Sherwood Forest Hospitals NHS

NHS Foundation Trust

*Annual Report & Accounts*
2012/13

*Sherwood Forest Hospitals NHS Foundation Trust*

# Annual Report & Accounts

# 2012/13

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# FOREWORD

## Chairman and Chief Executive's Foreword

We are pleased to present to you our annual report for the year 2012/13.

At the outset we would like to thank everyone who has supported Sherwood Forest Hospitals NHS Foundation Trust throughout what has been a very difficult year. Although the organisation has faced many challenges over the past year, we are confident that the care provided to the overwhelming majority of the many thousands of patients who use our services is good. The Trust has not always got it right and there have been occasions when we have needed to apologise, learn lessons and take steps to address our deficiencies.

We were appointed in October 2012 by Monitor, the independent regulator of Foundation Trusts, after the Trust was found to be in "Significant Breach" of its terms of authorisation. The Trust was found in breach for two main reasons:

- Failure to exercise its functions effectively, efficiently and economically, and
- Failure to comply with governance requirements.

Following Monitor's intervention the Trust Board commissioned a number of independent reviews into governance and finance. Issues highlighted in these reviews included:

- Board governance, quality governance and risk management not fit for purpose
- Deficiencies in respect of accountability, performance management and pace of decision making.
- Lack of clinical leadership and engagement
- Lack of action to improve efficiency and address the legacy cost of the Private Finance Initiative (PFI) commissioned in 2011.

The Board subsequently, at their December 2012 meeting approved a number of action plans to address these deficiencies and we are pleased to report good progress is being made.

We quickly took steps to put clinicians in charge of our clinical services with the appointment of three clinical directors to head up the divisions of diagnostics and rehabilitation; emergency care and medicine and planned care and surgery.

The Board was also re-energised with the co-opted appointment of three new non executive directors, two of whom were clinicians, and a new non executive advisor to the Board. In addition, we made changes to the senior management structure, to provide the necessary leadership to enable us to continue to provide good patient care whilst also improving efficiency and the speed of decision making. The process of recruiting a new substantive chairman, chief executive and non executive directors was commenced and we anticipate a substantially new Board will be in place by 1st June 2013.

The Trust forged closer links with the PCT who became CCGs (Newark & Sherwood and Mansfield & Ashfield) from 1st April 2013. We both joined their joint transformation board made up of key decision makers from the local health economy. We believe that by working jointly with our partners we can start to build a local healthcare system which rivals any from across the country.

One early success of this joint working is the Fernwood Community Unit at Newark Hospital which opened in February of 2013. This specialist unit of 12 beds, with single-sex bays and private rooms will meet the needs of the growing number of elderly patients who require a short period of recuperation before they are ready to return home after receiving hospital treatment.

The Trust welcomes the news that, following the Francis Report publication in February, Sir Bruce Keogh, Medical Director of the National Health Service will be including hospitals run by this Trust in his review of mortality rates.  The quality and safety of our services is the first item on the Board's agenda and any external review that helps us to further improve our services at a swifter pace is welcome.

Whilst the last year has been a challenging one, we have also celebrated success in several areas, not least of which is our infection prevention and control record.  In March of 2013 our hospitals celebrated an impressive three years without a single case of hospital-acquired MRSA blood stream infection.  This makes us one of the leading Trusts in the UK for eradicating this infection.  In addition, our rates of hospital-acquired Clostridium difficile have reduced significantly and are at our all time lowest.

This outstanding achievement is a result of a zero tolerance approach to infections and clearly reflects the Trust's commitment to providing first class patient care.  We are proud of each and every member of our staff for playing their part in reaching such significant milestones.

The financial situation the Trust faces is extremely challenging. By starting to improve efficiency and with the support of our commissioners we have postponed the point at which the Trust requires cash support until Quarter 4 of 2013/14.

However whilst progress had been made in the last six months in tackling the cost base the financial deficit for 2012/13 was still £15.5m.
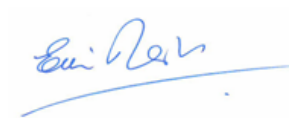
The Trust Board is working to submit a three year turnaround plan to Monitor. In our view an essential component of this will be the recognition that significant ongoing financial support will be required from Government to address the exceptional burden of the PFI cost which in total in 2012/13 amounted to £40.3m, 15.7 % of our turnover.

Providing the Trust can demonstrate it is doing everything it can to reduce the financial deficit we believe financial support will be forthcoming, which will assist the Trust on its journey to financial sustainability.

We have without doubt some of the most impressive hospital facilities in the country, coupled with a workforce that is committed and wishes to do its very best for patients, but we need to make the best use of these valuable resources. By improving our efficiency, whilst also ensuring we continue a focus on providing good quality patient care we can ensure the organisation has a solid platform on which to build for the forthcoming years.



Chris Mellor
Interim Chairman



Eric Morton
Interim Chief Executive

# 1.  ANNUAL REPORT

## 1.1   DIRECTORS' REPORT

### 1.1.1   Our Vision and Values

We worked in partnership with our staff, our members and our governors throughout the year to continue to deliver our vision to ensure that our hospitals, and the quality of care we provide are a source of pride for our community.

| Our Vision |
| :---: |
| *'To provide the Best Care, with the Best People, in the Best Place for our patients and our community . . . and to ensure that our hospitals are a source of pride for our staff, for our patients, stakeholders and community.'* |

| Our Pledges | |
| :--- | :--- |
| **Pledges to Patients and Carers** | **Pledges to Staff** |
| **We will listen to you** | **We will appreciate you** |
| **We will work together as a team** | **We will listen to you** |
| **We will show kindness and compassion** | **We will support you to do the best in your job** |
| **We will communicate effectively** | **We will provide a safe environment** |
| **We will care for you in a safe and clean environment** | |

These pledges were developed with our patients and with staff.

# 1.1.2 An Overview of the Year 2012/13

## Regulatory Intervention

In October 2012, Monitor, the independent regulator of Foundation Trusts, found the organisation to be in "Serious Breach" of its terms of authorisation.  The Trust was found in breach for two main reasons:

- Failure to exercise its functions effectively, efficiently and economically, and
- Failure to comply with governance requirements.

More detail about this intervention is covered in the chairman and chief executive's foreword and in several other areas of this report.

## Highlights

**Three years MRSA free**
Sherwood Forest Hospitals is celebrating being the only Trust in the East Midlands to achieve an impressive three years without a case of hospital-acquired MRSA bacteraemia (blood stream infection) at its hospitals.  The Trust last recorded a case of MRSA bacteraemia on 18 March 2010.  This makes Sherwood Forest Hospitals the top Trust in the East Midlands region, and one of the leading Trusts in the UK, for eradicating the infection.

**New emergency cancer care at King's Mill**
Cancer patients who become suddenly unwell, as a result of their condition or during cancer treatment are now being cared for locally at King's Mill Hospital.  The introduction of a new acute oncology service at King's Mill Hospital means that many of these patients can now be treated much closer to home, avoiding travel to a Nottingham hospital. Funding to establish the new service has been provided by the national charity, Macmillan Cancer Support, which enabled the appointment of a consultant oncologist and an acute oncology nurse.

**Baby-friendly award**
The Trust's maternity service has been awarded a prestigious Baby Friendly Award, achieving international recognition from UNICEF (United Nations Children's Fund).  The service achieved an outstanding 100% in all eight assessments, and has been accredited with a Stage 2 award, which focuses on the commitment to provide high-quality education for all staff involved in the care of mothers and babies, particularly in relation to supporting breastfeeding women.  The Award is given to maternity services after an assessment by a UNICEF team has shown that recognised best practice standards are in place.

**Trust receives excellent ratings**
King's Mill, Newark, Mansfield Community hospitals and Ashfield Health Village scored highly in the latest annual Patient Environment Action Team (PEAT) assessment.  All four hospitals received an award of excellent for the patient environment and for the choice, quality and taste of food offered to patients.  Mansfield Community Hospital, Newark Hospital and Ashfield Health Village were also awarded excellent for privacy and dignity.

**New unit represents a healthy future for Newark Hospital**
The Trust, in conjunction with Newark and Sherwood Clinical Commissioning Group, has opened a new 12-bed facility at Newark Hospital.  The Fernwood Community Unit is a specialist unit of single-sex bays and private rooms which meets the needs of the growing number of elderly patients who require a short period of recuperation before they are ready to return home after receiving hospital treatment.

**[Fernwood Community Unit]**

**Shortlisted for top national awards**
The Trust was shortlisted for two prestigious awards in the Health Service Journal Efficiency Awards 2012, for the efficiencies created through its Achieving Best Care approach to service improvement. In the Communicating Efficiency category the Trust was shortlisted for patient care and improvements within the endoscopy department, which included a 33% reduction in patient non-attendance and almost halved the turnaround time between patients.  For Efficiency in Acute Service Redesign, the Trust was recognised for innovative management of hospital capacity and patient flow.

**Taking part in the TANDEM trial**
Sherwood Forest Hospitals is taking part in an East Midland wide trial looking at the effectiveness of using the cancer drug Avastin to treat wet age-related macular degeneration (AMD). Existing studies have shown that Avastin, commonly used for bowel cancer, is just as effective in treating AMD as the current recommended drug Lucentis.  Researchers calculate that switching to Avastin could save the NHS £84.5m. TANDEM is a four year study that is being led by Mr Alexander Foss, an honorary special lecturer in the School of Biomedical Sciences at The University of Nottingham and Consultant Ophthalmologist at Nottingham University Hospitals NHS Trust.

**Improving geriatric medicine services at Newark**
Geriatric services have been improved at Newark Hospital with the introduction of a new outpatient clinic, urgent assessment appointments and a telephone hotline for GPs. The clinic is mainly for patients over 65 years of age with general geriatric conditions.  There is also an ambulatory appointment slot within the clinic, allowing GPs and the hospital's minor injuries unit/urgent care centre to refer patients for urgent assessment within an outpatient setting.

**King's Mill in top 10% nationally for survival of trauma patients**
King's Mill Hospital has been ranked in the top 10-15% of hospitals in the country for survival of the most severely injured patients. The East Midlands Trauma Network went live in April 2012, with King's Mill Hospital becoming the first trauma unit to be accredited in the region.  As a trauma unit the hospital ensures patients who have suffered the most serious of injuries are given access to the best medical care in the area quicker than ever, using links to a specialist major trauma centre.  The successful King's Mill Hospital process is being used as a template for rolling out across other units in the region wishing to become accredited as trauma units.

**Advanced breast reconstruction procedure introduced**
Sherwood Forest Hospitals is one of the first Trusts in the country to introduce one of the most advanced breast reconstructive surgery procedures, bringing a new option to breast cancer patients.

The Jet-assisted Fat Transfer (J-AFT) is a state-of-the-art technique where fat is harvested from one part of the body – for example the thighs – and injected into the breasts of suitable patients to enhance and replenish lost volume.  The procedure offers patients who have had a mastectomy a less invasive, safer and more effective treatment.

**Reducing emergency admissions**
A system introduced to reduce unnecessary emergency admissions of elderly people to King's Mill Hospital has been hailed a success.  The Emergency Department Avoidance Support System (EDASS) was put in place in March 2011 for patients who attend the Emergency Department but do not require emergency admission.   A specialist team screens all relevant patients with a view to prevention of admission to hospital.  They organise hospital or community support, transport home, ensure the patient is safe at home and collect prescriptions and shopping if necessary.
A survey after the initial introduction of the system showed excellent results - 100% of patients felt the service speeded up discharge from hospital, 100% said the service met their individual needs and wishes and 100% said they would recommend the service to others.

**Newborn hearing screening praised**
Hearing loss in newborn babies is being identified at the earliest opportunity by screeners at Sherwood Forest Hospitals, according to experts conducting a recent Quality Assurance visit.  The Trust is one of the best performing in the East Midlands region for newborn hearing screening, completing 98.2% of all screens within four weeks of birth, exceeding the national target of 95%.  The safe and comfortable newborn hearing screening tests are performed at the bedside just a few hours after birth.  This reduces anxiety for parents, avoiding the need to attend a separate appointment, and results are available immediately.



**[Neonatal Unit]**

**Wheelchair services clinic**
A new clinic has been set up at Newark Hospital for people who have an existing wheelchair, plus those who are newly identified as requiring one.  After GP referral, therapy staff assess patients and recommend the best wheelchair for their needs.   This clinic eliminates the need for people to travel out of the area for this service.

**New Abdominal Aortic Aneurysm (AAA) screening clinic**
Introduced as part of the NHS AAA Screening Programme, this clinic enables men to access this screening locally.  All men registered with a GP will receive an invitation for screening in the year that they turn 65.  Men over 65 who have not been screened previously or treated for an AAA can request screening. An ultrasound scan of the abdomen is used to detect AAAs. Results are given verbally and in writing to all men immediately after the scan.

A letter giving the results is also sent to the man's GP.

**Investing in the future of Newark Hospital**
Future plans for the hospital include the relocation of the cardiorespiratory service to better, improved facilities, and expansion of the sleep study services from one bed to two.  Children's services are also a priority, with the creation of a dedicated outpatient department planned for 2013. With friendly nursing staff and a large play area, their visit will be stress-free and, where possible, fun!

**New airway valve device gives patients a new lease of life**
Suitable patients with breathing difficulties can now have their quality of life improved after the Trust introduced endobronchial lung volume reduction (ELVR) treatment using the Pulmonx Zephyr® Endobronchial Valve.  The endoscopic procedure is very straightforward and typically takes less than an hour to complete. The valves prevent air from entering the most damaged areas of lung when the patient breathes in, whilst allowing air out when they exhale. This causes airflow to be directed towards the better functioning lung, together with deflation of the most damaged parts, leading to a reduction in the volume of trapped gas and improving breathing mechanics.

**Tastier food for Newark**
A new menu and method of cooking that aims to give patients tastier food with more variety has been launched at Newark Hospital. The Steamplicity method, already used elsewhere in the Trust, allows meals to be steam cooked for four to six minutes.  This quicker system means patients can choose between 25 meal main options.  Sandwiches, salads and desserts are also included on the menu along with separate menus to cater for people with dietary requirements.

**Cancelling appointments made easier online**
The genitourinary medicine (GUM) clinic at King's Mill Hospital has made it even easier for patients to cancel their appointment online in an effort to reduce missed appointments.  Previously the GUM clinic experienced a high 'did not attend' rate, with one out of every four patients who booked an appointment failing to  turn up, thus wasting appointments that could have been offered to other patients.   Patients who are unable to attend their appointment can now cancel it via the Trust's website.

### 1.1.3  Business Review 2012/13

We serve a diverse population with a community which has a strong heritage in coal mining and textiles, which has the impact of higher rates of chronic illness, long term conditions and disabilities.

The principal activity of the Trust is the provision of acute healthcare services in community and secondary care settings to provide seamless integrated care for our patients.

We continue our commitment to deliver 'best care' and strive for continual service improvement in all that we do.

## Operating Context

Without doubt, the last 12 months have been the extremely challenging for the Trust...  Whilst emergency admissions are continuing to increase, elective admissions are declining which is having an overall detrimental impact on clinical income. At year end, we reported a deterioration in our deficit, reporting a deficit of £15.5m and thus recording a Financial Risk Rating of 1.

## Service Developments and Achievements

**New MRI scanner** – The MRI scanner is a significant resource within the Trust and is pivotal to delivering comprehensive diagnostic services, supporting the heath community.  The MRI scanner has been acquired to deliver the best in healthcare. It will increase local access by improving the capabilities to match local service provision and improves functionality for breast and cardiac services. The Trust has worked with the local community, including the local Chad newspaper to secure funding for the MRI scanner.

**Back pain** – An extension to the provision of the back pain service ensures holistic care to patients with low back pain and has a single point of access to a specialist service.  This has reduced clinic waiting times to consistently below four weeks.

**Fernwood Community Unit** – The Newark and Sherwood Clinical Commissioning Group, in conjunction with Sherwood Forest Hospitals and local GPs, has opened a new 12-bed facility at Newark Hospital.  The Fernwood Community Unit is a specialist unit of single-sex bays and private rooms which will meet the needs of the growing number of elderly patients who require a short period of recuperation before they are ready to return home after receiving hospital treatment.

**GP direct access for diagnostics and Any Qualified Provider** - Radiology services within the Trust are currently a main provider of non-obstetric ultrasound services in the north of Nottinghamshire.  Any Qualified Provider is a competitive process in which any eligible provider is able to submit tenders. This Trust was successful in being accredited to deliver ultrasound and MRI services under Any Qualified Provider in Nottinghamshire and Lincolnshire, and has reduced the waiting times to less than two weeks for direct access.

**Ophthalmology –** We introduced a vein occlusion service which is a new treatment providing greater quality and increased activity and participated in the TANDEM trial.  This was a multi-centre trial associated with the treatment of wet age-related macular degeneration (AMD) that could result in cost savings for the local health economy.

**Maxillofacial/orthodontics -** The Trust has reconfigured the maxillofacial services in partnership with Nottingham University Hospitals, offering potential for increased scope of care provided.  This includes the introduction of a combined clinic between maxillofacial and orthodontics for complex patients, allowing improved quality of care.

**Urology –** The Trust has introduced a community based lower urinary tract symptom (LUTS) service for improved assessment, diagnosis and treatment planning. The patients are seen and assessed by a specialist urology nurse, investigations are completed and care plans agreed with a management plan being issued to the patient and the general practitioner.  This also includes an explanation to the patient about their future care. This service has been so successful that we are currently working with commissioners to expand provision during 2013/14. We also implemented a urology outreach service funded through re-ablement. Specialist nurses attend patients at home who are experiencing difficulties with such things as catheter management. This avoids the need for patients to attend hospital. This service has received commendation from patients and we are hopeful that this service can continue during 2013/14.

**Seven day consultant inpatient services -** Additional support has been mobilised to enhance senior clinical decision making across the weekends, reducing morbidity and mortality.

**Extension to the EDASS service to ensure patients are supported in discharge -** EDASS workers have been extended and mobilised to facilitate earlier discharge home,  bridging care packages and providing additional support where appropriate.

**COPD early assessment and discharge –** Patients with chronic obstructive pulmonary disease (COPD) are offered early respiratory assessment to avoid unnecessary admission to hospital, and facilitate early discharge.

**Children's services –** We have implemented a paediatric ambulatory clinic at Newark Hospital. This service is well used and popular with General Practitioners (GPs) and has improved the quality of care by providing it closer to home for those children and young people living in the Newark area. Plans are in place to develop this service further with the opening of the Bramley Children's Unit at Newark in the Spring of 2013. We are also pleased that Newark and Sherwood CCG has commissioned two high dependency beds for children on ward 25.  This reflects the quality of care we give, as specialist commissioners would not have agreed the enhanced tariff without support and evidence form the tertiary centre that our contribution to the high dependency unit/paediatric intensive care unit (HDU/PICU) was safe, effective and necessary.

We have also made improvements to the community paediatric service provision through the introduction of additional resource, including a paediatric nurse specialist. This has resulted in a significant reduction in the backlog of patients with autistic spectrum disorder and ADHD (attention deficit hyperactivity disorder) awaiting assessment and management.  This is in addition to providing advice and support to patients and their families about managing their condition, and which facilitates timely discharge back to the care of their GP and other appropriate services.



**[ultrasound at Newark Hospital]**

**Extension to the discharge team -** Our Trust wide discharge team has been extended to support ward teams, and by working across agencies (social care and community matrons) we have been able to expedite complex discharges and reduce delayed transfers of care.

**Interventional bronchoscopy and EBUS -** Our lung volume reduction device service run by a consultant physician is one of a few such services across the country. Endobronchial ultrasound, a service for the diagnosis and staging of lung cancers is now delivered at King's Mill Hospital. Patients would previously have needed to travel to Nottingham.

**Home oximetry in cardio-respiratory -** Home oxygen monitoring (oximetry) has been piloted as an alternative to a full sleep study requiring an overnight stay in hospital.

**Reduced waiting times in endoscopy** – The Trust has continued to meet the increasing demand following the national Bowel Cancer Awareness campaign, improving patient access and helping to achieve the 18 weeks referral to treatment times.

## Activity and demand for our services

The Trust provides elective services in a complex market and fully understands the requirement to deliver high quality care to ensure its hospitals remain the hospitals of choice.

During this year the Trust responded to a further significant increase in levels of emergency and unplanned activity. This exceeded the forecasts of our commissioners and caused significant challenges for the Trust in managing capacity and staffing costs.

Actual activity against our planned activity is provided in the table below:

| Clinical Activity | 2011/12 Actual | 2012/13 Plan | 2012/13 Actual | Variance plan v Actual |
|---|---|---|---|---|
| Non-elective inpatients | 39,137 | 37,164 | 39,863 | 7.26% |
| New outpatients | 85,213 | 78,776 | 86,392 | 9.7% |
| Accident & Emergency | 111,485 | 108,887 | 108,275 | (0.6%) |
| Elective inpatients and day cases | 34,780 | 33,424 | 34,523 | 3.3% |

During the year the majority of our contract income was generated from our main commissioners. The remaining patient flows were from east Derbyshire with smaller volumes from west Lincolnshire, Bassetlaw and the northern areas of Nottinghamshire.

During 2013/14 the Trust will aim to continue to strengthen its market share for elective activity, ensuring that waiting times are reduced further.

## Meeting national service performance targets

The Trust faced many challenges this year and the unexpected rise in non elective admissions and increased length of stay of patients has led to the Trust not achieving the A&E (accident and emergency) four hour target in Quarter 3. This position was improved in Quarter 4, however the 95% target was not achieved. Further work has been ongoing to improve and sustain the 95% target. This includes:

- Employing home care workers to support patients waiting for their packages of care to be reinstated

- Providing additional support to patients who are frail and elderly to reduce admission to hospital
- Introduction of a multi-disciplinary approach to the daily management of patients with complex needs
- Extension of the clinical decisions unit for treatment of patients with ambulatory (diagnostics and rapid treatment) conditions
- A review of our internal pathways to reduce delays in the system, for example preparation of take home prescriptions and movement of patients to a discharge lounge whilst awaiting transport.

An overview of our performance against all of the mandatory national targets during 2012/13 is provided as follows:

| Target | Standard | Q1 | Q2 | Q3 | Q4 | FULL YEAR |
|---|---|---|---|---|---|---|
| Referral to treatment – admitted patient care, 90% of patients treated within 18 weeks | 90% | 90.72% | 84.89% | 86.44% | 93.34% | 88.86% |
| Referral to treatment – non-admitted patient care, 95% of patients treated within 18 weeks | 95% | 96.03% | 93.47% | 93.91% | 95.52% | 94.71% |
| Incomplete pathways – 92% of patients on a completed pathway within 18 weeks | 92% | 90.06% | 89.88% | 93.51% | 95.24% | 95.24% |
| A & E clinical quality, total time in A & E less than 4 hours | 95% | 95.71% | 95.53% | 92.74% | 93.43% | 94.34% |
| 2 week wait: all cancers | 93% | 99.39% | 99.43% | 99.13% | 95.48% | 95.83% |
| 2 week wait: breast symptomatic | 93% | 95.89% | 95.69% | 96.23% | 95.08% | 95.54% |
| Cancer 31 days from diagnosis to first treatment | 96% | 99.39% | 99.66% | 99.39% | 99.30% | 99.43% |
| Cancer 31 days for subsequent treatment – surgery | 94% | 97.67% | 98.04% | 100% | 100% | 98.65% |
| Cancer 31 days for subsequent treatment – drugs | 98% | 100% | 100% | 100% | 100% | 100% |
| 62 days : urgent referral for treatment | 85% | 91.35% | 93.01% | 89.56% | 89.29% | 90.78% |
| 62 days: for first treatment - screening | 90% | 100% | 92.98% | 90.57% | 97.67% | 94.95% |
| Community referral to treatment information | 50% | 63.44% | 75.38% | 72.94% | 78.46% | 74.35% |
| Community referral information | 50% | 54.86% | 54.18% | 54.03% | 54.28% | 54.37% |
| Community treatment activity – and care contact | 50% | 69.18% | 69.45% | 68.54% | 67.82% | 68.77% |
| MRSA bacteraemia (attributable to trust) | 0 | 0 | 0 | 0 | 0 | 0 |
| Clostridium difficile infections (attributable to Trust) | 36 full year | 6 | 3 | 8 | 12 | 29 |
| Access to healthcare for people with learning disabilities | Compliance | Yes | Yes | Yes | Yes | Yes |
| CQC compliance | Compliance | Yes | Yes | No | No | No |

The Trust has had variable performance in 2012/13 and in areas where the Trust has underperformed there are action plans in place to improve performance. More detail in relation to the performance targets is contained within the quality report.

# 1.1.4 Report from the Chief Financial Officer

## Introduction

The financial year ending 31 March 2013 was a challenging year for the Trust with significant change across both the senior leadership team and the divisional management teams. The Trust was placed into "Significant Breach" by Monitor on 19 September 2012 and since then the Trust has been operating under interim Board arrangements and has undertaken a number of significant external assurance reviews in order to refocus the Board, and the clinical governance and financial governance of the Trust. The costs of the interim arrangements have been significant and, together with the external assurance reviews, has resulted in increased management spend compared to previous years. However these investments have been necessary in order to stabilise the Trust before we move forward with our more substantive turnaround strategy.

During 2012/13 the Trust also faced an unprecedented growth in demand, nearly 6% above the original commissioned contract, placing a significant pressure on resources and an increased dependency on expensive agency and locum staff. Whilst this growth resulted in additional clinical income being earned, the operational pressures directly impacted the planned cost improvement programme which over the 12 month period delivered a reduction of 3.28% of operating expenditure rather than the planned 5%.

These factors contributed to the Trust reporting a deficit of £15.5m for 2012/13, a deterioration of £2.9m from the original planned deficit of £12.6m. These results mean the Trust scored a financial risk rating (FRR) at year end of 1 against an original forecast of 2 (a score of 1 being 'high-risk' and 5 'low' risk).

Whilst 2012/13 has been a challenging year we have received an incredible amount of support from our stakeholders, including partner organisations and the local Chad newspaper. The Trust joined forces with the Chad to carry out a joint fundraising campaign, supported by the local community and charitable donations, which enabled us to invest in a new MRI scanner. During the year we received donations to our charitable funds of £753k compared to £270k in 2011/12, which reflects the continued and greatly appreciated commitment of the local community to its hospitals.

The Trust is forecasting a further trading loss for 2013/14 with an associated reduction in cash. The latest financial plan indicates the requirement for external liquidity support in Quarter 4 of 2013/14. Work is underway to isolate the disproportionate effect the Private Finance Initiative has on the Trust's trading position, and the licence issued by Monitor on 1st April 2013 reflects the need for the Trust to submit an updated plan that clearly highlights the PFI impacts.

In preparing the annual accounts the Trust is also required to assess the basis of their preparation, specifically questioning the status of the Trust as a sustainable trading entity. This assessment takes into consideration all information available about the future prospects of the Trust and also covers financial, governance and mandatory service risks. The Trust continues to adopt the presumption of going concern in the preparation of its accounts, and has received written assurance from the Department of Health to support this view. The Trust Board therefore supports the following statement:

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

# Statement of Comprehensive Income (Income and Expenditure)

**Operating income**

Total operating income for the year was £255.8m (£252.8m in 2011/12) representing a slight increase of 1.2% from the previous year. This growth is a real positive given the local context where there is a need for health efficiencies reflected by the four year cost reduction target for the Nottinghamshire health economy of £144m (set in 2010/11). However the additional clinical activity driving this income put real pressure on Trust resources, particularly staffing.

**Operating expenses**

Our total operating expenses (excluding impairments and depreciation) rose during the year to £242.8m, representing an adverse movement of £14.6m compared to plan and an increase of 5.1% from the previous year. The key cost drivers behind these increases were additional staffing and agency cost pressures as a result of high levels of activity, pay and non-pay inflation (particularly the PFI). There were also some new investments undertaken by our commissioners, including the opening of the Fernwood Community Unit at Newark Hospital.

Of this £161.4m (66.5%) was spent on staffing including 472 medical and dental staff; 1,213 registered nurses and midwives; 466 scientific, technical and therapeutic staff and 1,480 other health professionals and clinical staff.

14% of our total operating expenses (excluding depreciation) was spent on drugs and clinical supplies, both essential in ensuring our patients continue to access necessary treatments.

The balance 19.5% reflects expenditure for clinical supplies essential for patient treatment and non-clinical expenditure including rates, clinical insurance and PFI operating costs.

The Trust has also seen a significant increase in management costs from £7.8m to £9.5m (note c24). Nearly £1m of this increase relates to the interim personnel being appointed as a result of the Monitor intervention and the changes at both Board and executive team level.

**Cost Improvement Programme (CIP)**

Cost improvements of £7.7m were delivered against an original target of £14m representing 3.28% of Trust operating expenses however the recurrent full year effect of these schemes is only £5.3m. The plan for 2013/14 requires the organisation to deliver a £13.3m cost improvement target which equates to 5.0% of operating expenses. Achieving on-going cost improvements remains a key part of our strategy as we continue to seek to deliver our services as efficiently and effectively as possible. The strengthened approach to the CIP is underpinned by a Quality Impact Assessment (QIA) to ensure that we continue to deliver these efficiencies without impacting quality.

Also included within the expenditure figures are voluntary and mandatory redundancy costs relating to 33 staff who left the Trust as part of service reconfigurations. These changes were in support of the cost improvement programme. The Trust continues to look at the organisational structures as it responds to the governance changes recommended in the Significant Breach assurance reviews.

**Charitable Funds**

The Trust recognised £292k (£360k 2011/12) of charitable income in the statement of comprehensive income to match the value of purchasing equivalent medical equipment from charitable funds. £219k of this funding was received from the Sherwood Forest Hospitals General Charitable Fund.

The Trustees were able to make further grants totalling £448k (£285k total in 2011/12) to support the activities of the Trust and for the welfare of patients and staff.

# Statement of Financial Position (Balance Sheet)

**Fixed assets**

During 2012/13 the Trust invested £3.7m in its fixed asset infrastructure (£4.5m in 2011/12). This included upgrading or acquiring new medical equipment essential for the day-to-day operation of the Trust at a cost of £1.2m, a new MRI scanner £1.2m, improvements in information systems and technology in conjunction with the Nottinghamshire health community for which the Trust provides IT and information support services £0.3m.

The Trust also progressed with the demolition of the Dukeries building at the front of the site which has been vacant for some time but continued to be a cost to the Trust in order to keep the site secure. The demolition works will be completed during Quarter 1 of 2013/14.

**PFI and borrowings**

As a result of the adoption of International Financial Reporting Standards (IFRS(s)) in 2009/10, the PFI scheme is on the Trust's balance sheet. This capitalisation continues to have a significant adverse impact on the balance sheet as a result of the associated financing arrangements and the asset values being relatively low in comparison. The long term borrowings on the balance sheet have reduced slightly to £344.7m but the scale of this liability is the primary reason, along with the increasing income and expenditure (I&E) deficit reserve that the total taxpayers' equity is -£143m.

**Cash and liquidity**

At the 2012/13 year end our cash, cash equivalents and investments were £15.5m representing an improvement against plan of £11.1m, but a deterioration of £7.3m from the £22.8m held at 31 March 2012. Cash holding and cash management will remain a key focus for the Trust going forward and we will be seeking liquidity support during Quarter 4 of 2013/14.

**Prudential Borrowing Limit**

Monitor sets an annual prudential borrowing limit by reference to a number of key financial ratios. This is the maximum amount we can borrow. Throughout 2012/13 we remained within our £354.7m prudential borrowing limit. Monitor also authorised the Trust to have a £19.0m working capital facility in 2012/13, which was provided by Lloyds TSB Bank Plc.

# Looking Forward

We are in the process of developing a three year turnaround plan to submit to Monitor in October 2013 and this will need to recognise some key financial pressures, some of which are listed below;

**Our estate**

The current Private Finance Initiative redevelopment was completed in 2010/11 and the renal and training department developments completed in 2011/12. During 2012/13 some redundant estate had begun to be demolished (due for completion May 2013), which will help reduce future costs. However, whilst we generally have high quality facilities there are key elements of the estate that remain in old accommodation. As we move forward in finalising our estates strategy we anticipate some significant investments will be required to rationalise the King's Mill site in particular.

**Acute services contracting environment**

The on-going effects of the national austerity measures and global economic slowdown continue to have a detrimental and long term impact on the health of public finances and the NHS continues to face the prospect of a significant and sustained reduction in overall funding for future years.

Increased demographic pressures also create challenges for our commissioners, who are seeking to maximise the value of the spend, across an increasingly ageing population. These challenges are translated through commissioning intentions and onward through pricing and contracting structures direct to the Trust.

As an organisation we need to continue to find a minimum of 4% cost improvements in order to deal with these real funding challenges.

**Licence conditions**

The Trust is likely to remain in breach of its terms of authorisation throughout 2013/14, and is forecasting the need for financial and cash support.

Liquidity support is likely to be required in Quarter 4 2013/14 but it is also important that there is a more substantive solution provided to the problems associated with the PFI charges.

**Key risks to our forward plans**

During 2012/13 we have sought to build upon the risk management processes. This approach is focused on helping the Trust to mitigate risks and enable us to manage the impact of reduced income on our services and long term viability. Our 2013/14 projections in respect of growth, tariff inflation, price inflation, interest rates and efficiency requirements reflect a common understanding between ourselves and our commissioners.

The directors continue to work with our commissioners to identify further ways to mitigate the risks in our current assumptions. Significant risks to the Trust include:

- Underlying I&E deficit with a significant element relating to PFI debt

- Requirement to deliver year on year cost improvements in order to service tariff deflator and pay and non-pay inflationary pressures (an inbuilt pressure of 4%)

- Long term financial model (LTFM) assumptions particularly the lack of medium to long term commissioning intentions, excessive PFI commitments and liquidity pressures

- Adverse operating risks, particularly in the form of service migration to primary care providers. The Trust is in continual dialogue with CCGs over this risk and is shaping its strategy recognising the need for more integrated care services

- A more diverse market for healthcare, with independent sector providers, practice based commissioning and potential competition from neighbouring Foundation Trusts all competing for market share. This risk puts increasing pressure on the Trust to demonstrate Value for Money (VFM) in our service provision

- Significant cost reduction pressures arising from PFI obligations, tariff deflation and a reduction in income due to commissioner demand management initiatives. This remains a key risk within our future financial plans as we must ensure delivery of the productivity/efficiency agenda whilst simultaneously meeting statutory targets and maintaining rigorous quality standards. The risk to the Trust lies in our ability to reduce costs in line with any income reductions that these developments bring and we seek new opportunities for utilising our resources where feasible.

The latest financial plan reflects the agreed contract with commissioners. At present, due in part to the change from PCTs to CCGs, refreshed commissioning intentions are not available for 2014/15 onwards and plans for these years are therefore still being finalised. To reflect these risks we have agreed with Monitor that we will provide a two stage LTFM submission. One in May 2013 which will have comprehensive detail in respect of the 2013/14 plans and one in October which will have had time to incorporate the outcome from the Mid Nottinghamshire Strategic review.

Despite this challenging position the Trust continues to work hard in securing positive working relationships within the local health economy so as to ensure high quality and seamless healthcare delivery for the local population as we move forward with this challenging agenda.

# Key Partners

**Health partners**

In delivering our key services we have a number of contracts, the majority of which are managed through our commissioners. Other key partner organisations include Nottingham Community Health, Central Nottinghamshire Clinical Services (the local out-of-hours service) and Nottingham University Hospitals, for which the Department of Health is the parent body. The Trust also provides considerable training services from the King's Mill hospital site, working with our key partners at the University of Nottingham and the Deanery.

In addition, the Trust continues to work with Central Nottinghamshire Hospitals plc and its sub-contractors, and receives tremendous support from the Trust's many volunteers and charitable organisations including the Leagues of Friends, Daffodils, all our volunteers, Lions and the Doughty Family Foundation.

**External Audit Service**

Following a competitive tendering exercise, the Council of Governors approved the appointment of KPMG as the Trust's external auditors from 1 November 2012 for a period of three years. We incurred £75k in audit service fees in relation to the statutory audit of our accounts for the twelve month period to 31 March 2013 (£78k for period to 31 March 2012). Non-audit services amounting to £176k were required during the accounting period (nil for period to 31 March 2012).

So far as the directors are aware, there is no relevant audit information of which the auditors are unaware.

**Countering Fraud and Corruption**

The Board of Directors attaches significant importance to the issue of fraud and corruption. Reported concerns have been investigated by our local counter fraud specialists in liaison with the NHS Counter Fraud and Security Management Service and the police as necessary.

We continue to work hard to maintain an anti-fraud culture and have a range of policies and procedures to minimise risk in this area. A number of events were held over the year to highlight how staff should raise concerns and suspicions. Staff also have access to counter fraud awareness training which changed in year to become predominantly eLearning rather than face to face training and forms part of their induction training on joining the Trust.

## Conclusion

With significant changes within the Trust Board it has been a challenging year, but with support from the Department of Health and Monitor we face this period with a positive attitude.

We are proud of the services we provide and are seeking to embed a continuous improvement culture that ensures high quality care is at the centre of everything we do.   A more stable financial environment will help us to do that.

A full set of audited accounts is presented in section 3.


**Fran Steele**
**Chief Financial Officer**

# 1.1.5 Remuneration Report

## Role and Responsibilities of the Remuneration Committee

The primary role of the Remuneration Committee is to establish and maintain a formal and transparent procedure for developing policy on executive remuneration and for setting the pay, reward and terms and conditions of individual directors. The Committee also approves severance payments and Employer Based Clinical Excellence Awards.

Specifically, the role of the Committee is to:

- Assess ongoing board capacity and capability
- Lead the process for the appointment of the chief executive and executive directors
- Determine the remuneration and terms and conditions for the chief executive and executive directors
- Approve severance payments
- Approve payments made for Employer Based Clinical Excellence Awards
- Review at least on an annual basis a succession and talent management plan.

## The Composition of the Remuneration Committee

The Board of Directors appoints the Remuneration Committee and its membership is limited to non executive directors. The Committee, chaired by the Trust's chairman is a sub-committee of the Board.

For the period April 2012 to September 2012, members of the Remuneration Committee were:

- Tracy Doucet, Chairman
- David Heathcote, Non Executive Director
- Bonnie Jones, Non Executive Director
- Stuart Grasar, Non Executive Director.

For the period October 2012 to March 2013, members of the Remuneration Committee were:

- Chris Mellor, Interim Chairman
- David Leah, Non Executive Director
- Stuart Grasar, Non Executive Director.

On 1 April 2012 the Trust had separate Remuneration and Nominations Committees, and during 2012/13 the terms of reference for the Remuneration Committee were reviewed and revised to reflect the Trust's new governance arrangements. A new Committee, the Remuneration and Nominations Committee was formed in December 2012 which incorporates the previous responsibilities of both the Remuneration and Nominations Committees for the Board of Directors.

During 2012/13 the Committee received advice from respective chief executives and the director of human resources. No executive or senior manager participated in any decision relating to their own remuneration during the year.

The Remuneration Committee (now the Remuneration and Nominations Committee) met five times during 2012/13. Attendance is detailed in the table below.

| Tracy Doucet – Chairman | 2 of 2 |
| David Heathcote – Non Executive Director | 2 of 2 |
| Bonnie Jones – Non Executive Director | 1 of 2 |

| Chris Mellor – Interim Chairman | 3 of 3 |
| David Leah – Non Executive Director | 3 of 3 |
| Stuart Grasar – Non Executive Director | 4 of 5 |

## Setting Remuneration and Terms and Conditions – Executive Directors

The Committee used national benchmarking information to consider and determine remuneration for the chief executive and executive directors. Specific benchmarking data was obtained from Capita to assess levels of remuneration. In addition, the Committee considered annual pay awards granted to Agenda for Change (the NHS grading and pay system) staff, medical and dental staff and very senior managers in setting remuneration at appropriate levels.

The Committee received assurance during the year regarding the performance of the chief executive and executive directors.

During 2012/13 a review of the roles and responsibilities of executive directors was undertaken. This led to new portfolios being agreed and the removal of the post of deputy chief executive.

All executive directors' contracts are substantive and they are contracted to work the hours necessary for the full performance of their duties, including such cover that may be necessary to sustain the management of the Trust in the absence of colleagues. Notice periods by either party are six months, except when related to qualification, conduct or capability.

As detailed in the Annual Accounts (page 172) a performance bonus was paid to the commercial director during 2012/13, no other performance related pay/bonus payments were made. During 2012/13 the contracts for the posts of chief executive and commercial director incorporated performance related pay/bonus payments based on the achievement of pre-determined objectives.

## Setting Remuneration and Terms and Conditions – Non Executive Directors

Non executive directors (including the chairman) are subject to terms of office that are for a fixed period. Non executive directors serve terms of up to three years and are able to serve two concurrent terms, dependent on formal assessment and confirmation of satisfactory ongoing performance. Non executives are able to apply (through a competitive process) for a third term.

The remuneration and expenses for the chairman and non executive directors are determined by the Council of Governors, taking account of the external benchmarking information and the salary levels in the wider market place.

## Termination Payments

During 2012/13 a restructuring of the executive team was completed resulting in the post of deputy chief executive being declared redundant. A contractual redundancy payment and notice period payment was made as specified in page 172 of the annual accounts.

During 2012/13 notice period payments were made on termination to the chief executive and chairman.

