Sherwood Forest Hospitals NHS
NHS Foundation Trust

Annual Report and Accounts 2013/14

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

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Chairman and chief executive's foreword

It gives us great pleasure to present to you our annual report for the financial year 2013/14. In this report we set out the journey we have begun, talk about the challenges we have faced over the past year and also celebrate the many successes.

We look forward to the coming year with continued passion and enthusiasm.

At Sherwood Forest Hospitals we are absolutely committed to providing high quality, efficiently delivered care for our patients, and we are delighted that more and more patients are choosing our hospitals as the place to receive their care and treatment.

The year which ended on 31 March 2014 was the most challenging in the history of this Foundation Trust, and we truly appreciate the support we have received and continue to receive from our governors, members, staff side members, commissioners, MPs, local government and the multitude of stakeholders in the regional health economy.

The Trust has been on a demanding journey of improvement over recent months, thanks to the fantastic dedication and commitment of our staff and volunteers.

Many of you will be aware that the health regulator, Monitor, announced in October 2012 that the Trust was in significant breach of the terms of its authorisation as a Foundation Trust. This led to changes in Board membership, with interim appointments being made to a number of Board positions, as well as the Trust being required to satisfy a number of discretionary requirements, in particular relating to financial governance and Board and quality governance.

The Trust has asserted to Monitor that it has fulfilled the discretionary requirements in respect of financial governance and Board and quality governance.

In February 2013, the Trust was identified as being one of 14 healthcare providers in England as having higher than expected mortality levels. This led to the Trust being subjected to inspection by the rapid response team commissioned by Professor Sir Bruce Keogh, Medical Director of NHS England. The outcome was that the Trust was placed in special measures in July 2013. The Keogh assurance review in December 2013 reported substantial progress on the priority areas, and the Trust is optimistic that the rate of progress will allow special measures to be lifted in 2014.

Throughout all of this, our staff have continued to provide excellent care to the many thousands of patients who use the services at all of our hospitals, and we are extremely proud of their efforts, especially in the light of such intense external scrutiny.

We joined the Board of the Trust as chair and chief executive in June 2013, and we are pleased to report solid progress. The Trust Board is now fully substantive, with 12 of the 15 members being appointed within the last year.

As a Board we have taken time to reflect on what has happened in the Trust in the past and now have a clear focus on what we wish to deliver in the future.

We have described our enduring purpose as being:

To champion and deliver the best care, service and wellbeing outcomes for each individual in the communities we serve.

At the heart of everything we do is our dedication to give the best possible care for our patients, safely, respectfully and efficiently.

We are going through a period of significant change, that will see us deliver even better quality care through listening more, being more open, and continuing to learn from what we hear from our patients, carers, visitors and staff.

In 2014 we launched our improvement programme under the banner of *Quality for all.* This was aimed at really understanding how our patients, their families and carers and our staff felt about their experience in the Trust.

We did this through an extensive series of listening events which have provided tremendous insight into what we can do to improve, and actions are in place to make and sustain these improvements. This work also allowed us to develop a set of core values and associated behaviours, which should define the Trust for many years to come. We look forward to deploying these messages and seeing real improvements for our patients and staff in the months and years ahead.

We have worked closely with our commissioners and other partners to improve healthcare across our communities and you will hear more detail about the Better Together programme throughout this report, but it is important to note that this transformation programme brings together all the health and social care services across mid-Nottinghamshire. The aim is to ensure that everyone receives the best possible care, with services that continue to meet future challenges and embrace opportunities for improvement.

Our greatest asset continues to be our staff, and within this report you will read numerous examples of the success of our staff, both as individuals and as teams. We continue to celebrate success on a regular basis, including our monthly staff recognition programme *Star of the Month,* as well as our annual Staff Excellence Awards and our annual nurse of the year awards. We continue to invest in our staff. In December 2013 the Board of Directors agreed to an investment of £4m in registered nurses, which we are confident will make a significant difference to the patient experience and quality outcomes.

Throughout this report there are many examples of how our quality and services are continuing to improve, and with the support of our staff and our partners we are confident we will be able to provide high quality, cost effective care for our patients. It remains to thank the people who have helped us to achieve the improvements we have delivered during 2013/14, one of the Trust's most challenging years, most notably our hospital and community staff and volunteers for their loyalty, commitment and dedication. We remain grateful to our Council of Governors and our members for their tireless support and for helping to keep the Trust close to what matters to the communities we serve; to our charity for their ongoing investments and support and the public who support the charity through donations and fundraising. We should also like to thank our partners and our many stakeholders, in particular our local commissioners and healthcare partners with whom we work closely to improve the services available to our communities. Last but most definitely not least, we are grateful to our public and our patients for continuing to support and choose the services of this Trust to care for them.

Sean Lyons
Chairman

Paul O'Connor
Chief Executive

Our enduring purpose:

To champion and deliver the best care, service and wellbeing outcomes for each individual in the communities we serve.

About Sherwood Forest Hospitals

Who we are
Sherwood Forest Hospitals NHS Foundation Trust was formed in 2001 and gained Foundation Trust status in 2007. We provide care across four hospital sites - King's Mill Hospital, Newark Hospital, Mansfield Community Hospital and Ashfield Health Village.

We are the main acute hospital trust for the local area, proudly providing high quality healthcare for 420,000 people across north Nottinghamshire, as well as parts of Derbyshire and Lincolnshire.

What we do
We provide a comprehensive range of hospital and community services, including planned and emergency surgery, children's services, obstetric and gynaecological care.

Our emergency department at King's Mill Hospital treats critically ill patients to minor injuries and sees in excess of 110,000 patients every year. Newark Hospital is home to an urgent care centre/minor injuries unit which treats a range of conditions and is open 24 hours a day.

Our children and young people's service cares for patients and their families from birth until adulthood. Our 18-bed neonatal unit at King's Mill Hospital provides high quality care with seamless antenatal to postnatal care for high risk infants. We are part of the Trent Neonatal Network and work closely with children's services in Leicester and Nottingham. Each year we see more than 8,000 young patients in our outpatient clinics and more than 4,000 children in our community clinics. More than 3,000 patients are looked after on our dedicated children's ward.

Each year our hospitals care for more than 39,000 inpatients; 29,000 day case patients; 411,000 outpatients and therapy patients; and more than 3,200 women choose to give birth at our hospitals.

Our people
More than 4,000 members of staff work across our hospitals providing quality care for all. Our dedicated army of 700 volunteers give up their time to make a difference and enhance the experience of our patients and visitors.

As an NHS Foundation Trust we are accountable to the Council of Governors which represents the views of members. The Council of Governors is comprised of 20 elected governors (15 public, five staff) and seven appointed governors and further details are available later in this report.

As a Foundation Trust we are proud to boast a membership totalling more than 21,000 – allowing our local communities opportunities to influence decisions and to demonstrate loyalty and support for our hospitals.

What we will achieve
Our strategic objectives are to:

1. Achieve the best patient experience
2. Achieve financial sustainability
3. Improve patient safety and provide high quality care
4. Build successful relationships with external organisations and regulators
5. Attract, develop and motivate effective teams.

New children's unit opens at Newark

Young patients attending Newark Hospital for outpatient appointments now benefit from a dedicated children's unit.

The new unit has clinical rooms and a large, airy, waiting area where children can play - bringing the facility up to date and in line with the artistic themes of the children's wards and clinic at King's Mill Hospital. This also has the added benefit of freeing up clinical rooms in outpatients so that other adult based services could be increased in the future.

The unit further improves the developments to children's services at Newark Hospital following the expansion of a paediatric presence from three days to five days a week in 2012. Diabetes clinics are also now available to local children who previously needed to travel to King's Mill Hospital.

Our vision is clear. At the heart of everything we do is our dedication to providing high quality, cost effective care for our patients, developing our workforce to its best potential and working with our partners, particularly in health, social care and local services, to improve the health and wellbeing of the local population.

Quality for all, our shared values and standards, were developed by hundreds of patients, families and members of staff. They set out our ambition for excellent care with the people we serve and with each other. This means supporting our staff to provide the very best patient experience and outcomes.

Our values will help shape the way we plan and make decisions, the way we recruit, induct, appraise and develop our staff as well as influence the way we behave with patients, family members and each other.

Our values and standards are:

C	**Communicating** and **working together**	**Share information** openly and honestly and keep people informed
		Listen and involve people as partners and equals
		Work as one team inside our organisation and with other organisations
A	**Aspiring** and **improving**	**Set high standards** for ourselves and each other
		Give and receive feedback so everyone can be at their best
		Keep improving and aspiring for excellence
R	**Respectful** and **caring**	**Treat everyone with courtesy and respect**, help people to feel welcome in our organisation
		Show care and compassion and take time to help
		Support and value each other and help people to reach their potential
E	**Efficient** and **safe**	**Competent and reassuringly professional** so we are always safe
		Reliable and consistent so we are always confident
		Efficient and timely and respectful of others' time

Quality *for all*

Communicating and **working together** | **Aspiring** and **improving** | **Respectful** and **caring** | **Efficient** and **safe**

Patients help shape standards of care

Patients at Sherwood Forest Hospitals have helped launch new values and behaviours that will ensure staff deliver quality care all of the time.

Last autumn, patients were invited to meet nurses, doctors, managers and other healthcare staff at a range of engagement events to share their experiences of being cared for at the Trust. They told staff what was good and what could have been improved when they were in hospital.

This feedback has helped shape a new set of values and behaviours known as *Quality for all* that will apply to all Trust staff, in all that they do. These are:

- Communicating and working together
- Aspiring and improving
- Respectful and caring
- Efficient and safe.

The way forward

Within the Trust our focus remains upon delivering the highest standards of care we can possibly achieve, fulfilling the rights and expectations of our communities that they should have safe and effective health services available locally and should be able to access these services in a timely manner when they need them. To achieve this, we are embarking upon a transformation journey, which will change what we do and, more fundamentally, how we do it.

Quality for all is the expression of a set of values and behaviours developed in conjunction with a large number of patients, carers, staff members and members of the public through an extensive range of engagement events. It articulates what good care looks like from a patient perspective, and combines this with how we want our working lives as teams of healthcare professionals to be.

Our service improvement strategy will build upon *Quality for all* by disseminating new sets of skills and tools to bring about service improvement and change. We anticipate that this will harness the potential of everyone in the organisation to contribute to delivering excellent care, and re-designing the way in which services are delivered.

We acknowledge that there is further work to do on the utilisation of our estate and infrastructure.

Having described the financial impact of the Private Finance Initiative (PFI), we must also recognise that it gives us modern facilities from which to deliver healthcare. This gives us a great backdrop for the service change and improvement work described above.

Nonetheless, there is significantly more work to do to complete the relocation of services at King's Mill Hospital into first-rate accommodation. Our main operating theatres, critical care facilities, and much of our diagnostic imaging capacity remains in the retained estate – the buildings which have not been upgraded. Whilst there is no immediate threat to quality or continuity of service, we must develop plans to re-provide these facilities at an appropriate scale in the PFI core within a five year time horizon. Our two year operational plan contains an initial investment figure but the fuller impacts will be captured in our strategic plan submission in June 2014 which will cover the five year period to 2018/19. The Trust will have additional liquidity requirements to support any investment in the estate, an assumption for which Monitor is already aware.

Patient safety revolutionised with VitalPAC

The Trust has become the first in the Midlands to introduce an award-winning high tech system to revolutionise patient safety at King's Mill Hospital.

Improving quality of care, patient safety and reducing mortality rates, the new high tech system (VitalPAC) enables doctors and nurses to record clinical data on hand held iPod devices at the patients' bedside, which will then be instantly analysed.

Partnerships will be at the centre of everything we do in the future. We will continue to work closely with our PFI consortium partners to maintain the best possible environments from which to deliver healthcare. Many of our key partnerships are encompassed by the Better Together programme, into which we are making an enormous investment. In addition, we will be seeking new partnerships to further our core objectives and do so in a way that helps improve our financial sustainability.

Even more patients to be treated at Newark Hospital

From May 2014 even more patients will be seen and treated at Newark Hospital.

The findings of a comprehensive review carried out by the Trust concluded that, as there were so few orthopaedic joint operations carried out at Newark Hospital, it would not be feasible or sustainable to put in place the required infrastructure to support this.

Newark Hospital is already a significant day case facility. Those patients who have their procedures carried out at King's Mill Hospital or other local hospitals are able to be transferred to Newark Hospital once clinically appropriate.

The financial year ending 31 March 2014 was a challenging year as expected for the Trust. The financial year commenced with an interim Board of Directors still in place and our licence issued from Monitor on 1 April 2013 came with discretionary requirements attached. The focus on addressing these requirements has been intense and the added challenge associated with implementing the Keogh action plan has been very resource intensive.

Whilst the discretionary requirements had a significant focus on improving the overall governance of the Trust, there was also a requirement for the Trust to deliver an improvement plan by October 2013. This interim plan sought to better reflect future commissioner intentions as well as further clarify the excess pressures caused by the PFI on the Trust's financial position for which there will be an ongoing need for support. The Trust achieved this deadline and the joint working through the Better Together programme has enabled a clearer strategic direction to be articulated.

During this timeframe there have been increased operational pressures on the Trust with a growth in demand of three per cent above the planned clinical activity levels. This has created continued pressure on resources and a dependency on expensive agency and locum staff. Work has been undertaken and remains ongoing to recruit substantively to vacant posts to reduce this requirement. The Trust employed over 200 additional whole time equivalent staff as at the end of the year.

Despite this challenging context the Trust reported a deficit ahead of plan of £21.66m, which is an improvement of £1.59m from the original planned deficit of £23.25m. However while this is an improvement to plan it remains a significant deficit and there has been an associated impact on cash. Consequently the Trust planned for and received liquidity support from the Department of Health (DH) in February and March 2014. The Trust is forecasting a further trading loss for 2014/15 and the latest financial plan indicates an ongoing requirement for external liquidity support.

Whilst 2013/14 has been a challenging year we continue to receive an incredible amount of support from our stakeholders, including partner organisations and the local and regional media. During the year Sherwood Forest Hospitals General Charitable Fund received donations of £331k. This fundraising reflects the continued and greatly appreciated commitment of the local community to its hospitals, with donations and fundraising activities received from voluntary services and local leagues of friends.

Critical care patients offered unique follow up service

King's Mill Hospital was one of 22 hospitals nationally whose critical care unit patients were questioned by Imperial College London and Oxford University about the level of care received after leaving the unit. The report showed that the critical care team at King's Mill Hospital offers a unique follow up service for patients who are rehabilitating after an episode in intensive care.

Transferring back to a ward after a stay in the intensive care unit can sometimes be stressful, so patients are visited regularly by one of the critical care outreach nurses to help them make the transition. Information booklets guide the patient through the completion of a rehabilitation programme with multi-professional support.

Two to three months after the patient has left intensive care, they are invited back to a critical care follow-up clinic as part of their ongoing rehabilitation. Run by the nurse consultant in critical care and a senior physiotherapist, this is bespoke to each patient's needs.

Our staff

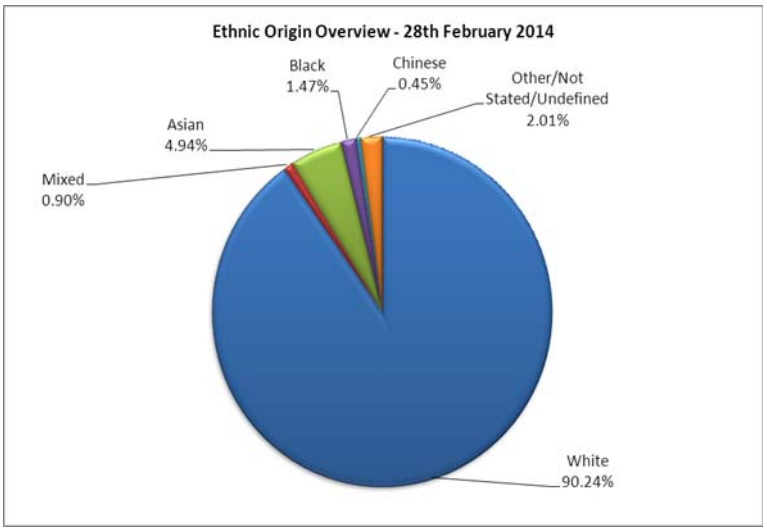
We employ 4,000 staff, clinical and non-clinical, all of whom contribute to providing high quality patient care in our hospitals and community. Our staff work tirelessly to improve efficiency, to meet national and local quality and access targets, and to bring improvements and enhancements in care to patients.

We recognise there is a strong correlation between engagement and performance and we are committed to involving staff in decision making and keeping them informed of changes and developments across the organisation. We do our best to ensure staff are aware of the issues affecting themselves, their teams and the Trust. Our range of well-established communication channels are referenced later in the report which illustrate how we aim to ensure that everyone understands how they can contribute to the Trust's success.

We work closely with staff representatives to ensure employees' voices are heard, and the joint staff partnership forum and medical local negotiating committee are valuable consultative groups. Staff members of the Council of Governors make a valuable contribution to the governance and development of the organisation.

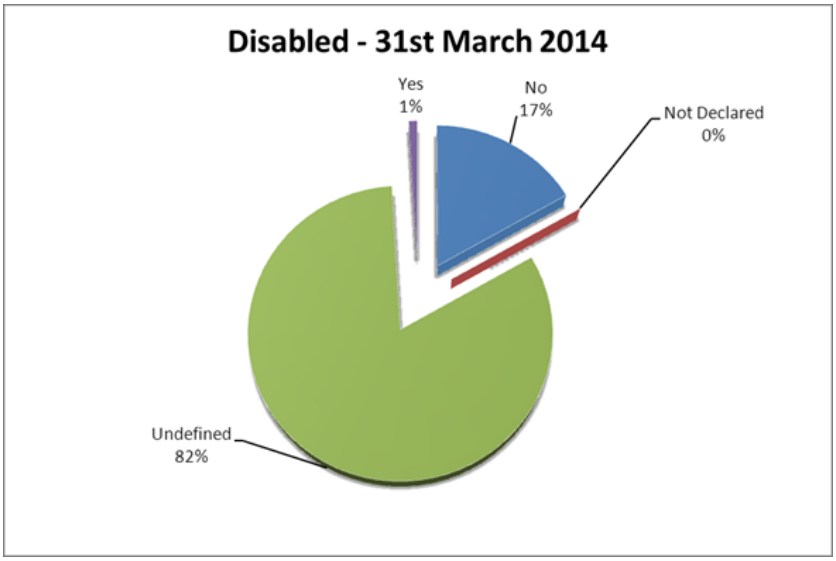
In February 2014, 82 per cent of the total workforce was female, in line with the national NHS which is composed of 80 per cent female. The composition of the Trust Board of Directors is 67 per cent male, 33 per cent female.

In February 2014 the ethnicity composition continues to remain stable when compared with the previous year. The majority of the workforce is white (90.24 per cent) which reflects the local population which is 93 per cent white as reported in the 2011 census.



Disability

The Trust collects data from new staff members regarding disability status. The current data identifies that 82% of staff have not defined their disability status. The Trust is currently reviewing and exploring different ways to collect and collate equal opportunity data to ensure that there is a reduction in the undefined category.



Our volunteers

Our patients and staff benefit greatly from the support of a team of 700 volunteers who contribute almost 1,400 hours every week across all of our hospitals. Their valuable work includes providing refreshments at our tea bars, coffee lounges and cafés; fundraising; way-finding; meeting and greeting; driving the buggy at King's Mill Hospital; library and magazine services; carrying out our patient surveys; hospital radio and chaplaincy.

The voluntary services team which co-ordinates this work ensures volunteers have greater opportunities to support patients and staff in our care settings, and also open up opportunities for the Trust to work in partnership with local voluntary organisations. Our partners include the League of Friends of Newark Hospital, the Friends of Ashfield Village and the League of Hospital Friends (Mansfield and Sutton), which also include volunteers who work in the community and run two charity shops. The Amazon Breast Cancer Support Group's aim is specifically to enhance breast services at King's Mill Hospital. The group fundraises and donates items to support our clinical specialists as well as the volunteers providing peer support to breast cancer patients.

Sustainability, environment and climate change

The Trust is committed to reducing its impact on the environment and continually transforms the way it operates in order to improve health, conserve energy and reduce carbon emissions.

All trusts across the NHS are expected to reduce their estate running costs and carbon emissions. The Trust is committed to reducing its impact on the environment and demonstrating good corporate citizenship by reducing carbon dioxide emissions to 80% below 2007 levels by 2050.

The new state-of-the-art PFI hospital facilities and associated developments have been fully opened for nearly three years. 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 stakeholders
- Driving value for money with procurement and supply chain management
- Strong governance and communication
- Pioneering geothermal technologies

- Robust approach to carbon management.

The objectives are part of the latest draft version of the Trust's Carbon Reduction Management Plan (CRMP) and Sustainability Development Management Plan (SDMP).

The Trust is committed to achieving Version Three of the Good Corporate Citizenship (GCC) registration in the financial year 2014/15 as demonstration of how its activities support sustainability inside the organisation and outside in the community.

Going concern

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 commissioner requested (mandatory) service risks. The Trust continues to adopt the presumption of going concern in the preparation of its accounts.

In adopting the going concern basis for preparation of the financial statements, the directors have considered the business activities as well as the principal risks and uncertainties. Based on cash flow forecasts and projections and the approved liquidity support, the Board is satisfied the Trust will be able to operate within the level of its facilities for the foreseeable future. Therefore, 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.

Fair review of Trust business

The Trust was successful in becoming a Foundation Trust in 2007. Becoming a Foundation Trust offers us more freedom to decide how to run our affairs and deliver services, and also an ability through the membership to get closer to the needs of patients. The Trust intends to continue to use this status to move more rapidly in the direction it needs to go – delivering high quality services under new models of care and maintaining and improving its position as the healthcare provider of choice for the communities it serves. However, the discretionary requirements concerning the Trust's licence conditions are such that freedoms have been limited during the year.

On 24 April 2013, when the healthcare regulator Monitor's new enforcement and licencing powers came into force, it confirmed the following breaches of the conditions of the Trust's licence under the new regime:

Financial breaches

- The Trust had a financial risk rating of one from Q1 of 2012/13
- The Trust had forecast a significant underlying deficit for 2013/14
- These breaches by the Trust demonstrated a failure of governance arrangements and financial management standards, in particular but not limited to a failure by the Trust to establish and effectively implement systems and/or processes to ensure compliance with the duty to operate efficiently, economically and effectively.

Governance breaches

- The Trust's governance was considered to be inadequate by the KPMG financial governance report and the PricewaterhouseCoopers (PwC) quality governance and Board governance report (both of November 2012)
- These breaches by the Trust demonstrated a failure of governance arrangements.

Action plans and timescales were agreed with Monitor in order to appropriately address the concerns raised in the previous financial year, at a pace that safeguarded the quality of services to patients.

The Trust went through a difficult period during 2012/13 and the first half of 2013/14. At

that time concerns were raised about the quality and safety of the services it delivered when it was identified as one of the 14 Trusts to be reviewed by Sir Bruce Keogh. This then led Monitor to raise enforcement undertakings, requiring the Trust to improve the quality of healthcare provided to its patients.
In response to these challenges, the second half of 2013/14 was characterised by strong and rapid improvement in the quality and safety of the care delivered, as evidenced by an assurance review undertaken by the Keogh team in December 2013. Whilst the financial situation remained very challenging, including the impact of the PFI deal signed in 2005, the Trust adhered to its plan – delivering a better than expected position at the year end and delivering against the majority of the requirements outlined in its discretionary requirements.

In the wider health and social care economy, we continue to engage fully and positively with commissioners and fellow providers in Better Together – the health economy-wide transformation programme previously known as the Mid-Nottinghamshire Integrated Care Transformation Programme. The blueprint for the way in which services will be provided in the future is now moving into its implementation phase, and the next few years will see substantial changes to service provision – most crucially the building up of community-based resources to provide support to people at risk of experiencing a health crisis, and to return as many people as possible to independent living after a hospital stay. The implication of these changes for the Trust, in conjunction with our own work to optimise the efficiency of care delivery in our hospitals, will be to reduce demand for beds, operating theatres and associated infrastructure.

We have aligned our financial assumptions with those of our commissioners, and in doing so have acknowledged a worsening of our future financial position from that reported in our October 2013 improvement plan submission to Monitor – primarily due to the loss of income that this entails. The fact that the PFI is a fixed point in the health economy, and an increasing financial commitment as time passes, has been acknowledged in Better Together, with the aim that every possible alternative use will be considered for vacated space in order to support the ongoing payment of the unitary charge without detracting from service delivery elsewhere.

We are developing a mature approach to benefit realisation and risk management. This is woven into strengthened governance arrangements for Better Together, and will enable us to develop robust contingency plans if elements of the programme do not deliver changes and realise benefits at the anticipated rate. This acknowledges that in the execution of a system-wide transformation programme, there needs to be a collective approach to risk and mitigation that incentivises the parties to drive through the required changes for the benefits of the health and wellbeing of the local communities.

The Trust is moving towards a fully integrated electronic patient record system, the central strand of which is investment in the replacement of the current patient administration system (PAS).
The new system will bring the Trust a step closer to a fully integrated electronic patient record system and will greatly enhance the ability to share data across operational systems and business units within the Trust and with the wider healthcare community. Key benefits will be better quality and more flexible correspondence with patients and healthcare providers, and a reduction in patients not attending for outpatient appointments. We have learned lessons from the implementation of these types of systems in other trusts and have worked to mitigate against such risks affecting delivery in this Trust.

Statement of comprehensive income (income and expenditure)

The accounts have been prepared under a direction issue by Monitor under the National Health Service Act 2006.

Operating income
Total operating income excluding reversal of impairments for the year was £260.90m (£255.78m in 2012/13) representing an increase of 2 per cent 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). The Trust confirms that income from the provision of health services is greater than income from the provision of other goods and services. All non-clinical income received contributes to the operating costs of the Trust and the provision of healthcare services.

Operating expenses
Our total operating expenses (excluding impairments and depreciation) rose during the year to £255.8m, an increase of 5.4 per cent from the previous year (but a favourable movement of £2.82m on our planned expenditure). 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) and increased nurse staffing as a result of the Keogh implementation plan.

Of this £165.62m (64.7 per cent)was spent on staffing including 462 medical and dental staff, 1,245 registered nurses and midwives, 508 scientific, technical and therapeutic staff and 1,518 other health professionals and clinical staff.

Over 14.9 per cent 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 of 20.4 per cent reflects expenditure for clinical supplies essential for patient treatment and non-clinical supplies including rates and PFI operating costs.

Also included within the expenditure figures are voluntary and mandatory redundancy costs relating to 36 staff who left the Trust as part of service reconfigurations. These changes were in support of the cost improvement programme. The Trust continues to embed the revised organisational and management reporting structures in addressing the governance changes recommended when placed in significant breach.

Cost Improvement Programme (CIP)
Cost improvements of £13.5m were delivered against an original target of £13.3m with a recurrent full year effect of £11.5m. The plan for 2014/15 requires the organisation to deliver a £8.7m cost improvement target which equates to 4.4 per cent of our influencable spend.
Achieving ongoing 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 remains underpinned by a Quality Impact Assessment (QIA) to ensure that we continue to deliver these efficiencies without negatively impacting quality.

Charitable funds
The Trust recognised £691k (£292k 2012/13) of charitable income in the statement of comprehensive income to match the value of purchasing equivalent medical equipment

from charitable funds. £650k of this funding was received from the Sherwood Forest Hospitals General Charitable Fund.

The Trustees were able to make further grants totalling £179k (£448k total in 2012/13) to support the activities of the Trust and for the welfare of patients and staff.

Included in these figures are the generous donations received from the local community, voluntary services and local leagues of friends totalling £331k for 2013/14.

Statement of financial position (balance sheet)

Fixed assets

During 2013/14 the Trust invested £7.56m in its fixed asset infrastructure (£3.7m in 2012/13). This included upgrading or acquiring new medical equipment essential for the day-to-day operation of the Trust (£3.7m) and improvements in information systems and technology in conjunction with the Nottinghamshire health economy for which the Trust provides information technology (IT) and information support services (£2.6m).

The Trust also progressed with the demolition of the old estate which has been vacant for some time but keeping the site secure continued to incur cost for the Trust. Included within these works was investment into existing and new car parking facilities.

An in-year valuation was undertaken and this has resulted in a £1.85m gain on asset valuation being recognised within income and expenditure.

PFI and borrowings

As a result of the adoption of International Financial Reporting Standards (IFRS) 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 £339.3m but the scale of this liability is the primary reason, along with the increasing income and expenditure deficit reserve, that the total taxpayers' equity is -£138.3m.

Cash and liquidity

At the 2013/14 year end our cash, cash equivalents and investments were £0.94m, however this was supported by the receipt of cash in February and March from the Department of Health.

Cash holding and cash management will remain a key focus as the Trust is forecasting a further trading loss for 2014/15 and a requirement for liquidity support throughout the year.

Public dividend capital (PDC)
The Trust received permanent Public Dividend Capital (PDC) support of £26.9m in February and March 2014 to support its operational position and capital investment programme. In addition the Trust received £1.19m of PDC from the Nursing Technology Fund to invest in new technology-enabled solutions to deliver safer, more effective and more efficient care.

Licence conditions
The Trust is likely to remain in breach of its licence throughout 2014/15 due to the need for financial support; however significant progress is being made to support consideration of removal of the conditions regarding governance based on the successful work to reduce mortality rates and to mitigate the concerns of the Care Quality Commission (CQC) and Monitor. Positive feedback has been received from follow up reviews and the Trust continues to work with its regulators in order to reduce the conditions.

Key risks to our forward plans
The Trust has continued to build upon the risk management processes to help mitigate risks and enable us to manage the impact of reduced income on our services and long term viability. Our 2014/15 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 which have been mitigated during the year are included in the annual governance statement. Amongst them, including emerging risks are:

Financial risks

- Underlying income and expenditure deficit with a significant element relating to PFI debt

- The requirement for recurrent revenue and capital cash support

- A high dependency on the delivery of commissioner-led demand management schemes to help reduce the non-elective pressures

- A more diverse market for healthcare, with independent sector providers, Clinical Commissioning Groups (CCGs), with GP practices as members 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 its service provision

- Significant cost reduction pressures arising from PFI obligations, tariff deflation and a significant reduction in income due to commissioner-led 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 its 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.

Non-financial risks

- Recruitment and retention of a high-calibre workforce to deliver the required service transformation and continue to provide core services in our Trust in a safe and sustainable way

- Reputation and perception of our services and our organisation constraining our development and leading to patients and referrers choosing to use other providers rather than Sherwood Forest Hospitals.

The Trust has mitigations for all these risks and continues to work to secure 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 partnerships

The most important aspects of partnership development in 2013/14 were encapsulated within the Better Together transformation programme and are included within the Directors' report.

Looking forward, there will be a broadening and deepening of the relationships within Better Together and with other provider partners, most notably Nottingham University Hospitals NHS Trust, where our secondary/tertiary service interface will continue to be a significant focus in order to ensure safe and sustainable service provision in future.

Conclusion

With significant scrutiny of the Trust by regulators across the year coupled with independent assurance reviews it has been a challenging year. However we now have a substantive Board in place and 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.

Signed …….. Date: 29 May 2014
Paul O'Connor
Chief Executive and Accounting Officer

Directors' report

The primary responsibility of the Board of Directors is to promote the long term success of the Trust by creating and delivering high quality services within the funding streams available to the Trust. The Board seeks to achieve this through setting out strategy, monitoring its strategic objectives and providing oversight of its implementation by the management team. In establishing and monitoring its strategy, the Board considers where relevant the impact of its decisions on wider stakeholders including employees, suppliers and the environment.

The names of the individuals who served at any time during the financial year as directors are as follows: Sean Lyons; Gerry McSorley; Peter Marks; Claire Ward; Mark Chivers; Tim Reddish; Ray Dawson; Chris Mellor; Stuart Grasar; David Leah; Charles Bellringer; Manjit Obhrai; Paul O'Connor; Fran Steele; Karen Fisher; Andrew Haynes; Susan Bowler; Jacqui Tuffnell; Kerry Rogers; Peter Wozencroft; Eric Morton; Nabeel Ali and Ian Greenwood.

The membership of the Board and information regarding the expertise of each director named above is detailed later in this report and demonstrates the balance and completeness of the Board. This balance of skills is appropriate to the requirements of the Trust. Board directors are required to declare any interests that are relevant and material on appointment, or should a conflict arise during the course of their term. A register of Board members' interests is maintained by the company secretary and is updated and published annually as covered later in the annual report. The Trust maintains NHS Litigation Authority insurance which gives appropriate cover for any legal action brought against its directors to the extent permitted by law.

Sir Bruce Keogh, NHS Medical Director for England undertook a review of the quality of the care and treatment being provided by those hospital trusts in England which had been persistent outliers on mortality statistics. Sherwood Forest Hospitals, along with 13 others fell into the scope of the review. The initial rapid response review took place on 17 and 18 June 2013, and resulted in a report and risk summit which identified 13 urgent actions and 10 high and medium actions.

An assurance review was undertaken by the Keogh panel on 4 December 2013. Following a review of evidence, the panel had to agree whether they were 'assured', 'partly assured' or 'not assured' that the Trust had implemented the actions agreed following the initial rapid response review.

The review assessed the Trust's 23 actions and recorded six as 'assured' and 17 as 'partly assured'. No areas were recorded as 'not assured.'

The Hospital Standardised Mortality Ratio (HSMR), which allows comparison of mortality rates between hospitals, in which the Trust was an outlier at the beginning of the year has consistently improved throughout 2013/14 and is now within the expected range.

Our achievements for 2013/14 and objectives for 2014/15 are described in more detail in the quality report.

As part of our special measure conditions the Trust was allocated 'buddying' arrangements with other Trusts.

The Trust has agreed buddying arrangements with Newcastle Upon Tyne Hospitals NHS Foundation Trust. The agreement covers four work streams where the Trust has requested support:

1. Delivery of integrated improvement programme
2. Enhancing relationships with primary care to deliver vertically integrated patient pathways
3. Business intelligence and analysis
4. Improved Board quality governance process.

The strategic report highlights the significant amount of scrutiny of the Trust during 2013/14 and regulatory intervention, and while the increase in scrutiny is testing, we welcome the opportunity for clear challenge and clarity regarding the improvements that need to be made. We are pleased with the progress in addressing concerns regarding our Board, quality and financial governance and particularly with the improvements to the quality of healthcare received by our patients as a result of the Keogh review. We believe that greater levels of stewardship and engagement enable better understanding about the issues we face and our deliberations on them, as they relate to our Trust.

We welcome greater openness and transparency on Board deliberations through our meetings in public, which in turn challenge us to plan our agendas and look to maximise our impact, and reflect on the decisions we have made. We have worked hard this year to build a trusted team and an environment where we can all be honest and direct about what we have done well and where we can do better.

Stroke mortality rates dramatically reduced

The mortality rate for stroke patients at the Trust fell by a third in 2013, despite a significant increase in the number of stroke admissions at King's Mill Hospital.

According to the Stroke Association, one in five strokes are fatal so reducing the mortality rate to 10.5% in 2013 from 17% in 2012 is a significant achievement.

The Trust also saw 121 more stroke patients last year than in the previous year, with 587 confirmed stroke cases admitted in 2013 compared to 466 in 2012.

Latest figures from the Sentinel Stroke National Audit Programme, using data recorded across the country for the first quarter of 2013, show the Trust significantly below the national hospital mortality rate of 15.9%.

Steps taken recently to further improve the service provided at King's Mill include ensuring all stroke patients are now admitted directly to the stroke unit, rather than some patients being cared for on a general ward. In addition, stroke unit staff have been working with patients experiencing swallowing difficulties, and their relatives, to ensure the most effective management of their feeding.

We do not get everything right all of the time, but we will look to learn where we make mistakes, and future Board evaluations will assist us in highlighting areas for improvement. In 2013/14 we made strong progress in improving how the Trust is governed, and we strive to continue this improvement agenda in 2014/15 and beyond to ensure we deliver the best quality of care that we can to patients.

Much work was undertaken during the year, which will be strengthened in 2014/15, with regard to quality governance and which was seen as vital for the Trust to satisfy itself and patients that we have effective arrangements to continuously monitor and improve the quality of the care provided, and tackle areas in need of improvement.

Having the right systems in place to measure quality of care and providing staff with a way of showing that the right level of quality is in place and being met, such that they themselves have full confidence in what they are doing, is ultimately what quality governance is all about: the ability and capability of the Trust to have the right staff, leadership, culture and expertise to know where the quality issues are and to take action to address them.

The Trust has worked to improve its quality governance during the year and as part of the Trust's discretionary requirements it was required to declare to Monitor it had achieved a sustained recovery to the minimum standard of quality governance required of a foundation trust (i.e. a score of less than four against Monitor's Quality Governance Framework).

Monitor defines quality governance as the combination of structures and processes at and below Board level to lead on Trust-wide quality performance including:

- Ensuring required standards are achieved
- Investigating and taking action on sub-standard performance
- Planning and driving continuous improvement
- Identifying, sharing and ensuring delivery of best-practice
- Identifying and managing risks to quality of care.

