Sherwood Forest Hospitals NHS
NHS Foundation Trust

Annual Report 2006/7

Cementing a bright future…

Trust Chairman Brian Meakin shows off an engraved silver trowel presented to him at the 'topping out' ceremony for the new Diagnostic and Treatment Centre, currently being built as part of the £320m redevelopment of King's Mill Hospital.

INVESTOR IN PEOPLE

POSITIVE ABOUT DISABLED PEOPLE

Annual Report 2006/07

This report provides information on:

- **The performance and key achievements of Sherwood Forest Hospitals NHS Trust between the dates of 1st April 2006 and 31st January 2007;**
- **The performance and key achievements of Sherwood Forest Hospitals NHS Foundation Trust between 1st February 2007 and 31st March 2007.**

While recognising that the Governance regimes for the two organisations differ, the Board of Directors feels that as the Sherwood Forest Hospitals NHS Trust had adopted many of the governance principles of an NHS Foundation Trust ahead of its authorisation, it is appropriate to publish the Annual Reports for the two organisations in one document to provide continuity.

However, we have provided information about our performance as an NHS Trust and as a NHS Foundation Trust in distinct sections of this Report.

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NHS Foundation Trust

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Preface

Sherwood Forest Hospitals NHS Trust was authorised to operate as an NHS Foundation Trust on 1st February 2007, under the Health and Social Care (Community Health & Standards) Act 2003.

Presented to Parliament pursuant to Schedule 1 of the Health and Social Care (Community Health and Standards) Act 2003, Schedule 1, paragraph 25(4).

Annual Report 2006/07

1. Chairman's Statement

"Another year of continuing success"

Once again, I am very privileged and proud to be able to commend to you our Annual Reports for 2006/07 – our last as an NHS Trust and our first as an NHS Foundation Trust.

The various sections of the report make it very clear just how much progress we made in the first 10 months of the year as an NHS Trust, culminating in our authorisation as a Foundation Trust in February 2007. As you will see, we have continued our record of success in the short time that we have been authorised as a Foundation Trust.

Strategies for the Year

Our main strategic vision for the whole year continued to be Working in Partnership:

- with members of our local population to improve their health,
- with our members of staff to value their contribution;
- with our stakeholders to deliver greater value.

We hope that this approach and our achievement of Foundation Trust status will ensure the continued loyalty of our local residents and make our services their first choice when seeking health care. We also hope that it will ensure that our staff demonstrate their loyalty to the local population in the quality of care they provide.

Performance Highlights

As in previous years, our experiences in 2006/07 confirmed to me the importance of maintaining a strong financial position and of organising our services as effectively as possible. This is something that Monitor, the Independent Regulator of Foundation Trusts, will be insisting upon for the future, to enable us to have confidence in our ability to afford our new hospital at King's Mill.

Our high level of performance against our targets in 2006/07, including the achievement of a financial surplus at the end of January 2007 and at the end of March 2007 - was certainly a matter of pride for the Board of Directors and should be for everyone working at the Trust and receiving our services.

Everyone played their part in our success

Everyone played their part in our success and none more so than the Managers that we have in the organisation. I know from personal experience how hard and effectively our senior management team works and how much the Board of Directors relies on them to manage the organisation effectively. We expect that achieving Foundation Trust status will reduce some of the bureaucratic burden that we have faced in the past. The Foundation Trust Network organisation is very active in highlighting where overlaps exist and we will be working with it to reduce this burden.

Once again, the Board of Directors had the opportunity of acknowledging the high-quality individuals and teams that we have working in the Trust when I presented our Staff Excellence Awards immediately after the Annual General Meeting in September 2006.

The Board of Directors has continued to take a great interest in the innovative work that is being done at the Trust, and during the year we received a number of presentations before our monthly Board of Director meetings, when teams and individuals have come along and told us what they are doing to improve services.

During the year I also had the opportunity to present awards to our volunteers across the Trust. The level of support that we continue to receive from our volunteers is truly amazing and the Board of Directors is very appreciative of the support that we receive. We hope and expect that this level of support will continue as our new facilities at King's Mill Hospital are commissioned.

We are constantly searching for new volunteers to join our ranks and to share with us, the exciting times ahead.

Modernising Acute Services

Another key highlight of 2006/07 was the continuing development of the MAS project.

A formal ceremony to initiate the construction phase of our new buildings was held in 2006, and since this time, the King's Mill site has changed dramatically. At the time of writing (March 2007) the outline of the Diagnostic and Treatment Centre (DTC) is taking shape, and will see a 'topping out' ceremony in April 2007. It is due to open in April 2008.

Also visible is the infrastructure for the three tower blocks.

The Board of Directors remains committed to working with colleagues from the Central Nottinghamshire Hospitals PLC to create a hospital, of which all local residents can be justifiably proud.

The Board of Directors, however, is keen to ensure that its other hospital site at Newark is not left behind and during the year a major refurbishment programme has been undertaken. Work on the refurbishment of Mansfield Community Hospital is also progressing well and we hope that all of these developments will ensure

1. Chairman's Statement

that local people see our facilities as their first choice.

Having first-rate buildings and facilities is only half of the picture of course, and we need to make sure that we continue to recruit staff of the highest calibre to treat and care for patients.

Changes within the local Health Community

While we were finalising our application for, and achieving Foundation Trust status, progressing the MAS Project and meeting our targets, the local health community was also witnessing some significant changes.

A new Strategic Health Authority (StHA) for the East Midlands was established in July 2006, and a new Primary Care Trust (PCT) - the Nottinghamshire County (teaching) PCT was established in October 2006.

We have started working closely with colleagues from the new PCT and while relationships with the new StHA were developed in 2006/07, we are likely to have less contact following our authorisation as a Foundation Trust.

Changes in Corporate Governance Arrangements

Finally, I would like to conclude my introduction by highlighting some of the actions that we took during the year to prepare ourselves for achieving Foundation Trust status, and making sure we succeed in the future as we move forward.

Our Board of Governors consisting of 39 elected and appointed representatives, is now well-established, and the majority of our governors have been with us for over a year. The Board of Governors has started to look at areas of services that are important to our members and in the early months of being a Foundation Trust, we will be seeking members' views about our plans for the future.

The Board of Governors is also reviewing the actions that we are taking to encourage people to become members and once they have joined up to maintain their involvement. During the year we have initiated a members' newsletter called Acorns, which we hope will allow our Governors to contact their members and ensure that an effective channel of communication is maintained.

As part of the review of our Corporate Governance arrangements at Board of Directors level, we recognised the significant change in the roles and responsibilities of Directors. A great deal of development work has been carried out to ensure that the Board of Directors is fit for purpose.

Part of this work was to welcome Tracy Doucet as Non-Executive Director of the Trust. Tracy was appointed in a 'designate' capacity in July 2006, before joining the Foundation Trust Board of Directors from 1st February 2007.

We are already benefiting from Tracy's involvement and we are sure that she will prove a valuable asset.

We also welcomed Sandra Rollett to the Board of Directors in February 2007 as Executive Director of Human Resources. The Board of Directors recognised the key part that our workforce will play in our future success and agreed to reflect this in an appointment on the Board.

To conclude

Overall, this has been an exciting and very positive year that we can all be proud of and I am certainly looking forward to meeting the challenges of succeeding as a Foundation Trust.

Brian Meakin
Chairman **Date: 5 June 2007**

Brian Meakin

2. Chief Executive's Statement

The Trust enjoyed another successful year in 2006/07, which culminated in authorisation as an NHS Foundation Trust in February 2007.

Our Operating and Financial Review provides details of the levels of performance that we achieved in financial, access and quality terms, during the 10 months from 1st April 2006 to 31st March 2007 as an NHS Trust, and as an NHS Foundation Trust from 1st February 2007 to 31st March 2007.

The Annual Report also provides information about how we continued to put our values into practice for the benefit of the people who rely on our services – our patients - and the people that work with us to maintain our high standards of service - our staff.

As in previous years, I would like to introduce our Annual Report by highlighting the things that I feel have been our key achievements during the year:

Highlights of 2006/07 as an NHS Trust

- Meeting our targets - achieving a surplus at the end of January 2007, achieving the majority of our waiting time and access targets, and treating more patients. Improving safety and clinical outcomes.
  We also remained at the leading edge of a number of local and national initiatives – for example the implementation of Choose and Book and the Picture Archiving and Communication System (PACS) in September 2006, that enables X-rays to be viewed electronically and reduced the dependence on Films.
- Developing the MAS Project - witnessing the continuing progress of the modernisation of our district general hospital to become one of the most up to date hospitals in the country, and developing new ways of working in preparation.
  Two good examples of the benefits of the MAS project were:
- Our new Pathology Department that was officially opened by Lord Warner of Brockley, Minister of State for Reform, in September 2006. The facilities, and in particular the Common Automated Floor, make our department one of the most up to date in the country.
- The Jonah Project, to review and highlight factors that prevent us from making the best use of our Elderly Care beds, particularly at the Community Hospitals and at Newark Hospital, was commissioned in December 2006, and is allowing us to reduce the average length of stay for patients, and allowing more patients to be treated.
- Progressing MRSA Reductions – While the Local Delivery Plan (LDP) Target was not fully achieved, we were able to make good progress in our fight to prevent infection at our hospitals, and ensuring the safety of all that use them;

Attracting excellent new clinical staff to work at our hospitals

- Developing more services at Newark Hospital - the opening of the Minor Operations Suite in January 2007, and the refurbishment of many parts of the Hospital during the year demonstrated the Board of Directors commitment to developing services at the Hospital to meet the needs of our local population;
- 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 in 2008 as reasons for choosing our Trust. The success of the MAS scheme will rely on securing sufficient staff with the right skills and experience at the right time.
- Finalising our successful application for Foundation Trust Status - the development of the component parts of our application - our Service Development Strategy, Financial Model, Membership Strategy and Workforce Strategy – and working as a Foundation Trust in 'shadow' form with our Board of Governors.

We recognised that as part of our application we needed to ensure that our levels of productivity increased in order to secure our medium and long-term success. As such, in September 2006, we appointed a leading firm of Management Consultants – McKinsey - to work with us to develop a programme to review and highlight areas where the Trust could become more productive.

This helped us understand the concepts of Service Line Economics, which we will develop further in 2007/08 as an NHS Foundation Trust.

- Fulfilling Promises – At the start of 2006/07 the Trust made a number of promises to Patients, GPs, and Staff:

For our patients we promised to:

- Improve our patients' food by introducing a new system at Newark Hospital to provide food, which will be cooked fresh on the ward at every mealtime;

The Steamplicity production process will be introduced at Newark Hospital early in 2007/08, and will be 'rolled-out' thereafter;

- Invest extra money in the prevention of hospital acquired infection (including MRSA) to build on the reductions we have achieved over the last year.

We secured an allocation in 2006/07 of £300,000 to help us meet our reduction targets.

2. Chief Executive's Statement

For our referrers we promised to:

- Roll-out a system of real-time electronic discharge letters for GPs.

This was achieved and the vast majority of discharge letters are sent electronically to GPs improving safety and communications.

- Introduce a structured advice system for GPs to contact hospital specialists to help GPs support their patients in the community.

This is being progressed through the recruitment of a Director of Primary Care.

For our staff we promised to:

- Implement the Knowledge and Skills Framework (KSF), for staff covered by Agenda for Change (most staff), supported by a comprehensive system of appraisal (the new Development Review Process) ensuring all staff receive appropriate appraisal.

The KSF has been introduced for all staff covered by Agenda for Change as well as a complementary appraisal system.

- Continue our commitment to the training and development of staff and build on our results in the 2005 National Staff Survey.

The Trust continues to provide a range of Training and Development opportunities for staff including Customer Care Training.

- Improve our employee well-being.

An Employee Well Being Policy was approved by the Board of Directors in September 2006, and further staff benefits have been introduced.

Highlights of 2006/07 as an NHS Foundation Trust

- Using the impetus of our application for Foundation Trust status, and the work undertaken in Autumn of 2006 with McKinsey to develop Productivity Improvement Programme, we have started to reorganise the operational management of the Trust into Service Management Teams. This will provide a firm foundation to support the introduction of Service Line Reporting and ensure continued efficiency and effectiveness.
- Achieving a Smoke Free environment at our hospital sites in March 2007, following months of preparation, and securing the support of staff, patients and visitors to make the initiative a success for the benefit of all using our sites.
- Increasing the number of public members of the Trust so that in February 2007, we achieved a total membership of almost 10,000 – a figure that we exceeded in May 2007.

Looking towards the future

2006/07 has been the Trust's most successful year, but we must continue to review our performance and develop to remain successful – achieving Foundation Trust status and developing the MAS project give us a golden opportunity to make a significant contribution to the health of our population and increasing the level of community involvement. The Board of Directors and I are committed to making the most of this opportunity. As such, we will:

- Continue to devote significant time and resources to developing the 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 DTC and Elderly Care Wards, through the Jonah Project and other MAS Programmes;
- Introduce a new management structure to give staff working at the frontline more influence over the operation of the Trust.
- Continue to develop as a Foundation Trust to ensure that we take full advantage of the benefits that will be available to us.

We will also be welcoming two new Executive Directors in 2007/08, who will help us build upon the successes of last year and ensure that we continue to prosper as a Foundation Trust.

Jeffrey Worrall
Chief Executive **Date: 5 June 2007**

Jeffrey Worrall

3. Background Information

Our values have remained constant during the year and were reinforced as part of our application to become a Foundation Trust.

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.

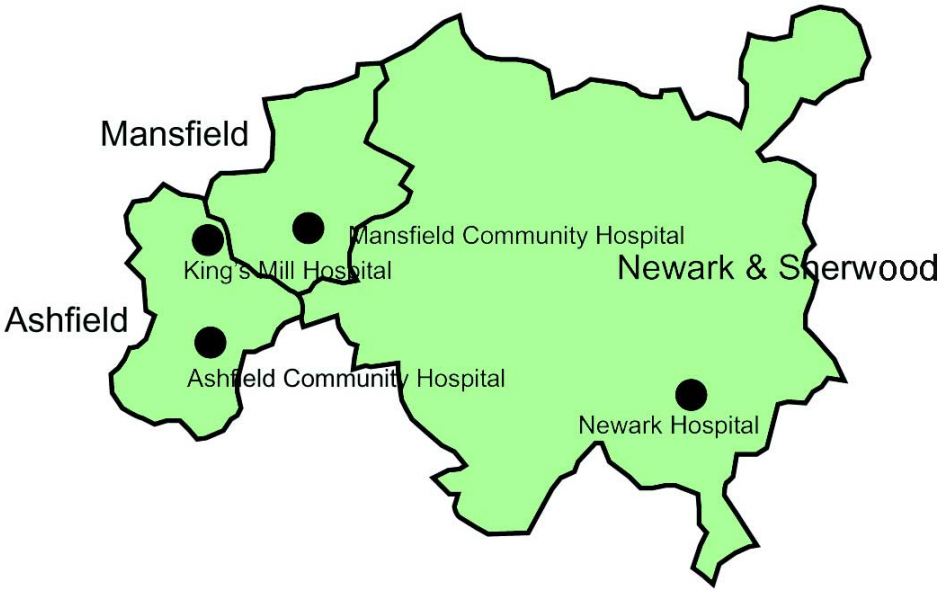
We want our local hospitals to be the 'hospitals of choice' for the residents of our local communities, and to be the place where local people choose to work.

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 development as a Foundation Trust.

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.

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 settlement 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 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 are 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 is a significant risk to our future workforce development requirements. The importance of this issue is reflected in our strategic objectives and the Trust is 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 the Trust and our role in providing acute healthcare within the Central Nottinghamshire health community.

Clinical networks and the local sustainability of smaller specialties

We have developed our participation in formal clinical networks and also in more informal partnerships with other

3. Background Information

providers, in order to ensure that the range and scope of smaller specialties provided within the Trust is sustainable in the future. These include the Mid Trent Cancer Network, the Cardiac Network, 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 will seek to strengthen our involvement in local Clinical Networks. Work carried out during 2006/07 in preparation for achieving Foundation Trust status enabled us to review our Inter-Trust Agreements (ITAs) and we will use this as the basis of agreeing Legally Binding Contracts with our neighbouring 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) to support these developments.

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

Other changes are likely to lead to an increased range of out of hospital services competing with 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 pose a potential threat to the organisation's 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.

Local delivery plans 2005-2008

We have participated in the development of three Local Delivery Plans (LDPs) with our Primary Care Trust partners.

The plans summarise how we will work together to meet national and local targets between 2005 and 2008.

The key supporting strategies outlined in the LDPs relate to:

- Increasing capacity
- Developing our workforce
- Maximising the benefits of 'Connecting for Health', the National Programme for IT
- Implementing Choose and Book to support plurality and Patients' Choice

The planned levels of commissioned activity from the Trust, and the specific service developments agreed to support the achievement of national and local targets within the LDPs, are detailed in sections 4 and 5 and appendix 4 of our Service Development Strategy.

3. Background Information

Our services

The Sherwood Forest Hospitals NHS Trust was formed in April 2001, and we provide comprehensive District General Hospital services and services for elderly people throughout Central Nottinghamshire at four hospital sites - King's Mill Hospital (561 beds), Newark Hospital (102 beds), Mansfield Community Hospital (112 acute beds) and Ashfield Community Hospital (60 acute beds).

The Sherwood Forest Hospitals NHS Foundation Trust was authorised on 1st February 2007.

We 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.

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.

In the first 10 months of 2006/07 we had an income of around £149m and employed around 3,600 staff. We also received support for our volunteers, who currently number around 1,000.

At the end of 2006/07, our income had increased to £180m.

Modernising Acute Services (MAS)

The Modernisation of Acute Services (MAS) project is a £320m Private Finance Initiative (PFI) led by the Trust in partnership with Nottinghamshire County (teaching) PCT. The initiative 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:

- 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.

The Trust reached 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.

Our PFI Partner, Skanska Innisfree, is recognised as 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

3. Background Information

During 2006/07 in collaboration with our PFI Partner, we have considered the development of a Heat Transfer project to complement the use of energy at King's Mill Hospital.

If approved and implemented, the Project could make a significant improvement to the Trust's energy consumption and CO2 carbon emission rates and provides further evidence of our commitment to sustainable energy use.

King's Mill Hospital

Current entrance to King's Mill Hospital

Artists's impression looking out from a new front facing ward in the new build

King's Mill Hospital provides Medical, Surgical, Paediatric, Obstetric and Gynaecological services from a range of settings including general wards, a busy 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 new 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 Genito-Urinary service is planned for 2007/08.

Newark Clinical Development Strategy

We assumed responsibility for Newark Hospital in 2001, and in response to clinical concerns about the scope of services provided and the way in which they were medically staffed and led, we developed a clinical strategy which led to the cessation of emergency surgery, the introduction of restrictions to the range of emergency conditions that could be managed at the hospital and the replacement of visiting consultants with substantive consultants employed by the Trust and working across our two general hospital sites.

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.

Ashfield Community Hospital

Ashfield Community Hospital is also managed by Nottinghamshire County (teaching) PCT, and we provide health care of the elderly services from two wards with 40 beds. There is a small x-ray unit, pharmacy and therapy services. This is a newly built hospital offering excellent modern accommodation.

Proposals for the transfer of Inpatient Services at Ashfield Community Hospital to King's Mill Hospital will be developed during 2007/08, as part of preparations for the MAS project and in accordance with the Service Development Strategy.

Our performance in 2006/07

The Board of Directors routinely considers key aspects of the Trust's performance at its monthly public Trust Board 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.
- Monthly Clinical Governance Reports (CGR) - which include both cumulative and monthly descriptions of performance, with a focus on quality, including Complaints Handling, PALS and PPI, Infection Rates and patient safety;
- Quarterly Business 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 Business Plan objectives and the Controls and Assurances in place to manage these risks.
- Other regular reports on key aspects of the Trust's operation – Connecting for Health, Infection Control, Information Governance.

