Weighted Average			3.9		4.1

As part of the preparation process of preparing the annual accounts the Trust has assessed its going concern basis in line with Financial Reporting Standard 18. This assessment took into consideration all information available about the future prospects of the Trust and also covered Financial, Governance and Mandatory Service risks. Additional risks such as loss of key personnel, and breach of borrowing facilities were also examined.

The above analysis supports the view that the Foundation Trust is a Going Concern, and has taken steps to ensure this remains the case for at least the next 12 months. A detailed paper covering all the risks and the opinion drawn was approved by the Audit Committee on the 12th March 2008, and is available separately on request.

INCOME AND EXPENDITURE

Total income for the year was £190.7m (£181.1m in 2006/2007) representing a growth of 5.3%. This growth results from additional funding for inflation and income received for delivery towards the National 18 week referral to treatment target.

Continuing effort has been applied to reducing our costs and obtaining value for money. During 2007/2008 the Trust developed a programme to deliver productivity improvements across the organisation which delivered significant benefits, in particular in the area of pay costs. Also during 2007/2008 the Trust began to develop and implement Service Line Reporting and Service Line Management – a programme of structural and financial management changes designed to facilitate the delivery of operational efficiencies. We plan to realise further benefits in 2008/2009 from the continued development of both these programmes.

Details of our full year costs relating to directors remuneration are given in note 6 to the summary accounts.

BALANCE SHEET

During 2007/2008 we saw significant additional investment in the fixed assets of the Foundation Trust (£6,820,000). This included further capital investment relating to the Modernisation of Acute Services PFI scheme.

The Foundation Trust also invested over £1.2m on upgrading or acquiring new equipment essential for the day-to-day operation of the Trust. In addition a further £1.1m was invested in

improvements in information systems and technology in conjunction with the North Nottinghamshire Health Community, and additions of £2.6m were again changes recognised within the Balance sheet to account for the Private Finance Initiative (PFI).

Since becoming a Foundation Trust the Trust has benefited from increased flexibility and the ability to carry larger cash balances forward into future years. During 2007/2008 the cash balance has increased from £17,339,000 to £39,898,000, primarily due to the receipt of payments on account from our main provider, deferred income to complete national and local initiatives, and lower than planned capital expenditure.

The Trust changed one accounting policy on becoming a Foundation Trust with regard to the recognition of partially completed inpatient activity; this has increased year-end NHS debtor balances by £100,183 in year to £731,967.

CHARITABLE FUNDS

During the financial year we received donations and legacies to our charitable funds of £481,000 (£1,090,059 in 2006/2007), which included legacies of £161,000 (£626,000 in 2006/2007).

The generosity of all those who made a donation or raised funds on behalf of our charitable funds is very much appreciated.

The Trustees were able to make grants totalling £384,000 (£390,000 in 2006/2007) to support the activities of the Trust and for the welfare of patients and staff.

OUTLOOK

The next few years will be a period of significant change and challenge for the Trust in terms of the facilities we have available to provide patient care and the regulatory regime under which we operate:

- The Trust reached financial close in November 2005, on the £320m redevelopment of Kings Mill Hospital and Mansfield Hospitals, together with significant refurbishment and upgrade works at Newark Hospital. This contract includes the future operation of the facilities services across the Trust (e.g. estates, cleaning, catering and portering) until 2043.

- The redevelopment is phased and the Trust has already benefited from the refurbishment of the Newark site and a new pathology department at Kings Mill. During 2008 the Trust will be taking occupation of the new outpatient, diagnosis and treatment centre “Kings Treatment Centre”. The first new ward blocks are scheduled for handover in early 2009 with the remainder of the scheme being completed by 2011.

- The redevelopment will enable the Trust to operate in a far more efficient way and will bring many benefits to our patients. In particular:

    - Ward accommodation will be in line with the latest standards, increased bed space with 50% of beds in single rooms and the other 50% in 4 bed bays.
    - Rationalisation of service location ending the inefficiencies caused by services being scattered across the site.
    - Dedicated Kings Treatment Centre, bringing together outpatient, diagnostic and day case facilities together in an efficient patient focussed manner.
    - High tech pathology laboratory, obtaining the efficiency benefits of technology.
    - Through the development of Mansfield Community Hospital, owned by our commissioner but part of the overall redevelopment scheme, the capacity to

ensure that acutely ill patients can be cared for in dedicated acute care facilities with the Community Hospital specialising on the rehabilitation of patients in the post acute phase of their treatment.