At the end of October the Board declared its own assessment of its score against Monitor's Quality Governance Framework, following the work of the Trust since April 2013. This included the activity and evidence collection following various governance action plans and confirm and challenge events which had been undertaken and led by the non-executive directors and which involved service line and divisional representations.

Any shortcomings identified as part of the ongoing process became areas for close Board focus and scrutiny in order to reduce the Board's score to below four and to sustain improvement going forwards in terms of delivering against the Trust's governance plans as part of its discretionary requirements. Under these requirements the Trust was required to obtain external validation on the delivery of improvements in respect of Board and quality governance, in particular whether the Trust had reached the minimum standard of quality governance required of a foundation trust, which the Trust confirmed to Monitor it had achieved by the end of March 2014.

Neonatal facilities further improved
King's Mill Hospital neonatal unit has further improved its services by offering extra beds and improved bathroom facilities for parents who wish to stay overnight with their babies.

The hospital already housed three 'parent flats' which allow mums and dads to spend more time with their babies; however, these tended to get booked very quickly. The extra facilities allow more time to establish breastfeeding with the baby and give parents the opportunity to take care of their babies as they would in a home environment.

Love begins with 'skin to skin'
The staff at King's Mill Hospital birthing unit have embraced the latest evidence that skin to skin contact after birth helps mums and babies bond, by promoting the message to keep mum and baby together until after the first feed.

Babies have a strong instinct to breastfeed. Following birth they follow a similar pattern, after the initial cry they rest and recover – their breathing and heart rate settle. The baby then becomes more alert looking at mum and starting to make crawling movements to reach the breast.

If this process is interrupted by showering for example, it makes it harder for the baby to use their sense of smell to reach the breast for their first feed. Midwives aim to keep mums and babies together until the baby has had its first feed.

Participation in clinical research

Patient involvement in research helps to develop new treatments and demonstrate the best ways to manage conditions. Research is a very important aspect of healthcare; with it we can develop new and better treatments for our patients. It is widely acknowledged that patients who participate in clinical research generally have better healthcare outcomes. The Trust supports research trials with the aim of improving the care our patients receive. During 2013/14 the Trust continued to be actively involved in clinical research with 1,048 patients recruited to clinical trials which have received appropriate research approvals for National Institute of Health Research (NIHR) portfolio adopted studies.

Disclosure of information to the auditor

In exercising reasonable care, skill and diligence, each director confirms that so far as they are aware, there is no relevant audit information of which the Trust's auditors are unaware and that each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information. Relevant audit information is information needed by the auditor in connection with preparing their report.

Use of financial instruments

As detailed in the strategic report, the Trust reported a deficit in year and is forecasting a deficit in 2014/15. Due to the underlying position, the Trust is receiving liquidity support as it continues its improvement journey. However the Trust, after full consideration, continues to prepare its accounts on a going concern basis and as such no adjustments have been made to the carrying value of assets and liabilities reflected in the Trust's audited accounts.

Equality and diversity

Further information is detailed within the annual report but our objectives reflect an inclusive approach to the strands of equality – age, disability, gender, race, ethnicity, religion and belief and sexual orientation, and are a requirement of the Equalities Act and our public sector equality duties. They include our work with others such as the local authorities (Health and Wellbeing Boards, Health Overview and Scrutiny Committees) and access to employment and new skills. The Trust endeavours to meet the needs of patients with learning disabilities and much work has been done to improve communications, understanding and the quality of care these patients receive.

The Trust continues to develop fair recruitment practices to ensure equal access to employment opportunities for all. We use the 'two ticks' symbol as referenced below on recruitment materials signifying our positive attitude towards recruitment of disabled people and we continue to support disabled staff, including anyone who becomes disabled during their employment.

Wherever possible the Trust takes steps to meet needs and achieve equal outcomes even if this requires 'more favourable treatment', for example, by putting disabled parking bays close to entrances, adjusting application processes, providing physical access to facilities, or providing support or advocacy.

The Trust holds the JobCentre Plus 'two ticks' disability award which in relation to recruitment means:

- All applicants with a disability who meet the essential criteria (after reasonable adjustments are made) must be interviewed
- Staff with a disability must be asked, at least once a year and usually during the

appraisal process, what can be done to make sure they can develop and use their abilities at work
- When a member of staff becomes disabled, every effort must be made to keep them in employment
- Action must be taken to ensure that key staff develop an awareness of disability.

These commitments are reviewed each year in partnership with JobCentre Plus and we review what has been achieved, plan ways to improve, and let staff know about progress and future plans.

Our patients

Our patients lie at the heart of everything we do. With hundreds of thousands of patient contacts in our hospital and community settings each year we care for a wide range of patients. We strive to care for each of them as individuals by listening to them and their families/carers. We are committed to listening to patients and value their feedback to help us monitor and improve services, and we capture and respond to patients' views.

There are a range of ways in which we gather the views of our patients and visitors. More than 2,000 inpatients and more than 3,600 outpatients completed surveys during the year. A further 13,800 people responded to the Friends and Family test question which asks if they would recommend our hospitals as a place to receive care and treatment.

We also took part in the eleventh annual survey of inpatient services by the Care Quality Commission, with more than 400 of our patients giving their views.

In order to ensure services are designed that meet the needs of our patients, we have encouraged feedback both formally and informally. As a consequence we have implemented both local and Trust-wide changes, such as expanding our visiting times and our ward communication boards.

The Trust was also ranked as one of the best in the East Midlands for the quality of patient environments. Results from the new Patient-led Assessments of the Care Environment (PLACE) published by the Health and Social Care Information Centre (HSCIC) showed that the Trust scored an impressive 99.31% for cleanliness, 88.68% for food and hydration, 92.74% for privacy, dignity and wellbeing and 93.5% for condition, appearance and maintenance.

Patients praise care at local hospitals

Care and treatment received at King's Mill and Newark Hospitals is highly rated by patients, according to the national inpatient survey of 2013. The findings come from the eleventh annual survey of inpatient services and facilities by the Care Quality Commission.

Inpatients were asked what they thought about different aspects of the care and treatment they received at Sherwood Forest Hospitals NHS Foundation Trust.

Results have improved on 42 questions from last year. These include:
- Having enough privacy when discussing their condition or treatment
- Receiving letters that were written in a way they could understand
- Not ever being bothered by noise at night from other patients or hospital staff
- Being given answers to all questions about their operation or procedure
- Having clear written or printed information about medicines

The Trust also scored better than most for its environments and wards.

These results, combined for King's Mill, Mansfield Community and Newark Hospitals, are well above the national averages.

In total more than 20,000 patients, relatives and visitors responded to surveys and questionnaires. We are committed to ensuring that in the coming year we act on this important feedback to further improve our services.

Furthermore, the Trust is committed to providing patients with clear, informative and clinically accurate information about conditions and treatments to enable them to make informed decisions about their care. All information produced is monitored and approved using a rigorous process to ensure it meets required standards and has been reviewed by patients. The Trust subscribes to EIDO Healthcare, which means that where there is patient information which has already been accepted as national best practice, the Trust uses that information and customises it to meet our local needs. The Trust also provides a language support service to meet the needs of our diverse population and can provide interpreters for patients and their carers.

…..ranked as one of the best Trusts in the East Midlands region for the quality of its patient environments.

Care Quality Commission's national inpatient survey of 2013.

Non-financial performance

The Trust's performance is externally monitored against a range of national standards and targets, and throughout the year our committed workforce has strived to balance patient safety, quality and efficiency with effective patient outcomes, whilst maintaining performance against these targets.

Activity levels have increased as we have worked to reduce waiting times and meet the expectations of our patients. Despite one of the most challenging winters in recent memory with record attendances, we were particularly pleased to achieve the 95% target for treating patients within four hours of attending the emergency department (A&E). This was an enormous team effort across the Trust and a significant challenge involving a wide range of staff. The A&E target is an important indicator of the quality of our services as a whole and numerous initiatives were put in place including additional medical and nurse staffing, additional weekend cover, nurse-led discharge and more clearly defined care pathways. We will continue to embed the new ways of working and more efficient processes across the Trust to maintain our level of performance.

The findings of the Francis Report into the failings at Mid Staffordshire NHS Foundation Trust mean there is more attention than ever on the NHS. Although we all have a lot to be proud of here at the Trust, the report has served as an important reminder of our professional and personal responsibilities. We, like everyone in the NHS, need to continue to focus our attention on ensuring top quality care for all our patients. We will continue to ensure that we have learned from the messages in the Francis Report in order to maintain and improve the care we deliver to patients.

Commissioning intentions for 2014/15 continue to focus on referral management and productivity improvements which are to be delivered through locally agreed quality, innovation, productivity and prevention initiatives (QIPP). Key challenges will be to

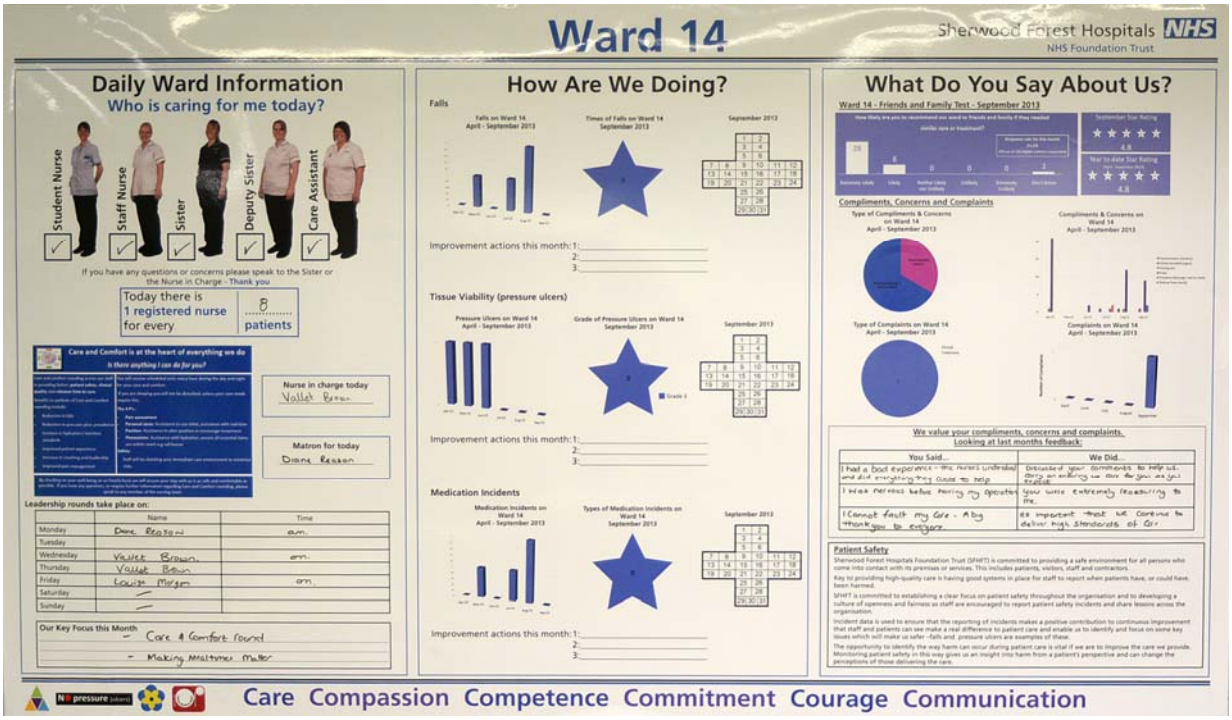
respond to capacity planning for unpredictable numbers of patients using our services whilst maintaining the quality and safety of emergency services within current tariff.

Leading the way with ward communication boards

Innovative ward boards have been introduced at the Trust to transform patient and staff communication.

The boards provide an open and honest reflection of the quality of care experienced by patients on each ward. Now displayed on 36 wards and departments across all hospitals, the large laminated boards ensure inpatients, visitors and staff are informed about their ward and its performance.

Focusing each ward on its own specific priorities, reflecting the Trust's commitment to continuous improvement, the laminate finish also enables ward leaders to handwrite regular updates on the boards.



The continued growth in demand for health services means that all organisations in the NHS need to make significant savings in order to cope with this demand.

We continue to work closely with commissioners as partners in improving the efficiency of the care we provide, including working through the reconfiguration of services that will genuinely save costs across the health economy. In particular we will work with commissioners to help move services out of hospitals and closer to the community in local primary care facilities, where these are demonstrated to be better for patients and have an overall health economy saving.

During the year we developed and launched our new values to guide how we work as an organisation. We are proud of our improving standards during the year and at the same time we continue to drive improvements in patient safety, experience and outcomes. For 2013/14 we identified three priorities in our quality report and have delivered successfully

against them including significant improvements in our risk-adjusted mortality rates (HSMR).

We had an encouraging but challenging year in 2013/14. The commitment and compassion of our staff was well reflected in our positive results from the annual inpatient survey, more details of which are provided later in this report. As is indicated within the table below, which identifies some of the key targets against which our performance is monitored by regulators, we maintained good performance against key access targets including referral to treatment (RTT) and cancer waiting times, but with a dip in performance in RTT towards the end of the year which is being addressed in 2014/15. Our infection control rates remain amongst the strongest in the country despite not meeting our challenging annual local target, but any avoidable infection is unacceptable to us and we continue to work with our staff and with patients and visitors to reduce infection risks across our hospitals.

Our Accident and Emergency (A&E) target was a particularly challenging target to meet throughout the year, and significant attendances in terms of both number and acuity meant the Trust breached its Q4 target, but met its overall annual target. This target has for some years proved to be challenging across the country, so we are particularly proud of our staff for their commitment to working together to ensure our patients' waits are minimised whilst safeguarding high quality care. Further quality indicators and our performance against them are provided in the quality report.

Quality performance

Integrated performance measure	Threshold	2013/14
Maximum time of 18 weeks from point of referral to treatment in aggregate – admitted	18 weeks 90%	92.4%
Maximum time of 18 weeks from point of referral to treatment in aggregate – non-admitted	18 weeks 95%	94.9%
Maximum time of 18 weeks from point of referral to treatment in aggregate – patients on an incomplete pathway	18 weeks 92%	92.4%
A&E Clinical Quality: total time in emergency department (% <4 hour wait)	**4 Hours 95%**	95.66%
Cancer 2 week wait: All cancers	93%	(94.9%) *
Cancer 2 week wait: Breast symptomatic	93%	(95.0%) *
Cancer 31 day wait: from diagnosis to first treatment	96%	(99.7%) *
Cancer 31 day wait: for subsequent treatment – surgery	94%	(99.0%) *
Cancer 31 day wait: for subsequent treatment – drugs	98%	(99.4%) *
Cancer 62 day wait: urgent referral to treatment	85%	(89.1%) *
Cancer 62 day wait: for first treatment – screening	90%	(98.8%) *
Clostridium (C) *difficile* – meeting the C. *difficile* objective	25	36
Infection prevention control: MRSA bacteraemia (No. of cases attributed to Trust)	0	3
Access to healthcare for people with learning disabilities	Compliant	Compliant
Data completeness: Community Services: Referral to treatment information	50%	86.3%
Referral information	50%	54.2%
Treatment activity information	50%	76.4%

* provisional at time of publication

In common with the health service and public sector as a whole, the Trust is operating in a fast changing and demanding environment. We recognise the need to significantly increase efficiency whilst maintaining high quality care at a time when budgets will be tight, and will ensure that the whole organisation from frontline to Board is working together to respond to these challenges. The freedoms that are afforded us as a Foundation Trust have been limited during this period of significant regulatory action, but we hope to have shown sufficient improvement for 2014/15 to be a year in which we are enabled to thrive and set our own strategic direction for the benefit of the patients and communities we serve and for our colleagues.

Key partnerships

The most important aspects of partnership development in 2013/14 were encapsulated within the Better Together transformation programme and are included within the Directors' report. The programme represents a mature approach to achieving health economy sustainability whilst respecting organisational sovereignty. We have built solid relationships with our commissioners and fellow providers through this programme and this has generated a real sense of excitement about developing different models of clinical service delivery. Our collective commitment is that this will lead to better, more responsive services for our local populations.

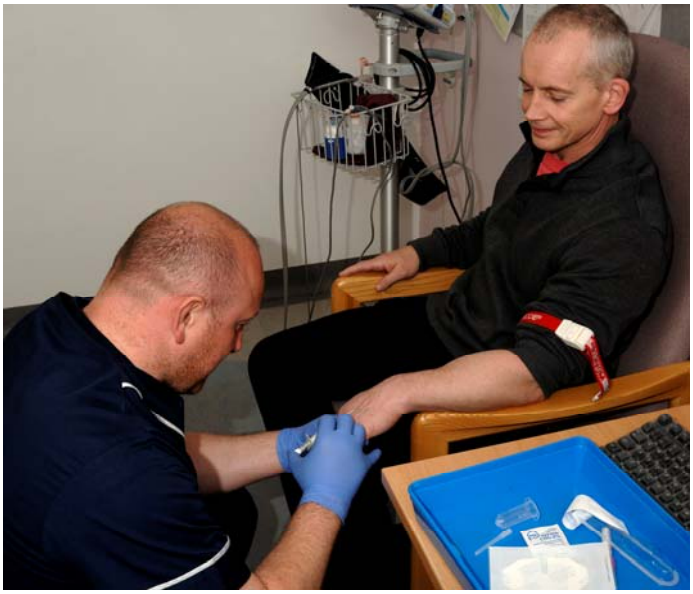
The other partnership that we have invested considerable time and energy into is with Central Nottinghamshire Healthcare Services – the consortium mainly comprising Skanska and Compass Group that is our PFI partner responsible for the hospital buildings within which we operate and many of the support services upon which we rely. We recognise that high quality buildings, well-kept grounds and good catering, laundry and cleaning services are crucial determinants of good patient care and experience. We have continued to enjoy a positive working relationship with the consortium, which is characterised by a common objective to provide the highest quality of service. The success of this partnership has been reflected in the very positive feedback we receive from patients and visitors about these aspects of the hospitals.

Looking forward, there will be a broadening and deepening of the relationships within Better Together and with other provider partners, most notably Nottingham University Hospitals NHS Trust, where our secondary/tertiary service interface will continue to be a significant focus in order to ensure safe and sustainable service provision in future.

New service added to emergency department

The emergency department at King's Mill Hospital has added a new medical assessment discharge support team to its services in order to streamline the patient pathway, ensuring each patient gets the best care for their condition.

This means it is now possible to give care at home, where appropriate, and has led to a rise in patient satisfaction, particularly helping older patients by allowing them to remain at home rather than in hospital.



Meet the Board of Directors

Further to the detail provided in the Directors' report, the Board of Directors has overall responsibility for the strategic direction of the Trust, engaging with and taking into account the views of the governors. The Board is responsible for ensuring that the day-to-day operations of the Trust are effective, economical and efficient and that all means of identified risk are managed appropriately.

The balance, completeness and appropriateness of the membership of the Board is reviewed periodically and upon any vacancies arising amongst either the executive or non-executive directors, and the composition of the Board has changed significantly during the year.

Sean Lyons, Chairman
(12/12 Board meetings attended)

Sean Lyons was appointed chairman of the Trust in June 2013. He spent his working life in the steel industry, working in a variety of engineering and manufacturing management roles in the UK and Scandinavia before assuming responsibility for a £1bn business.

Sean was site director for Tata Steel's Scunthorpe steelworks, where he led operations through 7,000 direct employees and contractors until retirement in 2011.

Sean is a chartered engineer and holds a degree in engineering and an MBA from Warwick Business School. He is the chairman of a social enterprise and undertakes a variety of consulting assignments.

Chris Mellor, Interim Chairman
(4/4 board meetings attended, October 2012 to June 2013)

Chris was interim chairman having been appointed in October 2012 by the health regulator, Monitor. For eight years until March 2012 he was deputy chairman of Monitor.

Chris 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 he 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.

Paul O'Connor, Chief Executive
(10/10 board meetings attended, from June 2013)

Paul was appointed as chief executive in June 2013. He joined the NHS as group business manager at St Thomas' Hospital.

Paul has a long and successful career in leading hospital trusts. His first chief executive role was at Barnet & Chase Farm Hospitals NHS Trust in 2002. Paul then moved to Birmingham Children's Hospital as chief executive where he spent the next four years before going on to work with NHS North West, leading work on behalf of the Strategic Health Authority. Paul's latest role was as chief executive of Barnsley Hospital NHS Foundation Trust.

Eric Morton, Interim Chief Executive
(3/3 Board meetings attended, October 2012 to June 2013)

Eric is 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. He 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.

Dr Andrew Haynes, Interim Executive Medical Director
(5/5 board meetings attended, from November 2013)

Andy was appointed executive medical director in January 2014, and becomes substantive in June 2014 after working for the Trust on an interim basis since November 2013.

Andy joined the Trust from Nottingham University Hospitals NHS Trust where he had been a senior consultant for 20 years, eventually becoming the lead for cancer services at the Trust. During his time at NUH he was part of the team responsible for the Maggie's Centre – a service that provides free practical, emotional and social support to people with cancer.

Since joining the Trust, Andy has helped to oversee a reduction in mortality rates and the implementation of recommendations from the Keogh Report.

Susan Bowler, Executive Director of Nursing and Quality
(13/13 Board meetings attended)

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

Susan has worked within the NHS for 32 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.

Karen Fisher, Executive Director of Human Resources
(13/13 Board meetings attended)

Karen joined the Trust in April 2008. She has worked in the NHS for over 30 years and has significant experience in transformational change, organisational development, service and performance management.

She has held senior management positions within both strategic and acute sectors within the NHS. Karen is committed to collaborative working and seeks to engender good team spirit, trust and co-operation. She holds an MSc in Leadership through Effective HR Management.

Fran Steele, Chief Financial Officer
(12/13 board meetings attended)

Fran was appointed as chief financial officer on 1 January 2012. She is responsible for providing financial advice and support to the Board of Directors across a wide ranging agenda. She also has lead responsibility for the Nottinghamshire Health Informatics Service (NHIS) which is an IT shared service for a wide range of health customers across Nottinghamshire.

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. She also spent seven years working with PricewaterhouseCoopers (PwC) in their Health Financial Management practice.

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

Jacqui Tuffnell, Director of Operations
(10/13 Board meetings attended)

Jacqui was appointed as interim director of operations in January 2013, and was appointed substantively to the 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.

Peter Wozencroft, Director of Strategic Planning and Commercial Development
(3/4 Board meetings attended, from December 2013)

Peter was appointed as director of strategic planning and commercial development of the Trust in December 2013.

Peter joined the Trust from Nottingham University Hospitals NHS Trust (NUH) where he worked since 2008 as associate director of strategy. He brings with him a wealth of NHS management experience at regional level and within a major teaching hospital.

Whilst at NUH, Peter played a key role in developing relationships with the Trust's academic partners and commissioners to ensure strategy was aligned across the patch. Peter was responsible for the opening of the Nottingham NHS Treatment Centre on the Queen's Medical Centre site and was the organisational lead for the East Midlands Academic Health Science Network.

Outside of work, Peter is a trustee of the Ear Foundation, a Nottingham-based charity for people with deafness and hearing loss.

Kerry Rogers, Director of Corporate Services/Company Secretary
(7/7 Board meetings attended, from August 2013)

Kerry was appointed as director of corporate services and company secretary in August 2013.

Kerry came from The Rotherham NHS Foundation Trust where she had worked since 2005 as chief of corporate and legal affairs and company secretary. With over 20 years' experience in business and finance within both the public and private sectors, she has a solid understanding of the importance of good governance in both the strategic and functional contexts and the importance of the essential interface the company secretary provides between the Board of Directors and internal and external stakeholders.

Prior to joining the NHS in 2005 Kerry was finance director and company secretary in the private sector, contributing to both the strategic direction and operational excellence of the business.

Peter Marks, Non-executive Director
(10/12 board meetings attended, from May 2013)

Peter was appointed non-executive director in May 2013. He graduated with a medical degree from Bristol University and has since worked in general practice in Derbyshire, as director of public health in Derby and as associate professor in population health at the University of Nottingham, with an interest in public health teaching and infectious disease epidemiology research.

Peter held the joint post of director of public health for NHS Leicestershire and Rutland, Leicestershire County Council and Rutland County Council from April 2009. He is a member of the National Institute for Health Research’s Public Health Research Programme Advisory Board and a fellow of the Faculty of Public Health.

Dr Gerry McSorley, Non-executive Director
(11/12 Board meetings attended, since May 2013)

Gerry was appointed non-executive director in May 2013. Gerry is an experienced hospital leader, having held chief executive roles in Derby, Leicester, Nottingham and most recently at Northampton General Hospital.

Gerry has spent time with the National Leadership Council and the NHS Institute for Innovation and Improvement, concentrating on senior leader development. He has also held a senior academic appointment at the University of Lincoln specialising in health management and leadership, where he retains a visiting professorship. Gerry holds a Doctorate in Business Administration from Brunel University/Henley Management College, and was Honorary President of the Institute of Healthcare Management from 2005 to 2007.

Ray Dawson, Non-executive Director
(9/12 Board meetings attended, since May 2013)

Ray joined the Trust in May 2013. After early accounting roles, Ray spent a period of time as a management consultant before taking on a range of finance director roles for commercial organisations in the East Midlands.

He gained exposure to the NHS from his role as deputy chief executive of an ambulance service, before moving back into consultancy. Since 2005 Ray has been the chief operating officer of the Gangmasters Licensing Authority. He is currently the treasurer of Nottinghamshire County Cricket Club.

Claire Ward, Non-executive Director
(11/12 Board meetings attended, since May 2013)

Claire was appointed as non-executive director in May 2013. Claire is a qualified solicitor who served as MP for Watford between 1997 and 2010. During her time in Parliament Claire undertook a broad range of roles, including parliamentary private secretary to the Minister of State for Health, vice chamberlain to Her Majesty's Household, and Justice Minister. In this role she established the National Victims Service, responsible for its core £10m budget.

Since 2011 she has been the chief executive of the Independent Pharmacy Federation, the representative organisation for independent pharmacists. She also acts as an associate director at Interchange Solutions, advising on compliance with the Bribery Act 2010 and anti-corruption measures.

Mark Chivers, Non-executive Director
(3/5 Board meetings attended, since November 2013)

Mark currently has a dual role - as director of the Nottingham Enterprise Zone and head of procurement and supplier relationship management for Alliance Boots. For the Enterprise Zone, Mark is focused on property development and regeneration of the main Boots site for the benefit of Nottingham, which will create many hundreds of jobs in the area. Mark manages the procurement pipelines for Alliance Boots and for the Walgreen synergy savings, which will see the generation and delivery of a better buying programme.

Since last year Mark has also been co-opted commercial member to Nottinghamshire County Council Economic Development Committee. He joined the Trust on 1 November 2013.

Mark began his career at Alliance Boots and over the course of 17 years with the company has progressed to various executive roles. In 2008, Mark became director of store development, where he was responsible for the UK and Ireland property strategy for the store portfolio. This was then followed in 2010 by a move to director of shared services, where he designed new operating processes, structures and business targets for contact centre, human resources and finance.

Tim Reddish, Non-executive Director

(5/5 Board meetings attended, since November 2013)

Tim joined the Trust on 1 November 2013. He is currently chairman of the British Paralympic Association and before this had a very successful swimming career - both nationally and internationally for the British Paralympics Swimming Team.

He won silver and bronze medals at the Barcelona games in 1992, silver and bronze medals in Atlanta in 1996 and a silver medal in Sydney games in 2000.

Tim lost his eyesight and he made the move into sports leadership at British Swimming as national performance director in 2003. In 2010, Tim moved into an executive director role, a post he has held concurrently with his role as chairman of the British Paralympics Association. Prior to that he spent fifteen years at Nottingham City Council where he was facilities manager and later sports development officer.

Tim was also invited to be a non-executive director of the London 2012 Olympic and Paralympics Games. He has just been re-elected by the membership of the British Paralympics Association to serve another term as chairman in the lead up and delivery of the Rio games in 2016.

Nabeel Ali, Executive Medical Director

(8/8 board meetings attended, until October 2013)

While in post as executive medical director Nabeel provided leadership of the Trust's medical profession, played a key part in developing policies and strategies, and provided a valuable medical perspective on all matters to the Board of Directors. He successfully led work on improving mortality rates and has played an active part on the development of clinical governance and quality activities across the Trust. After careful consideration Nabeel decided to return to clinical practice as that is where his heart lies.

Nabeel was appointed to the Trust in 1994, having worked in various capacities including associate clinical sub-dean for the University of Nottingham Medical School. He 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. He successfully led work on improving mortality rates and has played an active part on the development of clinical governance and quality activities across the Trust.

Nabeel is a general and respiratory consultant, and continues to provide clinical care to patients, whilst retaining the role of Responsible Officer for Revalidation for the Trust.

Ian Greenwood, Interim Director of Strategic Planning and Commercial Development
(5/11 Board meetings attended, non voting executive director January to December 2013)

Ian was a member of the Board from January to December 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.

David Leah, Non-executive Director
(8/8 Board meetings attended, until October 2013)

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 was vice chairman of the Trust and senior independent director, and 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.

Charles Bellringer, Non-executive Director
(3/3 Board meetings attended, November 2012 to May 2013)

Charles Bellringer was a former FTSE 100 chief financial officer at Friends Provident Plc and head of financial services for AlixPartners. He specialises in advising organisations which are underperforming 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
(3/3 Board meetings attended, December 2012 to May 2013)

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 was also the associate post graduate dean at West Midlands Workforce Deanery.

Louise Barnett, Non-executive Advisor
(3/3 Board meetings attended, January to May 2013)

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.

Stuart Grasar, Non-executive Director
(7/8 Board meetings attended, until October 2013)

Stuart joined the Board of Directors in November 2008 and was a member of the remuneration and nominations committee and the charitable funds committee.

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. He has held both non-executive and executive positions, operating in a Board 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 the 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.

Meet the Council of Governors

The Board sets the strategic direction of the Trust with participation from the Council of Governors. The Council of Governors amongst other matters is responsible for making decisions regarding the appointment or removal of the chairman, the non-executive directors and the Trust's auditors, and for holding the Board to account, through the non-executives, for the performance of the Trust. The Council of Governors is also required to give its views for the Trust to take into account when formulating its forward plans.

As an NHS Foundation Trust we are accountable to the Council of Governors which represents the views of members.

The table below shows the composition of the Council of Governors which comprises 20 elected governors (15 public, five staff) and seven appointed governors.

The Council met a number of times during the year (see table below); the meetings were well attended, with wide ranging debate across a number of areas of interest. Regular reports were received from each of the governor working groups, with distinct terms of reference:

- Performance and strategy
- Patient quality and experience
- Membership and engagement.

Attendance at meetings – April 2013 to March 2014

Name	Constituency	Elected/ appointed	Terms of Office	19.04.13	9 May 2013	29 May 2013 – Extraordinary	8 July 2013 – Extraordinary	15 August 2013	19 September 2013 - AGM	14 November 2013	20 February 2014 - PRIVATE	20 February – PUBLIC	Attendances	Tenure
Colin Barnard	Ashfield	E	1/5/13		P	A	P	A	P	P	P	P	6/8	2 yrs
Beryl Perrin	Ashfield	E	1/5/13	P	P	P	P	P	P	P	P	P	9/9	3 yrs
Craig Day*	Ashfield	E	1/5/13	A	P	P	P	P	P	P	A	P	7/9	3 yrs
Mick Parker	Ashfield	E	1/5/13		P	P	A	A	P	P	A	P	5/8	2 yrs
Andy March	Mansfield	E	1/5/13		P	A	P	A	P	P	P	P	6/8	3 yrs
Richard Hallam	Mansfield RESIGNED 14.1.14	E	1/5/13		P	P	A	A	P	P	-	-	4/5	2 yrs
John Swanwick *	Mansfield	E	1/5/13		P	P	P	P	P	P	P	P	8/8	2 yrs
Diane Wright	Mansfield	E	1/5/13		P	P	A	P	P	P	P	P	7/8	3 yrs
Paul Baggaley	Newark & Sherwood RESIGNED 20.2.14	E	1/5/13		A	P	P	P	A	A	P	A	4/8	3 yrs
Jim Barrie*	Newark & Sherwood	E	1/5/13	A	P	P	P	P	P	A	P	P	7/9	3 yrs
Nigel Nice	Newark & Sherwood	E	1/5/13		P	P	P	P	P	P	P	P	8/8	2 yrs
Martin Stott	Newark & Sherwood	E	1/5/13		P	A	P	P	P	P	A	A	5/8	2 yrs
Annie Palmer	Rest of the East Midlands	E	1/5/13		P	P	P	A	A	A	P	P	5/8	3 yrs
Valerie Bacon	Derbyshire	E	1/8/13		-	-	-	P	P	P	P	P	5/5	3 yrs

Nicola Waller	Derbyshire	E	1/8/13		-	-	-	P	A	P	P	P	4/5	2 yrs
Alison Beal*	Staff – King's Mill Hospital	E	1/5/13	P	P	A	P	P	P	A	P	P	7/9	3 yrs
Wesley Burton	Staff – King's Mill Hospital	E	1/5/13		P	A	A	P	P	P	A	A	4/8	3 yrs
Roz Norman	Staff – King's Mill Hospital	E	1/5/13		P	P	A	P	A	A	P	P	5/8	2 yrs
Samantha Annis	Staff – Newark Hospital	E	1/5/13		P	A	P	P	P	P	P	P	7/8	3 yrs
Angie Emmott	Staff – Newark Hospital	E	1/5/13	P	P	P	P	P	P	P	P	P	9/9	2 yrs
Nicola Juden	Volunteer – Newark Hospital	E	1/5/13	A	A	A	A	P	A	A	A	A	1/9	3 yrs
Ron Tansley	Volunteer – King's Mill Hospital	E	1/5/13	P	P	P	A	P	P	P	P	P	8/9	3 yrs
Councillor Jim Aspinall	Ashfield District Council	A			-	-	-	P	A	P	P	A	3/5	n/a
Tricia Harman	Vision West Notts	A		A	P	A	A	P	P	A	P	P	5/9	n/a

Name	Constituency	**Elected/ Appointed**	**Elected/ Appointed**	**19.04.13**	**9 May 2013**	**29 May 2013 –**	**8 July 2013 –**	**15 August 2013**	**19 September**	**14 November**	**20 February**	**20 February**		
Councillor David Payne*	Newark & Sherwood District Council	A		P	P	P	P	P	P	P	P	P	9/9	n/a
Amanda Sullivan	NHS Notts County	A		P	P	P	A	P	P	P	P	P	8/9	n/a
Councillor Sonya Ward	Mansfield District Council	A			-	-	-	-	-	-	P	A	1/2	n/a
Councillor Yvonne Woodhead	Notts County Council				-	-	-	-	-	P	A	P	2/3	n/a

	Constituency	**Elected/ Appointed**	**Terms of Office up to end of April 2013**	**19.04.13**	**9 May 2013**	**29 May 2013 – Extra Ordinary**	**8 July 2013 – Extra-Ordinary**	**15 August 2013**	**19 September 2013 - AGM**	**14 November 2013**	**20 February 2014 - PRIVATE**	**20 February 2014**	**Attendances**	
Eve Booker	Ashfield	E		A	-	-	-	-	-	-	-		0/1	n/a
Elaine Ellison	Newark & Sherwood	E		A	-	-	-	-	-	-	-		0/1	n/a
Alison Luke	Staff - King's Mill Hospital	E		P	-	-	-	-	-	-	-		1/1	n/a
John Marsh	Public - Mansfield	E		P	-	-	-	-	-	-	-		1/1	n/a
Nigel Mellors	Staff - King's Mill Hospital	E		P	-	-	-	-	-	-	-		1/1	n/a
Dorothy Platts	Public - Derbyshire	E		P	-	-	-	-	-	-	-		1/1	n/a
Patricia Richards	Public - Newark & Sherwood	E		A	-	-	-	-	-	-	-		0/1	n/a
Walter Satterthwaite	Public - Derbyshire	E		P	-	-	-	-	-	-	-		1/1	n/a
Frank Shields	Public - Mansfield	E		A	-	-	-	-	-	-	-		0/1	n/a
Christine Smith	Public - Mansfield	E		A	-	-	-	-	-	-	-		0/1	n/a
Geoff Stafford	Public -	E		A	-	-	-	-	-	-	-		0/1	n/a

	Mansfield													
Alison Whitham	Staff - King's Mill Hospital	E		P	-	-	-	-	-	-	-		1/1	n/a
Councillor D Kirkham	Ashfield District Council	A		A	-	-	-	-	-	-	-		0/1	n/a

***Denotes member of nomination committee E=Elected P = Present A=- Apologies**

Twenty governors (15 public and five staff) were elected/re-elected by members of the NHS Foundation Trust from their own constituencies.

In the course of 2013/14 elections were conducted using the 'single transferable vote' method and turnout in the constituencies was 25.38% public and 19.47 % staff. The Electoral Reform Services acted as returning officer and independent scrutineer. Governors are elected for a period of up to three years and may hold office for a period of nine years; any extension beyond nine years up to a maximum of 12 is subject to annual re-election.