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

During the year we also started providing a summary CPMR for the Board of Governors in order that governors could oversee our performance and seek information on specific matters of interest.

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 2006/07, we reviewed our performance management process to match the requirements of a Foundation Trust with particular reference to the Dr Foster Intelligence publication – 'The Intelligent Board'. As a result, regular reports on productivity, and performance against key indicators were added to the CPMR.

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

i) Treating more patients

Category of Service	2006/07 Full year Target	Actual at 31/01/07	Actual at 31/03/07	2005/06 Actual
Elective inpatients	34,998	29,284	35,468	33,324
Non-elective inpatients	37,944	32,265	38,439	41,816
New Outpatients (excluding GUM)	63,807	53,762	64,698	63,697
Accident and Emergency	106,448	91,589	108,296	96,502

During 2006/07 we treated 1% more Elective and Non-Elective inpatients than expected, saw 2% more Outpatients (new and follow-up) than expected, and received 2% more attenders at Accident and Emergency than expected.

The Foundation Trust Annual Plan for 2007/08 assumes further growth rates in accordance with the MAS Business Case, the Service Development Strategy and the Financial Model, completed as part of our authorisation as a Foundation Trust. These assumptions have been agreed with our local Commissioners.

The 2007/08 Foundation Trust Annual Plan also assumes that we will continue to maintain our excellent record of achievement against national performance targets, and this will put us in a good position to achieve the Government's challenging waiting times targets for 2008.

ii) Meeting targets

Performance Target	Threshold	Level of Achievement to 31/01/07	Level of Achievement 1/02/07 to 31/03/07	Year end
Maximum waiting time of 31 days from diagnosis to treatment for all cancers	98%	100%	100%	100%
Maximum waiting time of 62 days from urgent referral to treatment for all cancers	95%	95%	95%	94%
Maximum waiting time of 6 months for inpatients	99.97%	100%	100%	100%
Maximum waiting time of 13 weeks outpatients	99.97%	100%	100%	100%
MRSA year-on-year reduction (to fit trajectory for the year – usually a 40% reduction from baseline)	Target By 31/01/07 = 30 Target 01/02/07 to 31/03/07 = 6 Total 2006/07 = 36	37	7	44
18-week maximum wait (by 2008)	100% in 2008	Good progress was made to meet internal targets ahead of the national target in 2008	Good progress was made to meet internal targets ahead of the national target in 2008	Good progress was made to meet internal targets ahead of the national target in 2008
Sexual Health – 48 hour access to Access to Genito Urinary Medical (GUM) clinics by 2008	100% by 2008	53.8%	77.6%	58.2%
Implementation of choice and booking – convenience and choice – elective (inpatient and daycase) and outpatient booking	100%	100%	100%	100%
Maximum waiting time of 4 hours in Accident and Emergency (A&E) from arrival to admission, transfer, or discharge	98%	98%	97%	98%
All patients with operations cancelled for non-clinical reasons to be offered another binding date within 28 days	99%	100%	100%	100%
People suffering heart attack to receive thrombolysis within 60 minutes of call	68%	52%	50%	52%
Maximum waiting time of 3 months for revascularisation	99%	Not applicable	N/A	N/A
Maximum waiting time of 2 weeks from urgent GP referral to first outpatient appointment for all urgent suspect cancer referrals	98%	100%	100%	100%
Maximum waiting time of 2 weeks for rapid access pain clinics	98%	99.5%	100%	100%
Minimising delayed transfers of care by 2008	No more than 3%	0.26%	0.9%	0.4%

4. Operating & Financial Review

While outpatient cancellation performance is not a formal target, we are committed to improving our cancellation rate during 2007/08, as we recognise the inconvenience and distress that the cancellation of an appointment causes our patients.

iii) Managing our Finances

We again faced a challenging year financially during 2006/07, and the Summary Financial Statements included within the Annual Report provide further detail on the Trust's financial position.

The Summary Financial Statements describe our position at 31st January 2007, and at 31st March 2007.

Despite the challenges we faced, we were able to once again able to meet all of our financial duties, including the achievement of surpluses both at the end of Month 10 and at the end of the financial year.

One of the key actions that we took during the year was to improve the development and monitoring of our Cost Improvement Programme. Working with McKinsey's in the Autumn of 2006, we were able to understand the importance of focusing on improved productivity as a key factor in helping us improve our costs, and this work laid the foundations of further review in early 2007 when the principles of Service Line Reporting were explored further.

We continued to progress this work as a Foundation Trust following authorisation in February 2007, and have used this not only to develop Productivity Improvement Programmes for 2007/08, but also to review the management structure of the Trust and introduce Service Management Teams.

A key feature of 2006/07 was that we treated far more patients than expected by the end of February 2007, and while the Payment by Results regime was extended to more clinical activities during 2006/07 - meaning that we were paid increasingly in accordance with work undertaken - we needed to spend more on meeting the additional activity.

We also needed to deal with the financial consequences of the full introduction of Agenda for Change, including the outcome of reviews.

The Trust's financial position was closely scrutinised during 2006/07 by Monitor, the independent Regulator of Foundation Trusts, as part of our application for Foundation Trust status. This process was valuable in as much as it challenged a number of our assumptions for the short, medium and long term financial health application.

The work we undertook to develop our Business Case for the MAS Project and to prepare our Service Development Strategy and Financial Model as part of our application for Foundation Trust status, provided us with an excellent opportunity to plan for the next ten years.

Directors were fully involved in developing the Service Development Strategy, understanding our plans for the future and recognising what we need to do to ensure that the exciting proposals described are achieved.

The Service Development Strategy and accompanying Financial Model also include a number of different scenarios, describing how we will manage any changes to our assumptions as our new facilities develop and new services come on-stream.

The high levels of challenge and scrutiny for our financial plan, Service Development Strategy exerted by the MAS Financial Close process and the Foundation Trust application, provided the Board of Directors with significant assurance that we are in a strong financial position as we enter 2007/08 and for the foreseeable future.

With regard to Capital, we invested a total of over £12.3m during 2006/07 in a range of schemes and purchases. These included:

Scheme	Level of Investment
Trust wide - Medical Equipment (including Endoscopes, and Radiology equipment)	£1.28m
Newark Hospital – Minor Operations Suite	£200,000
Picture Archiving and Communication System (PACS)	£2.47m
Pathology Equipment – King's Mill Hospital	£932,000
King's Mill Hospital – CT Scanner	£770,000
Trust wide – Information, Management Technology (IM&T)	£633,000

iv) Looking after our staff

We recognise the value of our workforce and we have undertaken a number of initiatives designed to allow staff to strike an acceptable balance between the demands of their work and their home lives.

Our commitment to staff was recognised in 2005/06 when we were awarded Improving Working Lives – Practice Plus status, and this status was maintained in 2006/07.

We have a significant range of staff benefits including a site based Nursery at King's Mill Hospital, and a Child-care Co-ordinator, and we encourage flexible working.

Results from the national Staff Survey for 200607were largely positive, but we recognise that there is scope to do more to improve the working lives of staff.

We have continued to provide an extensive programme of Training and Development opportunities during 2006/07, and have continued to provide twice monthly compulsory Orientation days for all new starters, apart from Junior Doctors on rotation who receive their own tailored programmes in August and February.

4. Operating & Financial Review

Little Millers Day Nursery at King's Mill Hospital

During 2006/07, formalised Medical Equipment training for staff started to become established within the Trust, with Medical Equipment Training Folders being distributed that included equipment lists, training material and competency self-assessment pro-formas, as well as information regarding the equipment itself.

The appointment of a new Manual Handling Co-ordinator in January 2006, led to the profile of safe moving and handling being raised across the Trust and during 2006/07, a significant number of Moving and Handling Link Trainers have been appointed and many staff have attended Manual Handling theory training.

We have also been greatly encouraged by our ability to attract and retain high quality clinical staff, and during 2006/07 we continued to fill some long-standing vacancies in key clinical areas.

While our recruitment and retention rate has remained comparatively strong, our sickness absence rate (5.0%) has shown only a small improvement when compared to 2005/06 (5.1%). We are aware of the need to improve our sickness absence rate in order to manage costs, maintain productivity and promote safe staffing levels. Work initiated at the beginning of the year to review our Sickness Absence Policy and to support managers in achieving improvements, will be complemented by other ways of improving Sickness Absence rates during 2007/08. .

During 2006/07, the Board of Directors received a report from the Diversity and Inclusivity Working Group and the Staff Well-being Group reviewed a number of important Policies, including Stress Management.

The Trust also created a post to lead training for handling violence and aggression, and an appointment was made in early 2007/08.

Once again, the Trust Board was able to say a big 'Thank You' to many staff at our Annual Staff Excellence Awards' Ceremony in September 2006. While the Ceremony provides the opportunity to celebrate our successes, we also 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.

v) Listening to patients

Listening, acting, improving - learning from complaints

In our Annual Report for 2005/06, we were able to highlight the continuous improvements that we had achieved in our Complaints Handling performance and last year our record of improvement was maintained.

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

- Providing an acknowledgement of a formal complaint within 2 working days; and
- (up until September 2006) Providing a substantive response from the Chief Executive within 20 working days. From September 2006, this increased to 25 working days.

Between 1st April 2006 and 31st January 2007, the Trust received 293 formal complaints - an increase in the number we received for the same period in 2005/06 (266) - but we saw a further improvement in response times, again illustrating the successful partnership that has been established between the Operational Divisions and our Complaints' Handling Team.

During this time, 99% of complaints received by the Trust were acknowledged within 2 working days; 88% of complaints received a substantive response from the Chief Executive within 20 working days, and 87% were answered within the revised 25-day target during the period September – January 2007. This is again an improvement from the previous year and a level of performance that we are keen to maintain.

Between 1st February 2007 and 31st March 2007, as a NHS Foundation Trust we received 59 formal complaints.

98% of these were acknowledged within 2 working days and 76% of complaints received a substantive response from the Chief Executive within 25 working days.

The reasons for complaints being answered outside the national target of 20 days (25 days from September 2006) included the unavailability of staff, and the complexity of the complaint. When we were not able to respond within the target, we notified the complainant and kept them informed of progress.

During both periods, (1st April 2006 to 31st January 2007, and 1st February 2007 and 31st March 2007) the vast majority of complaints were resolved

4. Operating & Financial Review

by the Trust locally. Between April 2006 and January 2007, only 9% of complaints required a second substantive response and between 1st February 2007 and 31st March 2007 only 11% required a second substantive response. In 2005/06 10% required a second substantive response.

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.

Between 1st April 2006 and 31st January 2007, we were able to make a number of improvements to our services, having listened to complainants. For example:

- We reinforced the importance of documenting patients' valuables and of following the Trust Policy and procedures, following concerns expressed through a complaint;
- We reviewed patient confidentiality procedures in specific areas, including the Outpatient Department at Newark Hospital;
- We arranged Customer Care training for Reception staff to ensure that all patients were welcomed on arrival at our sites;
- We expanded the checklist of essential information provided to patients for 'short notice admissions', to include essential information like visiting times.
- Within our Children's Services, we implemented best practice guidance relating to infection control and have reminded relevant staff of the Trust policies.
- We have displayed signs in our Ante-Natal Clinic regarding the presence of medical students during consultations.

Between 1st February 2007 and 31st March 2007, we were able to make the following improvements to our services:

- We changed our booking systems for patients attending Hydrotherapy who required transport.
- Our Car Park User Group reviewed our car parking notices

The National Complaints Handling process enables complainants who remain unhappy with their response to seek an independent review by the Healthcare Commission.

Between 1st April 2006 and 31st January 2007, we were informed of 26 requests for independent review that had been received by the Healthcare Commission relating to complaints handled by the Trust.

The Healthcare Commission had considered 18 of these requests, and we have acted on the recommendations made. 8 cases remain with the Healthcare Commission and the outcome of these is awaited.

Between the 1st February 2007 and the 31st March 2007, we were informed of 2 requests, which remain under review by the Healthcare Commission and the outcome of these is awaited.

Patient Advice and Liaison Service (PALS)

This year was a busy year for our Patient Advice and Liaison Service. During the year, PALS received a total of 2214 PALS enquiries - this is an increase of 23% compared to 2005/06.

01 April 2006 to 31 January 2007

During the first ten months of the year, as an NHS Trust, the Patient Advice and Liaison Service received a total of 1895 enquiries, an average of 190 per month.

Of these enquires:

- 35% related to issues with communication
- 23% related to issues with appointments or waiting times
- 18% related to issues with procedures
- 2% related to praise for care and treatment received
- Only 0.4% related to issues regarding infection control

For this period of the year, PALS was instrumental in assisting patients with the relocation of services due to the building of the new King's Mill Hospital and at Newark Hospital, the PALS team also had to respond due to the building works being undertaken to refresh the exterior of the hospital.

Communication issues have centred on the difficulties being experienced due to the building works at King's Mill Hospital, and at Newark Hospital, the introduction of a new way of booking outpatients appointments for Cardiology led to some enquiries regarding communication issues.

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

- A PALS enquiry relating to the incorrect discharge of a patient from Accident & Emergency led to the revision of the induction plan for new doctors in the department
- A PALS enquiry relating to inappropriate signage at Entrance 5 at King's Mill Hospital supported the revision of the old signage to bigger, clearer signage.
- Several PALS enquiries relating to inadequate drop off areas at Entrance 5 at King's Mill Hospital supported the need for a new drop off zone in that area.
- Several PALS enquiries relating to the car parking information sent to patients attending King's Mill Hospital led to a further update of this information.
- A PALS enquiry highlighting the difficulties pedestrians were facing accessing the King's Mill Hospital site from Mansfield Road during times of road works resulted in alterations to the road works to accommodate patients and the public more easily.
- A PALS enquiry highlighted the need for the fire evacuation information to be updated for patients and visitors within King's Mill Hospital.
- A PALS enquiry highlighted the need for an aftercare leaflet to be updated, following a patient commenting that it could be more helpful.
- A PALS enquiry relating to how bad news was communicated to a patient resulted in a multi-disciplinary meeting to discuss how communication links and referral pathways could be improved.
- PALS enquiries relating to partners not being able to be with patients whilst receiving treatment on the Day Case Unit has resulted in the department making special allowances in certain cases.

01 February 2007 to 31 March 2007

During the last two months of the year as a Foundation Trust, PALS received a total of 319 enquiries, an average of 158 per month.

Of these enquiries:

- 34% related to issues with communication
- 21% related to issues with appointments or waiting times
- 20% related to issues with procedures
- 11% related to praise for care and treatment received
- Only 0.6% of these related to issues regarding infection control

For this period, PALS has coped with increased levels of enquiries due to increased activity across the Trust.

Typical examples of procedural issues for this period included car parking issues, in particular, with patients feeling that there were inadequate parking facilities at the Trust.

Again, the overall aim for this period was to improve services for patients across the Trust, and examples of these included:

- A PALS enquiry highlighted an issue with an operation cancellation, where a patient was not informed of the cancellation. A staff-training programme was initiated to address this problem.
- A PALS enquiry highlighted an issue when Multi-Disciplinary Team (MDT) meetings cancelled planned treatment for patients and the need for the Department to send additional complementary cancellation letters to patients to ensure that they were aware.
- A parent's experience of bringing their child to King's Mill Hospital highlighted issues regarding conflicting policies between two departments – these have now been altered to ensure they complement each other.

Clinical Governance 2006-07

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

Since 2005/06, NHS Trusts have been required to undertake an annual self-assessment of performance against core quality standards, and to make a public declaration in April each year.

The declaration includes a commentary from the Trust's Patient and Public Involvement Forum (PPIF), the local Overview and Scrutiny Committee, and the Strategic Health Authority (StHA).

For 2006/07, we have declared full compliance against all of the core standards that are set out by the independent health watchdog, the Healthcare Commission.

The core standards relate to:

- Safety
- Clinical and Cost Effectiveness
- Governance
- Patient Focus
- Accessible and Responsive Care
- Care Environment and Amenities
- Public Health.

The following sections confirm how we have achieved high levels of clinical governance during 2006/07 and achieved full compliance with the core standards:

Safety

- **Reporting Incidents** – Learning from incidents is an important part of good risk management. We have a well-defined reporting process for any untoward incident that may occur at our four hospital sites. All reported incidents are logged centrally using the DATIX risk management programme, which is used to analyse incidents, and 'near misses' to help us identify shortfalls in our safety systems.

Details of more serious incidents, and summaries of incident data are considered by our Quality Assurance Committee to ensure that our safety systems are regularly scrutinised and improved. We endeavour to feedback to frontline staff information and analyses of individual and summary incidents to promote safety and encourage further reporting.

- **Healthcare Acquired Infections (HAIs)** – Minimising the risk of infection remains one of our key priorities and is best achieved through maintaining high levels of cleanliness and surveillance.

Our Winning Ways and Saving Lives action plans provided a focus for minimising the risk of infection through the promotion of hand hygiene, the training of staff and appropriate use of protective clothing.

cleanyourhands© campaign

Clinical and Cost Effectiveness

- **National standards and guidance**

The Trust's Cancer Services were externally 'peer reviewed' in October 2006 and received a favourable review.

- **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 rely on 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 was better than national averages. Clinical staff also participate in clinical audits to measure performance against recommended standards of care. During 2006/07, we participated in several national audits including stroke, continence and trauma. The data from these studies demonstrated high standards of care.

Governance

- **Risk Management** – We continued to develop our systematic approach to risk management, with Divisions holding risk registers feeding our principal risk register. The Clinical Risk Board on behalf of the Quality Assurance Committee reviewed clinical 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. As part of this development we now monitor projects that are being undertaken within the Trust to assure patient safety and good research governance.

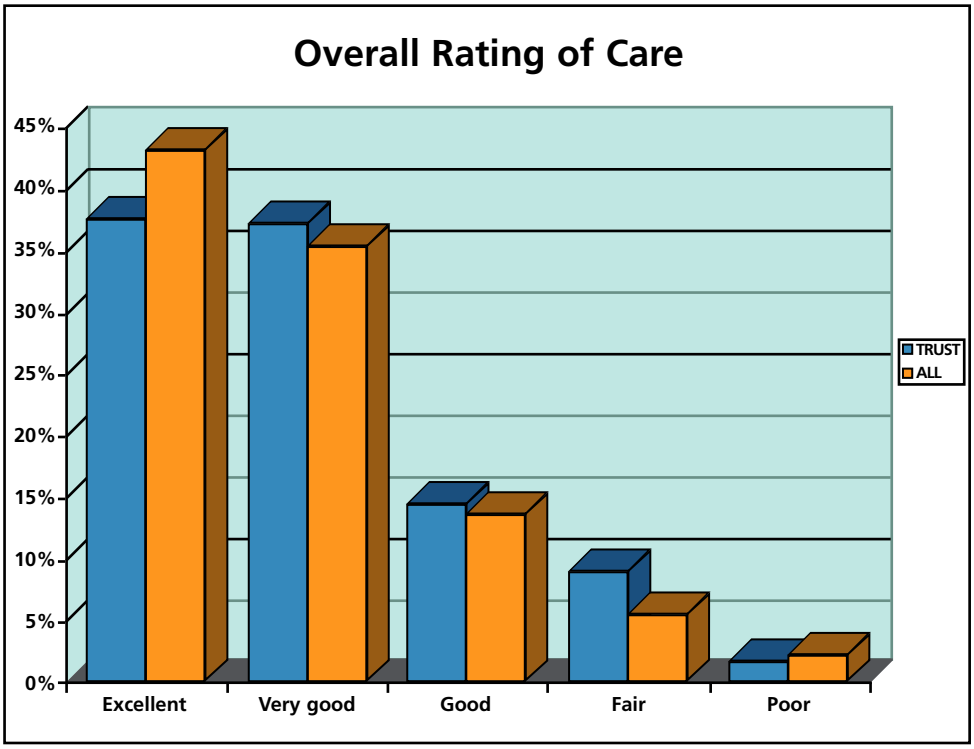
4. Operating & Financial Review

Patient Focus

We once again participated in the National Inpatient Survey, with patients' experiences of our services being collected through a national questionnaire.