- The plans we have developed to improve our productivity continue to be refined and this will ensure that we are able to benefit fully from the new hospital developments outlined above.

- The market for healthcare is becoming more diverse, with independent sector providers, practice based commissioning and potential competition from neighbouring foundation trusts. The Trust is looking to explore opportunities in Primary Care as well as consolidating its position as acute and secondary care provider of choice locally.

- During 2005/2006 the Trust implemented the new integrated Payroll and Human Resources, Electronic Staff Records (ESR) computer system. The Trust continues to rollout the functional benefits of the system to improve efficiency and co-ordinated working practices across the Trust in areas such as e-rostering and self sickness certification.

- Since becoming a Foundation Trust, the Trust has invested considerable resources on developing 'Service line reporting', which is a significant change from the historic method of reporting income and expenditure by department. The Trust now produces monthly management reports in this format which has significantly improved the information available for management decision making and reporting.

- The Trust will continue to work hard in securing positive working relationships within the local health economy, in order to ensure seamless healthcare delivery for the local population.

The Trust faces this period of significant change with a positive attitude and looks forward to being able to further improve the services we provide to the patients we serve.

Lee Bond

Executive Director of Finance

9 June 2008

FOREWORD TO THE ACCOUNTS FOR THE 12 MONTH PERIOD ENDING 31 MARCH 2008

SHERWOOD FOREST HOSPITALS NHS FOUNDATION TRUST

Sherwood Forest Hospital NHS Foundation Trust is required to "keep accounts in such form as Monitor (The Independent Regulator for NHS Foundation Trusts) may with the approval of Treasury direct" (paragraph 25(1), Schedule 7 to the National Health Service Act 2006 ('the 2006 Act'). The Trust is required to "prepare in respect of each financial year annual accounts in such form as Monitor may with the approval of the Treasury direct" (paragraphs 24 and 25, Schedule 7 to the 2006 Act). In preparing their annual accounts, the Trust must comply with any directions given by Monitor, with the approval of the Treasury, as to the methods and principles according to which the accounts are to be prepared and the information to be given in the accounts.

The Trust attained Foundation status on the 1st February 2007 and therefore, the previous accounts were for the two months to 31st March 2007.

Signed: (Chief Executive)

Name: Jeffrey Worrall

Date: 9th June 2008

INCOME AND EXPENDITURE ACCOUNT

For Year Ended 31st March 2008	Year Ended 31st March 2008		Two Months Ended 31st March 2007	
	£000	**£000**	£000	£000
Income from activities:	**149,587**		25,238	
Other operating income	**41,114**		5,901	
TOTAL INCOME		**190,701**		31,139
Operating expenses:				
Staff costs	**122,081**		20,072	
Non-staff costs	**53,576**		8,334	
Depreciation, amortisation & impairments	**8,104**		1,610	
Audit fees	**61**		91	
Directors' remuneration	**846**		155	
		(184,668)		(30,262)
OPERATING SURPLUS		**6,033**		877
Profit / (Loss) on Disposal of Fixed Assets		**(100)**		0
SURPLUS BEFORE INTEREST		**5,933**		877
Finance income - Interest receivable		**1,351**		112
Finance costs - Interest Payable		**(10)**		0
Other finance costs - unwinding of discount		**0**		0
Other finance costs - change in discount rate on provisions		**0**		0
SURPLUS FOR THE FINANCIAL PERIOD		**7,274**		989
Public dividend capital dividends payable		**(3,645)**		(581)
RETAINED SURPLUS FOR THE FINANCIAL PERIOD		**3,629**		408