# Governor and Director Expenses

Expenses were paid as detailed in the tables below:

**Governors**

| Name | Payment |
|---|---|
| E Booker | £67.36 |
| D Fordham | £78.33 |
| P Harman | £12.00 |
| A Luke | £256.70 |
| J Marsh | £241.84 |
| M Ralls | £200.21 |
| P Richards | £564.79 |
| W Satterthwaite | £40.00 |
| G Stafford | £16.46 |

**Non Executive Directors**

| Name | Payment |
|---|---|
| T Doucet | £4,401.81 |
| C Mellor | £7,168.00 |
| S Grasar | £203.04 |
| D Heathcote | £1,779.37 |
| B Jones | £1,564.02 |
| D Leah | £1,327.92 |
| I Younger | £2,032.40 |

**Executive Directors**

| Name | Payment |
|---|---|
| E Morton | £1,249.65 |
| M Goldman | £4,262.23 |
| I Greenwood | £272.25 |
| F Steele | £57.00 |
| M Wakeley | £438.98 |
| K Fisher | £194.88 |
| C White | £238.99 |
| S Bowler | £133.37 |
| L Dadge | £454.60 |
| N Ali | £425.80 |

# Scope of the Report

The remuneration report summarises the Trust's remuneration policy, and particularly its application in connection with the executive directors. The report also describes how the Trust applies the principles of good corporate governance in relation to directors' remuneration as defined in the NHS Foundation Trust Code of Governance. It is compliant with Sections 420 to 422 of the Companies Act (where relevant), and with Regulation 11 and Schedule 8 of the Large and Medium Sized Companies and Groups Regulations 2008 (SI2008/410) as interpreted for the context of NHS Foundation Trusts.

The salary and pension entitlements for directors for the financial year, including remuneration and pension benefits, are shown in Section 3 (page 172 of the Annual Accounts). This information has been subject to audit.

Signed …………………………………………….. Date: 28 May 2013

  Eric Morton
  Interim Chief Executive

## 1.1.6   Valuing our Staff

The right workforce, with the right skills, working within an environment of continual learning and development is essential to the success of the Trust.  Our workforce must be developed in a way that reduces our cost base and supports new and innovative patient pathways.

2012/13 has been a challenging year for our workforce.  The instability of the Board, negative media coverage and a significant number of workforce change consultations has led to uncertainty for many of our staff.  This is reflected in the deteriorating perceptions of staff as reported in our annual staff survey.  We have continued to work with staff and their trade union representatives during the year to ensure that we engage and communicate with them on the challenges faced by the Trust and support them during the change processes.

Workforce challenges during the year have included effective management of variable pay, together with improvement in the management of sickness absence and staff appraisal rates.

## Staff Survey (including Staff Engagement)
*"We will listen to you"*

The Trust is committed to working with our staff to both further improve staff experience and enhance the services provided to our patients.

The chief executive and executive team provide monthly updates on plans, priorities and objectives as outlined within the Annual Plan at Team Brief sessions.  These sessions highlight and celebrate achievements within the month and also signal the priorities for the coming month, ensuring that strategic priorities and objectives are met.  Managers across the organisation cascade this information at local briefing sessions within five days.

The Trust has well established and effective formal and informal mechanisms in place to support meaningful engagement. The Joint Staff Partnership Forum and Medical Local Negotiating Committee provide opportunities for staff side/trade union representatives to meet with managers to discuss issues that are of concern to staff and receive information on the Trust's priorities and progress.  It is these mechanisms, together with the workforce change group which reviews and promotes a consistent approach to managing workforce transformation, that provide the forums for formal consultation. The Trust has solid relationships with its staff side and trade union members and works in partnership with representatives to deliver the Trust's strategic objectives and priorities.

In addition to the information gathered via the annual national staff survey, the Trust gathers the views of staff via engagement events with staff and governors. Staff are able to pose questions via the intranet to which the Trust posts responses.  Plans for the coming year include the implementation of monthly staff surveys on key issues.



**[orthotics]**

# Annual Staff Survey

The Trust participates in the national NHS Staff Survey on an annual basis in which it surveys 850 randomly sampled staff from across the Trust in all staff groups. There are two types of key findings – percentage scores and scale summary scores for which the minimum score is always 1 and the maximum is 5.

From those staff surveyed, 50% responded in 2012/13 compared to a response rate of 49% in 2011/12. This response rate is average for acute trusts in England. An analysis of the survey response rates is shown below:

| | 2011/12 | | 2012/13 | | Trust improvement/ deterioration |
|---|---|---|---|---|---|
| | **Trust** | **National Average** | **Trust** | **National Average** | |
| **Response rate** | 49% | 52% | 50% | 50% | Improved by 1% point |

The 2012/13 NHS Staff Survey reports under 28 key findings (in contrast to 38 key findings in previous years) structured around the NHS staff pledges and two additional themes.

The outcomes identify that there has been a deterioration across a number of key finding areas, with the Trust performing average or above in 15 out of 28 key findings – see below.

**Summary of all key findings:**

| | 2011/12 (38 Key Findings) | 2012/13 (28 key Findings) |
|---|---|---|
| Best 20% | 5 Areas | 2 Areas |
| Better than average | 18 Areas | 8 Areas |
| Average | 7 Areas | 5 Areas |
| Worse than Average | 7 Areas | 11 Areas |
| Worst 20% | 1 Area | 2 Areas |

Staff experience has improved in relation to the percentage of staff having equality and diversity training in the last twelve months.

Staff experience has deteriorated in relation to the percentage of staff working extra hours; the percentage of staff suffering work-related stress in the last twelve months; the percentage of staff reporting errors, near misses or incidents witnessed in the last month; the percentage of staff receiving health and safety training in the last twelve months and the percentage of staff feeling satisfied with the quality of work and patient care they are able to deliver.

The overall indicator of staff engagement for the Trust was 3.65 compared with the national average of 3.69, placing the Trust below average. This is an important indicator which incorporates the key finding area relating to whether staff would recommend the Trust as a place to work or receive treatment. The survey outcomes for this particular area deteriorated in 2012/13 (3.65-3.48) which is disappointing. The action plan will seek to secure improvements in response rates in this key area.

**Top four ranking scores where the Trust compared most favourably with other acute Trusts in England:**

| | 2011/12 | | 2012/13 | | Trust Improvement/ Deterioration |
|---|---|---|---|---|---|
| Top 4 ranking scores | Trust | National Average | Trust | National Average | |
| Key Factor | % of staff witnessing potentially harmful errors, near misses or incidents in the last month (the lower the score the better)<br><br>32% | 34% | 30% | 34% | No significant change. Remain in the best 20% of trusts |
| Key Factor | % of staff experiencing discrimination at work in the last 12 months (the lower the score the better)<br>12% | 13% | 8% | 11% | No significant change. In 2011 above average now in the best 20% of trusts |
| Key Factor | % of staff experiencing harassment, bullying or abuse from staff in the last 12 months (the lower the score the better)<br><br>12% | 16% | 22% | 24% | In 2011 in the best 20% now better than average |
| Key Factor | % of staff receiving job relevant training, learning or development in last 12 months (the higher the score the better)<br><br>82% | 78% | 83% | 81% | No significant change. In 2011 in the best 20% now better than average |

**Bottom four ranking scores where the Trust compared less favourably with other acute Trusts in England:**

|  | 2011/12 | | 2012/13 | | Trust Improvement/ Deterioration |
|---|---|---|---|---|---|
| **Bottom 4 ranking scores** | **Trust** | **National Average** | **Trust** | **National Average** | |
| **Key Factor** | Work pressure felt by staff (the lower the score the better)<br><br>3.04% | 3.12% | 3.22% | 3.08% | In 2011 ranked better than average, now in the worst 20% of trusts |
| **Key Factor** | Fairness and effectiveness of incident reporting procedures (the higher the score the better)<br>3.46% | 3.46% | 3.42% | 3.50% | No significant change. In 2011 ranked average, now in the worst 20% of trusts |
| **Key Factor** | % of staff reporting good communication between senior management and staff (the higher the score the better)<br>24% | 26% | 22% | 27% | Remains below average |
| **Key Factor** | Percentage of staff experiencing physical violence from patients, relatives or the public in the last 12 months (the lower the score the better)<br>10% | 8% | 17% | 15% | In 2011 in the worst 20% now worse than average |

**Note: National average figures given represent those for acute Trusts in England.**

**Activities resulting from 2011/12 staff survey outcomes**

Significant areas of development in response to last year's survey include:
- The roll out of leadership and management development training, focusing on the values and behaviours expected of managers
- Development of a staff health and wellbeing strategy, with a proactive approach to the management of stress

- Developing resilience and support for staff experiencing mental health issues
- Training for managers in occupational health referrals
- Improvements to the team brief process.

Further actions are required during 2013/14 to secure the necessary improvements in staff survey outcomes across the key finding areas.

## Future priorities

When considering the 2012/13 NHS Staff Survey results it is important to consider the context and the timing of survey completion.  At the time the survey was conducted the Trust was going through a period of significant change and was facing considerable media attention.

The Trust recognises that despite there being a number of positive outcomes identified within the survey, there are also a number of areas which require improvement.  Consequently the Trust's action plan for 2013/14 will focus on:

- Ensuring that all staff have an annual appraisal
- Setting appropriate establishment levels and continuing with recruitment campaigns to recruit to full establishment.  This will help to reduce the work pressure felt by staff and the need to work extra hours
- Enhancing how we communicate with our staff – specifically support and engagement from senior management
- Reviewing and implementing more effective incident reporting processes.  This will be carried out in conjunction with considering and implementing actions to address the perceptions of staff regarding physical violence and harassment, bullying or abuse from patients, relatives and the public.

Detailed action plans are being drawn up to address these priority areas, each being progressed by an identified project lead.  Delivery of the action plans will be overseen by the Workforce Committee. In addition the Trust will develop and implement quarterly staff surveys on key issues.  The outcomes will be reported to the Board within the quarterly human resources report.



**[staff on a medical ward]**

# Leadership Development

The Trust recognises the effective management of its staff is one of the key elements of an organisation that is fit for purpose and which can respond quickly to a rapidly changing environment.

A new nursing leadership programme, which is accredited by the Royal College of Nursing, was launched in February 2013. This programme is aimed at a strategic level to equip ward leaders with the higher level skills required to operate in an ever changing NHS landscape, as well as being patient focused.

Six ward leaders have initially enrolled onto this prestigious course which will be delivered over a 12 month period. It is anticipated that this leadership programme will also support succession planning within the Trust for higher level nursing roles in the future.

A further nursing clinical leadership and management programme is being developed,  This is aimed at equipping ward and deputy ward leaders with the necessary operational management skills and knowledge to lead and deliver high quality patient care.  The  launch is planned for June 2013.
A bespoke medical leadership programme has been developed during 2012/13 and will be launched in May 2013.  This programme is designed to equip medical service directors with the essential skills necessary to manage clinical services effectively and safely.   The  programme  focuses  on development of leadership and change management skills, together with the delivery of high quality patient care through high performing professional teams.

The Trust's leadership programme was established in 2012 to enhance the leadership and management skills of middle managers. The key focus of the programme was to equip leaders and managers with the necessary skills to operate effectively as a leader and manager at the Trust. Through the application of the agreed Trust leadership and management behaviours, the programme also supports the development of these skills to improve services for patients and to help guide clinical and support teams through major change.  Almost sixty managers have benefited from this programme which will continue to provide development opportunities for managers in future years.



**[healthcare support worker]**

# Health and Safety

The importance of effective occupational health, safety and wellbeing is recognised within the NHS Constitution, which states that staff have a right to healthy and safe working conditions and an environment free from harassment, bulling or violence.

An appropriately qualified and experienced health and safety manager leads the health and safety function within the Trust. The board of directors receives monthly updates on specific health and safety issues, together with an annual report.

The returns from the staff survey, together with analysis of key data indicators continue to inform the priority areas for the health and safety function.

Staff pledge three – "to provide support and opportunities for staff to maintain their health, wellbeing and safety" includes 11 measures. The Trust rates better than average nationally for acute trusts in five areas and worse than average in four, with two key findings being at the national average.

It was encouraging to see the Trust is better than average for staff experiencing harassment bullying or abuse from patients, relatives or the public in the last twelve months but disappointing that physical violence from patients, relatives or the public still remains an issue. There are plans in place to tackle this problem during 2013/14, with the introduction of clinical holding and disengagement skills for staff working in high risk areas. The Trust is also now close to being in the top 20% of trusts for training staff on issues around violence and aggression.

The main areas of challenge for the Trust from the 2012/13 staff survey in relation to health and safety relate to staff experiencing physical violence from patients, relatives or the public; increasing perception of the fairness and effectiveness of the incident reporting system and increasing staff opportunities for health and safety training.

An analysis of key health and safety indictors captured and reported within the Trust identify that the most likely reason for submitting a staff health and safety related incident report is abusive, violent, disruptive or self-harming behaviour (27%). This is followed by needlestick injury or other incident connected with sharps (22%) and slips, trips falls and collisions (17%). Together these three areas of risk account for 66% of all health and safety staff incident reports submitted via Datix, a web based reporting system. These main health and safety areas of risk remain unchanged from the previous year. During 2012/13 there was an 11% reduction in reported staff health and safety incidents and a 22% reduction in reports of staff being involved in incidents of abuse or violence.

The total number of incidents reported to the Health and Safety Executive under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) 1995 decreased to its lowest level of 18. The decrease was mainly due to changes made in April 2012 to the reporting requirements for RIDDOR. Of these, 15 related to staff reports predominantly in the areas of slips, trips and being hit by a moving or falling object and of the three relating to patient reports, two related to unobserved falls and the other mobilising without assistance.

**Priority areas for the Health and Safety function in 2013/14**

- Improving awareness of the need to report violence experienced by staff
- Identifying the location of spikes in violent incidents
- Implementing and embedding staff training on de-escalation and disengagement skills to help prevent physical assaults from patients and relatives
- Implementing a training program for managers, supervisors and safety representatives with health and safety responsibilities under the Trust's management system for health and safety
- Ensuring compliance with the Health and Safety (Sharps Instruments in Healthcare) Regulations 2013
- Improving the system for the reporting and recording of the water flushing regime within the Trust
- Reviewing the health and safety policy to ensure that it remains fit for purpose.

# Attendance and sickness absence

The Trust has a well-established working group which focuses on the strategies and initiatives necessary to improve employee wellbeing, support staff at work and assist those staff who are absent due to ill-health.

The Trust retained a sickness absence target of 3.5% for 2012/13. The outturn absence rate was 4.73%, which is an increase of 0.42% compared with 2012/13. The chart below details the projected and actual sickness absence rates. This is disappointing and improving sickness absence levels is a key strategic priority for the Trust during the coming year.



Sickness Absence - Actual & Projected
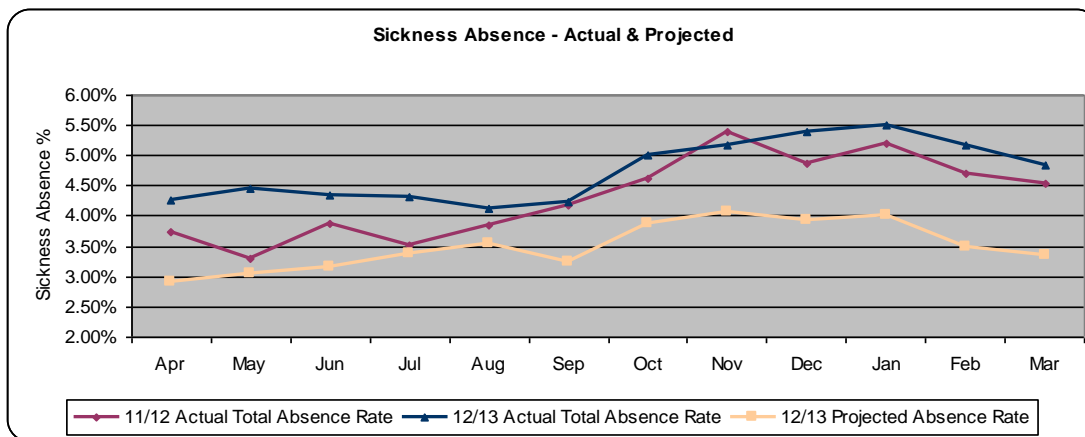
An analysis of sickness absence during 2012/13 identified that absence rates continue to be weighted towards short term absence (2.45%), compared with long term absence of 2.29%. This is illustrated below. Immediate actions during 2013/14 will focus on reducing short term absence which is often the most disruptive type of absence occurrence.



Trust Sickness Absence 2012/13

| | Apr 12 | May 12 | Jun 12 | Jul 12 | Aug 12 | Sep 12 | Oct 12 | Nov 12 | Dec 12 | Jan 13 | Feb 13 | Mar 13 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Short Term | 1.78% | 2.40% | 2.45% | 2.31% | 1.95% | 2.43% | 2.50% | 2.73% | 2.65% | 2.93% | 2.80% | 2.46% |
| Long Term | 2.47% | 2.06% | 1.89% | 2.01% | 2.18% | 1.81% | 2.52% | 2.43% | 2.74% | 2.57% | 2.37% | 2.37% |
| Total | 4.25% | 4.45% | 4.34% | 4.32% | 4.13% | 4.24% | 5.02% | 5.16% | 5.39% | 5.50% | 5.17% | 4.83% |
| Target | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% |
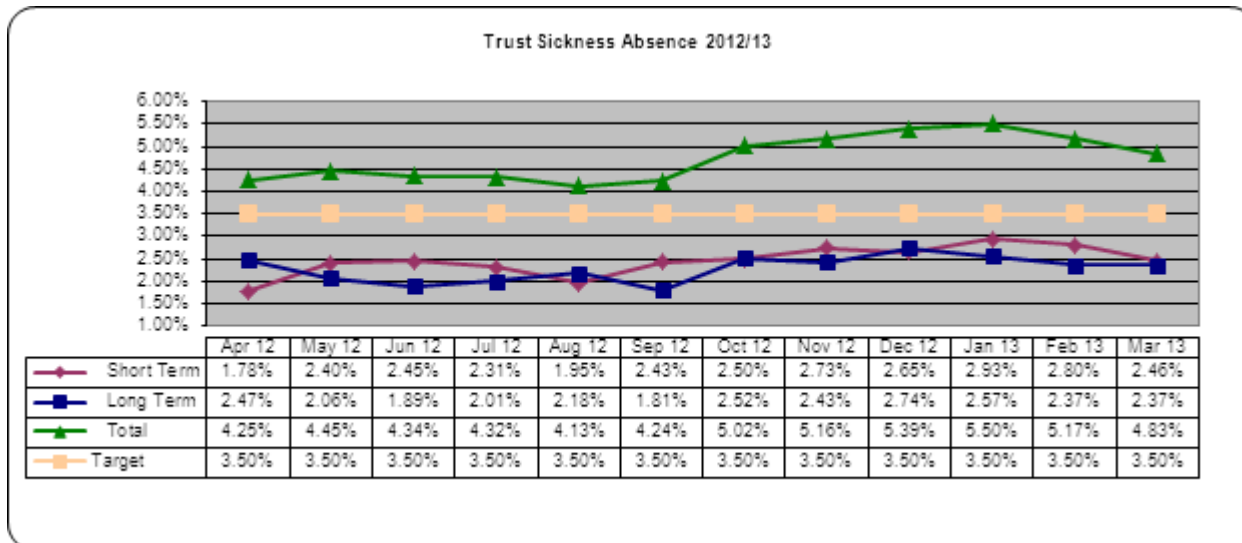
Absence continues to be a priority for the Trust due to its impact on patient experience and variable pay expenditure. As a result of this, the following actions are underway to support a reduction of sickness absence:

- Recruitment of a sickness absence coordinator to support managers by providing more effective departmental sickness absence information
- Revision of the current sickness absence procedure, based on recently received legal advice to provide clearer guidance and processes for the management of sickness absence
- Enhance sickness case management by introducing case management sessions between human resources and occupational health

- Sickness absence management to be introduced as part of the training targeted at supervisors and leaders in the Trust to improve all round capability in sickness absence management
- Reinvigorating the return to work interview process as a means of managers supporting the reduction of short term absence
- Increasing the assurance in relation to sickness absence management by random audits particularly around return to work interviews
- Utilisation of the Bradford Factor (a means of measuring staff sickness absence) to identify high priority sickness absence case management
- Targets to be set for divisions and departments to encourage them to address sickness absence issues.

## Occupational Health (OH) Services

The Trust's occupational health service is a nurse led in-house service which provides for the needs of staff. Occupational health services are also provided for staff in NHS and private sector organisations across Mansfield, Ashfield and Newark. The Trust's occupational health service works collaboratively with other occupational health functions across the health community to provide services to a wide range of NHS staff.

Occupational health services for the Trust are provided from King's Mill Hospital, Mansfield Community Hospital and satellite clinics within the Eastwood Centre at Newark Hospital. The Occupational health team plays an active role in supporting staff in return to work and minimising the impact of sickness absence.

The team proactively implements initiatives to reduce sickness absence in the highest reported areas. These initiatives include:

- Stress awareness education – via the training of 114 managers and supervisors in stress awareness
- The provision of a musculo-skeletal service. During 2012/13, 387 staff accessed the service reporting that it reduced the time they were off sick and prevented a period of sickness absence.

The team also supports operational sickness absence management and has provided Effective OH Referral Training Sessions for over 50 Managers. During 2012/13 the team helped to secure the Trust's highest flu vaccination uptake to date of 52.1% of staff with patient contact being vaccinated.
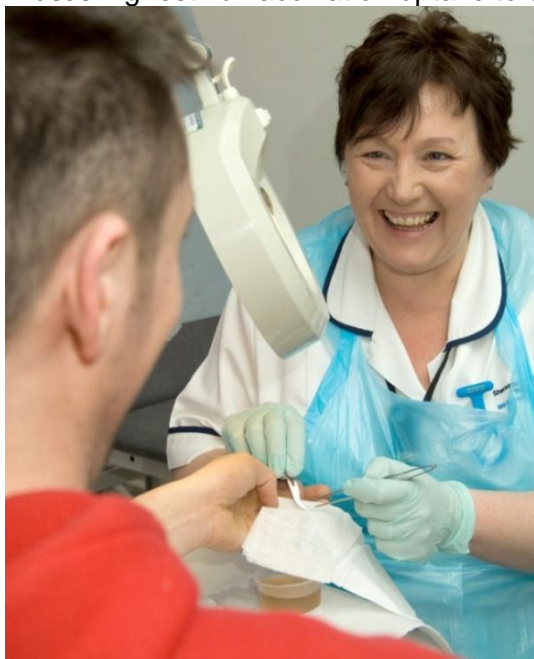


**[outpatients clinic]**

# Equality, Diversity and Inclusivity

**Approach to Diversity and Inclusivity**

Diversity and inclusivity is fundamental to all the Trust does, both in the way we provide services to our community and the way in which we manage our staff. The Trust is committed to treating all its service users and staff with dignity and respect.

Embracing diversity will ensure that we are providing effective services which meet the needs of our communities and achieve excellent employment practices. This will allow all employees to have the opportunity to reach their full potential, progress and develop.

**Diversity and Inclusivity Leads**

Our approach to diversity and inclusivity is led by the director of human resources. There is also a nominated non executive director lead for diversity and inclusivity. To ensure there is a partnership approach to all aspects of the diversity and inclusivity agenda, there is also a nominated staff side lead.

**Equality Objectives (2012-2016)**

The Trust's equality objectives were approved by the Board of Directors in March 2012, these are:

1. As we engage with our many stakeholders during 2012/13 we will strive to ensure that all groups are appropriately represented, that we communicate with them in an effective fashion and that we are consistent in our approach
2. We will ensure that when we provide feedback to our stakeholders they receive the outcomes and rationale of any decisions that we take
3. During 2012/13 we will further develop productive relationships with patient/service user groups and charities to build proactive working and explore the socio-economic aspects of care to encourage signposting to other agencies/charities etc
4. We will improve staff awareness and engagement on all sites, enabling inclusive leadership at all levels.

**How Performance is monitored**

The Trust monitors diversity and inclusivity on an on-going basis via a diversity and inclusivity committee. This committee is led at executive level, meets bi-monthly and reports to the hospital management board. The purpose of the diversity and inclusivity committee is to support activities within the Trust to ensure that the statutory board responsibilities and obligations under law relating to equality and diversity are met.

The committee provides an annual report to the board of directors which agrees the Trust's priorities and actions to be delivered.

**Publication Duties**

The Trust has developed and published its Equality Scheme 2011-2015 on its website to show how it intends to meet the diversity and inclusivity agenda and how this is being implemented in practice.

The public sector Equality Duty (section 149 of the Equality Act 2010) came into effect on 5 April 2011 and applies to public bodies and others carrying out public duties. The Equality Duty is supported by specific duties, set out in the regulations which came into force on 10 September 2011.

The specific duties require public bodies to publish relevant, proportionate information demonstrating their compliance with the Equality Duty. They must also set themselves specific measurable equality objectives. All information must be published in a way which makes it easy for people to access.

The Trust has published information relating to the organisation, including workforce and patients. General information regarding the equality and diversity agenda has also been published.



**Action Plan**

An action plan has been developed which is monitored by the diversity and inclusivity committee. The following objectives are being progressed:

- To ensure the publication duties as outlined by the New Public Sector Duty are adhered to
- To undertake further analysis of data for service users, workforce and training data, to establish underlying trends and issues and take action where necessary
- To develop the work of the committee to ensure Human Rights issues are considered across the Trust both in service delivery and workforce
- To continue to implement the diversity and inclusivity training for all staff
- To engage with the local community, patients and employees to grade the Trust against the equality delivery system goals.

**Workforce Information**

**Age**

In 2012/13 the highest populated age group continues to be 45 – 49.  This is important to note to ensure succession planning commences to prepare for the effects of the individuals in this group moving to the next age bands and subsequent retirement.

In 2012/13 there is a decrease in people aged 20 and under and 20-24, but on the whole the age demographics continue to remain static, with a typical distribution across the age ranges.

**Gender**

In 2012/13 the female workforce accounts for 79.68% of the total population of the workforce, this is almost identical with the previous year's figures.
Male headcount increased slightly compared to the previous year, however the position continues to remain relatively static compared with the previous year.  This profile is in line with the wider NHS which nationally has 80% female workforce composition.

**Ethnicity**

In 2012/13 the ethnicity composition continues to remain stable when compared with the previous year.  The majority of the workforce is White British (88.74%).

**Disability**

Last year the data indicated that 86.47% of employees did not wish to disclose their disability status, this was identified as an area to seek improvements.  Whilst a slight reduction has been achieved further work is required to create the right environment in which staff feel comfortable in sharing this information.

## 1.1.7 Sustainability, Environment and Climate Change

Sherwood Forest Hospitals provides its services from three sites, and King's Mill Hospital in particular has state of the art facilities. The new PFI hospital facilities and associated developments have been fully opened for nearly two years and this has allowed the Trust to build upon and develop its sustainability, environmental and climate change strategies. As part of these developing strategies, and to meet the challenges of climate change, the Trust has been refining a number of its objectives and activity streams:

- Proactive management and procurement of energy, utilities and waste management
- Cost effective design and upgrade of new works
- Effective working with contract partners and other stakeholder
- Driving value for money with procurement and supply chain management
- Strong governance and communication
- Robust approach to carbon management.

The objectives are part of the latest versions of the Trust's Carbon Reduction Management Plan (CRMP), Sustainability Development Management Plan (SDMP) and Green Travel Plan.

We are also committed to achieve Version 2 of the Good Corporate Citizenship (GCC) registration in the financial year 2013/14.

## NHS Carbon Footprint

The Trust's energy useage and level of carbon emissions has improved over the year – efficiencies close to 35% over conventional heating and air cooling systems have been demonstrated. This equates to a reduction in the carbon footprint of 560 tonnes of carbon per annum.

## Climate Change and the Estate

As the current building mix is so diverse across the Trust's three hospital sites, the approach to the climate change agenda has been split into two different activity streams.

The operational activity stream is targeted on achieving increases in operational performance by doing things differently and better. To help support this process the Trust has adopted the following performance indicators:

a) Energy tracker
b) Energy champions
c) Staff booklet/web based messages
d) Awareness days
e) Engagement with local schools to develop the Junior Green Champion
f) Quick wins
g) Survey works – plant and facilities technical reviews
h) Heating controls, cooling controls and computers
i) Increased sub metering
j) Display energy certificate/carbon reduction commitment
k) Design guide
l) Standardisation.

As an example, expanding on two of the above items, f) and h) the hospital, with the help of its PFI partners has undertaken a major review of the building, plant and engineering systems within the retained estate. This is allowing focused investment in key areas and systems to deliver real improvement in terms of the energy performance and the working environment. The second stream relates to understanding how the legacy sites are performing. This is allowing targeted investment to achieve higher levels of performance and, where necessary, vacating the older estate and either mothballing buildings or, where practical, demolishing them.

Following the Trust undertaking a post project evaluation of the first 12-month performance of the geothermal (closed loop heat pump) system, a number of upgrades and refinements to the system have been made to further increase its effectiveness. The geothermal system has been extended into parts of the King's Mill Hospital retained estate, further improving its overall utilisation and bringing increased reduction on $CO_2$ emissions.



**[King's Mill Hospital]**

# 1.2 GOVERNANCE REPORT

## 1.2.1  Trust Board of Directors

## Specific to 2012/13

In September 2012, Monitor - the Independent Regulator of NHS Foundation Trusts  informed the Trust that it was in "Significant Breach" of the terms of its authorisation as a foundation trust. This decision was taken by Monitor because of concerns relating to governance plus operational and financial performance.

In October 2012, Monitor exercised its intervention powers under section 52 of the National Health Service Act 2006, with the aim of ensuring that the Trust Board:

- Has the appropriate leadership, skills and capacity to enable immediate and sustainable improvements to address the identified breaches of its terms of authorisation
- Receives appropriate advice from Monitor and external support to ensure that the necessary changes are embedded and sustained.

An interim chief executive and an interim chairman were appointed to the Trust during October 2012 in order to review and begin to address quickly the concerns raised by Monitor.  A number of other interim posts were recruited at executive level and four non executives were co-opted pending full-time appointments being made.  The new Board is engaging with the organisation to discuss a new, refocused strategic direction. Although still in its infancy at the end of March 2013, this can be summarised with three main aims as follows:

- In 2012/13, stabilise and improve finance and governance
- In 2013/14, achieve financial support and construct future plans aligned with commissioners
- Beyond 2013/14, demonstrate the Trust is a going concern.

The Annual Plan 2013/14 will make the case to Monitor and others for the necessary support.

## General

The Board of Directors directs the business of our Trust and, with participation from the Council of Governors, sets the strategic direction of the organisation.

The Board of Directors comprises executive and non executive directors who manage the Trust. Our non executive directors were appointed because of their business, clinical and commercial skills and their wider private and public sector knowledge and experience. Our executive directors were appointed because of their business focus and management experience of health services.

The Council of Governors appoints the chairman and non executive directors. On 9 October 2012 Monitor appointed Interim Chairman, Chris Mellor to replace the previous Chairman, Tracy Doucét, who left the Trust on 4 October 2012. They also approved the appointment of Interim Chief Executive, Eric Morton, who joined the Trust on 15 October 2012.

Our executive directors are appointed in accordance with the Trust's recruitment and selection policies and procedures. Directors' record of attendance at Board of Director meetings is detailed alongside their names in the profiles below (meetings attended/meetings possible).

# Profiles of the Board of Directors

**Chris Mellor, Interim Chairman**
(6/6 Board meetings attended, **joined the Trust 9 October 2012**)

Chris is currently Interim Chairman having been appointed by Monitor the Independent Regulator of NHS Foundation Trust Hospitals. For eight years until March 2012 he was Deputy Chairman of Monitor.

He was Chairman of Northern Ireland Water Ltd for four years from 2006 and prior to that, chief executive officer of AWG Plc the privatised water and waste water utility for six years and eight years as finance director.

For seven years Chris was also a non executive director of Grontmij UK Ltd the consulting engineering group quoted on the Dutch stock exchange, a non executive director of Cambridge University Hospitals NHS Foundation Trust and a member of the Government's fourth Advisory Committee on Business in the Environment.

Chris is an accountant and has worked in both the private and public sectors.

**Tracy Doucét, Chairman**
(6/7 Board meetings attended, **left the Trust 4 October 2012**)

Tracy joined the Board as a non executive director when the Trust was granted its Foundation Trust licence in February 2007, bringing with her a range of commercial and financial experience.

Tracy was appointed Chairman of the Trust and Board of Directors from April 2008 and was reappointed for a second term from April 2011.

Tracy is managing partner of a management consultancy practice, with extensive experience at executive and non executive director level across both public and private sectors. Tracy has assisted a number of FTSE 100 companies and public sector organisations to develop and implement ambitious and strategic plans, improve communication, governance, customer focus, leadership and performance.

**Eric Morton, Interim Chief Executive**
(5/5 Board meetings attended, **joined the Trust 15 October 2012**)

Eric is a an experienced NHS chief executive who has worked within many financially challenged NHS Foundation Trusts, including Mid Staffordshire NHS Foundation Trust and University Hospitals of Morecombe Bay NHS Foundation Trust.  Eric qualified as an accountant and joined the NHS in 1987, initially following a financial management route before moving into the chief executive role in Chesterfield Royal Hospital NHS Foundation Trust in December 2001, a post he held for many years.

Eric is a past chairman of the Healthcare and Financial Management Association and was Vice-Chairman of Chesterfield College.



**Mark Goldman, Interim Chief Executive**
(5/6 Board meetings attended, left the **Trust 11 October 2012)**

Mark Goldman joined the Trust as interim Chief Executive on 6 June 2012.  He qualified in medicine in 1974 and trained as an academic surgeon. He became a senior lecturer and then a consultant surgeon within the NHS, a post he held for 17 years. During that time Mark became medical director and subsequently chief executive at Heart of England NHS Foundation Trust from 2001 to2010, leading the Trust to its Foundation status and through its acquisition and turnaround of and merger with a local failing Trust.

Mark is an external advisor to McKinsey supporting the McKinsey Hospital Institute programme which focuses on assisting acute Trusts. He holds advisory roles with a small venture capital organisation, Mobius, supporting spin-off start-ups associated with the University of Nottingham and with Aridhia, a joint venture NHS/private health informatics company in Scotland.  Mark also is chairman of the Advisory Group at Map of Medicine, a commercial company which specialises in the production of on-line integrated care pathways.



**Martin Wakeley, Chief Executive**
(3/3 Board meetings attended, **left the Trust 31 May 2012)**

Martin was appointed to the Board of Directors on 1 October 2011 in the role of Chief Executive.

He first joined the NHS in 1995 and worked as a scientist in hospitals for ten years before moving into a number of hospital general management roles in large teaching hospitals before joining PricewaterhouseCoopers as a management consultant.

He returned to the NHS delivering a variety of senior roles before becoming chief executive at Royal Hampshire County Hospital, Winchester and Eastleigh NHS Trust, and then as the national operations director at Circle Healthcare, an independent health company.



**Carolyn White, Deputy Chief Executive**
(10/11 Board meetings attended, **left the Trust 14 December 2012)**

Carolyn joined the Trust as executive nurse director in July 2001, having worked for 12 years at the Hull and East Yorkshire Hospitals NHS Trust in a variety of senior nursing and management roles. She was appointed interim chief executive from December 2009, and took up the post of deputy chief executive on the appointment of Martin Wakeley in October 2011.

Carolyn, together with Board colleagues, has led the organisation during its initial challenging period of turnaround, ensuring both a high level of engagement of staff and a continued focus on quality and performance.



**Fran Steele, Chief Financial Officer**
(14/14 Board meetings attended)

Fran was appointed as Chief Financial Officer on 1 January 2012. She is responsible for financial management and strategic financial planning and provides advice to the Board of Directors.
Fran joined the Trust from PA Consulting Group, where she was a partner in the government practice, leading transformational work in health and across the wider public sector. Fran's roles included leading the public sector work on lean and continuous improvement, implementation of strategic systems and negotiation support on some significant IT programmes.

Fran started her career as a graduate on the NHS Financial Management Training Scheme in the West Midlands and went on to work in organisations across the east and west Midlands including Central Nottinghamshire Healthcare NHS Trust. Fran also spent 7 years working with PricewaterhouseCoopers in their Health Financial Management practice.

Fran is also a non executive director for England Netball which  is a non remunerated post.

**Nabeel Ali, Executive Medical Director**
(14/14 Board meetings attended)

As executive medical director Nabeel provides leadership of the Trust's medical profession, plays a key part in developing policies and strategies, and provides a valuable medical perspective on all matters to the Board of Directors.

Nabeel is a general and respiratory consultant, and continues to provide clinical care to our patients. He was appointed to the Trust in 1994, having worked in various capacities including associate clinical sub-dean for the University of Nottingham Medical School.

Nabeel was the divisional director for emergency care and medicine at the Trust for three years before being appointed executive medical director, firstly on an interim basis in July 2010, and then substantively in October 2010.



**Susan Bowler, Executive Director of Nursing & Quality**
(13/14 Board meetings attended)

Susan was appointed interim executive director of nursing and quality in May 2010 on secondment from Nottingham University Hospitals NHS Trust and was subsequently appointed to the Board as executive director of nursing and quality on 1 July 2011.

Susan has worked within the NHS for 28 years in a variety of senior nursing, service improvement and patient experience roles. Her responsibilities include infection control, nursing and midwifery, clinical governance, quality and patient safety.

Initially trained as a critical care nurse, Susan has held roles in senior nurse management, education, planning and hotel services. She has also worked as part of specialist networks, national inspection teams and has worked on a number of projects for the NHS Institute of Innovation and Improvement.

Susan has a strong professional drive for improving and enhancing patient care and ensuring that staff are supported and developed to influence quality and patient safety.

**Lucy Dadge, Commercial Director**
(9/14 Board meetings attended, non-voting executive)

Lucy joined the Trust in December 2010 and joined the Board of Directors as an executive director in January 2012.

Lucy is responsible for the wider commercial operations of the Trust, including managing the relationship with the Private Finance Initiative (PFI) partnership that built and now runs the facilities management services for the hospital buildings. Lucy is also responsible for creating a commercial strategy for the Trust that delivers investments in new buildings and services and identifies new partnership opportunities for the Trust.

Lucy has spent her recent career working at Nottingham University Hospitals NHS Trust, Her Majesty's Revenue and Customs (HMRC) and East Midlands Strategic Health Authority; latterly focusing particularly on Private Finance Initiatives (PFIs) and other forms of public/private sector partnership.

Lucy initially trained as an architect and subsequently qualified as a chartered surveyor. She is a Fellow of the Royal Institution of Chartered Surveyors (FRICS).

Lucy has also worked in the private sector and currently holds non executive director roles and company directorships in the social housing and further education sectors.

Since 1 January 2013 Lucy has been seconded to Mansfield and Ashfield CCG to lead the Mid Nottinghamshire Transformation Project.



**Karen Fisher, Executive Director of Human Resources**
(12/14 Board meetings attended)

Karen joined the Board of Directors as executive director of human resources in April 2008.

She has worked for the NHS for over 30 years and has significant experience in human resources, partnership working and workforce transformation/change management programmes. She has held senior management positions within both strategic and acute sectors within the NHS.

Karen holds an MSc in Leadership through Effective HR Management.

**Jacqui Tuffnell, Interim Director of Operations**
(3/3 Board meetings attended, non-voting executive)

Jacqui commenced in the Trust in November 2012 and was appointed as Interim Director of Operations in January 2013, and was appointed substantively to this role in May 2013.
Jacqui has undertaken a variety of general management roles and was formerly the acting head of human resources at Chesterfield. Prior to this Jacqui held senior human resource roles at Sheffield Teaching Hospitals NHS Foundation Trust.

Jacqui's role is to lead the operation of the Trust and the delivery of national and local targets. Jacqui's key strengths are the development and implementation of change and continuous service improvement. Jacqui holds an MSc in Human Resource Management.



**Ian Greenwood, Interim Director of Strategic Planning & Commercial Development**
(3/3 Board meetings attended, non-voting executive)

Ian joined the Board in January 2013 as an interim director.  He began his career as a paediatric nurse but has been a director in the NHS for 10 years.  Ian holds an MSc in Health Economics and two post graduate qualifications in health policy and management.

**Non Executive Directors**



**David Leah, Non Executive Director**
(13/14 Board meetings attended)

David joined the Trust in November 2005 and was appointed to the Foundation Trust Board of Directors in February 2007. David was subsequently reappointed for a further three year term in November 2009, and his term was extended by a further year in November 2012. David is Vice Chairman of the Trust and Senior Independent Director, he is a member of the Audit Committee, the Finance and Performance Committee the Remuneration and Nominations Committee and the Charitable Funds Committee.

David is a chartered certified accountant by profession and has worked in a variety of companies and industries.

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

David now supports a small portfolio of small and medium enterprise businesses.



**Stuart Grasar, Non Executive Director**
(12/14 Board meetings attended*)*

Stuart joined the Board of Directors in November 2008 and is a member of the following Committees:
- Remuneration and Nominations
- Charitable Funds.

Stuart is a chartered fellow of the Institute of Personnel and Development and was previously head of public services at North Nottinghamshire College in Worksop. Stuart has held both non executive and executive positions, operating in a Boardroom capacity since 1984. Stuart also worked with the Ilkeston Consumer Co-operative Society, becoming their chairman between 2003-2006.
Stuart is an associate member of Healthcare Financial Management Association. His achievements include the development and motivation of people to move onto successful careers and his commercial experience has contributed to successful business trading with various organisations.



**Sir Stephen Moss, Non Executive Director/Non Executive Advisor**
(3/4 Board meetings attended**, left the Trust 31 March 2013)**

Sir Stephen Moss was former chairman of Mid Staffordshire Foundation Trust appointed by Monitor to help turn around the Trust. He was also previously director of nursing and interim chief executive of Nottingham University Hospitals NHS Trust. Stephen was chairman of the Clinical Governance and Quality Committee.

**Charles Bellringer, Non Executive Director**
(4/4 Board meetings attended*)*

Charles Bellringer was a former FTSE 100 chief financial officer at Friends Provident plc and head of financial services for AlixPartners. He is specialised in advising organisations which are under performing and distressed. He is a chartered accountant and executive member of the Institute for Turnaround. Charles took over as chairman of the Audit Committee from David Leah, and also chaired the Finance and Performance Committee.