The lead governor during the year was Craig Day. We are grateful for all Craig's hard work as lead governor, a position from which he stepped down in April 2014 and was succeeded by Colin Barnard. Two public governors have resigned during the year.

The last 12 months have seen periods of induction, training and development following the election, and further development of the governors through committee membership and attendance. An excellent year of working together has seen our governors meeting regularly outside of the formal quarterly meetings, attending national forums, interacting with members and Board members and, importantly, involving themselves in walkabouts within healthcare settings to support the Trust to continually improve healthcare delivery.

The Trust acknowledges and respects the unique contribution that individual governors and the Council of Governors as a whole are contributing to the future development of the Trust.

Register of interests

All governors are asked to declare any interest on the register of governors' interests at the time of their appointment or election. This register is reviewed and maintained by the director of corporate services/company secretary. The register is available for inspection on the Trust's website. Any enquiries should be made to the director of corporate services/company secretary at the following address: Sherwood Forest Hospitals NHS Foundation Trust, Trust Headquarters, Level 1, King's Mill Hospital, Mansfield Road, Sutton in Ashfield, Nottinghamshire, NG17 4JL.

Governor expenses

Governors participating in events such as Board of Director 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 like for like basis on provision of a receipt. The full policy is available from the director of corporate services/company secretary at the address above. Details of governor expenses can be found in the remuneration report.

Corporate governance report

The Board of Directors is focused on achieving long term success for the Trust through the pursuit of sound business strategies, whilst maintaining high standards of corporate governance and corporate responsibility. The following statements explain our governance policies and practices and provide insight into how the Board and management run the Trust for the benefit of the community and its members.

The Board of Directors brings a wide range of experience and expertise to its stewardship of the Trust and continues to demonstrate the vision, oversight and encouragement required to enable it to thrive. In the past year, the Trust paid tribute to outgoing substantive non-executive directors, Stuart Grasar and David Leah for their tireless hard work and commitment on behalf of the Trust and its patients and staff. We also welcomed a number of new members to the Board, including the new chairman Sean Lyons and the new chief executive Paul O'Connor, who both bring excellent skills and expertise to the organisation at a crucial time.

At the end of the year the Board comprised seven non-executive directors including the chairman (holding majority voting rights) five executive directors, including the chief executive, and three corporate directors. A list of directors, with details of their biographies and committee membership is included earlier in this annual report.

Interim chairman Chris Mellor left the Trust in June 2013 and Sean Lyons was appointed as chairman in June 2013, and as chairman is responsible for the effective working of the Board, for the balance of its membership subject to Board and governor approval, and for ensuring that all directors are able to play their full part in the strategic direction of the Trust and in its performance. The chairman conducts annual appraisals of the non-executive directors, the reports of which are presented to the governor nomination committee. Furthermore the chairman carries out the appraisal of the chief executive.

Interim chief executive, Eric Morton left the Trust in June 2013 to be replaced by Paul O'Connor, who is substantive chief executive and responsible for all aspects of the management of the Trust. This includes developing appropriate business strategies agreed by the Board, ensuring appropriate objectives and policies are adopted throughout the Trust, that appropriate budgets are set and that their performance is effectively monitored.

The chairman, with the support of the company secretary (Kerry Rogers from September 2013) ensures that the directors and governors receive accurate, timely and clear information, making complex information easier to digest and understand. Directors are encouraged to update their skills, knowledge and familiarity with the Trust's business through their induction, ongoing participation at Board and committee meetings, attendance and participation at development events and through meetings with governors. The Board is regularly updated on governance and regulatory matters. There is an understanding whereby any non-executive director, wishing to do so in the furtherance of their duties, may take independent professional advice through the director of corporate services/company secretary at the Trust's expense.

The non-executive directors provide a wide range of skills and experience. They bring an independent judgement on issues of strategy, performance and risk through their contribution at Board and committee meetings. The Board considers that throughout the year, each non-executive director was independent in character and judgement and met the independence criteria set out in Monitor's Code of Governance. The non-executive directors have ensured that they have sufficient time to carry out their duties. Any term beyond six years is subject to rigorous review. Annually the non-executive directors, through the remuneration and

nominations committee, review the performance appraisal conducted by the chief executive of executive directors.

A number of key decisions and matters are reserved for the Board's approval and are not delegated to management. The Board delegates certain responsibilities to its committees, to assist it in carrying out its functions of ensuring independent oversight. The Board of Directors has a formal schedule of matters reserved for its decision which is currently being reviewed, along with terms of reference of the Board's key committees. The Board receives monthly updates on performance, and delegates the management, through the chief executive, of the overall performance of organisation which is conducted principally through the setting of clear objectives and ensuring that the organisation is managed efficiently, to the highest standards and in keeping with its values.

Committees of the Board

Audit committee

The audit committee was chaired by Charles Bellringer until May 2013. Ray Dawson, a Fellow of the Chartered Institute of Management Accountants and with extensive financial expertise, took up the audit chairman role following his appointment on 1 June 2013. The committee membership has been clarified in the internal governance review conducted by the company secretary and approved in December 2013 to make clear that membership comprises wholly non-executive directors with executives and others in attendance. Attendance at meetings is detailed below:

Charles Bellringer – chair until May 2013	2/2
Manjit Obhrai	2/2
David Leah	4/4
Ray Dawson - chair from June 2013	3/4
Mark Chivers	1/1
Peter Marks	1/2

The committee assists the Board in fulfilling its oversight responsibilities and its primary functions as stated in its revised terms of reference are to:

- Monitor the integrity of the financial statements
- Review the systems of internal control and risk management and the quality of patient care
- Maintain an appropriate relationship with the Trust's external auditors and ensure the objectivity of the audit process
- Ensure auditor independence is safeguarded when non audit work is conducted by our auditors.

In assessing the quality of the Trust's control environment, the committee received reports during the year from the external auditors KPMG and the internal auditors 360 Assure on the work they had undertaken in reviewing and auditing the control environment. The Trust's internal auditors, 360 Assure are an external service.

The committee works with NHS Counter Fraud and Security Management Service (CFSMS) and Trust colleagues to actively promote and raise awareness, and encourage people to raise concerns about possible improprieties in matters of financial reporting and control, clinical quality, patient safety or other matters. The CFSMS has a standing invitation to all meetings, with relevant policies readily available on the Trust's intranet.

The audit committee routinely receives information on the financial position, including cash and liquidity of the Trust as well as operational information. This includes assurance from the finance and performance committee regarding risks to the financial position of the PFI liabilities and the associated impact on cash and liquidity. More detailed scrutiny of the PFI and liquidity position also took place with regard to the Board Assurance Framework (BAF) process, alongside the review of a detailed report from EY. Where these include recommendations as part of internal or external reviews, agreed actions are tracked by the committee to ensure these are addressed. As part of the year end process and ratification of the accounts to the Board for approval, the committee reviews and takes into account:

- Head of internal audit opinion on both financial and non financial matters
- External audit opinion on the accounts; the external value for money opinion
- Letter of representation to external audit
- Going concern/principal risks and uncertainties paper, to assure themselves of the effective financial and non financial propriety of the Trust.

Standards of business conduct
The Board of Directors supports the importance of adoption of the Trust's Standards of Business Conduct that were approved by the audit committee in January 2014. These standards provide information, education and resources to help staff make good, informed business decisions and to act on them with integrity. In addition, managers should use this resource to foster, manage, and reward a culture of accountability within their departments. The Trust believes that working together, it can continuously enhance culture in ways that benefit patients and partners, and strengthen interactions with one another.

Internal audit (360 Assure)
The audit plan for 2013/14 was developed in line with the mandatory requirements of the NHS Internal Audit Standards. EMIAS (now 360 Assure, an external service) has worked with the Trust to ensure the plan was aligned to our risk environment. In line with the internal audit work plan, full scope audits of the adequacy and effectiveness of the control framework in place are complete or underway. Recommendations made from the audits are followed up by internal audit to ensure that all recommendations are sustainably implemented within the organisation.
Following their review, any remaining unimplemented recommendations are escalated to the audit committee and the company secretary has included an escalation report at the Trust Management Board to be presented by the chief financial officer to ensure escalatory actions are taken by the appropriate executive lead if remedial actions are not addressed expediently.

External audit service (KPMG)
KPMG were appointed as the Trust's external auditors from 1 November 2012 for a period of three years. We incurred £75,000 in audit service fees in relation to the statutory audit of our accounts for the twelve month period to 31 March 2014 (£75,000 for the period to 31 March 2013). Non-audit services amounted to £54,000 (£178,000 for the period to 31 March 2013). To ensure the independence of the external auditors, non-audit services required during the year are not carried out by a member of the team conducting the external audit but by team members with separate lines of accountability.

Remuneration and nomination committee
As at 31 March 2014 and on-going this committee comprises Sean Lyons as chairman and all non-executive directors, with Gerry McSorley and Peter Marks as the core members. The attendance of core members is detailed within the remuneration report.

Its primary role is to recommend to the Board the remuneration strategy and framework, giving due regard to the financial health of the Trust and to ensure the executives are fairly rewarded for their individual contributions to the Trust's overall performance. The remuneration report is set out in its own section of this annual report. The remuneration of the non-executive directors is determined by the Council of Governors via recommendations from its own nomination committee.

Nomination committee - ***Committee of the Council of Governors***
This comprises Sean Lyons as chairman and representatives from the public, staff and partner governor classes, membership of which is detailed within the Council of Governors section of this annual report. Its role is to ensure that appropriate procedures are in place for the nomination, selection, training and evaluation of non-executive directors and for succession plans; it also sets their remuneration. It considers Board structure, size and composition, thereby keeping under review the balance of membership and the required blend of skills, knowledge and experience of the Board.

During the year the committees of the Board, each of which were chaired by a non-executive director, also included:

- Clinical governance and quality committee (quality committee from 1 April 2014), which enabled the Board to obtain assurance that high standards of care are provided by the Trust and that adequate and appropriate clinical governance structures, processes and controls were in place
- Finance and performance committee (finance committee from 1 April 2014), which has overseen the development and implementation of the Trust's strategic financial plan and ensured management of the principal risks to the achievement of that plan
- Risk and assurance committee to 31 March 2014, which has overseen the development and progression of risk management policies and procedures to enable the Board of Directors to obtain assurance that appropriate systems are in place or developing appropriately in order to safeguard delivery of the Trust's objectives. Due to the progress made with regard to risk management externally, assured as part of the Board and quality governance reviews, it was considered timely to ensure risk management systems were robustly tested throughout the committee structure. The terms of reference of the remaining Board committees have been amended accordingly to reflect the required focus on integrated risk, performance and quality management.

Health and safety
The Trust takes very seriously the health and safety of its patients, staff and visitors and continues to enhance the way health and safety is managed. More detail is provided later in this report.

Counter fraud
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 (CFSMS) and the police as necessary.

We continue to work 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.

The Trust is committed to providing and maintaining an absolute standard of honesty and integrity in dealing with our assets. We are committed to the elimination of fraud and illegal acts within the Trust, and ensuring rigorous investigation and disciplinary or other actions as appropriate. The Trust uses best practice as recommended by the CFSMS. Over the year we have published our policies and procedures for staff to report any concerns about potential fraud. This will be reinforced by awareness training. Any concerns are investigated by our local counter fraud specialist or the CFSMS as appropriate. All investigations are reported to the audit committee.

NHS Litigation Authority
We were last assessed by the NHS Litigation Authority (NHSLA) against its risk management standards for acute trusts in 2002 and achieved level one. We were assessed for maternity services (Clinical Negligence Scheme for Trusts – CNST) in November 2013 and achieved level two. Level three is currently the highest score available. The assessments which measure our effectiveness in managing risk look at standards covering a wide range of activities from information for patients to mandatory training for staff.

Compliance with the Code of Governance
The purpose of the Code of Governance is to assist the Trust Board in improving 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.

The Code of Governance requires that a Board be supplied with information in a timely manner in a form and quantity appropriate to enable it to discharge its duties. Describing in part how we apply this principle demonstrates the value of performance evaluation in helping to develop directors' information needs. Last year the Board undertook a more in-depth look at specific programmes in order to develop a deeper understanding of the compliance and performance information the Board receives. This included improvements in the corporate governance arrangements for the Trust, many of which were born out of the work emanating from the Board review and the quality and financial governance review.

There will be additional development sessions for the full Board of Directors in 2014 and the governance structure, which has evolved to keep pace with an ever-changing organisation, will stand the Trust in good stead and allow the Board to learn from the new skills and experiences of those newly joining the Board.
The Trust will continue to look to current and evolving best practice as a guide in meeting the governance expectations of its patients, members and wider stakeholder community. The Trust will continue to assess the effectiveness of the Board, with an external assessment currently scheduled to take place around September 2014.

The Trust, in common with the health service and public sector as a whole, is operating in a fast-changing and demanding external environment, particularly as it understands and responds to the changes through the Health and Social Care Act 2012. The Trust recognises the need to significantly increase efficiency whilst maintaining high quality care at a time when budgets will be tight, and it will continue to use its recent improvement track record and exceptional staff to respond to these challenges.

During the year the Constitution of the Trust did not reflect the provisions of the Health and Social Care Act. However the Trust ensured due regard was taken to its legal obligations and developed a governor development programme that accorded with, and ensured a detailed understanding of, the new requirements of the Act.

A working group was established by the chairman consisting of the lead governor, a number of other governors and the director of corporate services/company secretary to review the Constitution and ensure it aligned with the Monitor Model Constitution, which is deemed best practice, whilst also reflecting local and Trust specific requirements where appropriate. The revised Constitution has been approved by the Trust lawyers as being legally compliant and will be submitted to the Council of Governors in May 2014 for ratification.

The Board of Directors is committed to high standards of corporate governance. For the year ended 31 March 2014, the Board considers that it was fully compliant throughout the year with the provisions of the NHS Foundation Trust Code of Governance with limited exceptions identified within this section where we have alternative arrangements in place.

The roles and responsibilities of the Council of Governors are described in the Constitution together with detail of how disagreements between the Board and Council of Governors will be resolved. The types of decisions taken by the Council of Governors and the Board, including those delegated to sub-committees, are described in the approved terms of reference.

The Board determines which of its committees may have governors in attendance. There is a detailed scheme of delegation and reservation of powers which will be comprehensively reviewed during 2014/15. This sets out, explicitly, those decisions which are reserved for the Board, those which may be determined by standing committees and those which are delegated to managers.

Independent consultants Pricewaterhouse Coopers (PwC) carried out a review of Board and quality governance during the year; this was a follow up to the original review undertaken in 2012. The follow up identified significant improvements and this was evidenced through a reduction in the Quality Governance Framework (QGF) score from 13.0 in December 2012 to 4.0 in January 2014.

Members of the Board are invited to attend all meetings of the Council of Governors. Governors and non-executive directors take part in internal assurance visits to clinical areas of the Trust and were heavily involved in the Trust's patient and staff engagement events as part of the *Quality for all* programme which sought the views of patients, carers, staff and members in the development of the Trust's patient engagement and experience strategy and organisational development strategy.

Governors have been involved in a number of membership events during the year which seek to improve engagement with the membership and build on the communications they receive in the members' magazine. Governors also attend public events with the membership and communications officer and help to recruit new members to join the Trust.

The executive team consulted with the Council of Governors during the year on matters such as the annual plan, quality account and other relevant strategies and reports. The governors were significantly engaged in the development of a Vision and Strategic Direction for Newark Hospital, where the Trust worked closely with local commissioners and stakeholder organisations.

In an NHS foundation trust, the authority for appointing and dismissing the chairman rests with the Council of Governors. The appraisal of the chairman is therefore carried out for and on behalf of the Council of Governors. This is undertaken by the vice chairman/senior independent director, supported by the lead governor. They review the chairman's performance against agreed objectives and discuss any development needs before reporting

the outcome of the appraisal to the nomination and remuneration committee of the Council of Governors. The committee in turn reports to the Council of Governors.

The director of corporate services/company secretary undertook a governance review which was approved by the Board of Directors in December 2013; this review revised committee structures and implementation began in April 2014.

The directors of the Board are appraised by the chief executive who is in turn appraised by the chairman. The Council of Governors does not formally consult external professional advisors to market test the remuneration levels of the chairman and other non-executive directors. The recommendations made to the Council of Governors are based on independent advice and guidance as issued from time to time by appropriate bodies such as the NHS Appointments Commission in relation to NHS trusts or the NHS Confederation, together with benchmark data from Foundation Trust Network and Capita.

The register of interests for all members of the Board is reviewed regularly and is maintained by the director of corporate services/company secretary. Any enquiries should be made to the Director of Corporate Services/Company Secretary, Sherwood Forest Hospitals NHS Foundation Trust, Trust Headquarters, Level 1, King's Mill Hospital, Mansfield Road, Sutton in Ashfield, Nottinghamshire, NG17 4JL

Regulatory ratings

The compliance framework has historically set out the approach Monitor takes to assess the compliance of NHS foundation trusts with their terms of authorisation, with a particular focus on financial and governance risk.

From 1 October 2013 the risk assessment framework (RAF) has replaced the compliance framework. The aim of a Monitor assessment under the RAF is to show when there is:

- A significant risk to the financial sustainability of a provider of key NHS services which endangers the continuity of those services
- Poor governance at an NHS foundation trust.

The continuity of services risk rating states Monitor's view of the risk facing a provider of key NHS services. There are four rating categories ranging from one, which represents the most serious risk, to four, representing the least risk. This new continuity of services risk rating is not calculated or used in the same way as the financial risk rating (FRR) which was applied previously through the compliance framework.

Where the FRR was intended to identify breaches of trusts' terms of authorisation on financial grounds, the continuity of services risk rating identifies the level of risk to the ongoing availability of key services.

There are three categories to the new governance rating applicable to all NHS foundation trusts. Where there are no grounds for concern at a trust, Monitor will assign a green rating. Where Monitor has identified a concern at a trust but not yet taken action, it will provide a written description stating the issue and the action being considered. Where Monitor has already begun enforcement action it will assign a red rating.

Our annual plan for 2013/14 forecast a FRR of one (where one is poor and five is excellent) with a forecast governance risk rating of 'amber-green'.

	Annual Plan 2013/14	Q1 2013/14	Q2 2013/14	Q3 2013/14	Q4 2013/14
Under the compliance framework					
Financial risk rating	1	1	1		
Governance risk rating	Amber- Green	Red	Red		
Under the risk assessment framework					
Continuity of service rating				1	1
Governance rating				Red	Red

Under the compliance framework for the whole year	Q1 2012/13	Q2 2012/13	Q3 2012/13	Q4 2012/13
Financial risk rating	1	1	1	1
Governance Risk Rating	Amber-Red	Amber-Red	Red	Red

The Trust has updated Monitor regularly through the progress review meeting process, providing updates with the PwC and KPMG reviews of Board and quality governance and financial governance and associated action plans. Monitor wrote to the Trust after the January 2014 progress review meeting reiterating that the Trust had failed to meet its discretionary requirements with respect to quality governance. It had been externally assessed in January by PwC as having a quality governance score of four when it was required of the Trust to have a score of less than four. The Board reviewed the evidence at its March 2014 meeting and approved a reduction in the Trust's overall score from 4.0 to 3.5. The Trust wrote to Monitor at the end of March with the evidence of the improvement and the results of this self-assessment.

In the annual plan for 2013/14, the Board highlighted performance risks in respect of C. *difficile* and potential challenges in respect of Accident and Emergency (A&E). However, as stated previously in the annual report, during the year there have also been significant challenges with referral to treatment (RTT) in 18 weeks, with the Trust failing for non-admitted patients in Q3 and Q4 and for admitted in Q4. Full year performance was achieved at 95.66% for the A&E four hour target. There were 36 cases of C. *difficile* in 2013/14 against a trajectory of 25. These have been reported to Monitor through the performance review meeting process and quarterly monitoring. The red governance rating does not directly correlate with performance against standards and targets, as when in breach of licence conditions, Monitor impose a red governance over-ride.

Valuing our staff

Engagement with staff

The Trust is committed to working with staff to both further improve staff experience and enhance the services provided to our patients. Throughout the year the Trust has continued to work to improve information and consultation with employees. There are established formal mechanisms in place to ensure this happens.

Partnership working continues in a positive manner with staff side colleagues. 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 *Quality for all* programme engaged with both patients and staff on their experience of the Trust; this information has been analysed and an organisational development and workforce strategy and patient experience and involvement strategy have been developed. These strategies are in place to ensure improved patient care and to create a positive working environment for staff, which values staff and meets patient needs and the needs of the service.

The Trust continues to undertake the annual staff survey. The results of the 2013 survey have been analysed and an action plan developed. In addition to this, quarterly staff surveys are conducted on specific areas to understand the views of staff and to ensure that strategies are focused in the right areas. More detail is provided later in this report.

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 celebrate successes and highlight achievements in 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 chief executive writes regular blogs which are a brief and informal method of sharing information, always with the option to email the chief executive directly with any questions or queries.

The communications team circulates a weekly e-bulletin to all staff across the Trust, which gives brief headline information in the bulletin, enabling users to click and 'read more' if they wish to know more information about particular items. In addition, for items in relation to patient care the communications team circulates an icare2 bulletin.

The communications team also cascades urgent information using an all user email cascade system, which is able to differentiate between different hospital sites, thus ensuring the information is relevant to the recipients.

Information is also available to staff on the Trust's intranet, only available to staff. The HR department is reviewing its intranet pages which provide information to staff on Trust policies and procedures and issues affecting their employment. Further work will take place on this in the coming year to ensure that the site is user friendly. There are also specific noticeboards at each hospital which are aimed primarily at staff.

Members of the executive team have a programme of ward and departmental visits, enabling them to engage face-to-face with staff on a regular basis.

A communications strategy was recently approved by the Board of Directors, and the head of communications is working with the chief executive to draw up a communications action plan for implementation. This will include the development of new media (online) communications.

Recognising our staff

With more than 130 nominations, 2013 was a record-breaking year for the Trust's annual Staff Excellence Awards. Presented at a special awards ceremony in October in front of 450 members of staff and special guests, the awards recognise and celebrate those outstanding members of staff who deserve special recognition for consistently demonstrating excellence in patient care.

Awards were presented by Chief Executive Paul O'Connor and Chairman Sean Lyons in seven different categories. Winners were chosen from teams and individuals from across the Trust's hospitals at King's Mill, Newark, Mansfield Community and Ashfield Health Village.

For the sixth year patients and carers were invited to nominate their NHS hero – that special member of staff who they feel provides exceptional service above and beyond the call of duty. This year's People's Award received many nominations from members of the public.

Sean Lyons, Chairman on the Staff Excellence Awards

"The event provides a valuable opportunity to shine a spotlight on those outstanding members of staff who consistently demonstrate extraordinary dedication to providing excellent care for our patients. Everyone nominated, and indeed every member of staff, should be extremely proud of their achievements over the last 12 months. Well done to you all."

Esther Jenkinson, children's complex needs and palliative care nurse specialist, was the eventual winner who was nominated by the Munt family for her constant ability to go above and beyond the call of duty in helping the family with their disabled daughter.

Amanda Munt on Esther Jenkinson, People's Award winner 2013
"Esther always goes above and beyond her job role for us as a family and I'm aware that this is the case for other families too. Nothing is too much for her - often doing things to make the life of our family with our disabled daughter easier at every step. Instead of me having to make a very complicated journey to the hospital to collect medications, Esther will make every effort to deliver them while out on her journeys."

2013 also saw the launch of the Trust's Nurse of the Year Awards. Run in conjunction with the Chad and Newark Advertiser newspapers, the awards celebrated those inspirational nurses and midwives who are committed to providing quality care and comfort with humanity and compassion.

The awards saw more than 60 nominations from staff, patients and members of the public across the six categories, including Nurse of the Year, Midwife of the Year and Team of the Year.

Winners were announced at a special ceremony held in the King's Mill Conference Centre in November. As well as the awards presentation, the ceremony also featured a talk from Kerry Moore, practice development matron, on the introduction of care and comfort rounds across the Trust. Valerie Bacon and Diane Wright, former nurses and public governors, entertained the audience with stories of nursing from years gone by.

Susan Bowler, director of nursing and quality on the inaugural Nurse of the Year Awards
"I have always been proud and honoured to work with the hundreds of nurses and midwives we have across the Trust and seeing their hard work and dedication rewarded was truly special. I would like to congratulate everybody who was nominated and I look forward to these awards becoming an annual event that allows us to celebrate our wonderful team of nurses and midwives."

A Star of the Month is chosen from across all our hospitals to reward staff who regularly go that extra mile to really make a difference and consistently provide an excellent service. During the year 12 members of staff were presented with a certificate, a box of chocolates and a shopping voucher as they were announced as Star of the Month winners. Winners are also automatically entered into the 'Unsung Hero' category at the Staff Excellence Awards.

Developing our staff

The Trust recognises that a well-trained and competent workforce is essential to providing high quality safe patient care and enabling the organisation to develop and operate in a rapidly changing environment.

The recently developed organisational development strategy will play a significant part in ensuring that our workforce is developed to achieve our strategic objectives as well as creating an effective learning culture, capable of developing new and innovative approaches in supporting the delivery of patient care.

Effective leadership and management are key elements of a successful organisation. Leaders and managers act as agents of change and require the necessary skills to enable change to take place, give clear direction and develop high performing teams to deliver the best patient care possible. The Trust has established development programmes in place for leaders across the Trust and will refresh these in the coming year to reflect our *Quality for all* values.

Workforce priorities include effective management of variable pay, improvement in the management of sickness absence, improvement in completion of staff appraisal and mandatory training rates and leadership and management development.

Trust leadership and management development programme

The Trust's leadership programme was established in 2012 to develop and refine the leadership and management skills of middle managers. The programme focused on the key areas of effective leadership and management, leading teams through change and performance management to support the delivery of high quality patient care. The application of the Trust's agreed leadership and management behaviours were embedded throughout this programme in order to support organisational development and improvements in services to our patients.

Nurses chosen as national ambassadors

Two King's Mill Hospital nurses have been recruited by a national healthcare organisation to act as ambassadors for their profession, being afforded the titles of 'Care Makers' by NHS Employers.

Care Makers are selected because they embody the professional values set out in the nursing strategy, *Compassion in Nursing,* which was published in 2012 by the Chief Nursing Officer for England. As well as spreading the word about Compassion in Practice across the NHS, the nurses act as role models and ambassadors to help support, deliver and inspire colleagues to use the '6Cs' set out in the strategy – Care, Compassion, Courage, Competence, Communication and Commitment.

Nursing leadership development

Excellent clinical leadership is recognised as fundamental to the provision of high quality care and creating a culture of innovation and support in the workplace.

The Royal College of Nursing (RCN) recently revised the award winning RCN Clinical Leadership Programme to ensure its continued fitness for purpose in preparing clinical leaders to lead safe quality care in the 21st century.

In 2013 we ran our first RCN leadership programme in collaboration with our partners at Nottingham University Hospitals NHS Trust (NUH), to develop cohorts of nurses and midwives who are able to meet the challenges identified in the Mid Staffordshire Public Inquiry (2013), Keogh Review (2013) and Berwick Review into patient safety (2013).

The programme objectives are to:

- Maximise personal effectiveness and style in leadership and managerial roles
- Maximise team effectiveness and functioning

- Develop a culture where quality and safety in the delivery of care can flourish
- Develop a deep insight and understanding of the context of health and social care (both locally and nationally) and the implications of this for leaders and managers
- Apply leadership and management capabilities through the development and implementation of a work-based service improvement project.

The course includes group sessions, one-to-one coaching, action learning sets and a service improvement project. Each cohort also has the opportunity to attend the national RCN congress and work towards a degree level module. The six ward sisters who undertook the programme in 2013 gave us fantastic feedback and we have recently commenced the second cohort of the programme.

Medical leadership

A bespoke medical leadership programme was launched in May 2013 designed to equip medical service directors with the essential skills necessary to manage clinical services effectively, safely deliver high quality patient care, and lead and manage change through high performing professional teams. During 2013/14, a number of service line directors have benefitted from this programme and a further cohort is planned for 2014/15.

First line management development programme

The Trust's well established first line management course saw new and aspiring supervisors and managers benefit from a comprehensive and innovative development programme during 2013/14. This course equipped new line managers with the necessary skills to manage and lead teams, manage performance, develop teams, lead change and improve services to patients and staff. Two further cohorts are planned for 2014/15.

Junior doctors are best prepared in the region

Junior doctors at Sherwood Forest Hospitals receive the best preparation for their future careers in the East Midlands, according to audit figures just released from the Local Education Training Board (LETB).

All junior doctors in training have a variety of competencies to achieve, including patient safety, good record keeping, communications and consent, together with a wide range of practical skills. Each trainee's educational supervisor signs their portfolio as they gather evidence to prove their competence in each area.

Listening to our staff

To supplement the information already covered in the strategic report, the Trust's commitment to engaging with staff is further evidenced in this section which highlights the mechanisms in place to ensure that this happens effectively, which include:

- Team brief
- Chief executive's blog
- National NHS annual staff survey
- Quarterly staff survey
- Joint staff partnership forum
- Medical local negotiating committee.

To supplement the information already covered in the strategic report, the Trust's commitment to engaging with staff is further evidenced in this section which highlights the mechanisms in place to ensure that this happens effectively, which include:

- Team brief
- Chief executive's blog
- National NHS annual staff survey
- Quarterly staff survey
- Joint staff partnership forum
- Medical local negotiating committee.

In 2013 the Trust undertook a programme of work called *Quality for all* which invited staff and patients to talk about their experience of either working in or receiving treatment in the Trust.

In addition to the face-to-face sessions, graffiti boards were available to enable staff and patients to write down their comments. The information gathered from this has been analysed and used to inform the organisational development, workforce, and patient experience and involvement strategies. These will be implemented in the coming year together with initiatives to ensure we embed our values and behaviours.

A new policy for raising concerns (whistleblowing) has been agreed and will be launched in conjunction with the *Quality for all* initiative. This policy encourages staff to raise concerns in a supportive manner and ensures they receive feedback regarding action taken.

Feedback from staff is regularly received from staff side representatives who sit on the joint staff consultative forum and the medical local negotiating committee.

Mechanisms for communicating with staff will be reviewed on an ongoing basis. The Trust participates in the National NHS staff survey and also undertakes quarterly staff surveys on key matters such as incident reporting and appraisal. Outcomes are reported to the Board of Directors, together with the activities required to achieve improvement on areas of concern. The Trust has an intranet site which provides opportunities for staff to post questions, the answers to which are also posted on the site.

Leadership training proves a success

The Trust has developed a new way of training managers specifically designed to equip them with the skills and leadership needed to operate effectively as a leader and manager.

The Trust's leadership programme was established in 2012 to enhance the leadership and management skills of middle managers. The programme also supports the application of these skills to improve services for patients and to help guide clinical and support teams through major change.

National NHS annual staff survey - 2013

The Trust participates in the national NHS staff survey on an annual basis in which it surveys 850 randomly sampled staff from all staff groups.

There are two types of key findings – percentage scores and scale summary scores, for which the minimum score is always one and the maximum is five.

From those staff surveyed, 47% responded compared to a response rate of 50% in 2012. This response rate is average for acute trusts in England. An analysis of the survey response rates is shown below:

	2012		**2013**		**Trust improvement/deterioration**
Response rate	**Trust**	**National Average**	**Trust**	**National Average**	
	50%	**50%**	47%	**49%**	3% decrease from 2012 to 2013 Trust response rate average in both years.

The 2012 and 2013 NHS staff surveys reported on 28 key findings structured around the NHS staff pledges and two additional themes.

The Trust performed at average or above in 16 out of 28 key findings compared to 15 last year – see below.

Summary of all key findings:

	2012 (28 key findings)	2013 (28 key findings)
Best 20%	2 areas	1 area
Better than average	8 areas	7 areas
Average	5 areas	8 areas
Worse than average	11 areas	7 areas
Worst 20%	2 areas	5 areas

The overall indicator of staff engagement for the Trust was 3.75 (average for acute trusts in England) compared to 3.65 last year when the Trust result was slightly below the national 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 action plan will seek to consolidate and continue to secure improvements in response rates in this area.

Top five ranking scores that compare most favourably with other acute trusts in England:

2012		2013		Trust improvement/deterioration	2013 ranking
% of staff agreeing that their role makes a difference to patients.					
Trust	National average	Trust	National average	No significant change	▲
89%	89%	93%	91%		
% of staff experiencing discrimination at work in the last 12 months					
Trust	National average	Trust	National average	No significant change	▼
8%	11%	9%	11%		
% of staff believing the trust provides equal opportunities for career progression or promotion					
Trust	National average	Trust	National average	No significant change	=
90%	88%	91%	88%		
% of staff saying hand washing materials are always available					
Trust	National average	Trust	National average	No significant change	=
63%	60%	64%	60%		
Staff motivation at work					
Trust	National average	Trust	National average	No significant change	▲
3.82	3.84	3.90	3.86		

Bottom five ranking scores that compare less favourably with other acute trusts in England:

2012		2013		Trust improvement/ deterioration	2014 Ranking
% of staff feeling pressure in the last three months to attend work when feeling unwell					
Trust	National average	Trust	National average	Significant deterioration	▼
27%	29%	35%	28%		
% of staff experiencing physical violence from patients, relatives or the public in the last 12 months					
Trust	National average	Trust	National average	No significant change	▼
17%	15%	20%	15%		
% of staff experiencing physical violence from staff in the last 12 months					
Trust	National average	Trust	National average	No significant change	▼
3%	3%	4%	2%		
% of staff reporting good communication between senior management and staff					
Trust	National average	Trust	National average	No significant change	▼
22%	27%	23%	29%		
% of staff suffering work-related stress in the last 12 months					
Trust	National average	Trust	National average	No significant change	▼
38%	37%	40%	37%		

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

Changes from previous year

Staff experience has improved in relation to the percentage of staff appraised in the last 12 months and staff recommendation of the Trust as a place to work or receive treatment.

Staff experience has deteriorated in relation to the percentage of staff feeling pressure in the last three months to attend work when feeling unwell.

In the other 25 key findings there has been no statistically significant change in the Trust's score.

In a number of key findings, the Trust's ranking compared to other acute trusts in England has altered due to changes in the scores of the other Trusts. In eight key findings the Trust's ranking has not changed, in 11 it has improved and in nine it has deteriorated. Nationally there has been improvement in 21 of the 28 key findings.

Activities resulting from 2012 staff survey outcomes

Significant areas of development in response to last year's survey include:

- Ensuring that all staff have an annual appraisal (enhancing processes and experience)
- Setting appropriate establishment levels and continuing with recruitment campaigns to recruit to full establishment, to help 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. The Trust has now appointed a substantive Board of Directors and has improved the team brief process and commenced a *Quality for all* programme seeking the views of staff in the development of our values
- Reviewing and implementing more effective incident reporting processes whilst considering and implementing actions to address the perceptions of staff regarding physical violence and harassment, bullying or abuse from patients, relatives and the public. The Trust has continued to progress the conflict resolution and physical restraint training programmes.

Future priorities

When considering the 2013 NHS staff survey results it is important to note 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 this there are some positive outcomes identified within the survey; there are also a number of areas which require improvement. Consequently the Trust's action plan for 2014/15 will focus on:

- Continuing to increase the appraisal rate whilst ensuring that all appraisals are of a consistently high quality
- Introducing and embedding *Quality for all* – ensuring we live our agreed values and behaviours
- Continuing with recruitment campaigns to recruit to full establishment to help 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 in order to obtain more information on violent incidents, to inform future action to better support staff, and reduce the number of incidents
- Exploring the feasibility of a stress risk assessment model for staff who are returning to work following absence due to work-related stress, or are known to be experiencing work-related stress.

Detailed action plans are being drawn up to address these priority areas, each fronted by an identified project lead. Delivery of the action plans will be overseen by the organisational development and workforce committee. In addition, the Trust will continue to undertake regular (at least quarterly) staff surveys on key issues in addition to the Friends and Family test. The outcomes will be reported to the Board of Directors within the quarterly human resources report.

Health and safety data

The importance of effective provision for occupational health, safety and wellbeing in NHS organisations is recognised within the NHS Constitution. The Constitution states that staff have a right to work in a healthy and safe workplace and an environment in which the employer has taken all practical steps to ensure the workplace is free from verbal or physical violence from patients, the public or staff.

An appropriately qualified and experienced health and safety manager, assisted by administration support, leads the health and safety function within the Trust. The Board of Directors receives monthly updates on specific health and safety issues. The full annual report for 2013/14 will be available for the Board of Directors in July 2014.

Detailed below are a number of key health and safety indicators captured and reported within the Trust.