BALANCE SHEET

As at 31st March 2008	**31st March 2008**		31st March 2007	
	£000	**£000**	£000	£000
FIXED ASSETS				
Intangible Fixed Assets				
Software Licences	**3,453**		3,507	
Tangible fixed assets				
Land	**18,584**		17,150	
Buildings	**32,503**		34,018	
Assets under construction	**6,962**		3,380	
Equipment	**13,831**		14,451	
		75,333		72,506
CURRENT ASSETS				
Stocks	**2,341**		2,231	
Debtors	**43,896**		43,903	
Cash at bank and in hand	**39,898**		17,339	
	86,135		63,473	
CREDITORS: Amounts falling due within one year	**(33,114)**		(19,938)	
NET CURRENT ASSETS		**53,021**		43,535
TOTAL ASSETS LESS CURRENT LIABILITIES		**128,354**		116,041
CREDITORS: Amounts falling due after more than one year		**-**		(32)
PROVISIONS FOR LIABILITIES AND CHARGES		**(3,031)**		(1,372)
TOTAL ASSETS EMPLOYED		**125,323**		114,637
FINANCED BY:				
TAXPAYERS' EQUITY				
Public dividend capital	**84,303**		83,259	
Revaluation reserve	**26,252**		23,341	
Donated asset reserve	**2,395**		1,250	
Income and expenditure reserve	**12,373**		6,787	
TOTAL TAXPAYERS EQUITY		**125,323**		114,637

Jeffrey Worrall
*Chief Executive:*_____
9th June 2008

CASH FLOW STATEMENT

For Year Ended 31st March 2008	**Year Ended 31st March 2008**		Two Months Ended 31st March 2007	
	£000	**£000**	£000	£000
Operating Activities				
Total operating surplus	**6,033**		877	
Depreciation and amortisation charge	**8,104**		1,610	
Amortisation of government grant	**0**		0	
Other Movements	**1,277**		(258)	
Transfer from donated asset reserve	**(361)**		(98)	
(Increase)/decrease in stocks	**(110)**		(65)	
(Increase)/decrease in debtors	**5**		(6,486)	
Increase/(decrease) in creditors	**13,561**		(3,763)	
Increase/(decrease) in provisions	**1,659**		(32)	
Net cash inflow from operating activities		**30,168**		12,347
Returns on Investment and Servicing of Finance				
Interest received	**1,351**		112	
Interest element of finance leases	**(10)**		0	
Net cash inflow from returns on investments and servicing of finance		**1,341**		112
Capital Expenditure				
Payments to acquire tangible fixed assets	**(5,677)**		(1,145)	
Payments to acquire intangible fixed assets	**(629)**		0	
Net cash outflow from capital expenditure		**(6,306)**		(1,145)
Dividends paid		**(3,645)**		(1,742)
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING		**21,558**		9,572
Financing				
Public dividend capital received	**2,500**		0	
Public dividend capital repaid (not previously accrued)	**(1,456)**		0	
Other capital receipts	**0**		15	
Capital element of finance lease rental payments	**(43)**		0	
Net cash inflow from financing		**1,001**		15
INCREASE/(DECREASE) IN CASH		**22,559**		9,587

STATEMENT OF RECOGNISED GAINS AND LOSSES

For Year Ended 31st March 2008	**Year Ended 31st March 2008**	Two Months Ended 31st March 2007
	£000	£000
Surplus for the period before dividend payments	**7,274**	989
Unrealised surplus on fixed asset revaluations/indexation	**5,009**	0
Fixed asset impairment losses	**0**	0
Increases in the donated asset and government grant reserve due to receipt of donated and government grant financed assets	**1,442**	15
Reduction in the donated assets reserve due to depreciation, impairment, and / or disposal of donated assets	**(361)**	(98)
Total recognised gains and losses for the period	**13,364**	906
Prior period adjustment		
- Pre-95 early retirement	**0**	0
- Other	**0**	0
Total gains and losses recognised in the period	**13,364**	906

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

1. Breakeven performance and five-year financial summary

The trust's breakeven performance for 2007/2008 and for the preceding four years is as follows:

	2003/04 £000	2004/05 £000	2005/06 £000	2006/07 £000	2007/08 £000
Total Income	124,785	146,149	164,237	180,971	190,701
Retained surplus for the year/period	2	8	1	2,878	3,629
Break-even cumulative position	93	101	102	2,980	6,609

2. Capital cost absorption rate

	2007/08 £'000	2006/07 £'000
Total Capital and Reserves (Total Assets Employed)	125,323	114,637
Less: Donated Assets Reserve	(2,395)	(1,333)
Cash held in Paymaster accounts	(39,898)	(7,752)
Total Relevant Net Assets	83,030	105,089
Average Relevant Net Assets	94,059	102,166
Total Dividends paid	3,645	1,742
Capital Cost Absorption Rate (%)	3.9%	1.7%

Trusts are required to repay cost of capital at a rate of 3.5% of average relevant net assets. The rate is calculated as the percentage that dividends paid on public dividend capital, totalling £3,645,000 bears to the average relevant net assets of £94,165,000, which is 3.8% for the accounting period which is within the recognised Department of Health's materiality range of 3% to 4%.