**Manjit Obhrai, Non Executive Director**
(3/4 Board meetings attended*)*

Manjit Obhrai was a consultant obstetrician and gynaecologist and previous medical director at Mid Staffordshire NHS Foundation Trust, who was brought in to assist with solving the problems of the troubled Trust. He is the current associate post graduate dean at West Midlands Workforce Deanery.



**Louise Barnett, Non Executive Advisor**
(2/3 Board meetings attended*)*

Louise is director of workforce and organisational development at Peterborough and Stamford Hospitals NHS Foundation Trust, a post she has held since March 2012. Prior to this she was appointed interim chief executive at the same Trust from 23 May 2011 until 1 March 2012.

Louise has around 20 years' experience in HR and organisational development across the private and public sectors.

She previously undertook a senior level role in an acute teaching hospital, including board level responsibility for HR, organisational development, clinical services and facilities, and she has an MSc in Human Resources and employee relations.

**David Heathcote, Non Executive Director (Senior Independent Director)**
(10/10 Board meetings attended, **left the Trust 2 November 2012)**

David joined the Board of Directors in February 2008 and was appointed Senior Independent Director in November 2008. He was re-appointed for a second term in February 2011.

David was a member of the Audit Committee, the Finance Committee, the Nominations Committee and the Remuneration Committee. He was also the lead non executive director for the Trust's whistle-blowing policy and was non executive lead for equality and diversity.

David is a chartered certified accountant and has worked as chief executive at a number of UK based companies. More recently David has concentrated his time working largely with Nottingham based companies, in the roles of board advisor and non executive director.



**Bonnie Jones, Non Executive Director  (Vice Chairman)**
(7/10 Board meetings attended, **left the Trust 31 October 2012)**

Bonnie joined the Board of Directors in February 2008 and was appointed vice chairman in January 2009, being appointed for a second term in February 2011.

Bonnie was a member of the Audit Committee, the Remuneration Committee, Nominations Committee, Finance Committee and was chairman of the Organ Donation Committee. She was also the non executive director representative on the Trust's Infection Control Committee, and non executive lead for safeguarding.

Bonnie was formerly an investigator with HM Customs & Excise, specialising in common agricultural policy fraud. Bonnie was chairman of Newark and Sherwood Primary Care Trust from 2000 to 2006. During this time the Trust developed as a lead commissioning organisation, working closely with Sherwood Forest Hospitals.

**Iain Younger, Non Executive Director**
(8/10 Board meetings attended, **left the Trust 30 November 2012)**

Iain joined the Board of Directors in December 2009 and was a member of the Audit Committee and the Finance Committee. Iain is a member of the Institute of Directors, a former member of the Chartered Institute of Personnel Management, and a former fellow of the Institute of Leadership and Management, of which he was a founding member.

From an initial background in human resources, Iain has been a board member of a number of FTSE companies and charitable organisations, and has wide experience in the development of strategic and business plans, including mergers and acquisitions, for a number of large private and public sector concerns.

Iain also brings considerable experience as a non executive director, having held appointments within the business, education, and voluntary sectors.

**Non executive directors appointed wef 1 May 2013:**

Sean Lyons
Clare Ward
Peter Marks.

**Non executive advisor appointed wef 1 May 2013:**

Gerry McSorley.

**Non executive director appointed wef 1 June:**

Ray Dawson.

# 1.2.2 Responsibilities of the Board of Directors

During the year ended 31 March 2013, the Board of Directors comprised 12 voting directors, of which seven were non executive appointments (including the chairman) and six were voting executive directors. The Board has a voting structure, set out in its constitution and authorised by Monitor (revised in February 2013) such that the chairman has a casting vote and non executive directors, when combined with the chairman's vote have majority.

The chairman and chief executive work together to provide visible, effective leadership of the Trust. The division of responsibilities between the chairman and the chief executive is set out in writing in governance documents, and has been approved by the Board.

**The Chairman:**
- Leads the Board in developing the Trust's vision and strategies
- Holds the chief executive to account for delivery of the strategy
- Provides visible leadership in developing a positive culture for the Trust
- Ensures that board committees which support accountability are properly constituted
- Has the responsibility for appointing and removing the chief executive with the support of non executive directors
- Chairs the committees responsible for agreeing remuneration, the appointment of and removal of the chief executive and executive directors
- Ensures regular reviews of performance of all Board members.

**The Chief Executive:**
- Leads the executive and provides visible day-to-day leadership of the Trust
- Leads the executive in developing and delivering the strategy and agreed objectives
- Leads the operational delivery of the Trust
- Is the Officer accountable to Parliament
- Is accountable via the chairman to the Board of Directors for the operational management and performance of the Trust and for the delivery of the Trust's strategy
- Reviews the performance of executive directors, with input from the chairman in terms of wider board contribution.

**The Board of Directors** has individual and collective responsibility for:
- Setting strategic direction, ensuring management capacity and capability
- Adding value to, and promoting the success of the Trust
- Providing leadership of the Trust within a framework of prudent and effective controls
- Monitoring and managing performance
- Safeguarding values and ensuring the Trust's obligations to key stakeholders are met.

All Directors, Executive and Non Executive, have responsibility to constructively challenge the decisions of the Board, to ensure that the Trust continues to comply with its Terms of Authorisation, and to develop proposals on priorities, risk mitigation, values, standards and strategy.

The Board of Directors met 14 times during the year. The Board of Directors meets monthly in confidential private session and holds a public Board meeting each quarter, (April, July, October and January).

**Board of Directors**
**Attendance**
**1 April 2012 to 31 March 2013**

**Attendees**

| | 30.04.12 Public | 29.05.12 | 31.05.12 Ex Ord | 28.06.12 | 26.07.12 | 30.08.12 - Public | 13.09.12 | 27.09.12 | 11.10.12 Ex Ord | 29.10.12 - Public | 05.12.12 | 24.01.13 - Public | 28.02.13 | 26.03.13 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | | |
| **Dr Mark Goldman (started 05.06.12 left on the 12.10.12)** | - | - | - | yes | yes | yes | AP | yes | yes | - | - | - | - | - |
| **Chris Mellor (Commenced 9.10.12)** | - | - | - | - | - | - | - | - | yes | yes | yes | yes | yes | yes |
| **Eric Morton - (Commenced 15.10.12)** | - | - | - | - | - | - | - | - | - | yes | yes | yes | yes | yes |
| **Tracy Doucet (left 04.10.12)** | yes | yes | yes | yes | yes | yes | AP | - | - | - | - | - | - | - |
| **Martin Wakeley (left 31.05.12)** | yes | yes | yes | - | - | - | - | - | - | - | - | - | - | - |
| **Carolyn White (left 14.12.12)** | yes | yes | yes | yes | yes | yes | yes | yes | yes | AP | yes | - | - | - |
| **Fran Steele** | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| **Dr Nabeel Ali** | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| **Susan Bowler** | yes | yes | yes | D | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| **Karen Fisher** | yes | yes | yes | yes | yes | D | yes | yes | yes | yes | yes | AP | yes | yes |
| **David Heathcote (left 02.11.12)** | yes | yes | yes | yes | yes | yes | yes | yes | yes | - | - | - | - | - |
| **David Leah** | yes | yes | yes | yes | yes | AP | yes | yes | yes | yes | yes | yes | yes | yes |
| **Bonnie Jones (left 31.10.12)** | AP | yes | AP | yes | yes | yes | yes | yes | yes | AP | - | - | - | - |
| **Stuart Grasar** | AP | yes | AP | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| **Charles Bellringer (Commenced (01.11.12)** | - | - | - | - | - | - | - | - | - | - | yes | yes | yes | yes |
| **Sir Stephen Moss (Commenced 1.12.12.  Left end of March 2013** | - | - | - | - | - | - | - | - | - | - | yes | yes | AP | yes |
| **Manjit Obhrai (Commenced (1.12.12)** | - | - | - | - | - | - | - | - | - | - | yes | AP | yes | yes |
| **Iain Younger (left 30.11.12)** | yes | yes | yes | yes | yes | yes | AP | yes | AP | yes | - | - | - | - |
| **Louise Barnett (Commenced 01.01.13)** | - | - | - | - | - | - | - | - | - | - | - | yes | yes | AP |

NB:- 'AB' denotes Absence .'AP' denotes Apologies Sent.  D denotes Deputy

## 1.2.3   Sub-Committees of the Trust Board

The Board of Directors had four sub-committees:

- Audit Committee
- Finance Committee
- Nominations Committee
- Remuneration Committee.

During the year, this was changed to:

- Audit Committee
- Finance & Performance Committee
- Risk Assurance Committee
- Remuneration and Nominations Committee
- Charitable Funds Committee (established in December 2012 but did not meet until after 31 March 2013)
- Clinical Governance and Quality Committee.

The membership and role of each of these committees is summarised below.

**Audit Committee**

The Audit Committee met regularly throughout the year. Chaired initially by David Leah, Non-Executive Director and from December 2012, Charles Bellringer, Non Executive Director. Membership of the committee comprises three non executive directors (including the committee chairman) all considered by the Trust to be independent.

The chair is a suitably experienced non executive director with financial expertise. The committee has been supported by regular attendance from the internal and external auditors and Trust officers including the chief financial officer and company secretary.  The chief executive attends as invited or at least annually.  Other executive directors attend by invitation. The committee met on eight?? occasions during the year.

The committee assists the Board in ensuring that effective internal control arrangements are in place across the Trust.

The Audit Committee is also the governance assurance committee, providing assurance to the Board on a wide spectrum of control issues, and in recent years has widened its scope to include other areas of non-financial governance – particularly clinical governance and information governance.

Members' attendance at Audit Committee meetings during 2012/13 was as follows:

| David Leah | 7 of 7 (5 as chair) |
|---|---|
| David Heathcote | 4 of 5 |
| Bonnie Jones | 3 of 5 |
| Iain Younger | 4 of 5 |
| From December 2012 Charles Bellringer – Chairman | 2 of 2 |
| David Leah | 1 of 1 (included above) |
| Louise Barnett | 1 of 1 |

**Finance & Performance Committee (refocused in December 2012, was previously Finance Committee)**

The Finance and Performance Committee is chaired by a non executive director. The committee supports the Board in undertaking more detailed monitoring of financial matters, performance management, clinical contract updates and approving business cases within delegated limits for both revenue and capital expenditure.

Members' attendance at Finance Committee meetings during 2012/13 was as follows:

| | |
|---|---|
| Tracey Doucét – Chair (up to and including the September 2012 meeting) | 5 of 6 |
| David Heathcote – (Chair for September 2012 meeting) | 7 of 7 |
| Bonnie Jones | 6 of 7 |
| Iain Younger | 4 of 8 |

From January 2013:

| | |
|---|---|
| Chris Mellor (Chair for October 2012 meeting) | 6 of 6 |
| Charles Bellringer (Chair from November 2012) | 5 of 5 |
| David Leah (formal attendee from November 2012) | 5 of 5 |
| Louise Barnett (attendee from January 2013) | 3 of 3 |

**Risk Assurance Committee**

A Risk Assurance Committee was established in December 2012 to provide strategic oversight of all significant risks. The Committee met once in the financial year 2012/13.

Details of attendees at the Risk Assurance Committee on 20 March 2013:

Chris Mellor (Chair)   Interim Chairman
Charles Bellringer      Interim Non Executive Director
Sir Stephen Moss       Interim Non Executive Director
Susan Bowler            Executive Director of Nursing and Quality
Andrew May              Interim Director of Estates and Facilities
David McNeil             Interim Company Secretary
Eric Morton              Interim Chief Executive
Fran Steele              Chief Financial Officer
Hayley Allison            Divisional General Manager, Emergency Care and Medicine
Elaine Torr               Divisional General Manager, Diagnostics and Rehabilitation
Susan Whale             Divisional General Manager, Planned Care and Surgery
Ann Graney              Minute Secretary

**Nominations Committees**

The Trust has two separate Nominations Committees – a Nominations Committee for matters relating to executive directors and a Nominations Committee for matters relating to non executive directors. The Nominations Committee for executive directors was chaired by the Trust Chairman, Tracy Doucét, until her departure in October 2012.

In January 2013 the Trust merged the Nominations Committee for executive directors with the Remuneration Committee, creating the Remuneration and Nominations Committee.
The interim Chairman, Chris Mellor, took over as Committee Chair and presided over the March meeting. The committee ensures that there is a formal, rigorous and transparent procedure for the appointment of executive directors to the Board and ensures that systems and processes are in place for the development, succession planning and regular performance assessment of the chief executive and executive directors.

The committee is supported by the executive director of human resources and company secretary and by external advisers where required. Neither the chief executive, or the executive director of human resources are present for any discussion relating to their own role.

The Nominations Committee (for the appointment of executive directors) met twice during 2012/13.

Attendance was as follows:

| Tracy Doucét - Chairman | 2 of 2 |
|---|---|
| David Heathcote | 2 of 2 |
| Bonnie Jones | 2 of 2 |

The Nominations Committee for non executive directors is a committee of the Council of Governors, chaired by the trust chairman and supported by the senior independent director.
The committee ensures there is a formal and comprehensive process and procedure in place for the appointment and terms and conditions of non executive directors to the Board.

During 2012/13 the committee also focused on agreeing a protocol for handling any breaches of the Council of Governors' Code of Conduct. The committee is supported by the executive director of human resources and the company secretary.

The Nominations Committee (for non executive directors) met 5 times during 2012/13. Attendance was as follows:

| Tracy Doucét | 2 of 5 |
|---|---|
| David Heathcote | 5 of 5 |
| Eve Booker | 5 of 5 |
| John Marsh | 5 of 5 |
| Margaret Ralls | 4 of 5 |
| Alison Luke | 3 of 5 |
| Nigel Mellors | 2 of 5 |
| Barry Answer | 2 of 5 |
| Davina Fordham | 2 of 5 |

**Remuneration Committee**

The Trust merged the Remuneration and Nominations Committees into a single committee in January 2013.  The Board of Directors appoints the Remuneration Committee and its membership comprises only non executive directors. Details of committee meetings and attendance are outlined within the Remuneration Report.

**Clinical Governance and Quality Committee**

The Clinical Governance and Quality Committee is chaired by a non-executive director.  The committee provides a focus on clinical governance, quality and patient safety activities in order to provide assurance and raise concerns to the board of directors.   It oversees clinical performance and ensures the Trust responds to clinical issues raised in national/local reports, patient surveys, serious untoward incidents, clinical incidents and inquests.

Please note the new format of meetings commenced January 2013.

Members' attendance at Clinical Governance and Quality meetings:

| | |
|---|---|
| Sir Stephen Moss | 3 of 3 |
| Manjit Obhrai | 2 of 3 |
| Louise Barnett | 2 of 3 |

The committee is supported by the executive director of nursing and the medical director.  The executive director of human resources, director of operations and Clinical Commissioning Group representation are attendees.

## 1.2.4 Corporate Governance

**Compliance with the Code of Governance during 2012/13**

The Foundation Trust Code of Governance (the Code) is published by Monitor the Foundation Trust Regulator. The Code was first published in 2006 and was last updated in March 2010, taking account of more recent developments in governance practices specific to NHS Foundation Trusts.

The purpose of the Code is to assist NHS Foundation Trust Boards to ensure good governance and to improve their governance practices by bringing together the best practice of public and private sector corporate governance.

The Code is issued as best practice advice, but imposes some disclosure requirements. NHS Boards are expected to observe the code or to explain in their Annual Report where they do not comply.

## 1.2.5  Council of Governors

**Composition of the Council of Governors**

The Council of Governors is composed of 18 elected governors (13 public, 5 staff) and 6 appointed governors.

**Attendance at meetings – April 2012 to March 2013**

| Governors | Constituency | Elected or Appointed | Terms of Office | 24th May 2012 | 12 June 2012 Extra Ordinary | 14 Aug 2012 | 18 Sep 2012 – Extra Ordinary Private | 25 September 2012 AGM | 15 Nov 2012 | 14 Feb 2013 | 28 February 2013 - Extra Ordinary | Attendances |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | No record kept | | | | | |
| Eve Booker | Ashfield | E | 1/2/07 | P | A | P | | P | A | P | P | 5/7 |
| Loris Lester - resigned | Ashfield | E | 1/7/10 | P | P | P | | | | | | 3/3 |
| Craig Gunton-Day | Ashfield | E | 1/2/10 | P | P | P | | p | | P | P | 6/7 |
| Beryl Perrin | Ashfield | E | 1/2/07 | P | P | P | | P | P | P | P | 7/7 |
| Mary Wilde – resigned 10 October 2012 | Ashfield | E | 1/2/07 | P | A | P | | P | | | | 3/4 |
| Davina Fordom – resigned 20th October 2012 | Mansfield | E | 1/2/07 | P | P | A | | | | | | 2/3 |
| John Marsh | Mansfield | E | 1/2/07 | P | P | P | | P | P | P | P | 7/7 |
| Frank Shields | Mansfield | E | 1/2/10 | A | P | A | | | A | P | P | 3/7 |
| Christine Smith | Mansfield | E | 1/2/10 | P | P | A | | | A | A | A | 2/7 |
| Geoff Stafford | Mansfield | E | 1/2/07 | P | A | P | | P | P | P | P | 6/7 |
| Jim Barrie | Newark & Sherwood | E | 1/2/10 | P | A | P | | P | P | A | P | 5/7 |
| Elaine Ellison | Newark & Sherwood | E | 1/2/10 | A | A | A | | A | A | A | A | 0/7 |
| Margaret Ralls - resigned | Newark & Sherwood | E | 1/2/07 | A | P | P | | A | P | | | 3/5 |
| Patricia Richards | Newark & Sherwood | E | 1/2/10 | p | P | A | | A | P | A | A | 3/7 |
| Dorothy Platts | Derbyshire | E | 1/2/07 | A | P | P | | P | P | P | P | 6/7 |
| Walter Satterthwaite | Derbyshire | E | 1/2/07 | P | P | P | | | A | P | P | 5/7 |
| Alison Beal | Staff – King's Mill Hospital | E | 1/2/10 | P | P | P | | P | P | P | P | 7/7 |
| Simon Beshir - resigned 7 August 2012 | Staff – King's Mill Hospital | E | 1/2/10 | P | P | | | | | | | 2/2 |
| Nigel Mellors | Staff – King's Mill Hospital | E | 1/2/07 | P | A | P | | P | P | P | A | 5/7 |
| Alison Whitham | Staff – King's Mill Hospital | E | 1/2/10 | P | P | A | | P | P | | P | 5/7 |
| Angie Emmott | Staff – Newark Hospital | E | 1/2/10 | P | P | P | | P | P | P | P | 7/7 |
| Alison Luke | Staff – Newark Hospital | E | 1/2/10 | P | P | P | | A | P | P | P | 6/7 |
| Nicola Juden | Staff – Volunteer – Newark Hospital | E | 1/2/10 | A | A | P | | | P | P | A | 3/7 |
| Ron Tansley | Staff – Volunteer – King's Mill Hospital | E | 1/2/10 | P | P | P | | P | P | P | P | 7/7 |
| Patricia Harman | West Notts College | A | | A | A | P | | P | A | P | A | 3/7 |

| Name | Organisation | | | | | | | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Cllr Paul Henshaw | Mansfield District Council | A | | P | P | A | | A | A | P | | 3/7 |
| Cllr David Kirkham | Ashfield District Council | A | | A | P | P | | | P | P | | 4/7 |
| Cllr David Payne | Newark & Sherwood DC | A | | A | A | P | | P | P | P | P | 5/7 |
| Amanda Sullivan | NHS Notts County | A | | P | A | P | | P | P | P | A | 5/7 |
| Cllr Stuart Wallace | Notts County Council | A | | P | A | | | | | | | 1/3 |

**P = Present  A = Apologies**

18 governors (13 public and five staff) were elected/re-elected by members of the NHS Foundation Trust from their own constituencies.

The elections in 2012/13 were conducted using the 'single transferable vote' method and turnout in the constituencies was 31.5% public, 18.4% staff.  The Electoral Reform Services acted as returning officer and independent scrutineer.

**Register of interests**
All governors are asked to declare any interests on the register of governors' interests at the time of their appointment or election. This register is reviewed and maintained by the Head of Corporate Services. The register is available for inspection on the Trust website. Any enquiries should be made to the Head of Corporate Services at the following address: Trust Headquarters, Level 21, King's Mill Hospital, Mansfield Road, Sutton in Ashfield, Nottinghamshire, NG17 4JL.

**Governor expenses**
Governors participating in events such as Board meetings and whose expenses are not paid by another organisation are entitled to claim expenses.  Expenses to be reimbursed include:
Travel by car, motorcycle or bicycle; public transport on a like for like basis on provision of a receipt.

**The full policy is available from the Head of Corporate Services at the address above.**

## 1.2.6 Trust Membership

Almost 5% of the local population have chosen to support Sherwood Forest Hospitals by becoming a member of the Foundation Trust. We have the largest membership base in the East Midlands, and one of the largest in the country.

Our public membership continued to grow steadily during 2012/13, increasing by 5% from 20,818 at the end of March 2012 to 21,920 at the end of March 2013.  In addition to the public and staff members, we listed 192 affiliate members at the end of March 2013. This positive, growth rate on previous years is a reflection of our agreed focus on membership engagement as much as recruitment, and we have actively increased the number of opportunities to engage with our members over the past 12 months.

The Trust has four public constituencies and a staff constituency, consisting of four groups.

## Staff constituency

The Trust has 5,267 employees and volunteers who are classed as staff members.  The staff constituency is divided into four classes:

- King's Mill Hospital, including Mansfield and Ashfield community hospitals
- Newark Hospital
- Volunteers at King's Mill Hospital
- Volunteers at Newark Hospital.

We also encourage membership from organisations that work with or on behalf of the Trust, including our PFI partners.  Less than 1% of our workforce has chosen to opt-out from being a member.

## 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 16 years of age or over and meet other eligibility criteria as described in the Trust's Constitution.

In order to ensure that our public membership is representative of those eligible to become members, we analyse the membership profile against that of our catchment area population to reflect age, gender, ethnic group and socio-economic group.

**Public membership breakdown at 31 March 2013:**

| | Number of members | Membership profile % | Population profile % | Index |
|---|---|---|---|---|
| **Age (years)** | | | | |
| 0-16 | 6 | 0.03% | 1.63% | 2 |
| 17-21 | 843 | 4.15% | 6.73% | 62 |
| 22+ | 19,449 | 95.82% | 91.65% | 106 |
| **Ethnicity** | | | | |
| White | 19,315 | 99.03% | 98.71% | 100 |
| Mixed | 31 | 0.16% | 0.46% | 35 |
| Asian | 101 | 0.52% | 0.41% | 127 |
| Black | 46 | 0.24% | 0.19% | 126 |
| Other | 12 | 0.06% | 0.46% | 13 |
| **Socio-economic groupings** | | | | |
| ABC1 | 7,891 | 37.82% | 42.63% | 89 |
| C2 | 9,653 | 46.26% | 18.17% | 255 |
| D | 1,096 | 5.25% | 21.35% | 26 |
| E | 2,227 | 10.67% | 17.85% | 60 |
| **Gender** | | | | |
| Male | 8,143 | 37.51% | 48.87% | 77 |
| Female | 13,568 | 62.49% | 51.13% | 122 |
| **Constituency** | | | | |
| Ashfield | 6,167 | 30.71% | 28.51% | 108 |
| Mansfield | 6,562 | 32.68% | 24.03% | 136 |
| Derbyshire | 2,204 | 10.98% | 16.46% | 67 |
| Newark & Sherwood | 5,147 | 25.63% | 31.00% | 83 |

**Notes**: for the purpose of the membership analysis the 'unknown' figures have been allocated across the 'known' pro rata.

The index alongside the Public Member breakdown highlights the relative representation of the existing members compared to the eligible population. The closer to 100 the number is, the more representative the membership is.

# Membership Recruitment

The Trust has continued to drive forward membership by recruiting new members and enhancing our engagement programme. The profile of the membership has increased across the Trust and the community, with the Council of Governors continuing to be actively involved in the recruitment and engagement of the members throughout 2012/13.

Throughout the year the principal means of membership recruitment was through face-to-face contact with members of the public. This may have been at local events, community and voluntary group meetings and also at events within our hospitals. We have targeted all facets of our catchment area with a particular focus on those groups who are under-represented such as 16-21 year olds, males and the D socio-economic class.

The Membership and Engagement Sub-Committee has reviewed the membership recruitment target for 2013/14. The sub-committee studied the number of public members recruited during 2012/13 (1,543 new members) and the number of members lost and has recommended to the Board of Directors that the target should continue to be 21,000 public members by the end of March 2014. This

replenishment of lost members will enable the list to be maintained and allow the Trust to continue to focus on quality engagement rather than numerical growth. We are committed to keeping our data cleansed, which means that in order to maintain the status quo membership recruitment will need to attract 6-7% more new members.

The sub-committee has also considered the emerging emphasis on better engagement with existing members and feels that this should be strengthened throughout 2013/14.

We will continue to use targeted recruitment methods to ensure that our public membership is representative of those eligible to join.  Our recruitment events will focus on ensuring we continue to focus on involvement and engagement of members.

## Engagement with members

Positive engagement with our members is extremely important and we are constantly improving and increasing the level of this.
There is evidence that there has been an increase in the number of members responding to surveys and attending member events.  This is monitored regularly at the Membership and Engagement sub-committee and new, innovative methods of engagement are discussed.

Membership highlights included:

- Best, the Trust magazine which is distributed three times a year to all members, continued to be very popular. We continue to encourage more members to receive the magazine via email, with more than 3,320 now receiving the magazine by this method.    This helps us to continue to reduce our printing and distribution costs

- An open day was held at Newark Hospital, attended by more than 200 members of the public. The day included tours of several areas of the hospital, including the newly refurbished outpatients department and the Mercia Doughty endoscopy suite

- Monthly member events were organised on a variety of health related topics, including an extremely popular event  Learning about Dementia

- The insertion of  a member survey in all welcome packs asking members about any health topics they are particularly interested in.  This enables us to further target our membership, to ensure the information they receive is appropriate and useful.

## Future membership recruitment and engagement

Whilst the Trust is satisfied that its membership profile was broadly representative of its local population at the end of 2012/13, work will continue during the forthcoming year to ensure our membership base demonstrates even greater representation of our local communities.
The key priorities in 2013/14 include:

- Continue to work closely with our governors and members to ensure that our services meet their needs and reflect their ambitions; and being open and more transparent with governors and members
- Engage with members, in line with the Equality Delivery System objectives, ensuring that all groups are appropriately represented and that we continue to build productive relationships with our members, including an increasing proportion who would recommend our services
- Influence key policy areas followed by feedback to members on how they have made a difference, for example involvement in any service redesign
- Ensure that the membership continues to be representative of our local population and that the number of members is maintained.

The Trust will also be developing further innovative ways in which it can engage with members including:

- Increasing opportunities for members to become more involved with service redesign
- Continuing to further improve the Trust magazine with an increased range of topics
- Continuing the rolling programme of member events
- Increasing the opportunities for governors to engage with their members
- Further enhancing the use of social media and email
- Encouraging greater attendance at the AGM by featuring key service 'spotlights'.

## To contact your local governor

All governors can be contacted by emailing governors@sfh-tr.nhs.uk or telephoning 01623 622515 ext. 3509.

Find out more about our Council of Governors and look up individual governors on our website www.sfh-tr.nhs.uk . You can also follow us on Twitter at www.twitter.com/SFHFT or Facebook by searching for Sherwood Forest Hospitals at www.facebook.com

### 1.2.7 Annual Governance Statement

## 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.

I make this statement as an Interim Chief Executive for the last five months of the financial year 2012/13, following a decision by Monitor, the independent regulator to put the Trust in "Significant Breach" in terms of finance and governance. There has also been an interim chairman, four interim and seconded non executives and interim executive directors in post since October 2012 to assist in turning around the Trust. My review therefore encompasses the whole year but reviews much of the good work undertaken in the last two quarters of 2012/13.

The Trust was found to be in "Significant Breach" of its terms of authorisation for two main reasons:

- Failure to exercise its functions effectively, efficiently and economically, and
- Failure to comply with governance requirements.

I have reflected on two external reports, from KPMG on Finance and particularly from PricewaterhouseCoopers (PWC) on governance. The PWC report found a number of weaknesses in the governance process and we are, with agreement and support from Monitor, responding positively to their recommendations through a robust process and action plan. The Board receives regular reports on progress.

## The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of the 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 The Sherwood Forest NHS Foundation Trust for the year ended 31 March 2013 and up to the date of approval of the annual report and accounts.

## Capacity to handle risk

The Trust Board is responsible for the overall governance of the Trust. The Board is responsible for reviewing the effectiveness of the system of internal control, including systems and resources for managing all types of risk. In January 2013, the Trust Board in response to the PWC recommendations approved the establishment of a Board sub-committee to consider strategic and operational risk as this was not considered to be firmly gripped. The Risk Assurance Committee reviews and informs the Assurance Framework to ensure that the Trust approaches the control of risk in a strategic and organised manner.

Risk management training and awareness is included in the mandatory training policy and the risk management policy, covering new staff on induction. This training has been inconsistent and the Risk Assurance Committee has commissioned additional work and support to ensure that risk training is embedded across the organisation.

The Board is committed to a culture of continual learning and quality improvement. Major reports from healthcare regulators are used to assess what lessons the Trust can learn from significant incidents and events in other healthcare organisations in order to evaluate and improve our practice.

## The risk and control framework

The system of internal control is based on an on-going risk management process that combines the following elements:

The Trust has a comprehensive Risk Management Policy that has been approved by the new Risk Assurance Committee and the Trust Board and is available to all staff on the Trust's intranet site. The purpose of this policy is to ensure that the Trust manages risks in all areas using a systematic and consistent approach. It provides the framework for a robust risk management process throughout the Trust. The document describes the Trust's overall risk management process and the Trust's risk identification, evaluation and control system, which includes the risk matrix used to evaluate risks. Risk appetite is covered in the risk strategy. The Board's new Risk Assurance Committee recommends which risks may be accepted at medium/low levels, having been assured that all reasonable measures have been put in place to mitigate a risk and that there is assurance that these are monitored regularly. The Trust's major risks are identified in the annual report.

The Trust has strengthened its information risk controls by establishing an Information Security Management System (ISMS) similar to that defined within the International Standard (ISO) 27001. This entails the identification and classification of information assets, risk assessing those assets and then establishing control frameworks to keep those assets secure. The Trust has committed to establishing ISMS through its compliance with the Information Governance Toolkit. One key element of our compliance is having a current Information Risk Policy.

The policy is supported by an Information Risk Strategy and accompanying procedures. These set out the arrangements for governing information risk processes, i.e. the framework of accountability and the roles and responsibilities of staff, management and committees. Together these contribute to the organisation meeting its legislative and regulatory requirements, as well as meeting requirements from the Department of Health for organisations to manage the security of their information, defined within the Connecting for Health Information Governance Toolkit.

The Board Assurance Framework (BAF) is the key proactive risk identification tool for the Trust. It contains the principal risks to the achievement of the organisation's strategic objectives as identified by the Trust Board. Since January 2013, the BAF has been reviewed and an external firm, KPMG, have been commissioned to develop the format of the BAF to ensure it is able to inform the risk appetite of the Board.  The Trust's Strategy on a Page which includes critical success factors is mapped into the BAF. The BAF has not been at the forefront of governance for the Board.  However, it will enable the Board to monitor the effectiveness of the controls required to minimise the principal risks that threaten the achievement of Trust objectives and therefore provides the evidence to support this Annual Governance Statement. The BAF will set out further assurances that are available against a specific risk. Action plans within the BAF address how assurances will be provided or, where assurances have identified inadequate controls, how controls will be improved. The BAF is reviewed each quarter by the Audit and Risk Assurance Committees of the Board. The risk registers and BAF are cross referenced. The Trust Board review the BAF twice a year to ensure the principal risks have been identified.

All staff are responsible for managing risks within the scope of their role and responsibilities as employees of the Trust. We are strengthening the structured processes in place for incident reporting, and the investigation of Serious Incidents. The Trust Board, through the risk management strategy and policy and the incident policy, promotes open and honest reporting of incidents, risks and hazards. The Trust has a positive culture of reporting incidents, enhanced by accessible online reporting systems available across the organisation.

The responsibility for risk management is clearly mapped to all staff, the Trust Board, NEDs and Executive Directors, department heads, managers and senior clinicians, clinical governance & quality, and Health & Safety. Risks are identified reactively and proactively.

All risks are assessed against one standard tool at a divisional level recorded on Datix. High level corporate risks are reported to and reviewed by the Risk Assurance Committee and are reported to the Board quarterly in the BAF.

The Trust's Risk Assessment Tool ensures that a consistent approach is taken to the evaluation and monitoring of risk in terms of the assessment of likelihood and impact. Risks are monitored through a formal reporting process where the assessed level of risk and its strategic significance determines where it will be reviewed and monitored. The monitoring of risks and action plans have been undertaken by the following Trust Board and its committees during 2012/13:

- The Audit Committee
- The Risk Assurance Committee
- The Clinical Governance and Quality Committee
- The Finance and Performance Committee.

These committees are supported by executive chaired committees/groups and divisional governance structures that channel information up to and down from the Board/Board committees via the risk register.

The Trust's commitment to quality governance is based on clearly defined quality priorities, a system of quality performance management, and a clear risk management process. There is a dashboard presented to the Board which allows key threats and risks to quality to be identified with more detail being reviewed by the Board's Clinical Governance and Quality Committee.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with. Equality impact assessments (EIA) are integrated into core Trust business e.g. they are carried out as standard procedure for all Trust's policies.

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments to the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

The Trust had an unannounced visit.  This followed the discovery and announcement of issues relating to oestrogen receptor testing. It took place in October 2012 and was jointly conducted by the CQC and the Royal College of Pathologists. The visit conducted by the Royal College of Pathologists concentrated on the histopathology department. The CQC scope was broader and reviewed the quality of care with regards to:

- Outcome 4: Care and Welfare of people who use the service
- Outcome 16: Assessing and monitoring the quality of service provision.

The CQC report for the Trust was published in April 2013 and shows the Trust to be compliant in Outcome 4; however the Trust needs to strengthen Governance structures and processes within the hospital. The CQC rated this to be of a moderate impact to patients (Outcome 16). The Trust is implementing actions to address these findings.

The Trust involves its key public stakeholders with managing the risks that affect them through the following mechanisms:

- Engagement with the local Health Overview and Scrutiny Committee
- Engagement with the Local Involvement Network
- The Council of Governors is consulted on key issues and risks as part of the annual plan

- Board approved Membership Development and Engagement Strategy 2012-15, which was consulted on extensively by the Council of Governors
- Annual Members Meeting
- Foundation Trust office where members can raise specific issues with the Trust and /or relevant governor
- Engagement with user groups and support groups.

Sherwood Forest Hospitals NHS Foundation Trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with. Adaption reporting uses a risk assessment approach in conjunction with resilience planning founded on weather-based risks e.g. heat wave, extreme cold, drought, flood.

Compliance with the Code of Governance - The Board considers itself compliant with all provisions of the NHS Foundation Trust Code of Governance and has made the disclosures required by the Code in this annual report.

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

The following key processes are in place to ensure that resources are used economically, efficiently and effectively:

- Scheme of Delegation and Reservation of Powers approved by the Board
- Standing Financial Instructions
- Robust competitive processes used for procuring non-staff expenditure items. Above £25k, procurement involves competitive tendering
- Use of materials management and e-procurement systems and techniques means the organisation adopts the 'just in time approach' thereby reducing stock levels and potential wastage
- Cost improvement schemes, which are assessed for their impact on quality with local clinical ownership and accountability
- Devolved financial management with service line reporting and patient level costing
- Use of benchmarking for non-clinical support functions.

The Trust Board gains assurance from the Finance and Performance Committee in respect of financial and budgetary management across the organisation and the Audit Committee, which receives reports regarding Losses and Compensations, Write-Off of Bad Debts, Going Concern and Contingent liabilities.

There are a range of internal and external audits that provide further assurance on economy, efficiency and effectiveness, including internal audit reports on creditors, financial reporting and budgetary control, healthcare contracting & payment by results, cash management, and cost improvement programmes. All Internal Audit reports into finance functions have reported significant assurance for the past two financial years.

# Annual Quality Report

The directors are required under the Health Acts 2009 and 2012 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year.

Monitor has issued guidance to NHS Foundation Trust Boards on the form and content of Annual Quality Reports which incorporate the above legal requirements in the NHS Foundation Trust Annual Reporting Manual.

At the heart of the Trust's commitment to quality there are some clearly defined quality priorities. There is a dashboard presented to the Board which allows key threats and risks to quality to be identified with more detail being reviewed by the Board's committee, the Clinical Governance and Quality Committee.

The chief executive is ultimately accountable for the clinical governance processes in the Trust. This responsibility is delegated to the medical director and the director of nursing, assisted by their deputies.

Following the announcement by Monitor in October 2012, putting the Trust in significant breach, there were a number of changes at Board level. Interim CEOs, Interim Chair and Interim Executive Directors have been in place for the last two quarters of 2012/13. In addition, the Non Executives were also changed, leading to 4 interim NEDs being appointed whilst a new recruitment process was launched. The recruitment process will be complete in May 2013 and until then the interim NEDs and Directors will lead the Trust. The interim Directors work alongside the permanent executive Directors and are experienced in NHS settings. This has resulted in a strong and purposeful Board. The interim Non executive Directors working with the two remaining NEDs provide independent challenge and bring a range of senior level experience from the commercial and public sectors. They receive individual appraisals undertaken by the Chief Executive and Chairman respectively.

The Board monitors quality through the following processes:

- The monthly quality and safety report and a quarterly quality report
- The integrated performance report
- The reporting of serious incidents and learning from them to the monthly Clinical Governance and Quality Committee
- A more in-depth review of quality and parameters by the Clinical Governance and Quality Committee
- Special reviews/reports.

The Trust has a comprehensive clinical audit work plan covering both national and local audits. Regular updates on clinical audit are reported to the Clinical Governance and Quality Committee.

A framework exists for the management and accountability of data quality, supported by the Data Quality Policy, which consist of a set of quality data groups that run across the organisation. These groups report to an executive director-led steering group which feeds into the Audit Committee.

## 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, clinical audit and the executive managers and clinical leads within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework.

I have drawn on the content of the quality report attached to the Annual Report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports.
I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee, Risk Management Committee and Clinical Governance and Quality Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The process that has been used to maintain and review the effectiveness of the system of internal control has been based on:

- The Board's review of the Board Committee structure, which was changed in the last quarter of 2012/2013, their effectiveness and terms of reference which are reviewed by the Board and by

each Committee; and the effectiveness of the Board, which has been supported by interim executives and non executives

- Development, review and challenge of the Board Assurance Framework (BAF) which is compiled by the Trust Secretary in conjunction with the relevant Executive Directors and their senior managers.

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. The Head of Internal Audit Opinion for 1st April 2012 to 31st March 2013 is as follows:

"2012/13 has been a difficult one for the Trust and there have been a number of factors which have necessarily placed limitations on my opinion.  The Trust has continued to be beset by issues and problems experienced in 2011/12 which has adversely impacted on its governance and risk management and prevented a robust Board Assurance Framework and associated processes being achieved. Accordingly, a **Limited Assurance opinion** can be provided as weaknesses in the design or inconsistent application of controls put the achievement of the organisation's objectives at risk in the areas reviewed."

Throughout the year Internal Audit has reported on the following high risk issues:

- In relation to the policy management review, it was identified that no central system was in place allowing for co-ordinated monitoring of Trust policy and procedure documentation.  There was not, therefore, a system in place which provides assurance that required policy and procedure documentation is in place, is up-to-date and has been effectively communicated. Action has been taken to mitigate the risks identified
.
- A bank and agency staffing review identified significant weaknesses to the design of and extent to which the established control framework was being complied with.  An action plan has been agreed and the Trust is currently undertaking a strategic review of how the use of temporary staffing is managed

- A data quality review was completed in relation to the Patient Safety Indicator. It is mandatory for NHS organisations to report all patient safety incidents which result in severe harm or death to NRLS (National Reporting and Learning System) and commissioners. The audit highlighted that there have been weaknesses in the validation controls in place at the Trust throughout the year 2012/13.   Senior management level review of all incidents has now been introduced

A follow-up review of the Trust's response to high risk actions in relation to the management of the Trust's Cost Improvement Programme (CIP) identified that action had not been taken promptly and that risks identified remained.  A strengthened CIP oversight structure was introduced in January 2013.

## Conclusion

My review confirms that Sherwood Forest Hospitals NHS Foundation Trust has had significant internal control issues, particularly around the management and training related to risk and the use of the BAF. It has also had major concerns regarding its financial position and remains in significant breach of Monitor's conditions. However, it is developing a generally sound system of internal control that will develop to support the achievement of its policies, aims and objectives. The new chief executive, chairman and executive directors will take up their roles in the first quarter of 2013.  My review confirms that, whilst there is still much to do, important and long lasting changes have been  made that will enable the Trust to survive and succeed.

Signed…….………….          **Eric Morton, Interim Chief Executive**

**Date………28 May 2013**

Sherwood Forest Hospitals **NHS**

NHS Foundation Trust

*Quality Report*
2012/13

## QUALITY REPORT CONTENTS                                   PAGE

# 1 INTRODUCTION

## 1.1 Statement on quality by the Chief Executive

Improving safety, quality and patient experience by putting patients at the heart of everything remains the Trust's top priority. One of our overarching objectives is to be one of the safest organisations in the NHS by providing the highest quality care to every patient, every time. We aim to treat patients in a way that we would want our loved ones to be treated, by having dedicated staff who are committed to delivering the highest standards of care.