The results of the Survey showed that:

- 78% patients said they were always treated with respect and dignity while they were in hospital, an increase of 4% compared to the 2005/06 data.
- With regard to how well patients felt that doctors and nurses worked together, 35% rated working together as excellent, a further 39% rated it as very good and 1% said working together was poor. Very similar results were noted in the 2005/06 survey.
- With regard to issues relating to the hospital and ward environment, views were mixed, when compared with other hospitals especially when considering food and noise.
- The overall rating of care showed that 38% of patients rated their care as excellent, and a further 37% rated it as very good; only 2% described their care as 'poor'.



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

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.

- All of the new buildings including the temporary facilities are compliant with the Disability Discrimination Act (1995).
- Modern matrons are closely involved in the cleanliness of clinical areas through regular audits and inspections and the management of the ward housekeepers.

Public Health

- We continued to work closely with health and social care partners in Central Nottinghamshire. A clear planning and service modernisation structure has been developed over recent years to 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 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.
  - Newark Women's Centre.
- We also maintained our compliance with 'Handling Major Incidents: An Operational Doctrine' by updating and reviewing our Major Incident Plan. In year we conducted a 'live' simulation exercise that received a favourable review from the external EMERGO Applications Team.

4. Operating & Financial Review

3rd Annual Clinical Governance Conference

In November 2006, we held our third annual Clinical Governance Conference.

We were delighted to welcome Sue Eardley, Strategy Manager from the Healthcare Commission, to deliver the keynote speech.

Sue presented her reflections on clinical governance, specifically risk management, and highlighted the importance of having:

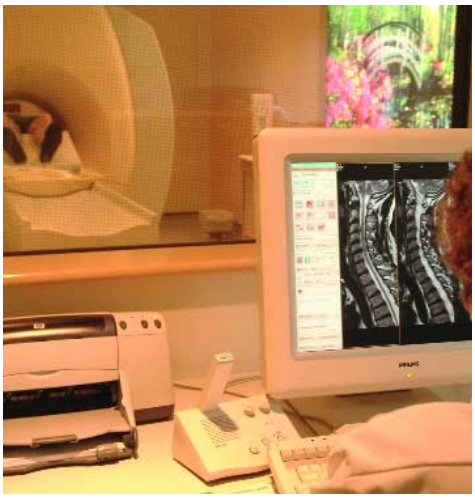
- A well trained staff
- Systems to ensure lessons are learned from incidents
- Effective team working and
- Patient involvement in the planning and delivery of care.

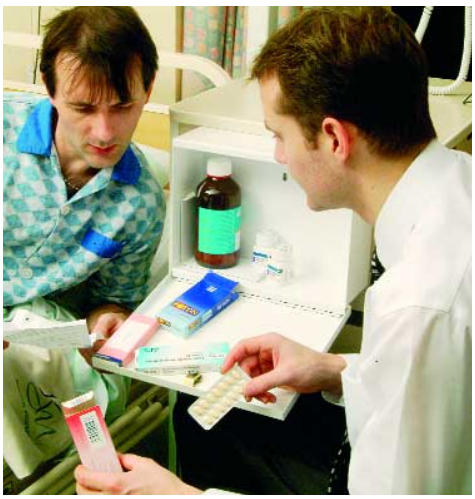
The conference also enabled staff to present their work on various quality initiatives and these included:

- Michele Platt – A Trust-wide Vital Signs Audit
- Alan Higginson and Jeanette Marshall – Competency Training and Assessments
- Laura Macarthy – A Child's point of view: youngnotts4health website
- Jill Thomas – Recognising Risk: A&E Escalation Policy
- Alison Whitham, Dr David Bond and Sandra Thurlby – Lessons learnt from Multidisciplinary Incident Reviews
- Elaine Overton – Infection control and surveillance.

As well as these presentations, posters describing many other aspects of our quality initiatives were displayed to allow the 80 delegates who attended the Conference to understand the significant amount of work that is undertaken within the Trust in relation to Clinical Governance.

5. Putting Our Values into Practice





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

Change for the better

Over the year we embarked on a raft of positive improvements for patients and staff as part of a programme of change.

Using a management consultancy enabled us to think laterally and engage more effectively with staff, ensuring everyone was involved. The change process was prompted by a staff survey, which said that while staff felt appreciated and morale was generally good, they felt left out when decisions were made, and that it was difficult to change things on a day-to-day basis.

Here are the views of some of the people who took part:

Theatres department lead Denise Guzdz said: "We've always had ideas and always known where the issues have been, but having a management consultancy team coming in has given us the ability to look at what we do and make real improvements. It's enabled us to look at how much more efficient we can be working together and involving everybody, instead of having to go right to the top."

Mike Mowbray

"I think that when staff feel involved and when their working lives and livelihoods are improved, they are more likely to take on board other things to implement change."

Executive Medical Director and Consultant Anaesthetist Mike Mowbray said: "The methodology of observing something, getting staff involved, using their ideas and then giving them all permission to change things, and then finally seeing how effective it is, has been quite an eye-opener for us all. The Recovery department has behaved in an exemplary fashion and is now renowned throughout the Trust because the staff have shown they can change things very quickly."

"The first thing to do is make people realise they are paid not just to do a job but to continually find ways to get their work done better."

"The second is to make them feel they can change things, and this can be summarised in the rule of:
They can change something if they have CONSULTED the people it will affect, and only those people, if they have sorted out the CASH (hopefully the change is cost neutral, so this bit can be skipped), and lastly they are CAREFUL."

"This means we always consider patient safety. If they have dealt with these three things, they don't need to ask anyone else, they can just go ahead and do it."

Chief Executive Jeffrey Worrall added: "In the Recovery area they felt as though they were liberated, they had achieved something and there was a genuine team commitment – even when it got rocky in the week and really busy. They haven't lost their nerve, and it's given them a feeling of being in control and the ability to do something."

The Jonah Project

The Jonah Project Team

The Trust has introduced a major new initiative, Jonah, in collaboration with QFI Management Consultancy Company.

Jonah is designed to improve the quality and timeliness of patient care by enabling the whole multi-disciplinary team to focus on proactively planning and co-ordinating patient discharges. Supported by a live electronic database, Jonah gives clinicians from a range of disciplines full visibility of each patient's discharge journey. It also captures patients who exceed their predicted date of discharge and the reasons for their delay.

This enables staff to identify and address problems or constraints within the system that prevent them from delivering optimum patient care. The information is then collected, analysed and used to inform the Trust and outside agencies of areas which require improvement, thereby enhancing the patient's overall experience.

The Jonah project is enabling the Trust to:

- Improve the patient's experience, and ensure that they and their carers are integral to the discharge planning process
- Reduce the average length of stay in hospital and ensure that patients are cared for in the most appropriate environment
- Reduce the number of emergency readmissions
- Improve staff understanding of the discharge planning process
- Facilitate even discharge patterns and avoid discharge batching/clusters
- Ensure the use of resources both internally and externally in a more efficient and effective manner.

A series of training events for large numbers of staff were held during November 2006 and the project went live in December 2006.

Lord Warner opens new Pathology Laboratory

Lord Warner, Health Minister for Reform, officially opened King's Mill Hospital's new Pathology Laboratory in September 2006.

The laboratory was the first clinical service to open in its permanent new premises as part of the £320m Modernisation of Acute Services Scheme (MAS). The Trust has invested £1.5m in automated equipment for the new laboratory, which includes the latest modern analysers combined with robotics. These sophisticated systems dramatically reduce the time taken to process samples compared to manual methods, ensuring a much faster turnaround time for results.

The Pathology Department's workload is currently increasing by 15% each year, with a predicted 50% increase in the amount of tests performed by 2012. It is, therefore, essential that the service is running at maximum efficiency and is supported by the very latest technology.

To make the most of the new purpose-built facility, the Trust looked at every aspect of the functions performed there, designing the most effective laboratory layout and re-evaluating working practices to deliver a first-class service.

Before performing the official opening ceremony, Lord Warner received a personal tour of the new facility from Alan Pease, Pathology Services Manager, and Bio-medical Scientists Julie Morris and Martin Fottles.

Lord Warner unveils a plaque to mark the official opening of the new Pathology Laboratory

PACS goes 'live'

The Trust went 100% film-less with the introduction of PACS (Picture Archiving and Communications System) in September 2006.

PACS is a computer-based technology that allows X-Rays, CT scans, MRI scans and ultra sound images to be captured, stored, displayed and manipulated electronically. Images are available to clinical staff with appropriate levels of access on wards, operating theatres, A&E and outpatient clinics – often within minutes of the image being taken. They can also be made available in other hospitals, GP surgeries, and even in other countries – all at the same time.

A host of benefits have been realised as a result of implementing this technology –from cost savings achieved by the removal of film, chemicals and processors to the reduction in re-booking appointments and the re-taking of images due to lost films. Other benefits include the availability of images to doctors in different locations for consultation, and improved reporting times achieved by the use of digital dictation. And there is the promise of further improvements with the planned implementation of voice recognition.

New Minor Ops Suite at Newark

A brand new Minor Operations Suite has been created within Newark Hospital's Minster Ward, to reduce waiting times and improve the patient's experience.

The self-contained four-bedded unit, comprising an operating theatre and recovery room, began receiving its first patients in January 2007.

All operations requiring local anaesthetic are now carried out in the new suite, releasing the other two theatres to exclusively treat patients requiring general anaesthetic. Waiting times for both local and general anaesthetic operations are being drastically reduced. Previously patients attending for minor operations were checked in through the main ward and given a bed for the day.

All day case patients are now treated within the new unit, from arrival through to their operation and recovery care – releasing inpatient beds. This is a significant improvement to the patient's pathway (journey through the hospital), providing better quality care through a more efficient service. In addition to general surgery, many specialties at Newark Hospital are now taking advantage of the third operating theatre. These include Dermatology, Plastic Surgery, Podiatry, Gynaecology, Ophthalmic, Urology, Orthopaedics and Pain Management.

Left to right: Senior Operating Department Practitioners, Amy Millns and Lizzie Saxby, treat a patient in Newark's new Minor Ops Suite.

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

Giving patients a stronger voice

Davina Fordham, Chairperson – Access and Quality of Patient Services Sub-Committee
Public Governor, Mansfield

Patients and the local community were given a greater say in the running of their health service, following the creation of two new sub-committees of the Board of Governors.

The Access and Quality of Patient Services Sub-Committee was formed following consultation with the Trust's membership, which revealed that access and quality were among their key priorities. Consisting of 16 governors, it was charged with ensuring our services are of the highest possible standard and accessible to everybody.

Key issues of importance to the Trust's membership include cleanliness, car parking, the complaints and consultative system, and the general issue of how patients are guided to particular hospital services by their GP.

This group is charged with tackling these priority areas amongst others.

Meanwhile, the Patient and Public Involvement and Membership Development Sub-Committee were established to involve patients, carers and the public in decisions about how the Trust is run. This sub-committee of 14 governors oversees the way in which the views and experiences of patients, their carers and families are gathered and shared – all with the aim of improving the quality of our services. It also ensures the Board of Governors maximises opportunities to promote the Trust to the local community as both the hospitals of choice and the employer of choice.

Listening to our patients

The Patients' Reference Groups (PRG) at King's Mill and Newark Hospitals were established in 2001 and have an active membership of 75 past and present patients, Chaired by Jane Stubbings.

Members meet on a monthly basis with the aim of assisting the Trust in ensuring that patients receive the best quality service. Seven members are also newly elected Governors who take forward important issues to Governor meetings. Agenda items include a wide range of topics affecting patients including cleanliness, staff training projects, food, nursing care, litter, car parking and the Disability Discrimination Act. This includes staff attending as guest speakers on various topics to help patients understand how the hospital is run.

PRG members have also been very influential in the design of the £320m rebuild of King's Mill Hospital (Modernisation of Acute Services – MAS), and have been consulted on the development right from the very first stage.

Reference Group Members also attend monthly MAS meetings, Chaired by the Trust Chairman, to discuss the new hospital with the Director of Corporate Development and his team.

Members are also invited to training sessions such as infection control and clinical governance to improve their understanding of how these matters are managed within the hospitals.

As we move towards an increasingly patient-led NHS, there is an onus on all Trust departments to involve patients in their projects to benefit from their first-hand knowledge. Patients are currently involved in many projects including nutrition, essence of care, quality assurance and ethics, to ensure that the Trust learns from their perspective and experience.

Vivienne Carmichael, Chairperson – Patient and Public Involvement and Membership Development Sub-Committee
Public Governor, Newark & Sherwood

High profile patient involvement

In January, Patients' Reference Group Chairman Jane Stubbings went along to St. James' Palace, London, with King's Mill A&E's Enhancing the Healing Environment Team.

Representatives from twenty-three Trusts were invited to make a presentation at the event, which was attended by HRH Prince Charles.

The Trust's A&E project team, led by Janet Noon, produced a display about the greatly improved patient waiting area in A&E.

Prince Charles took the time to look at each Trust's display, and spent several minutes talking to Jane about her involvement at King's Mill Hospital.

Jane was also invited to travel with the Trust's Chief Executive to a health summit at Downing Street to discuss the 18 week plan (from GP referral to a definitive treatment).

With less than a dozen people in the room, they spent over an hour with Prime Minister Tony Blair discussing the challenges of implementing the policy as a pilot site.

Jane was given plenty of opportunity to express her views and was treated with the same respect as any healthcare professional in attendance.

A website by young people for young people

The Website's first Guest Editor, 10-year old Jordan from Blidworth, pictured at the Sherwood Birthing Unit during his tour of King's Mill Hospital

The Trust has been enlisting the help of local young people, aged under 16 years, to help develop a new health forum website - www.youngnotts4health.nhs.uk

The recently launched website especially for young people includes tips on staying fit and healthy, how to apply for hospital work experience, NHS careers information, where to go for health advice and how to find out what different medical terms mean.

The Trust has been asking young members to share their:

- Stories about any illnesses they may have suffered or time spent at King's Mill or Newark Hospital.
- Ideas about what they think is good, bad or ugly about King's Mill or Newark Hospital.
- Recommendations for what they would like to see in the new £320m King's Mill Super Hospital currently under construction
- Top tips for staying safe – especially when cycling, playing sport or engaging in their favourite hobby. In Mansfield alone over 16,000 children visited A&E in 2005!

They have also been looking for budding artists to enter the "Design a Doc" competition, and see their character come to life on the website.

All new members are entered into a monthly prize draw to win a personal tour of King's Mill or Newark Hospitals and, if they wish, can be a Guest Editor and write a feature about their visit to be published on the website.

■ Provide a clean, healthy and welcoming hospital environment for patients, visitors and staff.

Cleanyourhands campaign enters second year

Elaine Overton, Senior Nurse – Infection Control Team

We embarked on the second year of our cleanyourhands campaign to raise awareness of the importance of hand hygiene to help reduce the spread of infections in our hospitals. This saw a poster campaign called "Flowing with the go" launched as the follow-up to last year's "Ready, steady, go" awareness-raising drive.

Each month a different themed poster containing messages around hand hygiene was displayed on all wards, with some adopting 'champion' posters showing that as a team they encouraged hand hygiene.

Prior to the launch of the second year campaign, Infection Control Audit Officer Sarah Watson conducted an audit to observe alcohol gel usage and hand hygiene techniques used by a cross section of staff across the Trust. This audit will now be rolled out annually to see if there are any improvements.

Wards also displayed yellow triangle 'point of care' stickers by each bed space, reminding staff and visitors about the importance of cleaning their hands.

Cleanyourhands is a long-term 'behavioural change' campaign and forms a vital part of our wider infection control strategy and ongoing drive for improvement.

Publications from the Department of Health including 'Towards Cleaner Hospitals and Lower Rates of Infection' promote hand hygiene as a key factor in reducing Health Care Associated Infections (HCAI).

Meanwhile, we carried out baseline audits of current practices including the movement of patients between wards, departments and other clinical areas as part of Challenge 7 – a component of the Department of Health's 'Saving Lives' programme to reduce HCAI including MRSA. Challenge 7 is about reviewing the patient journey for emergency and planned patients in order to reduce the risk of transmission of infection by minimising the movement of those who are potentially infected.

The results were fed back to departmental managers, modern matrons and ward leaders and enabled the Trust to gain a clear understanding of the action to be taken to further reduce HCAI.

cleanyourhands campaign

Housekeeping Heroes

"Excellent" is the word the cleanliness reports always use after inspections on Castle Ward at Newark Hospital.

These outstanding results are entirely due to an extraordinary team of dedicated domestic staff and Health Care Assistants, who spend every chance they can keeping the ward hygienic and fresh.

One particular member of staff, housekeeper Denise White, not only does an excellent job, she also takes time to talk to the patients and is always of immense help to the nursing staff, whatever the problem. Most of all Denise is a stickler for cleanliness – she will clean anything that stands still for more than 30 seconds! Who else would bring in her own toothbrush to clean down radiators?

Our fantastic results are all thanks to these remarkable members of staff.

Denise hard at work.

5. Putting Our Values into Practice

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

Essence of Care Lead

Essence of Care has given us the opportunity to examine core clinical care in detail, ensuring a patient/carer perspective as well as professional self-assessment.

Importantly, this powerful tool is helping us to continually improve care for patients.


Carolyn White

Benchmark Programme

Privacy & Dignity	Completed or underway
Food & Nutrition	
Communication	
Pressure Ulcers	
Personal & Oral Hygiene	
Record Keeping	
Continence	
Safety	March 07
Self Care	April 07
Health Promotion	May 07

Communication

77% compliance across the Trust with the Benchmark factors

The communication benchmark looks at 11 different parts of communication, from the resources we have to support communication through to when and how we communicate.

Overall, we surveyed 381 members of staff 451 patients, and have carried out 347 observations. The results show some clear positives in how we communicate, but also show a need for us to have more resources to aid communication e.g. induction loops.

An action planning event is being planned for December for all of the links.


Mandy Toplis


Laura McCarthy

Essence

'Getting the

It has been quite a journey for us all … understanding t well underway with the launch of seven of the benchma three where data has been collected and feedback is hap

From the Bedside

Essence Of Care is about improving the patient's experience and developed for use by all healthcare personnel. The ten fundamenta being crucial to their experience of healthcare and things that reall

Good Practice

Identifying effective use of communication aids

Use of the re

When absent due to made provision for a

# of Care

basics right'

the principles and applying the process. So far we are rks and this is an opportunity to feedback on the first opening.

to the Boardroom

l outcomes through their healthcare journey. It is a framework ul aspects of care have been identified by patients and carers as ly matter to them.

Seeing things through the patient's eyes

– Good Ideas

d tray system

treatment, staff alternative food

Patient comment...
"Although I was very embarrassed the staff made me feel normal."

Food & Nutrition

77% compliance across the Trust with the Benchmark factors

The Food & Nutrition benchmark, consists of 10 factors relating to food service and nutritional care.

These range from nutritional screening (and actions taken) to food provision, the eating environment and eating to promote health. There were a lot of good practices and comments identified from patients and staff. Some were positive, whilst others highlighted areas for improvement. The link staff who completed the exercise are currently using this information to develop action plans to improve the nutritional care in their areas.

Actions identified include: weighing all patients on admission, engaging all staff in protected meal times.