3. Better Payment Practice Code - measure of compliance

For Year Ended 31st March 2008	Number	£000
Trade Creditors		
Total bills paid in the year	43,707	51,733
Total bills paid within target	42,788	50,921
Percentage of bills paid within target	98%	98%
NHS Creditors		
Total bills paid in year	1,325	15,021
Total bills paid within target	1,283	14,994
Percentage of bills paid within target	97%	99%

The Better Payment Practice Code requires the trust to aim to pay all valid invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.

4. Audit Services

The Audit fee charged to the Accounts in the period was £61,000.00. All of the work carried out by the External Auditors was in accordance with the Code of Practice.

5. Management costs

	2007/08 £000
Management costs	**6,603**
Income (net of NMET Income)	**183,279**
Percentage	**3.6%**

6. Related Party Transactions

Sherwood Forest Hospitals NHS Foundation Trust is a body corporate established by order of the Secretary of State for Health.

During the period none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with Sherwood Forest Hospitals NHS Foundation Trust.

The Department of Health is regarded as a related party. During the year Sherwood Forest Hospitals NHS Foundation 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 listed below:

	Income £000	Expenditure £000
Bassetlaw Primary Care Trust	338	0
Department of Health	887	0
Derby Hospitals NHS Foundation Trust	284	64
East Midlands Ambulance Services NHS Trust	6	956
East Midlands Strategic Health Authority	8,242	6
Leicester County and Rutland PCT	481	31
Lincolnshire Primary Care Trust	345	8
NHS Bank	2,493	0
NHS Blood and Transplant	0	986
NHS Litigation Authority	0	2,223
NHS Purchasing and Supply Agency	24	3,477
Nottingham University Hospitals NHS Trust	2,609	506
Nottingham City PCT	3,507	0
Nottinghamshire County Primary Care Trust	159,972	2,559
Nottinghamshire Healthcare NHS Trust	1,155	623
United Lincolnshire Hospitals NHS Trust	283	10
University Hospitals of Leicester NHS Trust	682	1

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 the Department of Health for Education and Skills in respect of University Hospitals.

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. The Sherwood Forest Hospitals Charitable Fund purchased goods and services for the Trust during the financial year, and also provided purchases for patients and staff at the Sherwood Forest Hospitals. The administration of the Charity is carried out by the Trust, and during the financial year the Trust charged the Charity for this service.

The audited accounts / the Summary Financial Statements of the Funds Held on Trust are available separately.