We are mindful of the challenging and changing NHS landscape, which requires greater efficiency, increased activity, greater consistency and innovation to meet the needs of the ageing population. It is our ambition to meet these challenges whilst ensuring we continue to provide the high quality healthcare the people in our localities expect. This is at the forefront of our minds following the publication of the Francis Report in February 2013. Over the coming months, we will take time to consider how we as an organisation need to respond to the recommendations, so we can learn lessons that lead to improvements in care across the healthcare community.

We have made significant progress in recent years, especially in relation to infection control rates, which are amongst the lowest in the country. It has been over three years since the Trust had a case of hospital-acquired MRSA bacteraemia and rates of hospital-acquired Clostridium difficile have reduced significantly and are at our all-time lowest.

There has also been real progress in terms of positive impacts for patients; we have seen a 50% reduction in our avoidable cardiac arrest rates and 95% of our patients are assessed for blood clots. We have successfully appointed a dementia nurse, who is working with lead clinicians to improve the care of patients with dementia. For this year we have increased the number of appropriate staff trained in dementia to 90%.

We are proud to have on-going positive patient feedback in the national 'Friends and Family' survey. 84% of our patients consistently say they would recommend King's Mill Hospital to their friends and family, making us one of the highest scoring Trusts in the Midlands and East region. These results come after the Trust was deemed excellent for the patient environment, privacy and dignity and quality of food in the annual Patient Environment Action Team assessment last year.

We rightly have a duty of candour to be open, honest and transparent about the areas where we need to make improvements. We feel we still have a lot of work to undertake in relation to reducing our mortality and have not made the progress we need. We are driving this important initiative and have made it our top patient safety priority for 2013/14. We have implemented a mortality programme with the aim of reducing hospital mortality rates; priority areas have already seen great improvement. This is led by the Associate Medical Director and reports to the Clinical Governance and Quality Committee, a sub-committee of the Board.

We also feel that we have not sufficiently reduced the number of hospital acquired pressure ulcers. Pressure ulcers are painful and debilitating. We have not performed as we planned in our reduction plan and will make this our second priority for 2013/14

Following a number of governance concerns and intervention by Monitor, in which the Trust was placed in significant breach of its Terms of Authorisation, the Care Quality Commission (CQC) undertook a responsive visit. As a consequence of their findings, the Trust was found to be compliant in CQC Outcome 4 – Care and Welfare and received a moderate concern in Outcome 16 - Governance. The Trust has taken decisive action to address these concerns and has undergone a number of reviews into quality, governance and finance, with robust plans now in place to reinforce systems and processes. We have strengthened clinical leadership to drive these changes. We are aware that cultural changes are necessary and will be the subject of an organisational development plan.

This year's Quality Account gives us an opportunity to demonstrate our commitment to continuously reviewing and improving the services we offer. The report gives an honest account of our performance and shows our successes, as well as the areas in which we need to improve.

There are two main priorities in delivering this report:

- To describe our quality priorities for the coming year
- To update our patients, partners and the public on the progress we have made against the priorities that we set last year.

In this Quality Report we share information on the quality of the services we provide in the following three areas:

- Patient safety
- The effectiveness of treatments that patients receive
- Patient experience.

Our priorities for the coming year consider our local and national drivers to reduce avoidable harm, improve our mortality rates and ensure our patients are getting the right care, in the right place, at the right time.

In reflecting back on the previous year I am confident that, and to the best of my knowledge, the information in this report accurately reflects our performance and provides an honest and consistent appraisal of where our plans were delivered, where they were exceeded and where we have struggled to meet our high ambitions. We are not complacent and acknowledge that more work needs to be done in some areas.

The report shares the initiatives and achievements already underway which have made a positive impact on our patients, and demonstrates that we are providing first class care and treatment for our communities.



Eric Morton
Interim Chief Executive

## 2.0 Our priorities for improvement

### 2.1 What quality priorities did we set for 2012/13?

In the 2012/13 Quality Account we identified a number of quality improvement priorities to focus upon during 2012/13. Each of these is reported on in more detail under Section 3.

| QUALITY PRIORITIES 2012/13 | | | |
|---|---|---|---|
| **Domain** | **Priority** | **Objectives** | **Achieved in Year?** |
| **Patient Safety** | Harm Free Care – C-Difficile | To reduce Hospital Acquired C. difficile year on year to < 36 cases per year. | Yes |
| | Harm Free Care – Pressure Ulcers | To deliver harm free care by eliminating avoidable Grade 2, 3, and 4 pressure ulcers. | No |
| | Reduce the Rate of Patient Safety Incidents Resulting in Severe Harm or Death | To reduce the rate of patient safety incidents and percentage resulting in severe harm or death | Yes |
| | High Quality, Harm Free, Safe use of Medicines | To deliver high quality, harm-free, safe use of medicines.  To reduce missed / delayed doses and improve medicines reconciliation | Partially |
| **Clinical Effectiveness** | Reduce Summary Hospital Mortality Indicator (SHMI) | To reduce to below 97 | No |
| | Avoidable Readmissions | To reduce avoidable emergency re-admissions to hospital within 28 days of discharge to 1.75 % | No |
| | Blood clots | To eliminate unnecessary deaths due to Venous Thromboembolism (VTE) by increasing the number of patients receiving a risk assessment to 95% | Yes |
| | Inpatient Diabetes Management | To improve inpatient diabetes management and improve access to diabetes care by the full implementation of 'Think Glucose' | Yes |
| **Patient Experience** | Friends and Family Test (Net Promoter) | To achieve top quartile scores in the net promoter score meaning more people would recommend the hospital to friend and family. | Yes |
| | Patient Experience | To increase our responsiveness to patients personal needs by improving our scores against 5 patient experience indicators | Yes |
| | Staff Recommendations for Family and Friends test | To increase the percentage of staff who would recommend our hospitals to family or friends | No |
| | Dementia | To improve the quality of care and outcomes for patients with dementia.  To individualise dementia patient's experiences across all specialities | Yes |

We have indicated in the table whether we feel we met the specific targets that were set for each of these objectives. We fully achieved the majority but there are some that we need more intensive work to deliver in 2013/14. These are reflected within the priorities we have set for the coming year.

## 2.2 Priorities for 2013/14

We have used the following information to identity our priorities for 2013/14:

- Stakeholders and regulators feedback and comments
- Our national inpatient and outpatient surveys, as well as real time feedback from patients and governors
- Governors and members comments and ideas
- Themes within complaints and PALs
- Internal performance metrics
- Internal and external reviews, eg Board and Quality Governance Review, cancer peer reviews
- Health Service Policy
- Our staff, including clinical teams.

We have recognised that we must improve our governance processes, strengthen our leadership and make the Trust one of the safest organisations in the NHS. Our staff acknowledge that we must drive those priorities that we failed to achieve in 2012/13, whilst also striving to achieve excellence in all areas of care.

Our longer list of priorities for 2013/14 is shown below:

| QUALITY PRIORITIES for 2013/14 | | |
|---|---|---|
| **Domain** | **Priority** | **Driver** |
| **Patient Safety** | **Reduce pressure ulcers** | Local & National priority/High Impact Action/Safety Thermometer/CQUIN |
| | Reduce harm from falls in hospital | Local priority/High Impact Action/Safety Thermometer/complaints/CQUIN |
| | Maintain and improve infection control rates | Public feedback/Local priority/High Impact Action |
| | Ensure midwife to birth ratios are at recommended levels | Public feedback/Local priority/High Impact Action |
| | Ensure safety of medicines | Local priority/CQC/Local patient feedback |
| | Minimise the number of inpatient transfers after 10pm for non-clinical reasons | Local priority/staff feedback/PALS and complaints |

| QUALITY PRIORITIES for 2013/14 | | |
|---|---|---|
| **Domain** | **Priority** | **Driver** |
| **Clinical Effectiveness** | **Reduce mortality rates** | Local and national patient feedback/Local and national priority/CQUIN |
| | Improve the care of deteriorating patients | Local priority/local patient and staff feedback/CQUIN |
| | Ensure safe and appropriate staffing levels | Local and national priority/Francis/CQC |

| | Develop 7 day working across the hospital | Local and national priority/local patient feedback |
|---|---|---|
| | Improve communication between the hospitals and primary care | Local and national priority/local patient feedback/PALS and complaints |
| | Gain staff feedback on whether they would recommend the Trust as a place to be looked after | Local and national priority/Francis |
| **Patient Experience** | **Reduce length of stay and readmissions by improving patient flows** | Local priority/PALS and complaints |
| | Improve elderly care particularly for patients with dementia | Local and national priority/local and national patient feedback/CQUIN |
| | Enhance end of life care | Local and national priority/local patient feedback/PALS and complaints/CQUIN |
| | Ensure patients nutrition and hydration needs are met | Local and national priority/High Impact Action/Francis |
| | Ensure patients are cared for with dignity, compassion and respect | National priority/PALS and complaints/Francis/CNO Vision |

We have utilised the three dimensions of quality to determine and structure our priorities to make progress. These are:
- Patient safety
- Clinical effectiveness
- Patient experience.

As an organisation seeking to deliver high quality services and demonstrate continuous improvement we focussed on principal priorities we believe will drive forward our quality and safety improvement strategy during 2013/14. From our long list we have identified three improvement areas which we would like to give particular focus to:

- **Priority 1 – Improving the effectiveness of care we deliver by achieving a reduction in mortality (HSMR, SHMI and crude mortality)**

- **Priority 2 – Delivering Harm Free Care by reducing hospital acquired pressure ulcers**

- **Priority 3 - To reduce length of stay and readmissions by improving patient flows (i.e. reducing the number of bed movements during the patient's inpatient stay)**

To be a safe organisation, the Trust requires effective governance at all levels within the Trust. This requires an infrastructure, which ensures that risks to both quality and financial sustainability are identified and well managed. This will ensure that timely actions are taken to improve performance and safety in a sustainable manner. Actions are currently being taken at the Trust to strengthen the governance structure and embed the new systems and processes across the organisation, from ward to Board. This will ensure effective monitoring systems to track progress against each of our key priorities identified below.

The Board of Directors will receive monthly and quarterly quality reports, which identify how the Trust is performing against a range of key performance indicators. The three key improvement areas will be reported at least monthly. This reporting process will be underpinned by a strengthened assurance process, reported monthly at the newly established Clinical Governance & Quality Committee. Our Clinical Commissioning Group colleagues will monitor the progress of these priorities at our monthly Quality and Scrutiny and Clinical Executive Meetings.

**Priority 1 – Improving the effectiveness of care we deliver by achieving a demonstrable reduction in mortality – HSMR, SHMI and crude mortality**

**Why is this a priority?**

When we reviewed our most recent Hospital Standardised Mortality Ratio (HSMR) it was reported as 116. This tells us that the number of patients who die at the Trust is higher than would be expected. This is unacceptable so we need to fully understand why this is and take the necessary steps to improve. Although we have made improvements in specific target areas over the past year, e.g. hip fracture pathway, we will work in a focused way to deliver sustained reduction in our mortality rates.

**Why do hospitals measure mortality rates?**

Mortality rates are one of the indicators of quality of care. They help us understand the risks of hospital treatments for individual patients, changes in the patterns of disease over time and can point to improvements to reduce mortality.

The Trust's crude mortality rate looks at the absolute number of deaths that occur in a hospital in any given year and then compares that against the number of people admitted for care in that hospital for the same time period.

The Summary Hospital Mortality Index (SHMI) and Hospital Standardised Mortality Ratio (HSMR) allow us to see whether death rates in hospitals are changing. SHMI data includes in-hospital deaths and deaths within 30 days of discharge. Standardisation allows comparisons for different mixes of illnesses being treated between hospitals and over time. An estimate of the number of expected deaths is calculated for each hospital based on the characteristics of patients admitted. Then the actual number of deaths is compared with this figure giving a "standardised rate".

The Hospital Standardised Mortality Ratio (HSMR) measures whether the number of people who die in hospital is higher or lower than you would expect for 57 conditions. Each group of patients is looked at to see how often, on average, across the whole country, they survive their stay in hospital, and how often they die after taking into account their age, the illness and issues such as whether they live in a deprived area.

**Mortality Programme**

There are a number of key work streams which have been identified following analysis of data from Dr Foster Intelligence. Dr Foster Intelligence is a provider of healthcare information in the United Kingdom, monitoring the performance of the National Health Service and providing information to the public. It is a joint venture with the Department of Health and was launched in February 2006. As a result of mortality case note reviews and investigations into coroner's cases and serious incidents we have identified a number of key areas to focus upon to improve our mortality.

Our mortality programme will continue to review the leading causes of inpatient deaths contributing the higher than expected HSMR. The work streams we have identified will include the following:

1.    Improving clinical care
   - Deteriorating patient
   - Sepsis management
   - Acute kidney injury management
   - Care of pneumonia
   - Acute myocardial infarction (AMI) / congestive cardiac failure pathway
   - Stroke pathway
   - Fractured neck of femur pathway.

2.    Refining clinical processes
- Acute medical admissions
- Handover
- Managing results from diagnostic tests
- Improving ward rounds in line with Royal College guidance
- Implementing and embedding 'Care & Comfort Rounds' (Intentional Rounding).
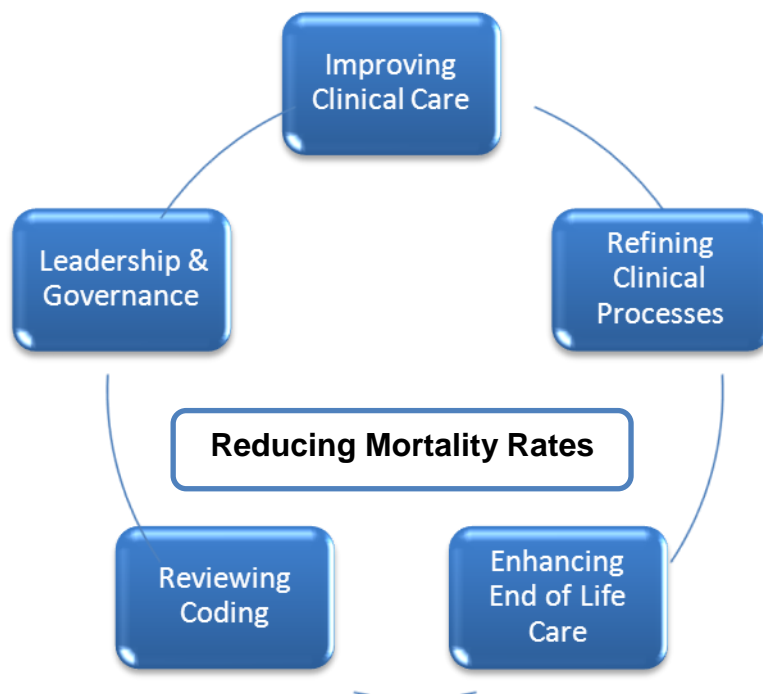


**What we are aiming to achieve in 2013/14?**

- To reduce the Hospital Standardised Mortality Ratio (HSMR) by 10%, with a continuous year on year reduction

- To identify the deteriorating patient quickly.  We have committed to invest in the VitalPAC system. VitalPAC is an electronic, wireless point of care system, which enables staff to enter patients' physiological observations using hand held devices, which triggers earlier interventions. We believe this will be a key enabler to achieve our mortality reduction ambition.  This cannot be relied upon in isolation and will be implemented in conjunction with other initiatives to drive changes in practice.

**Actions required for 2013/14**

- External, independent expert reviews of pathways and services.  The first pathways to be reviewed are our stroke pathway and myocardial infarction pathway
- The appointment of a patient safety lead to drive the patient safety programme forward
- Establish multidisciplinary, multi-professional improvement groups to drive down mortality from the six most common causes of death with a raised mortality rate. They include:

  - Implement an improved process for detection and management of the deteriorating patient (including the implementation and evaluation of VitalPAC )
  - Establish working groups to define and implement best practice for clinical processes such as ward round handover

- Expand the end of life group to include community representation and implement policies to reduce unnecessary admissions to hospital, improve end of life care and expand choices available for patients at the end of their life
- Implement the mortality coding project and ensure its sustainability
- Continue to involve GP commissioners and community colleagues in our mortality work streams.

## Monitoring and Reporting

- A mortality steering group will continue to meet monthly to monitor the progress of the various work streams and the programme in its entirety. There is both internal and external representation from a range of stakeholders, with clinicians leading specific pathways/schemes of work

- Progress against the overarching programme will be reported to the Clinical Governance & Quality Committee and to the Board of Directors

- HSMR, SHMI and crude mortality are safety indicators and will be regularly reviewed by the Board via the Clinical Governance and Safety Committee

- A robust action plan is in place; actions are progressing well, with the plan being project managed as part of the Programme Management Office structure.

## Nominated Lead: Executive Medical Director

## Priority 2 – Delivering harm free care by reducing pressure ulcers

## Why is this a priority?

Harm free care is the national programme for the roll out of the Safety Express (a national safety programme). The key principles include; Stop dealing with safety issues in silos, think about complications from the patient's perspective and aim for the absence of all four harms to each and every patient. This programme was introduced by the National Quality, Innovation, Productivity and Prevention (QIPP) Safe Care Coalition and helps NHS teams in their aim to eliminate harm in patients from four common conditions:

- Pressure ulcers
- Falls
- Urinary tract infections in patients with a catheter
- New venous thromboembolism (VTE).

These conditions affect over 200,000 people each year in England alone, leading to avoidable suffering and additional treatment for patients and a cost to the NHS of more than £400million.

It is important that we strive during 2013/14 to make significant improvements in the rates of harms associated with these mentioned above. The elimination of avoidable pressure ulcers is a national goal that we believe is right for patients and we have chosen pressure ulcers as a key priority, due to our failure to make a marked difference in 2012/13. The management of pressure ulcers is an indicative measure of the quality and efficacy of care provided to our patients. Our aim is ultimately to eliminate all grade 3 and 4 pressure ulcers that have been acquired under our care.

A pressure ulcer is a localised injury to the skin and/or underlying tissue, usually over a bony prominence such as the ankle, heel, or bottom of the spine as a result of pressure or pressure combined with shear.

It is nationally recognised through the High Impact Actions that the majority of pressure ulcers are avoidable and this is supported by a call to action from the NHS Chief Nursing Officer to reduce this patient harm.

Avoidable pressure ulcers can be classified as pressure ulcers that have developed where there is no or inconsistent evidence that all the preventative plans/actions have been implemented. Pressure ulcers can be classed as unavoidable when all plans and actions are in place and evidenced where an underlying condition impacts on the ability to deliver preventative care.

**What we are aiming to achieve in 2013/14?**

- To have zero avoidable Grade 4 pressure ulcers
- To reduce avoidable Grade 3 ulcers so that we have zero by March 2014
- To reduce avoidable Grade 2 ulcers by 30%.

**Monitoring and reporting**

Accurate reporting of pressure ulcers is essential and there are four grades of pressure ulcers classified depending on severity (Grade 1 least severe – Grade 4 most severe). The prevalence of pressure ulcers is monitored through safety thermometer data collection once a month and is captured by daily reporting of the total numbers by our tissue viability team. We also monitor the processes to prevent and manage patients at risk of pressure ulcers through the monthly nursing metrics.  Information we gather includes: how many patients are being risk assessed for pressure ulcers and of these, how many patients have care plans in place.

The monthly report generated will be monitored at the Senior Nursing Forum and the Divisional and Service Line operational forums.  The Pressure Ulcer Strategy Group will drive the actions and monitor the reduction strategy reports will be provided to the Board of Directors via the Clinical Governance & Quality Committee.

We have developed comprehensive reporting of pressure ulcers using the computerised system which is analysed daily. This enables us to report any Grade 3 or Grade 4 pressure ulcers as serious incidents. From the training and focused work we have already done over the last year, the Trust can provide assurance of high levels of accurate reporting.

**Action required**

The actions we have identified for the coming year aim to build on the work already achieved and will include the following:

## Collaborative working

To introduce best practice from high performing organisations and work collaboratively to share lessons learnt and what works well

To work in conjunction with other local acute and community providers to review local clinical practice including access to mattresses and pressure relieving aids.

## Training & Education Strategy

To increase training and awareness of pressure ulcer issues that includes the development of competency based assessment tools to measure the theoretical skills of staff and their application of these to practice

To improve information and education available to patients and carers

## Care & Comfort Rounds

A programme of care and comfort rounds will be embedded in the coming year. The Ward Sisters & Matrons will monitor the frequency and effectiveness of these during their leadership rounds

**Nominated Lead: Executive Director of Nursing & Quality**

**Priority 3 - To reduce length of stay and readmissions by improving patient flows**

**Why is this a priority?**

The way we manage patient flows impacts on all of our inpatients and determines both the standard of care they are provided and their experience. The way we manage urgent and emergency care also drives the demand for our hospital and community based services and we must ensure we have efficient and effective processes in place to maximise patient flow so it optimises patient care.

**What we are aiming to achieve?**

- Ensure all patients have access to the right bed in a timely way.
- Ensure we have the right number of beds in the right places
- Ensure our patients are in hospitals only as long as they clinically need to be
- For patients to receive the best care, by right staff with the necessary skills to manage and support their illness

**Monitoring & Reporting**

This is a challenging but fundamental ambition and it requires a staged delivery plan that spans not only the coming year but next three years. It is important that, in order to achieve this, we set specific objectives for us to achieve and also work with our community colleagues to commission joint pieces of work to deliver the care our patients require in the right setting. More specifically, in order to monitor the progress of the project we will be using a number of metrics. They include the following:

- Snap shot audits of patient demographics, specialty requirements and location to measure whether we have the right patients in the right beds each month.
- Monthly monitoring of length of stay, readmission rates and discharge delays
- Monitoring of our mortality and patient harm rates
- Staffing numbers and skill mix
- Sickness and Absence
- Readmissions and 4 hour access target performance (Bed Breaches).

**Actions Required**

- With numerous strands to this goal, the initial step is to review the processes on our Emergency Admissions Unit, reconfigure beds and work with primary care to reduce admissions and facilitate access to community services for those patients who are better managed in the community
- Extend our Emergency Department Admissions Avoidance Support Scheme further across both acute sites
- Increase Consultant time to front door and on calls. Already this is underway and about to be increased to having 2 consultants on the night and late shifts on our highest volume days (Monday and Friday).
- Review the proposed blue print for the future commissioning of acute care and frailty work streams.
- Implement a robust Capacity Plan
- Undertake accurate bed modelling and resource allocation to those areas

**Nominated Lead: Clinical Director for Emergency Care & Medicine**

**2.3 Statements of Assurance from the Board 2012/13**

**2.3.1 Mandatory Quality Statements**

All NHS providers must present the following information in their Quality Account. This is to allow easy comparison between organisations. Some of the indicators overlap with our own priorities and will therefore also be discussed in Section 3.

**2.3.2 Review of Services**

During 2012/13 Sherwood Forest Hospitals NHS Foundation Trust provided services across three clinical divisions on four hospital sites equating to 51 mandated services.

Sherwood Forest Hospitals NHS Foundation Trust has reviewed all the data available to them on the quality of care in all of these services.
The income generated by the NHS services reviewed in 2012/13 represents 83% of the total income generated from the provision of relevant services by the Trust for 2012/13.

| How many people did we treat in 2012/13? | Annual Plan | Actual to Month 12 |
|---|---|---|
| Elective (planned) | 34,755 | 36,454 |
| Non elective (emergencies) | 37,165 | 40,508 |
| Outpatients (appointments) | 299,795 | 339,918 |
| Emergency Care (A&E) | 108,887 | 108,275 |
| Total | 480,602 | 525,155 |

** activity volumes above are thus based on the 12 month position to 31st March 2013.

**2.3.3 Participation in Clinical Audit**

Clinical audit is a simple tool to review clinical practice against best evidence standards and then to identify actions to improve the quality of patient care and treatment.

Benefits of Clinical Audit

Clinical audit measures and improves compliance with guidelines

Guideline-compliant care achieves better outcomes

Better outcomes save money, meet patient needs and prevent harm
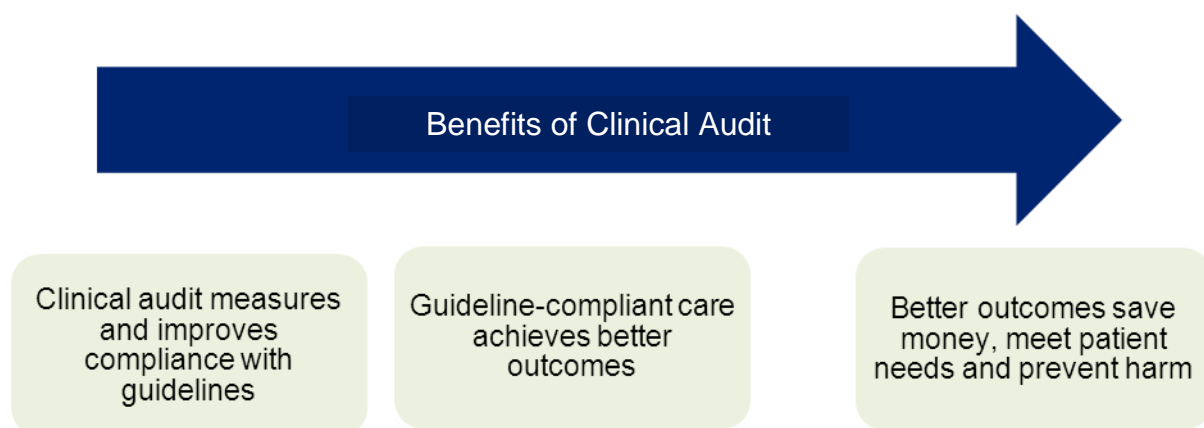
During 2012/13, there were 34 national clinical audits (NCA) and 6 national confidential enquiries (NCE) related to the services we provide at Sherwood Forest Hospitals NHS Foundation Trust. There were 40 that this Trust was eligible to participate in.

During that period we participated in:
- 17 (95%) Mandatory National Clinical Audits,
- 14 (88%) Non-mandatory National Clinical Audits
- 6 (100%) National Confidential Enquiries

Therefore we participated in 37 (93%) of the NCA/NCE we were eligible for. This is an improvement of 11% upon 2011/12.

**National Clinical Audits**

| Service | Title of National Clinical Audit | Mandatory | Participated | % cases |
|---------|----------------------------------|-----------|--------------|---------|
| Acute | TARN (Trauma Audit & Research Network) | No | Yes | 100% |
| | Adult Community Acquired pneumonia | No | Yes | 100% |
| | Adult Critical Care | No | Yes | 100% |
| | Emergency use of oxygen | No | No | |
| | Non-invasive ventilation | No | Yes | Ongoing * |
| | National Joint Registry | Yes | Yes | 100% |
| | Renal Colic | No | Yes | 100% |
| Blood | Potential donor | No | Yes | 100% |
| | 2012 Audit of blood sampling and labelling | No | No | |
| Cancer | Oesophago-gastric cancer | Yes | Yes | 100% |
| | Head and Neck Oncology | Yes | Yes | 100% |
| | Bowel cancer | Yes | Yes | 100% |
| | Lung cancer | Yes | Yes | 100% |
| Cardiac | Vascular surgery NVD | No | Yes | 100% |
| | Cardiac Arrest | No | Yes | 100% |
| | Cardiac Arrhythmia | Yes | Yes | 100% |
| | Acute Myocardial Infarction MINAP | Yes | Yes | 100% |
| | Coronary Angioplasty | Yes | Yes | 100% |
| | Heart Failure | Yes | Yes | 100% |
| | Pulmonary Hypertension | No | Yes | 100% |
| Orthopaedic | Fractured Neck of Femur (ED) | No | Yes | 100% |
| | National Hip Fracture Database | Yes | Yes | 100% |
| Older people | Stroke National Audit Programme | Yes | Yes | 100% |

| Service | Title of National Clinical Audit | Mandatory | Participated | % cases |
|---------|----------------------------------|-----------|--------------|---------|
|  | National Audit of Dementia | Yes | Yes | 100% |
| Womens & Children's | Epilepsy 12 (Childhood Epilepsy) | Yes | Yes | 100% |
|  | Fever in Children | No | Yes | 100% |
|  | Neonatal Intensive and Special Care | Yes | Yes | 100% |
|  | Paediatric asthma | No | Yes | 100% |
|  | Paediatric pneumonia | No | Yes | Ongoing * |
| Long term conditions | Diabetes (Adult) | Yes | No[1] |  |
|  | Adult Bronchiectasis | No | Yes | 100% |
|  | Diabetes (Paediatric) | Yes | Yes | 100% |
|  | Inflammatory bowel disease | Yes | Yes | Ongoing * |
|  | Pain Database | Yes | Yes | 100% |

**Notes**

*\*Please note – where there are a small number of 2012/13 audits on-going where we are actively submitting cases during March- May 2013 – it is anticipated that we will submit 100% of the required cases for these audits.*

[1] **National Adult Diabetes Audit** – The Trust remains unable to participate in the National Diabetes Audit (Adults outpatients) as it does not have an electronic medical record for the extraction of required diabetes data which the service have been working to resolve for since last year. The Trust has however participated in some of the National Diabetes audit work such as the national diabetes in-patient audit 2012 and the Paediatric Diabetes audits 2012.

**National Confidential Enquiries**

| National Confidential Enquiries 2012/2013 | | | | |
|-------------------------------------------|--------------|----------------|------------|---|
| Study title | Organisation | Participating | Status |  |
| Asthma Deaths | NRAD | Yes 100% | On-going | ✓ |
| Alcohol Related Liver Disease | NCEPOD | Yes 100% | On-going | ✓ |
| Subarachnoid haemorrhage | NCEPOD | Yes 100% | On-going | ✓ |
| Tracheostomy Care | NCEPOD | Yes 100% | On-going | ✓ |
| Child Health | CEMACE | Yes 100% | Continuous | ✓ |
| Maternal infant and perinatal | CEMACE | Yes 100% | Continuous | ✓ |

**Clinical Audit Activity**

The completed reports and action plans of 2 national clinical audits and 13 local clinical audits were reviewed by various committees / clinical governance forums within Sherwood Forest Hospitals NHS Foundation Trust during 2012/13. The Trust has taken the following actions to improve the quality of healthcare provided:

- Community acquired pneumonia teaching/education sessions for junior doctors have been improved.
- There has been an increase in senior doctor involvement and junior doctor and nurse training to effectively manage patients receiving Non-Invasive Ventilation.
- We have reviewed how the Bereavement Centre works with new processes implemented.
- Using a standardised template we have improved how operative notes are recorded within the Breast service.
- New training has been initiated for community midwives to ensure they are aware of developments in routine enquiry for domestic abuse
- A Trust wide review of nursing documentation has begun to improve and streamline the paperwork that nurses complete, thereby improving the quality of nursing notes.

- The paediatric service have reviewed admissions against Royal College standards and are making changes to the rota to ensure children are seen in a timely manner, avoiding unnecessary delays and admissions.
- We are planning to laminate new paediatric referral criteria for all Emergency department staff
- We have written new Trust guidelines for the use of antibiotics in paediatric appendectomy patients.

### 2.3.4 Participation in Clinical Research

2012/13 has seen Sherwood Forest Hospitals NHS Foundation Trust participating in 187 studies, which are being actively recruited to. This is a combination of National Institute of Health Research portfolio adopted and non-adopted studies (these predominantly being towards educational awards.) Our aim is to increase the number of studies we are actively recruiting to by 10% with a focus on attracting the commercial sector. We currently have 7 commercial studies with a target of opening a further two within the next year.

There are changes within the wider national research arena so we need to streamline our governance processes in line with the Health Research Authority's plans.
Senior members of the research team attend meetings across the wider Trent region to ensure the Trust is engaged in the change process.

We have designated clinical leads for research and innovation and a strong central research team which comprises of 16 whole time equivalent staff, five of whom are employed on Honorary contracts: four with contracts with Mid Trent Cancer Research Network and one with a contract with the Stroke Research Network.

The Trust is actively involved in clinical research. This provides access to new treatments for local people but also supports advances in clinical care. The number of patients receiving relevant health services provided or sub-contracted by Sherwood Forest Hospitals NHS Foundation Trust in 2012/13 recruited to participate in research approved by the Research and Ethics Committee, was 1146. This is higher than last year when the recruitment total was 932. The Research & Innovation department target for 2013/14 is to increase on this figure.

The team proactively seek patients from all clinical areas including in and outpatient departments.  They actively seek to involve clinical staff to ensure they are fully aware of the studies and the activity that is undertaken in their area. There are a number of different research networks including the Medicines for Children Research Network, Stroke Research Network, Mid-Trent Cancer Research Network, and the Comprehensive Clinical Research Network.

During 2013/14 the Research & Innovation Department will be working collaboratively with colleagues and clinicians across the Trust to maximise innovation. The aim is to benefit patients, improve care and capitalise on potential commercial opportunities. We have engaged with an external service provider to develop the required policies and procedures to achieve maximise potential in this area.

### 2.3.5. Use of the CQUIN Payment Framework

In 2012/13 a proportion of our income (£2.7m), was conditional upon us achieving Commissioning for Quality and Innovation (CQUIN) goals agreed between commissioners (NHS Nottinghamshire County Primary Care Trust) and ourselves. We received payment for 100% of this.

A proportion of Sherwood Forest Hospitals NHS Foundation Trust's income in 2012/13 (£4.5m), was conditional upon achieving Commissioning for Quality and Innovation (CQUIN) goals agreed between commissioners (NHS Nottinghamshire County Primary Care Trust) and ourselves through the Commissioning for Quality and Innovation payment framework.

During 2012/13 the goals included:

- Improvements in risk assessment and prophylaxis treatment for blood clots (venous thromboembolism or VTE)
- Improvements in patient experience against 5 specific questions relating to privacy, medication and communication.
- Improvements in the care of patients with dementia
- Increase in the number of staff trained in dementia
- Collection and submission of the Safety Thermometer data which captures how the Trust is performing in relation to patient harms (pressure ulcers, falls, catheter associated urinary tract infection and VTE)
- Collection of feedback on whether patients would recommend the Trust to family and friends (also known as the net promoter score).
- An improvement in care for in-patients with diabetes through implementation of the 'Think Glucose' initiative
- Reduction in avoidable cardiac arrest rates
- Improved pathways of care for patients with learning disabilities
- Implementation of patient streaming targets within the Emergency Department and the establishment of a Clinical Decisions Unit
- Improving 'end of life' care by ensuring we are informing GP's of patients on the end of life pathway

The Trust also had a number of specialised CQUIN targets, which included:

- Establishment of clinical dashboards to enable data to be submitted from specific specialties
- Improvements in communication with GPs for HIV patients
- Improvements in catheter-related infection rates for neonates

Further details of the agreed goals for 2012/13 and for the following 12 month period are available on line at *http://www.monitor-nhsft.gov.uk/sites/all/modules/fckeditor/plugins/ktbrowser/_openTKFile.php?id=3275*

### 2.3.6 Statements from the Care Quality Commission (CQC)

Sherwood Forest Hospitals NHS Foundation Trust is required to register with the Care Quality Commission (CQC) and its current registration status is showing a moderate impact in relation to Outcome 16 - Assessing and monitoring the quality of service provision.  The Trust is compliant in all other standards.

Sherwood Forest Hospitals NHS Foundation Trust has no conditions on registration.

The Care Quality Commission has not taken enforcement action against Sherwood Forest Hospitals NHS Foundation Trust during 2012/13.

In July 2012, Sherwood Forest Hospitals NHS Foundation Trust participated in a Special Review by the Care Quality Commission relating to termination of pregnancy.  These were national inspections and for Sherwood Forest Hospitals NHS Foundation Trust we are pleased to report there were no compliance issues identified.

Sherwood Forest Hospitals NHS Foundation Trust participated in one responsive unannounced visit. This followed the discovery and announcement of issues relating to oestrogen receptor testing. It took place in October 2012 and was jointly conducted by the CQC and the Royal College of Pathologists. The visit conducted by the Royal College of Pathologists (RCP) concentrated on the Histopathology Department. The CQC visit was broader and reviewed the quality of care with regards to:

- Outcome 4: Care and Welfare of people who use the service
- Outcome 16: Assessing and monitoring the quality of service provision

The CQC report for the Trust was published in April 2013 and shows the Trust to be compliant in Outcome 4; however the Trust needs to strengthen Governance structures and processes within the hospital. The CQC rated this to be of a moderate impact to patients (Outcome 16). The Trust is implementing actions to address these findings.

The visit to histopathology, identified problems with the organisation and quality governance within the department. In addition, issues related to national quality control and standardisation of oestrogen receptor testing was identified and will be addressed.

A responsive announced visit took place in March 2013. This visit was undertaken by ionising radiation (medical exposure) regulations, IR (ME) R, inspectors on behalf of the CQC.

The CQC visit reviewed the radiology services at King's Mill Hospital site. Initial feedback from the visit requested a further audit review of the service in relation to radiation exposure, which has been subsequently produced. At the time of writing the Annual Quality Report the audit has been prepared for Board approval.

**Internal assurance visits and the 15 steps**

We commenced the Guardians of Care and Internal Assurance Team visits in 2012. This is an internal framework for monitoring the Trust and involves surveying the wards to identify areas of concern or good practice and feed back to ward sisters/charge nurses on the same day. This facilitates responsive actions to be taken and, importantly it also acknowledges good practice so that this is shared. The visits are done by teams of staff comprising executive directors, non executive directors, managers, clinical staff and governors. In 2013 we will be including patient representatives in the visits. The teams undertake walkabouts to look at specific quality outcomes and they also use the '15 steps' developed by the NHS Institute for Innovation & Improvement. This tool enables us to look at areas through the patient's eyes to assess things like how welcoming the ward is, how clean it appears, how friendly the wards are. We have seen many benefits since introducing these visits including an increased staff awareness of patient quality, improved visibility of senior staff and the opportunity for clinical teams to discuss their clinical area and any concerns.

**2.3.7. NHS Number and General Medical Practice Code Validity**

Sherwood Forest Hospitals NHS Foundation Trust submitted records during 2012/13 to the secondary uses service for inclusion in the Hospital Episode Statistics which are included in the latest published data. The percentage of records in the published data which included the patient's valid NHS number was as follows:

| % of records in 2012/13 including the Patient's NHS Number & GP Code | | |
|---|---|---|
| | Valid NHS number | Valid general Medical Practice Code |
| For admitted patients care | 99.29% | 99.75% |
| For out-patients care | 99.85% | 99.84% |
| For emergency care (A&E) | 97.82% | 98.63% |

*Note - The validity is 100% of records submitted, the % above indicates some are "missing / unknown".*

## 2.3.8 Information Governance (IG) Toolkit Performance

Information governance ensures necessary safeguards for, and appropriate use of, patient and personal information.

Sherwood Forest Hospitals NHS Foundation Trust's Information Governance (IG) assessment report overall score for 2012/13 was 72%. This was graded as 'Green' – 'Satisfactory'. There is a requirement for all IG Toolkit standards to achieve Level 2 or above for the Trust to be graded as green. We intend to maintain this standard for 2013/14 by undertaking the following actions:

- Ensure IG remains a mandatory annual training requirement for all staff
- Building on the establishment of Information Asset Owners and Administrators to ensure that there are responsible officers in each Division to support the embedding of IG principles within the Trust
- Developing a formalised programme of information asset risk assessment, providing assurance from each Division that information assets are actively reviewed
- Development of the Outcome Guardian role in relation to 'Outcome 21 – Records' to support the current CQC initiative. This involves carrying out 'spot checks' of staff knowledge and regular audits of wards/service areas.

## Data Quality

We have taken the following actions to improve data quality:

- Developed a data quality dashboard which helps to monitor external data quality reports
- There are now procedures in place for using both local and national benchmarking to identify data quality issues
- Procedures are now in place to ensure clinical staff are involved in validating medical information regarding clinical activity
- We have 2 different external auditors who will perform a 200 finished consultant episode clinical coding audit each year
- We have an internal data quality audit procedure which has a 12 month cycle for auditing specialties covering out patients and spell data
- We also work with our commissioners in terms of ensuring any queries that are received regarding data quality are resolved
- Routine daily, weekly and monthly reports are run from our Patient Administration System
- Any new member of staff or existing staff receives data quality awareness
- There are monthly data quality meetings which will discuss forthcoming information standards notices, data recording, secondary users' dashboard and training documentation.

## 2.3.9 Clinical Coding Error Rate

Sherwood Forest Hospitals NHS Foundation Trust was subject to the Payment by Results Clinical Coding Audit, during the period by the Audit Commission and the error rates reported in the latest published audit for that period for diagnoses and treatment were 4%. The Trust's commissioners requested that both admitted patient and outpatient coding was audited.

This audit was focused on stroke patients for admitted patient care and ear, nose and throat patients for outpatient attendances. A random sample of these patients was provided from activity in Quarter 1 2012. A total of 54 spells of admitted patient care and 150 outpatient attendances were audited.

In the sample of admitted patient care spells audited, there were no errors affecting payments and the pre audit and post audit price remained unchanged. The performance of the Trust, measured against the number of spells with an incorrect payment, would place the Trust in the best performing 25% of Trusts compared to last year's national performance. However, it should be noted that this is a targeted sample for stroke activity only.

In the sample of outpatient attendances audited, the Trust had 4% of attendances with an error that affected the price. The performance of the Trust, measured against the number of attendances changing payment due to errors in attendance details, would place the Trust in better than average, but not in the top 25% of Trusts compared to the last time the Audit Commission undertook a national audit of outpatient data (2008-2010).

## 2.4 Additional indicators required for the quality account for 2012/13

This year, Trusts have been asked by the Department of Health to report on additional indicators showing information for 2011 and 2012.

### 2.4.1 Summary Hospital Mortality Indicator (SHMI) and palliative care

Sherwood Forest Hospitals NHS Foundation Trust considers that this data is as described for the following reason:

- We have made changes to palliative care provisions within the Trust to ensure the correct coding is recorded.