Privacy & Dignity

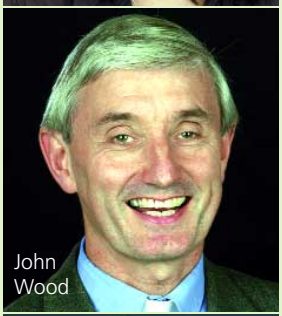
80% compliance across the Trust with the Benchmark factors

Our Trust makes a commitment to ensure privacy & dignity are pivotal to patient care.

This Benchmark focussed on the heart of the patient's experience.

Did they feel cared for? - valued? - information personal to them was shared appropriately - their privacy respected by staff and other patients when undergoing personal care, or during treatment as an inpatient or out patient.

Overall the wards and departments scored 80%. Four of seven factors scored highly. However a common theme in both in and out patient areas was for personal space and private space to receive more attention. With link nurses and ward leaders we are in the process of completing action plans to address these issues.



Meeting the disability challenge

We demonstrated our commitment to providing disabled staff, patients and visitors with equality of opportunity by launching a three-year action plan.

The plan formed part of the Disability Equality Scheme that we published under the revised Disability Discrimination Act. This Act makes the promotion of disability equality central to the day-to-day work of the Trust – not only in our employment practices but also in our policy-making and service delivery.

Our plan detailed a range of measures including:

- Reviewing all of our employment polices and procedures to ensure full compliance with the goals it sets out regarding employing and developing disabled people;
- Reviewing the training and development opportunities for disabled people;
- Ensuring the Trust's accommodation is disability friendly;
- Ensuring the services we provide, and access to these services, in no way act in a way that disadvantages disabled people.

The Trust is legally required to promote and deliver equality of opportunity in all our employment and staff development practices, as well as the delivery of services we provide to patients.

It is, therefore, vital that we regularly engage with disabled people and those who understand and can articulate the needs of disabled people about decisions that affect them.

This is especially important as we continue to re-shape services in line with the £320m MAS project.

As part of our ongoing consultation, staff attended a disability stakeholder event at Edwinstowe House to seek the views of disabled people and offer them a chance to influence decisions about what we do and the ways we do it.

The event generated many excellent ideas from participants in a constructive and enjoyable way that both entertained and informed.

■ Have open and honest communications between staff and with patients.

Newark Fire Service offer fire safety advice and give youngsters a rare chance to board a fire engine

Sue Sterling, A&E Department Leader, plasters the arm of a young visitor

Busiest Open Day ever at Newark Hospital

Newark Hospital staff enjoyed their busiest open day ever when they invited the public to take a look behind the scenes in September.

The Mayor of Newark officially opened the event, and over 200 visitors flocked to talk with staff, tour the departments and see the range of health information stands, interactive displays and demonstrations.

Representatives from the Trust's Board of Governors were also in attendance, recruiting many new members on the day.

Meet and greet volunteers took the public on site tours of clinical areas including Theatres, Accident & Emergency, the Radiography Department, the CT scanner unit and the Sherwood Women's Centre.

Theatre tours also gave visitors a chance to see the various different instruments used in surgery, including those for a hysterectomy and cataract operation.

Resuscitation techniques were demonstrated following a cardiac arrest, together with a hip replacement procedure demonstrated on a mannequin.

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

Children queued up for plaster casts to be applied, tried their luck on the hook a duck stand and took the opportunity to look inside a fire engine.

Visitors also got an exclusive preview of the hospital's plans for introducing a brand new Genito-Urinary Medicine service, a new minor operations facility, and further developing the Cardiorespiratory service.

The Newark Hospital League of Friends ran a tombola and organised a raffle on the day to raise money for the development of the Cardiorespiratory Department.

The Pre-operation Assessment Team was on hand to carry out blood pressure checks and also to measure visitors' body mass indexes.

Newark and Sherwood Primary Care Trust 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.

Endoscopy staff demonstrated equipment used and explained procedures performed in their unit, and visitors could also tour the CT scanner unit and see bowel and brain scans.

The Sherwood Women's Centre team offered tours of the facility, explaining the ultrasound scanning equipment and displaying the birthing pool.

Displays and demonstrations were also provided by Pharmacy staff, PALS, the Chaplaincy and Physiotherapy and Occupational Therapy Services.

Liz Martin – Senior Staff Nurse/ Emergency Nurse Practitioner discusses healthy bones with the children.

Pre-School visits to Newark Hospital

Newark Hospital's Radiography and Accident & Emergency staff were happy to welcome children from John Hunt Nursery School to Newark Hospital in November. Over 80 children aged between three and five years attended. During the visit interactive displays and group work took place, linked to the children's classroom project work about healthy bones and living.

Staff in all areas worked really hard to make the visits a great success, and the hospital received excellent feedback from the teachers.

Kim Janickyi – Deputy Superintendent Radiographer explains the x-ray process to children, teachers and parents.

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

Investing in our Trust's greatest asset

As part of the implementation of our Service Development Strategy, we continued to drive forward improvements to ensure we remained 'fit-for-purpose' as we moved to becoming a Foundation Trust. Recognising leadership and management development as being vital to this strategy, we ran a host of initiatives to help our leaders and managers fulfil their potential.

Key to this was updating our Leadership and Management Development Strategy so that it better reflected the development needs highlighted by managers, as well as new demands placed on them by organisational change. To help implement the strategy a working group drew up an action plan to introduce a raft of new measures.

We also made a host of exercises and development tools available on-line, to help managers build on their personal development plan. These exercises included:

- NHS Leadership Qualities Framework 360 degree feedback tool – providing leaders and managers with an opportunity to receive feedback from their manager, colleagues and the staff they manage on their leadership style;
- Manager Profile (Psychometric Test) – providing managers with a structured self-assessment tool, with personal reports on criteria such as motivation, team type and emotional intelligence, plus a development action planner.

In addition, we ran a number of in-house training programmes including the Supervisor Development Programme, while encouraging leaders and managers to take part in external courses and development resources.

Meanwhile, we updated our staff appraisal process to allow us to introduce the benefits of using the Knowledge and Skills Framework and other aspects of Agenda for Change. It meant all staff appraisals would now be carried out using this new Development Review Process. These changes help ensure effective personal development plans are drawn up, containing clearer expectations of what staff need to achieve in their role. And monitoring arrangements were set up to ensure that everyone has an appraisal each year to an agreed set of standards, so there is consistency and fairness in the way the process is applied to everyone.

Sandra Rollett
Director of Human Resources

Putting staff wellbeing first

An employee wellbeing group was formed to ensure the Trust continued to build on achieving the improving working lives practice plus standards.

The cross-departmental group took on a challenging work programme for 2006/7 based on priorities identified in the annual staff survey, feedback from focus groups and the visit by the Health and Safety Executive. It included revising policies and procedures and developing action plans in the following areas:

- violence and aggression;
- staff wellbeing and stress management;
- manual handling and back pain management;
- working time.

An early success was the implementation of new measures to reduce the incidents of violence and aggression experienced by staff throughout the Trust. These included:

- launching a new policy for the management of violence and aggression and providing staff training;
- creating the new post of security and safety training co-ordinator;
- setting targets to monitor whether improvements had been made.

New payroll and HR system goes live

Our new Electronic Staff Record (ESR) system went live across the Trust in February as part of the national Wave 6 rollout.

ESR is a state-of-the-art integrated payroll and HR management system that is consistent across the whole NHS in England and Wales. It is a vital tool in the modernisation plans outlined in the NHS Improvement Plan and more specifically the NHS Plan. The system improves patient care by reducing 'double handling' of information – giving skilled staff more time to manage services.

All NHS Trusts will move over to ESR in 12 waves by August 2008. It is based on tried-and-tested Oracle software developed by the Department of Health and their supplier McKesson and incorporates all the latest technology.

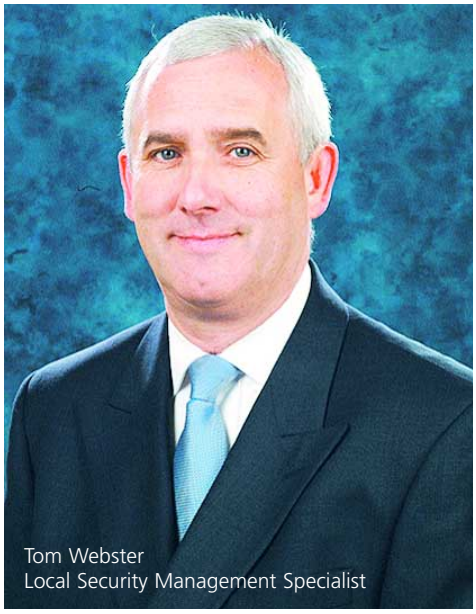
A dedicated ESR Project Implementation Team made up of Trust and Strategic Health Authority staff spent 12 months preparing the launch of the new system, supported by an implementation consultant from McKesson who provided advice and guidance. The team – reporting to the Trust Board via the Pay and Workforce Modernisation Board – had to meet a host of stringent Readiness Assessment targets (RAs) before the ESR could go live. But it passed with flying colours – meeting all targets, assessments and deadlines followed by a smooth transition to the new system.

Trust pioneers security measures

The Trust led the way in a new strategic and professional approach to improving security in the NHS, including tackling violence against staff and property theft. It followed the introduction of legislation by The Secretary of State for Health, requiring all health bodies in England to appoint a Local Security Management Specialist (LSMS) and a Security Management Director (SMD).

Tom Webster, Fire Prevention and Security Management Specialist, took on the role of LSMS with responsibility for leading on this work. He completed training with the NHS Security Management Service ready for his new role, which included developing local solutions to security issues and providing a single point of contact for staff and police.

Chief Executive, Jeffrey Worrall, took on the responsibility of SMD for the Trust, working with Chairman, Brian Meakin, to support Tom in his duties to help protect our staff from violence and abuse at work.



Tom Webster
Local Security Management Specialist

In his role as LSMS, Tom also investigates cases of assault where the police are either not investigating or are not prepared to take further action. In conjunction with the SMD he liaises directly with the new national NHS Legal Protection Unit (LPU) over the best method of seeking sanctions against abusers of staff. The LPU works with the police and Crown Prosecution Service to increase the prosecution rate of those who assault NHS staff.

A number of initiatives were rolled-out during the year including:

- Establishing an Employee Wellbeing Group;
- Introducing an on-line electronic incident reporting system;
- Providing conflict resolution training for front-line staff;
- Forging greater links with the police and other agencies to ensure a partnership approach.

A new policy for tackling violence and aggression was also introduced and the new post of Security and Safety Training Co-ordinator created.

The training programme in particular, meant staff understood more clearly the benefit of reporting all incidents, while better monitoring enabled us to advise staff on what action could be taken to discourage inappropriate behaviour.

Behind the scenes at our hospitals

Visiting hospital either as a patient or a visitor can be an emotional and trying time and it can be easy to forget the army of front-line staff that work day in, day out, to make the experience as pleasant and efficient as possible. As with all hospitals, most patients at King's Mill and Newark deal mainly with doctors and nurses but there are hundreds of workers including porters, receptionists, housekeepers and volunteers, who support medical staff and work tirelessly to ensure the smooth running of the hospitals.
Here we look at some of the varied jobs carried out by staff at King's Mill and Newark – all of who contribute to the delivery of first class patient care.

Porter

Diane Wightman has been a porter at King's Mill for nine years and enjoys the variety of the job and loves meeting new people.

"I absolutely love my job and not many people can say that," she says. "I used to work at Asda and I liked that but I wanted a chance to work more closely with people and my job here gives me that opportunity."

As a porter, Diane's main role is transferring patients between departments but she is quick to point out the job is much more than just pushing a wheelchair.

"We might be taking people from ward to ward or even to theatre or the critical care unit and an important part of the job is reassuring patients and their relatives," she says. "We also have to deal with the deceased and that requires a great deal of respect, you have to think if I were their family, how would I want them treated?"

"Meeting patients is the best part of the job and being able to reassure them and their relatives is very rewarding. Every time I finish a shift I feel like I have achieved something. I don't expect a thank you – just going home knowing I've done a good job is my reward."

And Diane has news for anyone that thinks that being a porter is an easy job, she recently wore a pedometer to work and racked up a staggering 32,000 steps in one eight-hour shift.

That equates to over 10 miles and, though she concedes it was a busy shift, she is convinced she takes between 15,000 and 30,000 steps every day.

Medical Records Clerk

Gina Pereira took up the permanent position of Medical Records Clerk at Newark Hospital after spending several months doing the job on a temporary basis. She's worked at the hospital since 2003, initially in one of the libraries.

"The job is all about getting patients' notes ready for the doctors and consultants, outpatients' wards and A&E," she explains. "The library prints out a clinic 'pulling list', which lists all the patients that each doctor will see. I then start pulling together all the patients' notes, which are contained in one of eight filing rooms. Those that aren't there are replaced by a tracer card, which tells us exactly where the notes currently are."

"We track everything using the PAS (Patient Administration System) – a computerised system which allows us to log and track patient notes so we can get them to the clinics on time. I retrieve all the notes including missing notes and GP referral notes via the Electronic Booking System (EBS) Choose and Book system or from the manual filing system for those which have been sent through the post. Once we've got all the notes and the paperwork, we group them all together so they can be delivered to Outpatients wards at the end of each day, ready for the following day's clinics."

Gina insists that while the job can be highly pressurised because there are many deadlines to meet, it is very rewarding.

"It is satisfying to know that I've supplied the doctors and consultants with all the notes they need to treat patients. For example, a patient may be allergic to penicillin or have a rare blood type and it's important medical staff are aware of this."

Behind the scenes at our hospitals

Ward Housekeeper

Jenny Kemp started work as Ward Housekeeper on Sconce Ward at Newark Hospital when the role was first introduced there three years ago last November. Two other Ward Housekeepers are responsible for Castle Ward (Doreen O'Brien) and Minster Ward (Denise White).

"I have grown up with a bias towards caring, with my Mother being a Sheltered Housing Warden, and I was convinced this role was made for me," Jenny explains.

"A Ward Housekeeper supports the busy nursing staff in caring for the patients. "As I work regular hours (7.15am-3.15pm Monday to Friday) and not shifts I am a constant face for the patients to identify with. Communication is a major part of the role. I always introduce myself to all new patients, have a chat through the ward information sheet, explain my role and reassure them that I am here to help. This might be something as simple as helping them to choose a library book.

"On a more serious note, patients and relatives can explain their worries and concerns to me and I liaise with the nursing staff when I am not able to resolve these myself. I also assist with toilet visits, making beds, preparing drinks/snacks for patients and helping to feed them – which I regard as extremely important. "By looking after these personal needs I can free up time for the nursing staff to concentrate on actually treating the patients."

While keeping a watchful eye on the linen and medical supplies for the ward, Jenny also cleans and checks medical equipment and conducts a weekly audit to ensure cleanliness and hygiene standards are maintained.

"I get a great deal of satisfaction from taking care of all the little things that make a patient's time in hospital as pleasant and comfortable as possible."

Hospital Chaplain

Rev Graham Brown joined Newark Hospital in May 2006 after retiring as a chaplain with the RAF. And he's no stranger to the health service, having spent nine years working as a community psychiatric nurse in Devon in the 1970s prior to attending theological college and serving his curacy at Crediton near Exeter.

As one of three full-time chaplains employed by the Trust, Rev Brown provides spiritual and pastoral care to patients, family and staff and has particular responsibility for supporting patients undergoing palliative treatment.

"I visit patients on the wards and departments and give them whatever help and support I can offer. I'm also here for the staff," explained Rev Brown. "I also organise funeral services, give talks to local community groups and deliver services."

Rev Brown is also a chaplain at King's Mill, where he comforts parents who have lost a child due to illness, as well as naming and blessing babies who have died prematurely. "One of the great privileges of the job is being with people and sharing the most intimate times of their lives. I comfort patients when they're at their most vulnerable such as when they're very poorly or coming to the end of their lives, or if their child has passed away. "Sharing that level of intimacy is a real privilege and one you don't get with many jobs. It's rewarding to know I'm offering something that they need.

"Newark is a lively hospital with its own unique identity and a real sense of community. "Staff and patients know just how valuable the hospital is to the local community and it's a real privilege to be part of it."

Behind the scenes at our hospitals

Physiotherapist

Physiotherapist Clare Heathcote has been at King's Mill for three years and said what she loves most about her job is the satisfaction of helping patients get back on their feet and get their lives back on track.

Clare studied for her physiotherapy degree at Sheffield Hallam University but returned to her hometown of Sutton when she completed the three-year course.

The majority of people Clare sees are general surgical patients and her work includes teaching breathing exercises, building strength, issuing walking aids, helping patients get back to previous functional levels and making sure they are safe to go home. "I love the variety of the patients I see and I enjoy the rapport and the relationships you build with people," she explains. "I also see a variety of staff as I don't work in a specified area so I get to meet a lot of people.

"As with any job some days are stressful, but you always have the support of the team and the job is very rewarding. Some patients can spend a lot of time going through physiotherapy and we often have patients who want to express their gratitude. We get lots of letters from patients we've treated and it is really lovely when they come back to see us."

Senior Catering Assistant

Senior Catering Assistant, Angela Sharpe, has been at King's Mill for three years and works at both the main restaurant and the fast food restaurant next door.

The main restaurant serves food to both patients and staff and this gives Angela the chance to meet a wide cross-section of the hospital community. "I enjoy meeting people and in this job you never know who's going to walk through the door next," she says. "I used to work in the factories but I prefer working here as it's more of a varied job."

Angela's main duty is serving food but the job also involves clearing tables and cleaning the restaurant twice a day and she has had extensive on-the-job training on issues such as food hygiene, health and safety and customer care.

Angela adds: "Hygiene is vitally important and the restaurants are always spotlessly clean. We have some very busy times but we have a great team here and we all pull together."

Angela, who is from Blidworth, is part of a 16-strong team which works a range of shifts to ensure food is available 12 hours a day, seven days a week – the main restaurant even opens on Christmas Day.

Housekeeping Assistant

Housekeeping Assistant Martha Hill is close to retirement age but said she had no plans to call time on her 13 years at King's Mill. Martha spent 16 years in the catering industry spanning jobs as diverse as being a school dinner lady to a stint as a catering manageress.

She does a 20-hour week at King's Mill, working from 1.30 to 6.30pm, which involves cleaning the wards, floors and toilets until 3.30pm and then making tea for the patients. "I just love my job and it suits me down to the ground as I need something to do and I like having people in my life," she says. "I have no plans to retire, I don't know what I'd do and I don't want to be sitting at home with my feet up. Patient contact is the best thing about the job and the team is lovely – we all pull together and help each other out if someone is struggling."

Behind the scenes at our hospitals

Patient Services Co-ordinator

Ruby Stevens (left) has worked in her current post at Newark Hospital for four years – and insists she still learns something new every day.

She spent several years working as senior catering supervisor before taking on her current role – previously called Site Co-ordinator – in 2003. Ruby is responsible for the hospital's switchboard, portering, catering and domestic services and oversees 62 members of staff.

"Working from the shop-floor upwards, I was familiar with all the disciplines except the switchboard. It was a case of putting everything into practice and finding out things as I went along. I'm still learning new things now! The main thrust of my job is ensuring the whole site runs smoothly. There are a lot of standards to meet and targets to achieve, especially in terms of cleanliness and food. I'm also responsible for ensuring patients' meals are delivered to the wards on time as well as co-ordinating the porters and managing our switchboard staff – so there's a lot to do. I couldn't do my job without the support of the excellent staff here. I'm lucky that I work with a great team."

Ruby has achieved a host of vocational qualifications over the years including Stepping into Management and others across the catering and health and safety disciplines.

While Ruby insists she finds her job very rewarding, she says it's getting more challenging.