Staff health and safety incidents by type 2013/14:

Staff health and safety incidents 2013/14	Q1	Q2	Q3	Q4	2013/14 Totals	2012/13 Totals
Abusive, violent, disruptive or self-harming behaviour	37	54	23	23	**137**	172
Accident caused by some other means	8	26	43	16	**93**	69
Adverse events that affect staffing levels	1	7	22	8	**38**	7
Communication between staff, teams or departments	3	0	0	2	**5**	1
Communication with the patient (other than consent issues)	0	0	0	0	**0**	1
Environmental matters	11	4	5	4	**24**	22
Exposure to electricity, hazardous substance, infection etc	16	12	6	10	**44**	42
Fires, fire alarms and fire risks	1	0	1	1	**3**	0
Infrastructure or resources – other	0	0	2	0	**2**	2
Injury caused by physical or mental strain	6	3	2	1	**12**	12
Lack of/delayed availability of facilities/equipment/supplies	1	2	4	2	**9**	1
Lifting accidents	6	5	2	5	**18**	32

Medical device/equipment	0	3	5	2	**10**	0
Needlestick injury or other incident connected with sharps	36	39	27	31	**133**	144
Other	1	2	3	1	**7**	11
Slips, trips, falls and collisions	26	28	16	11	**81**	108
TOTALS	**153**	**185**	**161**	**117**	**616**	**624**

Priority areas for the health and safety function in 2013/14

- Improve awareness of the incident reporting policy and the need to report work-related violence and aggression experienced by staff
- Improve the analysis of incidents by working with the Datix project manager on the re-design of the Datix processes
- Continuing a training programme for managers, supervisors and safety representatives with responsibilities under the Trust's management system for health and safety
- Explore the feasibility of a stress risk assessment model for staff returning to work following absence due to work-related stress, or known to be experiencing work-related stress
- Introduce new training courses on the application of RIDDOR and the completion of health and safety risk assessments
- Ensure compliance with the Health and Safety (Sharp Instruments in Healthcare) Regulations 2013 and introduce changes in practice and equipment that reduce the risk of injury from the sharp medical instruments used by the Trust.

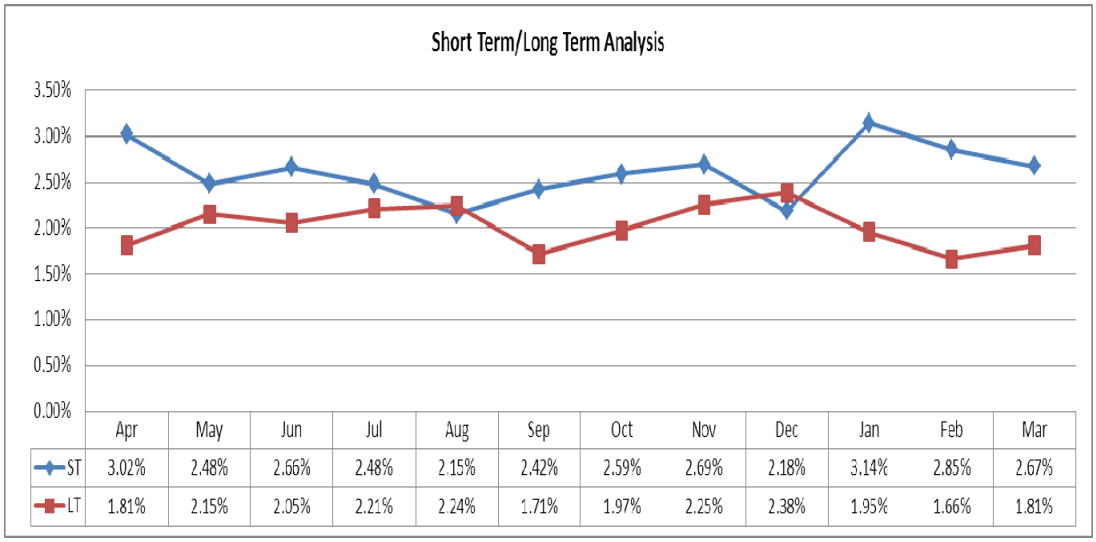
All of the above priority areas will be part of the health and safety work plan for 2014/15 and included in the health and safety annual report for approval by the Board of Directors.

Sickness absence

The target sickness absence rate for the Trust for 2013/14 remained at 3.5%. The total absence rate for 2013/14 is 4.63% with the cost of paying absent staff standing at £4.03m. The chart below details Trust performance against target per month:

Sickness still remains an area of poor performance for the Trust, however the above chart shows a decreased trend when compared to the previous financial year during the winter months.

The graph below shows a breakdown of absence in terms of short and long term rates:



The Trust is maintaining its focus on performance managing short term sickness absence whilst also developing longer term wellbeing strategies.

Staff sickness absence	**2013/14**	**2012/13**
	Number	**Number**
Days Lost (Long Term)	36,945	27,904
Days Lost (Short Term)	22,604	29,850
Total Days Lost	**59,549**	**57,754**
Total Staff Years	3,564	3,375
Average working Days Lost	16.7	17.1
Total Staff Employed In Period (Headcount)	4,500	4,312
Total Staff Employed In Period with No Absence (Headcount)	1,792	1,893
Percentage Staff With No Sick Leave	**39.8%**	**43.9%**

Key priorities and actions

The table below outlines the key priorities and progress.

Action	Progress
Revise the current sickness absence procedure based on recently received legal advice to provide clearer guidance and process for the management of sickness absence.	This has recently been agreed with staff side representatives with a planned implementation of July 2014.
Reinvigorate the return to work interview process as a means of managers supporting the reduction of short term absence.	The return to work form is still under review and will be launched in line with the new policy.
Increase the assurance of sickness absence management by random audits to understand improvements required.	Audit format is currently being designed.
Work with managers to ensure accurate recording of absence reasons – e.g. reduce the use of 'Unknown' or 'Other Known'.	In progress – continued work throughout the year will be done.

Sickness absence management remains a high priority for the Trust to address due to the impact it has on the quality of patient care and the Trust finances, particularly relating to variable pay. The well-established staff health and wellbeing group continues to focus on initiatives to improve employee wellbeing and monthly actions are monitored. The Trust's occupational health department also continues to offer advice, support and counselling to staff in order to improve sickness absence rates within the Trust.

Occupational health

Background

The Trust's occupational health service is a nurse-led in-house service. It delivers occupational health services for staff in the NHS and non-NHS organisations across the Mansfield, Ashfield and Newark areas. The Trust's occupational health department works collaboratively with other NHS occupational health departments 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 Trust's utilisation of the service is substantially increasing year on year.

Record number of hospital staff get the flu jab

Sherwood Forest Hospitals has been named as the Trust with the highest uptake in the region for staff receiving the flu vaccination**.**

Official Department of Health figures show 77% of frontline Trust staff have been vaccinated; an increase of 25% compared to last year.

Occupational health developments and achievements during 2013/14:

- National occupational health accreditation awarded - Safe Effective Quality Occupational Health Standards (SEQOHS). There are 141 individual NHS occupational health departments in England and only 70 of these are currently SEQOHS accredited

- Led and managed the 2013/14 HCW flu vaccination campaign resulting in a 77% frontline staff uptake. This is the highest uptake of all Trusts in the East Midlands and a 25% increase on the 2012/13 season uptake.

Our members

Our membership strategy is being developed to ensure implementation of our vision for membership and the methods we intend to use to identify and develop an effective, responsive and representative membership body for our Trust. The key challenge for the Trust as a membership organisation is to secure sustainable membership interest and involvement whilst ensuring membership encompasses all the communities served by the Trust.

Around five per cent of the local population have chosen to support Sherwood Forest Hospitals by becoming a member of our Foundation Trust. We have the largest membership base in the East Midlands, and one of the largest in the country. We are extremely grateful to those members for their continuing support and involvement.

Our public membership was 21,193 at the end of March 2014. In addition to the public and staff members, we listed 194 affiliate members at the end of March 2014. Our agreed focus as approved by the membership and engagement committee has been on improved engagement with existing members. In order to engage more effectively with the local community, we will concentrate our future recruitment focus in particular areas of low representation.

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

Staff constituency

Trust employees continue to be registered as members under an opt-out scheme. Very few employees have chosen to opt out of membership, thereby ensuring that the majority of staff are also Foundation Trust members. The Trust has almost 5,000 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.

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.

Rest of East Midlands constituency – the remainder of the East Midlands region, which is not covered in the constituencies above.

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 and ethnic group.

Public membership breakdown at 31 March 2014:

	Number of members	Membership profile %	Population profile %
Age (years)			
0-16	2	0.01%	1.53%
17-21	630	2.97%	7.35%
22+	18,999	89.65%	91.13%
Ethnicity			
White	19,165	90.43%	90.05%
Mixed	32	0.15%	1.78%
Asian	98	0.46%	6.03%
Black	46	0.22%	1.63%
Other	12	0.06%	0.51%
Unknown	1,840	8.68%	0.00%
Gender			
Male	7,836	36.97%	49.71%
Female	13,134	61.97%	50.29%
Unknown	223	1.05%	0.00%
Constituency			
Ashfield	6,266	29.57%	N/A
Mansfield	6,577	31.03%	N/A
Derbyshire	2,220	10.48%	N/A
Newark & Sherwood	5,126	24.19%	N/A
Rest of East Midlands	1,004	4.74%	N/A

Membership recruitment

Throughout the year membership recruitment has been through face-to-face contact with members of the public. This has been at local events, community 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.

The membership and engagement committee has reviewed the membership recruitment ambitions for 2014/15. The committee studied the number of public members recruited during 2013/14 and the number of members lost. The committee recommended to the Board of Directors that the target should be to maintain a membership base of 21,000 public members to the end of March 2015. In order to maintain the status quo, membership recruitment will need to attract 6-7% more new members. This will allow the Trust to continue to focus on the quality of engagement with current members.

We will continue to use targeted recruitment methods with the aim of ensuring that our public membership is representative of those eligible to join.

Engagement with members

Positive engagement with our members is extremely important and we are constantly improving and increasing the level of this.

Member events are discussed at the membership and engagement committee and new, innovative methods of engagement are sought.

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 3,700 now receiving the magazine by this method. This helps us to continue to reduce our printing and distribution costs

- Monthly member events were organised on a variety of health related topics, including an extremely popular dementia awareness event

- Members in the Newark and Sherwood constituency were invited to participate in a series of communication and engagement events in September 2013 to help shape the Newark strategy. The events attracted around 30 members who provided feedback on points such as how users wished information about health services to be communicated; at what time should patients, carers and voluntary groups be involved in service planning and design and perceived barriers to communications about health services

- Members were also invited to the *Quality for all* engagement sessions in the latter part of 2013. Members who had recently used our services were invited along to share their experiences and to help shape the development of standards of care. The feedback from these sessions was used to develop the *Quality for all* values.

Future membership recruitment and engagement

The membership and engagement committee has agreed that we will continue during the forthcoming year to ensure our membership base demonstrates even greater representation of our local communities and that we continue to provide positive engagement.

The key priorities in 2014/15 include:

- Continuing 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

- Engaging 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

- Influencing key policy areas followed by feedback to members on how they have made a difference, for example involvement in any service redesign

- Ensuring that the membership is 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 to deliver member events based on member feedback and areas of interest
- Increasing the opportunities for governors to engage with their members
- Further enhancing the use of social media and email
- Encouraging greater attendance at the annual general meeting (AGM) by featuring key service 'spotlights'.

To contact your local governor

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 at www.sfh-tr.nhs.uk. You can also follow us on Twitter at www.twitter.com/SFHFT or on Facebook by searching for Sherwood Forest Hospitals at www.facebook.com

Valuing our environment

Sustainability, environment and climate change

The Trust is committed to reducing its impact on the environment. Delivering world-class health services over several hospital sites has an unavoidable impact on the environment, so the Trust continually transforms the way it operates in order to improve health, conserve energy and reduce carbon emissions.

All Trusts across the NHS are expected to reduce their estate running costs and carbon emissions. The Trust is committed to reducing its impact on the environment and demonstrating good corporate citizenship by reducing carbon dioxide emissions to 80% below 2007 levels by 2050.

The new state of the art PFI hospital facilities and associated developments have been fully opened for nearly three years. 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 stakeholders
- Driving value for money with procurement and supply chain management
- Strong governance and communication
- Pioneering geothermal technologies
- Robust approach to carbon management.

The objectives are part of the latest draft version of the Trust's Carbon Reduction Management Plan (CRMP) and Sustainability Development Management Plan (SDMP) which will be submitted to the Board for consideration in the near future.

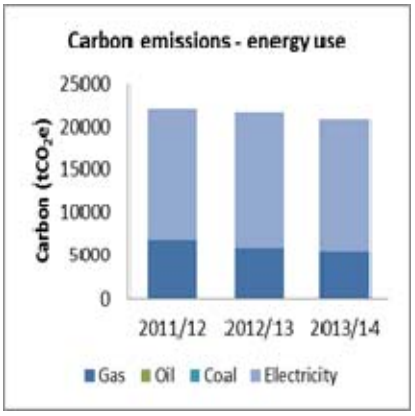
The Trust is also committed to achieving version three of the Good Corporate Citizenship (GCC) registration in 2014/15.

NHS carbon footprint

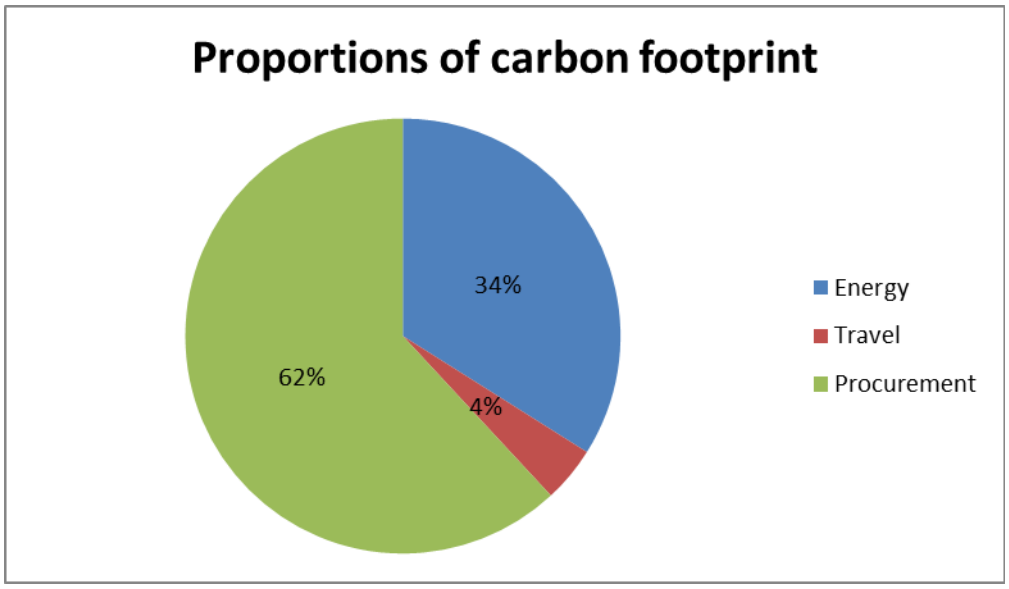
As a member of the Government's Carbon Reduction Commitment (CRC) Energy Efficiency Scheme, the Trust is required to annually report its emissions to the Department of Energy and Climate Change. The Trust's forecast emissions for 2013/14 is 15,585 tCO_2. This is a 0.29% reduction compared to the previous year. During 2013/14 the Trust signed up for phase two of the CRC scheme.

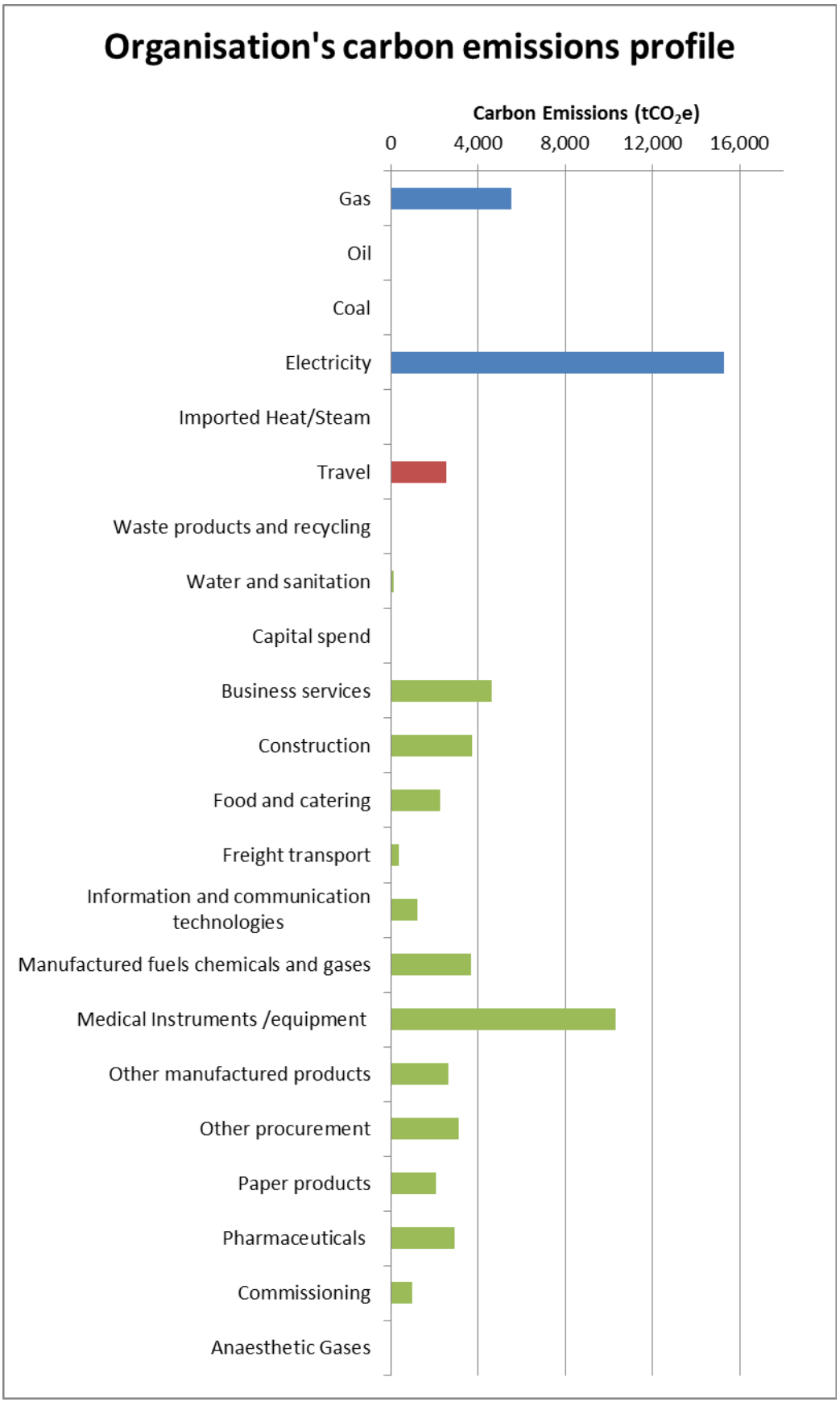
Trust carbon emissions for 2011/12 to 2013/14

The information provided in the previous sections of this sustainability report uses the ERIC (Estates Return Information Collection) as its data source. However, we are aware that this does not reflect our entire carbon footprint. Therefore, the following information uses a scaled model based on work performed by the NHS Sustainable Development Unit (SDU) in 2009/10 resulting in an estimated



total carbon footprint of 61,387 tonnes of equivalent carbon emissions for 2013/14. The footprint is illustrated in the following graphs, ‘Proportions of carbon footprint’ and ‘Organisation’s carbon emissions profile’.




Organisation's carbon emissions profile
Carbon Emissions (tCO2e)
0
4,000
8,000
12,000
16,000
Gas
Oil
Coal
Electricity
Imported Heat/Steam
Travel
Waste products and recycling
Water and sanitation
Capital spend
Business services
Construction
Food and catering
Freight transport
Information and communication technologies
Manufactured fuels chemicals and gases
Medical Instruments /equipment
Other manufactured products
Other procurement
Paper products
Pharmaceuticals
Commissioning
Anaesthetic Gases

Finite resources

The table and graph below show the Trust's total finite resources and costs since 2011/12 to 2013/14.

Gas, oil, coal and electricity

Resource		2011/12	2012/13	2013/14 (Forecast)
Gas	Use (kWh)	33636715	29021779	26119601.1
	tCO_2e	6873.66271	5930.600539	5541.012177
Oil	Use (kWh)	8377	113254	59000
	tCO_2e	2.67100645	36.1110379	18.84165
Coal	Use (kWh)	0	0	0
	tCO_2e	0	0	0
Electricity	Use (kWh)	26962492	27420320	27297482
	tCO_2e	15109.78052	15651.79286	15284.13315
Total Energy CO_2e		21986.11423	21618.50444	20843.98697
Total Energy Spend		£4,087,155.00	£3,266,000.00	£3,542,701.00

Water

Water		2011/12	2012/13	2013/14 (forecast)
Mains	m^3	159443	143638	129275
	tCO_2e	145	131	118
Water & Sewage Spend		£407,000	£326,000	£334,597

The Trust spent £3,542,701 on energy in 2013/14, which is a 8.5% increase on energy spend from last year, which is due to increased market prices.

Waste

Waste		2011/12	2012/13	2013/14
Recycling	(tonnes)	0	0	0
	tCO_2e	0	0	0
Re-use	(tonnes)	0	0	0
	tCO_2e	0	0	0
Compost	(tonnes)	0	0	0
	tCO_2e	0	0	0
WEEE	(tonnes)	0.31	5.5	0
	tCO_2e	0.00651	0.1155	0
High Temp recovery	(tonnes)	0	0	0
	tCO_2e	0	0	0

High Temp disposal	(tonnes)	539.2	542.5	572
	tCO_2e	11.3232	11.3925	12.012
Non-burn disposal	(tonnes)	0	0	0
	tCO_2e	0	0	0
Landfill	(tonnes)	495.2	480	634.42
	tCO_2e	121.0357	117.3205	155.0635
Total Waste (tonnes)		1034.71	1028	1206.42
% Recycled or Re-used		0	0	0
Total Waste tCO_2e		132.3654	128.8285	167.0755
Total cost, £				114, 142

Climate change and the estate

The Trust has established an energy management group to review energy consumption and trends, including Carbon Reduction Commitment (CRC),energy procurement, any adverse Display Energy Certificate (DEC) trends and prioritise invest-to-save capital investment schemes for energy efficiency and return on investment. Current membership of the group is made up of key stakeholders including Trust estates and facilities managers and PFI partners. The group also oversees the climate change agenda which 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) Quick wins
f) Survey works – plant and facilities technical reviews
g) Heating controls, cooling controls and computers
h) Increased sub metering
i) Display energy certificate/carbon reduction commitment
j) Design guide
k) Standardisation.

During 2013/14 the Trust has undertaken a number of capital investment schemes to improve energy efficiency, including:

- Lighting upgrades
- Retained theatre HVAC control upgrades
- Boiler control optimisation feasibility
- Computer power saving software review.

The Trust has also engaged an external carbon accreditation consultant, the Carbon Saver Certification Scheme, to independently assess its sustainability agenda and score the Trust

on its year-on-year carbon reduction. The Trust is reassured by the initial draft findings of this assessment and the score will be verified during 2014/15.

The Trust is also committed to participating in NHS Sustainability Day 2015, which aims to raise awareness of sustainability nationally across the health service.

The second activity 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. The Trust's energy management group reviews the schemes and prioritises them based on energy saving and return on investment.

Remuneration report

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 FT Code of Governance, in Section 420 to 422 of the Companies Act 2006 and the Directors' Remuneration Report Regulation 11 and Parts 3 and 5 of Schedule 8 of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) ("the Regulations") as interpreted for the context of NHS Foundation Trusts and the NHS Foundation Trust Code of Governance.

Details of executive directors' remuneration and pension benefits are disclosed on pages 77 to 81 and also detailed in note 27 in the accounts. This information has been subject to audit.

Remuneration and nominations committee

The Board appoints the remuneration and nominations committee and its membership comprises only non-executive directors. The committee meets to determine, on behalf of the Board, the remuneration strategy for the organisation including the framework of executive and senior manager remuneration. Its remit currently includes determining the remuneration and terms and conditions of the executive and corporate directors, and approving severance payments and Employer Based Clinical Excellence Awards.

During the year, due to the significant changes on the Board of Directors, there have been a number of non-executive directors serving on the committee, but at the end of March 2014 and going forwards, the core members were:

	Attendance:
Sean Lyons (chairman)	5/5
Gerry McSorley (senior independent director)	2/2
Peter Marks	4/4
Claire Ward	2/2

Other non-executive directors serving on the committee during the year were:

	Attendance:
Chris Mellor (until 9 June 2013)	1/1
Stuart Grasar (until 31 October 2013)	1/2
David Leah (until 31 October 2013)	2/2

The committee also invited the assistance of the chief executive (Eric Morton and subsequently Paul O'Connor), the executive director of human resources (Karen Fisher) and since September, the director of corporate services/company secretary (Kerry Rogers). None of these individuals nor any other executive or senior manager participated in any decision relating to their own remuneration.

The committee met on six occasions during 2013/14.

Remuneration policy

The Trust is committed to the governing objective of maximising value over time. To achieve its goals, the Trust must attract and retain a high calibre senior management team and staff and ensure it is positioned to deliver its business plans.

During the year the Trust adhered to the principles of the agreed pay framework that remunerated the performance of the executive directors and corporate directors based on the

delivery of objectives as defined within the annual plan. There are no contractual provisions for performance related pay for executive and corporate directors and as such no payments were made relating to 2013/14. The approach to remuneration is intended to provide the rigour necessary to deliver assurance and the flexibility necessary to adapt to the dynamics of an ever-changing NHS. It is fundamental to business success and is modelled upon the guidance in The NHS Foundation Trust: Code of Governance and the Pay Framework for Very Senior Managers in the NHS (Department of Health).

The key principles of the approach are that pay and reward are firstly assessed relative to the financial performance of the whole Trust and secondly in line with available benchmarks. As a result of the review of executive and corporate director roles and responsibilities undertaken during the latter half of 2012/13 resulting in revised portfolios, new terms and conditions were agreed with effect from 1 April 2013.

In light of the Trust's financial situation, the remuneration policy for the next financial year will not include any performance related pay elements, but all directors' performance will be assessed against delivery of the annual plan and associated corporate objectives and kept in line with recognised benchmarks (Capita and FTN and the wider pay policies of the NHS).

Executive appointments to the Board of Directors continue under permanent contracts and during 2013/14, no substantive director held a fixed term employment contract. The chief executive and all other executive and corporate directors hold office under notice periods of six months except when related to conduct or capability. There were a number of interim members of the Board of Directors during 2013/14, details of which are contained within the annual accounts.

During the year the non-executive directors successfully appointed a new chief executive and three substantive corporate directors – corporate services/company secretary, operations, and strategic planning/commercial development. The non-executive directors also successfully appointed a new executive medical director who will formally take up post during quarter one of 2014/15.

Non-executive directors' remuneration

The remuneration for non-executive directors has been determined by the Council of Governors and is set at a level to recognise the significant responsibilities of non-executive directors in foundation trusts, and to attract individuals with the necessary experience and ability to make an important contribution to the Trust's affairs. They each have terms of no more than three years and are able to serve two concurrent terms (no more than six years), dependent on formal assessment and confirmation of satisfactory ongoing performance. Non-executive directors are able to apply for a third term and are currently required to participate in a competitive process.

Their remuneration framework, as agreed previously by the Council of Governors, is consistent with best practice and external benchmarking, and remuneration during 2013/14 has been consistent with that framework. There were no cost of living increases applied for non-executive directors during 2013/14.

None of the non-executive directors are employees of the Trust; they receive no benefits or entitlements other than fees, and are not entitled to any termination payments. The Council of Governors as a whole determines the terms and conditions of the non-executive directors.

The Trust does not make any contribution to the pension arrangements of non-executive directors. Fees reflect individual responsibilities including chairing the committees of the Board, with all non-executive directors otherwise subject to the same terms and conditions.

During the year the governors appointed a new chairman and six new non-executive directors in accordance with the rules governing appointments of non-executive directors as laid out in the Trust's Constitution.

Termination payments
There were no termination payments made to Board members during 2013/14.

Off-payroll arrangements
Highly paid/or senior off-payroll engagements are detailed in the accounts.

Governor and director expenses
During the year the Trust reimbursed expenses incurred in respect of Trust business as follows:

		TOTAL PAID 2013/2014	TOTAL PAID 2012/13
Paul O'Connor	Chief executive	1,471.90	
Sean Lyons	Chairman	2370.24	N/A
Peter Marks	Non-executive director	0.00	N/A
Gerry McSorley	Non-executive director	243.27	N/A
Ray Dawson	Non-executive director	639.46	N/A
Claire Ward	Non-executive director	43.68	N/A
Mark Chivers	Non-executive director	0.00	N/A
Tim Reddish	Non-executive director	0.00	N/A
Dr Andrew Haynes	Executive medical director	Not on SFHT payroll	N/A
Fran Steele	Chief financial officer	0.00	57.00
Karen Fisher	Executive director of human resources	92.40	194.88
Susan Bowler	Executive director of nursing and quality	233.61	133.37
Peter Wozencroft	Director of strategic planning and commercial development	0.00	N/A
Kerry Rogers	Director of corporate services	0.00	N/A
Jacqui Tuffnell	Director of operations	199.50	N/A
Chris Mellor	Former interim chairman	Not on SFHT Payroll	7,168.00

Eric Morton	Former interim chief executive	Not on SFHT Payroll	1,249.65
Charles Bellringer	Former interim non-executive director	3218.00	1676.00
David Leah	Former interim non-executive director	1327.92	1,327.92
Louise Barrett	Former interim non-executive director	Not on SFHT Payroll	0.00
Manjit Obhrai	Former interim non-executive director	709.84	0.00
Nabeel Ali	Former executive medical director	0.00	425.80
Stuart Grasar	Former non-executive director	325.92	203.04
TOTAL		9403.84	5267.66

Council of Governors breakdown of expenses claimed 2013/2014

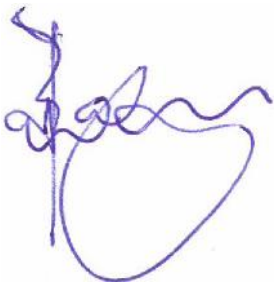
First Name	Last Name		Total paid 2013/2014	Total Paid 2012/13
Samantha	Annis	Staff governor, Newark Hospital	£ 17.40	N/A
Paul	Baggaley	Public governor, Newark & Sherwood (resigned 20.02.2014)	£248.51	N/A
Colin	Barnard	Pubic governor for Ashfield	No Claim	N/A
Jim	Barrie	Public governor for Newark & Sherwood	£232.06	N/A
Alison	Beal	Staff governor, King's Mill Hospital	No Claim	N/A
Wesley	Burton	Staff governor, King's Mill Hospital	No Claim	N/A
Angie	Emmott	Staff governor, Newark Hospital	£21.54	N/A
Craig	Gunton-Day	Public governor, Ashfield	£121.09	N/A
Richard	Hallam	Public governor, Mansfield (resigned 14.01.2014)	No Claim	N/A
Patricia	Harman	Appointed governor, Vision West Notts	£17.64	£12.00
Nicola	Juden	Volunteer governor, Newark Hospital	No Claim	N/A
Andy	March	Public governor, Mansfield	No Claim	N/A
Nigel	Nice	Public governor, Newark & Sherwood	£486.30	N/A
Roz	Norman	Staff governor, King's	No Claim	N/A

		Mill Hospital		
Annie	Palmer	Public governor, rest of the East Midlands	No Claim	N/A
Mick	Parker	Public governor, Ashfield	No Claim	N/A
David	Payne	Appointed governor, Newark & Sherwood District Council	No Claim	N/A
Beryl	Perrin	Public governor, Ashfield	No Claim	N/A
Martin	Stott	Public governor, Newark & Sherwood	£248.46	N/A
Amanda	Sullivan	Appointed governor, NHS Nottinghamshire	No Claim	N/A
John	Swanwick	Public governor, Mansfield	£99.40	N/A
Ron	Tansley	Voluntary governor, King's Mill Hospital	No Claim	N/A
Diane	Wright	Public governor, Mansfield	No Claim	N/A
Valerie	Bacon	Public governor, Derbyshire	£242.49	N/A
Nicola	Waller	Public governor, Derbyshire	£163.57	N/A
Jim	Aspinall	Appointed governor, Ashfield District Council	No Claim	N/A
Yvonne	Woodhead	Appointed governor, Nottinghamshire County Council	No Claim	N/A
Sonya	Ward	Appointed governor, Mansfield District Council	No Claim	N/A
		TOTAL	2125.66	1477.69*

*Due to change in Council of Governors at the end of 2012/13 only total amount shown for comparative purposes

Compliance statement

In compliance with the UK Directors' Remuneration Report Regulations 2002, the auditable part of the remuneration report comprises executive directors' remuneration and non-executive directors' fees



Signed
Paul O'Connor, Chief Executive
Date: 29 May 2014

Statement of Accounting Officer's responsibilities

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 the 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 *NHS Foundation Trust Accounting Officer Memorandum* issued by Monitor.

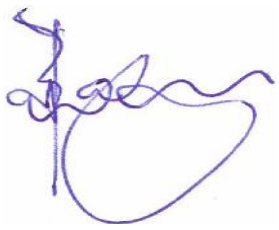
Under the National Health Service Act 2006, Monitor has directed Sherwood Forest Hospitals NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true 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 judgments 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
- Ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance
- 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 

Paul O'Connor, Chief Executive Officer
Date: 29 May 2014

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 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 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*.

Within the Trust, the Board of Directors is supported by a committee structure, reporting through to the Board, to deal with the various elements of governance. A non-executive director (NED) of the Trust chairs each of the Board committees. Following a review of the structure to ensure the appropriate delineation of responsibilities with regard to Board and executive management, a new arrangement will commence from 1 April 2014 with all Board committees being wholly NED membership with executives and senior managers in attendance – in order that we improve the holding to account of executives for the delivery of Trust objectives.

During 2013/14 the audit committee set the direction of the Trust's assurance work carried out by internal audit. There is a robust system in place to ensure that the Trust regularly reviews the effectiveness of its internal controls including the Board Assurance Framework (BAF), which supports the determination of the level of assurance the Board requires and its appropriateness in order to satisfy Board on the effectiveness of its internal controls. The BAF has not for the whole year been as dynamic and robust as is required by the Trust in order to be assured of the effectiveness of managing strategic risks. However, the work undertaken to improve this has been able to demonstrate an audit trail of progress with regard to the management of risk and identification of any gaps in controls, thereby safeguarding progress in the achievement of the Trust's strategic objectives.

Major external reviews at the end of 2012/13 of the Trust's Board and quality governance and of financial governance, conducted by PwC and KPMG respectively, led to significant work in 2013/14 by the Trust in order to remedy weaknesses and shortcomings. The work addressed the Trust's discretionary requirements from Monitor and required that progress be externally validated following the Trust's October declarations. Further reviews were undertaken by PwC and KPMG which reaffirmed the significant progress made and the further work being undertaken to embed the necessary changes to sustain improvement.

Given the challenges faced by the Trust in terms of regulatory actions in particular, the key role of the Trust's project management office this year has been to oversee both compliance and quality assurance in order to assist the Trust in achieving excellence in its service delivery, its quality and service improvement programmes/action plans and its cost improvement plans, thus minimising risk of non-compliance in these areas and helping the Trust accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of assurance processes at the same time as integrating with quality and service improvement to ensure continuously high standards of care.

Externally to the Trust there are arrangements in place for partnership working in order to ensure sustainable and high quality services locally and to explore potential risks which may impact upon other organisations and public stakeholders. The Trust has worked closely with commissioners to review services at Newark Hospital and develop a strategy that has engaged governors and members in its development, and to align the Trust's improvement plans to include all its hospitals within the Better Together programme.

For the year ending March 2014 the Trust has recorded a financial deficit favourable to plan, which in part reflects the continuing work with commissioners to contribute to safeguarding the ongoing viability of the Trust. Commissioners have actively engaged with the Trust during the year regarding supporting service redesign; the management of penalties and contract over-performance and the cost improvement programmes and the dependency on the delivery of commissioner-led demand management schemes to help reduce the non-elective pressures. This cooperative working is reflected in the outturn position.

Significant breach of the Trust's terms of authorisation

As reported in last year's statement, in October 2012, the Trust was declared as being in significant breach of its terms of authorisation by Monitor, the foundation trust regulator, owing to its failure to meet consistently the required standards of Board, quality and financial governance and due to concerns about the underlying financial deficit, the pace of delivery of a sustainable cost improvement programme (CIP) and the PFI funding gap closure necessary to address part of this deficit. The Board's capacity to address these issues was also influenced by significant changes to the Board membership; changes which have continued during 2013/14 in order to address Monitor's concerns. The Trust remained in significant breach until the end of the financial year and has entered 2014/15 with discretionary requirements and an enforcement notice remaining on its licence with Monitor. However the Trust has satisfied a number of conditions through the delivery of significant improvements in year, and is hopeful positive decisions concerning a number of licence conditions, including special measures, will be made during 2014/15.

The Trust has taken Monitor's and the CQC/Keogh concerns extremely seriously, recognising that these failures indicate that the Trust's systems of internal control were not effective in managing risk to an acceptable level in these areas. As a result, during 2013/14 the Trust has taken action to strengthen governance arrangements including risk management to ensure these issues are resolved sustainably as soon as practicable. The rest of this statement explains what has been achieved in this to date and gives some sense of the work still to be completed.