7. Salary and Pension entitlements of senior managers							
Name and Title	Salary	Other Remuneration **	Real increase during the year in pension and lump sum at age 60	Total accrued pension (incl. lump sum) at age 60 at 31 March 2008	Value of Cash Equivalent Transfer Value as at 1st April 2007	Real increase value of Cash Equivalent Transfer Value during the year ended 31st March	Benefits in kind *
	(bands of £5000)	(bands of £5000)	(bands of £2500)	(bands of £2,500)			
2007/08	£000	£000	£000	£000	£000	£000	£
Executive Directors:							
Mr B.Meakin	40 - 45	0	n/a	n/a	n/a	n/a	0
(Chair)							
2006/07	*20 - 25*	*0*	*n/a*	*n/a*			*0*
Mr J.Worrall	135 - 140	0	17.5 - 20	180 -182.5	608	95	5600
(Chief Executive)							
2006/07	*115 - 120*	*0*	*35 - 37.5*	*172.5 – 175*			*2700*
Mr W.Gregory	10 - 15	0	2.5 – 5	n/a	220	n/a	6000
(Executive Director of Finance)							
2006/07	*95 - 100*	*0*	*15 –17.5*	*77.5 – 80*			*4000*
(Left 31st May 2007)							
Dr M.Mowbray	20 - 25	140 – 145	12.5 - 15	162.5 - 165	512	65	8000
(Executive Medical Director)							
2006/07	*20 - 25*	*125 - 130*	*32.5 - 35*	*162.5 – 165*			*7800*
Mrs C.White	85 – 90	0	12.5 – 15	105 -107.5	311	57	3200
(Executive Nursing Director)							
2006/07	*75 – 80*	*0*	*20 – 22.5*	*95.0 – 97.5*			*2700*
Mrs S. Rollett	75 – 80	0	(10 - 12.5)	172.5 - 175	314	n/a	0
(Executive Director of Human Resources)							
2006/07	*70 – 75*	*0*	*2.5 - 5*	*37.5 – 40*			*0*
(Appointed 1st February 2007, left 23rd March 2008)							
Mrs E. Konieczny	0 - 5	0	0 - 2.5	n/a	n/a	n/a	0
(Acting Executive Director of Finance - 1st June 2007 to 5th August 2007 inclusive)							
Ms J.Warder	65 - 70	0	15 – 17.5	177.5 - 180	170	52	*0*
(Executive Director of Strategy and Improvement - appointed 4th June 2007)							
Mr L.Bond	60 - 65	0	10 - 12.5	72.5 - 75	137	35	8
(Executive Director of Finance - appointed 6th August 2007)							
Non-Executive Directors:							
Ms T. Doucet	10 – 15	0	n/a	n/a	n/a	n/a	0
2006/07							
Mrs D.George	5 – 10	0	n/a	n/a	n/a	n/a	0
2006/07	*5 – 10*	*0*	*n/a*	*n/a*	*n/a*	*n/a*	*0*
(left 31st January 2008)							
Mr P.Harris	10 – 15	0	n/a	n/a	n/a	n/a	0
2006/07	*5 – 10*	*0*	*n/a*	*n/a*	*n/a*	*n/a*	*0*
Mrs S.Andrews	5 – 10	0	n/a	n/a	n/a	n/a	0
2006/07	*5 –10*	*0*	*n/a*	*n/a*	*n/a*	*n/a*	*0*
(left 31st January 2008)							
Mr S.Pearson	10 – 15	0	n/a	n/a	n/a	n/a	0
2006/07	*5 – 10*	*0*	n/a	*n/a*	*n/a*	*n/a*	*0*
Mr D.J.Leah	10 – 15	0	n/a	n/a	n/a	n/a	0
2006/07	*5 – 10*	*0*	n/a	*n/a*	*n/a*	*n/a*	*0*
Mrs B. Y. Jones	0 – 5	0	n/a	n/a	n/a	n/a	0
(appointed 1st February 2008)							
Mr D. B. Heathcote	0 – 5	0	n/a	n/a	n/a	n/a	0
(appointed 1st February 2008)							
Notes							
* The amounts shown for benefits in kind relate to the provision of lease cars.							
** Other remuneration relates to remuneration for the Executive Medical Director for clinical work.							

Jeffrey Worrall
Chief Executive Date: 9 June 2008

STATEMENT ON INTERNAL CONTROL 2007/08

1. Scope of responsibility

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

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 our aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Sherwood Forest Hospitals NHS foundation trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Sherwood Forest Hospitals NHS foundation trust for the year ended 31st March 2008 and up to the date of approval of the annual report and accounts.

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.

3. Capacity to handle risk

The trust's risk management policy and strategy was approved by the board of directors in September 2007, and sets out the responsibility and role of the chief executive in relation to risk management. Through participation in the trust's quality assurance committee (a sub committee of the board of directors and the trust's governance committee) and support of integrated clinical and non-clinical risk management the chief executive provides leadership to the management of all risks faced by the trust.

The quality assurance committee embraces strategic issues, monitors the activity of other risk management groups, and in particular both the clinical risk board and the controls assurance steering group, report to it.

The quality assurance committee reports directly to the board of directors.

The trust's audit committee and its financial strategy and investments committee deal specifically with internal control and financial risks faced by the trust and report directly to the board of directors. Internal control and financial risks are reflected in the overall consideration of risk at the board of directors but also at the quality assurance committee, by a degree of common membership, including the executive director of finance.

The trust carries out regular risk assessments and has produced risk registers at various levels across the organisation including the strategic assurance framework. The assurance framework was regularly reviewed by the board of directors during 2007/08 in order to ensure the risks it identified remained up to date and to ensure progress has been made with any actions identified. This review has included cross referencing the assurance framework to the domains set out by the Healthcare Commission's Standards for Better Health. The assurance

framework enables risk management decision-making to occur as near as practicable to the risk source and for those risks that cannot be dealt with locally to be passed upwards to the appropriate level.