"There's a lot more paper work to do, even compared to just a year ago, and there are a lot of regulations to adhere to. But I really do love the job.

"One way or another, everything I oversee impacts on patients, visitors and staff. My goal is to maintain the high standards that we've set and improve wherever we can."

Midwife

Margaret Dennett was inspired to become a midwife after having her first child at King's Mill – and even went back to college to gain the necessary qualifications before she could start her training. She worked as a nurse for 18 months at Bassetlaw Hospital's accident and emergency and then moved on to do her midwifery training at King's Mill, where she has now been a community midwife for six years.

"It's the best move I've ever made," she says. "To see someone giving birth is a special thing and I feel very privileged to be a midwife. "I love my job, it's the most wonderful thing in the world to do and I wouldn't swap it for anything – I even look forward to coming back to work after annual leave. "It's definitely not a nine to five job and I often come in in the middle of the night when not on shift if someone asks for me to deliver their baby. That kind of continuity of care can be very important and is proven to reduce the chances of post natal depression and increase breast feeding."

And Margaret's work doesn't stop at delivering babies, she also provides advice, care and support for women, their partners and families during the pre-conceptual, antenatal, intranatal and postnatal periods. This includes things like providing information on healthy eating and breast-feeding and Margaret even runs aqua-natal sessions at Rainworth Leisure Centre, which provide a safe form of exercise during and after pregnancy.

Behind the scenes at our hospitals

Discharge Nurse Specialist

Melony Tilley has worked as Discharge Nurse Specialist at Newark Hospital for the last five years.

Her role covers all Newark wards, except Friary, and Melony is responsible for the management of all complex patients within the hospital. Approximately 40% of the hospital's patients have more than one discipline involved in their care and are therefore considered to be complex.

"For instance, this might involve Doctors, Nurses, Physiotherapists and Social Workers, to name but a few," she explains. "I am responsible for co-ordinating everyone involved in the multidisciplinary team to ensure they all reach their personal timescales for treating each of these patients. We make a plan of exactly who needs to be involved in the treatment and care of each individual, agree actions and set a projected discharge date. Looking at a patient's continued care requirements when they return home is also a big part of the role. I continually liaise with a wide range of people within the health, social, voluntary and private care sectors - including care homes, the hospice, intermediate care services and district nursing staff.

"I find my work very rewarding although it has changed dramatically over the last five years with various Government initiatives. The introduction of the JONAH discharge database has had the biggest impact. Every patient admitted to the hospital is entered on to this system. It is then used to plan access to all services required by each patient, to ensure these are provided in a timely manner and an appropriate discharge date is set (except for patients with an end stage terminal illness or those not expected to make a quick recovery). Delays are highlighted, along with the reasons for these, so I am able to prioritise patients and resolve any problems."

"I really enjoy talking through plans with patients, relatives and carers, co-ordinating the teams and planning discharges to ensure patients return home as quickly and comfortably as possible."

Modern Matron

Lara Hardy (right) took up her post as Modern Matron at Newark in February 2006, with a personal aim of raising the profile of Newark Hospital.

Since qualifying in 1991 she worked on several wards at King's Mill, including being Ward Leader on Ward 5 and Matron for Medical Inpatient Services.

"My first priority is ensuring high quality care for all our patients, so maintaining and improving patient services across the whole hospital – surgical, medical, theatres and outpatients" she explains.

"I need to be easily approachable for all staff, patients and relatives, to raise any problems, comments or suggestions. I try to visit all the wards each day to talk to patients and staff, and work closely with PALS to try and resolve complaints at source."

"My regular meetings with ward and department leaders cover patient care and staffing issues and I work closely with the Infection Control team to monitor trends and track improvements."

Working 9am-5pm Monday to Friday, Lara is responsible for site co-ordination on a daily basis.

"The biggest change to my role has been taking the lead on the JONAH discharge system, and ensuring that it's utilised on all wards and that all staff accept it as part of their day to day work. I review the trends flagged up by the system and feed back the reasons for all delayed discharges on a weekly basis to the Trust's Director of Nursing Services".

Another of Lara's major responsibilities is managing Newark Hospital's Nurse Bank – of more than 50 trained and untrained staff. Lara is also involved in conducting appraisals for all bank staff, along with the Ward Leaders, and co-ordinates all their training requirements.

"The last year has been a steep but interesting learning curve in some areas, especially for surgery and theatres considering my background is medical. I really enjoy working in a smaller hospital though and there is a very friendly atmosphere here at Newark."

Behind the scenes at our hospitals

Receptionist

June Brooks has been a receptionist at King's Mill for 12 years and for many hers is the first face they see when visiting the hospital.

She explains: "It might sometimes look like we don't do a lot but we see a very large number of people in a day. The job mainly consists of helping and giving information to patients, visitors and people, who come to the hospital for things like meetings. We handle general enquires, organise the volunteer run buggy service that takes patients to different departments and we are the first port of call for complaints."

June said her favourite part of the job was being able to help people and make a difference especially when people are lost or upset. "We once had an elderly gentleman from Radcliffe-on-Trent, who was trying to find his partner. He was obviously distressed and had been told she had been taken into hospital," she said. "We had no record of her so I rang round all the hospitals in the area but there was still no sign of her. I finally tried her chemist who told me she had been taken into a nursing home in Mansfield so I drove him there in my car. She was waiting for him at the door, wearing a dressing gown with her arms open and with tears rolling down her cheeks, that's what it's all about, being able to make a difference to people."

Volunteer

Retired Harold Greasley loves keeping active by volunteering at King's Mill and does whatever he can to help put a smile on people's faces.

"I dress up as Santa Claus for the Christmas party and give out lollypops to the children," he explains. "I've even been asked to dress up as the Easter bunny but I don't know where I'd get an outfit from."

Harold has been a volunteer at the hospital for three-and-a-half years and carries out a number of tasks during his 12 hours a week, including transporting patients on the hospital's buggy service and selling sweets and drinks from a trolley.

"I retired at 65 and was just sitting at home twiddling my thumbs and then I met someone who asked if I'd tried volunteering so I gave it a go," he says. "I enjoy every minute of it, I'm doing something for the community but also for people less fortunate than myself. I've always been a person who likes to meet people and I like to have a laugh and a joke. If I can talk to patients, make them laugh and maybe brighten their lives up a little bit then I've done a worthwhile job.

"I wish I'd taken it up 20 years ago, I absolutely love it and would recommend it to anyone. I've had some good jobs but this is the most enjoyable I've had and when people say thank you and tell you you're doing a good job it's very rewarding."

■ Provide high quality services through working in partnership.

Trust Chairman Brian Meakin (left) and Peter Coote, Executive Vice-President of Skanska UK, add the finishing touches to the roof of the DTC.

Super-hospital takes shape

Work to create a King's Mill super-hospital of the future gathered pace – with the shell of the first major building under completed.

A topping-out ceremony saw Trust Chairman Brian Meakin and Peter Coote, Executive Vice-President of scheme contractors Skanska UK, pour the final piece of concrete onto the new state-of-the-art Diagnostic and Treatment Centre (DTC).

The uniquely designed DTC is a landmark structure as part of the £320m Modernisation of Acute Services (MAS) project, which is the biggest ever investment in the NHS locally and will radically transform patient care. 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.

Acting as a one-stop-shop, the centre will provide fast-track services including:

- Therapy services (physiotherapy, occupational therapy and hydrotherapy) and pain management;
- A full range of outpatient services including orthopaedic, cardiology, orthotics, ENT, audiology, general surgery, gastroenterology, vascular surgery and pre-operative assessments;
- Pharmacy dispensing and imaging.

This means patients will be treated more quickly and under one roof.

The DTC comprises of 16,590 square metres of accommodation over three floors and will be open for business in spring next year. When complete in 2011, the new hospital will provide some of the most modern services and buildings in Europe. Parts of the hospital will also be demolished or redeveloped to create a single unified hospital, comprising 28 new wards with 50 per cent of patients in single rooms, a new Emergency Care Centre with an out-of-hours GP service and a dedicated Women and Children's Centre (WCC). Three T-shaped ward tower blocks, linked together over five-floors, will rise above the DTC and WCC.

An additional 181 bed spaces will be created as part of the scheme, taking the total number to 742 plus day case recovery spaces, trolleys and recliners, and car parking will increase from 1,350 spaces to about 1,850.

Chairman Brian Meakin said: "Completing the construction of the DTC marks an exciting milestone in the hospital's redevelopment, which is running on time and on budget. This state-of-the-art building will provide a new face to the hospital and will be easily accessible to patients and visitors."

Chief Executive Jeffrey Worrall added: "The new centre will provide a vast range of complementary services under one roof and is key to our plans to revitalise the local NHS by building a modern hospital from which to deliver first class patient care."

King's Mill Hospital – Volunteers' Long Service Awards

L - R, Margaret Oliver - 20 yr award, Brian Meakin Trust Chairman, Diane Kerry - 30 yr award with Jo Bewley - 25 yr award.

Over 50 volunteers were presented with long service medals at the King's Mill Volunteers' Annual General Meeting and Chairman's Award Ceremony in October.

The awards were in appreciation of service ranging from five years to the thirty years recently completed by one of the Trust's longest serving volunteers, Diane Kerry, and were presented by Trust Chairman Brian Meakin, assisted by his wife Sancha.

Ashfield District Council Chairman, Councillor Edward Holmes, and Mansfield District Council Chairman, Linda Wilkinson, attended the celebration, together with many of the Hospital's senior managers and Non-Executive Directors.

Volunteers were honoured across all areas of the Hospital, including the Charity Shop, Hospital Discharge Scheme and Millside Hospital Radio.

A year of change for King's Mill volunteers

Many of the 85 new volunteers recruited during the year were young people and several under 20 years old can now be found working across the Trust in various departments (some working on their day off from college/sixth form). Their commitment is rewarded with certificates and references for their portfolios.

The start of the hospital rebuild stretched the capabilities of our volunteers immensely. Outpatient clinic moves split up the Escort Service, and the Internal Vehicle Service proved to be a valuable asset to transport patients to the new clinics.

More mobile tea trolleys were used to deliver refreshments to clinics and the volunteers made every effort to adapt wherever necessary to give patients, visitors and staff the best service possible.

The volunteers' trading position was very positive during the year and their continued good profit from the Tea Bars put them in a position to share their success with departments around the Hospital. Donations in the year included a laser for ophthalmology, refurbishment of the Accident and Emergency relatives' room, computer equipment for Cardiac Rehabilitation, digital imaging equipment for Clinical Illustration and decorations for Hardwick Ward.

Newark Hospital – Volunteers' Long Service Awards

Councillor Brian Richardson, Deputy Mayor of Newark, kindly assisted Trust Chairman, Brian Meakin, in presenting Long Service Awards to members of the Newark Hospital Voluntary Team at Newark Town Hall in October. A total of 55 awards were presented on the day, which represented 375 years of dedicated support and assistance at the Newark Hospital. Afternoon tea was served by the Hospital Management Team and the event was enjoyed by all.

Three volunteers were each celebrating an impressive 25 years' service: Hilda Hudson and Joan Keeley - Voluntary Services Help Desk & Outpatients Tea Bar, and Barbara Mabbott, Voluntary Services Help Desk & MT Coffee Lounge.

Celebrating 25 years of volunteering at Newark Hospital, Councillor Richardson (right) with Trust Chairman Brian Meakin (left) and volunteers Joan Keeley, Hilda Hudson and Barbara Mabbott.

National Volunteers' Week

Many staff from King's Mill and Newark Hospitals rolled-up their sleeves and worked shifts with the Trust's volunteers during the 22nd National Volunteers' Week in June. The week is the UK's largest annual celebration of volunteering, and events take place throughout the country to recognise and reward existing volunteers and attract new recruits.

Staff were involved in various volunteering shifts, which included learning to drive the internal buggy for transporting patients and visitors, serving in the tea bars, taking the sweet trolley around the wards and working in A&E. All the 'proper' volunteers involved during the week enjoyed training the new recruits.

"I spent half a day in the Dukeries maternity ward. It was a great experience. I was introduced to the new and expectant mums, and had a peep at the new born babies. My thanks to the staff for their help and co-operation. The ward has a lovely atmosphere, and I am sure undertaking voluntary work on a regular basis would be very rewarding."

Christine Bacon, SFH Governor

"My time in A&E was certainly a break from my usual working environment and it gave me an insight to the fundamental functions within the A&E department. Although it was one of the quieter times within A&E I was able to assist one of the Trust's permanent volunteers and appreciate the importance of their role."

Sue Newburn, Personal Secretary to the Executive Director of Finance

"I was able to see places in the hospital I hadn't seen before, so I feel I know the hospital a little better.

I also got the chance to have a good natter with some of the patients. It was a very enjoyable morning."

Beryl Perrin, Foundation Trust Member.

"I really enjoyed my afternoon delivering patients and their relatives around the hospital. Our patients are very appreciative of the buggy service which is operated solely by volunteers. Many thanks to Danny Cole for his patience in showing me the ropes."

David Leah, Non-Executive Director

"Driving the buggy was great fun. It makes you realise that the service the volunteers give is excellent.

Many patients would struggle to get to appointments without this team of dedicated people. Well done vollies and keep up the good work."

Jacqui Walker, Fundraising Assistant

"I thoroughly enjoyed my few hours with the ladies and thank them very much for the valuable insight into what they do. They made me feel part of their team. I found their happy, smiling and friendly demeanour uplifting, as do the patients. Keep up the good work ladies."

Janice Matthews, Central Delivery Suite

"Good opportunity to understand the valuable work our volunteers carry out, also a good chance to talk to patients about what they think of King's Mill Hospital."

Laura Macarthy, Patient and Public Involvement Manager

"What hard work, we never realised what a brilliant service the volunteers provide for visitors and patients who come to King's Mill."

Madeline Cox, Librarian (pictured), and Sylvia Lord, Library Assistant.

"Just to say this was quite an enlightening experience for me, and to say thank you to Ron and Andrew who were excellent hosts."

Montio Morgan, ENT Consultant

"It was a privilege and a pleasure to work with the two ladies in the outpatient Tea Bar and I would like to thank them for putting up with me."

Rosaleen Dyce, Chaplaincy Secretary

6. Corporate Governance Arrangements

During 2006/07, we reviewed our corporate governance framework, and established revised arrangements in preparation for achieving NHS Foundation Trust status. The majority of the changes to our governance arrangements were enacted ahead of achieving Foundation Trust status in order to enable a smooth transition on 1st February 2007, when authorisation was confirmed.

A number of new structures were established, and existing structures were reviewed and updated.

The key changes were as follows:

- A 'shadow' Board of Governors was established with its first meeting in July 2006;
- The first meeting of the NHS Foundation Trust Board of Governors was held on 1st March 2007;
- Sub-committees of the Board of Governors were established looking at Patient and Public Involvement & Membership Development, and Access and Quality of Patient Services;
- A new Nominations Committee was established in preparation for Foundation Trust status, with its first meeting in December 2006;
- A Financial Strategy and Investments Committee was established, replacing the previous Capital Committee, Financial Strategy Committee and Charitable Funds Committee. The first meeting was held in September 2006;
- The content of the Corporate Performance Management Report was reviewed and updated;
- A 6th Non-Executive Director was appointed with designate status in July 2006;
- Revised governance documents were approved by the Trust Board in July 2006 including our Constitution, Standing Orders for the Board of Governors and the Board of Directors, Standing Financial Instructions and Scheme of Reservation and Delegation. These documents detailed the role and responsibilities of each Board and were formally adopted following authorisation as a Foundation Trust;

- The role of the Board of Directors developed in line with our new governance arrangements, focusing on strategy;
- An Executive Director of Human Resources was appointed to the Foundation Trust Board of Directors on 1st February 2007.

Once authorisation as an NHS Foundation Trust was confirmed on 1st February 2007, the governance arrangements were enacted formally following adoption by the Board of Directors and the Board of Governors.

The respective roles of the Board of Directors and the Board of Governors are clarified within the key governance documents.

Section 8.17 of the Constitution confirms the role and responsibilities of Governors, including:

- 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 Accountable Officer for the Foundation Trust.

6. Corporate Governance Arrangements

Board of Directors

In accordance with the 2003 Act, the Directors of the 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.

All of our Non-Executive Directors were determined as being independent.

During 2006/07 the Trust continued to operate key Governance Committees including an Audit Committee, and a Remuneration Committee.
A Nominations Committee was established in September 2006 in preparation for Foundation Trust status.

The membership of these Committees as at 31st January 2007, upon Authorisation as a Foundation Trust on 1st February 2007, and on 31st March 2007 were as follows:

Audit Committee – (Chair and members)

David Leah – Chair
Dawn George - Member
Stephen Pearson - Member

Peter Harris – Observer
Sheilah Andrews - Observer

Nominations Committee – (Chair and Members)

Brian Meakin – Chair
Peter Harris - Member
Stephen Pearson - Member
Jeffrey Worrall – Member
Sandra Rollett – Member

Remuneration Committee – (Chair and Members)

Brian Meakin - Chair
Dawn George - Member
Tracy Doucet – 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 two remaining Non-Executive directors, including the Chair of the Quality Assurance Committee attended as observers.

As a Foundation Trust the Board of Governors is responsible for the appointment of the External Auditor

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 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 2006/07 (one of these meetings was held in March 2007 following Authorisation as a Foundation Trust) and focused on specific items identified in its annual work plan.

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

As a Foundation Trust the Board of Governors is responsible for the appointment of the External Auditor, and it was agreed that a competitive procurement process would be initiated for this appointment. Pending this appointment, the Trust appointed the Audit Commission as its interim External Auditor from 1st February 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.

The Nominations Committee

The Nominations Committee met 2 times in 2006/07 (once following Authorisation). The principal initial focus of the Nominations Committee was Board development and assessment.

During December 2006 and March 2007, the Nominations Committee considered job specifications for the vacancies for the Executive Director of Strategy and Improvement and the Executive Director of Finance. Both vacancies were advertised in March 2007, and appointments were made in April 2007.

Between 1st February 2007, and 31st March 2007, the following meetings of the Board of Directors, the Nominations Committee, Remuneration Committee and Audit Committee, took place.

Directors in attendance are also noted:

6. Corporate Governance Arrangements

Name of Director	Board of Directors Maximum 2	Nominations Committee – Maximum 1	Remuneration Committee – Maximum 1	Audit Committee – Maximum - 1
Brian Meakin	2	1	1	N/A
Peter Harris	2	1	N/A	1 (observer)
Dawn George	2	N/A	1	1
Sheilah Andrews	2	N/A	N/A	1 (observer)
David Leah	2	N/A	N/A	1
Stephen Pearson	1	0	N/A	1
Tracy Doucet	1	1 (observer)	1	N/A
Jeffrey Worrall	2	1	1	1 (adviser)
Caroline White	1	N/A	N/A	N/A
Bill Gregory	1	N/A	N/A	1 (adviser)
Mike Mowbray	2	N/A	N/A	N/A
Sandra Rollett	2	1	1 (as adviser)	N/A

The following provides a profile of our Directors highlighting their expertise and experience:

Directors' Profiles

Brian Meakin, Chairman

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 2006/07.

Jeffrey Worrall, Chief Executive

Jeffrey was appointed as Chief Executive of Sherwood Forest Hospitals NHS Trust on 7th February 2002, and subsequently appointed Chief Executive of the NHS Foundation Trust on the 1st 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, 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

Directors' Profiles

Tracy Allen, Executive Director of Planning and Performance,

Tracy joined the Trust on 9th September 2002 and left at the end of December 2006 to become Director of Provider Services for Derbyshire County PCT.

While Tracy was instrumental in developing the Trust's application for Foundation Trust status, promotion to a post with Derbyshire County PCT meant that she left the Trust before we achieved authorisation on 1st February 2007.