By the end of the year, actions taken resulted in the Trust meeting a significant number of its national targets and plans are in place to improve that position further in 2014/15. The Trust is very proud of its staff in ensuring delivery against these targets during the year but particularly with respect to the Accident and Emergency (A&E) target which was achieved for the year despite exceptional demand, making the Trust one of only a limited number of trusts in the country managing to achieve this despite the considerable challenges in doing so. There has been one never event during the year and work is ongoing to ensure the necessary learning results from this unacceptable outcome of our care.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the 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 Trust for the year ended 31 March 2014 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Trust's Board of Directors provides leadership and a high level of commitment for establishing effective risk management systems across the Trust. The chief executive has overall responsibility for the management of risk by the Trust and responsibility for specific risk management areas has been delegated to the Trust executive.

The risk management strategy clearly identifies the organisation's approach to risk, the executive and non-executive director roles and responsibilities and the structure in place for the management of risk.

Risk management training has been rolled out extensively in the year and provided across all staff groups and there are policies in place to describe their roles and responsibilities in relation to the identification and management of risk. The risk management strategy will be strengthened further in 2014/15 following the outcome of a consultation on revisions to this important strategy. There is evidence of learning actions linked to serious incidents, claims and complaints having taken place, but it is imperative learning is strengthened during 2014/15. Learning from unacceptable levels of care will continue to be strongly supported by dissemination mechanisms concerning safety and quality through such as iCARE newsletters, the work of internal assurance teams and Outcome Guardians and leads for patient safety. These have all supported improvement in both capacity and capability to handle risk and in the quality of services, in addition to improving risk awareness.

The Trust learns from good practice through a range of mechanisms including clinical supervision, individual and peer reviews, performance management and professional development. There is however less evidence than we would like of such improvement through formal mechanisms like clinical audit, application of evidence-based practice and root cause analysis but following a restructure of the governance support unit in year, the Trust will stimulate concerted improvement activity during 2014/15 to ensure the Trust truly becomes an effective learning organisation with a continuous improvement ethos.

The risk and control framework

The risk management strategy sets out the Trust's appetite for risk including the key responsibilities for managing risk within the Trust and the ways in which risk is identified, evaluated and controlled.

The risk assurance committee in particular during the last six months of the year monitored progress with the developments in the Board Assurance Framework (BAF) and corporate risk register, in order to ensure improvements in particular in the Trust's ability to assure itself of the effectiveness of controls to manage its significant risks. The corporate risk register, which supports the assurance framework to ensure new risks are identified and assessed across the Trust, facilitates the escalation of risk management. This uses a scoring system to provide for closer scrutiny by members of the Board. During the year, risks were included in the register by individual departments and divisions, challenged by the project management office and the risk assurance committee, and transferred for Board monitoring through the BAF.

Amongst the most significant of the Trust's risks remain to be around financial recovery. The Board of Directors has taken steps throughout the year to continue to monitor and prepare prudent, risk assessed financial responses to such as liquidity risks. This has included reconciliation regarding future funding assumptions once the impact of Clinical Commissioning Group (CCG) strategies is better understood. Work is continuing with CCGs and health economy partners to understand and manage any future changes to commissioning intentions, particularly relating to Better Together.

All staff are responsible for responding to incidents, hazards, complaints and near misses in accordance with policies. Divisional clinical management teams are responsible for developing and maintaining local risk registers which are monitored through a combination of the clinical management team (CMT) meeting, the risk and assurance committee and the clinical governance and quality committee in addition to monitoring through service and divisional clinical governance committees.

The risk management strategy is supported by:

- Accountability arrangements and the BAF
- Risk scoring matrix to ensure a consistent approach
- Policy for the reporting, investigation, management and analysis of incidents, complaints, concerns and claims including the management of serious untoward incidents
- Induction programme and mandatory update training programme
- Quarterly and monthly quality, safety and experience reports including the reporting of serious incidents, monitored by the clinical governance & quality committee.

The BAF was in place during 2013/14, although it has been necessary during the year to begin significant improvement work which has been monitored by the Board members to ensure a more concentrated focus on the key strategic risk areas. The Trust's new governance arrangements are founded on the operation of the BAF and will be developed to include the presentation and scrutiny of information to evidence assurance of control effectiveness at the audit and assurance committee as an enhancement to assurance processes commencing in 2014/15.

The BAF for 2013/14 was developed by the Board of Directors in collaboration with KPMG. The internal audit plan and counter fraud plan were approved by Board members at the beginning of the year and aligned where appropriate with the BAF. The audit committee has determined the level of assurance the Board has required in deliberating internal audit reports and the appropriateness of management responses, in order to satisfy Board on the effectiveness of its internal controls. The strategic risks during the year have been particularly concentrated around the Trust's financial position as stated previously in this statement and other areas of focus are included later in this statement.

A *True for Us* programme was introduced in quarter three in order to measure the Trust's control environment against such as high profile industry and cross industry failings to determine if the Trust's controls would withstand scrutiny. Alongside this is a robust confirm and challenge programme that enhances Board scrutiny against the quality governance framework. Both initiatives will be further developed and strengthened in 2014/15. The key elements of the quality governance arrangements are:

- Developments in the Trust's quality and risk management strategies
- The Trust's quality accounts (reported through the Board quality reports) and integrated performance reports which enable the regular tracking of progress against quality goals by the Board of Directors. These include all national, regional and local indicators as well as national priorities
- Significant work to improve risk registers and develop the corporate risk register with enhancement to risk registers across divisions of the Trust which are regularly reviewed by committees at the appropriate level including the Board's risk and assurance committee
- Appropriately skilled members of the Board of Directors provide rigorous challenge to the quality governance processes through receipt of reports relating to quality

governance which are standing items on Board of Directors meeting agendas and the clinical governance and quality committee which include:
    - Quarterly and monthly reports from the executive director of nursing which include patient safety and patient experience issues e.g. incidents, complaints and themes and learning in addition to results of local and national patient surveys
    - Internal audit and external audit reports
    - An appropriate lead for each principal risk contained within the BAF

- Board members have played an active role in the delivery of quality improvement objectives, for example during 2013/14 members of the executive and non-executives have walked the floor to deliver unannounced assurance visits, have delivered confirm and challenge sessions, and have participated in the launch of *Quality for all* and the associated engagement events
- The Board approved a new raising concerns (whistleblowing) policy developed in conjunction with *Public Concern At Work* and members of the Board participated in externally facilitated training along with key members of staff responsible for enhancing staff's confidence in reporting concerns. Incident reporting mechanisms have been developed further and department visits and confirm and challenge sessions have confirmed that confidence in reporting harm and errors was evident by the responses received
- Staff members continued to lead on quality improvement initiatives such as falls and pressure ulcer prevention schemes, venous thromboembolism (VTE) work and the reporting of these successes through the Trust's internal communication mechanisms such as Team Brief and iCARE communications
- The quality of performance information has had some internal audit focus to assure elements of the information on which the Board relies, but more work needs to be done in 2014/15 in terms of a clear direction to include:
    - The Trust's data quality strategy
    - Work to develop a data assurance methodology which quality assures the data used to underpin all indicators contained within the Trust's quality report and Monitor submissions
    - Regular review of data quality processes by internal and external audit.

Reviews of data quality and the accuracy, validity and completeness of all Trust performance information falls within the remit of the audit committee, which during the year has been informed by the reviews of internal and external audit and internal management assurances. This included external assurances on the quality report as part of the mandatory scope of the external auditor and the focus of the internal audit plan in 2014/15 will ensure a deeper understanding of the effectiveness of our data quality validation processes.

Information governance (IG) is the responsibility of the chief financial officer, who is the Trust senior information risk owner (SIRO) supported by a network of information asset owners who ensure the integrity of, and access to, the systems they are responsible for. The reporting and management of both data and security risks are supported by ensuring that all Trust employees are reminded of their data security responsibilities; through education, over 4,200 staff members received mandatory IG training in 2013/14. Regular reminders are shared via staff communications, and near misses and lessons learned are used as supporting tools for this whole Trust education process.

During the year, the risk and assurance committee has overseen the IG group for the Trust which includes the Caldicott Guardian and the SIRO, and reported incidents and actions taken are a regular agenda item, via both the Caldicott Log, and the ad-hoc task and finish approach. All IG related serious incidents are reported via the IG toolkit, and communicated to

the Information Commissioner. During 2014, an additional group has been created to manage the implementation of the Information Governance Review – Information to Share or Not to Share.

The IG group is responsible for the delivery of the IG toolkit. All standards were allocated 'standard owners' during 2013/14, with each 'owner' understanding the requirement to report activity to the IG group, including any risks to compliance. Across the Trust a full review of information flows has been undertaken in support of the IG toolkit, and information asset owners allocated for all information assets, undertaking risk assessments of data at rest. The Trust will maintain its satisfactory 'green' rating for the 2013/14 submission of version 11 of the IG toolkit, and all IG and ICT policies have been reviewed for this submission.

Assurance for security of ICT connectivity and networks is via regular external penetration testing, which is provided by 360 Assurance who provide our internal audit services. The Trust audit committee reviews any actions highlighted via these audits for service improvement. In order to provide assurance to the Trust of the encryption of data held on mobile devices, McAfee Endpoint is part of the standard software included on all laptops deployed for the Trust. Tablets and smartphones that connect to the Trust's network are secured using the Airwatch mobile device management solution. This procedure has been reinforced by the revision of the Trust's electronic remote working and information security policies.

There has been one reportable incident relating to IG in the past year; it was reported as a near miss and a report was submitted to the Information Commissioner. Actions were taken immediately and safer systems of work have been put in place.

The Trust is not fully compliant with the registration requirements of the CQC but hopes that, given the improvements made across the year, this position will be significantly improved when it receives the outcome of the planned CQC inspection in April 2014 following the positive reaction to our improvement activity during its December 2013 visit to the Trust. Further details of our quality priorities and targets are contained within the quality report.

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 into 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.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

The 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. The Trust is committed to reducing its carbon footprint in line with the NHS Sustainable Development Unit targets. It will articulate this commitment further in a carbon policy in 2014 which will be monitored by our energy management committee. Adaption reporting uses a risk assessment approach in conjunction with resilience planning founded on weather based risks e.g. heat wave, extreme cold, drought and flood. Further information is included within the body of the annual report.

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

The work of the Board and its committees has facilitated the organisation's effective and efficient operation, albeit in very challenging times, by enabling it to respond appropriately to significant business, operational, financial, compliance and other risks to achieving the Trust's objectives. This has included the continued safeguarding of assets from inappropriate use or from loss and fraud and ensuring that liabilities are identified and managed. The external views of our Board, quality and financial governance systems have led to a number of changes during the year to the control environment along with the beginnings of a strengthened, risk based focus to decision making, all of which support delivery of the ambitions detailed in the corporate governance statement issued in the 2013/14 annual plan submission.

Improvements in year regarding the review of the strategic risks facing the organisation by the Board through the BAF have enabled more timely and proactive action to be taken. Further improvements are required in this area, particularly given the Trust's financial challenges amplified by the impact of massive changes to public sector funding, and the resultant constrained economic environment within which the Trust is required to operate. Going forward, the magnitude of the savings required to meet the financial challenges faced by the Trust will continue to require tight control of all expenditure. Continuance of quality impact assessments will be key to safeguarding the quality of the service delivered to our patients during periods of significant cost reduction.

The Trust has ended the year with a Continuity of Services rating of one which is included in more detail in other sections of the annual report but is the poorest rating within the risk assessment framework issued by Monitor. The Trust has delivered a marginally improved financial position compared to plan for the year, but it remains in a financially challenged position with a remaining and significant underlying deficit. The Trust has worked closely with commissioners and Monitor to manage contractual risks and its liquidity position. The Trust has engaged with commissioners regarding the proposed service changes as part of the Better Together programme for future service provision, and the forecast 2014/15 plan is in line with previous submissions to Monitor but is not forecasting improvement in the Trust's financial position for at least five years.

Liquidity support (Public Dividend Capital - PDC) was agreed with Monitor and the Department of Health in October 2013, and drawn down as forecast in February and March 2014. Discussions are ongoing regarding the requirements for 2014/15. Liquidity is a significant factor in assessing an organisation's ability to continue as a going concern, and at the date of this statement there is no reason to conclude that PDC support will not be available for 2014/15, and it is therefore the Trust's intention to prepare its accounts on a going concern basis. A detailed going concern paper was reviewed and approved by the audit committee in support of this assessment, and is subject to external audit review.

The Trust is likely to remain in breach of its terms of authorisation/licence throughout 2014/15 due to its underlying deficit and the need for financial support in connection with capital and revenue cash support throughout the year ahead. However significant progress is being made in support of either potential removal of/changes to the conditions regarding Board and quality governance based on the results of external validation reviews and visits. However at the date of publication of the accounts, the Trust traded at a loss for 2013/14 and is forecasting trading loss for 2014/15 and as such, the financial elements of licence conditions are likely to remain in place.

A tight programme management office concentration will need to continue into 2014/15 and beyond and the executives are driving the focus around admissions and length of stay, these being fundamental to realising cost effectiveness and allowing for the inevitable reduction

required in bed stock and associated costs in order to meet the significant cost reduction strategies required across the next three to five years.

The Board has considered its principal risks during the year and ensured appropriate mitigations. Amongst those risks have been capacity to deliver the Board, quality and financial governance plans which were shaped through external reviews in January 2013. These covered in particular areas concerning complaints, risk management and mortality rates. Additionally the BAF included risks concerning finance and liquidity, PFI solutions, CIP delivery, the ability to recruit and retain skilled and experienced staff and over-reliance on agency staff and the potential misalignment with the Better Together programme. The Trust's control environment mitigated the impact of those risks during the year.

In order to transform the way the business delivers healthcare, many of the building blocks in terms of good corporate and clinical governance have been addressed and some have been externally assured and positively reflected upon through such as the governance reviews and Keogh and CQC follow up visits in December 2013. The Trust will continue to progress its improvement strategies through an integrated improvement programme for transformation and the Board has made clear the need for early identification of the benefits to be realised in order to monitor and measure the intended success of this transformational programme.

It is imperative that the Board continues to closely monitor progress of the Trust's advancement against its Board and quality governance action plans and against the required actions to secure the necessary cost reductions and external liquidity/PFI funding requirements. Appropriate levels of assurance will be commissioned by the Board to satisfy itself that risk is being managed effectively and the audit committee is reasonably confident that significant progress is being made in this regard.

Annual quality report

The directors are required under the Health Act 2009 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.*

The quality report presents a balanced picture of the Trust's performance over the period from 1 April 2013 to 31 March 2014 and indicates that there are appropriate controls in place to ensure the accuracy of data. These controls include:

- Corporate level leadership for the quality account is aligned to the executive director of nursing and quality and operationally led by her deputy and associate directors and clinical leaders
- Quality governance and quality and performance reports are included in the Trust's Board assurance reporting framework. The BAF report is completed by the responsible executive and corporate directors
- Internal audits of some of our indicators have tested how the indicators included in the quality report are derived, from source to reporting, including validation checks.

All indicators included within the quality report are reported on a regular basis within the monthly and quarterly quality report. Reports are shared with the clinical governance and quality committee, with divisions and with the Board. Specific indicators within the report are also monitored and reported via the monthly performance reports and are also shared across all services and the Board. The director of operations and other executive members meet with all service units on a regular basis to discuss quality metrics and performance in relation to these.

The full annual quality report is included within the annual report and describes how a wide range of stakeholders have been engaged in the Trust's *Quality for all* activity. The same assurance processes are utilised for other aspects of the Trust's performance. Further work will commence in 2014 to ensure the robustness of the Trust's policy framework in supporting effective risk management across clinical and non-clinical areas and also in areas that will give greater certainty that what is reported is an accurate reflection of what has actually happened in terms of the quality of data on which the Board relies. Key elements of the Commissioning for Quality and Innovation (CQUIN) programme and quality report are reported quarterly to the Board of Directors and divisional management teams. A limited assurance opinion on a number of indicators in the quality report has been provided by the Trust's external auditors.

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 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 this 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 and the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Board of Directors and its committees have met regularly and kept arrangements for internal control under review through discussion and approval of performance and quality as indicators of effective control.

The head of internal audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work. Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance via regular Board and management board reports which support the dynamic nature of the Board's Assurance Framework (BAF). The BAF itself and the work of the audit and risk and assurance committees provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. My review for 2013/14 is also informed by:

- Board assurance statement which specifically details risk and assurance work across the year
- Regular executive reporting to Board and escalation processes through the Board committees
- Assessment of financial reports submitted to Monitor, the independent regulator
- NHSLA assessments (Maternity Level 2 assessment in year)
- Health and Safety Executive assessments
- External validations and peer reviews
- The Care Quality Commission and Keogh team's recent visits and feedback
- Results of national patient and staff surveys
- Investigation reports and action plans following serious incidents and near misses and learning events
- Responses to all formal written complaints
- Monitor governance declarations.

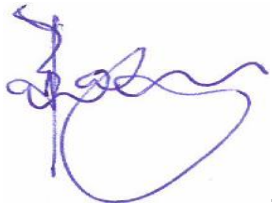
The Board is continually reviewing its assurance process to ensure continuous improvement of the systems and infrastructure in place. The governance structure and assurance reporting framework has ensured a regular review of systems and action plans to assure the Board of the effectiveness of the systems of internal control.

The audit committee, supported by the detailed work undertaken by the finance and performance committee, has provided the Board of Directors with an impartial and objective review of financial and corporate governance, and internal financial control, receiving reports from external and internal audit. Internal audit has reviewed and reported upon control, governance and risk management processes, driven by an audit plan approved by the audit committee. The work included identifying and evaluating controls and testing their effectiveness. Where scope for improvement was found, recommendations were made, appropriate action plans agreed with management and progress monitored.

Conclusion

My review confirms that Sherwood Forest Hospitals NHS Foundation Trust has a reasonably sound system of internal control that supports the achievement of its policies and objectives all of which has been much improved over the last year, with no significant control issues that have been indicative of systemic deficiencies in the control environment. Actions have been taken where weaknesses have been identified (e.g. financial, Board and quality governance, information governance, never events, serious incidents) and are identified within this statement as relevant and the Board is clear on the additional improvements that need to be progressed in 2014/15.

The Board is however, albeit through monthly financial submissions, still being monitored closely by Monitor which will continue while the Trust remains in significant breach of its authorisation/licence conditions. The Board will continue to progress cost reduction strategies and the close project management of cost improvement plans, and further enhance assurance arrangements in order to ensure continued financial recovery in significantly challenging times for the Trust and for the NHS and to ensure the protection of high quality services for all.



Signed .

Paul O’Connor, Chief Executive

Date: 29 May 2014

Sherwood Forest Hospitals NHS
NHS Foundation Trust

Quality Report 2013/14

Quality Report 2013/14

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. The quality of care is our most important characteristic for our patients, their families and carers. At the heart of everything we do is our dedication to giving the best possible care for our patients; safely, respectfully and efficiently. The 2013 Francis, Keogh and Berwick reports have highlighted the need for NHS organisations to refocus on quality and improvement through learning, and on nurturing the cultural features which facilitate this. This is consistent with the ambition that NHS care providers achieve world-class healthcare outcomes.

Sherwood Forest Hospitals NHS Foundation Trust has experienced an extremely challenging time in relation to demonstrating the quality of its healthcare systems. Sir Bruce Keogh, NHS Medical Director undertook a review of the quality of care and treatment provided by those Trusts in England which were persistent outliers on mortality statistics. Sherwood Forest Hospitals was one of 14 trusts which fell in the scope of this review. The initial rapid response review took place on 17 and 18 June 2013, and resulted in a report and risk summit which identified 13 urgent and 10 high and medium actions required to improve the quality and safety of our services. Following this, the Trust was placed into special measures with an assurance review undertaken by the Keogh panel on 4 December 2013. This review identified that of the 23 actions the Trust had been required to implement, they felt 'assured' on six actions and 'partially assured' on 17 actions. The panel recorded an outcome of 'partially assured' where there was evidence of progress, but implementation was not complete, the outcomes were not yet evident or it was too early to tell if the changes were embedded and sustainable. There were no areas or actions recorded as 'not assured'.

During 2013/14 the Care Quality Commission (CQC) undertook two visits, following which, in July 2013, it found that the Trust was non-compliant in five CQC outcomes. A further planned inspection using the new CQC regulatory model was due to take place in April 2014. We look forward to receiving the CQC's formal assessment of its inspection later this year.

The Trust has much to be proud of. First and foremost we are tremendously proud of the dedication of our staff in the way they care individually and collectively for each and every one of our patients and their families, carers and visitors. The Trust is now demonstrating improvements in many aspects of leadership, effectiveness and care. This quality report clearly articulates our journey and the progress we have made over the past 12 months but recognises there is much still to do.

Our *Quality for all* strategy maps out how we want to develop our Trust; our patient experience and involvement strategy describes our plans to improve patient experience and our organisational development strategy focuses on the work we will do to ensure our staff are passionate about working for our organisation, proud of the difference we make for people and inspired to continuously improve all we do. Our patient safety and quality strategy will ensure our patients are first and foremost in what we do to make quality everyone's business. The implementation of our patient safety and quality strategy will strengthen confidence and pride in our Trust and our patients will be assured that we are working towards being the best in our class**.**

The Trust has delivered many successes over the past 12 months including:

- A reduction in mortality rates from 120 (above average) to within normal range
- Zero grade four pressure ulcers for 12 months across the Trust

- A 25 per cent reduction in grade three avoidable pressure ulcers across the Trust
- A 30 per cent reduction in grade two avoidable pressure ulcers across the Trust
- 95 per cent of patients screened for Venous Thromboembolism (VTE or blood clots)
- A 15 per cent reduction in cardiac arrests
- Consistently good performance in our Friends and Family test, with a score of 4.5 out of five
- Improvements in dementia care, which includes 95 per cent of emergency admission patients aged 75 and over screened, assessed and referred onto specialist services within 72 hours.

It is from this solid foundation that we will drive further improvements. We will build upon these successes so that the Trust is recognised nationally as an organisation which delivers high quality, clinically excellent care. The NHS has a plethora of targets but performance is not just about targets, it is about people and individual needs. The focus on quality and safety is vital if we are to understand and meet those needs.

We still have areas to improve upon: we have failed to deliver our infection control targets, although we remain a high performing trust in relation to infection control outcomes. We need to continue to engage our local communities and our patients in developing and delivering our services. Although we have actively sought the views of our patients during 2013/14, we wish to build upon this, particularly improving the response rates to our Family and Friends test and patients becoming part of the review of our complaint responses.

Our Trust strategic objectives will drive our quality strategy, underpinned by our values:

- **C**ommunicating and working together
- **A**spiring and improving
- **R**espectful and caring
- **E**fficient and safe.

We rightly have a duty of candour to be honest and transparent about the areas where we need to make improvements. For our three key priorities we believe we have further work to reduce our mortality rate and will continue to drive this important objective next year. Although we have made progress in falls during 2013/14, we feel we have further work to reduce the number of patients who fall whilst in hospital. Finally, we are passionately committed to implementing our patient experience and involvement strategy. This will enable us to drive the improvements that our patients and their carers felt would make a positive difference to their experience of care at the Trust.

This year's quality report 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 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.

Paul O'Connor
Chief Executive

2.0 Overview of priorities and Board statements of assurance

2.1 Priorities for improvement in 2014/15

Our framework for service quality is modelled around the three domains of quality identified by Lord Darzi in 2008 and adopted across the NHS. It says that care provided by the NHS will be of a high quality if it is:

- Safe
- Effective
- with positive patient experience.

The priorities we have agreed upon for 2014/15 have been based around our guiding principles in relation to quality and safety, which are:

Principle 1: We will build on our strengths and previous successes on quality initiatives already in place, and on our clinical governance infrastructure

Principle 2: We will aim to eliminate all avoidable patient deaths and avoidable harm events

Principle 3: We recognise the benefits of community integration, and will ensure our safety and experience systems follow the patient's journey

Principle 4: We will ensure every member of staff is aware of their individual role and contribution in achieving our quality objectives, aligning to our *Quality for all* values and behaviours

Principle 5: We will implement a proactive safety and learning culture, integrating risk management activity into our day to day practice

Principle 6: We will listen and involve patients to ensure the care we provide reflects our vision for patient experience. "**I want to go there because I know it's the best place to be cared for"** because we:

- Deliver the best possible outcomes
- Provide safe, efficient, timely care – in a caring, respectful way
- Deliver as close to home as possible
- Have professional staff who listen and involve patients, carers and colleagues as part of the team
- Anticipate and understand patient and carer needs and tailor services to best meet them
- Involve patients and internal customers in continuous improvement and innovation.

We have used the following information to identity our priorities for 2014/15:

- The feedback from our 'In our Shoes' events in which over 120 patients, carers and their families told us about their experience and what was important to them
- Stakeholder and regulator feedback and comments; particularly in those domains which support the Better Together programme and the opportunity for partnership working

- Our commissioners' observations and feedback, linking with our Commissioning for Quality and Innovation (CQUIN) priorities
- Our national inpatient and outpatient surveys (2013)
- Governor comments and ideas during the year and at Council of Governors forums
- Themes arising from our complaints and Patient Advice and Liaison Service (PALS) information
- Internal performance metrics e.g. our falls data
- Internal and external reviews e.g. Board and quality governance review, cancer peer reviews
- Health Service policy
- Our staff, in particular the outputs from our *Quality for all* initiative and the launch of our new organisational values.

The intelligence from the above has recently been utilised to develop a number of key strategies for the Trust including our patient safety and quality strategy, our patient experience and involvement strategy and our organisational development strategy. Across these strategies, we have identified a long list of specific priorities for 2014/15, from which we have identified the three key priorities for 2014/15. The three key priorities chosen were consistently requested as important areas for improvement by our governors, the Health Scrutiny Committee, the Trust Board and our staff through the quality strategy preparatory work. Our top three priorities are shown in the table below:

Key priority one	**Reduce mortality as measured by Hospital Standardised Mortality Ratio (HSMR)**	o Headline and specific HSMR within the expected range o To have an embedded mortality reporting system visible from service to Board o Eliminate the difference in weekend and weekday HSMR
Key priority two	**Reduce harm from falls**	o Total falls < 7 per 1,000 occupied bed days by quarter four (quarter on quarter reduction) o Falls resulting in harm <1.7 per 1,000 occupied bed days by quarter four (quarter on quarter reduction) o Reducing the number of patients who fall more than twice in hospital (baseline quarter one 2014/15) o Reduce the number of fractures from falls to <25 for 2014/15
Key priority three	**Improve response rates and scores in the patient and staff Friends and Family test**	o Increase our friends and family response rate to 50 per cent by October 2014 o To improve the score to 80 per cent by March 2015

Our three key priorities for 2014/15

Priority one - reduce mortality as measured by Hospital Standardised Mortality Ratio (HSMR)

Why does this remain a priority?
Although we have made significant improvements during 2013/14, this remains an area that we feel we need to drive forward and sustain. Maintaining the Hospital Standardised Mortality Ratio (HSMR) within the expected range is an ongoing process which therefore requires a continuous focus. It gives a high level measure of the care delivered at the Trust and provides an indicator of potential problems.

Why do hospitals measure mortality rates?
Mortality rates are one potential indicator of the quality of clinical care within hospitals which can identify areas of concern and track improvements over time. Simply measuring the number of deaths over time is a crude measure which will increase if the number or type of patients admitted changes over time. It therefore does not allow comparison between hospitals in a meaningful way.

Standardised mortality rates are a way of allowing comparison between hospitals. Effectively by looking at the predicted number of deaths for given conditions in a very large population we can predict the number of expected deaths over a period of time for a given hospital. Comparison of the predicted and expected numbers gives a ratio so that any number above 100 means there were more deaths than expected. This is the HSMR described by Dr Foster.

The HSMR measures whether the number of people who die in hospital is higher or lower than you would expect. 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.

A HSMR above 100 may be an indicator of avoidable deaths related to the quality of clinical care. The number will vary from one month to the next and therefore it is usually described as a normal range; values within this indicate no unexpected excess deaths. If a hospital population differs significantly from the average seen across England, or the accuracy with which a hospital codes activity is significantly different to the average, then the HSMR may give a false flag.

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 highlight potential 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 HSMR allow us to see whether death rates in hospitals are changing. 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'.

What did we aim to achieve in 2013/14?

- To reduce the HSMR by 10 per cent
- To identify the deteriorating patient quickly.

We have now invested 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 is being implemented in conjunction with other initiatives to drive changes in practice.

In 2013/14, our mortality programme reviewed the leading causes of inpatient deaths contributing to the higher than expected HSMR. The work streams we identified included:

1. Improving clinical care

- Management of the deteriorating patient
- Sepsis management
- Acute kidney injury management
- Care of pneumonia
- Acute myocardial infarction (heart attack)/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 and comfort rounds' (Intentional Rounding).

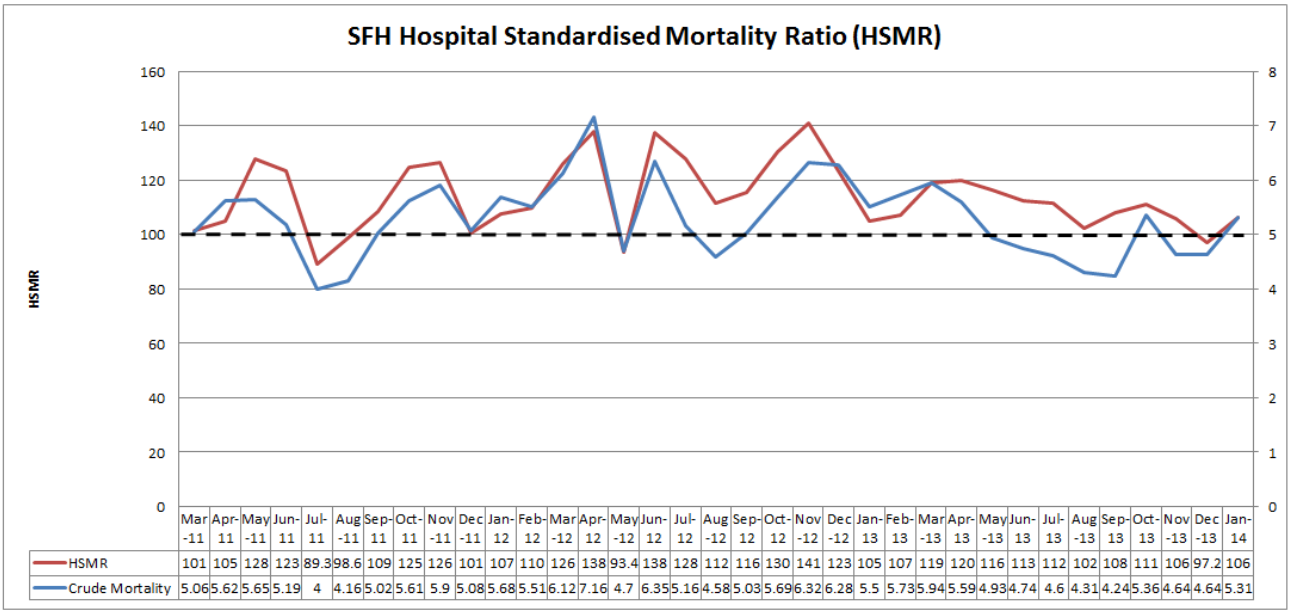
As part of our mortality work stream we undertook the following additional actions:

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

In 2013/14 we also:

- Implemented an improved process for detection and management of the deteriorating patient
- Established working groups to define and implement best practice for clinical processes such as ward round handover
- Expanded the end of life group to include community representation and implement policies to begin to reduce unnecessary admissions to hospital, improve end of life care and expand choices available for patients at the end of their life
- Implemented a sustainable coding project
- Continued to involve GP commissioners and community colleagues in our mortality work streams.

What impact have we seen so far?



	Mar -11	Apr 11	May -11	Jun- 11	Jul- 11	Aug -11	Sep- 11	Oct- 11	Nov -11	Dec -11	Jan- 12	Feb- 12	Mar -12	Apr- 12	May -12	Jun- 12	Jul- 12	Aug -12	Sep- 12	Oct- 12	Nov -12	Dec -12	Jan- 13	Feb- 13	Mar -13	Apr- 13	May -13	Jun- 13	Jul- 13	Aug -13	Sep- 13	Oct- 13	Nov -13	Dec -13	Jan- 14
HSMR	101	105	128	123	89.3	98.6	109	125	126	101	107	110	126	138	93.4	138	128	112	116	130	141	123	105	107	119	120	116	113	112	102	108	111	106	97.2	106
Crude Mortality	5.06	5.62	5.65	5.19	4	4.16	5.02	5.61	5.9	5.08	5.68	5.51	6.12	7.16	4.7	6.35	5.16	4.58	5.03	5.69	6.32	6.28	5.5	5.73	5.94	5.59	4.93	4.74	4.6	4.31	4.24	5.36	4.64	4.64	5.31

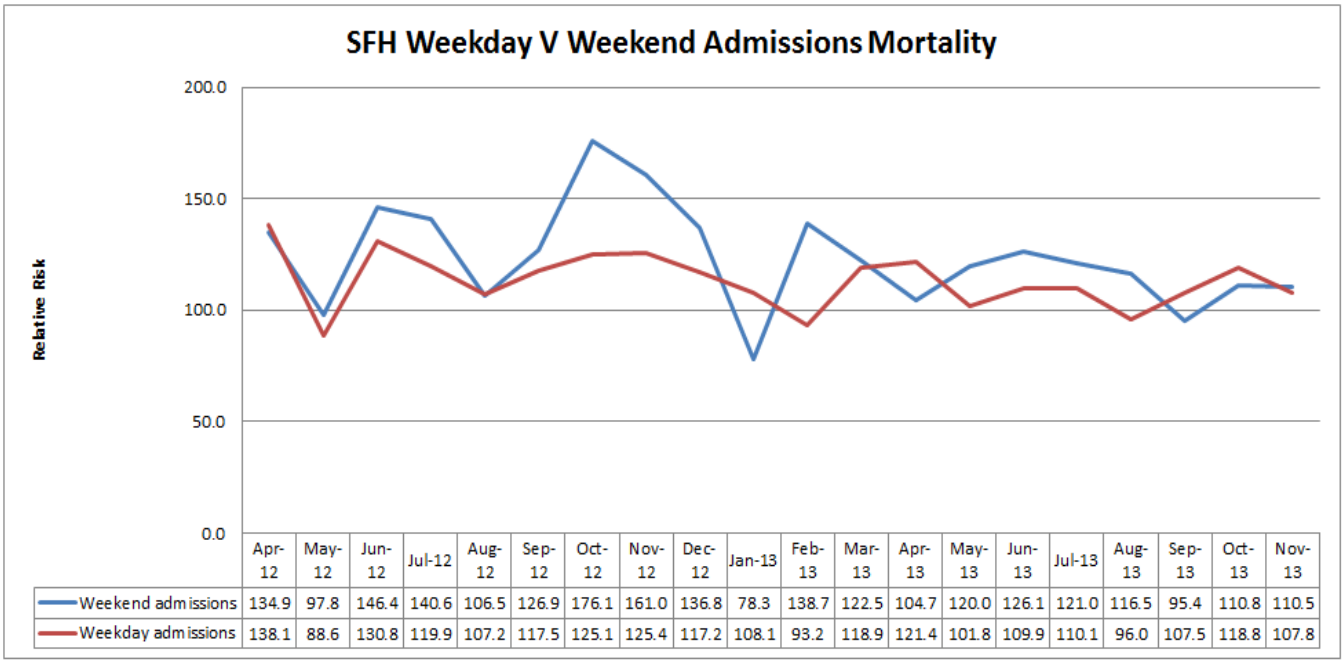
The HSMR position has consistently improved from a peak in quarter four of 2012 throughout 2013. The crude mortality rate has fallen despite activity levels being unchanged. The increase in crude mortality in quarter four of 2013 has not been accompanied by a rise in HSMR suggesting that these deaths were expected end of life events. The repeated pattern of increased crude mortality in quarters three and four reflects the increased number of deaths seen nationally every year during winter months. We have also been constantly improving the quality of our data collection regarding mortality.

The HSMR peaked at over 120 in 2012 but since then has consistently fallen to 107 at the end of quarter four of 2013/14 and is currently within the expected range. Our national position has also improved. For the year 2012/13 we were at the bottom of the national benchmarking but since then at end of quarter four we have moved up 14 places.

In December 2013, NHS England's National Medical Director Sir Bruce Keogh set out a plan to drive seven day services across the NHS over the next three years. The findings of the *Forum on NHS Services: Seven Days a Week*, point to significant variation in outcomes for patients admitted to hospitals at the weekend across the NHS in England. This is seen in mortality rates, patient experience, the length of hospital stays and readmission rates. For example, the increased risk of mortality at the weekend could be 11% higher, according to an analysis of over 14 million hospital admissions in 2009/10.

Causes include variable staffing levels in hospitals at the weekend; fewer decision makers of consultant level and experience; a lack of consistent support services such as diagnostics and a lack of community and primary care services that could prevent some unnecessary admissions and support timely discharge.