Awareness training on risk management, risk assessment and incident reporting are included in the trust's core induction programme which is attended by all staff on their first day of work and which highlights key trust policies and procedures. These policies include the risk management strategy, and policies for health and safety, infection control and complaints. The core training processes also include specific risk management training (Fire, Lifting and Handling, Health and Safety and mandatory updates). The trust also employs a system of root cause analysis to review processes and incidents in order to identify ways of reducing risks and learning from experiences. The trust also links with partner organisations to provide appropriate education and training in this area.

More specific training is provided for directors and senior managers on their roles and responsibilities for managing risk. For example a developmental session on the new Corporate Manslaughter Bill and directors' responsibilities for health and safety was arranged for directors in October 2007.

4. The risk and control framework

The risk management framework is set out in the risk management policy and strategy. The key elements of the strategy and associated policy include:

- The board of directors recognises that risk management is an integral part of good management practice and to be most effective should become part of the trust's culture and strategic direction. The board of directors is, therefore, committed to ensuring that risk management forms an integral part of its philosophy, practices and business plans rather than viewed or practised as a separate programme and that responsibility for implementation is accepted at all levels of the organisation.

- The aim of the trust's policy and strategy for managing risk is to create robust structures, systems and processes that will minimise or eliminate risks to patients, staff, the organisation and to third parties by promoting consistency in practice in clinical and non-clinical services. The policy and strategy is aimed at creating a deep awareness and responsibility for the assessment and management of risk at all levels in the organisation, whether through individual practice or through management arrangements.

- Responsibility for the effectiveness of organisational systems of control and risk management rests unequivocally with the board of directors and the chief executive as accounting officer, however, specific responsibilities are delegated to other directors, and senior managers, through the policy and strategy.

- In addition, all trust employees have a part to play in managing risk including reporting incidents, accidents and near misses; complying with all trust policies and procedures; attending training, including new joiner induction sessions as stated in the trust's mandatory training plans and being familiar with emergency procedures.

- The following chart shows the interrelationship between the principal trust committees involved in the risk management process. Their key responsibilities can be summarised as follows:

    - The quality assurance committee is responsible for the overall control of the risk management process and for ensuring that all significant risks are reported to the board of directors on a regular basis. The quality assurance committee reports after every meeting to the board of directors;

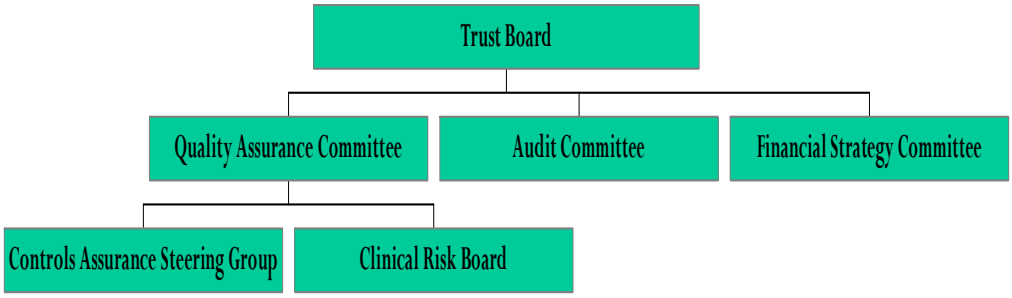
- The audit committee is responsible for reviewing the effectiveness of the trust's systems of internal control, overseeing the work of the trust's auditors and the implementation of its plan to manage the risk of fraud and corruption. The audit committee reports after every meeting to the board of directors;

- The financial strategy and investments committee deals specifically with financial risks faced by the trust. It receives reports from the executive directors and assists the board of directors in forming action plans to deal with the risks faced;

- The controls assurance steering group advises the quality assurance committee on the framework and structure to effectively manage organisational and non clinical risks;

- The clinical risk board advises the quality assurance committee on the management of clinical risks

Risk management Committee Structure



- The trust has a comprehensive manual of policies and procedures, which are available to staff. Risk assessment processes are included within a wide range of these policies. Examples include accident and incident reporting, handling complaints and claims, health & safety and dealing with fraud and corruption.