Tracy joined the NHS in 1990, as a Management Trainee, and since this time has had various jobs within the NHS including general management of Trauma, Accident and Emergency and Critical Care Services in Oxford and a planning and development role in Bassetlaw Hospital.

Before joining the Trust she was Director of NHS Direct and Governance at Sheffield Children's Hospital.

Bill Gregory, Executive Director of Finance

Bill joined the Trust on 1st November 2003, and has worked in a variety of finance and commercial roles within the public and private sectors.

Bill was appointed Executive Director of Finance of the Foundation Trust on 1st February 2007.

Having trained as an Accountant with Coopers and Lybrand, he joined the NHS in 1993 and has held the post of Director of Finance at three NHS Trusts in northwest England.

Previously he was Head of Business Development for BUPA Hospitals.

Bill will be leaving the Trust in May 2007 to take up a post as Executive Director of Finance in Stockport.

Carolyn White, Executive Nursing Director

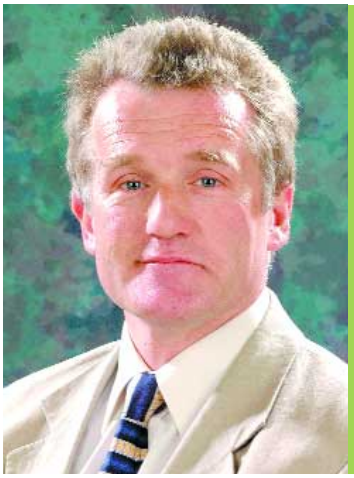
Carolyn joined the Trust on 16th July 2001, having previously worked for 12 years at the Hull and East Yorkshire Hospitals NHS Trust in a variety of senior nursing and management roles.

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 1st February 2007.



Mike Mowbray, Executive Medical Director

Mike has been a Consultant Anaesthetist at King's Mill 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 1st 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 advice to the Trust Board on all matters from the medical perspective.

Directors' Profiles

Sandra Rollett, Executive Director of Human Resources

Sandra was appointed Director of Human Resources in 2003 and appointed Executive Director of Human Resources of the Foundation Trust on 1st February 2007.

Sandra has held a number of Human Resource 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.

Peter Harris, Independent Non-Executive Director and Vice-Chairman

Peter joined the Sherwood Forest Hospitals NHS Trust on 1st November 2001, and was appointed to the Foundation Trust Board of Directors on 1st February 2007.

Peter is currently Vice-Chairman and Senior Independent Director. He is also Chair of the Quality Assurance Committee, a member of the Nominations Committee and an Observer at Audit Committee meetings.

Peter lives in Southwell, and 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.

Sheilah Andrews, Independent Non Executive Director,

Sheilah joined the Sherwood Forest Hospitals NHS Trust on 1st November 2002 and was appointed to the Foundation Trust Board of Directors on 1st February 2007.

Sheila is a member of the Quality Assurance Committee, the Human Resources Committee and an observer at Audit Committee meetings.

Sheilah lives near Newark and is a former member of the Central Nottinghamshire Community Health Council, her most recent post being Chair of the Primary Panel. She is also a committee member of Newark Hospital League of Friends.

Sheilah is a Director of Newark CVS and a lifetime Vice-President of Newark Swimming Club, where she teaches on a voluntary basis.

Now retired, Sheilah previously worked for 25 years as a head teacher at two primary schools, in Warsop and Edwinstowe.

Dawn George, Independent Non Executive Director

Dawn joined the Sherwood Forest Hospitals NHS Trust on 1st November 1999, and was appointed to the Foundation Trust Board of Directors on 1st February 2007.

Dawn Chairs the Human Resources Committee and is a member of the Audit Committee, the Remuneration Committee and an observer at Quality Assurance Committee meetings.

Dawn lives in the Newark area and has 30 years commitment to the voluntary sector ranging from local pre-school playgroups association and the WRVS and has been active in a variety of voluntary organisations.

Now retired, Dawn is a qualified teacher and taught in schools in Birmingham, Halewood and Nottinghamshire, and was a member of the Central Nottinghamshire Community Health Council for several years before becoming its Chairman.

Directors' Profiles

David Leah, Independent Non Executive Director

David joined the Sherwood Forest Hospitals NHS Trust on 1st November 2005, and was appointed to the Foundation Trust Board of Directors on 1st February 2007.

David is the Chair of the Audit Committee and a member of the Financial Strategy and Investments Committee. He also attends 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 1st January 2006, and was appointed to the Foundation Trust Board of Directors on 1st February 2007.

Stephen is a member of the Audit Committee, the Nominations Committee and the Financial Strategy and Investments Committee.

Stephen is a Solicitor 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 industry, and is currently a partner in a major Nottingham law firm. He holds a post-graduate 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.

Tracy Doucet, Independent Non Executive Director

Tracy joined the Sherwood Forest Hospitals NHS Trust on 1st July 2006, in a designate capacity, before being appointed substantively to the Foundation Trust Board of Directors on 1st February 2007.

Tracy is Managing Partner of a Management Consultancy Practice with extensive experience of 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.

Tracy is a member of the Financial Strategy and Investments Committee and the Remuneration Committee.

6. Corporate Governance Arrangements

Directors' Profiles

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 will continue to review the composition of the Board of Directors, its collective skills and expertise and highlight areas of development.

The Board 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, its sub-committees and individual Directors, was undertaken during 2006/07. The processes used included a self-assessment questionnaire prepared as part of the Trust's application for Foundation Trust status, individual assessment of Directors using established processes, and a self-assessment of certain sub-committees including the Audit Committee.

A review of the assessment processes for the Board of Directors was conducted in early 2007 in preparation for the first full year as a Foundation Trust.

A register of Directors interests is maintained at the Foundation Trust office and information regarding this can be obtained by contacting Mike Tasker, Company Secretary, at the Trust's headquarters.

Board of Governors

A Shadow Board of Governors was established in early 2006/07 and following elections in January 2006, and a further round of by-elections July 2006, all vacancies were filled.

In July 2006, contested elections were held for the:

- Newark and Sherwood Public constituency
- Volunteer class of the Staff constituency
- Derbyshire Public constituency

Contested elections for the vacancies in the Ashfield Community Hospital and Mansfield Community Hospital classes of the Staff constituency were not required.

The Governors met for the first time in April 2006 for an induction event, with further events taking place in May 2006 and August 2006 for the Governors elected through the by-elections.

The first meeting of the Shadow Board of Governors took place in July 2006, with further meetings being held in October 2006 and January 2007.

The first meeting of the substantive Board of Governors was held on 1st March 2007.

The Governors will continue to represent the interests of their members in the development of the Foundation Trust and will have a strong influence in shaping its strategic direction. They will also ensure that our performance against our plans is satisfactory and that we meet the requirements of our Authorisation.

Governors will need to seek the views of their members and ensure that these are used to inform the development of the Trust. They will also report back to their members on what happens in Board of Governor meetings.

The Board of Governors also agreed to establish a number of sub-committees to assist with its work.

- A Patient and Public Involvement 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 Chair and Non-Executive Directors.

At 31st March 2007, the composition of our Board of Governors was as follows overleaf:

6. Corporate Governance Arrangements

Governor	Constituency	Elected or Appointed	Term of appointment	Attendance at meetings (01/02/07 to 31/03/07) Total – 1 meeting
Eve Booker	Ashfield	E	Three years	Y
Mary Wilde	Ashfield	E	Three years	Y
Beryl Perrin	Ashfield	E	Three years	Y
Ann Lee	Ashfield	E	Three years	N
Jennifer Doohan	Ashfield	E	Three years	N
Richard Webster	Ashfield	E	Three years	Y
Yvette Price-Mear	Mansfield	E	Three years	N
Christine Bacon	Mansfield	E	Three years	Y
Davina Fordom	Mansfield	E	Three years	Y
Geoff Stafford	Mansfield	E	Three years	Y
John Marsh	Mansfield	E	Three years	Y
Chris Nolan	Mansfield	E	Three years	N
John Marlow	Newark & Sherwood	E	Three years	Y
Chris Brill	Newark & Sherwood	E	Three years	N
Vivienne Carmichael	Newark & Sherwood	E	Three years	Y
Enid Clarke	Newark & Sherwood	E	Three years	Y
Adrian Hartley	Newark & Sherwood	E	Three years	Y
Ruth Armstrong (to 10/03/07) Graham Tomlinson (From April 2007)	Newark & Sherwood	E	Three years	N
Nigel Mellors	Staff – King's Mill Hospital	E	Three years	Y
Janice Matthews	Staff – King's Mill Hospital	E	Three years	N
Kay Orgill	Staff – King's Mill Hospital	E	Three years	N
Clive Gie	Staff – King's Mill Hospital	E	Three years	N
Bucky Oladeinde	Staff – Newark Hospital	E	Three years	N
Larry Khongwir	Staff – Newark Hospital	E	Three years	N
Claire Braybrook	Staff – Ashfield Community Hospital	E	Three years	N
Mel Chiverton	Staff – Mansfield Community Hospital	E	Three years	N
Peter Gradwell (from 15/02/07)	Staff – Volunteers	E	Three years	Y
Elaine Wilson	Staff – Volunteers	E	Three years	Y
Barry Answer	Mansfield District Council	A	Three years	Y
David Walsh	Nottingham University	A	Three years	Y
Beryl Anthony	Ashfield District Council	A	Three years	N
Norah Armstrong	Newark & Sherwood District Council	A	Three years	Y
Barbara Brady	Nottinghamshire County (t) PCT	A	Three years	Y
Barbara Dempster	Nottinghamshire County (t) PCT	A	Three years	Y
Tim Grant (to 04/04/07) Andrew White (from 04/04/07)	West Notts. College	A	Three years	N
Vickie Minion	Nottinghamshire County Council	A	Three years	Y
Chris Kerrigan (from 29/03/07)	Nottinghamshire County (t) PCT	A	Three years	N
Wendy Saviour	Nottinghamshire County (t) PCT	A	Interim appointment 01/03/07 to 29/03/07	Y

6. Corporate Governance Arrangements

A register of Governors interests is maintained at the Foundation Trust office and information regarding this can be obtained by contacting Mike Tasker, Company Secretary, at the Trust's headquarters.

Membership

The Trust has established four Public Constituencies and a Staff Constituency.

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 31st March 2007, the Trust had 9488 public 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 1st February 2007 the percentage of members living in our four constituencies was approximately:

Ashfield - 23.0%
Derbyshire - 16.0%
Mansfield - 29.0%
Newark & Sherwood - 30.0%

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

- 77.5% of our catchment population is aged 16-74, and 7.8% is aged over 75. In our public membership, 70.0% are aged 16 - 74, and 20.3 are aged over 75.
- 48.9% of our catchment population are males and 51.1% females. In our membership, 42.0% are males and 57.0% are females.

During 2006/07, the principal means of membership recruitment was through direct mail campaigns, and we have been able to 'skew' the target population for these campaigns in order to address some of the inconsistencies in our public membership.

For example we were able to attract more residents from Newark and Sherwood by targeting residents with relevant post codes, and by using our Choose Newark campaign, and we have used other indicators of age and gender to target potential new members.

We also recognised that young people continued to be a 'hard to reach' group, and in 2006 we launched a website for young people in Nottinghamshire. The Website while providing young people with valuable information regarding the Trust's services also encourages membership once they reach 16 years of age.

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 5 Classes – King's Mill Hospital, Newark Hospital, Mansfield Community Hospital, Ashfield Community Hospital and Volunteers.

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

Contact with Members

During the year, we established a number of communication channels, enabling Members of the Trust to contact Governors and Directors:

- Our new Trust website that was established in late 2006;
- Our members' newsletter 'Acorns' provides contact details for members;
- Our Board of Governors meetings are open to members and a number have attended;
- Our membership Recruitment Forms include contact details;
- Our Board of Directors meetings continue to be open to the public and members;

We are planning to attend meetings of local community groups during 2007/08 to highlight the work of Governors and we are expecting to hold constituency meetings later in the year.

The Board of Directors recognises the need to seek Governors views on developments and gain an understanding of members' aspirations and concerns and 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;
- An informal event was held in January 2007 to enable all Directors and Governors to meet and exchange views;
- 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.

In the July 2006 we surveyed our members to find out the areas of the Trust's work that were of particular interest. This survey confirmed that a significant number of members were interested in our infection control arrangements and as a result we arranged a special Members' event entitled "Beating the Bugs" that was held in February 2007.

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 of Governance) 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

A. Directors

The Foundation Trust has accepted the principles described within the Code of Governance in relation to its Directors, and in preparation for achieving Foundation Trust status reviewed the composition of its Board of Directors to ensure that the principles would continue to be achieved once authorisation was secured.

The Trust is led by an effective Board of Directors, and there is a clear division of responsibilities between the Chair and the Chief Executive as described within the Trust's key governance documents, and 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 Foundation Trust has accepted the principles described within the Code of Governance 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 2006/07 and following authorisation has met to adopt the Trust's key Governance documents, and a Code of Conduct for Governors has been issued.

The Board of Governors has established a number of sub-committees in order to meet its responsibilities and ensure 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 of Governance 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, was established in 2006/07 and started to review the structure, size and composition of the Board of Directors following authorisation.

The Board of Directors agreed to establish one Nominations Committee for both Executive and Non-Executive Director appointments and has made recommendations to the Board of Directors regarding recent Executive Director vacancies.

The Nominations Committee will work closely with the Board of Governor's Appointments Committee to develop job specifications for Non-Executive Directors as vacancies arise.

D. Information Development and Evaluation

During 2006/07, 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.

Governors joining the shadow Board of Governors received induction and an induction programme was provided for our new Non-Executive Director who joined the Board of Directors in a designate capacity in July 2006.

A Development programme for the Board of Directors has continued during the year and an initial assessment of Governor skills and knowledge will be 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 is being developed following authorisation as a Foundation Trust.

This will build upon the assessment and evaluation processes used during 2006/07, both as an NHS Trust and latterly as a Foundation Trust.

E. Director Remuneration

The Board of Directors and 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.

6. Corporate Governance Arrangements

The Remuneration Committee reviewed levels of Executive Directors pay in 2006/07 and once again in February 2007, following authorisation as a Foundation Trust. The Board of Governors considered the remuneration of the Chair and Non-Executive Directors in April 2007.

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 1st February 2007, and has agreed a plan to cover the interim period pending a substantive appointment.

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.

The Chairman and the Senior Independent Director will maintain contact with Governors in order to understand their issues and concerns.

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

The Board of Directors carried out an assessment of its level of compliance with the Code of Governance shortly before authorisation as a Foundation Trust.

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 – The formal process for appraising the performance of the Foundation Trust Chairman during 2007/08, had not been agreed by the Board of Governors by 31st March 2007. The process was being developed by the Nominations Committee during 2006/07 and was in place in April 2007 and this would be used during 2007/08.

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 of Governance, however, a policy has not been established over and above these mechanisms. A policy will be developed.

Section C.2.1 – The Remuneration Committee on behalf of the Board of Directors 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 D 2.2 – The Board of Governors, led by the Chairman, did not assess its collective performance during 2006/07 having been established in shadow form in mid-2006. An assessment of performance will be undertaken in 2007/08.

Section E 1.1 – The Remuneration Committee on behalf of the Board of Directors, concluded that performance related pay for Executive Directors was not appropriate.

Section F 3.2 & F 3.3 – The Terms of Reference for the Audit Committee were reviewed in 2006/07 as an NHS Trust and will be reviewed in early 2007/08 to ensure that the requirements of the Code of Governance and the NHS Foundation Audit Code are met.

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. A local schedule will be developed in 2007/08.

7. Summary Financial Statements

This section includes Summary Financial Statements and Statements on Internal Control for the separate accounting periods:

1st April 2006 to 31st January 2007 (for Sherwood Forest Hospitals NHS Trust)

1st February 2007 to 31st March 2007 (for Sherwood Forest Hospitals NHS Foundation Trust)

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.

Directors report

Overview

In 2006/2007 the Trust was successful in achieving Foundation Trust status. As a result it has separately reported its financial position for the period as an NHS Trust (ten months from 1 April 2006 until 31 January 2007) and a Foundation Trust (two months from 1 February 2007 until 31 March 2007), however, for the ease of the reader the term Trust will be used throughout this report unless otherwise stated.

Whilst 2006/2007 was a challenging financial year, the Trust has successfully used its financial resources to improve services for patients and also deliver or exceed the NHS plan targets. The main financial duties were achieved as shown below.

Target	Requirement	April to January 07	February to March 07	Performance Full Year	Result
At least breakeven on our Income and Expenditure account	Break even	£2,470,000 surplus	£408,000 surplus	£2,878,000 surplus	✓
Achieve a Capital Cost absorption rate of 3.5%*	3.0% to 4.0%	1.70%		3.60%	✓
Operate within the Capital Resources Limit*	£12,068,000	£5,882,000			✓
Operate within the External Finance Limit*	£7,918,000	(7,973,000)			✓

(* Only applicable up to 31 January 2007).

As the Trust was authorised as a Foundation Trust part way throughout the Financial Year, the Department of Health has agreed to match the Target EFL and CRL to our actual outturn as at the 31st January 2007.

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

Key Performance Indictators
Cumulative to 31st March 2007

Financial Metrics

	Weight	Actual for Year Value	Actual for Year Rating	Good 5	Score Actual to Date 4	Score Actual to Date 3	Score Actual to Date 2	Bad 1
EBITDA Margin %	25.0%	8.3%	4	10%	8%	4%	0%	<0%
EBITDA % Achieved	25.0%	122.7%	5	100%	80%	60%	25%	<25%
return on Assets %	12.5%	5.9%	5	5%	4%	2%	-3%	<-3%
I and E Surplus Margin %	12.5%	1.6%	4	2%	1%	0%	-3%	<-3%
Liquid Ratio - Days	25.0%	16.1		35	25	15	10	<10
Weighted Average			4.1					

Prudential Borrowing Code Ratios

	PBC Limit	Actual to Date Value	Actual to Date Rating
Maximum Debt/Capital Ratio %	25%	0.0%	True
Minimum Dividend Cover - Times	1.0	4.4	True
Minimum Interest Cover - Times	3.0	5155.0	True
Minimum Debt Service Cover - Times	2.0	329.0	True
Maximum Debt Service to Revenue	3%	0.0%	True

Overall Rating 4

Maximum Debt/Captial Ratio %

	Actual	Limit	Limit at Each Risk Rating 5	4	3	2	1
Risk Rating		4	40%	25%	15%	10%	0%
	0.0%	25%					

Directors report

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 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 30th April 2007, and is available separately on request.

Income and expenditure

Total income for the year was £181.1m (£164.2m in 2005/2006) representing a growth of 10.3%. This growth results from additional funding for inflation, the movement to National Payment by Results Tariff, financing for the development of services and the provision of additional patient care anticipated and actually delivered during the year.

Expenditure increased in line with this additional funding and allowed us to see or treat 35,468 elective patients (33,324 in 2005/2006) and 38,439 non-elective patients (41,816 in 2005/06). In addition, 280,026 outpatients were seen during the year (255,676 in 2005/06) and 108,296 patients were seen in Accident and Emergency (96,502 in 2005/06).

Effort continues to be applied to reduce our costs and obtain value for money. During 2006/2007 the Trust developed a programme to improve productivity across the organisation. Benefits were seen in year in terms of reduced variable pay costs and also reduced costs of purchasing the goods and services we use to provide patient care. We plan to realise further benefits in these areas during 2007/2008.

Details of our full year costs relating to directors remuneration are given in note 9 to the summary accounts.

Balance sheet

During 2006/2007 we saw significant additional investment in the fixed assets of the Trust (£11,769,000). This included further capital investment relating to the Modernisation of Acute Services PFI scheme, and the Leicester Housing Association PFI scheme.