Sherwood Forest Hospitals NHS Foundation Trust intends to take the following actions to improve this percentage and so the quality of its services by:

- Our rate of palliative care coding is just below the national average and in an acceptable position. The table below shows an increase in the % of deaths coded as palliative care. This reflects some of the work we have done this year to improve our coding.

| Patients Deaths Coded as Palliative Care (data from the Health & Social Care Information Centre) | | | | |
|---|---|---|---|---|
| Year | % of deaths | National Average % | Lowest National % | Highest National % |
| July 10 to June 11 | 7.6 | 16.1 | 0.1 | 40.1 |
| July 11 to June 12 | 15.4 | 18.2 | 0.3 | 46.3 |
| July 12 to Sept 12 | 15.7 | 19.0 | 0.2 | 43.3 |

*Note: Data from the Health & Social Care Information Centre is only up to September 2012 as SHMI data beyond this date is not available to report on at the present time*

The table below shows how we are banded for SHMI. A SHMI value is calculated for each Trust. The baseline SHMI value is 1. A Trust would only get a SHMI value of 1 if the number of patients who die following hospitalisation was exactly the same as the number of patients expected to die based on the SHMI methodology. Trusts are categorised into one of the following three bandings:

1 – Where the Trust's mortality rate is 'higher than expected'
2 – Where the Trust's mortality rate is 'as expected'
3 – Where the Trust's mortality rate is 'lower than expected.

The table shows that we have a score of 2 which is rated 'as expected':

| SHMI Banding (data from the Health & Social Care Information Centre) | | |
|---|---|---|
| Year | Value | Banding |
| July 10 to June 11 | 1.0206 | 2 |
| July 11 to June 12 | 1.053 | 2 |
| July 12 to Sept 12 | 1.07 | 2 |

*Note: Data from the Health & Social Care Information Centre is only up to September 2012 as SHMI data beyond this date is not available to report on at the present time.*

### 2.4.2 Patient Reported Outcome Measures (PROMs)

Patient Reported Outcome Measures (PROMs) assess the quality of care delivered to NHS patients from their perspective. Currently covering four clinical procedures, PROMs calculate the health gains after surgical treatment using pre and post-operative surveys.

PROMs have been collected by all providers of NHS-funded care since April 2009. PROMs measure a patient's health status or health-related quality of life at a single point in time, and are collected through short, self-completed questionnaires.

The table below shows how Sherwood Forest Hospitals NHS Foundation Trust is performing. We consider that this data is as described for the following reason:

- PROMs data is always collated retrospectively and therefore the last complete year is 2012/13. Monthly performance updates are received from the national PROMs team.

Sherwood Forest Hospitals NHS Foundation Trust intends to take the following actions to improve this percentage and so the quality of its services by:

- Continuing to encourage and collate PROMs related data for submissions to Hospital Episode Statistics (HES)
- Promoting the completion of PROMs returns during the pre-operative episode of care
- Interrogating the national database at provider and consultant level to determine variance in participation rates and then agree actions to improve returns
- Introduce new questionnaire forms
- Review the vein patient pathways and PROMs communication
- Review the hip replacement pathway to identify why we performed below the average in this area during 2012/13.

National data is not yet available for 2012/13 and the table below indicates data for 2012/13. We will seek the latest figures over the coming months to inform the work we are doing to improve these patient pathways.

| 2012/13 Patient Reported Outcome Figures (data from the Health & Social Care Information Centre) | | |
|---|---|---|
| Outcome | Percentage | National Average |
| Groin Hernia Surgery | 0.84 | 0.88 |
| Varicose vein surgery | 0.83 | 0.84 |
| Hip replacement surgery | 0.56 | 0.78 |
| Knee replacement surgery | 0.73 | 0.71 |

### 2.4.3 Patients readmitted to a hospital within 28 days of being discharged

Sherwood Forest Hospitals NHS Foundation Trust considers that this data is as described for the following reason:

- This data includes all readmissions within 28 days regardless of reason and is lower than the national average. The Trust is working towards reducing avoidable emergency re-admissions to hospital within 28 days of discharge to 1.75%. Avoidable emergency re-admissions are measured using clinician to clinician audit of case notes.

Sherwood Forest Hospitals NHS Foundation Trust intends to take the following actions to improve this percentage and so the quality of its services by:

- Implementing GP telephone access to senior clinical opinion scheme
- Introduction of a clinical decision unit to enable patients to be seen, treated and discharged without being admitted to a general ward
- Strengthening the surgical admissions unit to enable direct access to surgical specialist, timely decisions and where appropriate discharge home
- Introducing an increased range of ambulatory care services at the front door (geriatrics, cardiology, diabetes and respiratory medicine.

Uploaded data to the national database tells us the percentage of patients re-admitted. This is broken down by age. This allows a comparison of the national average along with the lowest and highest percentage achieved within Trusts - see table below. This data is only available for 2012/13.

| % of Patients Readmitted to Hospital within 28 Days of being Discharged (data from the Health & Social Care Information Centre) | | | | | |
|---|---|---|---|---|---|
| | Year | % | National Average | Lowest % NHS FT | Highest % NHS FT |
| Patients aged 0-14 readmitted to hospital within 28 days of being discharged | 2012/13 | 8.92% | 10.15% | 3.19% | 14.62% |
| Patients aged 15 or over readmitted to hospital within 28 days of being discharged | 2012/13 | 11.10% | 11.42% | 7.37% | 14.09% |

As we only have data for 2012/13 from the national database we have supplied the Trust main information for 2011-13 to show comparative data of the total percentage of re-admissions (within 30 days). As a Trust we typically measure readmissions within 30 days.

| % of Patients Readmitted to Hospital within 30 Days of being Discharged | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Year | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec | Jan | Fe |
| Trust Total % Re-admissions | 11/12 | 8.33% | 8.81% | 7.86% | 7.54% | 8.58% | 8.31% | 8.66% | 7.94% | 8.67% | 8.76% | 9. |
| | 12/13 | 9.73% | 8.89% | 9.52% | 9.07% | 9.32% | 9.89% | 9.48% | 8.87% | 9.37% | 9.27% | 9. |

### 2.4.4 Responsiveness to the personal needs of patients

Sherwood Forest Hospitals NHS Foundation Trust considers that this data is as described for the following reason:

- The data has been consistent and within the Strategic Health Authority average percentage.

Sherwood Forest Hospitals NHS Foundation Trust intends to take the following actions to improve this percentage and so the quality of its services by:

- Continuing to strive to maintain this level of positive feedback.

**Table to show average scores in relation to the 5 patient experience questions (2003-2012)**

| | 2003 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|---|---|---|---|
| Your scores | 67.6 | 65.1 | 65.8 | 62.2 | 67.7 | 68.4 | 69.0 | 71.5 | **70.7** |
| SHA cluster | 67.4 | 68.3 | 67.8 | 66.1 | 66.8 | 66.6 | 67.2 | 67.5 | 67.7 |
| National | 67.4 | 68.2 | 67.0 | 66.0 | 67.1 | 66.7 | 67.3 | 67.4 | |

2012 national scores are not presented. Early access to 2012 data for the 5 CQUIN questions (i.e. pre publication of the Adult Inpatient 2012 survey) is specifically for the purposes of CQUIN. Thus restrictions apply on sharing data.

**Your scores on individual questions, and on the overall indicator**

*Q32*: Were you as involved as you wanted to be in decisions about your care and treatment?  —  2012 Score: 74.4

*Q34*: Did you find someone on the hospital staff to talk to about worries and fears?  —  59.6

*Q36*: Were you given enough privacy when discussing your condition or treatment?  —  85.8

*Q56*: Did a member of staff tell you about medication side effects to watch for when you went home?  —  53.9

*Q62*: Did hospital staff tell you who to contact if you were worried about your condition or treatment after you left hospital?  —  79.6

averages out to... →

**OVERALL INDICATOR**

**2012 score out of 100:**

**70.7**

### 2.4.5 Staff who would recommend family/friend to receive treatment at our Trust

Sherwood Forest Hospitals NHS Foundation Trust considers that this data is as described for the following reason:

- In our most recent staff survey for 2012/13, 70% of staff said they would recommend our Trust for family or friends to receive treatment. This is a deterioration on our 2012/13 result in which we recorded 73% in this question. This therefore remains a key priority for 2013/14.

Sherwood Forest Hospitals NHS Foundation Trust intends to take the following actions to improve this percentage and so the quality of its services by:

- Implementing a communications strategy – 'reminding staff of all the good things they have achieved and what they should be proud of'
- Developing an organisational development plan to secure improvements in staff engagement, development and job design
- Introducing quarterly staff surveys to assess views of staff in relation to key issues
- Enhancing communication and engagement with staff as referenced in the communications strategy.

The table below shows the reduction in our score in 2012. This is an on-going priority for 2013/14 and we describe how we are going to do this within Section 3.

| 2011 & 2012 Staff Survey Feedback on Whether They Would Recommend the Trust to Family and Friends | | | | |
|---|---|---|---|---|
| Year | Percentage | Average % Acute Trusts | Lowest % Acute Trusts | Highest % Acute Trusts |
| Staff survey 2011 | 73% | 62% | 33% | 89% |
| Staff survey 2012 | 70% | 63% | 54% | 72% |

### 2.4.6 Venous thromboembolism (VTE)

Sherwood Forest Hospitals NHS Foundation Trust considers that this data is as described for the following reason:

- We have a robust monitoring process for uploading the data into the Health & Social Care Information Centre. We also collect data to support the VTE CQUIN. We are able to use both of these data sets to cross check for consistency and accuracy.

Sherwood Forest Hospitals NHS Foundation Trust intends to take the following actions to improve this percentage and so the quality of its services by:

- Exploring electronic systems for VTE risk assessment that increase compliance and provide more accurate monitoring processes than at present. The introduction of VitalPAC (described earlier) will enable this action to be implemented.

| Percentage of Patients Risk Assessed for VTE in 2011-2013, Against National Average (data from the Health & Social Care Information Centre) | | |
|---|---|---|
| **Year** | **Percentage of Patients Risk Assessed** | **National Average** |
| 2011/2012 (Oct 11 to Mar 12) | 91.8% | 92.1% |
| 2012/2013 (Apr 12 to Dec 12) | 94.0% | 94.0% |

For 2012/13 our average compliance for VTE assessment was 94%. During quarter 3 and 4 it was 95%.

### 2.4.7 Clostridium difficile

Sherwood Forest Hospitals NHS Foundation Trust considers that this data is as described for the following reason:
- It is part of the mandatory surveillance within the Department of Health guidance
- It is a Key Performance Indicator for the Trust and the data is checked by the Infection Prevention and Control team prior to submission.

Sherwood Forest Hospitals NHS Foundation Trust intends to take the following actions to improve this percentage and so the quality of its services by:

- Implementing weekly *C.difficile* multi-disciplinary team meetings including consultant gastroenterologist, microbiologist and infection prevention and control nurse attendance
- Encouraging accountability and ownership of the C.*difficile* strategy across the Trust
- Improving our use of the Root Cause Analysis (RCA) tool as a learning tool
- Continuing with the two step algorithm for testing stool samples which was implemented in April 2012 in accordance with Health Protection Agency (HPA) guidance, to improve the diagnosis and patient outcome
- Ensuring on-going Hospital Antibiotic Prudent Prescribing Indicator (HAPPI) audits to monitor and manage prudent antimicrobial stewardship
- Raising awareness at ward level to support early recognition of possible C.*difficile* cases.

| C.*difficile* Cases | |
|---|---|
| **Year** | **Numbers of C.*Difficile*** |
| 2011/2012 (Apr 11 to March 12) | 45 |
| 2012/2013 (Apr 12 to March 13) | 29 |

### 2.4.8 Patient safety incidents reported resulting in severe harm or death

Sherwood Forest Hospitals NHS Foundation Trust considers that this data is as described for the following reason:

- The Trust promotes the reporting of incidents and has seen an increase in the number of incidents reported as staff are actively encouraged to report all levels of incidents and near miss events
- Incidents are reported electronically and can be submitted anonymously in line with the Trust's Whistleblowing Policy; this allows staff the facility to raise concerns without the need to identify themselves.

| Levels of incident reporting at Sherwood Forest Hospitals NHS Foundation Trust for 2011-2013 (data from the Health & Social Care Information Centre) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Sherwood Forest Hospitals NHS Foundation Trust | | | | Comparison with other Medium Acute Trusts | | | | |
| Year | Number of Incidents | Rate per 100 Admissions | Number Resulting in Severe Harm or Death | Rate resulting in Severe Harm or Death | Lowest number of incidents | Lowest rate per 100 admissions | Highest number of incidents | Highest rate per 100 admissions | Average Number of incidents | Average rate per 100 admissions |
| 2011/2012 (April to Sept 2011) | 2,573 | 6.42 | 1 | 0 | 1002 | 2.91 | 6045 | 13.1 | 2,355 | 6 |
| 2012/2013 (April to Sept 2012) | 2,941 | 7.43 | 0 | 0 | 843 | 3.11 | 117,134 | 14.44 | 2,603 | 6.87 |

This data reflects figures uploaded to the Health and social Care Information Centre. Three serious incidents were reported locally and not captured within national data. Work is being done to reconcile this. Sherwood Forest Hospitals NHS Foundation Trust intends to take the following actions to improve this percentage and so the quality of its services by:

- The Trust is investing in governance structures and processes to improve risk and safety management. We will be actively training staff in risk management, reporting of incidents and investigation management as part of the new governance support unit
- The Trust is working to embrace the necessity for us to learn from incidents, complaints and patient stories
- Undertaking a concentrated piece of work to address our governance structures from ward to Board to improve the analysis and learning from incidents.

**Were there any whistleblowing incidents?**

During this reporting period no whistleblowing incidents have been reported. The Trust has revised the Whistleblowing Policy; ensuring staff have the opportunity to review this current version. The Policy has been communicated through senior managers and importantly to individuals in the Trust through e-communications, bulletins and the staff intranet

The Trust is considering the use of external whistle blowing support to provide an alternative medium for staff to raise concerns.

**3.0 Looking back at 2012/13: Quality Review**

This section includes a range of information relating to the Trust's quality performance in 2012/13. Whilst this is not an exhaustive list it gives an overview of the Trust's performance in both hospital-wide and service specific indicators. It will focus particularly on the goals that were set in last year's Quality Account, which were:

**Patient Safety:**

- To reduce hospital acquired infection rates for *C.difficile*
- To meet the 2013/14 pressure ulcer targets
- To reduce patient safety incidents and those resulting in severe harm or death
- To deliver safe, harm-free use of medicines.

**Clinical Effectiveness:**

- Mortality - to reduce our Summary Hospital Mortality Indicator to 97
- To reduce avoidable emergency readmissions to hospital within 28 days of discharge
- To meet the 95% target that patients are risk assessed for venous thromboembolism
- To improve the inpatient diabetes service and implement 'Think Glucose'.

**Patient Experience:**

- To meet the friends and family test (net promoter score) requirements
- To improve the quality of care for patients living with dementia
- Increase the number of staff who would recommend our hospital to family and friends.

## 3.1 Patient safety indicators

### 3.1.1 Harm free care – reducing hospital acquired infection rates (principally *C.difficile)*

**What did we set out to achieve:** To reduce hospital acquired *C.difficile* year on year. For 2012/13 we aimed to reduce the number of cases to below 36.

**Progress**: Target achieved

**Outcome:** 29 patients experienced an episode of Trust acquired *C.difficile*

**In order to achieve this we set out to**:

- Continue the delivery and monitoring of our *C.difficile* action plan
- Improve antimicrobial prescribing through the introduction of our antimicrobial policy and undertaking specific audits
- Implement new antibiotic guidance
- Implement external peer review recommendations
- Implement a continual programme of education, to maintain a sustained improvement
- Continue delivery of rapid actions following identification of C.*difficile* cases
- Undertake root cause analysis (RCA) and the interrogation of individual cases, ensuring we embed the lessons learnt from individual cases.

The graph below gives a comparison of how we performed in 2012/13 and 2012/13:

*C.difficile* infections reported April 2011 to March 2013
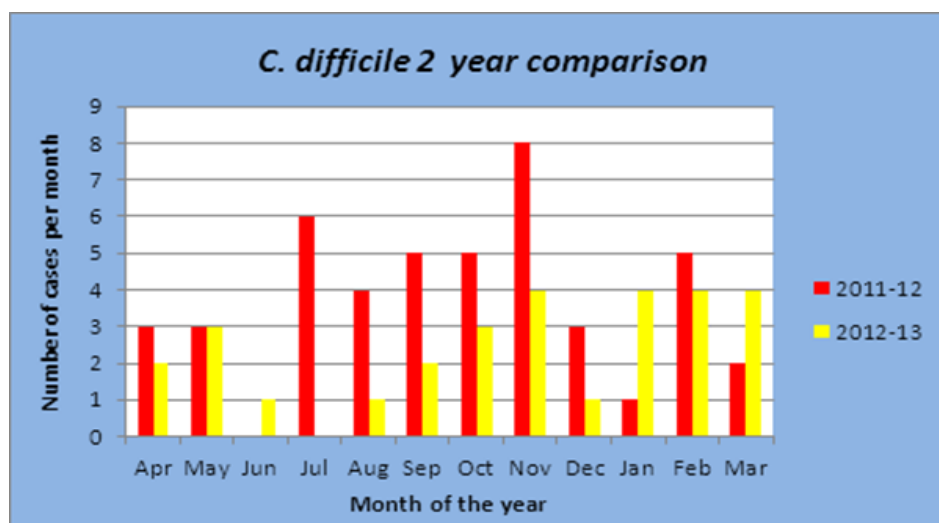
**Improvements achieved**:

- The infection control team have continued to train our staff to recognise and promote sustained prevention of infection
- They have developed guidance and support to staff so that clear standards are maintained
- The 2012 inpatient survey recently showed an improvement in the availability of hand gel across our Trust
- We have further developed the investigation process by retrospectively reviewing the *C.difficile* cases from 2012/13. Consequently this has improved infection control measures for 2012/13
- Investment in the early identification of patients who are admitted to hospital has been enhanced with responsive action taken to maximise prevention of infection control.

**Monitoring and reporting for sustained improvement**

- All progress is reported to the Infection Control Committee. The infection control profile is maintained through an infrastructure of link nurses; their role being to maintain standards at ward level alongside ward sisters

- Our commitment to recognising the challenges that prevention of infection presents, is discussed at a bi-weekly meeting. Attendance includes matrons, ward sisters/charge nurses, microbiologists, infection control specialists and clinicians. This multi-disciplinary forum reviews results from audits and investigations and agrees actions. It is instrumental in establishing subsequent learning

- The Clinical Governance Committee receives the Trust's Infection Control Annual Report which provides additional assurance regarding the Trust's infection control performance, detailing outputs from 2012/13.

**Further improvements identified**

Our target for 2013/14 is 25 hospital acquired *C.difficile* cases or less.  This will be an extremely challenging target but one that we will tackle proactively.  To prepare for this reduced trajectory we are currently:

- Undertaking an independent review of all 29 case reports – identifying themes and trends which may not have been identified within individual cases
- Continuing to strengthen the management of antibiotic prescribing
- Obtaining an external assessment of the Trust's best practice recommendations from the newly appointed microbiologist.

**3.1.2 Performance against other infection prevention and control initiatives: MRSA performance**

**What did we set out to achieve:** To have zero cases of hospital acquired MRSA bacteraemia

**Progress:** Target achieved

**Outcome:**  Three years since the Trust experienced a hospital acquired MRSA bacteraemia.

MRSA cases recorded against reduction targets 2003-2013

**Number of MRSA bacteraemia cases against reduction targets**
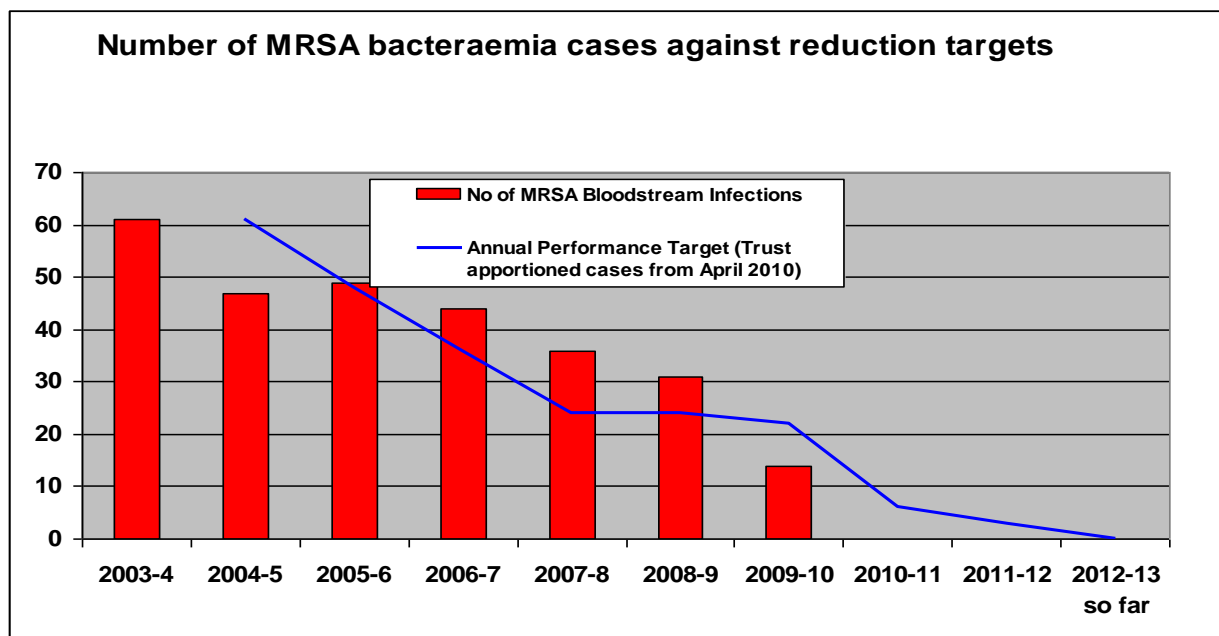


**Urethral catheter associated infections**

**What did we set out to achieve:** To reduce the incidence rate of Trust apportioned urethral catheter associated bacteraemias (blood borne infections) to less than 40 cases per year.

**Progress**: This target has been achieved

**Outcome**: The number of Trust apportioned urethral catheter associated bacteraemias has reduced from 40 in 2010/11 to three in 2012/13.  The graph below shows the breakdown.

These improvements along with many others have resulted in significant results in relation to infection prevention and control for the last three years. The Trust is proud of this achievement and will work hard to sustain and improve upon this good work during 2013/14.

**3.1.3 Pressure ulcer reduction**



We want to ensure that our patients come to no harm when they are in our hospitals.  Pressure ulcers are painful and debilitating and we aim to reduce the number of hospital acquired pressure ulcers, year on year.

Nationally it is recognised that pressure ulcers occur in 4 -10% of patients admitted to hospital. They cause pain and misery to patients, extend their hospital stay, and can be associated with an increased risk of secondary infection.

A Description of Pressure Ulcer Categories

| Grade | Description |
| --- | --- |
| Grade 1 | Reddening of the skin |
| Grade 2 | Blister or superficial break in the skin |

| Grade 3 | Full thickness of skin |
|---------|------------------------|
| Grade 4 | Involving muscle or bones |

**What did we set out to achieve:**  To deliver harm free care by eliminating avoidable Grade 2, 3, and 4 pressure ulcers

**In order to achieve this we set out to:**
- Implement the safety thermometer for scoring/assessment (The NHS Safety Thermometer provides a quick and simple method for ward staff to survey patient harm on a monthly basis)
- Develop and implement a pressure ulcer reduction strategy
- Implement the Safe SKIN prevention bundle (this is a comprehensive care assessment and assists the nursing staff to formulate a specific care plan that meets the individual needs of patients)
- Strengthen the pressure ulcer steering group
- Ensure attendance at local and regional engagement events
- Work alongside Strategic Health Authority experts and intensive support teams to build capabilities within the project team and learn from other Trusts on how they approach this agenda.

**Progress**: We failed to meet this target

**Outcome**: We made progress to reduce pressure ulcers during 2012/13 (refer to table below) but we have seen an increase during Quarter 4 (January to March 2013), hence why we have identified this as a key priority for 2013/14. We recorded two grade 4 pressure ulcers in this reporting period. Grade 4 pressure ulcers are unacceptable.

Total Number of Hospital Acquired Pressure Ulcers Recorded 2012/13 & 2012/13

| Grade | Description | Number of Hospital Acquired Pressure Ulcers recorded in 2012/13 | Number of Hospital Acquired Pressure Ulcers recorded in 2012/13 |
|-------|-------------|-----------------------------------------------------------------|-----------------------------------------------------------------|
| Grade 1 (requirement to record this grade from May 2012) | Reddening of the skin | Not recorded | 47 |
| Grade 2 | Blister or superficial break in the skin | 219 | 207 |
| Grade 3 | Full thickness of skin | 36 | 32 |
| Grade 4 | Involving muscle or bones | 0 | 2 |

**Improvements achieved**:

The graph below shows the number of pressure ulcers recorded for patients at the time of admission and 72 hours after admission:

Grade 2-4 Pressure ulcers April 2011 to date by month and pre/post admission (>72hrs)
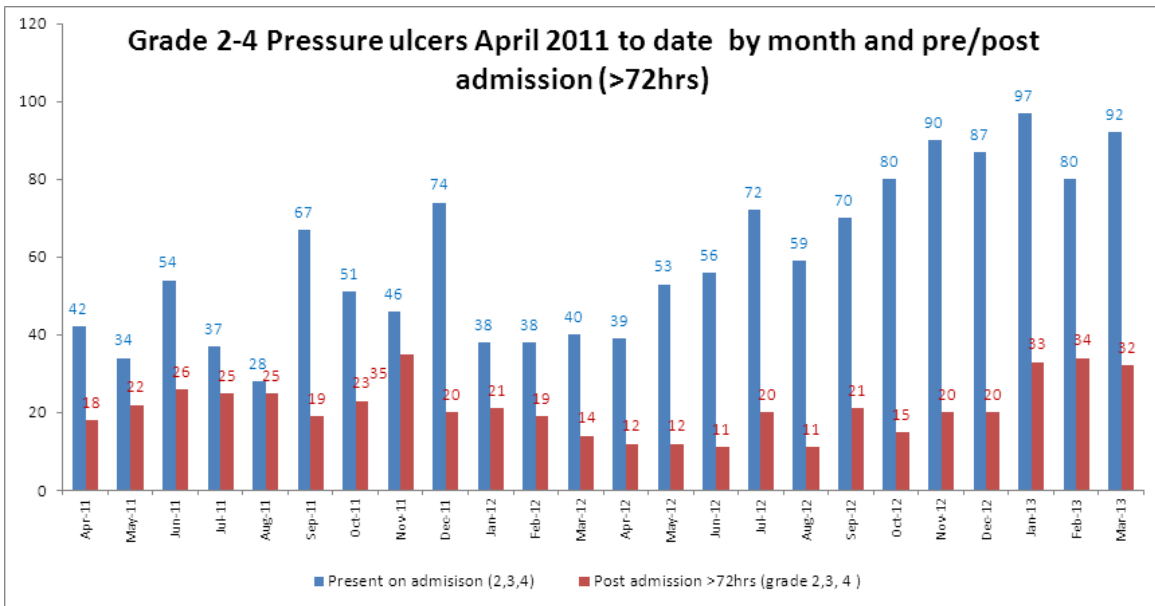
Overall we have seen a slight increase in the level of reporting (as shown in the graph below). This could illustrate that staff awareness is improving and it could also be indicative that actual numbers of pressure ulcers are increasing (Quarter 4). We now record all grade one pressure ulcers to enable learning in relation to prevention.

Number of Pressure Ulcers reported April 2011 To March 2013



All Reported Pressure Ulcers
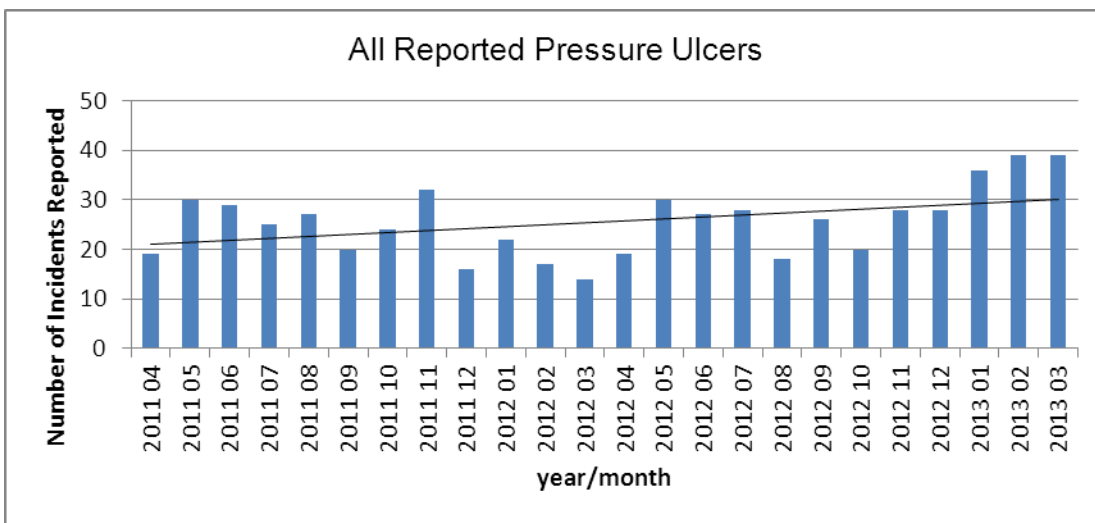
We monitor the number of inpatients who have undergone the pressure ulcer risk assessment and we consistently achieve > 95% compliance with this measure. This ensures we instigate the necessary prevention goals. We will work to continue this level of compliance next year.

Throughout the Trust all clinical areas now contribute to monthly pressure ulcer data collection. Wards and departments display information in their areas that shows how they are doing. The pressure ulcer steering group meets monthly and has developed a pressure ulcer strategy and a work programme which has been implemented throughout the Trust. The group has adopted and implemented the national SKINS tool which assesses and measures the individual patient requirements in regards to pressure ulcer avoidance.

The Trust has supported a pressure ulcer champion who has been an active member of a peer review team that has provided specialty advice and shared good practice both regionally and nationally. The Trust has actively contributed to the SHA pressure ulcer collaborative programme.

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**Further improvements introduced in 2012/13**

- Introduction of a regional shared learning system where all Grade 3 and 4 pressure ulcers occurring prior to hospital admission are reported back to each organisation
- Achievement of 93% in the Essence of Care Pressure Ulcer Benchmark
- The tissue viability team have developed a more focused approach to care delivery providing bedside education and specialist advice to patients and the ward staff
- Introduction of photography of all grades 2 pressure ulcers and above
- Nottingham University Hospitals NHS Trust team invited into the Trust to peer review standards of pressure ulcer delivery and documentation in light of the work they have done at their Trust.
- All pressure ulcer prevention and care documentation has been reviewed
- Recruitment of a tissue viability nurse consultant

**Monitoring and reporting for sustained improvement**

The pressure ulcer steering group meets monthly and reviews all grades of pressure ulcers with the associated Root Cause Analysis (RCA). Key themes and learning from this forum are disseminated throughout the Trust to develop standards and the quality of care to minimise and avoid the risk of pressure ulcers.

The monitoring of these targets requires a consistent sustained commitment and the utilisation of quality metric tools used within the Trust, such as Essence of Care, safety thermometer, specific audits alongside prevalence surveys and quality nursing metrics. These audits support us to initiate improvements in this challenging and fundamental area of care.

**Further improvements identified**

Our ambition is for no patient to experience avoidable pressure ulcers - this will remain a key priority for 2013/14. We have discussed the key elements of our pressure ulcer reduction strategy in section 2 above.

**3.1.4 Improve the care of deteriorating patients and reduce the rate of patient safety incidents that result in severe harm or death**

The Trust has a rapid response system in place that ensures an escalation of care for patients who become acutely ill. We identified this as a key priority last year and have undertaken further work to enhance the care of deteriorating patients.

**What did we set out to achieve?**
- To improve the reporting of serious incidents as a high reporting Trust (which denotes a healthy organisation)
- To reduce the percentage of patient safety incidents resulting in severe harm or death

**Progress:** We met this ambition but further work is required

**Outcome:** Between April and September 2012 there were no incidents resulting in severe harm or death.

Total Number of Incidents (including those resulting in severe harm or death) 2011-2012

| Year | Number of Incidents | Number Resulting in Severe Harm or Death |
|------|---------------------|-------------------------------------------|
| 2011/2012 (April to Sept 2011) | 2,573 | 1 |
| 2012/2013 (April to Sept 2012) | 2,941 | 0 |

**In order to achieve this we set out to**:

- Use the established Datix incident reporting system and the global trigger tool (GTT) methodology. (Trigger tools are a means of conducting rapid structured case note review to measure the rate of harm in healthcare)
- Implement quality and safety walk-rounds
- Continue to work on patient safety projects
- Implement new patient safety improvement projects in the priority areas identified from case reviews.

**Improvements achieved**

- We retrospectively review case notes as a learning opportunity, using the global trigger tool methodology. We are conducting a monitoring process for unexpected admissions to the intensive care unit between the periods of May 2012 – April 2013
- We have adopted the global trigger tool methodology to inform us of the areas we need to concentrate on within the patient safety programme.
- The Trust's continual investment in the safety of patients is reflected in its proposed expansion of the critical care outreach team resources. The team supports hospital staff to recognise and appropriately manage the treatment of deteriorating patients and importantly prevent further harm
- National Early Warning Score (NEWS) was introduced in February 2013. This early warning tool replaced the previous local physiological track and trigger score to facilitate earlier identification of patients at risk
- Health care support workers are now trained to carry out all patient observations and National Early Warning Score (NEWS) scoring to improve compliance with monitoring the acutely ill adult.
- The introduction of the acute response team has become fully operational to respond to our deteriorating patients on the wards
- Acute illness management courses for health care support workers piloted and continue to be well attended
- Acute illness management courses for multi- disciplinary teams well established and on-going
- Acute kidney injury alerts sent to teams of doctors and the critical care outreach team from the pathology department to ensure early review and treatment of these types of patients, when staffing allows
- Trust wide sepsis training has commenced. Sepsis is a life threatening condition that arises when the body's response to an infection injures its own tissues and organs. Sepsis leads to shock, multiple organ failure and death especially if not recognised early and treated promptly. Research shows that early recognition and intervention saves lives – and may save as many as 15,000 lives annually in the UK per year. To achieve this improvement requires a partnership between patients, the public, and the healthcare professions. This partnership must start with heightened awareness and understanding of the condition.
- Appointment of a part-time specialist sepsis nurse
- Sepsis boxes implemented on all wards to facilitate early implementation of the care bundle approach. This is a box containing all the important equipment that the medical and nursing team need to look after a patient who has a serious infection.
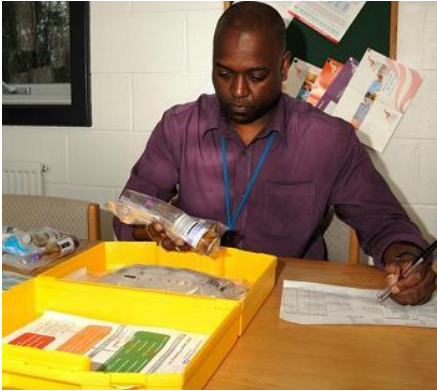
- Patient group directive (PGD) to facilitate registered nurse administration of fluid bolus in hypovolaemia. The condition hypovolaemia is extremely low blood plasma volume typically caused by dehydration or blood loss through haemorrhage. This results in a state of shock to the body as tissues lose their supply of oxygen (*hypovolaemic shock*)
- Raising staff awareness across the Trust with regards to the importance of high flow of oxygen therapy in an emergency situation
- During mortality reviews the acute kidney injury risk was noted and work streams proposed to reduce risk
- We have introduced ward safety visits as part of our CQC assurance system and programme of internal assurance team visits
- All ward pharmacists review the patients that are flagged on our computer system as acute kidney injury levels 1-3, on a daily basis. Each patient's current medication is reviewed and recommendations made to the medical team regarding which to stop and where doses need alteration. The aim is to prevent medication aggravating the condition and reduce the number of patients deteriorating further.

**Monitoring and reporting for sustained improvement**

The Trust's focus on promoting and sustaining harm free care requires close monitoring. It is necessary that the standards of quality we promote are measured in performance outcomes and in the patient's experience.

This monitoring framework will include:
- The on-going observation and National Early Warning System compliance audit which will occur on a six monthly and monthly basis respectively
- The surveillance of unexpected admissions to the intensive care unit will continue on a monthly basis to act as a constant clinical indicator
- Critical care outreach team monitoring of all trigger calls and responses that are made daily and reported monthly
- Cardiac arrest monitoring and retrospective case note review
- Global trigger tool audit will continue on a monthly basis
- Sepsis audits will be undertaken. This will support the work being done to achieve the specific goals identified within the sepsis bundle CQUIN initiative
- The Association of UK University Hospitals (AUKUH) audit is predominantly an audit of patient acuity and dependency across the Trust. This data is used to calculate appropriate staffing levels on our wards. Other nurse sensitive indicators, such as pressure ulcers and infection rates, can then be analysed in relation to changes in acuity and dependency
- We have also developed an early warning dashboard with key indicators to show whether quality and safety are deteriorating. This is monitored at the patient safety steering group and the Clinical Governance Committee.

We will be continuing this work during 2013/14 as a strand of our mortality reduction programme. The introduction of 'VitalPAC' will be a key component in further improving the care of deteriorating patients during 2013/14.

### 3.1.5 High quality, harm-free, safe use of medicines

**What did we set out to achieve**: To deliver harm-free care, by promoting the safe use of medicines by reducing missed or delayed doses by 50% and improving medicines reconciliation. The aim of medicines reconciliation on hospital admission is to ensure that medicines prescribed on admission correspond to those that the patient was taking before admission.

**In order to achieve this we planned to:**

- Support the safe use and treatment of patients with the introduction of weekend clinical ward pharmacy services
- Reduce the number of delayed and missed doses of critical medicines by 95% by April 2015.
- Improve the quality and safety of prescribing to minimise risk and improve patient outcomes
- Maximise safety gains achieved with the introduction of e-prescribing (an electronic prescribing system)
- Achieve 95% reconciliation of medicines within 24 hours by April 2013
- Minimise risk to patients by ensuring medicines are stored securely throughout the Trust
- Minimise number of patients sent home without discharge medicines.

**Progress :** This target was not achieved.  We made some progress however, notably the introduction of e-prescribing and improved performance in relation to medicines reconciliation.

**Outcome :** Missed or delayed doses were not measured
Medicine reconciliation improved to 96% in total

Medicines Safety Performance 2012/13 & 2012/13

|  | **Year 2012/13** | **Year 2012/13** |
|---|---|---|
| Missed or delayed doses | Not measured | Not measured |
| Medicines reconciliation | 35% within 24 hours 43% total | 68% within 24 hours 96% total |

**Note:**
The medicine reconciliation figures look different because data collection was changed during the year. Our original system did not give an accurate reflection so we have changed this to make current data more reliable.
In regards to missed or delayed doses the intention to develop a robust strategy of measurement is a focus of the overall pharmacy department and is seen to be an essential quality indicator.

**Improvements achieved:**

- We have a system of tracking prescribing quality/errors on discharge prescriptions to determine issues and help us plan to minimise their occurrence. One of the Trust wide implementations to prevent medication errors is the introduction of e-prescribing. By using this approach we aim to reduce prescribing errors. Although roll out of e-prescribing has taken longer than anticipated, due to refinements being made around processes and equipment, the Trust has continued its commitment to the implementation of the system as it will bring significant benefits in terms of patient care and management of risk. In pilot areas, improvements have already been noted and once the pilot ends in summer 2013, the full roll-out will begin.

- The Trust has implemented a framework of Guardians, one of these being designated to monitor medicines management in the Trust.

- The Outcome Guardian and the team for medicines safety conduct Outcome Guardian ward and department visits (this process is an internal monitoring of quality and compliance against Care Quality Commission 16 essential standards) which have shown evidence of improved compliance in clinical and department areas.  The Medicines Management Guardian indicates areas where improvements are needed and these are actioned by senior staff.

- Progress is limited at present in the area of improving the incidence of prescribing errors; these have increased from September 2012 and we are currently undertaking a diagnostic review to ascertain the reasons for this and identify what actions need to be taken.

- We have established a pilot whereby we establish our staff on emergency assessment unit (EAU) and the surgical assessment unit (SAU) at the start of each day to complete medication reconciliation. This will improve our medications reconciliation figures although this will need further development to counteract the issues at weekends

- We are also utilising our pharmacist prescriber on EAU to amend medication discrepancies which will reduce the number of missed/delayed doses due to medicines not being prescribed.

**Monitoring and reporting for sustained improvement**

The pharmacy department has highlighted 'reducing delayed/missed doses' as one of their key objectives for 2013/14. Scoping has facilitated learning from other Trusts who do continual snapshot audits of missed doses. These examples from other Trusts have indicated a measure of how we will be looking at ways of introducing similar processes.

**3.2 Clinical Effectiveness**

**3.2.1 Reducing our Summary Hospital Mortality Indicator (SHMI)**

There are a number of different ways to measure mortality and last year the Trust agreed to use the Department of Health's preferred indicator, the Summary Hospital Mortality Indicator as its main focus. SHMI data includes in-hospital deaths and deaths within 30 days of discharge. During 2013/14 we will be looking at various metrics including HSMR, SHMI and crude mortality and we have already highlighted in section 2 what we intend to do to reduce these.