- An ongoing risk management process is in place to develop and keep up to date the trust's assurance framework, register of high risks and other risk registers. This process includes risk identification, evaluation, identification of control and development of action plans to mitigate risks where appropriate.

As referred to above the trust's assurance framework has been considered on a quarterly basis by the board of directors. The assurance framework lists the principal risks to the achievement of corporate objectives as identified in the foundation trust's annual plan and identifies and evaluates the systems of control in place to manage these risks and how the board of directors draws assurance that these risks are being managed effectively.

The assurance framework identified any gaps in assurance and control relating to the principal risks facing the trust., As well as listing the gaps, the assurance framework also lists the actions being taken to address the gaps and to manage the risk.

The gaps identified have related to a wide range of risks, including financial risks (for example the performance of some of the trust's productivity improvement programmes); clinical risks (for example, the failure to meet the MRSA reduction target); and efficiency risks (for example the failure to meet the reduced length of stay target).

None of these issues were considered to represent significant gaps in control.

As a result of this work the board of directors has identified a number of developing areas where controls or assurances should be enhanced further during 2008/09 to enable the trust to respond effectively to a rapidly changing environment and to ensure that its corporate objectives are achieved.

The board of director's review of the assurance framework will continue in 2008/09 and will include ensuring that the objectives identified in the 2008/09 annual plan are specific, measurable, achievable realistic and timely (SMART), that measures of control and assurance are appropriate and that the assurance framework continues to be integrated into the governance process within the trust.

The board of directors recognises the importance of involving public stakeholders in the management of risks that may impact on them and has established mechanisms to enable this involvement.

The quality assurance committee as the key risk management and governance forum within the trust, includes a public governor nominated by the board of governors and a representative of the trust's patient reference group (PRG). Summaries of the monthly corporate performance management reports, the monthly clinical governance reports and the trust's assurance framework are made public, and the governors are provided with a summary of the corporate performance management report and regular updates on performance issues at their meetings.

The board of governors has established a number of sub-committees that receive assurance in relation to the management of the risks associated with key aspects of the trust's work.

The principles of the trust's risk management strategy and policy apply to all risks, including those associated with information. In view of growing concerns nationally regarding the management of information by public authorities, especially personal data, the Department of Health established an information governance assurance programme (IGAP) in 2007/08 and asked all boards of directors within the NHS to undertake a review of their information governance arrangements. Boards of directors of NHS foundation trusts were also required to self-certify their levels of compliance to Monitor and chief executives were required to sign a statement of compliance in February 2008.

The trust reviewed its information governance arrangements in accordance with IGAP in 2007/08 as required by the Department of Health and by Monitor and the chief executive completed a declaration in February 2008.

The trust also conducted an assessment of its information governance arrangements in 2007/08 using the Department of Health's information governance toolkit (IGT). The results of this assessment confirmed that the trust had continued to improve its governance rating.

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

The board of directors also reviews the economy, efficiency and the effectiveness of the use of resources through a number of monitoring processes. As well as the monthly corporate performance management reports, the executive team reviews the success of operational management through regular performance management meetings and there are regular reports to the board of directors on progress against cost, and latterly, productivity improvement programmes (PIPs). The financial strategy and investments committee regularly reviews progress against the trust's financial plan in depth and the board of directors, receive regular reports on progress and actions being taken to recover any areas of concern.

Internal audit reports, reports from external audit, (principally the audit of the annual accounts and the production of the annual management letter), and regular reports from the Local Counter Fraud Specialist to the audit committee have also provided the board of directors with assurance that the trust's assurance mechanisms are sound and effective.

6. Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, and the executive managers within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework, and comments made by external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the audit committee, the quality assurance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

I have also been advised by the following processes:

- Regular review by the board of directors of the assurance framework;
- Regular reports from the audit committee to the board of directors on issues of internal control and regular review of the minutes of audit committee meetings;
- Regular reports from internal audit, to the audit committee on matters of internal control as described in the internal audit plan;
- Consideration of board of directors agendas, papers and the quarterly annual plan monitoring reports and assurance framework updates that provide me with evidence of the effectiveness of controls;
- Attendance and debate at the quality assurance committee, and other sub-committees of the board of directors;
- Attendance and debate at meetings of the trust management team;
- Attendance at performance management meetings where the performance of the operational divisions is regularly monitored;
- The outcome of visits, reports and assessments of external independent agencies including:

    - Retention of NHSLA standard 1 for acute services in February 2008 and for Maternity Services in October 2006;
    - Full compliance with the Standards for Better Health in April 2008;
    - Maintenance of Improving Working Lives Practice + status;
    - Lower quartile mortality rates reported by Dr Foster;
    - Maintenance of Investors In People status;
    - Positive Postgraduate Dean report on training activities;
    - Positive reports from the Healthcare Commission in relation to a number of key functions across the trust, including compliance with the Hygiene Code, privacy and dignity standards and its review of maternity services in England;
    - Positive report from the Healthcare Commission's ratings of trusts, confirming ratings of 'good' for our services and 'excellent' for our use of resources;
    - The positive outcome of the independent review by Deloittes of the board of director's assurance process relating to its declaration of compliance with the MRSA reduction target in 2007/08.

I have also been advised on the implications of the result of my review of the effectiveness of the system of internal control by receiving the minutes and action plans of the key groups for promoting risk management as identified above. In addition I am aware of the importance of the following:

- The board of director's role to provide active leadership of the trust within a framework of prudent and effective controls that enable risk to be assessed and managed;
- The role of the audit committee, as part of an integrated committee structure, which is pivotal in advising the board of directors on the effectiveness of the system of internal control. Any significant internal control issues would be reported to the board of directors via the audit committee;

- The role of the quality assurance committee in ensuring a comprehensive and coherent framework of risk management that integrates clinical, non clinical and corporate governance and provides a strategic direction for this important work;
- Directors' and managers' roles and responsibilities;
- The trust's internal auditors, who provide regular reports to the audit committee and full reports to the executive director of finance and line managers within the trust. The audit committee also receives details of any actions that remain outstanding following the follow up of previous audit work. The executive director of finance also meets regularly with the internal audit manager.
- The trust's external auditors, who provide an annual management letter and regular progress reports to the audit committee.

Conclusion

There have been no significant internal controls issues identified between 1 April 2007 and 31 March 2008.

Date: 9 June 2008

Signed
Chief Executive
(on behalf of the Board)

KPMG

Opinion on the financial statements

We have audited the financial statements of Sherwood Forest Hospitals NHS Foundation Trust for the year ended 31 March 2008 under the National Health Service Act 2006. These comprise the Income and Expenditure Account, the Balance Sheet, the Cash flow Statement, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies relevant to NHS Foundation Trusts set out therein.

This report is made solely to the Board of Governors of Sherwood Forest Hospitals NHS Foundation Trust ('the Trust'), as a body, in accordance with the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Board of Governors of the Trust, as a body, those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's Governors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page 66 the Accounting Officer is responsible for the preparation of the financial statements in accordance with directions issued by Monitor.

Our responsibilities, as independent auditors, are established by statute, the Code of Audit Practice issued by Monitor and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view of the state of affairs of the Trust and its income and expenditure for the year ended 31 March 2008. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

We review whether the statement on internal control on pages 78 to 83 reflects compliance with Monitor's guidance issued in the NHS Foundation Trust Financial Reporting Manual. We report if it does not meet the requirements specified by Monitor or if the statement is misleading or inconsistent with other information we are aware of from our audit of the financial statements. We are not required to consider, nor have we considered, whether the directors' statement on internal control covers all risks and controls. We are also not required to form an opinion on the effectiveness of the Trust's corporate governance procedures or its risk and control procedures. Our review was not performed for any purpose connected with any specific transaction and should not be relied upon for any such purpose.

We read the information contained in the Annual Report and the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the statement of accounts.

Basis of audit opinion

We conducted our audit in accordance with the National Health Service Act 2006 and the Code of Audit Practice issued by Monitor, which requires compliance with relevant auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of affairs of Sherwood Forest Hospitals NHS Foundation Trust as at 31 March 2008 and of its income and expenditure for the year then ended; and
- the information given in the Directors' Report is consistent with the financial statements.

Certificate

- We certify that we have completed the audit of the accounts in accordance with the requirements of the National Health Service Act 2006 and the NHS Foundation Trust Audit Code of Practice issued by Monitor.

KPMG LLP
2 Cornwall Street
Birmingham
B3 2DL

9 June 2008