Since 2012, the Trust has been working to reduce the difference between weekday and weekend mortality. The graph below shows that our weekend mortality remains elevated above weekday but the position continues to improve with a significant reduction in the variation and narrowing of the gap. This has been achieved by providing better junior and senior medical cover out of hours and standardising the pathways of care delivered to patients.



	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13
Weekend admissions	134.9	97.8	146.4	140.6	106.5	126.9	176.1	161.0	136.8	78.3	138.7	122.5	104.7	120.0	126.1	121.0	116.5	95.4	110.8	110.5
Weekday admissions	138.1	88.6	130.8	119.9	107.2	117.5	125.1	125.4	117.2	108.1	93.2	118.9	121.4	101.8	109.9	110.1	96.0	107.5	118.8	107.8

What do we aim to achieve in 2014/15?

Our overall HSMR has come down significantly and our aim for mortality is to maintain our position close to the benchmark HSMR and in line with our peers. We have therefore set a target that our HSMR will be within expected range and below 100. We also aim to eliminate the difference between weekend and weekday HSMR, whilst sustaining improvement and continuing a robust monitoring process.

What actions will we undertake in 2014/15?

- Continue the significant clinical work undertaken to recognise and respond to acutely ill patients with optimised recognition of infection, intensive care outreach and appropriate response to kidney injury
- Continue to identify any areas/issues of concern. In the past, these were highlighted by alerts from Dr Foster, but our sustained improvement means that we are no longer receiving alerts. We are working with the specialities to monitor themes and trends through mortality review and to create a bed to Board reporting system
- Monitor pathways and services to ensure that improvements are sustained and that any new challenges are identified and dealt with as they arise
- The patient safety team, now comprising both the patient safety lead and patient safety fellow will continue to drive forward the patient safety programme
- Continue the liaison between hospital and community teams around issues concerning end of life care in order to offer patients and their families the right options for them
- Build on the improvements that have been made in the area of coding to sustain these and remain consistent.

Monitoring and reporting

Our mortality group and patient safety steering group monitor the progress of this work and report into the clinical governance and quality committee. To strengthen reporting further during 2014/15 we will:

- Establish a standardised reporting structure for mortality from clinical teams to management executive
- Enable clinical teams to use the Dr Foster data system to track key indicators
- Enhance the training, profile and presence of the patient safety team
- Share our learning internally with staff and patients with the development of a patient safety hub

- Share our learning externally with local, regional and national groups to foster a reputation for innovation in patient safety.

Executive sponsor: executive medical director

Priority 2 – reduce harm from falls

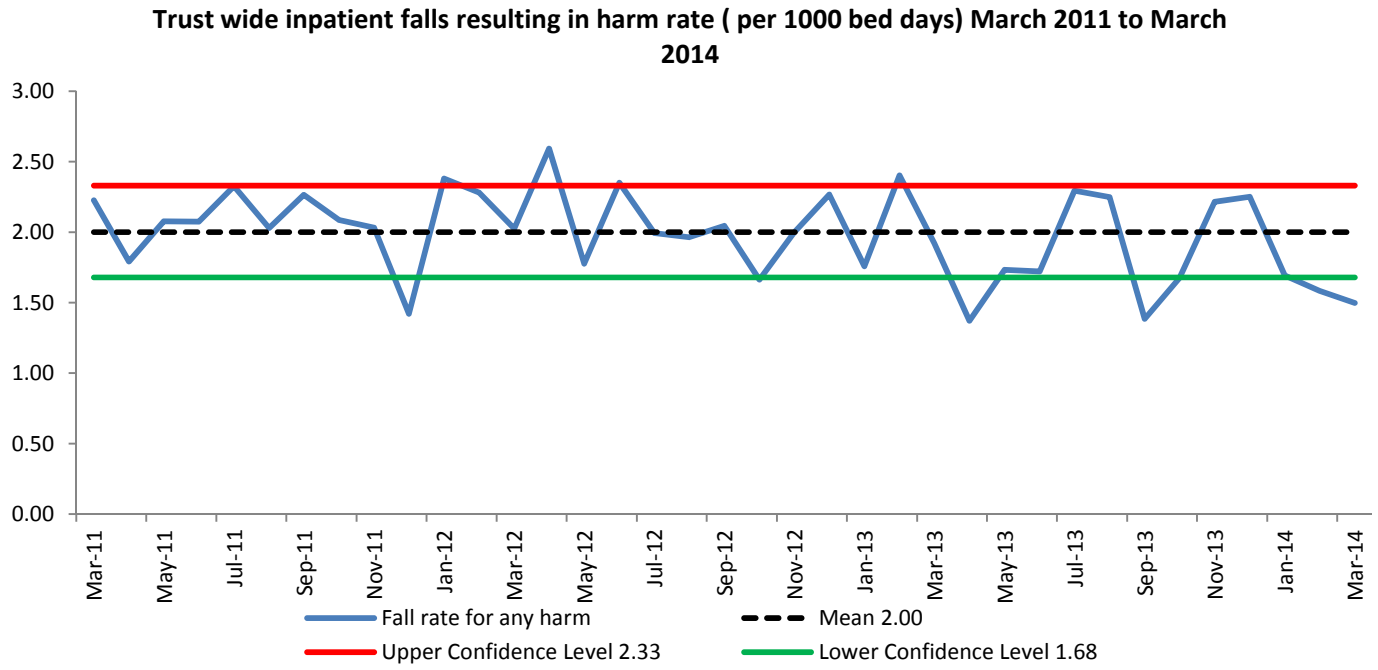
Why is this a priority?
Falls can cause significant harm. Around 170 falls are reported per month. The recommended approach for calculating an organisation's fall rate is per 1,000 occupied bed days. The Trust-wide inpatient falls resulting in harm rate (per 1,000 occupied bed days) has remained at a consistent position with no obvious deterioration or improvement. We are firmly committed to reducing the number of patients who fall repeatedly whilst an inpatient as we believe there is more work we can do to prevent this from occurring.

What are we aiming to achieve in 2014/15?
Our targets for 2014/15 are to:

- Capture the number of fallers (non-elective admissions via the emergency admissions unit) in the age group of 65 years and over, to enable the whole health community to understand the extent of the work required going forward
- Reduce the number of patients who fall resulting in harm to <1.7 per 1,000 occupied bed days by quarter four
- Reduce the total number of patients who fall to < 7 per 1,000 occupied bed days by quarter four (quarter on quarter reduction)
- Reduce the number of patients falling more than twice during their inpatient stay (baseline to be recorded in quarter one of 2014/15)
- Reduce the number of fractures from falls to <25 for 2014/15

Reduction in repeat fallers and undertaking falls assessment is a CQUIN for 2014/15.

What did we aim to achieve in 2013/14?
There are a number of ways we monitor how we are doing with falls. We undertake a monthly audit called the NHS safety thermometer and this gives us a snapshot of how many patients have had a harm event. This includes falls, blood clots, pressure ulcers and catheter associated infections. According to our safety thermometer data our falls and falls with harm rates are within the expected range. We also measure the number of patients who have fallen daily through our DATIX system and this also provides us with information on whether the patient sustained any harm from the fall. The results are shown in the graph below:



We agreed locally with our commissioners, as part of our CQUIN work plan, to reduce our falls resulting in harm rate to less than 1.79 per 1,000 occupied bed days by the end of 2013/14. As shown in the graph above, we have achieved our CQUIN targets for falls during 2013/14 and aim to continue this improvement.

We have driven a number of initiatives throughout 2013/14:

- We have recruited a lead nurse for falls prevention to help support our staff to drive improvements in care
- We have just received approval through the medical records advisory group and the nursing documentation group for the complete roll out of the post-fall protocol to improve post-fall care and risk factor mitigation
- Visual signs for patients to use the nurse call bell are being displayed in all patient bathrooms
- Head injury observation guidance has been provided to staff in a credit card size format that can be stored with their identification badge
- Lessons learnt from investigations into falls are now being used proactively as part of the falls prevention work by demonstrating to the ward teams how interventions can reduce risk from falls
- Priority areas identified are receiving dedicated support time to review patients identified as being at risk with the aim of treating identified risk factors
- We also developed an enhanced observation assessment tool that enables us to identify which patients require the additional staffing support.

Our approach has been to target specific training and support into the areas identified as having the greatest risk factors, giving support to those wards that are 'triggering', with evidence of the highest falls rates/harms. Improvement projects have been focused in areas identified using the ward assurance data and dedicated teaching and support tailored to the ward's needs.

What are we aiming to do in 2014/15?

Falls data is interrogated as part of the monthly ward assurance matrix with our senior nursing teams. The current intelligence received is that repeat falls in the same patient are contributing to our failure to show a marked improvement in fall numbers. Repeated falls in

the same patient can be considered a failure of assessment and/or intervention (although some falls may be unpreventable without over-intrusive supervision or restriction). This is expressed as the ratio of falls/fallers. This is why we have chosen to do focused work to reduce repeat falls during 2014/15.

Overall the falls risk assessment and care plan audit is demonstrating that we have 95 per cent compliance in our process measures, which indicates we require further scrutiny to understand why we are not seeing a reduction in the number of falls and the severity of harm they cause. As a consequence we feel we need to revisit our falls prevention strategy and action plan and undertake a falls prevention campaign during 2014/15. Our campaign has the aim of reducing harm from falls by promoting understanding of and compliance with good practice in falls prevention across the Trust.

Falls management requires a multifactorial approach, and partnership working between different specialties is being adopted to influence change. It is therefore imperative that we also work jointly with our community colleagues to put in improvements across the patient pathway. The falls CQUIN for 2014/15 will support this.

In addition, we have also recently strengthened our partnership working with the advanced nurse practitioner for geriatrics on the emergency assessment unit (EAU) to form a falls action team. This will enable patients at risk to receive earlier interventions. The team will include EAU and physiotherapy staff and have input from pharmacy if required. The aim is to identify patients at the greatest risk and begin the intervention process as soon as possible. This will be a key part of our work programme during 2014/15.

In 2013/14 we introduced a pilot of a reducing harms team. We identified a number of care assistants to work in this team who would be allocated to patients at greatest need of additional support. In 2014/15 we will review this approach and develop a plan based on the evaluation of this pilot, with recommendations as to how to take this forward.

Monitoring and reporting
As part of our falls improvement project we are strengthening the data to ensure it is informing our continuous improvement work. We monitor falls data at a number of Trust forums. This includes the Board of Directors, clinical quality and governance committee, divisional and specialty governance meetings and at ward and department level.

We will also continue to monitor falls performance at the monthly ward assurance review meetings with the matrons and at the falls strategy group, where specific actions will be identified to address any areas of concern.

The inpatient falls steering group will lead the reduction strategy. The progress against this priority will be monitored by the Trust Board through the monthly quality and safety report.

Executive sponsor: executive director of nursing and quality

Priority three - improve response rates and scores in the patient and staff Friends and Family test

Why is this a priority?
A growing body of evidence shows that patient experience is not only an important outcome in its own right, it also influences patient safety and clinical effectiveness. The consistent delivery of good patient experience depends on complex interdependencies between different factors within healthcare organisations. Positive staff engagement and wellbeing is an important precondition for consistently good patient experience – happy staff produce happy

patients (as well as better outcomes and increased productivity). Involving and engaging with our patients and staff is vital if we are to deliver changes and improvements in quality, safety and patient experience.

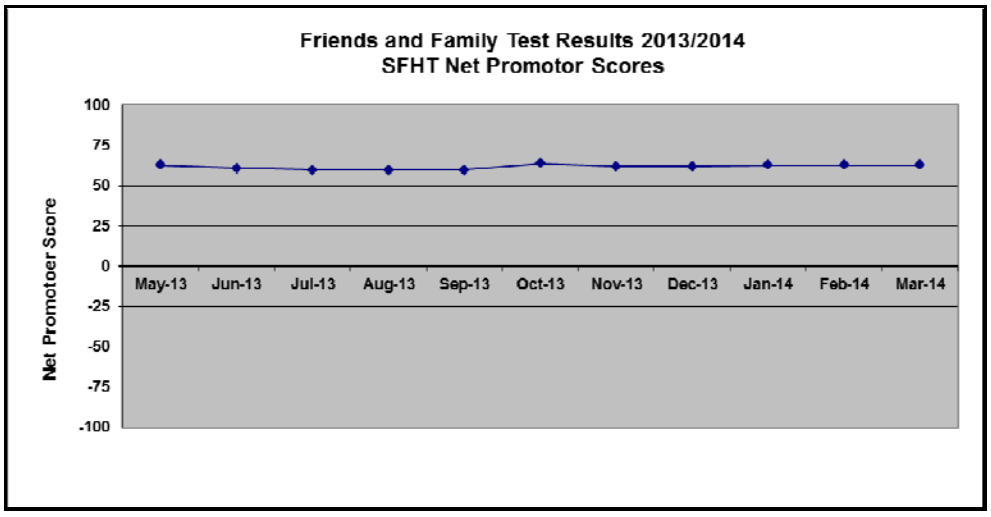
During 2013/14 we have undertaken extensive work to engage and involve our patients, carers and staff in helping us to develop our patient experience and involvement strategy and our organisational development strategy. Within these we have identified many improvements we would like to drive over the coming three years. However, we need to ensure we measure the impact of these improvements. By improving our response rates and scores in the Friends and Family test we will be demonstrating the impact of this work. We have therefore selected this important quality initiative as our third priority.

Since 2012, we have been asking our patients whether they would recommend our organisation to their family and friends. This is called the Friends and Family test or sometimes the 'net promoter score.' Patients give a response to this question which can range from highly likely to highly unlikely and this is gives us an overall score which is between minus 100 to plus 100. We present these scores openly in public areas and convert it into a star rating (one to five stars) which our patients tell us is a better way of displaying the scores. We also give our patients and staff the opportunity to give us any additional comments, which we scan for trends and themes.

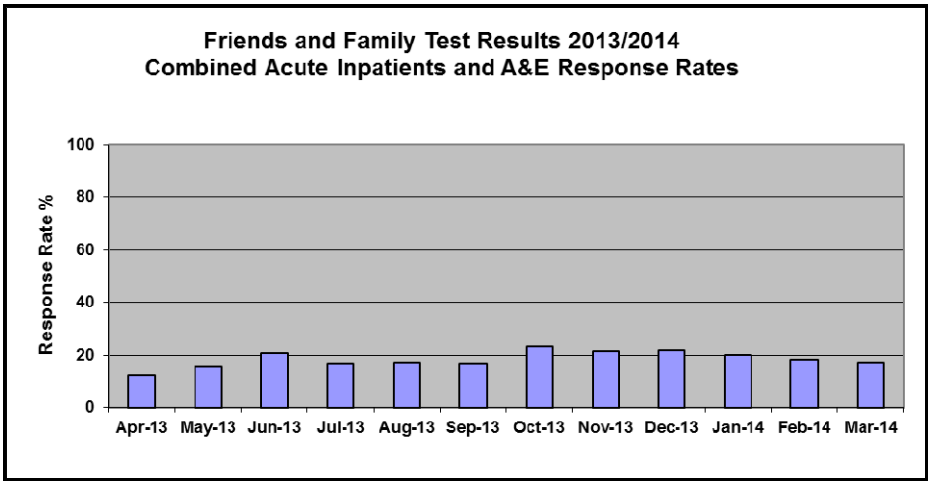
We currently collect this information at the point of discharge from adult inpatient wards, maternity services and from the emergency department (A&E). A questionnaire and online facility are made available to leave a review.

How are we doing currently?
During 2013/14, we have achieved an average of a 20 per cent response rate from our patients. Throughout the year we expanded the areas where we asked patients this question. On average in terms of the scores we perform well and achieve a score of +60 or 4.5 stars. The monthly results for the Trust are shown below and show a consistently good level.

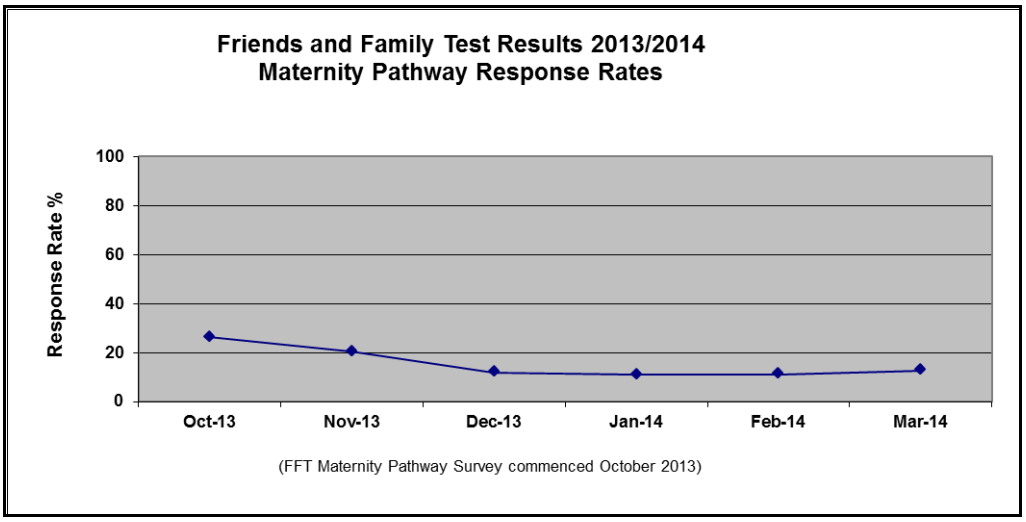
The graph below shows feedback scores in the upper quartile.



The graph below shows the response rates from our patients in inpatient areas and A&E. It indicates we have further work to do during 2014/15 to increase these to ensure we gain as much feedback as we can.



The graph below shows response rates from our maternity areas. We ask our maternity patients the Friends and Family test at four separate parts of their patient journey (during their pregnancy and post birth phase) and we continue to actively encourage women to provide us with this feedback. We are introducing additional ways for our patients to provide feedback to try and make it as easy as possible for them to give us this valuable information.



Although we have made progress in surveying our staff in relation to the Friends and Family test during 2013/14 we will be undertaking a programme of work during 2014/15 to robustly collect this information monthly.

The Friends and Family question is also currently part of the annual staff survey questions and in the 2013 staff survey we achieved a score of 3.62 against a score of 3.48 in the previous year. This score is average when compared against other trusts.

We met all of our Friends and Family CQUIN targets this year which required us to expand the test into A&E and maternity and achieve a response rate of >15%. The improved staff survey score for this question was also a CQUIN target.

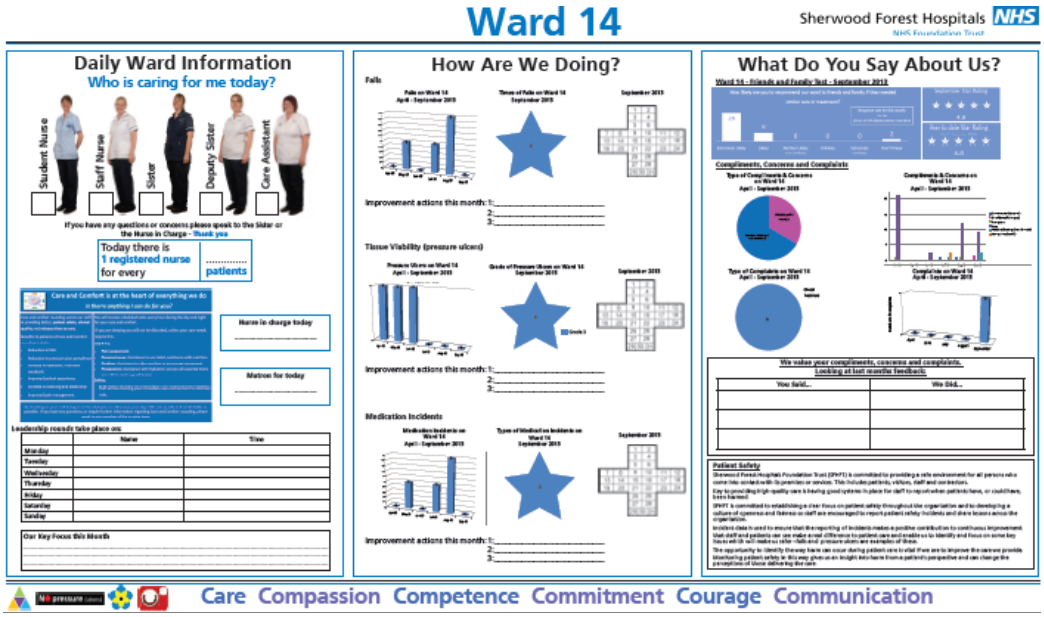
What we are aiming to achieve in 2014/15?

During 2014/15 we will expand the Friends and Family test to give staff and our patients within day case and outpatients an opportunity to consistently respond. These elements are both part of our 2014/15 CQUIN requirements. We will also continue to ask patients who stay in our wards and come to A&E or maternity. Our performance targets are as follows:

- To increase our friends and family response rate to 50 per cent by October 2014
- To consistently improve the score to + 80 (4.5 out of 5) by March 2015.

Of course there are other ways we can measure staff and patient experience such as in the annual inpatient and staff surveys, through complaints and contacts, the NHS Choices website and other surveys. It is important to ensure we triangulate our Friends and Family test results with these other sources of information to assess how well we are doing in a holistic way.

What changes did we make in 2013/14 as a result of patient feedback?
From December all wards display their family and friends results as part of the new ward performance boards (shown below).



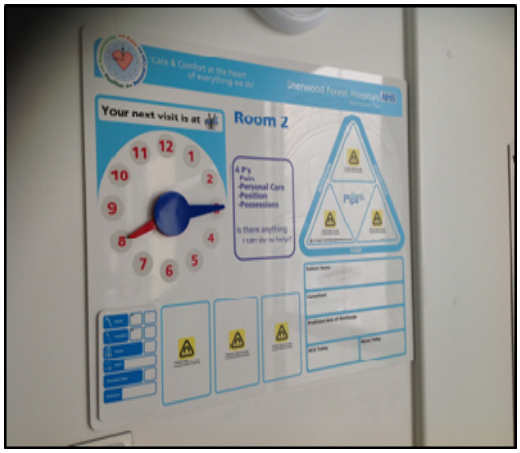
This new display provides opportunities for wards to state to patients and their carers the actions they are taking in response to feedback. These actions are updated at least monthly. In re-designing the Trust communication boards, we reviewed the presentation of the Friends and Family feedback. It was important that this essential feedback was presented in a format that ward and department leaders felt would be both motivational to their teams but also, importantly, displayed to relatives and patients the experiences of patients on their wards.

The communication boards have re-energised the focus on family and friends and give a simplified but informative opportunity for this feedback to be discussed and scrutinised at ward/department level during team meetings.

Actions implemented based upon patient feedback and ward discussions to improve the patient experience include:

- Trust-wide implementation of care and comfort rounds
- Additional registered nursing staff on night duty on inpatient wards
- Strengthening of protected meal times and an improved emphasis on hydration management. This was also part of our Keogh action plan
- Our geriatric wards trialled extended visiting following relatives' requests to visit more often to help support care, like falls prevention. This has now been introduced across the Trust

- New patient bedside boards are being implemented following numerous patient complaints and comments via Friends and Family data. It was noted relatives were unclear who the named consultant or nurse were. The magnetic white boards have a number of purposes: they incorporate the care and comfort rounding clocks and in addition they display key patient safety factors e.g. falls risk, when the patient requires assistance to mobilise, and dietary requirements. On the opposite side of the board is the named nurse/named consultant section, along with the predicted discharge date.



Monitoring and reporting
We will continue to openly publicise the scores to our patients and the public. The outcome of the Friends and Family survey is reported nationally at a Trust level and locally at a ward level. Our commissioners also review our performance quarterly to ensure we are meeting our agreed CQUIN targets.

Friends and Family and patient experience data is also included in our monthly ward assurance review. We will also be establishing a patient experience forum that will form part of our quality and safety committee structure. In addition, we will be monitoring the progress of the patient experience action plan through our monthly programme management board.

Executive sponsors: executive director of nursing and quality and executive director of human resources

2.2 Additional quality and safety priorities

We have a number of further quality and safety objectives for 2014/15, which are shown in the table below:

	2014/15 priority	Target/outputs
IMPROVING THE SAFETY OF OUR PATIENTS	1. Reduce the number of patients with avoidable pressure ulcers	• To eliminate grade 3 and 4 hospital acquired pressure ulcers by October 2014 • By October 2014 reduce hospital acquired grade two pressure ulcers by 50 per cent and achieve zero by March 2015
	2. Reduce the number of patients with a catheter associated urinary tract infection	• To have < 5 Trust hospital acquired catheter associated urinary tract infections during 2014/15
	3. Reduce the number of patients with hospital acquired blood clots	• To have < 5 per month as per safety thermometer
	4. Improve medication safety	• Zero medication-related 'never events'. • To increase the number of reported medication-related incidents by 20 per cent (compared to 2013/14 data). • To reduce the number of medication-related incidents resulting in moderate / severe

		harm by 25 per cent (compared to 2013/14 data), particularly for high-risk medicines such as opioids, insulin, anticoagulation etc.
	5. Improving compliance with surgical site infection bundle	• 95 per cent compliance with the surgical site care bundle by March 2015
IMPROVING THE EFFECTIVENESS OF CLINICAL CARE	6. Improving patient flow and discharge processes	• To reduce length of stay (LOS) (excluding 0-1 day LOS) to six days
	7. Implement care bundles (stroke, myocardial infarction, heart failure & COPD)	• Care bundles in place for all pathways by March 2015
	8. Compliance with sepsis bundle	• 95 per cent compliance with the sepsis bundle by March 2015
	9. Improve seven day working across the hospital linking with Better Together programme	• Eliminate the difference in weekend and weekday HSMR
	Underpinning these objectives will be the continued implementation of care and comfort rounds across the Trust and the introduction of VitalPAC (patient observations)	
IMPROVING PATIENT & STAFF EXPERIENCE	10. Improve the experience of care for dementia patients and their carers	• 95 per cent of inpatients over 75 years of age screened for dementia • 80 per cent of our carers *who we survey through our monthly carers survey* to report that 'they felt supported during their relative's stay'
	Underpinning this objective will be the delivery of the 2014/15 work plan for both the patient experience and involvement strategy and the organisational development strategy. This includes improving the way we communicate with patients via a number of initiatives, improving discharge planning, helping patients and relatives to understand who's who and improving pain relief.	

How we monitor the progress of our priorities

To be a safe organisation, the Trust requires effective governance at all levels. 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. Continued 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 ensures effective monitoring systems to track progress against each of our key priorities.

Throughout 2013/14 the Trust Board received monthly and quarterly quality reports, which identified how the Trust was performing against a range of key performance indicators. This will continue and the three key priority areas will be reported monthly to the Trust Board. This reporting process is underpinned by a strengthened assurance process, reporting via the

quality committee (sub Board committee) and Trust management committee. This is an operational committee into which the clinical quality and governance committee reports. Our Clinical Commissioning Group (CCG) colleagues will monitor the progress of these priorities at our monthly quality and performance meetings.

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 described overlap with our own priorities.

2.3.2 Review of services

During 2013/14 the Trust provided 51 mandated services. The Trust has reviewed all the data available to them on the quality of care in all of these services.

Each year we look after over 75,000 inpatients, 30,000 day-case patients, 275,000 outpatients, 100,000 visitors to our emergency department, and over 3,000 women who choose to give birth at the King's Mill Hospital. We employ over 4,000 people, including over 250 specialist consultants, working in hospital facilities (which include the state-of-the-art King's Mill Hospital, Newark Hospital and Mansfield Community Hospital) that are some of the best in the country.

The income generated by the NHS services reviewed in 2013/14 represents 82 per cent of the total income generated from the provision of relevant health services by the Trust for 2013/14.

2.3.3 Participation in clinical audit

Clinical audit is a way to find out if healthcare is being provided in line with standards. The results of clinical audit allow hospitals, Clinical Commissioning Groups (the people who commission local hospital services) and most importantly patients to know where their local service is doing well, and where there could be improvements.

During 1 April 2013 to 31 March 2014 there were 33 national clinical audits and eight national clinical outcome review projects (previously known as national confidential enquiries) covering relevant health services that the Trust provides. During that period the Trust participated (or is currently participating) in 91 per cent (29/32) of the national clinical audits and 100 per cent (8/8) of the national clinical outcome review projects which it was eligible to participate in.

National clinical audits 2013/2014

The national clinical audits and national clinical outcome review projects that the Trust was eligible to participate in and participated in during 2013/2014 and the percentage of cases submitted to those audits are as follows:

National clinical audit 2013/2014	Mandatory	SFH Participated	% of cases submitted
Intensive Care National Audit & Research (ICNARC)	N	**Yes** ✓	100%
Emergency Use of Oxygen BTS Adult	N	No ×	NA
National Audit of Seizures in Hospitals (NASH)	N	**Yes** ✓	100%
National Emergency Laparotomy audit (NELA)	Y	**Yes** ✓	Ongoing*
National Joint Registry (NJR)	Y	**Yes** ✓	100%
Paracetamol Overdose Emergency Department	N	**Yes** ✓	Ongoing*
Severe Sepsis & Septic Shock	N	**Yes** ✓	Ongoing*
Severe Trauma (TARN)	N	**Yes** ✓	100%
Audit of patient information & consent (Blood & Transfusion)	N	**Yes** ✓	Ongoing*
Bowel cancer (NBOCAP)	Y	**Yes** ✓	100%
Head and Neck Oncology (DAHNO)	Y	**Yes** ✓	100%
Lung cancer (NLCA)	Y	**Yes** ✓	100%
Oesophago-gastric cancer (NAOGC)	Y	**Yes** ✓	100%
Acute myocardial infarction Audit (MINAP)	Y	**Yes** ✓	100%
Cardiac Rhythm Management (CRM)	Y	**Yes** ✓	100%
Coronary Angioplasty	Y	**Yes** ✓	100%
National Cardiac Arrest Audit (NCAA)	N	**Yes** ✓	100%
National Heart Failure Audit (HFA)	Y	**Yes** ✓	100%
National Vascular Registry & Carotid Endarterectomy (NVD)	Y	**Yes** ✓	100%
National Diabetes Audit: Adult outpatients (OP) & Inpatient (IP)	Y	Part ×	See comments
Inflammatory Bowel Disease (IBD)	Y	**Yes** ✓	100%
National Chronic Obstructive Pulmonary Disease (COPD) Audit	Y	**Yes** ✓	Ongoing*
Rheumatoid and Early Inflammatory Arthritis	Y	**Yes** ✓	Ongoing*
Falls and Fragility Fractures Audit Programme – pilot audit	Y	**Yes** ✓	100%
Sentinel Stroke National Audit Programme (SSNAP)	Y	**Yes** ✓	100%
Moderate or severe asthma in children in ED	N	**Yes** ✓	Ongoing*
Neonatal intensive and special care (NNAP)	Y	**Yes** ✓	100%
Paediatric asthma	N	**Yes** ✓	Ongoing*
Paediatric bronchiectasis	N	No ×	NA
Paediatric Diabetes (NPDA)	Y	**Yes** ✓	100%
Epilepsy 12 audit - Childhood Epilepsy	N	**Yes** ✓	100%
Elective surgery National PROMs Programme	N	**Yes** ✓	Ongoing*

Ongoing*: Some 2013/2014 audits have only recently commenced and are currently ongoing. It is predicted that we will submit 100% of the required cases for these audits.*

Non-participation

National Adult Diabetes Audit – Although this is a mandatory required audit (NHS standard contract for acute trusts) the Trust remains unable to participate in the audit (adults outpatients) as it does not have an electronic medical record for the extraction of required diabetes data, which the service has been working to resolve since 2011. As this has been an issue for some time, the divisional team is re-exploring solutions and this is being monitored through service meetings. The Trust has however participated in some of the national

diabetes audit work plan such as the national diabetes inpatient audit 2013, the paediatric diabetes audits 2013 and the national audit of diabetes in pregnancy.

Emergency Use of Oxygen BTS Adult – This is not a 'mandatory' required audit (not required as part of the NHS standard contract for acute trusts). The respiratory department has taken part in this audit for the previous two years and felt that participation this year was not required as it is still working on implementing a previous action plan. The Trust can run a local audit using the national database to measure improvements, if required.

Paediatric bronchiectasis BTS – This is not a 'mandatory' required audit (not required as part of the NHS standard contract for acute trusts).

Study title	SFH participation	Project status	%
Alcohol Related Liver Disease	**Yes** ✓	Data collection completed and NCEPOD report published 2013	100%
Subarachnoid haemorrhage	**Yes** ✓	Data collection completed and NCEPOD report published 2013	100%
Tracheostomy Care	**Yes** ✓	Data collection completed (awaiting NCEPOD report)	100%
Lower Limb Amputation	**Yes** ✓	Patient list submitted	Ongoing
Gastrointestinal Haemorrhage	**Yes** ✓	Patient list submitted	Ongoing
Sepsis	**Yes** ✓	To commence May 2014	Ongoing
Child Health	**Yes** ✓	Continuous	100%
Maternal infant and perinatal	**Yes** ✓	Continuous	100%

The reports of six national clinical audits were reviewed by various committees/clinical governance forums for the provider in 2013/2014. The Trust intends to take the following actions to improve the quality of healthcare provided:

Improvements relate to
▲ Patient Safety
● Clinical or cost effectiveness
★ Patient/relative experience
☑The audit has demonstrated compliance with local or national standards

★●▲**National dementia audit 2012/13:** The Trust has participated in this national audit since its commencement. Following this audit the following recommendations have been implemented:

- A new care pathway has been written and is available on the Trust intranet
- A new dementia assessment and screening tool has been designed and rolled out (along with CQUIN work stream)
- Anti-psychotic prescribing to have a pharmacy prompt on the electronic discharge pathway
- Discharge planning for dementia patients to form part of the nursing mandatory training package
- Increase in training opportunities for medical and nursing staff including e-learning
- Increase in information made available to carers and relatives of dementia patients.

●▲**Community acquired pneumonia audit 2012/2013:** The audit has raised awareness and improved communication amongst the responsible team regarding the need to give antibiotics once diagnosis is made and also to ensure the disease severity score is documented for all patients to ensure correct treatment.

▲**2012 National comparative audit of the labelling of blood samples for transfusion**: A multi-faceted approach has been agreed to embed the safety-critical process of positive

patient identification within the Trust. These improvements will reduce the risk of ABO blood type incompatible transfusion and other patient interventions such as drug administration, radiology and the taking of all pathology samples. The group felt that this was an important area but further discussion will occur at the blood transfusion committee regarding further actions.

Intensive care audit: ICNARC: ICNARC data is continually reviewed by the critical care clinical governance forum. During 2013 the Trust's standardised mortality rate remains around 1.0 or less (good), and the unit admissions are continuing to go up.

BTS paediatric asthma 2012: This audit demonstrated that the Trust was performing well in several areas (lower use of oral steroids,; arranging follow up) but needs to improve in other areas (encourage use of spacers over nebulisers, reduce number of chest xray, check device technique, written asthma/wheeze plan).

Improvements have since been instigated such as developing a patient information leaflet for wheeze, increasing the availability of written asthma plans on ward 25 and the involvement of the discharging team to delegate a clear action plan.

National hip fracture database (NHFD): Regular quarterly reports on performance and patient outcomes as well as 'Best Practice Tariff' reports are disseminated to the clinical lead. These are then discussed by the trauma and orthopaedic speciality. Ongoing actions are agreed and implemented depending on performance; these include re-designing the fast track proforma so that all pertinent information is collected but also serves as a reminder to clinicians as to the pathway requirements, recruiting new ortho-geriatricians and a review of theatre lists to ensure a wider coverage of the service.

Reports and outcomes of National Confidential Enquiries/Clinical Outcome Review Programme during 2013/2014

The reports of two National Clinical Outcome Reviews were discussed by Trust team/clinical governance and quality committee for the provider in 2013/2014

Alcohol related liver disease: NCEPOD report 2013: Several of the NCEPOD recommendations are already in place at the Trust such as the multidisciplinary alcohol team, dedicated clinic runs alongside the alcohol specialist nurse service, and all patients admitted are seen by the gastro consultant on call.

Following the publication of this report and the subsequent local review the Trust plans to implement the following additional recommendations: To undertake an audit of the completion of the alcohol screening assessments for all patients; to put in place an escalation of the care policy between medical and intensive care detecting and dealing with early signs early to get the best outcomes; and to implement a communication strategy which will be employed to ensure that the dedicated clinic is fully utilised.

Subarachnoid haemorrhage Nov 2013: A gap analysis has been undertaken and will be monitored via the newly established clinical effectiveness and audit forum.