**What did we set out to achieve:** To reduce our SHMI to 97.

**In order to achieve this we set out to**:

- Implement an acute physician rota
- Introduce weekend ward rounds by all consultants to all medical wards
- Rollout ortho-geriatric service to the orthopaedic wards
- Implement an upper gastrointestinal rota
- Increase the availability of emergency radiology test at weekends
- Improve the number of patients who access emergency surgery at weekends
- Increase the availability of planned emergency surgical lists at weekends to reduce waiting.

**Progress:** This target was not achieved within the year

**Outcome:** Our SHMI position for 2012/13 was 101, our current position stands at 107.

This represents deterioration on our previous position and is why we have embarked upon a focused mortality reduction programme which will continue to be our number one priority into 2013/14.

Summary Hospital Mortality Index data July 2010 to June 2012
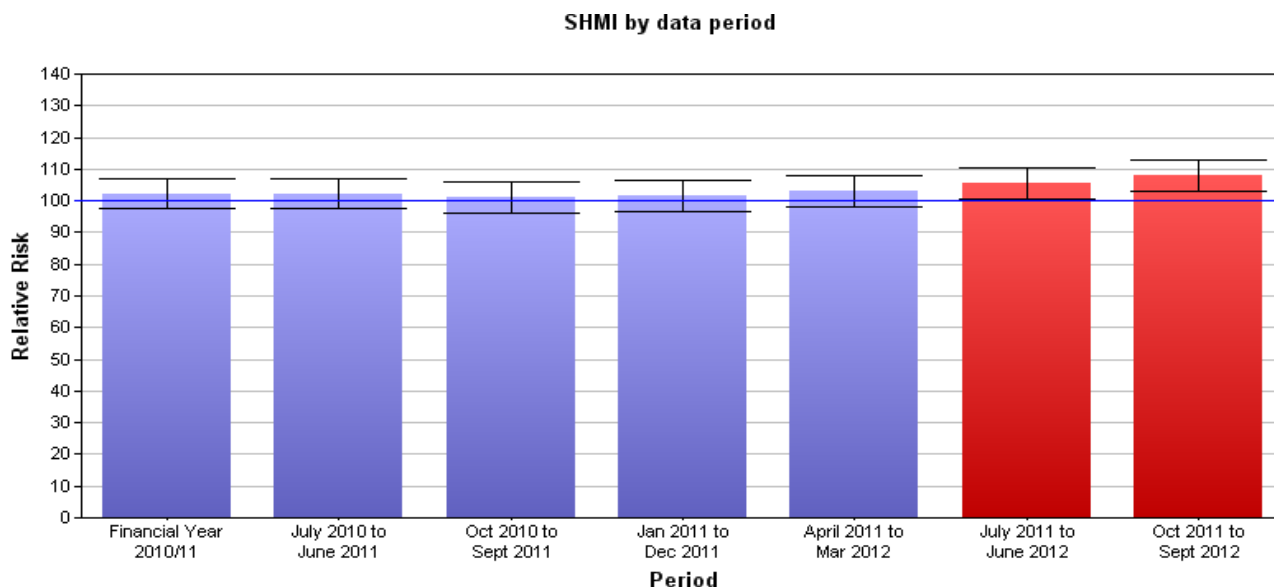


**Improvements achieved:**

- We have begun the implementation of the acute physician rota, which has proved to be instrumental in improving timely assessment of patients. Further work will be done on this during 2013/14
- For those specialties that have extended weekend ward rounds, it has consolidated clinician presence within the Trust which also facilitates safe and efficient discharge

- The successful implementation of ortho-geriatrician to the orthopaedic wards continues to create a positive impact on the patient's experiences and outcomes
- Further work has been developed in the gastrointestinal specialty, which offers a clinician service to these specialised patients that is both responsive and committed to improving the patient's journey, by promoting early diagnosis and intervention when required
- Diagnostic provision has been reviewed and access to radiology tests at weekends has increased. The need to extend this provision is currently being discussed
- The provision for emergency patients within the surgical specialty to access surgery at the weekends has improved and this has shown impact in minimising delays. However the availability of planned emergency provision has not yet showed a marked increase, and this remains an objective for the Trust going forward into 2013/14
- We recently received positive feedback from the General Medical Council regarding the training and supervision we offer the junior doctors within the emergency department.

**Further improvements identified:**

- The emergency assessment unit (EAU) has been under continual review to improve the overall experience of the patient and their clinical management.  The introduction of daily specialists ward rounds within the EAU have increased our ability to provide early intervention and diagnosis. It is important to focus our attention on maintaining the support and advice afforded to our junior doctors as well as with our senior staff. Changes have therefore been made to acute medical rotas that will improve continuity and consolidate their learning. We have appointed several new senior clinicians this year to support the unit
- The implementation of the National Early Warning Score (NEWS) has provided a monitoring tool that serves both nursing and medical teams to identify where early intervention is required. The Trust has been reviewing the Trust-wide implementation of electronic hand held devises (VitalPac) that can be used at bedside by both nursing and medical teams to record and importantly escalate deterioration of patients to appropriate senior staff. This immediate response system will further assist to support the early detection of patient's conditions and facilitate prompt and appropriate treatment.

We have described our plans to continue reducing mortality within section 2 of this report.

### 3.2.2 Avoidable re-admissions

**What did we set out to achieve:** To reduce avoidable emergency re-admissions to hospital within 28 days of discharge, from 2% in 2012/13 to 1.75% in 2012/13.

We planned to:
- Introduce increased range of ambulatory care services at the front door (geriatrics, cardiology, diabetes and respiratory medicine.
- Introduce clinical decision unit (CDU) to enable patients to be seen, treated and discharged without being admitted to a general ward
- Implement GP telephone access to senior clinical opinion scheme
- Strengthen our surgical admissions unit to enable direct access to surgical specialist, timely decisions and where appropriate discharge home

**Progress:** We failed to achieve this target

**Outcome:** Our Trust re-admission rates have increased from 8.37% to 10.05%

Trust Readmissions Figures 2012/13 & 2012/13

| | Year | YTD |
|---|---|---|
| % Readmission Following Elective Admission | *11/12* | 10.46% |
| | *12/13* | 13.59% |
| % Readmission Following Non Elective Admission | *11/12* | 7.92% |
| | *12/13* | 9.38% |
| Trust Total % Readmissions | *11/12* | 8.37% |
| | *12/13* | 10.05% |

**Improvements achieved**:

- Senior clinical opinion scheme for GPs is now in place in geriatrics; respiratory; ear nose and throat and urology
- The clinical decisions unit is in its infancy and requires further development but this unit does offer an area for patients to be seen, treated and discharged without unnecessary admission. However we have made notable progress here and 645 patients in total have been through the newly established unit since October 2012
- A number of significant reviews of re-admissions took place across all specialties within medicine which helped inform pathways for both 2012/2013 but also identifying further improvements in pathways
- The service directors in surgery have reviewed a sample of their re-admissions (those where they are over the target) and looked at each patient pathway in order to determine whether or not the readmissions could be avoided. This included general surgery, trauma & orthopaedics and paediatrics. All of the reviews reported that none of the re-admissions could have been avoided by improved initial discharge planning and as such were clinically necessary re-admissions
- Ambulatory services that reduce the need for patients to be admitted (and in some cases re-admitted) continue to be developed. Outpatient antibiotics treatments (OPAT), deep vein thrombosis (DVT) screening and a number of other ambulatory pathways will be in place for 2013/2014 to decrease the likelihood of avoidable re-admissions
- In 2013, a general surgical ambulatory clinic is being introduced which is designed to avoid either initial emergency admission/readmission by offering an urgent clinic appointment for patients to be reviewed and managed. We will collect data to evaluate the success of this from implementation against current performance levels.

**Monitoring and reporting for sustained improvement**

Readmission rates and specific audits will be reviewed by each specialty into 2013/14 as part of their on-going performance management.

The development of the clinical decisions unit and general surgical ambulatory clinic will be reported via the Hospital Management Board and to commissioners via the quality and performance meetings. As we have not met our objective for this we will continue to drive this target and work with our community colleagues to improve patient pathways to avoid unnecessary admission.

**3.2.3 Venous Thromboembolism**

**What we set out to achieve:** The specific goals that we set were:

- To eliminate unnecessary deaths due to venous thromboembolism (VTE) by increasing the number of patients receiving a VTE risk assessment within 24 hours of admission to hospital, from 92% to 95%

- 95% of patients who have been identified as being at risk of venous thromboembolism (VTE) to receive appropriate preventative treatment.

**Progress:** Target achieved

**Outcome:** By December 2012 we achieved our goal of 95% of patients who were at risk of venous thromboembolism (VTE) receiving appropriate preventative treatment. This was an improvement from the 2012/13 position of 92%.

% of Patients Receiving VTE Risk Assessment & Intervention

|  | Q1. | Q2. | Q3. | Q4. (indicative) |
|---|---|---|---|---|
| **A. Patients receiving a risk assessment** | 93.9% | 93.3% | 95.0% | 95.01% |
| **B. Patients identified at risk and receiving appropriate intervention** | 100% | 100% | 100% | 100% |

The introduction of VitalPac will help to resolve the challenges in achieving the required patient monitoring targets, VTE being one of these essential fields. While this electronic system becomes embedded the current paper data collection process is being redesigned.

**Further improvements identified**

To ensure compliance with future NICE and CQUIN targets, a protocol will be implemented for the mandatory investigation of all hospital associated thrombosis (HAT) events. Hospital associated thrombosis is defined as VTE occurring during a hospital admission or within 90 days of discharge. We will be undertaking detailed investigation of hospital associated thrombosis to identify the lessons that can be learned and ways to further improve the care we provide to patients with investigations and reporting at departmental clinical governance meetings.

**Monitoring and reporting to sustain improvement**

This priority will continue to be monitored through the Trust's internal processes and through national benchmarks (CQUIN and safety thermometer). Improvement work will continue to be undertaken until the national performance is achieved.

**3.2.4 Inpatient diabetes management and implementation of 'Think Glucose'**

**What did we set out to achieve**
Last year we set ourselves the challenge of improving inpatient diabetes management by non-specialist teams and improving access to diabetes care by the full implementation of the national Think Glucose programme.
We set this priority as the number of people with diabetes is steadily increasing, but the provision of consistent, effective and proactive inpatient care for people with diabetes as a secondary condition can be inadequate. Think Glucose is a national programme that has been devised by the NHS Institute of Innovation and Improvement and supports hospital Trusts to deliver a clinical pathway that improves the management of patients with diabetes as a secondary diagnosis.
We specifically planned to:

- Implement and strengthen the inpatient diabetes service across the Trust by increasing referrals and availability of specialists
- Introduce a phased roll out for patients to be seen and assessed using Think Glucose across the Trust
- Ensure all staff refer appropriate patients using the electronic referral system
- Implement a daily review of emergency admissions by the diabetes team

- To meet our CQUIN requirements to reduce length of stay for adults with a diagnosis of diabetes.

**Progress:** On plan

**Outcome:**
- We have increased referrals to the diabetes team.

The chart below demonstrates an increase in referrals to the diabetes team with the introduction of Think Glucose. The Trust's objective is that specialist diabetes management is provided to all patients irrespective of their admission diagnosis.

Number of referrals to the diabetes team during 2012
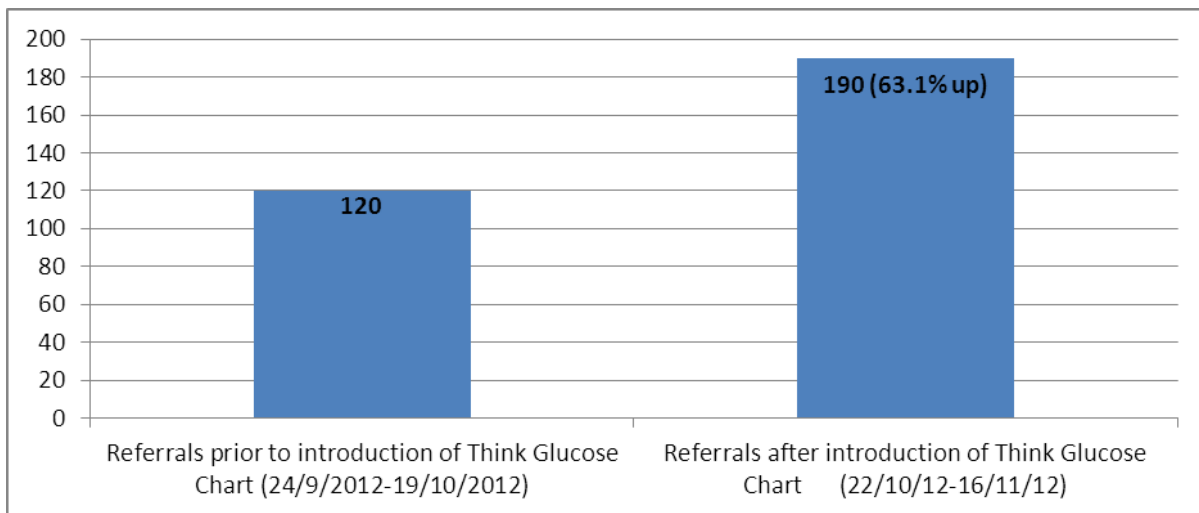


- We piloted Think Glucose on four wards, the initiative then widened throughout 2012/13 to include wards and departments outside of the initial pilot areas

- We have implemented a system to review emergency admissions by the diabetes team

- We have reduced the length of stay for patients with a diagnosis of diabetes (as demonstrated in the graph below) and thereby met the CQUIN requirements.

Average Length of Stay for Patients with Diabetes – April 2012 to March 2013.
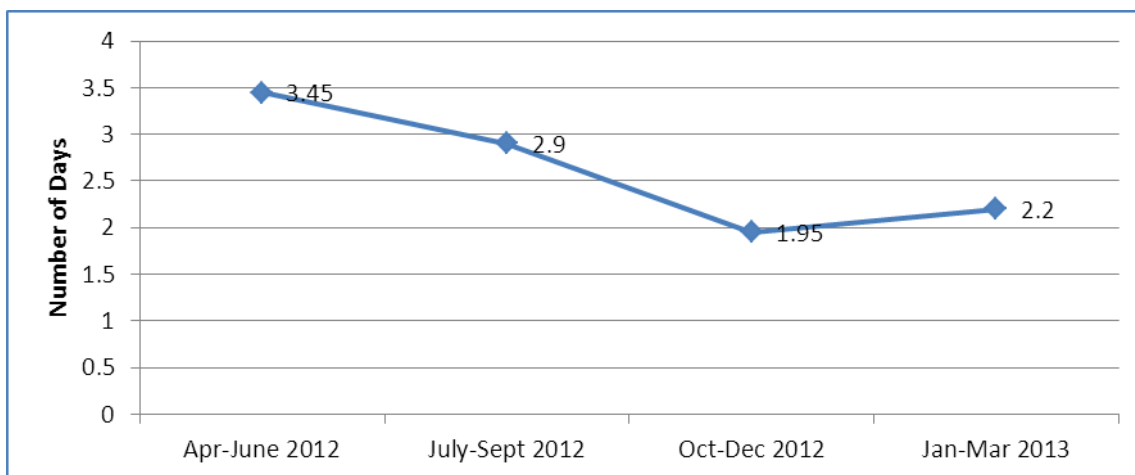
**In order to achieve this we set out to:**

- Strengthen the inpatient diabetes service
- Introduce a phased roll out for patients to be seen and assessed using Think Glucose across the Trust
- Ensure all staff refer appropriate patients using the electronic referral system
- Implement daily review of emergency admissions by the diabetes team.

**Improvements achieved**

- We have actively recruited to essential clinical posts and are in a position to provide specialist inpatient monitoring.  A consultant and a diabetes nurse cover wards, including our emergency assessment unit (EAU)
- The EAU consultant ward rounds and responses to ward based referrals are coded as red on the Think Glucose criteria assessment forms. This ensures these referrals are acted upon within 24 hours, between 0900-1700, Monday to Friday
- Training sessions have taken place with medical and nursing teams to instil the key principles of Think Glucose and timely referral to the inpatient diabetes service. Over 500 registered nurses have received patient stories to communicate the benefits of maintaining diabetic patients' independence and autonomy when they are admitted to our hospitals.

**Monitoring and reporting for sustained improvement**.

- The diabetes service undertakes the national diabetes inpatient audit to assess compliance against a number of standards and this will continue in 2013
- There is quarterly review of length of stay for diabetic patients so progress can be tracked and reported to the commissioners, divisional governance forums and Clinical Governance Committee
- Quarterly audits of insulin errors are also part of the on-going CQUIN initiative. This information is fed back to clinical teams to inform their practice
- Monitoring of the percentage of patients who are coded red for Think Glucose.

**3.3 Patient Experience**

**3.3.1 'Friends and Family Test'**

The Department of Health (DOH) emphasises the importance of enabling patients within target groups to relate feedback on their experiences. It stresses the importance of ensuring that the Friends and Family Test provides a vehicle to identify patient experience and quality issues and encourage staff to make improvements in response to this specific feedback.

From April 2012 organisations across NHS Midlands and East were set a regional CQUIN target. It is referred to as the net promoter score or the family and friends test. The question asks patients 'How likely is it that you would recommend this service to friends and family'.

**What did set out to achieve:** Achieve and sustain a top quartile national performance.

**Progress**: Target achieved

**Outcome**: The Trust has topped the regional league table in NHS Midlands and East, recording a score of 96.6 in quarter 4, compared to an average of 71 across the 46 Trusts involved in the regional pilot.

The weekly results for the Trust are shown below and show a consistently high level.

**Weekly Trust Results - How likely is it that you would recommend this service to friends / family**
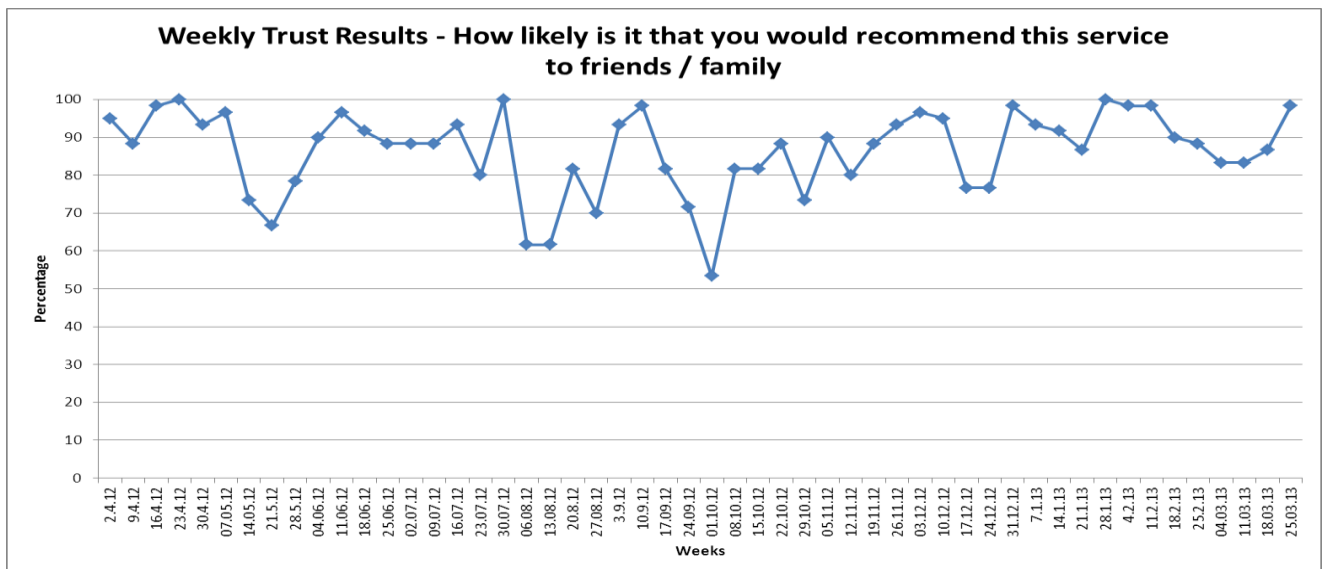
**In order to achieve this we set out to:**

- Survey 10% of inpatients at discharge face to face or within 48 hours. This equates to approximately 60 patients per month
- Collate the results into a dashboard which reports from ward to Board
- Interrogate qualitative and quantitative results to provide greater understanding of patient concerns/issues
- Triangulate the results with other quality metrics
- Formulate action plans to address specific themes/concerns.

**Improvements achieved**:

- The results from the net promoter score have been reviewed and wards have made changes that have led to an improvement in their scores
- Triangulation against complaints and compliments has been undertaken to assist wards to formulate specific action plans
- The results have been disseminated to ward sisters/charge nurses and matrons to enable them to discuss results and implications at ward meetings. The net promoter score has been established with staff as an important mechanism to enable patients to comment if they are likely to recommend our services.

**Monitoring and reporting for sustained improvements**

We will report the net promoter score to the Clinical Governance and Quality Committee monthly and to the Trust Board through the integrated performance report. We will assess and triangulate the results (with other customer care metrics) through the quarterly quality report which will be presented to both the Clinical Governance and Quality Committee and Trust Board.

The net promoter score will be a national CQUIN 2013/14. In 2012/13 we surveyed 10% of inpatients at discharge, face to face or within 48 hours. This equates to approximately 60 patients per month. As from April 1st 2013, we must give all inpatients an opportunity to respond and cannot utilise a face to face methodology. An external company has been commissioned to collate and present the Trust data and this method has been trialled during February 2013. The reports will show not only Trust-wide results but also ward level results and trends, which will be reviewed alongside other care metrics so we can monitor standards and patient experience.

**3.3.2 Improvement in the patient experience of their hospital stay**

**What did we set out to achieve**: To achieve an 80% composite score in five indicators on discharge

Five questions are asked at discharge to determine patients' experience during their hospital stay. They are as follows:

1. Were you as involved as you wanted to be in decisions about your care and treatment?
2. Did you find someone to talk to about worries and fears?
3. Were you given enough privacy when discussing your condition or treatment?
4. Were you told about medication side effects to watch for went you went home?
5. Were you told who to contact if you were worried about your condition after you left hospital?

**Progress:** Target achieved

**Outcome:** Results have reflected a consistent standard. The Trust's last quarter has reached the highest score over the year.

Percentage achieved for patient experience questions – April 2012 to March 2013.
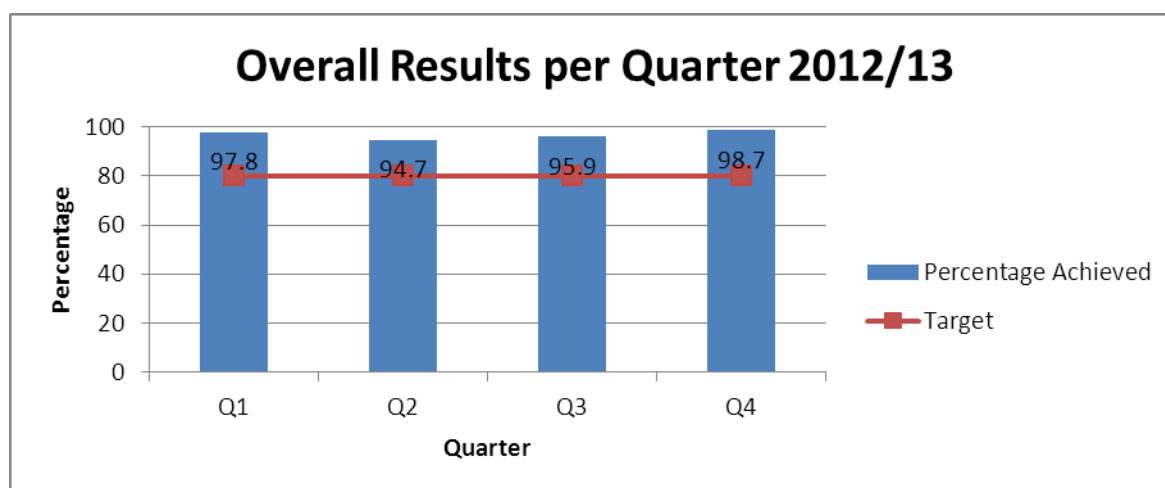


**In order to achieve this we set out to:**

- Survey 60 inpatients at discharge face to face each month
- Collate the results into a dashboard which reports from ward to board
- Review the results and formulate action plans to address specific themes/concerns
- Triangulate the results with additional quality metrics and qualitative information, including complaints, incidents, litigation, Patient Advice and Liaison Service (PALs) information
- Increase patient counselling on medication side-effects by pharmacy and other healthcare professionals.

**Improvements achieved**

- Week on week we were able to survey 60 patients
- The results are presented via ward, service line and Trust
- Evidence of implemented action plans and improvements
- The specific results relating to question 4 have been shared with pharmacy as these relate to medications. Subsequently an information card for every patient has been introduced. Pharmacy and ward staff will continue to distribute these to improve patients' experience.

**Monitoring and reporting for sustained improvements**

Results are shared on a monthly basis with staff and they are asked for their improvement ideas. Monthly reports are provided to the Board of Directors alongside other quality, safety and patient experience metrics.

### 3.3.3 Staff recommendations to family or friends to our hospitals

**What did we set out to achieve:** To increase the percentage of staff who would recommend our hospitals to a family or friends. To implement organisational development (OD) activities to secure the required improvements.

The Trust organisational development plan sets out required improvements that are needed.

**Progress:** This target was not achieved

**Outcome:**  In 2011 73% of our staff would recommend the Trust to family and friends
In 2012 70% of our staff would recommend the Trust to family and friends

Percentage of staff who would recommend the Trust to friends & family in 2011 & 2012

| 2011 & 2012 Staff Survey Feedback on Whether They Would Recommend the Trust to Family and Friends | | | | |
|---|---|---|---|---|
| Year | Percentage | Average % Acute Trusts | Lowest % Acute Trusts | Highest % Acute Trusts |
| Staff survey 2011 | 73% | 62% | 33% | 89% |
| Staff survey 2012 | 70% | 63% | 54% | 72% |

**In order to achieve this we set out to:**

- Engage with existing Trust groups, Hospital Management Board and Workforce Committee to share 2011 staff survey results and understand the links with the patient survey results
- Share staff survey outcomes to identify 3 top improvements for 2012/13 for each division
- Develop and agree the organisational development plan
- Ensure organisational structures support delivery of strategic direction
- Maintain regular series of staff engagement workshops and focus groups to listen and move views forward, reinforce messages and the 'you said-we did 'approach
- Share progress with Board and staff regularly.

**Improvements achieved**

- Staff Survey results have been shared widely with staff. There were a number of areas where we could improve and as such corporate and divisional action plans were developed based on the survey results
- The Trust appraisal process has been revised.  The appraisal process is an opportunity for staff and their managers to review personal objectives and the contribution of individuals to the overall Trust objectives. Appraisal documentation made clearer and monthly monitoring of appraisal rates commenced, however completion rates remain poor
- Progress has been made in various areas of training including: increased numbers of staff attending equality and diversity training, a focus on leadership attributes and management skills development
- A training programme has been put in place to support staff in conflict resolution, the gaining of skills in clinical holding techniques and the support of effective occupational health referral/reporting training

- During a period of significant workforce transformation and media attention regular communications have kept staff up to date. The communication cascade to staff, which includes the Team Brief, was revamped and staff were encouraged to contribute to improvements at work
- A model of clinical leadership has been implemented within operational divisions, executive director portfolios have been reviewed and responsibilities clarified.

**Further improvements identified**

- Quarterly staff surveys on key issues will be undertaken and reported to the Trust Board within the HR quarterly report
- Central support will be provided to managers to improve data collection around appraisals and ensure the number of appraisals completed is increased
- Engagement with staff will continue to be a priority as outlined within the communications plan/strategy.

Organisation development plan to be presented and agreed with the Trust Board.

**Monitoring and reporting for sustained improvement**

In applying some of the lessons learnt, it is imperative during 2013/14 that the information is relayed back to the wards and divisional teams in a more co-ordinated way, in order to inform practice and service delivery. This process will be refined during 2013 to ensure that all staff groups can usefully view the results and make any changes necessary to improve patient care.

### 3.3.4 Dementia

Last year, we set a goal to improve the quality of care and outcomes for patients with dementia. Improving dementia care requires a sustained improvement in finding, assessing, investigating and referring patients and during 2012/13 this was a focus for us. We also wanted to ensure more staff had received dementia training, which will in turn lead to improved patient care, delivered by competent and compassionate staff.

**What did we set out to achieve**

- By the end of 2012/13 that 95% of all emergency patients (exclusion criteria in CQUIN) above the age of 75 will be screened for dementia
- 95% of those who have been screened as at risk of dementia, have had a dementia risk assessment  prior to discharge
- 90% of all relevant staff are trained in dementia care and the mental capacity act every 2 years

**Progress and Outcome**

- We did not meet our target to screen 95% patients over the age of 75 for dementia. We increased the number of patients screened to over 40%, which fell significantly short of our 95% CQUIN target
- Of those patients screened for dementia, 100% of them had a risk assessment prior to discharge
- By Quarter 4 2012/13, 90% of relevant staff had received training in dementia care.

**Improvements Achieved**

- A Practice Development Nurse focusing on improving Dementia care pathways has been employed. They are working with the Clinical Lead for dementia to embed the dementia screening tool and increase compliance across the Trust.
- The introduction of a dementia screening tool has been developed and is in place. Dementia awareness training has been integrated into orientation and mandatory days.
- Further development of staff at Level 2 is underway. These modules are being piloted and will enhance the staffs' knowledge of dementia patient's requirements to support their care management.
- A mental capacity training programme has been implemented, to raise awareness of this fundamental patient assessment.
- The Trust Dementia Strategy Group (DSG) has been re-invigorated, with clear reporting lines and representation from carers.
- Improved discharge information
- More teaching for medical staff
- Successful bid for funds from Hardwick Care Commissioning Group (CCG) for dementia information provision and activity equipment
- Pilot of dementia befriending volunteer programme
- Trust sign-up and representation on regional Dementia Action Alliance
- Engagement with Alzheimer's Society and Age UK, with representation on our DSG
- Agreed increased staffing establishment on Ward 52, Dementia/Delirium ward

**Reporting and Monitoring for Sustained Improvement**

Results for the dementia CQUIN targets are reported to Trust Board on a quarterly basis. Weekly compliance of dementia screening is monitored within the safeguarding team. The impetus for compliance improvement is to address the individual assessment needs of patients. The Trust dementia pathway and strategy is available for internal/external scrutiny.

The dementia strategy and work plan is reviewed and monitored at the Dementia Strategy group and any deviations from plan are reported to Clinical Governance and Quality Committee. In 2013 the results from individual service lines will be discussed at divisional governance meetings.

**Further work planned for 2013/14**

- Involvement in an innovative training project in conjunction with neighbouring Trust's and Nottingham University. The study day is called 'Inside Out of Mind' and will help non registered staff to understand the needs of dementia patients.
- The Dementia Strategy group plans to develop a carer feedback questionnaire and information provision services. A planned implementation of 'This is me', which identifies patient's individual preferences, is to be introduced.
- Introduction of dementia training on orientation and mandatory training events to ensure maximum coverage of all disciplines
- Collaboration work with regional teams to develop University based academic level 5 course
- Individualised documentation for patients so that their lifestyle is mapped
- Greater involvement in carer contribution to patient management

The Trust will continue to work towards the CQUIN requirements for 2013/14 which involves on-going compliance with dementia screening, improved carer involvement and clinical leadership.

**Carer Group Story**

Meet Joan, Assistant to the Secretary for the Forget-Me-Not Dementia Support Group.  Based in Kirkby-in-Ashfield, Forget-Me-Not has been established for just over a year.  This independent group provides monthly meetings to anyone suffering with memory problems, their carers, families and friends.  They always offer a warm welcome, a friendly and relaxed atmosphere and experienced volunteers for support and advice.

Following a visit from Sherwood Forest Hospitals NHS Foundation Trust's Practice Development Nurse for Dementia, an invitation was extended for a representative to join the Trust Dementia Strategy Group; set up to shape and implement real and practical improvements in the care of people with dementia across the Trust.

Joan regularly attends the Trust Dementia Strategy Group and helps to shape the direction and work undertaken within the Trust.
"I've had a long career in social care and have looked after close family members with dementia.  I was not happy with the services offered to local people with dementia and jumped at the chance to be involved with the hospital.  I'm proud to be a valued part of this group and can see real change for the good already.  I'm excited about what the future holds.  It's hugely important that carers are listened to in the planning process for hospitals and groups like this are key to giving people with dementia and their carers an influential voice." - Joan Cannan.2013

### 3.4 Progress on other Initiatives & Services

### 3.4.1 Measuring our Nursing Care

**The nursing metrics have been developed to provide information relating to the contribution of nursing to the quality and delivery of healthcare**

The nursing metrics are used to monitor nursing standards across the inpatient wards.  Nurses outside of the ward teams are used to assist independent assessment, however, the ward nurses are actively encouraged to participate.  The metrics highlight best practice, as well as areas where systems and processes require support.

The metrics work at various levels:

- Patients receive safe, clean and personal care
- Ward Teams – ownership
- Divisions and Service Lines – can assess nursing care in their areas and use this as part of their governance assessment
- Trust executive – demonstrate quality of nursing care across the whole of the organisation.

The metrics are carried out on the wards every month.  The metrics are currently under review to further establish a robust measurement of aspects of care that have been identified as important to patients.  These newly devised quality metrics will include the speciality areas within the Trust to capture specifics that relate to them.

Summary of the Trust Wide Nursing Metrics Scores 2012/2013

| | Apr 2012 | May 2012 | Jun 2012 | Jul 2012 | Aug 2012 | Sep 2012 | Oct 2012 | Nov 2012 | Dec 2012 | Jan 2013 | Feb 2013 | Mar 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Medication Storage And Custody | 93% | 97% | 92% | 95% | 97% | 98% | 95% | 90% | 95% | 95% | 98% | 94% |
| Infection Control & Privacy & Dignity | 96% | 93% | 96% | 96% | 94% | 93% | 95% | 94% | 95% | 97% | 97% | 99% |
| Patient Observations | 83% | 85% | 86% | 88% | 85% | 87% | 87% | 89% | 87% | 87% | 90% | 93% |
| Pain Management | 89% | 93% | 88% | 89% | 88% | 87% | 83% | 91% | 94% | 82% | 83% | 92% |
| Tissue Viability | 92% | 93% | 93% | 96% | 91% | 93% | 95% | 96% | 98% | 95% | 95% | 95% |
| Nutritional Assessment | 95% | 94% | 90% | 92% | 93% | 73% | 92% | 86% | 82% | 84% | 82% | 86% |
| Falls Assessment | 98% | 99% | 98% | 97% | 94% | 94% | 94% | 96% | 97% | 94% | 95% | 95% |
| Continence Assessment | 93% | 93% | 92% | 92% | 90% | 92% | 89% | 96% | 96% | 92% | 92% | 94% |
| Total | 92% | 93% | 92% | 93% | 91% | 90% | 92% | 92% | 93% | 91% | 92% | 94% |

### 3.4.2 Patient Environment Action Teams (PEAT) scores

Last year the Trust participated in the national self-assessment of Patient Environment using the PEAT assessment tool. This annual audit measured the standards of cleanliness, environment, patient meal service and privacy and dignity afforded to patients. The audit team consisted of representatives from Infection Prevention and Control, Facilities Services, Head of Nursing and also

included a patient representative. The validated scores for the Trust were confirmed and are included in the table below. Excellent scores for environment, cleanliness and food service were recorded at all three sites. Patient feedback was also very positive.

Summary of PEAT Scores 2010-2012

| Site and Year | Environment | Food | Privacy and Dignity |
|---|---|---|---|
| 2010: King's Mill | 4 (Good) | 5 (Good) | 4 (Good) |
| 2010: Newark | 4 (Good) | 5 (Excellent) | 5 (Excellent) |
| 2011: King's Mill | 4 (Good) | 5 (Excellent) | 4 (Good) |
| 2011: Newark | 4 (Good) | 4 (Good) | 5 (Excellent) |
| 2012: King's Mill | 5 (Excellent) | 5 (Excellent) | 4 (Good) |
| 2012: Newark | 5 (Excellent) | 5 (Excellent) | 5 (Excellent) |
| 2012: Mansfield | 5 (Excellent) | 5 (Excellent) | 5 (Excellent) |

For 2013 the annual PEAT audits are being replaced by the PLACE audits (Patient Led Assessment of the Care Environment). The new audit process sees significant changes to the audit process with the key change being the increased involvement of patient representatives on the audit teams.

The Trust has always had enthusiastic support from a dedicated team of patient representatives in previous years and has never undertaken an audit without patient involvement. It is the number of representatives which are now required that will make a difference to the composition of the team for 2013.

As with PEAT the PLACE audit findings will be publically published in the form of league tables, and each Trust will be required to publish an action plan to deal with any issues identified.

As with PEAT the audit is split into 4 categories:

- Cleanliness
- Food
- Privacy and Dignity
- General Maintenance and Décor

Trusts are being given 6 weeks' notice of the week they must undertake the audits (as of the date of the writing of this paper the Trust has received notification of the audit dates for Newark and Mansfield sites only .The date for Kings Mill audit is still awaited. No audits have taken place yet) The audits will be completed nationally by 21st June 2013, with preliminary results published in July 13 and final results in September 2013.

There will be no weighting associated with the scoring but other information from other audits will be considered in awarding the final score – CQC Inpatient Survey for example.

Scoring has been simplified to Pass (P), Qualified Pass (QP) AND Fail (F). The scores achieved should be scored by observation and discussion and whilst there is no margin or mitigation where an item can fail but still achieve a pass, a QP allows the team to ask themselves "what would a reasonable person think"

### 3.4.3 Cleanliness

Cleaning of Trust property is the responsibility of Medirest contracted by Central Nottinghamshire Hospitals PLC (CNH) as part of the PFI agreement.   The monitoring of clinical areas are undertaken on a weekly/monthly basis following the National Specifications of Cleanliness guidelines, with audits undertaken by Medirest and independent audits undertaken by Trust staff, including Heads of

Nursing, Infection Prevention and Control Team and the PFI Contract Management leads. Further joint audits are undertaken in conjunction with Central Nottinghamshire Hospitals throughout the year.

Cleanliness remains high on the Trust agenda and regular meetings continue to be held with Medirest and CNH and all levels of the organisation, to raise concerns and address issues that have arisen in the PFI partnership arrangement. The Facilities Liaison Group is an established forum for members of the organisation to meet the service providers face to face to discuss and resolve operational issues.

Hydrogen peroxide vapour decontamination (fogging) continues for the decontamination of areas that have been occupied by patients with CDI. Hydrogen peroxide vapour has also been in use following cases of norovirus, with full wards fogged when capacity allows. Medirest are involved in the Infection Control meetings organised around any potential outbreak situations, and work with the ward teams to enable the area's to be brought back in to use in a timely fashion.

Medirest, the soft services provider, has undertaken patient satisfaction surveys for cleanliness and catering across King's Mill, Mansfield Community and Newark Hospital. The results of these surveys are showing patients being very happy with the standards of cleanliness within their area and the hospital generally as well as quality of the food presented and choices available.

All areas now have disposable curtaining and the introduction of the Steamplicity catering system has further improved the perception of cleanliness at ward level on the three Trust sites with the clear separation of cleanliness and catering. In addition, this change to the service delivery methodology has resulted in an increase in the number of dedicated cleaning hours per day.

As part of our partnership working with Medirest, the Domestic Supervisors have adopted the Institute of Innovation and Improvement 15 steps initiative as an audit tool. This parallels the use of this tool with the nursing staff on the assurance visits. The 15 steps is a measurement of the environment which includes how individuals are welcomed onto the ward and if the ward feels safe. It also measures the initial impressions of caring and involving patients and how well organised and calm the ward/department environment is. We are choosing to use the same tools measured by different staff to maintain objectivity when we are monitoring.

### 3.4.4 Paediatric Services

Paediatric services across the Trust continue to develop and expand, with recent additions of a paediatric ambulatory clinic at Newark Hospital, which facilitates GP's in ensuring their patients are seen quickly by a paediatrician. This means that children are seen close to home rather than having to travel to King's Mill Hospital.

The Paediatric Diabetes Service welcomes the appointment of two nurse specialists to support children and young people with diabetes and their families.

Our superb, purpose built facilities ensure our staff are able to provide high quality in-patient and day case care to patients from across Nottinghamshire and beyond.

Our seamless links with partners in the community, and our own specialist nurses, ensure our children and young people with on-going needs are cared for by a dedicated team of professionals focussed around the child.

### 3.4.5 Maternity Services

Maternity services has continued to be a popular service during 2012/13 and we have given care to over 4000 women and their families across North Nottinghamshire and close border areas. We offer Community based services, obstetric ante natal and post natal services from the Kings Mill Hospital and Newark sites, and intra partum facilities at the Kings Mill site.

Our services are complimented by the work of colleagues in the early pregnancy unit, Sonographers, Physiotherapists and other medical colleagues in paediatrics and anaesthetics.

Our Birth outcomes are outlined in the table below and continue to place our birth outcomes as one of the best nationally:

Birth Outcomes

|  | 12/13 | 11/12 | 10/11 |
|---|---|---|---|
| Birth Numbers | 3414 | 3499 | 3427 |
| % from previous year | ↓2.4% | 2.1% | 6% |
| MW to birth Ratio | 1:32 | 1:33 | 1:32.3 |
| Caesarean Section Rate | 18.48% | 17.96% | 15.74% |
| Vaginal Birth Rate | 81.52% | 82.04% | 84.26% |
| Home Birth Rate | 4.7% | 5.17% | 6.76% |

We are really proud of these outcomes which we achieve by the strong philosophy of care the maternity team share. They have also been enhanced by our fabulous new environment, the availability of water for birth and aromatherapy. These compliment the traditional services available from midwives, obstetricians paediatricians, anaesthetists and neo natal services.