The Trust also invested over £3.0m on upgrading or acquiring new medical equipment, essential for the day-to-day operation of the Trust, including significant investment in new pathology, flexible scopes and radiology equipment. In addition a further £3.0m was invested in improvements in information systems and technology in conjunction with the North Nottinghamshire Health Community, a key development being the implementation of 'Picture Archiving Communications System' (PACS), an electronic way to Store x-ray images without using films. Further investment was also made at Newark Hospital in the provision of a minor operations suite. Overall our capital expenditure was within budget, as measured by the capital resource limit.

The Trust achieved its Trust cash target (as measured by the external finance limit) and achieved 98% (97% in 2005/2006) compliance with the Better Payment Practice Code. Details of compliance with this code are given in note 5 to the summary accounts.

During 2005/2006 there were again changes recognised within the Balance sheet to account for the Private Finance Initiative (PFI). In particular the recognition of the capital prepayment of £2.4m, and the increase in the deferred asset representing the value of assets transferred to our PFI provider (£1.4m). There has also been a significant reduction in short-term debtors and creditors to account for the repayment of the £7.2m Public Dividend Capital repayable to the Department of Health, reported in last years accounts relating to accelerated depreciation funding received in 2005/2006.

Since becoming a Foundation Trust on the 1st February 2007, the Trust has benefited from greater flexibility regarding cash, and the ability to carry significant cash balances forward into future years. This has seen the Trust cash balance increase from £7,752,000 to £17,339,000 as at the 31st March 2007. This has been generated primarily by reduced debtor balances and the receipt of £3,500,000 on account in March, which the Trust would not otherwise have been able to accept.

The Trust has changed one accounting policy since becoming a Foundation Trust with regard to the recognition of partially completed inpatient activity, this has increased year-end NHS Debtor balances by £631,784.

Directors report

Charitable funds

During the financial year we received donations and legacies to our charitable funds of £1,090,059 (£329,000 in 2005/2006).

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 £390,000 (£462,000 in 2004/2005) 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) for a period of 37 years. Whilst the Trust has taken up occupation of some new buildings at King's Mill Hospital, and Newark Hospital has undergone significant refurbishment in 2006/2007, in 2007/2008 we will ready ourselves for moving to the new diagnostic and treatment centre at King's Mill in May 2008.
- The plans we have developed to improve our productivity will be implemented in 2007/2008 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. In 2006/2007 we developed our strategy for attracting patients to use our hospitals and we intend to fully implement this during 2007/2008.
- During 2005/2006 the Trust implemented the new integrated Payroll and Human Resources, Electronic Staff Records (ESR) computer system. This will provide more efficient and co-ordinated working practices across both departments. In addition a significant upgrade was made to the general ledger system in January 2007, which has significantly improved the reporting capabilities and the functionality available.
- The Trust has since becoming a Foundation Trust has spent considerable resources on developing 'Service line reporting', which is a significant change from the historic method of reporting income and expenditure by department. As this develops it is envisaged that the Trust will be able to associate the income and expenditure to individual episodes of activity, which should significantly improve the information available for management decision making and reporting.
- 2006/07 saw a period of extensive reorganisation within the Local Health community and the Trust will continue to work hard in securing positive working relationships with the newly established successor bodies, 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.

Elaine Konieczny
Acting Executive Director of Finance
(For and on behalf of Bill Gregory, Executive Director of Finance who left the Trust on the 31st May 2007)
1 June 2007

2006/07 Accounts for the 10 month period ending 31 January 2007

STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE ACCOUNTABLE OFFICER OF THE TRUST

The Secretary of State has directed that the Chief Executive should be the Accountable Officer to the Trust. The relevant responsibilities of Accountable Officers, including their responsibility for the propriety and regularity of the public finances for which they are answerable, and for the keeping of proper records, are set out in the Accountable Officers' Memorandum issued by the Department of Health.

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

Jeffrey Worrall
Chief Executive
8th June 2007

2006/07 Accounts for the 10 month period ending 31 January 2007

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

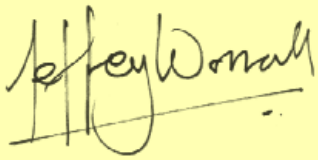
The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of the Treasury, directs that these accounts give a true and fair view of the state of affairs of the trust and of the income and expenditure of the trust for that period. In preparing those accounts, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

By order of the Board



Jeffrey Worrall
Chief Executive
8th June 2007

Elaine Konieczny
Acting Executive Director of Finance

2006/07 Accounts for the 10 month period ending 31 January 2007

SUMMARISATION SCHEDULES (TACs) FOR THE SHERWOOD FOREST HOSPITALS NHS TRUST

Summarisation schedules numbered TAC01 to TAC28 are attached.

Director of Finance Certificate

I certify that the attached summarisation schedules have been compiled from and are in accordance with the financial records maintained by the Trust and with the accounting standards and policies for the NHS approved by the Secretary of State.

Elaine Konieczny
Acting Executive Director of Finance
8th June 2007

Chief Executive Certificate

I acknowledge the attached summarisation schedules, which have been prepared and certified by the Director of Finance, as the summarisation schedules which the Trust is required to submit to the Secretary of State

Jeffrey Worrall
Chief Executive
8th June 2007

Independent auditors' statement to the Directors of the Board of Sherwood Forest Hospitals NHS Foundation Trust

I have examined the summary financial statements [which comprise the summary income and expenditure account, balance sheet, cash flow statement and summary notes] set out on pages 64 to 72.

This report is made solely to the Board of Sherwood Forest Hospitals NHS Foundation Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report.

My responsibility is to report to you my opinion on the consistency of the summary financial statement within the Annual Report with the statutory financial statements.

I also read the other information contained in the Annual Report and consider the implications for my report if I become aware of any misstatements or material inconsistencies with the summary financial statement.

Basis of opinion

I conducted my work in accordance with Bulletin 1999/6 'The auditors' statement on the summary financial statement' issued by the Auditing Practices Board. My report on the statutory financial statements describes the basis of our audit opinion on those financial statements.

Opinion

In my opinion the summary financial statement is consistent with the statutory financial statements of the Trust for the period ended 31 January 2007. I have not considered the effects of any events between the date on which I signed my report on the statutory financial statements (8 June 2007) and the date of this statement.

Ian Sadd
Engagement Lead
Officer of the Audit Commission
1st Floor
Bridge Business Park
Thurmaston
Leicester LE4 8BL

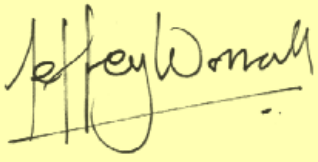
11 July 2007

INCOME AND EXPENDITURE ACCOUNT

For the Ten Months ended 31st January 2007	Notes	Ten Months Ended 31st January 2007		Year Ended 31st March 2006	
		£000	£000	£000	£000
Income from activities:		**131,984**		143,419	
Other operating income		**17,848**		20,818	
TOTAL INCOME	**1**		**149,832**		164,237
Operating expenses:					
Staff costs	**7**	**95,238**		107,765	
Non-staff costs		**41,145**		43,367	
Depreciation, amortisation & impairments		**7,779**		9,128	
Audit fees		**78**		173	
Directors' remuneration	**9**	**543**		487	
			(144,783)		(160,920)
OPERATING SURPLUS			**5,049**		3,317
Interest receivable			**369**		269
Interest Payable			**(3)**		(10)
Other finance costs - unwinding of discount			**(42)**		(79)
Other finance costs - change in discount rate on provisions			**0**		0
SURPLUS FOR THE FINANCIAL PERIOD			**5,373**		3,497
Public dividend capital dividends payable			**(2,903)**		(3,496)
RETAINED SURPLUS FOR THE FINANCIAL PERIOD	**1**		**2,470**		1
CAPITAL COST ABSORPTION RATE	**2**		**1.7%**		**3.6%**

BALANCE SHEET

As at 31st January 2007	Notes	31st January 2007 £000	31st January 2007 £000	31st March 2006 £000	31st March 2006 £000
FIXED ASSETS					
Intangible Fixed Assets					
Software Licences		**3,473**		836	
Tangible fixed assets					
Land		**17,150**		16,228	
Buildings		**34,791**		36,869	
Assets under construction		**3,023**		809	
Equipment		**13,791**		15,151	
			72,228		69,893
CURRENT ASSETS					
Stocks		**2,167**		2,023	
Debtors		**50,006**		50,573	
Cash at bank and in hand		**7,752**		96	
		59,925		52,962	
CREDITORS: Amounts falling due within one year	**5**	**(16,598)**		(20,667)	
NET CURRENT ASSETS			**43,327**		32,025
TOTAL ASSETS LESS CURRENT LIABILITIES			**115,555**		101,918
CREDITORS: Amounts falling due after more than one year			**(41)**		(73)
PROVISIONS FOR LIABILITIES AND CHARGES			**(1,340)**		(925)
TOTAL ASSETS EMPLOYED			**114,174**		100,920
FINANCED BY:					
TAXPAYERS' EQUITY					
Public dividend capital		**83,264**		76,342	
Revaluation reserve		**23,658**		21,519	
Donated asset reserve		**1,333**		1,582	
Income and expenditure reserve		**5,919**		1,477	
TOTAL TAXPAYERS EQUITY			**114,174**		100,920



Jeffrey Worrall
Chief Executive
8th June 2007

CASH FLOW STATEMENT

For the Ten Months Ended 31st January 2007	Notes	Ten Months Ended 31st January 2007 £000	£000	Year Ended 31st March 2006 £000	£000
Operating Activities					
Total operating surplus		**5,049**		3,317	
Depreciation and amortisation charge		**6,323**		9,128	
Fixed Asset Impairment and reversals		**1,456**		2,100	
Transfer from donated asset reserve		**(370)**		(676)	
(Increase)/decrease in stocks		**(144)**		126	
(Increase)/decrease in debtors		**5,825**		(18,986)	
Increase/(decrease) in creditors		**(3,046)**		14,256	
Increase/(decrease) in provisions		**373**		(1,529)	
Net cash inflow from operating activities			**15,466**		7,736
Returns on Investment and Servicing of Finance					
Interest received		**369**		269	
Interest element of finance leases		**(3)**		(10)	
Net cash inflow from returns on investments and servicing of finance			**366**		259
Capital Expenditure					
Payments to acquire tangible fixed assets		**(3,343)**		(7,824)	
Payments to acquire intangible fixed assets		**(2,849)**		(750)	
Net cash outflow from capital expenditure			**(6,192)**		(8,574)
Dividends paid			**(1,742)**		(3,496)
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING			**7,898**		(4,075)
Financing					
Public dividend capital received		**7,918**		4,023	
Public dividend capital repaid (not previously accrued)		**(8,203)**		0	
Other capital receipts		**75**		56	
Capital element of finance lease rental payments		**(33)**		(43)	
Net cash inflow from financing			**(243)**		4,036
INCREASE/(DECREASE) IN CASH			**7,655**		(39)

STATEMENT OF RECOGNISED GAINS AND LOSSES

For the Year Ended 31st January 2007	Ten Months Ended 31st January 2007	Year Ended 31st March 2006
	£000	£000
Surplus for the period before dividend payments	**5,373**	3,497
Unrealised surplus on fixed asset revaluations/indexation	**4,157**	2,314
Fixed asset impairment losses	**0**	2,148
Increases in the donated asset and government grant reserve due to receipt of donated and government grant financed assets	**75**	56
Total recognised gains and losses for the period	**9,605**	8,015
Prior period adjustment		
- Pre-95 early retirement	**0**	0
- Other	**0**	0
Total gains and losses recognised in the period	**9,605**	**8,015**

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

1. Breakeven performance and five-year financial summary

The trust's breakeven performance for 2006/2007 and for the preceding four years is as follows:

	2002/03 £000	2003/04 £000	2004/05 £000	2005/06 £000	10 Months 2006/07 £000
Total Income	114,207	124,785	146,149	164,237	149,832
Retained surplus for the year/period	1	2	8	1	2,470
Break-even cumulative position	91	93	101	102	2,572

2. Capital cost absorption rate

	2006/07 £'000	2005/06 £'000
Total Capital and Reserves (Total Assets Employed)	**114,174**	100,920
Less: Donated Assets Reserve	**(1,333)**	(1,582)
Purchased Assets in the Course of Construction	**-**	-
Cash held in Paymaster accounts	**(7,752)**	(96)
Total Relevant Net Assets	**105,089**	**99,242**
Average Relevant Net Assets	**102,166**	**98,123**
Total Dividends paid	**1,742**	**3,496**
Capital Cost Absorption Rate (%)	**1.7%**	**3.56%**

The Trust is required to absorb the 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 £1,742,000 bears to the average relevant net assets of £96,167,000, which is 1.7% for the 10 month accounting period. The full year comparator is 3.60%, which is within the Department of Health's materiality range of 3% to 4%.

3. External financing

The Trust is given an external financing limit which it is permitted to undershoot.

	2006/07 £000	2005/06 £000
External financing limit set by the Department of Health	**7,918**	4,023
Cash flow financing	**(7,898)**	4,075
Other capital receipts	**(75)**	(56)
External financing requirement	**(7973)**	4,019
Undershoot	**15,891**	4

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

4. Capital Resource Limit

The trust is given a Capital Resource Limit which it is not permitted to overspend.

	2006/07	2005/06
	£000	£000
Gross capital expenditure	**9,532**	9,791
Less: book value of assets disposed of	**(3,575)**	33,908)
Less: donations	**(75)**	(56)
Charge against the CRL	**5,882**	(24,173)
Capital resource limit	**12,068**	(18,788)
Underspend against the CRL	**6,186**	5,385

As the Trust was authorised as a Foundation Trust part way through the Financial Year, the Department of Health has agreed to match the Target EFL and CRL to our actual outturn as at the 31st January 2007.

5. Better Payment Practice Code - measure of compliance

Ten Months Ended 31 January 2007	**Number**	**£000**
Total bills paid in the year	**32,147**	**39,800**
Total bills paid within target	**31,379**	**39,101**
Percentage of bills paid within target	**98%**	**98%**

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

6. Audit Services

The Audit fee charged to the Accounts in the period was £78,000.00. All of the work carried out by the External Auditors was in accordance with the Code of Practice.

7. Management costs

	2006/07	2005/06
	£000	£000
Management costs	**5,134**	5,467
Income (net of NMET Income)	**144,166**	157,132

Management costs are defined as those on the management costs website at www.dh.gov.uk/PolicyAndGuidance/OrganisationPolicy/FinanceAndPlanning/NHSManagementCosts/fs/en.

8. Related Part Transactions

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

During the year 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 Trust.

The Department of Health is regarded as a related party. During the year Sherwood Forest Hospitals NHS Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are listed below:

Bassetlaw Primary Care Trust
Department of Health
Derby Hospitals NHS Foundation Trust
Derbyshire County Primary Care Trust
Doncaster and Bassetlaw Hospitals NHS Foundation Trust
East Midlands Ambulance Services NHS Trust
East Midlands Strategic Health Authority
Leicester County and Rutland PCT
Lincolnshire Primary Care Trust
NHS Blood and Transport
NHS Litigation Authority
NHS Purchasing and Supply Agency
Northampton General Hospitals NHS Trust
Nottingham University Hospitals NHS Trust
Nottinghamshire County Primary Care Trust
Nottinghamshire Healthcare NHS Trust
Oxfordshire and Buckinghamshire Mental Health Partnerships NHS Trust
University Hospitals of Leicester NHS Trust

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 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.

NOTES TO THE SUMMARY FINANCIAL STATEMENTS (CONTINUED)

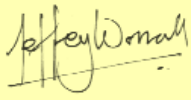
9. Salary and Pension entitlements of senior managers

Name and Title	Salary (bands of £5000)	Other Remuneration ** (bands of £5000)	Golden hello/ compensation for loss of office	Pension Value of automatic lump sum at 31 March 2007 (bands of £2500)	Pension Real increase in year automatic lump sum at 31 March 2007 (bands of £2,500)	Benefits in kind*
2006/07	**£000**	**£000**	**£000**	**£000**	**£000**	**£**
Mr B.Meakin (Chair)	**20 - 25**	**0**	**0**	**n/a**	**n/a**	**0**
2005/06	15 - 20	0	0	n/a	n/a	0
Mr J.Worrall (Chief Executive)	**115 – 120**	**0**	**0**	**117.5-120**	**12.5-15**	**2728**
2005/06	105-110	0	0	100-102.5	n/a	3427
Mr W.Gregory (Executive Director of Finance)	**95 – 100**	**0**	**0**	**52.5-55**	**7.5-10**	**3597**
2005/06	90 – 95	0	0	45-47.5	n/a	3832
Ms T.Allen (Executive Director of Strategy & Service Improvement)	**55 – 60**	**0**	**0**	**42.5-45**	**2.5-5**	**0**
2005/06 (Left 31/12/06)	70 –75	0	0	35-37.5	n/a	0
Dr M.Mowbray (Executive Medical Director)	**20 – 25**	**125 – 130**	**0**	**107.5-110**	**12.5-15**	**7821**
2005/06	20 – 25	125 - 130	0	92.5-95	n/a	5241
Mrs C.White (Executive Nursing Director)	**75 – 80**	**0**	**0**	**67.5-70**	**10-12.5**	**2675**
2005/06	70 – 75	0	0	55-57.5	n/a	1312
Mrs S. Rollett (Executive Director of Human Resources) (Appointed 1st February 2007)	**10 – 15**	**0**	**0**	**60-62.5**	**5 - 7.5**	**0**
2005/06	n/a	n/a	n/a	52.5-55	n/a	n/a
Non-Executive Directors:						
Mrs L.Carter (Non-Executive Director)	**n/a**	**0**	**0**	**n/a**	**n/a**	**0**
2005/06 (Left 31/12/05)	0 – 5	0	0	n/a	n/a	0
Mrs D.George (Non-Executive Director)	**5 – 10**	**0**	**0**	**n/a**	**n/a**	**0**
2005/06	5 – 10	0	0	n/a	n/a	0
Mr P.Harris (Non-Executive Director)	**5 – 10**	**0**	**0**	**n/a**	**n/a**	**0**
2005/06	5 – 10	0	0	n/a	n/a	0
Mr J.Lonergan, MBE (Non-Executive Director)	**n/a**	**0**	**0**	**n/a**	**n/a**	**0**
2005/06 (Left 31/10/05)	0 – 5	0	0	n/a	n/a	0
Mrs S.Andrews (Non-Executive Director)	**5 – 10**	**0**	**0**	**n/a**	**n/a**	**0**
2005/06	5 –10	0	0	n/a	n/a	0
Mr S.Pearson (Non-Executive Director)	**5 – 10**	**0**	**0**	**n/a**	**n/a**	**0**
2005/06 (From 1/11/05)	0 - 5	0	0	n/a	n/a	0
Mr D.J.Leah (Non-Executive Director)	**5– 10**	**0**	**0**	**n/a**	**n/a**	**0**
2005/06 (From 1/11/05)	0 - 5	0	0	n/a	n/a	0
Ms Tracy Doucet (Non-Executive Director)	**0 – 5**	**0**	**0**	**n/a**	**n/a**	**0**
2005/06 (From 1/2/07)	n/a	0	0	n/a	n/a	0

Benefits in kind:

* 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: 8 June 2007**

NOTES TO THE SUMMARY FINANCIAL STATEMENTS (CONTINUED)

10. Cash Equivalent Transfer Value of Pensions of senior managers

Name and Title	Cash Equivalent Transfer Value Contribution to at 31st March 2007 Pension £000	Cash Equivalent Transfer Value at 31st March 2006 £000	Real Increase in Cash Equivalent Transfer Value £000	Employers £000
Mr J. Worrall (Chief Executive)	608	505	91	64
Mr W. Gregory (Executive Director of Finance)	220	180	36	25
Ms T. Allen (Executive Director of Strategy & Service Improvement) (Left 31st December 2006)	160	133	23	16
Dr M. Mowbray (Executive Medical Director)	512	431	70	49
Mrs C. White (Executive Nursing Director)	311	248	57	40
Mrs S. Rollett (Executive Director Human Resources) (Appointed 1st February 2007)	314	269	6*	4*

The above are full year figures based on information provided by the NHS Pensions Agency.