Reports and outcomes of local clinical audits during 2013/2014: Improvement measures agreed following reporting of audits

The reports of **30** local clinical audits were reviewed by various committees/clinical governance forums for the provider in 2013/14.
The Trust has already taken or intends to take the following actions to improve the quality of healthcare provided:

Improvements relate to

▲ Patient Safety
● Clinical or Cost Effectiveness
★ Patient / relative Experience

☑The audit has demonstrated compliance with local or national standards

Audit Title	Improvements made relate to:-			
	Good practice / compliance confirmed	Patient Safety	Clinical & cost effectiveness	Patient Experience
Adherence to 'zero tolerance' to hospital acquired cases of Clostridium difficile		▲	●	
Biological drug switching in patients with rheumatoid arthritis-re-audit	☑			
Consent and mental capacity act policies 2013		▲	●	
Consent Audit 2013 GUM (Genito-Urinary Medicine):	☑		●	
Consent Audit General Surgery 2013	☑		●	
Core biopsy / Audit of B1 Core biopsies in Breast	☑			
Cyclic Citrullinated Peptide (CCP) antibodies testing	☑			
Delays to trauma list			●	★
Documentation audits 2013	☑	▲	●	
Dupytren's contractures documentation and coding audit:			●	
Falls risk assessment and care plan audit:		▲		
FoCUS IT -Nursing Metrics", "Ward Leaders" compliance and the "Outcome Guardians & the Internal Assessment teams" surveillance programmes	☑	▲	●	★
Gout: Management of patients presenting with acute gout			●	★
HIV testing in GU Medicine – Offer / Uptake 2013	☑			
Hydration and Nutrition point prevalence 2014		▲	●	★
Infection prevention and control audits	☑	▲	●	★
Management of ano-genital warts and management of molluscum contagiosum in GUM			●	
Omitted doses of critical and non-critical medicines		▲		
Prevention of inadvertent intra-operative hypothermia 3rd cycle re-audit		▲		
Repeat endoscopy for gastric ulcers within 12 weeks		▲	●	★
Resuscitation decision making of the AND (allow natural death) form audit-		▲	●	
Rivaroxaban prescription and complications following total hip and total knee replacement RE-AUDIT 2013	☑		●	
Safeguarding Children information on the Paediatric Triage Form re-audit		▲		
Section 2 Issuing and days of delay Newark Hospital			●	★
Thyroid Cytology	☑			
TRUS biopsy results audit:			●	★
Urinary Catheter Monitoring Audit		▲	●	

Use of dipsticks in suspected UTI at Newark Hospital	☑			

2.3.4 Participation in clinical research

Patient involvement in research helps to develop new treatments and demonstrate the best ways to manage conditions. Research is a very important aspect of healthcare; with it we can develop new and better treatments for our patients. It is widely acknowledged that patients who participate in clinical research generally have better healthcare outcomes. It is therefore our ambition at Sherwood Forest Hospitals to support research trials across the Trust, with the aim of improving the care that our patients receive.

2013/14 has seen the Trust continue to be actively involved in clinical research. The number of NHS patients receiving NHS services provided by the Trust in 2013/14 that were recruited during the period to participate in research approved by a research ethics committee was 1048. This is 99 per cent of its predicted recruitment to date (1,048 patients recruited against a prediction of 1,054 as at the end of February 2014). This has been due to the hard work and collaboration between the research and innovation team, service support departments eg radiology, pathology, cardiology etc and the clinical care teams across the Trust. Another vital part of attaining this has been the research promotion activities that have taken place throughout the year.

Promotional activities have been undertaken incorporating International Clinical Trials Day in May 2013, which involved many activities including facilitating an interactive stand in our main entrance, which the research and innovation team supported, ensuring maximum engagement with clinical staff, patients and visitors. We built on this through a similar promotional event in October and we now have a regular stand at Trust staff induction days. In 2014 International Clinical Trials Day will be rolled out over a whole week, which builds on past experience and will hope to raise awareness of research activity within the Trust.

We have commenced a detailed review of the Trust research portfolio to ensure that the number of studies the Trust reports to support is an accurate reflection of studies that remain open and active, and therefore reflective of the research activity within the Trust. This is because the Trust has historically not always been provided with formal notification of study closure (predominantly in non-National Institute of Health Research portfolio studies). This has seen a reduction in our portfolio of studies to 156. This work is ongoing and may produce a further reduction in the total number of studies on the Trust portfolio; however it will provide a more precise reflection of the work in which we are currently involved. These 156 studies are a combination of portfolio and non-portfolio studies with the Trust recently taking on responsibility as sponsor for two device pilot/feasibility studies which have the potential to become multi-centre if they provide positive patient outcomes.

We continue to recruit to seven commercial studies i.e. studies sponsored by pharmaceutical or medical device companies, with three new studies replacing three that completed recruitment in year.

Throughout 2014/15 the National Institute of Health Research Clinical Research Networks will be in a period of transition during which the way that the Clinical Research Networks collaborate, work with partner organisations and deliver clinical studies within the organisations will evolve. To ensure the Trust is represented as a NHS partner organisation, and is kept informed of the developments (which will ultimately have the potential to affect the delivery of research at Trust), members of the research and innovation team have become involved with some of the key transition working groups. Groups which team members are involved in include information management and systems (looking at the IT systems which will be used to collate and report on research activity across all of the partner organisations),

research management and governance (looking at how research governance will be implemented and how this will be done across all Trusts) and supporting life sciences industry (looking at how all of the partner organisations will collaborate, support and deliver studies which are sponsored by pharmaceutical and medical technology companies). Senior members of the team also attend regular meetings with East Midlands research and development leads to ensure an awareness and understanding of how the changes are impacting across the region and to ensure local impacts are communicated.

The Trust research and innovation team is also currently finalising a *research strategy* which will provide direction and a framework on which we hope to continue to grow and evolve our research portfolio and supportive infrastructure. Ultimately the Trust aims to maximise access to research for our patients, staff and service users to improve and drive forward the treatment which we offer to our patients.

2.3.5. Use of the CQUIN payment framework

CQUIN, which stands for Commissioning for Quality and Innovation, is a national framework which is fundamental to ensuring that providers drive forward improvements in care quality. Each year we are set a number of national and local quality initiatives and targets that we must achieve.

A proportion of Trust income in 2013/14 (£4.5m), was conditional upon achieving CQUIN goals agreed between ourselves and any body entered into a contract with for the provision of relevant health services, through the CQUIN payment framework. In 2012/13 the proportion was £2.7m. Our 2013/14 CQUIN schemes are shown in the table below. We achieved 100% of our CQUIN schemes for 2013/14.

Summary of acute schemes for 2013/14		Delivery			
CQUIN scheme	Requirement	Q1 Actual	Q2 Actual	Q3 Actual	Q4 Actual
1 Blood clot (VTE) assessment	95% of patients screened for venous thromboembolism (VTE) & 100% root cause analyses carried out on cases of hospital associated thrombosis (HAT)				
2.1 Dementia Screening, assessment & referral	90% of emergency admission patients aged 75 and over screened, assessed and referred on to specialist services (during three consecutive months)				
2.2 Dementia – clinical leadership	Named lead clinician for dementia and appropriate training for staff				
2.3 Dementia – supporting carers	Improve the support available for carers				
3 Friends and Family Test	Phased expansion to A&E & maternity, increased response rate and improved performance				
4.1 Safety Thermometer	Submit monthly harms data for safety thermometer				
4.2 Safety Thermometer	Reduction in the prevalence of 'all' pressure ulcers				
5.1 Think Glucose	Maintaining reduced length of stay for patients with diabetes				
5.2 Think Glucose	Reduction of errors resulting in harm relating to insulin prescribing and/or administration				
6.1 Reducing	Implementation of sepsis bundle				

mortality					
6.2 Reducing mortality	Failure to rescue – reduce the number of cardiac arrests				
7 End of Life care	Local action plan to improve care for end of life patients				
8 Smoking at Time of Delivery	Three year target. 3% reduction in smoking at time of delivery by Q4. 11% reduction by 2015.				
9 Falls	Reduction in the number of falls resulting in harm and 95% patients to be risk assessed for falls				
Specialised CQUINs					
1 Clinical Dashboards	To embed and demonstrate routine use of specialised services clinical dashboards (cystic fibrosis, cardiology, trauma, immunoglobulin, HIV, neonates)				
2 Paediatric High Dependency Unit (PHDU)	To prevent and reduce the number of patients re-admitted onto PHDU on an unplanned basis within 48hrs of original discharge				
3 Neonatal Care	Improved access to breast milk in preterm infants				
4 Neonatal Care	Timely simple discharge for neonates				

Further details of the agreed goals for 2013/14 and for the following 12 month period are available within the quarterly quality report, on line at http://www.sfh-tr.nhs.uk/index.php/board-of-directors/board-of-directors-meeting-papers-2013-14

2.3.6 Statements from the Care Quality Commission (CQC)

The Trust is required to register with the Care Quality Commission (CQC). The Trust has no conditions on its registration.

Following a series of governance concerns, Monitor intervened and placed the Trust in significant breach of its terms of authorisation. At the same time (October 2012) the CQC undertook a responsive visit. The Trust was found to be compliant in CQC outcome four – *Care and welfare of people who use the service* and received a moderate compliance action in outcome 16 – *Assessing and monitoring the quality of service provision.*

During 2013/14 the Trust has experienced a challenging time in relation to demonstrating the quality of its healthcare systems. The CQC undertook two visits during 2013/14, with a further visit undertaken on 21 April 2014, using the new CQC regulatory model.

Following the first unannounced visit in June and July 2013 the Trust was inspected on eight outcomes and found to be non-compliant in five of the eight assessed outcomes. The link to the report is http://www.cqc.org.uk/directory/rk5

CQC compliance actions:

Outcome		Judgments: September 2013
4	Care and Welfare of People who use the Service	Minor impact
5	Meeting Nutritional Needs	Moderate impact
6	Cooperating with other providers	Met this standard
8	Cleanliness and infection control	Met this standard
13	Staffing	Moderate impact

14	Supporting workers	Met this standard	
16	Assessing and monitoring the quality of service provision	Enforcement action – September 2013	Minor impact – January 2014
17	Complaints	Moderate impact	

Definitions

Minor impact - people who use the service experienced poor care that had an impact on their health, safety or welfare or there was a risk of this happening. The impact was not significant and the matter could be managed or resolved quickly.
Moderate impact - people who use the service experienced poor care that had a significant effect on their health, safety or welfare or there was a risk of this happening. The matter may need to be resolved quickly.
Major impact - people who use the service experienced poor care that had a serious current or long term impact on their health, safety and welfare, or there was a risk of this happening. The matter needs to be resolved quickly.

Regulatory response

Where the CQC has evidence that registered persons are not currently meeting legal requirements or have demonstrated repeated non-compliance over time, the CQC may take enforcement action. For outcome 16 - *Assessing and monitoring the quality of service provision,* the Trust failed to demonstrate to the CQC (during its June and July 2013 visit) that instigated actions were consistently embedded to enable the CQC to reduce the moderate impact judgment. *NB: The Trust already had a moderate compliance action against this standard (October 2012).*

The CQC inspection report showed that the Trust needed to strengthen governance structures and processes within the hospital. This predominately reflected the need for the Trust to 'learn' from its systems and processes. This further judgment of a moderate compliance action resulted in an enforcement action through a warning notice, which demands compliance within a timescale. For the Trust this timescale was 31 October 2013.

The Trust was re-inspected on 4 December 2013. The CQC undertook this inspection to review the Trust's actions against outcome 16 – *Assessing and monitoring the quality of service provision*. The CQC at this point acknowledged the progress that the Trust had made and importantly this resulted in the moderate impact judgment being reduced to a minor impact judgement.

'Many of the staff described the Trust as, 'being on a journey'. The challenge for the Trust is to complete work on planned initiatives, embed new arrangements across the Trust and ensure improvements are sustained in the long term. This will require a continued commitment from the Trust Board, particularly in ensuring the pace of change is timely with a continuous review of effectiveness going forward' (extract from December 2013 inspection report p.5)

Special measures

Sir Bruce Keogh, NHS Medical Director undertook a review of the quality of care and treatment being provided by those Trusts in England which had persistent outliers on mortality statistics. Sherwood Forest was one of 14 trusts which fell in the scope of this review.

The initial rapid response review took place on 17 and 18 June 2013, and resulted in a report and risk summit which identified 13 urgent and 10 high and medium actions. Following this the Trust was placed into special measures.

An assurance review was undertaken by the Keogh panel on 4 December 2013. This review identified that of the 23 actions the Trust had been required to implement, they felt 'assured' on six actions and 'partially assured' on 17 actions. Where there was evidence of progress with implementation, but implementation was not complete, the outcomes were not yet evident or it was too early to tell if the changes were embedded and sustainable, the panel recorded an outcome of 'partially assured'. There were no areas or actions recorded as 'not assured'. The table below shows the actions.

Action		Executive Lead	Formal Assessment 4 December 2013
1.	Complaints	Director of nursing	Partly assured
2.	Nursing and medical staffing levels and nurse mix	Director of nursing	Partly assured
3.	Fluid Management	Director of nursing	Partly assured
4.	Strategic Direction	Chief executive officer	Partly assured
5.	Newark Hospital strategy, facilities and governance	Director of operations	Assured
6.	Board development and development of a quality focus at Board level	Director of corporate services	Partly assured
7.	Ward performance information and Organisational learning	Director of nursing	Partly assured
8.	Patient locations and patient moves	Director of nursing	Partly assured
9.	Handovers	Director of nursing	Partly assured
10.	Patient Experience	Director of nursing	Partly assured
11.	NEWS roll out	Director of nursing	Partly assured
12.	Whistleblowing Policy	Director of HR	Assured
13.	Supporting structures and services: Radiology, Clinical Typing, Junior Doctors	Director of operations	Partly assured
14.	Anaesthetics	Medical director	Partly assured
15.	Staff Development	Director of HR	Assured
16.	Communication with Patients	Director of nursing	Partly assured
17.	Ability to Rescue	Medical director	Partly assured
18.	Maintaining the Pace of Change	Chief executive officer	Partly assured
19.	Governors	Director of corporate services	Assured
20.	Organisational Learning	Medical director	Partly assured
21.	A & E	Medical director	Assured
22.	Medicines Management	Medical director	Partly assured
23.	Infection Control	Medical director	Assured

The actions identified from the assurance review in June and December 2013 were consolidated with actions from the parallel CQC inspection and quality governance reviews. It

is anticipated the majority of these actions will be further assessed and tested as part of an impending CQC visit planned for April 2014.

The Trust Assurance Model

- **Guardianship; the internal assurance team visits and the 15 Step Challenge**

We commenced the internal assurance team visits in 2012; these have provided the Trust with an opportunity to review the 'workings' of the organisation. We have seen many benefits since introducing these visits including an increased staff awareness of what makes a quality service for patients, improved visibility of senior staff and the opportunity for clinical teams to discuss their practices in clinical areas and explore their challenges.

- **Going forward in 2014**

A Trust assurance framework needs to be constantly reviewed and where necessary re-designed to ensure that it provides the organisation with assurance that its systems and processes are happening on a day to day basis.

The next stage of our assurance development is introducing the peer review model. It gives ward/department sisters/charge nurses as well as senior managers, executive and non-executive members the opportunity to 'review' the clinical areas. It is essential that we are asking ourselves how the experience of our patient 'feels' and so going forward we will expect staff to challenge and more importantly support each other to highlight best practice and shape actions to improve practice. The nursing and midwifery strategy builds upon the need for senior staff to recognise their responsibility to create improvements; the process of peer review builds on these foundations.

Within the various layers of the organisation it has been essential to develop Key Lines of Enquiry, which represent the aspects of patient care that a particular group of staff would need to concentrate upon. The Key Lines of Enquiry are based on 'what we know'; they are not exhaustive but signpost the reviewer to the areas where the Trust from either internal or external review is not fully assured.

2.3.7. NHS number and general medical practice code validity

The Trust submitted records during 2013/14 to the secondary uses service for inclusion in the hospital episode statistics which are included in the latest published data.

NHS numbers are unique to the patient; using the NHS number to identify the patient correctly is an important step towards improving the safety and efficiency of the patient's healthcare. The NHS number helps healthcare staff find patient records more easily and share them safely with other people who are caring for them.

The collection of the patient's NHS number and general medical practice code are vitally important to ensuring accurate information is captured on NHS systems allowing key clinical information to flow throughout the patient's care. The percentage of records in the published data for 2013/14 (part year) and 2012/13 was as follows:

Records April 2013 – February 2014 including the patient's NHS number and GP practice code				
Commissioning data set	***Valid NHS number***	***National average***	***Valid general medical practice***	***National average***

For admitted patient care	*99.0%*	*99.1%*	*100%*	*99.9%*
For outpatient care	*99.9%*	*99.3%*	*100%*	*99.9%*
For emergency care (A&E)	*98.0%*	*95.8%*	*99.9%*	*99.1%*
Records 2012/13 including the patient's NHS number and GP practice code				
Commissioning data set	***Valid NHS number***	***National average***	***Valid general medical practice***	***National average***
For admitted patient care	*98.9%*	*99.1%*	*100%*	*99.9%*
For outpatient care	*99.9%*	*99.3%*	*100%*	*99.9%*
For emergency care (A&E)	*97.7%*	*95.1%*	*100%*	*99.8%*

2.3.8 Information governance (IG) toolkit performance

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

The Trust's IG assessment overall score for 2013/14 was 79 per cent. This was graded as *'green' – 'satisfactory'.* There is a requirement for all IG toolkit standards to achieve level two or above for the Trust to be graded as green.

Compliance for one of the standards, standard 112, requires that all Trust staff receive IG training. The IG department has trained 4,293 staff including our Medirest staff. This equates to 94 per cent of the current establishment. We have also trained 263 of the Trust volunteers.

We intend to maintain this standard for 2014/15 by continuing the work strands, building on the actions below:

- Ensure IG remains a mandatory annual training requirement for all staff
- Develop a formalised programme of information asset risk assessment, providing assurance from each division that information assets are actively reviewed, with responsible officers identified
- For each standard to have one lead responsible for the identification, collation and uploading of the evidence required for the toolkit
- For each Information asset owner to be required to report progress against toolkit requirements to the information governance group on a quarterly basis

2.3.9 Clinical coding audit and error rate

The Trust was subject to the payment by results clinical coding audit during 2013/14 by the Audit Commission and the error rate reported in the latest published audit for that period for diagnoses and treatment coding was seven per cent. This performance would place the Trust better than average, but not in the top 25 per cent of trusts compared to last year's national performance.

The audits are conducted to provide the Trust and commissioners with assurance on the accuracy and quality of clinically coded episodes covering diagnosis, co-morbidities and procedures of 200 finished consultant episodes within in each audit. The results should not be extrapolated further than the actual sample audited. The services reviewed as part of this audit included 100 finished consultant episodes focusing on the coding of co-morbidities recorded with case-notes and 100 FCEs of elective diagnostic endoscopic procedures locally chosen by commissioners.

A second audit, the Information Governance Standard 505 audit again covered 200 finished consultant episodes across the period of April – December 2013 for all specialties and healthcare resource groups. The percentage of correct primary diagnoses, secondary diagnosis, primary procedures and secondary procedures sits within the recommended IG level three target requirements which indicate an error rate of five per cent or below.

Both audits show the Trust has a consistently high level of accuracy within this area. Following each audit any recommendations received are acted upon to ensure improvements can be made.

2.3.10 Data quality

The Trust is committed to promoting and engendering a culture of data quality improvement and quality assurance that supports patient services through the availability of high quality information at the point of service delivery and to support service planning and development. In this context data quality means that data is accurate, complete, timely and fit for the purpose for which it is collected and used. We have taken the following actions to improve data quality:

- Established a data quality committee to be an internal senior management meeting responsible for providing assurance to the Board, executive team and senior managers/clinicians on the robustness of the data collected within the Trust and ensuring the Trust is actively aware of and resolving data quality issues
- Developed a data quality dashboard which helps monitor external data quality reports including utilising both local and national benchmarking to identify possible data quality issues
- Worked with clinical staff to ensure they are involved in validating medical information regarding clinical activity
- Our external auditors undertook two separate clinical coding audits on 200 finished consultant episodes
- Worked with commissioners on queries raised regarding the data captured on the Trust patient administration system (PAS)
- New members of staff or existing staff received data quality awareness sessions
- Data quality is woven into patient administration system procedures ensuring the user understands the importance of accurate data collection and impacts of incorrect data entry.

The Trust will be taking the following actions to improve data quality:

- Monthly data quality group meetings will continue to discuss forthcoming information standard notices, data recording, training documentation and data quality dashboards
- An annual data quality audit will be undertaken focusing on reviewing the Trust's information and data quality strategy, and will provide the Trust with independent assurance on systems and processes in place for the collection, recording, analysis and reporting of data which are focused on securing data which are accurate, valid, reliable, timely, relevant and complete
- Development of an annual data quality timetable where the Trust identifies key indicators or areas for review providing assurance on information reported
- Routine data quality reports will continue to be run off from the patient administration system on a daily, weekly and monthly basis with appropriate action taken on issues identified.

2.3.11 Summary hospital mortality indicator (SHMI) and palliative care coding

The data used to produce the summary hospital mortality indicator (SHMI) are generated from data that trusts submit to the secondary uses service (SUS). The SHMI is the ratio between

the actual number of patients who die following hospitalisation at the trust and the number that would be expected to die on the basis of average England figures, given the characteristics of the patients treated there.

The expected number of deaths is calculated from statistical models derived to estimate the risk of mortality based on the characteristics of the patients (including the condition the patient is in hospital for, other underlying conditions the patient suffers from, age, gender and method of admission to hospital).

The 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.

The Trust intends to take the following actions to improve this percentage and so the quality of its services:

- Our rate of palliative care coding is below the national average, although this is an acceptable position it does indicate that the capturing of patients receiving palliative care at the Trust can be improved. The table below shows a reduction in the percentage of deaths coded as palliative care from the previous period
- Work will continue between the Trust clinical staff and clinical coders to improve our coding ensuring we capture patients receiving palliative care.

Patient deaths coded as palliative care (data from the Health & Social Care Information Centre (HSCIC)				
Year	**% of deaths**	**National average %**	**Lowest national %**	**Highest national %**
Oct 10 – Sept 11	9.4%	16.4%	0.0%	41.6%
Oct 11 – Sept 12	15.7%	18.9%	0.2%	43.3%
Oct 12 – Sept 13	13.8%	20.9%	0.0%	44.9%

Note: Data from the HSCIC is only up to September 2013 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 one. A Trust would only get a SHMI value of one 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:

One – Where the Trust's mortality rate is 'higher than expected'
Two – Where the Trust's mortality rate is 'as expected'
Three – Where the Trust's mortality rate is 'lower than expected'.

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

SHMI banding (data from the HSCIC)		
Year	***Value***	***Banding***
Oct 10 – Sept 11	1.0082	Two
Oct 11 – Sept 12	1.0787	Two
Oct 12 – Sept 13	1.0201	Two

2.3.12 Patient Reported Outcome Measures (PROMs)

Patient reported outcome measures (PROMs) are a means of collecting information on the effectiveness of care delivered to NHS patients as perceived by the patients themselves. PROMs have been collected by all providers of NHS-funded care since April 2009, currently covering four clinical procedures; PROMs calculate the health gains after surgical treatment using pre and post-operative surveys.

PROMs comprise a pair of questionnaires completed by the patient, one before and one after surgery (at least three months after surgery for groin hernia and varicose vein operations, or at least six months after surgery for hip and knee replacements). Patients' self-reported health status (sometimes referred to as health-related quality of life) is assessed through a mixture of generic and disease or condition-specific questions.

For this Trust there were 930 eligible hospital episodes and 797 pre-operative questionnaires returned - a headline participation rate of 85.7 per cent (compared to 75.1 per cent in England). Of the 518 post-operative questionnaires sent out, 285 have been returned - a response rate of 55.0 per cent (compared to 59.6 per cent in England).

Patient reported outcome figures Adjusted average health gain Score* (data from the HSCIC)								
	2012/13				**2013/14 (April – December 13)**			
Outcome	**Adjusted health gain**	**National average**	**Lowest national**	**Highest national**	**Adjusted health gain**	**National average**	**Lowest national**	**Highest national**
Groin Hernia Surgery	48.0%	49.4%	5.0%	84.2%	54.7%	50.2%	14.3%	100%
Varicose vein surgery	67.6%	52.8%	23.5%	85.7%	44.0%	52.7%	14.3%	88.9%
Hip replacement surgery	87.3%	87.9%	78.9%	100%	80.0%	87.8%	70.6%	100%
Knee replacement surgery	79.6%	79.7%	60.0%	100%	79.7%	81.0%	56.9%	100%

Please note full 2013/14 is not yet available and full data will be published in autumn 2014.

The adjusted health gain indicates the percentage of patients who had an improvement on their health following the procedure undertaken.

The Trust considers that this data is as described as there are sound mechanisms in place to collect the data. The Trust intends to take the following actions to improve this percentage and so the quality of its services by:

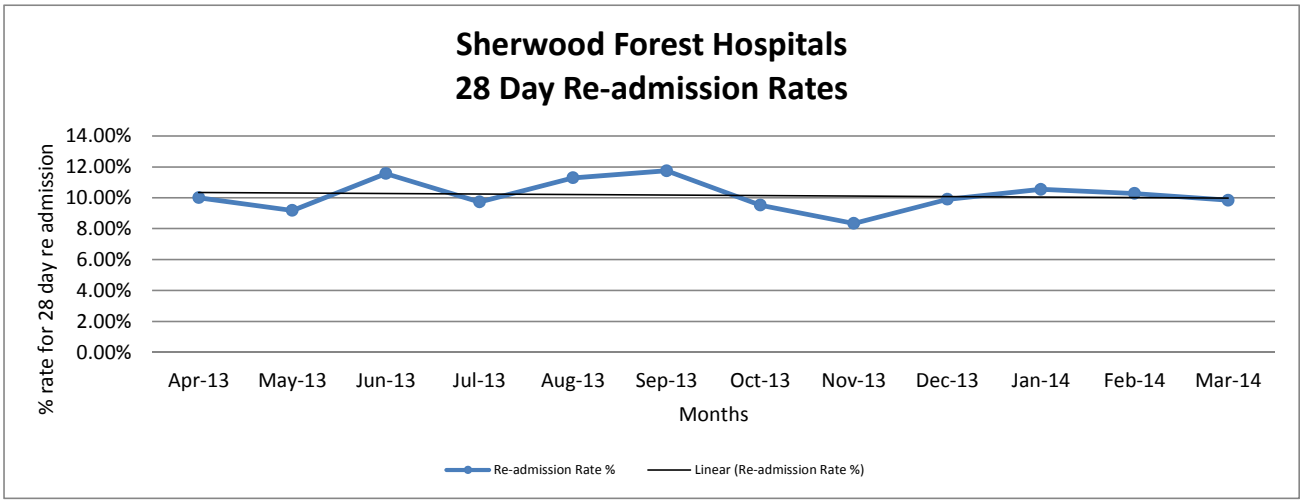
- Utilising the reports produced at service line and consultant level to understand variances and then agree any actions required to improve patient outcomes
- Undertaking further analysis particularly of our varicose vein and hip surgical pathways to understand how the adjusted health gain can be improved for these surgical procedures and the reasons for the decline
- Reviewing the patient level details of patient reporting no change or worsening condition to identify themes.

2.3.12 Patients readmitted to a hospital within 28 days of being discharged

Readmission data is available via the HSIC and our performance for 2011/12 and 2012/13 is shown in the table below.

Patients readmitted to hospital within 28 days of being discharged (data from the HSCIC)					
	Year	**%**	**National average**	**Lowest % NHS FT**	**Highest % NHS FT**
Patients aged 0-15 readmitted to hospital within 28 days of being discharged	2011/12	9.09%	10.26%	3.75%	14.94%
Patients aged 16 or over readmitted to hospital within 28 days of being discharged	2011/12	10.99%	11.45%	6.48%	17.15%
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 no data is available from the HSCIC as yet for 2013/14 we have included our performance as shown in the chart below based on data extracted from the Trust data warehouse utilising the methodology applied by the HSCIC. For the period 2013/14 the Trust has a re-admission rate of 10.14%.



The Trust considers that this data is as described as it demonstrates that the work we are doing to offer better access to rapid outpatient and ambulatory services needs to continue.

We have undertaken the following work during 2013/14 to try to reduce unnecessary readmissions:

- Setting up schemes such as an outpatient antibiotic service
- Setting up an emergency consultant on call rota so patients can attend clinic to prevent unnecessary readmissions

- Strengthening GP telephone access to senior clinical opinion scheme.

The Trust intends to take the following actions to improve this percentage and so the quality of its services - by working in partnership with our colleagues across the healthcare community to engage in the Better Together programme. This will enable us to introduce changes across the whole patient pathway to reduce readmissions.

2.3.13 Staff who would recommend family/friends to receive treatment at our Trust

2012 and 2013 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 2012	62%	60%	54%	72%
Staff survey 2013	63%	67%	40%	94%

The table above shows a slight improvement in our score in 2013 and, as highlighted earlier, this is a top three priority for 2014/15 (see Section 2.1). The Trust considers that this data is as described because, in year, we began implementing a range of initiatives to listen to our staff and make improvements.

The Trust intends to take the following actions to improve this percentage and so the quality of its services by:

- Implementing a communication strategy 'reminding staff of all the good things they have achieved and what they should be proud of'
- Continuing quarterly staff surveys to assess the views of staff in relation to key issues
- Continuing to increase the appraisal rate whilst ensuring that all appraisals are of a high quality and result in a personal development plan, identification of training needs and delivery of training opportunities. Align appraisal process to refreshed Trust values.

2.3.14 Venous thromboembolism (VTE) risk assessment

The Trust considers that this data is as described as we have a robust monitoring process for uploading the data into the HSCIC. We also collect other data to enable us to gain a comprehensive picture of how we are doing. For 2013/14 our average compliance for venous thromboembolism (VTE) assessment was 95 per cent.

Patients risk assessed for VTE in 2012-2014, against national average (data from the HSCIC)		
Year	**Percentage of patients risk assessed**	**National average**
2012/2013 (Apr 12 to Dec 12)	94.0%	94.0%
2013/2014 (Apr 13 to Dec 13)	95.0%	95.77%

National average does not include March's data - unavailable at present

What were our objectives for 2013/14?

- To eliminate unnecessary deaths due to VTE by ensuring the percentage of patients receiving a VTE risk assessment within 24 hours of admission to hospital is at least 95 per cent - this target has been achieved
- 95% of patients who have been identified as being at risk of VTE to receive appropriate preventative treatment – this target has been achieved
- 100% of cases of hospital acquired thrombosis (HAT) are subject to a root cause analysis (RCA) – this target has been achieved
- An initial review of all potential HAT cases is commissioned at the fortnightly VTE meeting. If the VTE is found to be potentially preventable a full RCA is undertaken by the lead consultant. Preventable VTEs are discussed at departmental governance meetings for actions and learning points, with a report fed back to the VTE CQUIN group.

The Trust intends to take the following actions to improve this percentage and so the quality of its services by:

- Although no longer a national CQUIN, this priority will continue to be monitored through the Trust's internal processes (e.g. safety thermometer) and is a contractual requirement

- We will continue to work closely with colleagues in our 'front door' departments to ensure consistent risk assessment of patients and ensure performance is maintained throughout times of increased pressures or changes in medical staff

- 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 contractual targets, a protocol will be implemented for the mandatory investigation of all HAT events. A HAT is defined as VTE occurring during a hospital admission or within 90 days of discharge. We will be undertaking detailed investigation of HAT events 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.

2.3.15 Clostridium difficile

The Trust considers that this data is as described, as it is part of the mandatory surveillance within the Department of Health guidance and is a key performance indicator for the Trust and the data is checked by the infection prevention and control team prior to submission.

We failed to achieve our Clostridium difficile (C.*difficile)* trajectory for 2013/14. We experienced 36 cases against a trajectory of 25.

Table of C*. difficile* rate per 100,000 bed days			
	2011/12	**2012/13**	**2013/14**
SFH	19.3	11.6	14.7
National Rate	22.2	17.3	*
Lowest Trust Rate	0.0	0.0	*
Highest Trust Rate	58.2	30.8	*

* Data unavailable at time of publication

Table of *C. difficile* cases		
Year	**Numbers of *C. difficile***	**Target**
2011/2012 (Apr 11 to March 12)	45	43
2012/2013 (Apr 12 to March 13)	29	36
2013/2014 (Apr 13 to March 14)	36	25

The Trust intends to take the following actions to improve this percentage and so the quality of its services - reviewing the infection control and prevention strategy to identify specific actions in response to learning from previous cases. This is described in more detail in section 3.

2.3.16 Patient safety incidents reported resulting in severe harm or death

Serious incidents requiring investigation in healthcare are rare, but when they do occur, everyone must make sure that there are systematic measures in place to respond to them. These measures must protect patients and ensure that robust investigations are carried out, which result in organisations learning from serious incidents to minimise the risk of the incident happening again. When an incident occurs it must be reported to all relevant bodies. There are a number of data sources that we can use to review our incident rates. The data from the HSCIC is shown below and indicates that we have a slightly lower level of incidents than the medium acute trust average:

Table to show levels of incident reporting at the Trust for 2012-2014 (data from HSCIC)										
	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 no. of incidents	Average rate per 100 admissions
2012/13	2,941	7.43	0	0	843	3.11	117,134	14.44	2,603	6.87
2013/14 (April to Sep)	2,704	6.51	3	0.1	1535	6.17	4,888	14.49	2,881	7.64

The table below shows the levels of incidents reported using the Datix reporting system at the Trust for the years 2012/13 and 2013/14. Datix is our principal means of reporting, reviewing and analysing incidents. The Trust has positively encouraged reporting of incidents from all levels of staff and the detail is reflected in the table below. Increased reporting allows the Trust to have greater opportunities to learn lessons and improve outcomes for patients.

Datix reported incidents (2012/13 and 2013/14)							
Reporting period	Total Datix reported incidents*	NRLS reported	No harm	Low harm	Moderate harm	Severe harm	Catastrophic – patient safety related
2012/13	8,984	6,307	5,107	959	217	4	8

2013/14	10,712	6,514	4,128	1,863	472	35	6

*Total incidents = patient and non-patient related incidents

The definitions of harm are shown below:

Description	Definition
No harm	This includes incidents where no harm occurs and near miss incidents
Low harm	Any unexpected or unintended incident that required extra observation or minor treatment
Moderate harm	Any unexpected or unintended incident that resulted in further treatment, and which caused short term harm
Severe harm	Any unexpected or unintended incident that resulted in permanent harm
Catastrophic	Patient safety incident that was related to the death of one or more persons

The Trust considers this data is as described as the Trust promotes the reporting of incidents and has seen an increase in the number of incidents reported. 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. We have undertaken work to strengthen our whistleblowing and DATIX reporting systems during 2013/14. The Trust reports all patient safety incidents and near miss events to the National Reporting and Learning System (NRLS).

The Trust intends to take the following actions to improve this percentage and so the quality of its services by:

- Working to embrace the necessity for us to learn from incidents, complaints and patient stories
- Undertaking a DATIX improvement project to strengthen reporting
- Continuing the work achieved in 2013/14 to strengthen our governance structures from ward to Board to improve the analysis and learning from incidents.

3.0 Looking back at 2013/14: Quality review

This section includes a range of information relating to the Trust's quality performance in 2013/14. Whilst this is not an exhaustive list it gives an overview of the Trust's performance in both hospital-wide and service specific indicators. Our progress with mortality, falls reduction, and the staff Friends and Family test has been described in Part 2.

1. To improve patient safety and reduce harm:

- To reduce avoidable pressure ulcers
- To reduce the number of patients falling (described in Part 2)
- To maintain and improve hospital acquired infection rates
- To deliver safe, harm-free use of medicines.

2. To ensure clinical care is effective:

- Mortality - to reduce our SHMI indicator to 97 (described in Part 2)
- To improve the care of deteriorating patients
- To improve the care of patients with sepsis.

3. To improve the experience of our patients:

- To reduce length of stay and readmissions by improving patient flow
- To improve the quality of care for patients living with dementia
- To enhance end of life care
- To ensure the nutrition and hydration needs of our inpatients are met.

3.1 To improve patient safety and reduce harm:

3.1.1 To reduce avoidable pressure ulcers

The majority of pressure ulcers (approximately 95 per cent) can be prevented with the right care and equipment. However, despite this some patients will develop a pressure ulcer due to the severity of their medical condition. As a result we chose to specifically focus on reducing avoidable pressure ulcers.

What did we set out to achieve in 2013/14?

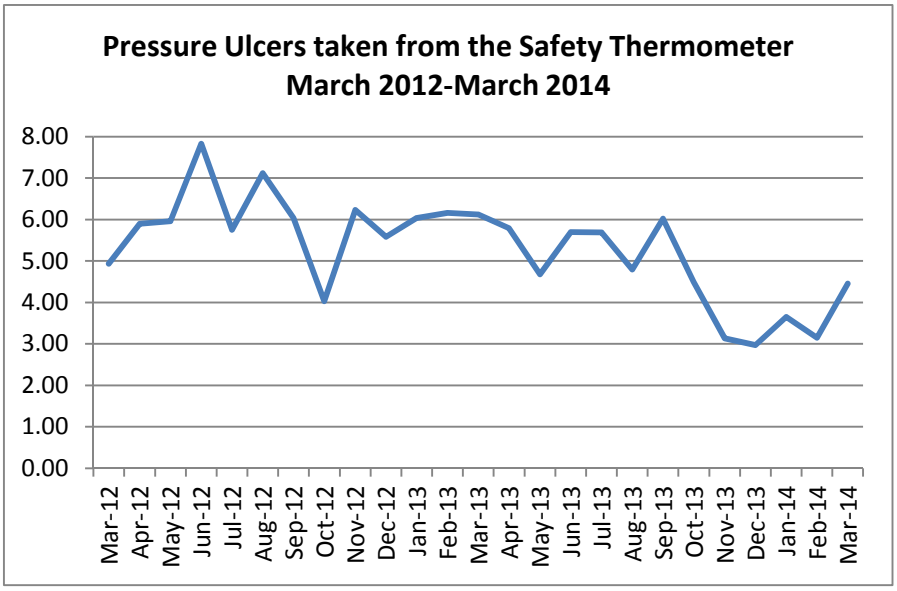
- To have zero avoidable grade four pressure ulcers
- To reduce avoidable grade three ulcers so that we have zero by March 2014
- To reduce avoidable grade two ulcers by 30 per cent.