We also value the views of our services users. We collect comments that our women have made about their birth experience in their post natal records monitor themes and trends of our incidents and complaints to inform service improvements. We also audit our women on a quarterly basis to elicit their views on their care in labour. It has been demonstrated that women who receive 1:1 care in labour and having a midwife available to them during their labour, when they chose improves birth outcomes.

Over the last year over 99% of our women reported positively on this.

Our challenges are regarding broader public health targets such as smoking cessation rates in pregnancy and breast feeding initiation rates which we are taking various strategies to address.

We have made some additional key achievements during 2012/13. They include:

- The Birthing Unit participated in a management audit undertaken by the Tobacco control Collaborating Centre in Aug /Sept 2012.
- From November 2012 New Leaf has provided a specialist smoking cessation worker who attends the Maternity Ward once a week. She attends between visiting times on a Wednesday afternoon, when women are with their partners. The worker accesses all known smokers both antenatal and postnatal that have been identified by the Midwife.
- Maternity Services have been asked to take part in a study being run from Nottingham University, whereby all women accessing a dating scan within the Trust are offered a carbon monoxide (CO) reading at the same appointment.  Smokers and non-smokers, with a CO reading above 4, will have a discussion on the effects of their smoking, or passive smoking and electronic referral to Smoking Cessation services.

### 3.4.5.1. *UNICEF UK* Baby Friendly Initiative



The maternity service was awarded the prestigious Baby Friendly Award, achieving recognition from UNICEF (United Nations Children's fund).  The service achieved an outstanding 100% in all of the eight Criteria and has been accredited with a stage 2 award, which focuses on the commitment to provide high quality education for all staff in the care of mothers and babies especially in relation to breast feeding.

The baby friendly initiative established by UNICEF and the World Health Organisation is a global programme which provides a practical and effective way for health services to improve the care provided for all mothers and babies. In the UK, the initiative works with Health professional to ensure that mothers and babies receive high quality support to facilitate successful breast feeding. The award is given to maternity services after an assessment by a UNICEF team.

The assessor reported that all the staff working on the maternity unit are welcoming and caring. It also highlighted that it was exceptionally unusual for a service to be given a mark of 100% and in ten years she had never marked a service so highly.

### 3.4.6 Accident and Emergency (A&E) indicators

In 2012/2013 the department continued to measure itself against the national set of care quality indicators, designed to monitor and support improvement of the quality of care given in emergency departments. It continues to adapt to an increasing demand on its services with innovative improvements such as combined psychiatric and medical reviews for patients that require them and near patient testing reducing the time patients have to wait for some diagnostic tests.

| A & E Indicators | 2012/2013 |
|---|---|
| Percentage of patients spending 4 hours or less in A&E | 94.34% |
| 95th percentile time for patients arriving by ambulance in A&E to start of full initial assessment – aim 15 minutes | 39 mins |
| Median waiting time (in minutes) spent for patients arriving at A&E before start of definitive treatment (seeing a decision making clinician) – aim 60 minutes | 56 mins |
| Left without being seen – aim less than 5% | 2.08% |

The key national standard is that patients should spend less than 4 hours in A&E. We have not achieved this standard, narrowly missing it by 0.6%. However, as the table shows, the A&E target indicators have been met.  These require consistent monitoring but the dedicated A&E team are continually motivated to maintain the quality of care received in their department.

**3.5 An overview of measures (to include data for 12/13 in the table) – data taken from the Trust's dashboard, year to date – March data will be available end April.**

Quality measures that are reported monthly to the Trust Board.

| Integrated Performance Measure | | Reportable to | Threshold | 2012/13 (Apr 12 to March 13) | 2011/12 | 2010/11 | 2009/10 | 2008/9 | 2007/08 |
|---|---|---|---|---|---|---|---|---|---|
| Maximum time of 18 weeks from point of referral to treatment in aggregate – admitted | | Monitor | 18 weeks 90% | 88.86% | 94.94% | 95.13% | 94.64% | N/A | N/A |
| Maximum time of 18 weeks from point of referral to treatment in aggregate – non-admitted | | Monitor | 18 weeks 95% | 94.71% | 97.76% | 97.98% | 98.53% | N/A | N/A |
| Maximum time of 18 weeks from point of referral to treatment in aggregate – patients on an incomplete pathway | | Monitor | 18 weeks 92% | 95.24% | 94.45% | 93.43% | 95.84% | N/A | N/A |
| A&E Clinical Quality: Total Time in A&E Dept *(% <4 hour wait)* | SFHFT | Monitor | 4 hours > 95% | 94.34% | 96.21% | 97.70% | 98.70% | 98% | 98% |
| Cancer 2 week wait: All Cancers | | Monitor | 93% | 95.82% | 95.32% | 94.20% | 94.40% | 99.80% | 99.70% |
| Cancer 2 week wait: Breast Symptomatic | | Monitor | 93% | 95.54% | 96.39% | 95.10% | 92.80% | - | - |
| Cancer 31 day wait: from diagnosis to first treatment | | Monitor | 96% | 99.42% | 99.60% | 99.60% | 98.80% | 99.30% | 99.80% |
| Cancer 31 day wait: for subsequent treatment - surgery | | Monitor | 94% | 98.63% | 98.98% | 97.30% | 94.30% | - | - |
| Cancer 31 day wait: for subsequent treatment - drugs | | Monitor | 98% | 100% | 99.70% | 99.20% | 99.70% | - | - |
| Cancer 62 day wait: urgent referral to treatment | | Monitor | 85% | 90.73% | 89.54% | 89.70% | 84.50% | - | - |
| Cancer 62 day wait: for first treatment - screening | | Monitor | 90% | 94.95% | 96.35% | 93.10% | 90.50% | - | - |
| Clostridium (C) difficile – meeting the C.difficile objective | | Monitor | Local targets | 29 | 45 | 54 | 96 | 177 | 324 |
| Infection Prevention Control: MRSA Bacteraemia *(No. of cases attributed to Trust)* | | Monitor | 0 | 0 | 0 | 0 | 14 | 31 | 26 |
| Access to Healthcare for people with learning disabilities | | Monitor | Compliant | Compliant | | | | | |
| Data completeness: Community Services: Referral to treatment information | | Monitor | 50% | 74.35% | 0.23% | N/A | N/A | N/A | N/A |
| Referral information | | Monitor | 50% | 54.37% | 54.78% | N/A | N/A | N/A | N/A |
| Treatment activity information | | Monitor | 50% | 68.77% | 70.17 | N/A | N/A | N/A | N/A |

### 3.6 What do other people say about this Quality Report?

#### Comments from the Clinical Commissioning Group

The CCGs have worked closely with the trust during 2012/13 to monitor and improve the quality of patient care. We noticed an increased board focus on patient safety and governance as the year progressed. The trust has experienced a number of high profile quality challenges during 2012/13. We support the continued prioritisation of improvements in mortality rates and quality governance. Sustaining and building on change will be essential to deliver 2013/14 objectives. Hospital doctors and GPs are working together to improve patient care across settings. We envisage that this will be further strengthened in 2013/14. We welcome comments about the need for cultural changes and we will be active partners in initiatives to improve patient care.

#### Comments from the Healthwatch

Healthwatch Nottinghamshire came into being on April 1st 2013. We are grateful for the opportunity to be asked to comment on the Sherwood Forest Hospital Trust's Quality Account, but after only four weeks of operation, we do not yet feel qualified to give a considered view of the content of the document. We would welcome the chance to work closely with the Trust over the next 12 months to identify how Healthwatch Nottinghamshire can contribute to the continuous improvement of services provided by Sherwood Forest Hospitals Foundation Trust.

### 3.7 Statement of Directors' Responsibility in Respect of the Quality Report

The directors are required under the Health Act 2009 and the National Health Service Quality Accounts Regulations to prepare Quality Accounts for each financial year.

Monitor has issued guidance to NHS foundation Trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that foundation Trust boards should put in place to support the data quality for the preparation of the quality report.

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

- The Quality Report presents a balanced picture of the NHS foundation Trust's performance over the period covered;
- The performance information reported in the Quality Report is reliable and accurate;
- There are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice;
- The data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review; and the Quality Report has been prepared in accordance with Monitor's annual reporting guidance (which incorporates the Quality Accounts regulations) (published at www.monitor-nhsft.gov.uk/annualreportingmanual) as well as the standards to support data quality for the preparation of the Quality Report (available at www.monitor-nhsft.gov.uk/annualreportingmanual)).

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

By order of the Board


27 June 2013…..Date...............................................................Chairman

27 June 2013......Date...............................................................Chief Executive

**Independent Auditor's Report to the Board of Governors of Sherwood Forest Hospitals NHS Foundation Trust on the Quality Report**

We have been engaged by the Board of Governors of Sherwood Forest Hospitals NHS Foundation Trust to perform an independent assurance engagement in respect of Sherwood Forest Hospitals NHS Foundation Trust's Quality Report for the year ended 31 March 2013 (the "Quality Report") and certain performance indicators contained therein.

## Scope and subject matter

The indicators for the year ended 31 March 2013 subject to limited assurance consist of the national priority indicators as mandated by Monitor:

- Clostridium Difficile – all cases of Clostridium Difficile positive diarrhoea in patients aged two years or over  that  are attributed to the Trust; and

- 62 Day cancer waits – the percentage of patients treated within 62 days of referral from GP.

We refer to these national priority indicators collectively as the "indicators".

## Respective responsibilities of the Directors and auditors

The Directors are responsible for the content and the preparation of the Quality Report in accordance with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* issued by Monitor.

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

- the Quality Report is not prepared in all material respects in line with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual;*

- the Quality Report is not consistent in all material respects with the sources specified in the *NHS Foundation Trust Annual Reporting Manual*; and

- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the *NHS Foundation Trust Annual Reporting Manual* and the six dimensions of data quality set out in the *Detailed Guidance for External Assurance on Quality Reports.*

We read the Quality Report and consider whether it addresses the content requirements of the *NHS Foundation Trust Annual Reporting Manual,* and consider the implications for our report if we become aware of any material omissions.

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

- Board minutes for the period April 2012 to June 2013;

- Papers relating to Quality reported to the Board over the period April 2012 to May 2013;

- Feedback from the Commissioners dated May 2013;

- Feedback from local Healthwatch organisations dated May 2013;

- The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, 2012/13;

- The 2012/13 national patient survey;

- The 2012/13 national staff survey;

- Care Quality Commission quality and risk profiles 2012/13; and

- The 2012/13 Head of Internal Audit's annual opinion over the Trust's control environment.

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

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

This report, including the conclusion, has been prepared solely for the Council of Governors of Sherwood Forest Hospitals NHS Foundation Trust as a body, to assist the Council of Governors in reporting Sherwood Forest Hospitals NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2013, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Sherwood Forest Hospitals NHS Foundation Trust for our work or this report save where terms are expressly agreed and with our prior consent in writing.

## Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- Evaluating the design and implementation of the key processes and controls for managing and reporting the indicators.

- Making enquiries of management.

- Testing key management controls.

- Limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation.

- Comparing the content requirements of the *NHS Foundation Trust Annual Reporting Manual* to the categories reported in the Quality Report.

- Reading the documents.

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

## Limitations

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

The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Quality Report in the context of the criteria set out in the *NHS Foundation Trust Annual Reporting Manual.*

The scope of our assurance work has not included governance over quality or non-mandated indicators which have been determined locally by Sherwood Forest Hospitals NHS Foundation Trust.

Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2013:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual;*

- the Quality Report is not consistent in all material respects with the sources specified above; and

- the indicators in the Quality Report subject to limited assurance have not been reasonably stated in all material respects in accordance with the *NHS Foundation Trust Annual Reporting Manual.*

KPMG LLP.

KPMG LLP, Statutory Auditor

Birmingham

Date    27 June 2013

# 3. ANNUAL ACCOUNTS

## 3.1 Financial Statements

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

The National Health Service Act 2006 states that the Chief Executive Officer 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 National Health Service Act 2006, 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 Annual 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 Annual Reporting Manual have been followed, and disclose and explain any material departures in the financial statements

- 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/her 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: 28 May 2013
**Eric Morton**
**Interim Chief Executive Officer**

## 3.1.2 FTC Summarisation Schedules

Summarisation schedules numbers FTC01 to FTC40 and the WGA schedules for 2012/13 are attached.

**Chief Financial Officer Certificate**

1. I certify that the attached FTC schedules have been compiled and are in accordance with:

   - The financial records maintained by the NHS Foundation Trust; and
   - Accounting standards and policies which comply with the *NHS Foundation Trust Annual Reporting Manual* 2012/13 issued by Monitor, the Independent Regulator of NHS Foundation Trusts.

2. I certify that the FTC schedules are internally consistent and that there are no validation errors.

3. I certify that the information in the FTC schedules is consistent with the financial statements of the NHS Foundation Trust.

Fran Steele
Chief Financial Officer
28 May 2013

**Chief Executive Officer Certificate**

1. I acknowledge the attached FTC schedules, which have been prepared and certified by the Chief Financial Officer, as the FTC schedules which the NHS Foundation Trust is required to submit to Monitor, the Independent Regulator of NHS Foundation Trusts.

2. I have reviewed the schedules and agree the statements made by the Chief Financial Officer above.

Eric Morton
Interim Chief Executive Officer
28 May 2013

### 3.1.3 External Audit Opinion and Certificate

KPMG

**INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF SHERWOOD FOREST HOSPITALS NHS FOUNDATION TRUST**

We have audited the financial statements of Sherwood Forest Hospitals NHS Foundation Trust for the year ended 31 March 2013 on pages 1 to 48. These financial statements have been prepared under applicable law and the NHS Foundation Trust Annual Reporting Manual 2012/13.

This report is made solely to the Board of Governors of Sherwood Forest Hospitals NHS Foundation Trust in accordance with Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Board of Governors of the Trust, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Governors of the Trust, as a body, for our audit work, for this report or for the opinions we have formed.

**Respective responsibilities of the accounting officer and the auditor**

As described more fully in the Statement of Accounting Officer's Responsibilities the accounting officer is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practice's Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the accounting officer and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of Sherwood Forest Hospitals NHS Foundation Trust's affairs as at 31 March 2013 and of its income and expenditure for the year then ended; and

- have been prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2012/13.

## Emphasis of matter: going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in Note 1 to the financial statements concerning the ability of the Trust to continue as a going concern.

The Trust incurred a deficit of £15.5 million during the year ended 31 March 2013 and will require funding of between £23 million and £28 million of Public Dividend Capital in 2013/14, for which it will apply to the Department of Health in October 2013. These conditions, along with the other matters explained in Note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt on the Trust's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Trust was unable to continue as a going concern.

## Opinion on other matters prescribed by the Audit Code for NHS Foundation Trusts

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which we are required to report by exception

We have nothing to report where under the Audit Code for NHS Foundation Trusts we are required to report to you if, in our opinion, the Annual Governance Statement does not reflect the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading or is not consistent with our knowledge of the Trust and other information of which we are aware from our audit of the financial statements.

We are not required to assess, nor have we assessed, whether all risks and controls have been addressed by the Annual Governance Statement or that risks are satisfactorily addressed by internal controls.

## Qualified certificate

Under section 62(1) of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The Trust is facing considerable financial challenge, both now and in the future, which indicate the existence of a material uncertainty which may cast significant doubt on the Trust's ability to continue as a going concern.

Monitor considers that the Trust has contravened and is failing to comply with the terms of its Authorisation relating to using its resources "effectively, efficiently and economically" and that the contravention and failure are significant. The Care Quality Commission has also echoed Monitor's concerns over the Trust's governance arrangements. We have therefore been unable to satisfy ourselves that the Trust has put in place adequate arrangements for securing economy, efficiency and effectiveness in its use of resources.

As a result of these matters we are not able to conclude that the Trust made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2013.

We are unable to certify the completion of the audit of the accounts of Sherwood Forest Hospitals NHS Foundation Trust until we have completed the work to provide assurance on the Trust's annual quality accounts.

Andrew Bostock for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
One Snowhill
Snowhill Queensway
Birmingham
B4 6GH

29 May 2013

**INDEPENDENT AUDITORS' REPORT TO SHERWOOD FOREST HOSPITALS NHS FOUNDATION TRUST ON THE NHS FOUNDATION TRUST CONSOLIDATION SCHEDULES**

We have examined the NHS foundation trust consolidation schedules (FTCs) numbered 1 to 40 of Sherwood Forest Hospitals NHS Foundation Trust for the year ended 31 March 2013, which have been prepared by the Director of Finance and acknowledged by the Chief Executive.

This report is made solely to the Board of Sherwood Forest Hospitals NHS Foundation Trust in accordance with paragraph 24(5) of Schedule 7 of the National Health Service Act 2006 (the Act) and for no other purpose.

In our opinion these consolidation schedules are consistent with the statutory financial statements on which we have issued an unqualified opinion

Andrew Bostock, for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
One Snowhill
Snowhill Queensway
Birmingham
B4 6GH

29 May 2013

# FOREWORD TO THE ACCOUNTS FOR THE YEAR ENDED

## 31 MARCH 2013

## SHERWOOD FOREST HOSPITALS NHS FOUNDATION TRUST

These financial statements are for the year ended 31 March 2013 and have been prepared by the Sherwood Forest Hospitals NHS Foundation Trust in accordance with paragraph 24 and 25 of Schedule 7 to the National Health Service Act 2006.  They are presented in the form which Monitor has, with the approval of the Treasury, directed.

The four key financial statements are supported in Section A with an outline of the basis of preparation and the Trust specific context.  Section B details the overarching accounting policies.  More detailed notes to the statements are provided in Section C and cross referenced where appropriate.

The previous accounts were for the year ended 31 March 2012.


Signed: …………………………………………………(Interim Chief Executive Officer)

Name: Eric Morton

Date: 28 May 2013

# STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2013
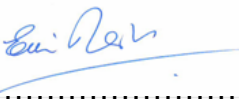
| | Notes | Year ended 31 March 2013 £000 | Year ended 31 March 2012 £000 |
|---|---|---|---|
| Operating income | *C1-C3, C 5.4* | 255,784 | 252,823 |
| Operating expenses | *C4,C5.1* | (252,845) | (240,530) |
| **Operating surplus** | | **2,939** | **12,293** |
| | | | |
| **Finance costs** | | | |
| Finance income | *C11.1* | 201 | 306 |
| Finance costs – financial liabilities | *C11.2* | (18,604) | (18,796) |
| **Net finance costs** | | **(18,403)** | **(18,490)** |
| | | | |
| **Retained (deficit) for the year (excluding impairments)** | | **(15,464)** | **(6,197)** |
| Reversal of impairment | *C14* | 0 | 13,258 |
| Impairment | *C14* | 0 | (2,878) |
| **Retained (deficit) / surplus for the year** | | **(15,464)** | **4,183** |
| | | | |
| **Other comprehensive income** | | | |
| Impairments | *C14* | 0 | (103) |
| **Total comprehensive (expense) / income for the year** | | **(15,464)** | **4,080** |

The notes on pages 132 to 177 form part of these accounts and are cross referenced as appropriate.

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013

| | Note | Year ended 31 March 2013 £000 | Year ended 31 March 2012 £000 |
|---|---|---:|---:|
| **Non-current assets** | | | |
| Intangible assets | C13 | 804 | 1,229 |
| Property, plant and equipment | C12 | 227,036 | 232,006 |
| *Trade and other receivables* | C17 | 975 | 1,065 |
| **Total non-current assets** | | **228,815** | **234,300** |
| | | | |
| **Current assets** | | | |
| Inventories | C16 | 2,807 | 2,885 |
| Trade and other receivables | C17 | 11,087 | 9,875 |
| Cash and cash equivalents | C20 | 15,518 | 22,766 |
| **Total current assets** | | **29,412** | **35,526** |
| **Current liabilities** | | | |
| Trade and other payables | C18 | (28,123) | (26,236) |
| Borrowings | C19,C23 | (5,133) | (4,880) |
| Provisions | C21, C22 | (1,007) | (1,224) |
| Other liabilities | | (14,257) | (8,780) |
| **Total current liabilities** | | **(48,520)** | **(41,120)** |
| | | | |
| **Non-current liabilities** | | | |
| Trade and other payables | C18 | (7,501) | (5,905) |
| Borrowings | C19,C23 | (344,657) | (349,790) |
| Provisions | C21 | (506) | (504) |
| **Total non-current liabilities** | | **(352,664)** | **(356,199)** |
| | | | |
| **Total assets employed** | | **(142,957)** | **(127,493)** |
| | | | |
| **Financed by taxpayers' equity** | | | |
| Public dividend capital | | 84,303 | 84,303 |
| Revaluation reserve | | 14,713 | 14,909 |
| Income and expenditure reserve | | (241,973) | (226,705) |
| **Total taxpayers' equity** | | **(142,957)** | **(127,493)** |

The financial statements on pages 137 to 177 were approved by the Board and signed on its behalf by:

Interim Chief Executive Officer: ……………………………..          Date: 28 May 2013

Eric Morton

| STATEMENT OF CHANGES IN TAXPAYERS' EQUITY | Public dividend capital (PDC) £000 | Revaluation reserve £000 | Income and expenditure reserve £000 | Total £000 |
|---|---|---|---|---|
| **Taxpayers' equity at 31 March 2012** | | | | |
| As previously stated | 84,303 | 14,909 | (226,705) | (127,493) |
| Retained (deficit) for the year | 0 | 0 | (15,464) | (15,464) |
| Transfer of excess current cost depreciation over historical cost depreciation | 0 | (196) | 196 | 0 |
| **Taxpayers' equity at 31 March 2013** | **84,303** | **14,713** | **(241,973)** | **(142,957)** |
| **Taxpayers' equity at 31 March 2011** | | | | |
| As previously stated | 84,303 | 16,962 | (232,838) | (131,573) |
| Retained surplus for the year | 0 | 0 | 4,183 | 4,183 |
| Net (loss) on revaluation of property, plant and equipment | 0 | (103) | 0 | (103) |
| Transfer of excess current cost depreciation over historical cost depreciation | 0 | (247) | 247 | 0 |
| Other transfers between reserves | 0 | (1,703) | 1,703 | 0 |
| **Taxpayers' equity at 31 March 2012** | **84,303** | **14,909** | **(226,705)** | **(127,493)** |

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2013

|  | Year ended 31 March 2013 £000 | Year ended 31 March 2012 £000 |
|---|---|---|
| **Net cash generated from operating activities** | | |
| Operating surplus / (deficit) from operations | 2,939 | 22,673 |
| | | |
| Depreciation and amortisation | 9,126 | 8,463 |
| Impairments and reversals | 0 | (10,380) |
| (Increase) / decrease in trade and other receivables | (1,122) | 2,467 |
| Decrease / (Increase) in inventories | 78 | (69) |
| Increase / (decrease) in trade and other payables | 2,303 | (4) |
| (Decrease) in provisions | (215) | (5,579) |
| Increase in other liabilities | 5,478 | 5,507 |
| Other movements in operating cash flows | (275) | (360) |
| **Net cash inflow from operating activities** | **18,312** | **22,718** |
| | | |
| **Cash flows from investing activities** | | |
| Interest received | 201 | 306 |
| Payments to acquire intangible assets | (196) | (11) |
| Purchase of property, plant and equipment | (2,081) | (6,501) |
| **Net cash (outflow) from investing activities** | **(2,076)** | **(6,206)** |
| | | |
| **Cash flows from financing activities** | | |
| Capital element of private finance initiatives | (4,880) | (4,639) |
| Interest element of private finance initiative | (18,604) | (18,796) |
| Other financing activities | 0 | 4 |
| **Net cash used in financing activities** | **(23,484)** | **(23,431)** |
| | | |
| **(Decrease) in cash and cash equivalents** | **(7,248)** | **(6,919)** |
| | | |
| **Cash and cash equivalents at 1 April** | **22,766** | **29,685** |
| | | |
| **Cash and cash equivalents at 31 March** | **15,518** | **22,766** |

# A    Basis of preparation and Trust specific context

Monitor has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the NHS Foundation Trusts Annual Reporting Manual, which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the 2012/13 NHS Foundation Trust Annual Reporting Manual issued by Monitor.  The accounting policies contained in that manual follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to NHS Foundation Trusts, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board.  The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

## A.1    Basis of preparation

In accordance with IAS 1 these accounts have been prepared on a going concern basis.

### Judgements, estimates and assumptions

In applying the Trust's accounting policies management are required to make judgements, estimates and assumptions concerning the carrying amounts of assets and liabilities that are not readily apparent from other sources. Estimates and assumptions are based on historical experience and any other factors that are deemed relevant. Actual results may differ from these estimates and are continually reviewed to ensure validity remains appropriate. These revisions are recognised in the period in which they occur or the current and future periods, as appropriate.

## Application of Going Concern

### Trading performance

The Trust has recorded a deficit for 2012/13 of £15.46m, (£4.18m surplus 2011/12) this being an adverse variance to the original plan which forecast a deficit of £12.61m. The Board of Directors is kept updated on the reasons for key variances and the actions being taken to mitigate.

### Cash flow forecast

The directors of the Trust have prepared cash flow projections for a period in excess of one year from the date of approval of these financial statements. The cash projections make assumptions in respect of trading performance and market conditions to an extent which the directors consider to be reasonable, based on the information that is available to them at the time of approval of these financial statements.

The key assumptions include:

- Delivery of the 2013/14 planned cost improvement plan totalling £13.30m (5% of planned operating expenditure)
- Receipt of an additional PDC cash injection in quarter 4 of 2013/14
- Assumed patient activity continuing at levels jointly agreed with commissioners and incorporated in the 2013/14 contract with any performance penalties being reinvested appropriately to support demand management initiatives
- Appropriate levels of investment in necessary capital and revenue expenditure.

The Board continues to monitor its monthly and future cash position and in particular is engaged in negotiations through Monitor with the Department of Health for long term PFI funding support.

*Department of Health Assurance*

The Board has received written confirmation that the Department of Health is supportive of the Trust position that the Accounts are prepared on a Going Concern basis.

*Principal uncertainties and going concern*

After making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that the Trust will secure adequate resources to continue in operational existence for the foreseeable future and consider it is appropriate to adopt the going concern basis in preparing the Annual Report and Accounts.

There are, however, significant challenges in finalising and successfully delivering the planned financial turnaround and funding solution. The directors have concluded that the combination of these circumstances represents a material uncertainty that casts doubt upon the Trust's ability to continue as a going concern if external support is not provided for the exceptional PFI burden. The Trust may be unable to continue realising its assets and discharging its liabilities in the normal course of business if PFI support is not provided.

To mitigate this uncertainty Monitor, as the Trust's regulator, is already in discussions with colleagues at the Department of Health making them aware there will be a case for long term PFI funding support being presented during the year to 31 March 2014.

## A.2    Trust Specific Context

### A.2.1  Post year-end events

The Trust is not aware of any events since the close of the accounting period, which would affect the position reported, or the Trust's assessment of its going concern basis.

### A.2.2  Third Party Assets

The Trust held £1k (£nil in 2011/12) as cash in hand or at bank at 31 March 2013 on behalf of patients or other third parties.

## A.2.3  Related party transactions

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

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 entity. A detailed schedule of income and expenditure is shown in note C.27.

The Trust has also received revenue and capital payments from Sherwood Forest Hospitals General Charitable Fund for which the Trust is the corporate Trustee. Sherwood Forest Hospitals General Charitable Fund purchased goods and services for the Trust during the financial year, and also provided purchases for patients and staff at 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 / Summary Financial Statements of the Funds Held on Trust are available separately.

# B ACCOUNTING POLICIES

## B.1. Key judgements and estimation uncertainty

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In-year a revaluation was undertaken by the 'Valuation Agency Office' of the land and building assets of the Trust under the modern equivalent cost valuation method. The movements in market value has not been reflected in the financial position as this is not deemed a permanent reduction in value, and it does not affect the future income streams of the assets .

As part of the year end process, estimates have been made regarding outstanding income, expenditure and provisions. No estimates have been made regarding land and buildings as these have all been revalued in year. The Trust is not aware of any material uncertainty within these estimates which would impact on the figures disclosed within the primary statements and notes to the accounts.

## B.2. Changes to accounting standards

The Trust is not aware of any proposed changes to accounting standards which are relevant to the Trust and which, should any changes be implemented, would have an impact on the financial statements as presented.

## B.3. Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the Trust is contracts with commissioners in respect of healthcare services. Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred. Where income has not been received prior to the year end but the provision of a healthcare service has commenced, i.e. partially completed patient spells, then income relating to the patient activity is accrued.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

## B.4. Expenditure on employee benefits

### B.4.1 Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements.

### B.4.2  Pension costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. It is not possible for the Trust to identify its share of the underlying scheme liabilities; therefore, the scheme is accounted for as a defined contribution scheme. Employers' pension cost contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to operating expenses at the time the Trust commits itself to the retirement, regardless of the method of payment.

### B.5.  Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

### B.6.  Property, plant and equipment

### B.6.1  Recognition

Property, plant and equipment is capitalised where:

- It is held for use in delivering services or for administrative purposes
- It is probable that future economic benefits will flow to, or service potential will be provided to, the Trust
- It is expected to be used for more than one financial year and the cost of the item can be measured reliably.

### B.6.2  Measurement

*Valuation*

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All assets are measured subsequently at fair value. All property assets are reviewed by an independent valuer to ensure that, where of a material value, components of property assets are separately reported and depreciated accordingly.

*Subsequent expenditure*

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is added to the asset's carrying value. Where subsequent expenditure is simply restoring the asset to the specification assumed by its economic useful life then the expenditure is charged to operating expenses.
*Depreciation*

Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Currently assets are depreciated at the following rates.

- Intangibles                           5             years
- Plant and machinery              5  - 15      years
- Transport                             7             years
- Information Technology          5             years
- Furniture and furnishings       5  - 10      years
- Buildings                             50 - 70      years.

Freehold land and artwork are considered to have an infinite life and are not depreciated.

Property, plant and equipment which has been reclassified as 'Held for Sale', ceases to be depreciated upon reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

*Revaluation*

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease previously recognised in operating expenses, in which case they are recognised in operating income.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

*Impairments*

In accordance with the FT Annual Reporting Manual, impairments that are due to a loss of economic benefits or service potential in the asset are charged to operating expenses. A compensating transfer is made between the revaluation and income and expenditure reserves of an amount equal to the lower of:

(i)   the impairment charged to operating expenses; and
(ii)  the balance in the revaluation reserve attributable to that asset before the impairment.

Other impairments are treated as revaluation losses.  Reversals of 'other impairments' are treated as revaluation gains.

### B.6.3 De-recognition

Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

- The asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- The sale must be highly probable i.e.:
  - management are committed to a plan to sell the asset;
  - an active programme has begun to find a buyer and complete the sale;
  - the asset is being actively marketed at a reasonable price;
  - the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
  - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'Held for Sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

### B.6.4 Donated assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

### B.6.5 Private finance initiative (PFI) transactions

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's Financial Reporting Manual (FReM), are accounted for as 'on-Statement of Financial Position' by the Trust. The underlying assets are recognised as property, plant and equipment at their fair value. A PFI liability is recognised at the same time as the PFI asset is recognised.  It is measured initially at the same amount as the fair value for the PFI assets and is subsequently measures as a finance lease liability in accordance with IAS 17.

The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for services. The finance cost is calculated using the implicit interest rate for the scheme applied to the opening lease liability for the period and is recognised in finance costs.
The service charge is recognised in operating expenses and the finance cost is charged to 'finance costs' in the Statement of Comprehensive Income.

### B.7. Intangible assets

### B.7.1 Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of the asset can be measured reliably.

*Internally generated intangible assets*

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised and expenditure on development is capitalised only where all of the following can be demonstrated:

- The project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- The Trust intends to complete the asset and sell or use it;
- The Trust has the ability to sell or use the asset;
- How the intangible asset will generate probable future economic or service delivery benefits, e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- Adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset; and
- The Trust can measure reliably the expenses attributable to the asset during development.

*Software*

Software which is integral to the operation of hardware, e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, e.g. application software, is capitalised as an intangible asset.

### B.7.2 Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at fair value. Revaluation gains and losses and impairments are treated in the same manner as for property, plant and equipment.
Intangible assets held for sale are measured at the lower of their carrying amount or 'fair value less costs to sell'.

### B.7.3 Amortisation

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

### B.8. Government grants

Government grants are grants from Government bodies other than income from primary care trusts or NHS trusts for the provision of services. Where the Government grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grant is used to fund capital expenditure the grant is held as deferred income and released to operating income over the life of the asset in a manner consistent with the depreciation charge for that asset.

### B.9. Inventories

Inventories are valued at the lower of cost and net realisable value. This is considered to be a reasonable approximation of fair value due to the high turnover of stocks.

### B.10. Financial instruments and financial liabilities

#### B.10.1 Recognition

Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements, are recognised when, and to the extent to which, performance occurs, i.e. when receipt or delivery of the goods or services is made. Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described below. All other financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

#### B.10.2 De-recognition

All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the Trust has transferred substantially all of the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

#### B.10.3 Classification and Measurement

Financial assets are categorised as 'fair value through income and expenditure', 'loans and receivables' or 'available-for-sale financial assets'. Financial liabilities are classified as 'fair value through income and expenditure' or as 'other financial liabilities'.

#### B.10.4 Financial assets and financial liabilities at 'fair value through income and expenditure'

Financial assets and financial liabilities at 'fair value through income and expenditure' are financial assets or financial liabilities held for trading. A financial asset or financial liability is classified in this category if acquired principally for the purpose of selling in the short-term. Assets and liabilities in this category are classified as current assets and current liabilities.

These financial assets and financial liabilities are recognised initially at fair value, with transaction costs expensed in the Income and Expenditure Account. Subsequent movements in the fair value are recognised as gains or losses in the Statement of Comprehensive Income.

### B.10.5 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets. The Trust's loans and receivables comprise: current asset investments, cash and cash equivalents, NHS debtors, accrued income and other debtors.

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest rate method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Interest on loans and receivables is calculated using the effective interest rate method and credited to the Statement of Comprehensive Income.

### B.10.6 Other financial liabilities

All other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest rate method.

The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability. They are included in current liabilities except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as long-term liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest rate method and charged to finance costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

### B.10.7 Determination of fair value

For financial assets and financial liabilities carried at fair value, the carrying amounts are determined from quoted market prices and/or independent appraisals.

### B.10.8 Impairment of financial assets

At the Statement of Financial Position date, the Trust assesses whether any financial assets, other than those held at 'fair value through income and expenditure' are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced.

**B.11. Leases**

**B.11.1 Finance leases**

Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The asset and liability are recognised at the inception of the lease, and are de-recognised when the liability is discharged, cancelled or expires. The annual rental is split between the repayment of the liability and a finance cost. The annual finance cost is calculated by applying the implicit interest rate to the outstanding liability and is charged to 'finance costs' in the Statement of Comprehensive Income.

**B.11.2 Operating leases**

Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

**B.11.3 Leases of land and buildings**

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately. Leased land is treated as an operating lease.

**B.12. Provisions**

The Trust provides for legal or constructive obligations that are of uncertain timing or amount at the Statement of Financial Position date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rate of 2.2% in real terms, except for early retirement provisions and injury benefit provisions which both use the HM Treasury's pension discount rate of 2.9% in real terms.

**B.12.1 Clinical negligence costs**

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the Trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the Trust is £44.42m (2011/12 £30.29m).

**B.12.2 Non-clinical risk pooling**

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to the NHS Litigation Authority and in return receives assistance with the costs of claims arising.

The annual membership contributions, and any 'excesses' payable in respect of particular claims, are charged to operating expenses when the liability arises.

## B.13. Contingencies

Contingent assets, that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control, are not recognised as assets, but are disclosed where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note C.22 unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

- Possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control or;
- Present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

## B.14. Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor Trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

A charge, reflecting the cost of capital utilised by the Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for donated assets and cash held within the 'Government Banking Services' accounts. The Trust does not currently pay any PDC as it has negative net relevant assets, due to the impairment of the main PFI.

## B.15. Value Added Tax

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable.

Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

## B.16. Corporation Tax

No liability for corporation tax has been recognised or incurred when applying current legislation.

## B.17. Foreign exchange

The functional and presentational currencies of the Trust are sterling. A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

## B.18. Third party assets

Assets belonging to third parties such as money held on behalf of patients are not recognised in the accounts since the Trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of the Foundation Trust Annual Reporting Manual.

## B.19. Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

## B.20. Losses and Special Payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way each individual case is handled.

Losses and special payments are charged to the relevant functional headings in the Statement of Comprehensive Income on an accruals basis, including losses which would have been made good through insurance cover had the Trust not been bearing its own risks. Including severance payments the Trust made 445 payments totalling £1.72m (568 cases totalling, £2.69m 2011/12)

## C DETAILED NOTES TO THE FINANCIAL STATEMENTS

| C.1. Operating Income | Year ended 31 March 2013 | Year ended 31 March 2012 |
|---|---|---|
| *C.1.1* Income from activities | £000 | £000 |
| NHS Trusts | 1,621 | 1,608 |
| Primary Care Trusts | 210,481 | 205,295 |
| Non NHS: | | |
| - Private patients | 139 | 162 |
| - NHS injury scheme | 1,192 | 1,181 |
| | 213,433 | 208,246 |

NHS Injury Cost Recovery scheme income is subject to a provision for impairment of receivables of 12.6% to reflect expected rates of collection. (10.5% 2011/12)

### *C.1.2* Analysis of income from activities

| | £000 | £000 |
|---|---|---|
| Inpatient - elective income | 36,281 | 38,926 |
| Inpatient - non elective income | 69,024 | 65,519 |
| Outpatient income | 49,013 | 40,840 |
| A & E income | 11,145 | 10,553 |
| Other NHS clinical income | 45,018 | 49,457 |
| Private patient income | 139 | 162 |
| Other non protected clinical income | 2,813 | 2,789 |
| **Total income from activities** | **213,433** | **208,246** |

### *C.1.3* Other operating income

| | £000 | £000 |
|---|---|---|
| Research and development | 912 | 543 |
| Education and training | 12,027 | 12,050 |
| Charitable and other contributions to expenditure | 740 | 645 |
| Non patient care services to other bodies | 12,108 | 11,571 |
| Other income | 16,564 | 19,768 |
| **Total other operating income (excluding impairments)** | **42,315** | **44,577** |
| Reversal of impairments | 0 | 13,258 |
| **Income from continuing operations** | **255,784** | **266,081** |

The statutory limitation on private patient income in section 44 of the 2006 Act was repealed with effect from 1 October 2012 by the Health and Social Care Act 2012. The financial statements disclosures showing the proportion of patient related income derived from private patients that were provided previously are no longer required.

Other income includes business activities with our PFI provider c£5.1m, income carried forward relating to hosted projects completed in 2012/13, c£.4.9m and additional funding for restructuring and redundancy payment c£4.4m
.

### C.1.4 Income from mandatory services

|  | Year ended 31 March 2013 £000 | Year ended 31 March 2012 £000 |
|---|---|---|
| *Income from activities* | 213,433 | 208,246 |
| Less: NHS injury cost recovery scheme | (1,192) | (1,181) |
| Private patient income | (139) | (162) |
| **Total** | **212,102** | **206,903** |

## C.2. Segmental analysis

Sherwood Forest Hospitals NHS Foundation Trust acts as a lead body for the Nottinghamshire Health Informatics Service. Income and expenditure for this function is not material to the overall accounts and has not therefore been separately disclosed. Expenditure is broadly in line with income for this body. In line with the Monitor NHS Foundation Trust Annual Reporting Manual all income and assets are reported as healthcare and can therefore be reviewed in the Statement of Financial Position and Statement of Comprehensive Income.

## C.3. Income generation activities

The Trust undertakes some minor income generation activities which make a contribution that is then used in patient care. These are not material transactions in terms of the overall income of the Trust.

## C.4. Operating expenses

| | Year ended 31 March 2013 £000 | Year ended 31 March 2012 £000 |
|---|---|---|
| Services from Foundation Trusts | 93 | 159 |
| Services from other NHS Trusts | 69 | 155 |
| Services from other NHS bodies | 864 | 894 |
| Purchase of healthcare from non NHS bodies | 335 | 296 |
| Employee remuneration – executive directors | 1,189 | 1,119 |
| Employee remuneration – non executive directors | 234 | 146 |
| Employee remuneration – staff | 158,394 | 152,113 |
| Drugs | 15,375 | 14,101 |
| Supplies and services – clinical | 19,512 | 17,863 |
| Supplies and services – general | 841 | 1,083 |
| Establishment | 2,213 | 2,334 |
| Transport | 246 | 257 |
| Premises | 17,698 | 15,481 |
| Provision for impairments of receivables | 90 | 346 |
| Depreciation of property, plant and equipment | 8,505 | 7,722 |
| Amortisation of intangible assets | 621 | 741 |
| Auditor's services – statutory audit | 75 | 78 |
| Other auditors' remuneration | 176 | 15 |
| Clinical negligence | 4,857 | 4,408 |
| Loss on disposal of property, plant and equipment | 17 | 0 |
| Legal fees | 128 | 189 |
| Consultancy services | 3,173 | 1,351 |
| Decommissioning / workforce transformation | 0 | 1,619 |
| Training, courses and conferences | 528 | 556 |
| Early retirements | 57 | 56 |
| Redundancy | 1,695 | 2,335 |
| Hospitality | 163 | 153 |
| Losses, ex gratia and special payments | 15 | 6 |
| Other | 15,682 | 14,954 |
| **Operating expenses of continuing operations (excluding impairments)** | **252,845** | **240,530** |
| Impairments of property, plant and equipment | 0 | 2,878 |
| **Operating expenses of continuing operations** | **252,845** | **243,408** |

Decommissioning costs 2011/12 relates to additional costs incurred in delivering the cost reduction and pay/non-pay review.