* This is a pro-rata figure for the proportion of days in the year as an Executive Director

Notes 9 and 10 relate to the full year Directors costs, covering both the 10 month and 2 month Trust and Foundation Trust accounts respectively.

Statement on Internal Control 2006/07 – 1st April 2006 – 31st January 2007

1. Scope of responsibility

The Board is accountable for internal control. As Accountable Officer, and Chief Executive of this Board, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives. I also have responsibility for safeguarding the public funds and the organisation's assets for which I am personally responsible as set out in the Accountable Officer Memorandum.

East Midlands Strategic Health Authority meet on a regular basis with the North Nottinghamshire Health Economy as the deliverers of health and social care services in the locality. Performance and achievement of Local Development Plan priorities, National Service Framework Targets and locally determined targets are monitored at these meetings. Also corporate objectives and specific topic areas are examined and good practice is shared.

I am directly involved in the North Nottinghamshire Health and Social Care Group and attend East Midlands Health Authority Chief Executive Forum meetings. The Trust engages with the local health economy at all levels but is specifically involved in partnership working on managing patient access to services, management of emergency care and modernisation of health services.

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 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 organisation's policies, aims and objectives; and
- 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 full in Sherwood Forest Hospitals NHS Trust for the whole year ended 31 January 2007 and up to the date of approval of the annual report and accounts.

Statement on Internal Control 2006/07 – 1st April 2006 – 31st January 2007 (continued)

3. Capacity to handle risk

The Trust's Risk Management Policy and Strategy sets out the responsibility and role of the Chief Executive in relation to Risk Management. Through participation in the Quality Assurance 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. The Audit Committee and the Financial Strategy and Investments Committee deal specifically with internal control and financial risks faced by the Trust and report directly to the Board. Internal control and financial risks are reflected in the overall consideration of risk at the Board but also at the Quality Assurance Committee, by a degree of common membership, including the 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 reviewed during 2006/07 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.

Risk Management, risk assessment and incident reporting are included in core induction. Mandatory induction training includes a section on risk management that highlights key Trust policies and procedures. These 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.

The Trust provides training on managing risk for directors and managers.

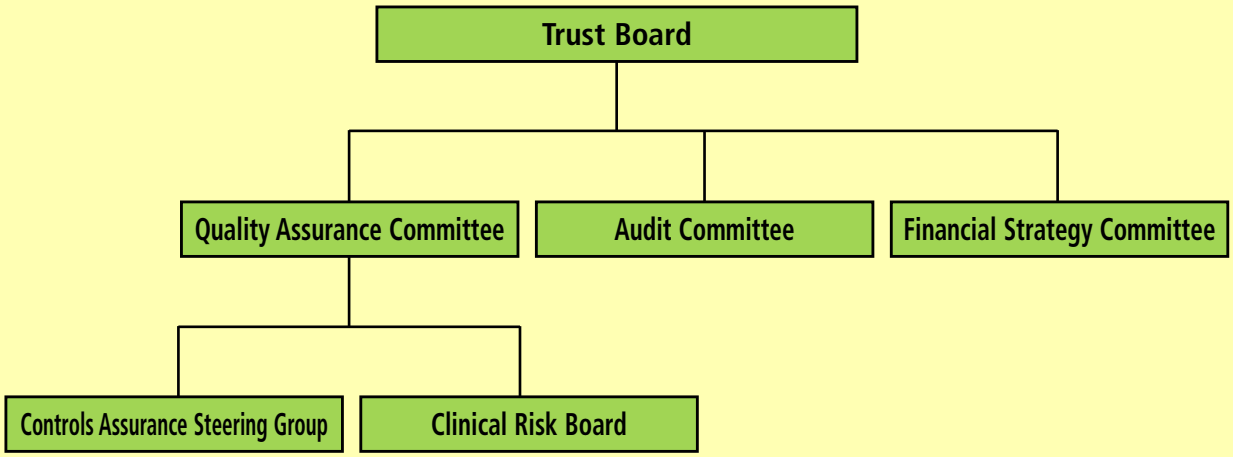
Statement on Internal Control 2006/07 – 1st April 2006 – 31st January 2007 (continued)

4. The risk and control framework

The risk management framework is set out in the Policy and Strategy for Managing Risk. The key elements of the strategy and associated policy include:

- The Trust Board 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 Trust Board 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 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 Trust Board and the Chief Executive as Accountable Officer, however specific responsibilities are delegated to other Directors, and Divisional 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 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 Trust Board on a regular basis
- 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 regularly to the Trust Board
- The Financial Strategy and Investments Committee deals specifically with financial risks faced by the Trust. It receives reports from the Executive Directors and helps the Trust Board form action plans to deal with the risk faced
- The Controls Assurance Steering Group advises the Quality Assurance Committee on the framework and structure to effectively manage organisational risk
- The Clinical Risk Board advises the Quality Assurance Committee on the management of clinical risks

Chart – Risk 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, Principal Risk Register and Divisional 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 an Assurance Framework has been debated regularly and agreed by the Trust Board during 2006/2007. This has considered the Trust's main activities and objectives, and identified and evaluated the system of control in place to manage the associated risks and how the board draws an assurance that these risks are being managed.

As a result of this work the Board has identified a number of developing areas where Controls or Assurances should be enhanced further in the coming year to enable the Trust to respond effectively to a rapidly changing environment. These include implementing changes associated with achieving authorisation as a Foundation Trust, arrangements for the modernisation of services and delivering associated efficiencies and workforce plans, further extension of Payment by Results and achieving the benefits of pay modernisation. Action plans are in place and assigned to specific directors for these areas.

The board's work on the Assurance Framework will continue in 2007/08 and will include re-evaluating risks against the 2007/08 business plan objectives, further integration of the risk assessment process at the various levels within the Trust and identification of sources of independent verification, including integration with the Standards for Better Health.

5. Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways. The head of internal audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work.

Executive Directors and Managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance.

The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. My review is also informed by Board agendas, papers and Business Plan monitoring reports and Assurance Framework updates that provide me with evidence of the effectiveness of controls, and the following:

- Attendance and debate at the Quality Assurance Committee, Trust Management Team Meetings and Divisional Performance Monitoring meetings, and reports from the Audit Committee;
- Achievement of:
  - CNST Standard 1 for Acute Services in February 2006 and Maternity Services in October 2006;
  - Compliance with the Standards for Better Health in April 2007;
  - Improving Working Lives Practice + Status in 2006
  - Lower quartile mortality rates reported by Dr Foster
  - Maintenance of Investors In People status
  - Positive Postgraduate Dean report on training activities

I have 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 roles of the following:

- The Board'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 Audit Committee, as part of an integrated committee structure, is pivotal in advising the Board on the effectiveness of the system of internal control. Any significant internal control issues would be reported to the Board via the Audit Committee.
- The Quality Assurance Committee is to provide strategic direction, ensuring a comprehensive and coherent framework of Risk Management that integrates clinical and corporate governance.
- 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 Management. The Audit Committee also receives details of any actions that remain outstanding following the follow up of previous audit work. The 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.

There has been no significant internal controls issues identified between 1st April 2006 and 31st January 2007.

Signed…….. **Date: 5 June 2007**
Chief Executive
(on behalf of the Board)

Statement of the Chief Executive's responsibilities as the Accounting Officer of Sherwood Forest Hospitals NHS Foundation Trust

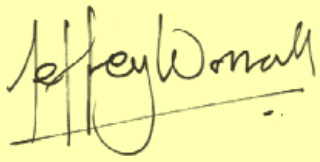
The Health and Social Care (Community Health and Standards) Act 2003 ("2003 Act") states that the Chief Executive is the accounting officer of the NHS Foundation Trust. The relevant responsibilities of accounting officer, including their responsibility for the propriety and regularity of public finances 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 2003 Act, 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: 8 June 2007**
Jeffrey Worrall
Chief Executive

Independent Auditor's report to the Governors of Sherwood Forest Hospitals NHS Foundation Trust.

Opinion on the summary financial statements

I have examined the summary financial statements [which comprise the summary income and expenditure account, balance sheet, cash flow statement] as set out on pages 80 to 84.

This report is made solely to the Board of Governors of Sherwood Forest Hospitals NHS Foundation Trust as a body in accordance with paragraph 24(5) of Schedule 7 of the National Health Service Act 2006.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the Annual Report.

My responsibility is to report to you my opinion on the consistency of the summary financial statement within the Annual Report with the statutory financial statements.

I also read the other information contained in the Annual Report and consider the implications for my report if I become aware of any misstatements or material inconsistencies with the summary financial statement.

Basis of opinion

I conducted my work in accordance with Bulletin 1999/6 'The auditors' statement on the summary financial statement' issued by the Auditing Practices Board. My report on the statutory financial statements describes the basis of my audit opinion on those financial statements.

Opinion

In my opinion the summary financial statement is consistent with the statutory financial statements of the foundation trust for the part year ended 31 March 2007. I have not considered the effects of any events between the date on which I signed my report on the statutory financial statements (8 June 2007) and the date of this statement.

Ian Sadd
Engagement Lead
Officer of the Audit Commission
1st Floor
Bridge Business Park
Thurmaston
Leicester LE4 8BL

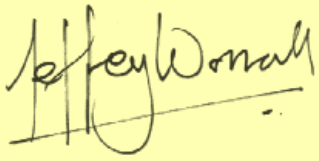
11 July 2007

INCOME AND EXPENDITURE ACCOUNT

For the Two Months ended 31st march 2007	2 Month period Ending 31 March 2007	
	£000	£000
Income from activities:	**26.563**	
Other operating income	**4,576**	
TOTAL INCOME		**31,139**
Operating expenses:		
Staff costs	**20,072**	
Non-staff costs	**8,334**	
Depreciation, amortisation & impairments	**1,610**	
Audit fees	**91**	
Directors' remuneration	**155**	
		30,262
OPERATING SURPLUS		**877**
Interest receivable		**112**
Interest Payable		**0**
Other finance costs - unwinding of discount		**0**
Other finance costs - change in discount rate on provisions		**0**
SURPLUS FOR THE FINANCIAL PERIOD		**989**
Public dividend capital dividends payable		**(581)**
RETAINED SURPLUS FOR THE FINANCIAL PERIOD		**408**

BALANCE SHEET AS AT 31st MARCH 2007

	31st march 2007	
	£000	£000
FIXED ASSETS		
Intangible Fixed Assets		
Software Licences	3,507	
Tangible fixed assets		
Land	17,150	
Buildings	34,018	
Assets under construction	3,380	
Equipment	14,451	
		72,506
CURRENT ASSETS		
Stocks	2,231	
Debtors	43,903	
Cash at bank and in hand	17,339	
		63,473
CREDITORS: Amounts falling due within one year	(19,938)	
NET CURRENT ASSETS		43,535
TOTAL ASSETS LESS CURRENT LIABILITIES		116,041
CREDITORS: Amounts falling due after more than one year		(32)
PROVISIONS FOR LIABILITIES AND CHARGES		(1,372)
TOTAL ASSETS EMPLOYED		114,637
FINANCED BY:		
TAXPAYERS' EQUITY		
Public dividend capital	83,259	
Revaluation reserve	23,341	
Donated asset reserve	1,250	
Income and expenditure reserve	6,787	
TOTAL TAXPAYERS EQUITY		114,637



Jeffrey Worrall
Chief Executive
8th June 2007

CASH FLOW STATEMENT

For the Two Months Ended 31st march 2007	£000	Two Month Period Ending 31st march 2007 £000
Operating Activities		
Total operating surplus	**877**	
Depreciation and amortisation charge	**1,610**	
Fixed Asset Impairment and reversals	**0**	
Other movements	**(258)**	
Transfer from donated asset reserve	**(98)**	
(Increase)/decrease in stocks	**(65)**	
(Increase)/decrease in debtors	**(6,486)**	
Increase/(decrease) in creditors	**(3,763)**	
Increase/(decrease) in provisions	**(32)**	
Net cash inflow from operating activities		**12,347**
Returns on Investment and Servicing of Finance		
Interest received	**112**	
Interest element of finance leases	**0**	
Net cash inflow from returns on investments and servicing of finance		**112**
Capital Expenditure		
Payments to acquire tangible fixed assets	**(1,145)**	
Receipts from sale of fixed assets	**0**	
Net cash outflow from capital expenditure		**(1,145)**
Dividends paid		**(1,742)**
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING		**9,572**
Financing		
Public dividend capital received	**0**	
Public dividend capital repaid (not previously accrued)	**0**	
Other capital receipts	**15**	
Capital element of finance lease rental payments	**0**	
Net cash inflow from financing		**15**
INCREASE/(DECREASE) IN CASH		**9,587**

STATEMENT OF RECOGNISED GAINS AND LOSSES

For the Period Ending 31st March 2007	Two Month Period Ending 31st March 2007
	£000
Surplus for the financial year before dividend payments	989
Unrealised surplus on fixed asset revaluations/indexation	0
Fixed asset impairment losses	0
Increases in the donated asset and government grant reserve due to receipt of donated and government grant financed assets	15
Reduction in the donated asset reserve due to depreciation, impairment and/or disposal of donated assets	(98)
	906
Prior period adjustment	
- Pre-95 early retirement	0
- Other	0
Total gains and losses recognised in the period	906

Related Part 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:

Bassetlaw Primary Care Trust
Department of Health
Derby Hospitals NHS Foundation Trust
Derbyshire County Primary Care Trust
Doncaster and Bassetlaw Hospitals NHS Foundation Trust
East Midlands Ambulance Services NHS Trust
East Midlands Strategic Health Authority
Leicester County and Rutland PCT
Lincolnshire Primary Care Trust
NHS Blood and Transport
NHS Litigation Authority
NHS Purchasing and Supply Agency
Northampton General Hospitals NHS Trust
Nottingham University Hospitals NHS Trust
Nottinghamshire County Primary Care Trust
Nottinghamshire Healthcare NHS Trust
Oxfordshire and Buckinghamshire Mental Health Partnerships NHS Trust
University Hospitals of Leicester NHS Trust

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.

Statement on Internal Control 2006/07 – 1st February 2007 to 31st March 2007

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 2007 and up to the date of approval of the annual report and accounts.

3. Capacity to handle risk

The Trust's Risk Management Policy and Strategy sets out the responsibility and role of the Chief Executive in relation to Risk Management. Through participation in the Quality Assurance 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 Audit Committee and the 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 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 reviewed during 2006/07 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.

Risk Management, risk assessment and incident reporting are included in core induction. Mandatory induction training includes a section on risk management that highlights key Trust policies and procedures. These 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.

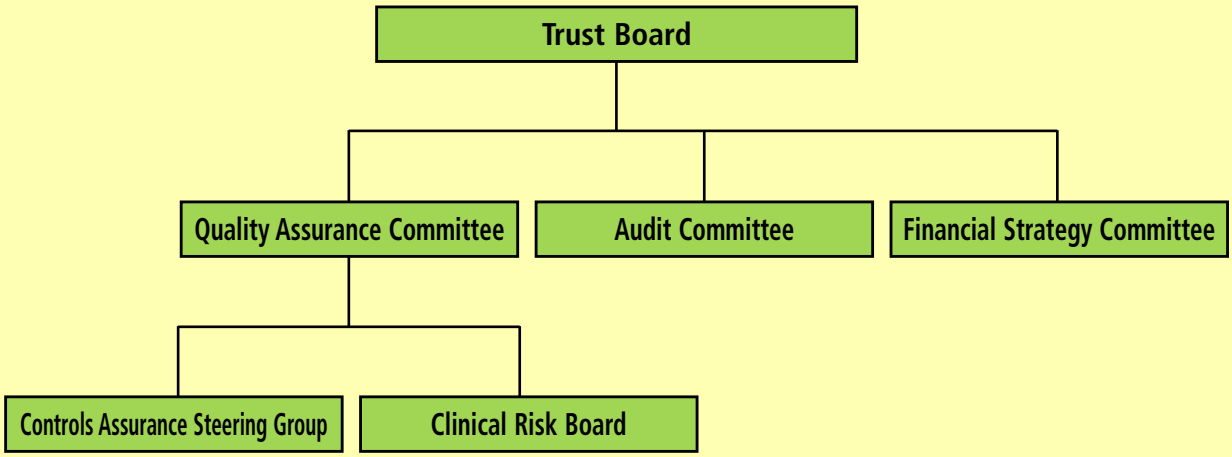
The Trust provides training on managing risk for directors and managers.

4. The risk and control framework

The risk management framework is set out in the Policy and Strategy for Managing Risk. 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 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 Divisional 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 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 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 regularly 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 helps the Board of Directors form action plans to deal with the risk faced
- The Controls Assurance Steering Group advises the Quality Assurance Committee on the framework and structure to effectively manage organisational risk
- The Clinical Risk Board advises the Quality Assurance Committee on the management of clinical risks

Chart – Risk 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, Principal Risk Register and Divisional 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 an Assurance Framework has been debated regularly and agreed by the Board of Directors during 2006/2007. This has considered the Trust's main activities and objectives, and identified and evaluated the system of control in place to manage the associated risks and how the board draws an assurance that these risks are being managed.

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 in the coming year to enable the Trust to respond effectively to a rapidly changing environment. These include implementing changes associated with achieving authorisation as a Foundation Trust, arrangements for the modernisation of services and delivering associated efficiencies and workforce plans, further extension of Payment by Results and achieving the benefits of pay modernisation. Action plans are in place and assigned to specific directors for these areas.

The Board of Director's work on the Assurance Framework will continue in 2007/08 and will include re-evaluating risks against the 2007/08 business plan objectives, further integration of the risk assessment process at the various levels within the Trust and identification of sources of independent verification, including integration with the Standards for Better Health.

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 forum within the Trust, includes two representatives of the Trust's Patient Reference Group. 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.

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

I have also reviewed economy, efficiency and the effectiveness of the use of resources through a number of monitoring processes, including regular Performance Management Meetings with the operational Divisions, progress against Cost, and latterly, Productivity Improvement Programmes and through regular reports to the Financial Strategy and Investments Committee and the Board of Directors, through monthly Corporate Performance Management reports.

Internal audit reports and regular reports from the Local Counter Fraud Specialist to the Audit Committee have also provided me with assurance that 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:

- Reviewing the Assurance Framework ;
- Considering Board of Directors agendas, papers and Business 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, Trust Management Team Meetings and Divisional Performance Monitoring meetings, and reports from the Audit Committee;
- Achievement of:
  - CNST Standard 1 for Acute Services in February 2006 and Maternity Services in October 2006;
  - Compliance with the Standards for Better Health in April 2007;
  - Improving Working Lives Practice + Status in 2006
  - Lower quartile mortality rates reported by Dr Foster
  - Maintenance of Investors In People status
  - Positive Postgraduate Dean report on training activities

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 roles 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 Audit Committee, as part of an integrated committee structure, 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 pf Directors via the Audit Committee.
- The Quality Assurance Committee is to provide strategic direction, ensuring a comprehensive and coherent framework of Risk Management that integrates clinical and corporate governance.
- 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 Management. The Audit Committee also receives details of any actions that remain outstanding following the follow up of previous audit work. The 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.

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

Signed …….. **Date: 5 June 2007**
Chief Executive
(on behalf of the Board)

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