Redundancy costs incurred as part of the Trusts cost improvement and service delivery review programme.
Other costs include service charge payments made to the Trust's PFI partner. Details of our PFI schemes are detailed in note C.19.

| C.5. Operating leases (excluding off Statement of Financial Position PFI) | Year ended 31 March 2013 | Year ended 31 March 2012 |
|---|---|---|
| **C.5.1 As lessee** | **£000** | £000 |
| Minimum lease payments | 194 | 206 |
| **Total** | **194** | **206** |
| **C.5.2 Future minimum lease payments due** | **£000** | £000 |
| **Payable** | | |
| Not later than one year | 148 | 173 |
| Between one and not later than five years | 223 | 328 |
| Later than five years | 94 | 157 |
| **Total** | **465** | **658** |
| **C.5.3 As lessor** | **£000** | £000 |
| Rents recognised in period | 946 | 955 |
| **Total** | **946** | **955** |
| **C.5.4 Total future minimum lease payments** | **£000** | £000 |
| **Receivable** | | |
| Not later than one year | 341 | 302 |
| Between one and not later than five years | 1,363 | 2,487 |
| Later than five years | 1,480 | 417 |
| **Total** | **3,184** | **3,206** |

## C.6. Limitation on auditors' liability

In accordance with the Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008 (SI 489/2008), liability is limited to £500k.

This limit is subject to our auditors' general terms and conditions of engagement and covers loss or damage suffered arising out of or in connection with the services provided.

## C.7. Employee costs and numbers

### C.7.1 Employee costs

|  | Year ended 31 March 2013 £000 | Permanently employed £000 | Other £000 | Year ended 31 March 2012 £000 |
|---|---|---|---|---|
| Salaries and wages | 124,171 | 123,986 | 185 | 122,790 |
| Social security costs | 9,129 | 9,129 | 0 | 8,885 |
| Employer contributions to NHS pension scheme | 14,476 | 14,476 | 0 | 14,424 |
| Pension cost –other contributions | 58 | 58 | 0 |  |
| Termination benefits | 1,695 | 1,695 | 0 | 2,655 |
| Agency costs | 11,678 | 0 | 11,678 | 6,884 |
|  | 161,207 | 149,344 | 11,863 | 155,638 |

### 7.2 Average number of persons employed

|  | Year ended 31 March 2013 Number | Permanently employed Number | Other Number | Year ended 31 March 2012 Number |
|---|---|---|---|---|
| Medical and dental | 472 | 394 | 78 | 446 |
| Administration and estates | 825 | 804 | 21 | 841 |
| Healthcare assistants and other support staff | 655 | 655 | 0 | 647 |
| Nursing, midwifery and health visiting staff | 1,213 | 1,101 | 112 | 1,151 |
| Scientific, therapeutic and technical staff | 466 | 462 | 4 | 462 |
|  | 3,631 | 3,416 | 215 | 3,547 |

## C.8. Retirements due to ill-health

During 2012/13 there were seven (2011/12 four) early retirements from the Trust agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £457k (2011/12 £308k). The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

## C.9. Better Payment Practice Code

**Better Payment Practice Code - measure of compliance**

|  | Year ended 31 March 2013 Number | £000 | Year ended 31 March 2012 Number | £000 |
|---|---|---|---|---|
| Total non-NHS trade invoices paid in the year | 57,424 | 110,056 | 53,422 | 116,695 |
| Total non-NHS trade invoices paid within target | 52,661 | 105,874 | 51,212 | 114,284 |
| Percentage of non-NHS trade invoices paid within target | 92% | 96% | 96% | 99% |
| Total NHS trade invoices paid in the year | 1,875 | 17,620 | 1,763 | 15,662 |
| Total NHS trade invoices paid within target | 1,717 | 16,113 | 1,611 | 14,040 |
| Percentage of NHS trade invoices paid within target | 92% | 91% | 91% | 90% |

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

## C.10.  The Late Payment of Commercial Debts (Interest) Act 1998

No amounts have been included in finance costs (2011/12 nil) and no compensation has been paid to cover debt recovery costs under this legislation.

## C.11.  Finance income

### C.11.1 Interest receivable

|  | Year ended 31 March 2013 £000 | Year ended 31 March 2012 £000 |
|---|---|---|
| Bank accounts | 201 | 306 |
| **Total** | **201** | **306** |

### C.11.2 Finance costs

|  | £000 | £000 |
|---|---|---|
| Interest on long term creditor arising from agreements reached on PFI contract changes | 202 | 192 |
| Interest on obligations under PFI finance leases | 18,402 | 18,604 |
| **Total** | **18,604** | **18,796** |

## C.12. Property, plant and equipment

| | Land £000 | Buildings, excluding dwellings £000 | Dwellings £000 | Assets under construction and payments on account £000 | Plant and machinery £000 | Information technology £000 | Furniture & fittings £000 | Total £000 |
|---|---|---|---|---|---|---|---|---|
| Cost or valuation: at 1 April 2012 | 17,021 | 475,783 | 905 | 0 | 28,325 | 3,893 | 306 | 526,233 |
| Additions purchased | | 715 | 141 | 1,190 | 833 | 381 | | 3,260 |
| Additions donated | | 94 | | | 198 | | | 292 |
| Disposals | | | | | (3,165) | (249) | (15) | (3,429) |
| At 31 March 2013 | 17,021 | 476,592 | 1,046 | 1,190 | 26,191 | 4,025 | 291 | 526,356 |
| Depreciation at 1 April 2012 | 75 | 275,140 | 0 | 0 | 16,360 | 2,551 | 101 | 294,227 |
| Provided during the year | | 5,437 | | | 2,433 | 600 | 35 | 8,505 |
| Disposals | | | | | (3,148) | (249) | (15) | (3,412) |
| **Depreciation at 31 March 2013** | 75 | 280,577 | 0 | 0 | 15,645 | 2,902 | 121 | 299,320 |
| **Net book value at 31 March 2013** | | | | | | | | |
| Purchased | 16,946 | 11,408 | 1,046 | 976 | 9,267 | 1,121 | 142 | 40,906 |
| Donated | | 841 | | | 1,279 | 2 | 28 | 2,150 |
| PFI | | 183,766 | | 214 | | | | 183,980 |
| *Total at 31 March 2013* | 16,946 | 196,015 | 1,046 | 1,190 | 10,546 | 1,123 | 170 | 227,036 |
| *ected* | 13,746 | 195,478 | | | | | | 209,224 |
| *protected assets* | 3,200 | 537 | 1,046 | 1,190 | 10,546 | 1,123 | 170 | 17,812 |

**Prior year:**

| | Land £000 | Buildings, excluding dwellings £000 | Dwellings £000 | Assets under construction and payments on account £000 | Plant and machinery £000 | Information technology £000 | Furniture & fittings £000 | Total £000 |
|---|---|---|---|---|---|---|---|---|
| Cost or valuation: at 1 April 2011 | 17,977 | 483,829 | 1,014 | 788 | 27,953 | 4,731 | 362 | 536,654 |
| Additions purchased | (3) | 2,915 | 140 | | 889 | 194 | 12 | 4,147 |
| Additions donated | | 39 | | | 307 | | 14 | 360 |
| Impairments | (953) | | | | | | | (953) |
| Reclassifications | | (11,686) | (249) | (788) | (275) | 16 | | (12,982) |
| Revaluation surpluses | | 850 | | | | | | 850 |
| Disposals | | (164) | | | (549) | (1,048) | (82) | (1,843) |
| **At 31 March 2012** | **17,021** | **475,783** | **905** | **0** | **28,325** | **3,893** | **306** | **526,233** |
| **Depreciation at 1 April 2011** | **0** | **293,687** | **249** | **0** | **14,714** | **2,916** | **146** | **311,712** |
| Provided during the year | | 4,550 | | | 2,461 | 674 | 37 | 7,722 |
| Impairments | 75 | 2,803 | | | | | | 2,878 |
| Reversal of impairments | | (13,258) | | | | | | (13,258) |
| **Reclassifications** | | (12,476) | (249) | | (270) | 9 | | (12,986) |
| Disposals | | (166) | | | (545) | (1,048) | (82) | (1,841) |
| **Depreciation at 31 March 2012** | **75** | **275,140** | **0** | **0** | **16,360** | **2,551** | **101** | **294,227** |
| **Net book value at 31 March 2012** | | | | | | | | |
| Purchased | 16,946 | 12,170 | 905 | | 10,855 | 1,336 | 173 | 42,385 |
| Donated | | 1,425 | | | 1,110 | 6 | 32 | 2,573 |
| PFI | | 187,048 | | | | | | 187,048 |
| **Total at 31 March 2012** | **16,946** | **200,643** | **905** | **0** | **11,965** | **1,342** | **205** | **232,006** |
| ected | **13,746** | **200,093** | | | | | | **213,839** |
| protected assets | **3,200** | **550** | **905** | | **11,965** | **1,342** | **205** | **18,167** |

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## C.13. Intangible assets

| | Software licenses and trademarks 2012/13 £000 | | Software licenses and trademarks 2011/12 £000 |
|---|---|---|---|
| **Cost or valuation at 1 April 2012** | **5,314** | **Cost or valuation at 1 April 2011** | **5,314** |
| Reclassifications | | Reclassifications | (11) |
| Additions purchased | 196 | Additions purchased | 11 |
| **Gross cost at 31 March 2013** | **5,510** | **Gross cost at 31 March 2012** | **5,314** |
| Amortisation at 1 April 2012 | **4,085** | Amortisation at 1 April 2011 | **3,351** |
| Provided during the year | 621 | Provided during the year | 741 |
| Reclassifications | | Reclassifications | (7) |
| **Amortisation at 31 March 2013** | **4,706** | **Amortisation at 31 March 2012** | **4,085** |
| **Net book value: at 31 March 2013** | **804** | **Net book value: at 31 March 2012** | **1,229** |
| Purchased | 801 | Purchased | 1,224 |
| Donated | 3 | Donated | 5 |
| *Total at 31 March 2013* | **804** | *Total at 31 March 2012* | **1,229** |

## C.14. Impairments

**Impairments in the period arose from:**

| | **Tangible** | |
|---|---|---|
| | **Year ended 31 March 2013 £000** | Year ended 31 March 2012 £000 |
| Impairments charged to operating expenditure | 0 | 2,878 |
| Reversal of impairments | 0 | (13,258) |
| **Impact on retained (deficit) for the year** | **0** | **(10,380)** |
| | | |
| Reduction in revaluation reserve due to impairments | 0 | 953 |
| Revaluation gains recognised in the revaluation reserve | 0 | (850) |
| **Movement on revaluation reserve** | **0** | **103** |
| | | |
| **Total impact on Statement of Comprehensive Income** | **0** | **(10,277)** |

## C.15. Capital commitments

Commitments under capital expenditure contracts at the balance sheet date were:

| | **Year ended 31 March 2013 £000** | Year ended 31 March 2012 £000 |
|---|---|---|
| Property, plant and equipment | 60 | 360 |
| **Total** | **60** | **360** |

| C.16. Inventories | Year ended 31 March 2013 £000 | Year ended 31 March 2012 £000 |
|---|---|---|
| Drugs | 992 | 1,026 |
| Materials | 1,654 | 1,670 |
| Energy | 161 | 189 |
| **Total** | **2,807** | **2,885** |

*C.16.1* **Inventories recognised in expenses**

| | Year ended 31 March 2013 £000 | Year ended 31 March 2012 £000 |
|---|---|---|
| Inventories recognised as an expense in the period | 23,874 | 23,109 |
| **Total** | **23,874** | **23,109** |

| C.17. Trade and other receivables | Year ended 31 March 2013 £000 | Year ended 31 March 2012 £000 |
|---|---|---|
| **Current (falling due within one year)** | | |
| NHS receivables | 8,151 | 5,386 |
| Other trade receivables | 1,292 | 1,286 |
| Provision for the impairment of receivables | (207) | (414) |
| Prepayments | 550 | 133 |
| Accrued income | 2 | 119 |
| Other receivables | 1,299 | 3,365 |
| **Total current trade and other receivables** | **11,087** | **9,875** |
| **Non-current (falling due after more than one year)** | | |
| NHS receivables | 1,057 | 1,147 |
| Provision for the impairment of receivables | (158) | (161) |
| Prepayments | 76 | 79 |
| **Total non-current trade and other receivables** | **975** | **1,065** |
| **Total trade and other receivables** | **12,062** | **10,940** |

The great majority of income, and therefore debtors, relates to Primary Care Trusts, as commissioners for NHS patient care services. No interest is charged on NHS trade receivables. The Trust does not hold any collateral over balances not impaired.

**C.17.1 Movement in the provision for the impairment of receivables**

| | Year ended 31 March 2013 £000 | Year ended 31 March 2012 £000 |
|---|---|---|
| Balance at 1 April | 575 | 233 |
| Increase in provision | 280 | 349 |
| Amounts utilised / reversed | (490) | (7) |
| **Balance at 31 March** | **365** | **575** |

All debts are reviewed and provisions made based on the probability of payment for non NHS debtors following referral to external debt recovery agencies, and based on national guidance for debts relating to the compensation recovery unit (12.6%). No provisions are made for NHS debtors.

## C.18. Trade and other payables

| **Current (falling due within one year)** | Year ended 31 March 2013 £000 | Year ended 31 March 2012 £000 |
|---|---|---|
| Receipts in advance | 0 | 1,200 |
| NHS payables | 1,385 | 4,046 |
| Non-NHS trade payables – capital | 2,234 | 1,055 |
| Tax and social security costs | 3,134 | 3,027 |
| Accruals | 12,589 | 11,468 |
| Other payables | 8,781 | 5,440 |
| **Total current trade and other payables** | **28,123** | **26,236** |

| **Non current (falling due after one year)** | | |
|---|---|---|
| Receipts in advance | 2,015 | 2,275 |
| Non-NHS trade payables – revenue | 5,486 | 3,630 |
| **Total non-current trade and other payables** | **7,501** | **5,905** |

## C.19. Borrowings

| Capital Current | Year ended 31 March 2013 £000 | Year ended 31 March 2012 £000 |
|---|---|---|
| Private finance initiative (PFI) contract | 5,133 | 4,880 |
| **Total current** | **5,133** | **4,880** |

| Capital Non-current | | |
|---|---|---|
| Private finance initiative (PFI) contract | 344,657 | 349,790 |
| **Total non-current** | **344,657** | **349,790** |
| **Total borrowings** | **349,790** | **354,670** |

### *C.19.1* Amounts payable under PFI — Modernising Acute Services (MAS)

| | Minimum lease payments | |
|---|---|---|
| **PFI  Service Charge obligations** | Year ended 31 March 2013 £000 | Year ended 31 March 2012 £000 |
| **Gross liability** | **1,586,609** | **1,400,243** |
| Of which liability is due: | | |
| Within one year | 20,684 | 19,324 |
| Between one and five years | 96,014 | 89,897 |
| After five years | 1,469,911 | 1,291,022 |
| **Net liability** | **620,511** | **599,054** |
| Of which liability is due: | | |
| Within one year | 20,684 | 19,324 |
| Between one and five years | 82,736 | 77,297 |
| After five years | 517,091 | 502,433 |

The Trust does not consider there to be any difference between the present value of minimum lease payments and the value of the minimum lease payments.

There is no service charge applicable to the Leicester Housing Association (LHA) PFI schemes.

| PFI  Interest Charge obligations | MAS | | LHA | |
|---|---|---|---|---|
| | **Year ended 31 March 2013 £000** | Year ended 31 March 2012 £000 | **Year ended 31 March 2013 £000** | Year ended 31 March 2012 £000 |
| **Gross liability** | **345,914** | **364,231** | **580** | **649** |
| Of which liability is due: | | | | |
| Within one year | 18,067 | 18,318 | 66 | 69 |
| Between one and five years | 69,492 | 70,631 | 233 | 246 |
| After five years | 258,355 | 275,282 | 281 | 334 |
| **PFI  Capital Charge obligations** | | | | |
| **Gross liability** | **348,785** | **353,623** | **1,005** | **1,046** |
| Of which liability is due: | | | | |
| Within one year | 5,090 | 4,839 | 44 | 41 |
| Between one and five years | 23,135 | 21,995 | 206 | 193 |
| After five years | 320,560 | 326,789 | 755 | 812 |

### *C.19.2* Finance lease receivables

The Trust has no finance leases where it is the lessor in operation.

### C.19.*3* Private Finance Initiative schemes deemed to be off-balance sheet

### Leicester Housing Association

The Trust is currently committed to one off-balance sheet PFI scheme relating to residential accommodation for the King's Mill site. The transaction meets the IFRIC 12 definition of a service concession, as interpreted in the Annual Reporting Manual issued by Monitor, but the Trust does not have control. The Trust is required to account for the PFI scheme as 'off statement of financial position'. Accordingly the Trust does not recognise the scheme as an asset of the Trust.

The arrangement is with Leicester Housing Association, and includes the construction of new residential accommodation and the upgrade of existing accommodation combined with a 35 year contract to manage and operate the accommodation.  The Trust has guaranteed to utilise a minimum level of the overall accommodation but the majority of risks associated with operating and letting the properties have been transferred to Leicester Housing Association. The estimated capital value of the scheme is £5.7m

The Trust has recognised the following items within its accounts for the year ended 31 March 2013:

|  | £000 |
|---|---|
| Amounts included within operating expenses in respect of PFI transactions deemed to be off-balance sheet – gross | 255 |
| Amortisation of PFI deferred asset | (139) |
| Net charge to operating expenses | **116** |

A credit has been recognised within operating expenses relating to the unitary charge offset to recreate the fixed assets of the Trust over the life of the PFI contract. However, in line with the HM Treasury guidance this has been excluded in the above net charge calculation.

The Trust is committed to make the following payments in 2013/14 relating to the unitary charge to Leicester Housing Association.

|  | £000 |
|---|---|
| PFI scheme which expires in 2035 | 255 |

In addition to the commitments in 2013/14 the Trust has the following unitary charge commitments in respect of the PFI to the end of the scheme:

|  | £000 |
|---|---|
| • Not later than one year; | 130 |
| • Later than one year and not later than five years; and | 520 |
| • Later than five years. | 2,210 |

The 35 year contract started in September 2000 and will end in September 2035.

### C.19.4 Private Finance Initiative schemes deemed to be on-balance sheet

The Trust is currently committed to two on-balance sheet PFI schemes as the transaction meets the IFRIC 12 definition of a service concession, as interpreted in the Annual Reporting Manual issued by Monitor. The Trust is required to account for the PFI scheme 'on-statement of financial position' and therefore the Trust treats the asset as if it were an asset of the Trust.

The Trust has entered into private finance initiative contracts with:

a) Central Nottinghamshire Hospitals plc to construct and refurbish the Trust's buildings on the King's Mill and Newark hospital sites and then to operate them (estates, facilities management and life cycle replacement) for the Trust for the period to 2043. The contract requires that throughout the contract they are maintained to category B building standards.  This PFI is known as the Modernisation of Acute Services (MAS). The MAS PFI scheme was completed and all assets were brought into use by 31 March 2012, with an estimated capital value of £366.5m.

b) Leicester Housing Association (LHA), to construct a day nursery and out of hours facility, on the King's Mill hospital site. All assets were brought into use by 2002, with an estimated capital value of £1.3m.

In respect of both PFI schemes the Trust has the rights to use the specified assets for the length of the Project Agreements. At the end of the Project Agreements the assets of both schemes will transfer to the Trust's ownership for no additional consideration.

**Year ended 31 March 2013**

| | MAS £000 | LHA £000 |
|---|---:|---:|
| Amounts included within operating expenses in respect of PFI transactions deemed to be on-balance sheet | 17,571 | 0 |
| Amounts included within depreciation in respect of PFI transactions deemed to be on-balance sheet | 4,367 | 13 |
| Amounts included within interest payable in respect of PFI transactions deemed to be on-balance sheet | 18,318 | 84 |
| **Total charge to operating statement** | **40,256** | **97** |

**Year ended 31 March 2012**

| | MAS £000 | LHA £000 |
|---|---:|---:|
| Amounts included within operating expenses in respect of PFI transactions deemed to be on-balance sheet | 15,993 | 0 |
| Amounts included within depreciation in respect of PFI transactions deemed to be on-balance sheet | 4,020 | 14 |
| Amounts included within interest payable in respect of PFI transactions deemed to be on-balance sheet | 18,556 | 48 |
| **Total charge to operating statement** | **38,569** | **62** |

The Trust is committed to make the following payments in 2013/14 relating to the capital funding repayment, the associated interest and the unitary charge. The MAS scheme unitary charge can vary year on year, depending on whether there have been any contract variations, under/over performance against the contract and is subject to an annual inflationary uplift based on RPI. In addition the soft facilities management services part of the service charge is subject to market testing on a 5 yearly basis.

| | MAS £000 | LHA £000 |
|---|---:|---:|
| PFI scheme which expires; | | |
| Day nursery (contract end April 2025) | | 43 |
| MAS PFI (contract end March 2043) | 43,840 | |
| Out of Hours (contract end January 2027) | | 67 |

In addition to the commitments in 2013/14 the Trust has the following commitments in respect of the Capital element of the PFI to the end of the respective schemes.

| | £000 | £000 |
|---|---:|---:|
| • Not later than one year; | 5,090 | 44 |
| • Later than one year and not later than five years; and | 23,135 | 206 |
| • Later than five years. | 320,560 | 755 |
| | | |
| Contract start date: | Oct 2005 | Apr 2000 / Jan 2002 |
| Contract end date: | Mar 2043 | Apr 2025 / Jan 2027 |
| Years to the end of the contract | 30 | 14 |

| C.20. Cash and cash equivalents | 2013 £000 | 2012 £000 |
|---|---|---|
| Balance at 1 April | 22,766 | 29,685 |
| Net change in year | (7,248) | (6,919) |
| **Balance at 31 March** | **15,518** | **22,766** |
| | | |
| **Made up of** | | |
| Cash with the Government banking service (RBS / Citibank) / Office of Paymaster General | 15,512 | 22,760 |
| Cash in hand | 6 | 6 |
| **Cash and cash equivalents** | **15,518** | **22,766** |

## C.21. Provisions for liabilities and charges

| | Pensions relating to other staff £000 | Legal claims £000 | Other £000 | Total £000 |
|---|---|---|---|---|
| **At 1 April 2012** | 445 | 490 | 793 | 1,728 |
| Arising during the period | 61 | 190 | 0 | 251 |
| Utilised during the period | (58) | (89) | 2 | (145) |
| Reversed during the period | 0 | (263) | (58) | (321) |
| **At 31 March 2013** | **448** | **328** | **737** | **1,513** |

**Expected timing of cashflows**

| | | | | |
|---|---|---|---|---|
| Within one year | 52 | 328 | 627 | 1,007 |
| Between one and five years | 206 | 0 | 34 | 240 |
| After five years | 190 | 0 | 76 | 266 |
| | **448** | **328** | **737** | **1,513** |

| | Current | | Non-current | |
|---|---|---|---|---|
| | 31 March 2013 £000 | 31 March 2012 £000 | 31 March 2013 £000 | 31 March 2012 £000 |
| Pensions relating to former staff (excluding directors) | 52 | 49 | 396 | 395 |
| Other legal claims | 328 | 490 | 0 | 0 |
| Other | 627 | 685 | 110 | 109 |
| **Total** | **1,007** | **1,224** | **506** | **504** |

£44.42m is included in the provisions of the NHS Litigation Authority in respect of clinical negligence liabilities of the Trust (31/03/12 £30.29m).

## C.22. Contingent liabilities

|  | 31 March 2013 £000 | 31 March 2012 £000 |
|---|---|---|
| Gross value | 106 | 59 |
| **Net contingent liability** | **106** | **59** |

This relates to third party claims where there is insufficient certainty on the possible future liabilities to recognise in the current year expenditure position.

Because of the continuing service provider relationship that the Trust has with local Primary Care Trusts (Care Commissioning Groups from 1 April 2013) and the way those Primary Care Trusts are financed, the Trust is not exposed to the degree of financial risk faced by business entities.  Financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies.  The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate to their fair value.

## *C.23.* Prudential borrowing limit

The Trust has a maximum cumulative long term borrowing limit of £354.7m.
Monitor has also authorised the Trust to have a £19m working capital facility in place. The Trust did not exercise this option in year.

|  | Year ended 31 March 2013 Actual | Approved | Year ended 31 March 2012 Actual | Approved |
|---|---|---|---|---|
| Minimum dividend cover – times | N/A | >1.0 times | N/A | >1.0 times |
| Minimum interest cover – times | 0.7 | >2.0 times | 1.1 | >2.0 times |
| Minimum debt service cover – times | 0.5 | >1.5 times | 0.9 | >1.5 times |
| Maximum debt service to revenue % | 9.1 | <10.0% | 9.2 | <10.0% |

No dividends payable due to negative net relevant assets following the impairment of PFI assets.

Due to its PFI schemes the Trust has its Prudential Borrowing limit set to allow for the PFI debt being on balance sheet, which is currently £354.7m. This limit is adjusted annually as it currently exceeds the normal 'tier 2' calculated limit.

| *C.24.* Management Costs | £000 | £000 |
|---|---|---|
| Management costs | 9,502 | 7,811 |
| Income (net of NMET income) | 244,289 | 241,169 |
| Percentage | 3.9% | 3.24% |

The increase in Management costs incorporates additional management support costs c. £0.9m relating to the Monitor intervention.

NMET (£11.49m) Income relates to income received for continuous professional development and training relating to Doctors and Nursing staff.

## C.25. Financial instruments and related disclosures

| | Carrying value 31 March 2013 £000 | Carrying value 31 March 2012 £000 |
|---|---|---|
| **Current financial assets** | | |
| Cash and cash equivalents | 15,518 | 22,766 |
| Trade and other receivables | 11,087 | 9,875 |
| **Non-current financial assets** | | |
| Trade and receivables | 975 | 1,065 |
| **Total financial assets** | 27,580 | 33,706 |
| **Current financial liabilities** | | |
| Financial liabilities measured at amortised cost: | | |
| PFI Finance leases | 5,133 | 4,880 |
| Trade and other payables | 42,380 | 35,016 |
| Provisions under contract | 1,513 | 1,728 |
| **Non-current financial liabilities** | | |
| Financial liabilities measured at amortised cost: | | |
| PFI Finance leases | 344,657 | 349,790 |
| **Total financial liabilities** | 393,683 | 391,414 |

The fair value of all these financial assets and financial liabilities approximate to the carrying value recognised in the Statement of Financial Position.

## C.26. Exit packages

| Exit package cost band | 2012/13 | | | 2011/12 | | |
|---|---|---|---|---|---|---|
| | Number of compulsory redundancies | Number of other departures agreed | Total number of exit packages by cost band | Number of compulsory redundancies | Number of other departures agreed | Total number of exit packages by cost band |
| <£10,000 | 13 | 0 | 13 | 1 | 43 | 44 |
| £10,000 - £25,000 | 4 | 0 | 4 | 5 | 46 | 51 |
| £25,001 - £50,000 | 6 | 2 | 8 | 0 | 16 | 16 |
| £50,001 – £100,000 | 4 | 0 | 4 | 2 | 6 | 8 |
| £100,000 - £150,000 | 1 | 0 | 1 | 1 | 1 | 2 |
| £150,001 - £200,000 | 1 | 0 | 1 | 0 | 0 | 0 |
| £200,001 - £250,000 | 0 | 1 | 1 | 0 | 0 | 0 |
| £250,001 - £300,000 | 0 | 0 | 0 | 0 | 1 | 1 |
| £500,001 - £550,000 | 1 | 0 | 1 | 0 | 0 | 0 |
| **Total number of exit packages by type** | **30** | **3** | **33** | **9** | **113** | **122** |
| **Total cost (£000)** | **1,613** | **82** | **1,695** | **312** | **2,343** | **2,655** |

The exit packages within the scope of this disclosure include, but are not limited to, those made under nationally-agreed arrangements or local arrangements for which HM Treasury / Monitor approval was required.

The cost of ill-health retirements fall on the relevant pension scheme and are not included in this disclosure. Details can be found in note C.8.

## C.27. Related party transactions

| | 2012/13 Income £000 | 2012/13 Expenditure £000 | 2011/12 Income £000 | 2011/12 Expenditure £000 |
|---|---|---|---|---|
| Bassetlaw PCT | 1,129 | | 1,438 | 0 |
| Chesterfield Royal Hospital NHS Foundation Trust | | 74 | | 2 |
| Department of Health | 117 | | 82 | 0 |
| Derby City PCT | 115 | | 144 | 0 |
| Derby County PCT | 21,139 | | 20,228 | 0 |
| Derby Hospitals NHS Foundation Trust | 153 | 87 | 129 | 44 |
| East Midlands Ambulance Services NHS Trust | 269 | 8 | 99 | 40 |
| East Midlands Strategic Health Authority | 12,000 | 26 | 11,895 | 84 |
| Leicester County and Rutland PCT | 9,495 | | 7,610 | 0 |
| Leicester City PCT | 75 | | 31 | 0 |
| Leicester Partnership Trust | | 131 | 31 | 109 |
| University Hospitals Leicester Trust | 304 | 29 | 303 | 14 |
| Lincolnshire PCT | 3,681 | | 3,964 | 0 |
| NHS Business Services Authority | | 874 | | 1,247 |
| NHS Pension Scheme | | 443 | | 183 |
| Nottingham University Hospitals NHS Trust | 3,853 | 1,492 | 3,884 | 1,818 |
| Nottingham City PCT | 4,224 | 16 | 3,942 | |
| Nottinghamshire County PCT | 194,503 | 4,086 | 184,827 | 4,413 |
| Nottinghamshire Healthcare NHS Trust | 4,288 | 1,872 | 3,884 | 1,272 |
| Oxfordshire And Buckinghamshire Mental Health NHS FT | | 104 | | 51 |

*The above schedule discloses the main related party transactions. A full schedule by NHS organisation is available on request.*

## C. 28. Senior managers' disclosure

### C.28.1. Off payroll engagements

The following tables disclose the number of staff with a significant influence over the management of the organisation where payment has been made directly to these staff or their companies, rather than via the Trust payroll.

***Off payroll arrangements at a cost of over £58,200 per annum that were in place as of 31 January 2012.***

| | |
|---|---|
| Number of staff not on the Trusts payroll | 1 |
| Of which: | |
| Number. that have since come onto the Trusts payroll | 0 |
| Of which | |
| Number. that have since been re-negotiated / re-engaged to include contractual clauses allowing the (department) to seek assurance as to their tax obligations | 0 |
| Number that have come to an end | 0 |
| **Total remaining Off payroll as at 31/3/2013** | 1 |

This post is being actively recruited to, and all payments are made to a limited company not an individual or an individual's personal company. The company has written to the Trust confirming their tax and VAT arrangements with HMRC are upto date and appropriate.

**New off payroll engagements between 23 August 2012 and 31 March 2013 for more than £220 per day and more than 6 months**

| | |
|---|---|
| Number of new engagements | 4 |
| Of which: | |
| Number. of new engagements which include contractual clauses giving the department the right to request assurance in relation to income tax and National Insurance obligations | 0 |
| Of which | |
| Number for whom assurance has been requested and received | 4 |
| Number that have come to an end | 0 |
| **Total remaining Off payroll as at 31/3/2013** | 4 |

**A contractual clause giving the Trust the right to request assurance in relation to income tax and National Insurance obligations is in place for all new contracts.**

In line with Her Majesty's Treasury disclosure requirements:

The above engagements include the Trust Interim Chairman (appointed by Monitor) and Interim Chief Executive who was appointed for three months but which was subsequently extended until a substantive appointment could be made. All four posts are subject to active recruitment.

| 28.2 | 2012/13 | | | | 2011/12 | | | |
|---|---|---|---|---|---|---|---|---|
| **Name and title** | **Salary (bands of £5,000)** | **Other remuneration (bands of £5,000)** | **Benefits in kind (nearest £100)** | **Employer pension contributions (nearest £1,000)** | **Salary (bands of £5000)** | **Other remuneration (bands of £5,000)** | **Benefits in kind (nearest £100)** | **Employer pension contributions (nearest £1,000)** |

**Executive Directors**

| Name and title | Salary | Other rem. | Benefits | Pension | Salary | Other rem. | Benefits | Pension |
|---|---|---|---|---|---|---|---|---|
| **Mr E. Morton** (Chief Executive Officer. Appointed 15 October 2012) | 190-195 | 0 | 0 | 0 | N/A | N/A | N/A | N/A |
| **Mr M. Goldman** (Chief Executive Officer. From 6 June to 12 October 2012) | 135-140 | 0 | 0 | 0 | N/A | N/A | N/A | N/A |
| **Mr M. Wakeley**[1] (Chief Executive Officer. to 30 May 2012 ) | 30-35 | 45-50 | 1,700 | 5 | 95-100 | 0 | 1,600 | 14 |
| **Mrs C.White**[1] (Deputy Chief Executive Left 14 December 2012. Seconded from 1 January 2013) | 105-110 | 500-505 | 4,800 | 15 | 155-160 | 0 | 3,900 | 22 |
| **Mrs S. Bowler** (Executive Director of Nursing and Quality) | 90-95 | 0 | 6,200 | 13 | 95-100 | 0-5 | 200 | 10 |
| **Ms F. Steele**[2] (Chief Financial Officer) Appointed 1 January 2012 | 150-155 | 0 | 0 | 22 | 40-45 | 5-10 | 0 | 6 |
| **Ms K. Fisher** (Executive Director of Human Resources) | 90-95 | 0 | 5,700 | 13 | 90-95 | 0 | 4,000 | 13 |

| Name and title | Salary (bands of £5,000) | Other remuneration (bands of £5,000) | Benefits in kind (nearest £100) | Employer pension contributions (nearest £1,000) | Salary (bands of £5,000) | Other remuneration (bands of £5,000) | Benefits in kind (nearest £100) | Employer pension contributions (nearest £1,000) |
|---|---|---|---|---|---|---|---|---|
| **Dr N. Ali** (Executive Medical Director In post from 26 July 2010) | 25-30 | 160-165 | 2,600 | 21 | 25-30 | 160-165 | 1,200 | 18 |
| **Ms L. Dadge**[3] (Non - Voting Commercial Director. In post from 5 January 2012. On secondment from January 2013) | 95-100 | 0-5 | 6,000 | 14 | 20-25 | 5-10 | 800 | 3 |
| **Mr I. Greenwood** (Interim Director of Strategic Planning and Commercial Development. In post from 18 January 2013) | 35-40 | 0 | 0 | 0 | N/A | N/A | N/A | N/A |
| **Mrs E. Konieczny** (Acting Director of Finance 1 December to 31 December 2011) | N/A | N/A | N/A | N/A | 5-10 | 0 | 0 | 1 |
| **Mr L. Bond** (Executive Director of Finance. Left 19 June 2011) | N/A | N/A | N/A | N/A | 25-30 | 0 | 1,000 | 4 |
| **Mr A. Marshall**[4] (Interim Executive Director of Finance 20 June to 30 November 2011) | N/A | N/A | N/A | N/A | 55-60 | 0 | 0 | 0 |
| **Ms J. Warder**[1] (Chief Operating Officer. Left 29 February 2012) | N/A | N/A | N/A | N/A | 100-105 | 280-285 | 2,300 | 15 |

175

**Non executive Directors**

| Name and title | Salary (bands of £5,000) | Other remuneration (bands of £5,000) | Benefits in kind (nearest £100) | Employer pension contributions (nearest £1,000) | Salary (bands of £5000) | Other remuneration (bands of £5,000) | Benefits in kind (nearest £100) | Employer pension contributions (nearest £1,000) |
|---|---|---|---|---|---|---|---|---|
| **Mr C. Mellor** (From 8 October 2012) | 85-90 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| **Ms T. Doucet** [1/5] (Left 4 October 2012) | 30-35 | 30-35 | N/A | N/A | 60-65 | N/A | N/A | N/A |
| **Mr D. J. Leah** | 10-15 | N/A | N/A | N/A | 10-15 | N/A | N/A | N/A |
| **Mr S. Grasar** | 10-15 | N/A | N/A | N/A | 10-15 | N/A | N/A | N/A |
| **Mrs B. Y. Jones** (Left 31 October 2012) | 5-10 | N/A | N/A | N/A | 10-15 | N/A | N/A | N/A |
| **Mr D. B. Heathcote** (Left 3 November 2012) | 5-10 | N/A | N/A | N/A | 10-15 | N/A | N/A | N/A |
| **Mr I. M. Younger** (Left 30 November 2012) | 5-10 | N/A | N/A | N/A | 10-15 | N/A | N/A | N/A |
| **Ms L. Barnett** (Non Executive Advisor from 15 January 2013) | 0-5 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| **Mr M. Obhrai** (From 1 December 2012) | 0-5 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| **Sir S. Moss** (From 1 December 2012) | 0-5 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| **Mr C. Bellringer** (From 1 November 2012) | 5-10 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

Ms J. Tuffnell (Interim Director of Operations) was seconded from Chesterfield Royal Hospitals NHS Foundation Trust in November 2012 and was appointed as a non-voting Executive Director in January 2013. No details have been included as no costs were incurred in 2012/13.

**Benefit in kind relates to lease car P11D taxable charge**

[1] Other remuneration relates to a contractual redundancy and notice period payment.
[2] Other remuneration relates to a contractual recruitment incentive.
[3] Other remuneration relates to a contractual performance related payment.
[4] Services provided under contract by PWC.
[5] Additional fee in 2011/12 is due to an increase in hours worked.

**Hutton Disclosure**

|  | 2012/13 | 2011/12 |
|---|---|---|
| Band of highest paid directors' remuneration (£000's) | 330-335 | 195-200 |
| Median total remuneration | 22,676 | 24,554 |
| Ratio of median to highest paid Director | 14.66 | 8.04 |
| No of employees paid more than highest paid director | 0 | 0 |

The median is the mid-point, based on the full time equivalent of the lowest and highest staff salaries. This has been calculated excluding any enhancements or overtime payments. This relates to staff employed by the Trust at the reporting period end.

The ratio to highest paid director has been calculated based on the mid-point of the salary banding of the highest paid director. As the highest paid director is an interim the full year salary has been calculated based on a four day week excluding annual leave and bank holidays.

| C.28.3<br>Name and Title | 2012/13 | | | | | 2011/12 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Real increase during the year in pension and lump sum at age 60 (bands of £2,500) | Total accrued pension (incl. lump sum) at age 60 at 31 March 2013 (bands of £5,000) | Value of cash equivalent transfer value as at 1 April 2012 (nearest £1,000) | Real increase in cash equivalent transfer value during the year ended 31 March 2013 (bands of £1,000) | Value of cash equivalent transfer value at the end of the reporting period - 31 March 2013 (bands of £1,000) | Real increase during the year in pension and lump sum at age 60 (bands of £2,500) | Total accrued pension (incl. lump sum) at age 60 at 31 March 2012 (bands of £5,000) | Value of cash equivalent transfer value as at 1 April 2011 (nearest £1,000) | Real increase in cash equivalent transfer value during the year ended 31 March 2012 (bands of £1,000) | Value of cash equivalent transfer value at the end of the reporting period - 31 March 2012 (bands of £1,000) |
| **Executive Directors** | | | | | | | | | | |
| Mr M. Wakeley | 22.5-25 | 135-140 | 470 | 6 | 518 | 62.5-65 | 125-130 | 0 | 236 | 470 |
| Mr E. Morton | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Mrs C. White | 2.5-5 | 230-235 | 1027 | -750 | 0 | 0-2.5 | 220-225 | 912 | 92 | 1,027 |
| Mrs S. Bowler | (20)-(22.5) | 135-140 | 654 | -68 | 603 | (2.5)-(5) | 155-160 | 576 | 64 | 654 |
| Ms J. Warder | N/A | N/A | N/A | N/A | N/A | (5)-(7.5) | 150-155 | 509 | 58 | 586 |
| Ms F. Steele | 0-2.5 | 5-10 | 27 | 31 | 58 | 0-2.5 | 5-10 | 0 | 7 | 27 |
| Mr L. Bond | N/A | N/A | N/A | N/A | N/A | 2.5-5 | 110-115 | 283 | 25 | 403 |
| Ms K. Fisher | 0-2.5 | 145-150 | 598 | 24 | 636 | 0-2.5 | 140-145 | 514 | 71 | 598 |
| Ms L. Dadge | 2.5-5 | 45-50 | 174 | 25 | 202 | 0-2.5 | 40-42.5 | 133 | 9 | 174 |
| Mr A. Marshall | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Mrs E. Konieczny | N/A | N/A | N/A | N/A | N/A | 10-12.5 | 125-130 | 0 | 47 | 556 |
| Dr N. Ali | 47.5-50 | 255-260 | 1031 | 279 | 1336 | 0-2.5 | 200-205 | 939 | 68 | 1,031 |
| Ms L. Barnett | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Mr I. Greenwood | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

The Trust has made no payments and the Directors are not entitled to receive any benefit under share options or money and assets under long term incentive schemes. In addition no advances, credits or guarantees have been made on behalf of any of the Directors. The Trust is contractually committed to three performance related in-year bonuses, and payments made are disclosed above.

The defined benefit pension liability is uplifted in line with the Consumer Prices Index (CPI) to calculate the minimum pension increases for index-linked pensions.

**Related party transactions**

- During both 2012/13 and 2011/12 the trust transacted with Nottingham Road Clinic for Podiatry clinics and they also have a contract to provide community NHS services, specifically vasectomy and ultrasound examinations (at a value of £8,400, of which £600 remained outstanding at year end). Dr. N. Ali is a Director and Shareholder of The Nottingham Road Clinic.

- The Trust also engaged PA Consulting for a specific review (at a value of £56,304). Ms F Steele remains a shareholder.

- The Trust also engaged Madano Partnership for specific reviews (at a value of £19,644 - no payments made in 2012/13). Mr C Bellringer is disclosed as a related party.

These relationships have been identified in the Register of Interests

**Signed:**

Interim Chief Executive Officer    28 May 2013
Eric Morton