Progress and outcomes

The table below shows all avoidable grade two to four ulcers and grade one ulcers developed with the Trust in 2012/13 and 2013/14 against the targets we set. (Grades ones are not categorised into avoidable or unavoidable.)

	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	**Totals**
GRADE 1 - is permanently red skin, but not broken									NB - *No targets set for Grade 1s*				
2012 -13	NA	7	5	9	6	5	4	6	6	2	4	7	**61**
2013-14	5	12	5	5	3	9	3	4	7	1	1	10	**65**
GRADE 2 - is superficial and may look like an abrasion or blister													
2012 -13	12	12	10	4	7	11	8	10	12	16	15	23	**140**
2013-14	14	13	16	8	7	5	9	6	7	9	5	7	**106**
Target No.	15	20	10	7	7	6	6	7	7	4	3	3	**95**
GRADE 3 - goes through the whole layer of skin and there is damage to the tissues underneath the skin													
2012 -13	0	0	0	0	4	5	1	3	2	4	1	4	**24**
2013-14	5	4	2	0	1	0	2	1	1	2	0	0	**18**
Target No.	3	3	2	2	2	2	2	1	1	1	1	0	**20**
GRADE 4 – is the most severe form, it is deep and there is damage to the muscle /bone underneath													
2012 -13	0	0	1	0	0	0	0	0	1	0	0	0	**2**
2013-14	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Target No.	0	0	0	0	0	0	0	0	0	0	0	0	**0**

Our monthly safety thermometer audit which is done on a set day every month demonstrates a reduction in the number of pressure ulcers recorded at the Trust. Overall for 2013/14 of the patients we surveyed in the safety thermometer audit only 0.72% developed a new pressure ulcer. The graph below shows a reduction.



In summary:

- We had zero avoidable grade four pressure ulcers – target achieved
- We achieved a 25 per cent reduction in avoidable grade three pressure ulcers and recorded zero in March 2014 – target achieved
- We achieved a 30 per cent reduction in avoidable grade two ulcers – target achieved.

How did we achieve this?

- We ensured the right pressure relieving equipment was available for the patient, utilising clear mattress selection guides, cushions and 'off-loading' devices for heels
- We developed documentation in line with national and European standards to assist nursing staff to assess patients' risk and implement the right care at the right time
- We implemented a robust investigation process to support sharing and learning across the organisation
- We paid particular focus to the emergency department and emergency admissions unit, developing bespoke documentation and equipment.

Monitoring and reporting for sustained improvement

- Pressure ulcer prevention is audited monthly using the nursing metrics system
- Divisions are provided with monthly risk rated ward reports which include numbers of pressure ulcers, education/meeting attendance and audit (metrics) results
- There is also a collective meeting across the senior nursing teams where we monitor the monthly ward assurance matrix
- The safety thermometer data will continue to be collated monthly and allows a benchmark (limited) with other surrounding Trusts
- The pressure ulcer strategy group monitors and drives the pressure ulcer reduction strategy with monthly reports provided to the Trust Board.

For 2014/15 we plan to:

Have zero avoidable grade three and four pressure ulcers by October 2014. We also aim to reduce grade two pressure ulcers by 50 per cent by October 2014 and achieve zero by March 2015. To achieve this, we will:

- Work collaboratively with the community and Clinical Commissioning Groups (CCGs) to reduce the overall pressure ulcer rates across the region
- Track pressure ulcers electronically to reduce administrative work and promote accuracy of reporting
- Provide education in electronic alternatives to complement existing methods
- Focus on outpatients and waiting areas to identify specific tissue viability needs for these patients, which is likely to include education of clinic staff, reception, portering and transport staff.

3.1.2 To maintain and improve hospital acquired infection rates

What did we set out to achieve during 2013/14?

- To have zero cases of hospital acquired Meticillin Resistant *Staphylococcus aureus* (MRSA) bacteraemia
- To reduce the number of C*. difficile* cases to below 25
- To reduce the incidence rate of Trust apportioned urethral catheter associated bacteraemias to less than two cases per year.

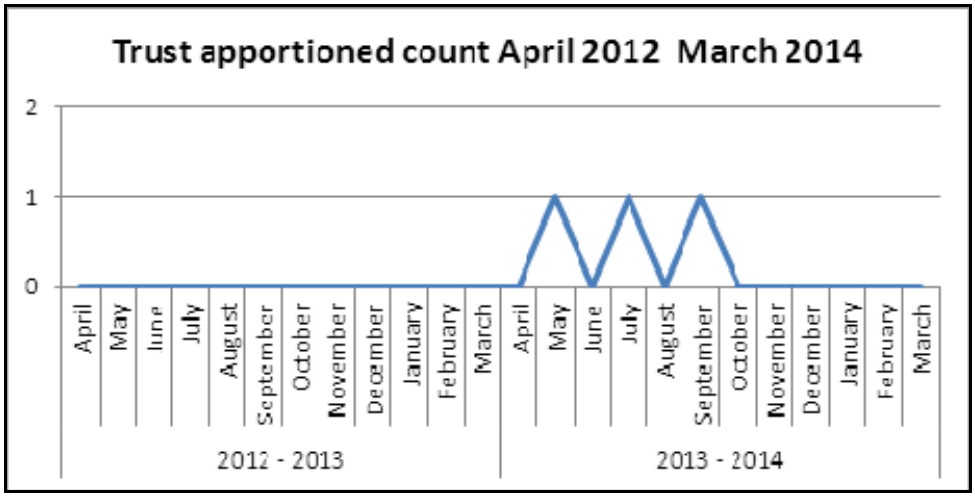
Our progress and outcomes

- For MRSA we had three cases against a target of zero – target not achieved
- For C. *difficile* rates we had 36 cases against a target of 25 – target not achieved
- For catheter associated infections we had 14 cases against an internal target of two – target not achieved.

Our targets for 2013/14 were challenging and reflective of our previously excellent track record in reducing hospital acquired infections and our ambition is to improve this performance even further. We were disappointed not to have achieved our targets. We will provide an update on each of these individual indicators below.

MRSA

Prior to 2013/14 the Trust had gone three years without a Trust acquired MRSA bacteraemia infection. During 2013/14 the Trust had three cases of MRSA bacteraemia infections post 48 hours of admission; the last case being in September 2013. The MRSA performance for the Trust is shown in the graph below.



Further improvements identified for 2014/15

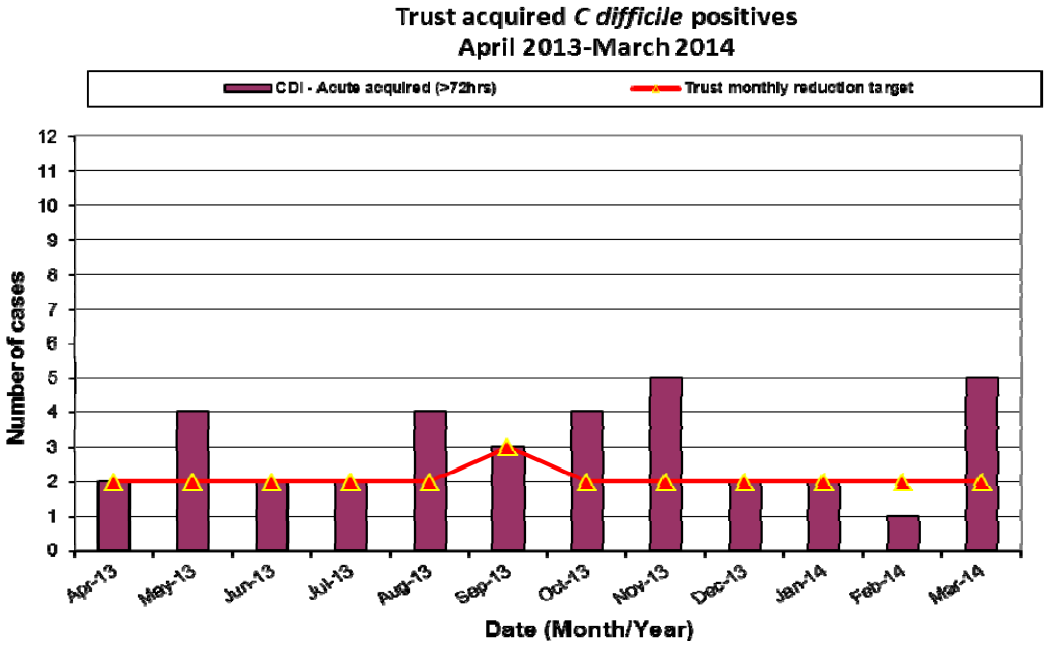
A post infection review was conducted for each of these cases and we also invited a national expert into the organisation to undertake an external review. The following actions have been implemented in response to the lessons learnt:

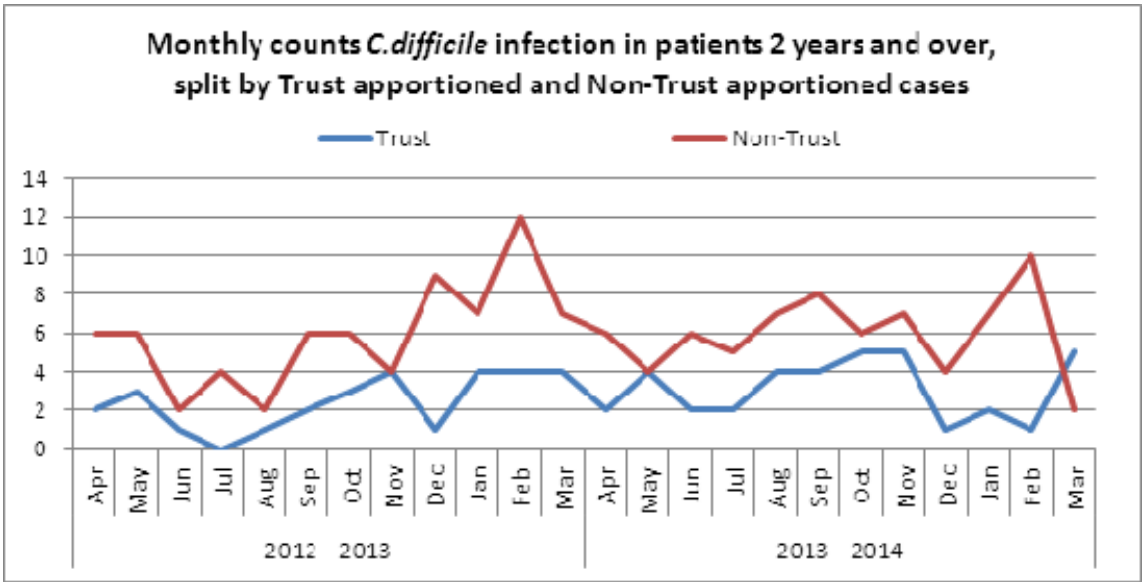
- Training and support materials were issued to highlight the MRSA screening requirements for high risk patients across the Trust
- A programme of enhanced quarterly audits has been introduced: hand hygiene (against 'five moments'), personal protective equipment, isolation, linen, urinary catheter management, venous catheter management, and sharps management
- Dressing changes have been reviewed to minimise the risk of infection at the point where we insert any central lines or devices
- We have changed the type of connector we use in the X ray department for the administration of contrast
- A Trust global directive for the management of MRSA positive patients was reviewed and updated. A revised training pack for staff has been implemented.

We did not have a case of Trust apportioned MRSA during the second half of 2013/14 and continue to monitor this closely.

C. *difficile*

During 2013/14 there were 36 cases of Trust acquired *C. difficile* infections against a trajectory of 25. The deterioration in our C. *difficile* rate from 2012/13 (27 cases) is disconcerting, although the ability of acute trusts to remain under their trajectory has not been achieved either at a local or national level.





Further improvements identified for 2014/15

A Root Cause Analysis (RCA) was conducted for each of these cases and the following have been implemented:

- Early recognition of symptoms and the need to isolate promptly. A 'SIGHT' poster is now displayed in clinical areas to highlight key messages
- We are undertaking spot checks and audits of compliance with isolation, and the results of these are escalated to our matrons and ward sisters so they can take any necessary actions. We are also looking at opportunities to refine the testing we do
- Samples are now sent for ribotyping (special testing) in the event of a period of increased incidence
- A drive to increase the prompt review of patients' medications so that any amendments can be made, particularly to ensure the correct antibiotic use
- Prompt discussion between medical staff caring for the patient and the consultant microbiologist
- Increase in the multi-disciplinary team round to twice a week
- We are looking at opportunities to refine the products we use during the cleaning of our environments after patient use following recent evidence
- The safe and cost-effective use of medicines is essential and, for example, following the visit by national infection control expert Professor Dearden the Trust prescription chart is being substantially redesigned to ensure (amongst other changes) that antibiotics are now prescribed on a dedicated section of the chart to facilitate adherence to best practice.

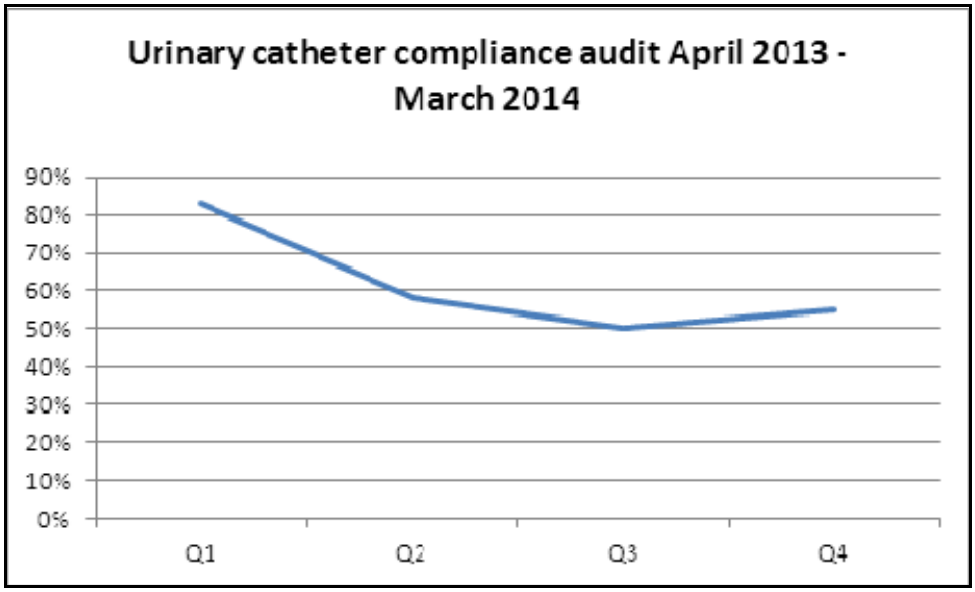
Urinary catheter associated bacteraemia

Urinary tract infections (UTIs) are the second largest single group of healthcare-associated infections in the UK, amounting to 19.7 per cent of all hospital infections. Evidence suggests that 60 per cent of all UTIs are related to urinary catheter insertion. The estimated cost for each catheter associated urinary tract infection (CAUTI) is in excess of £1,000 per patient. It is recommended that the Trust undertakes ongoing assessment of the use of urinary catheters with a view to minimising usage, ensuring appropriate care and removal at the earliest opportunity.

During 2011/12 the Trust monitored urinary catheters for CQUIN purposes. During that time we established that there was no set policy/guidance as to size of catheter and indication for

catheter use. This was rectified and a new policy and catheter monitoring form was introduced. This resulted in improved compliance with the Trust hitting both the CQUIN target and the regional target of reducing bacterium associated catheter infections. The Trust decided to continue to audit the appropriate use of urinary catheters during 2013/14**.**

The infection prevention and control team conducts a monthly urinary catheter monitoring compliance audit. This measures how well we adhere to catheter standards. For 2012/13 there has been a significant decline in the compliance; although it fluctuated, it was in the region of the upper 70 per cent for 2012/13.



Given this performance we are undertaking a number of actions to improve compliance. They are:

- The introduction of a patient passport – this is a patient-held record that contains information including how to manage the catheter, who to contact, when it will need changing etc. This will be used across the local health community
- Delivery of training on the fundamentals of catheter care to clinical staff across the Trust during 2014/15
- Quarterly audits in all clinical areas to help identify wards that require additional support.

Monitoring of infection control performance and practices

All progress continues to be reported to the infection prevention and control committee. The infection prevention and control profile is maintained through an infrastructure of infection prevention and control service leads, and infection prevention and control link representatives and nurses, their role being to maintain standards at ward/department level alongside ward and department sisters/charge nurses.

3.1.3 To deliver safe, harm-free use of medicines

Medicines remain one of the principal treatment interventions for all patients receiving care in hospital and on discharge. Whilst the vast majority of this use is safe and effective, the potential for harm from medicines remains, and the Trust is committed to ensuring that effective, multidisciplinary medicines management will provide safe, harm-free care that will bring significant benefits in terms of patient care and the management of risk.

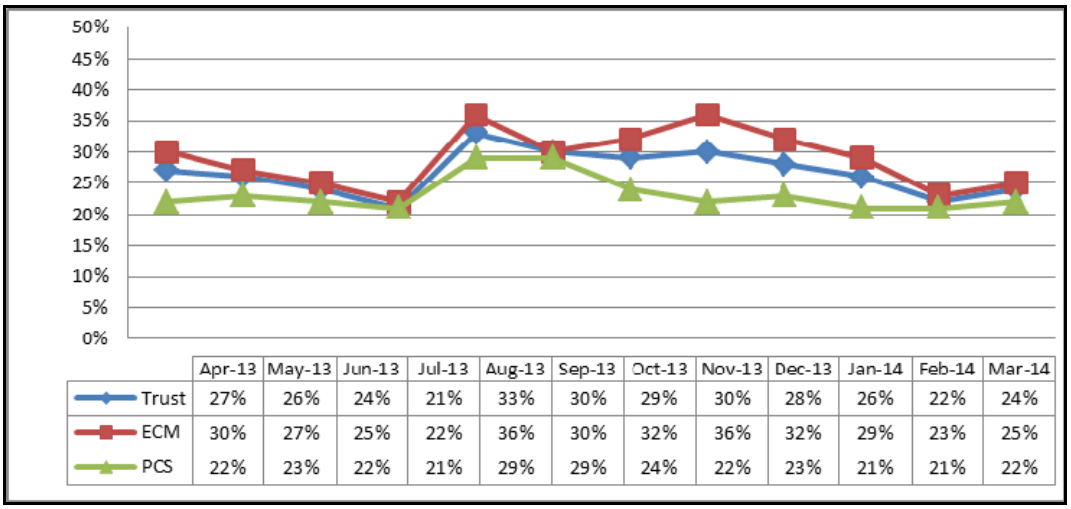
What did we set out to achieve in 2013/14?

1. Reduce our medicines to take out (TTO) error rates
2. Achieve 95 per cent reconciliation of medicines within 24 hours of patient admission to hospital. The aim of medicines reconciliation is to ensure that medicines prescribed on admission correspond to those that the patient was taking before they came into hospital
3. Ensure appropriate prescribing of antimicrobial medicines.

Progress and outcomes

1.Data collected by the clinical pharmacy team during the screening of discharge prescriptions (TTOs) indicate that there has not been a significant overall change in the incidence of prescribing errors of TTOs during 2013/14 (although there has been a significant change since the peak seen in August 2013).

2013/14 TTO error rate across the Trust and also by division (emergency care and medicine, and planned care and surgery)

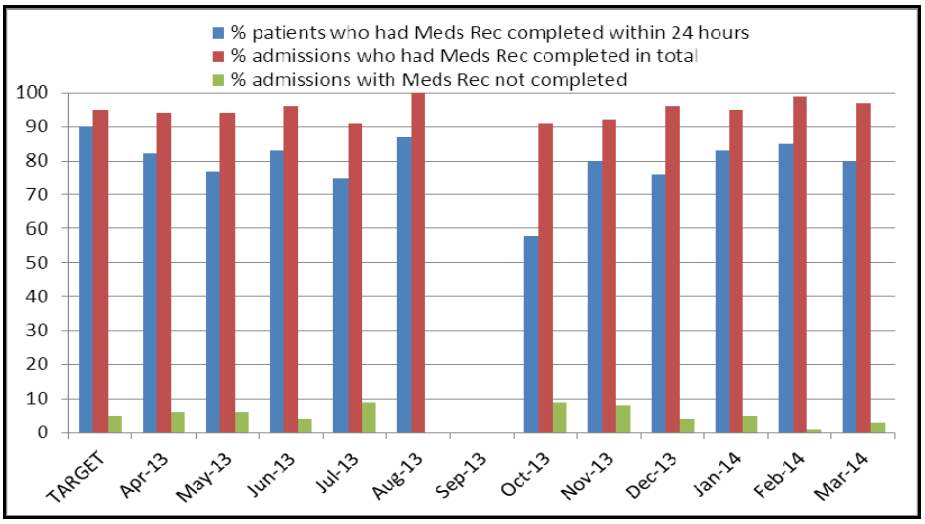


	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Trust	27%	26%	24%	21%	33%	30%	29%	30%	28%	26%	22%	24%
ECM	30%	27%	25%	22%	36%	30%	32%	36%	32%	29%	23%	25%
PCS	22%	23%	22%	21%	29%	29%	24%	22%	23%	21%	21%	22%

TTO error rate information is being fed back to divisions and specialties by pharmacy on a monthly basis, as well as on a one-to-one basis with prescribers when errors are identified; where possible this divisional data has been detailed down to individual prescriber level. This would appear to indicate that further work is required in order to reduce these rates further.

2. Data collected by the ward pharmacy teams indicate that during 2013/14 approximately 80 per cent of patients had their medicines reconciled within 24 hours of admission to hospital so the target has not been achieved, but there is a significant pharmacy contribution to correcting errors and omissions within that population. In terms of overall medicines reconciliation rates, over 90 per cent of patients currently have their medicines reconciled during the hospital stay.

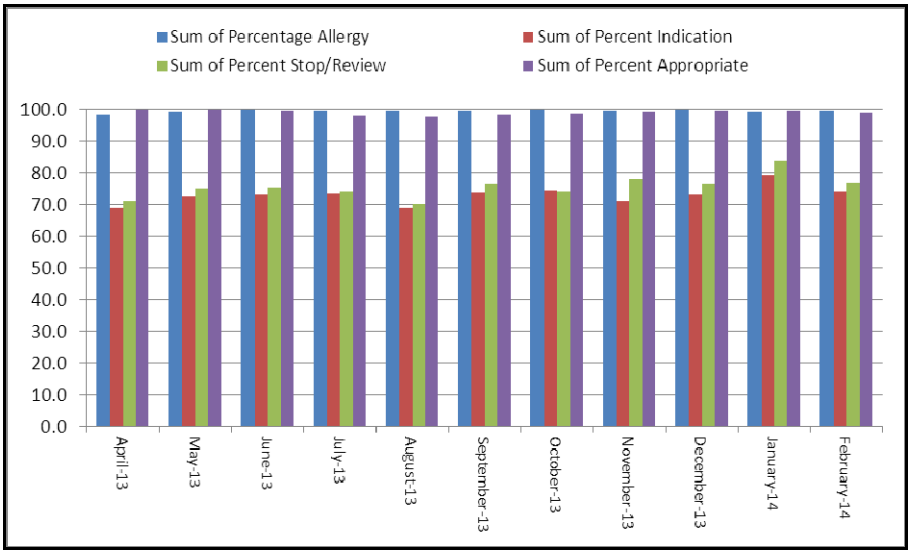
Medicine Reconciliation Rates (2013/14)



To improve medicine reconciliation rates, ward pharmacy services have been enhanced and extended to seven days a week on EAU for our patients being admitted through that route; EAU has also been the site of a pilot of pharmacy staff accessing patient summary care records (SCR) during 2013/14 (of particular value at weekends when GP surgeries are closed), but further work is required, particularly in those areas where there is no resourced ward pharmacy service (e.g. day case), and as part of the seven-day working developments.

3. Weekly data collection by the ward pharmacy teams as part of the ongoing hospital antimicrobial prudent prescribing indicators (HAPPI) monitoring indicates that nearly 100 per cent of our patients are prescribed appropriate antimicrobial medication – the target has therefore been achieved.

HAPPI data collection (2013/14)



The HAPPI data also indicate that further work is still required to improve the rates of specification for use and stop/review dates by prescribers, despite information being fed back to divisions and specialties by pharmacy on a monthly basis; where possible this has been detailed down to individual prescriber level.

Other medicines safety developments during 2013/14 and beyond

- Pharmacists now undertake focused medication reviews of patients identified as having acute kidney injury (AKI), including treatment recommendations where necessary
- An electronic medicines ordering process has been developed for pharmacy staff to reduce turnaround times for getting medicines to patients, thus reducing omitted or delayed doses of critical medicines
- Remote dispensing out of hours via the pharmacy robot by the on call pharmacist can minimise missed doses of critical medicines due to non-availability
- Ongoing promotion of the need to report medicines incidents (errors and near misses), with effective feedback and learning from identified trends and 'hotspots'
- Identifying and learning from other potential sources of medicines-safety related information such as calls made to the hospital at night team, and the on call pharmacist
- Building on learning from Trust staff attending the medicines safety (in older persons) course, being run in conjunction with staff from Nottingham University Hospitals NHS Trust
- The e-prescribing project continues in pilot phase on ward 14, providing valuable data on the further development and planned roll out of e-prescribing benefits
- Medicines security and general medicines management spot-checks have continued during 2013/14 as part of the CQC Outcome Guardian project work
- Sharing with, and learning from medicines safety pharmacists at other Trusts in the region as part of the East Midlands Medicines Safety Pharmacists Network.

Monitoring and reporting for sustained improvement

Our drug and therapeutics/medicines management committee reviews and updates relevant policies and procedures on how the Trust handles, stores, prescribes, dispenses, administers and monitors medication to ensure this is done as safely as possible.

Alongside this, the multidisciplinary Trust medicines safety group works to raise awareness around medicines safety, by the monthly analysis of incident reporting data relating to medicines, in order to identify trends and 'hotspots'. This enables the development and implementation of actions to reduce medicines-related harm, and provides all Trust staff with information and learning relating to incidents, near misses and risks associated with high-risk medicines and processes.

Trust-wide medication incident data are reviewed quarterly to look for trends and actions, reporting into the medicines management committee. These forums will drive and monitor the actions. Progress is reported to the Trust Board via the quarterly quality and safety report. Medicines incident data is also included in CQUIN (e.g. insulin incidents) and other monthly and quarterly performance reports.

Topics relating to medicines safety and the importance of reporting incidents and near misses (particularly in relation to omission/delay of critical medicines, and medicines never events) are now routinely included in induction programmes (e.g. new nurses), mandatory training (e.g. nurses mandatory updates), staff bulletins (Medicines Safety Bulletin), staff questionnaires (as part of the CQC outcome nine Guardian work) and general education (e.g. Incident of the Week programme at the Grand Round, junior doctor training).

Further improvements identified for 2014/15

We are aiming to deliver safe, harm-free use of medicines. A well-recognised source of medicines-related risk is the omission or delay of medicine doses, particularly of critical medicines (e.g. IV antibiotics). We are undertaking a project designed to reduce the number

of such omissions/delays by at least 50 per cent in 2014/15 and by 95 per cent by April 2016. We will be looking at ways of introducing similar processes to those adopted by other Trusts who do continual snapshot audits of missed doses.

Other medicines safety-related goals:

- To have zero medication-related never events
- To increase the number of reported medication-related incidents by 20 per cent (compared to 2013/14 data)
- To reduce the number of medication-related incidents resulting in moderate/severe harm by 25 per cent (compared to 2013/14 data), particularly for high-risk medicines such as opioids, insulin, anticoagulation etc.

To achieve these, we will:

- Improve the quality and safety of prescribing to minimise risk and improve patient outcomes (through ongoing input to undergraduate medical education, and strong multidisciplinary working at ward level)
- Maximise potential safety gains with the introduction of a Trust-wide e-prescribing system (EPMA - an electronic prescribing and medicines administration)
- Achieve 95 per cent reconciliation of medicines within 24 hours by the end of 2014
- Optimise the response to and concordance with the requirements of medicines-related patient safety alerts from NHS England (all Trusts are required to identify a nominated medicines safety officer, who will be a member of the new National Medication Safety Network, during 2014)
- Optimise the reporting of medicines-related incidents and near-misses in order to maximise the learning to help strengthen medicine-related processes
- Work is planned for pharmacists to transcribe discharge prescriptions in order to enable medicines to be prepared and ready one to two days in advance of the expected date of discharge
- Comply with the NHS England patient safety alert on improving medicines incident reporting and learning by mid-September 2014, and develop the role, profile and output of the Trust medicines safety group.

3.2 To ensure clinical care is effective

3.2.1 To improve the care of deteriorating patients

What did we set out to achieve during 2013/14?

- A reduction in cardiac arrest rates by 50 per cent
- A reduction in Hospital Standardised Mortality Ratio (HSMR) by 10 per cent.

Progress and outcomes

- Reduction in cardiac arrests – there were 1.8 arrests per 1,000 admissions against a year-end target of 2.21 (data as of 12/03/14). This represents a reduction in inpatient cardiac arrest rates by 53 per cent since 2010 – target achieved
- Reduction in HSMR by 10 per cent – this has been achieved as reported in section 2.1.

How did we achieve this?

There have been many initiatives as part of our patient safety programme that have contributed to the achievement of these targets. Some of this work has been described within the mortality priority (Section 2.1). In addition we have:

Improved monitoring of vital signs

Compliance with the monitoring of patients (i.e. recording the routine vital signs and national early warning score (NEWS)) is now excellent. Data from the nursing care metrics (Focus IT) monthly audits indicate that compliance with recording all six vital signs (respiratory rate, oxygen levels, blood pressure, pulse, temperature and level of consciousness) was 97-100 per cent, and compliance with documentation of the NEWS was 96-99 per cent.

Increased support for patients requiring intervention or those who are unstable (classified as level one)

In October 2013, the critical care outreach team (CCOT) was increased in size to manage the increased workload experienced as a result of improved monitoring and NEWS. In February 2014, the CCOT gathered data for an international multi-centre research study to identify outcomes in the 24 hours following a call for their assistance. Of the 26 calls for urgent help received over a seven day period, 20 of those patients' problems were resolved within 24 hours. Three patients were admitted to the intensive care unit and three patients needed surgical intervention. Two patients died, but this was in the presence of an 'allow natural death' (or do not resuscitate) decision. This is one of the first studies to examine outcomes related to CCOT interventions and early data analysis indicates positive outcomes at the King's Mill site.

Implementation of VitalPAC

VitalPAC, a paperless electronic monitoring device, is being implemented across the King's Mill site. Nurses and healthcare assistants will input observation data into hand-held devices at the bedside and information will be picked up in real-time by the doctors and CCOT, enabling them to identify the deteriorating patient sooner than ever before. During 2013/14 we have prepared to implement the system. Roll out to our inpatient wards commenced in April 2014.

Monitoring and reporting for sustained improvement

- Ongoing observation and a NEWS 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
- CCOT will continue to monitor all trigger calls and responses that are made daily and report monthly
- Cardiac arrest monitoring will continue and retrospective case note reviews
- The safer nursing care tool 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. This will be undertaken at regular intervals throughout 2014/15 and reported to the Board of Directors
- Our early warning dashboard with key indicators to show whether quality and safety are deteriorating is monitored at the quality committee and the clinical quality and governance group.

3.2.2 To improve the care of patients with sepsis

Sepsis is a life-threatening illness caused by the body overreacting to an infection. It is often referred to as either blood poisoning or septicaemia. The incidence of sepsis increases annually and it claims more lives than breast and bowel cancer combined. Survival can be dramatically improved with early diagnosis and timely treatment.

The sepsis care bundle is a collection of clinical interventions for the patient with an overwhelming infection that when delivered promptly within the first hour of diagnosis can significantly improve chances of recovery.

What did we set out to achieve during 2013/14?

Our aim in 2013/14 was to improve sepsis care for our patients and reduce mortality. The objectives were:

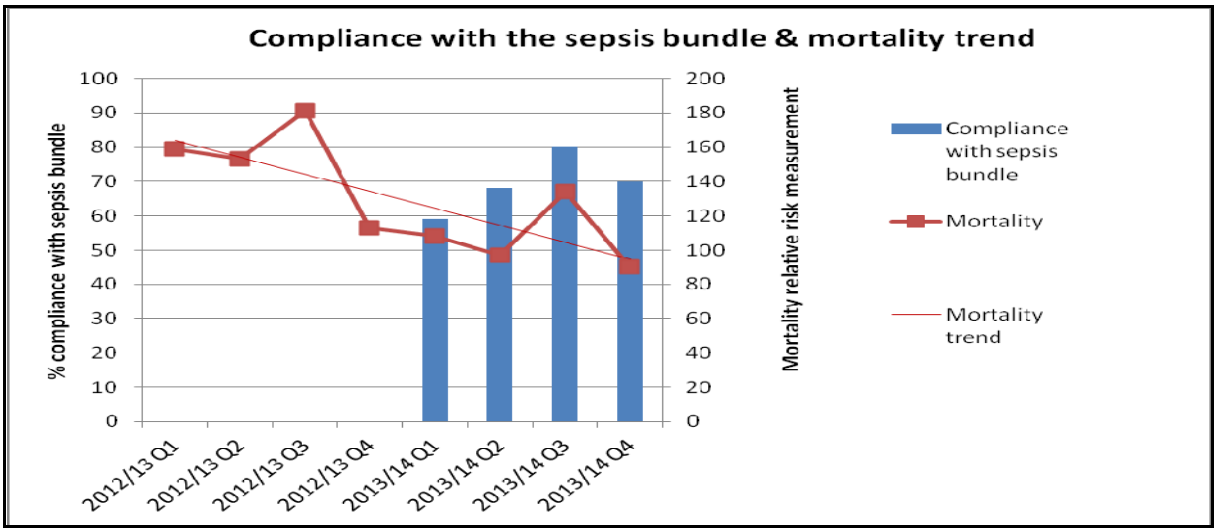
- To complete the implementation of the sepsis care bundle and sepsis treatment boxes
- To have 75 per cent compliance with the sepsis care bundle by the end of 2013/14
- To evidence a downward trend in sepsis related mortality.

In order to achieve this we set out to:

- Improve education and training of staff about sepsis
- Raise awareness of sepsis both for clinical staff and the wider public
- Implement a robust audit programme on sepsis care
- Through case note reviews, discover lessons to be learned and support poorly performing areas.

Progress and outcomes

- The sepsis care bundle and treatment boxes have been implemented across all three hospital sites (King's Mill Hospital, Newark Hospital and Mansfield Community Hospital) – target achieved
- Overall 70 per cent compliance with the sepsis care bundle by the end of 2014 – target not achieved, but 70 per cent represents an 18 per cent improvement from the beginning of the year
- This has been a downward trend in sepsis related mortality – target achieved.



How did we achieve this?

We appointed a part-time sepsis lead nurse and a consultant lead was identified. They worked to embed the sepsis screening tool across the Trust and increase compliance with the sepsis care bundle. During 2013/14 we were able to ensure that all relevant clinical areas across all three hospital sites had sepsis treatment boxes.

The sepsis treatment box

We also introduced:

- A wide-reaching education programme to increase knowledge of sepsis across clinical staff
- A sepsis awareness week which raised the profile of sepsis care both for staff and the public. Local media became involved and our campaign came to the attention of and gained support from the UK Sepsis Trust
- A rigorous case review process and audit tool. Areas of both good and poor practice are fed back to clinical teams to raise awareness and improve clinical practice.

Monitoring and reporting for sustained improvement

- Results and progress for the sepsis CQUIN are reported two monthly to the patient safety steering group and quarterly to the commissioners. The patient safety steering group escalates any concerns to the clinical governance and quality group
- Compliance results are shared quarterly with each clinical service line and divisional management team.

Further improvements identified for 2014/15

- Compliance with the sepsis care bundle needs to improve. Our CQUIN target for 2014/15 is 95 per cent compliance
- Sepsis education will continue. There will be targeted education for newly qualified staff.
- The governance pathway for action planning against poor care will be strengthened.

3.3 To improve the experience of our patients

3.3.1 To reduce length of stay and readmissions by improving patient flow

What did we set out to achieve in 2013/14?

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

- 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 hospital 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.

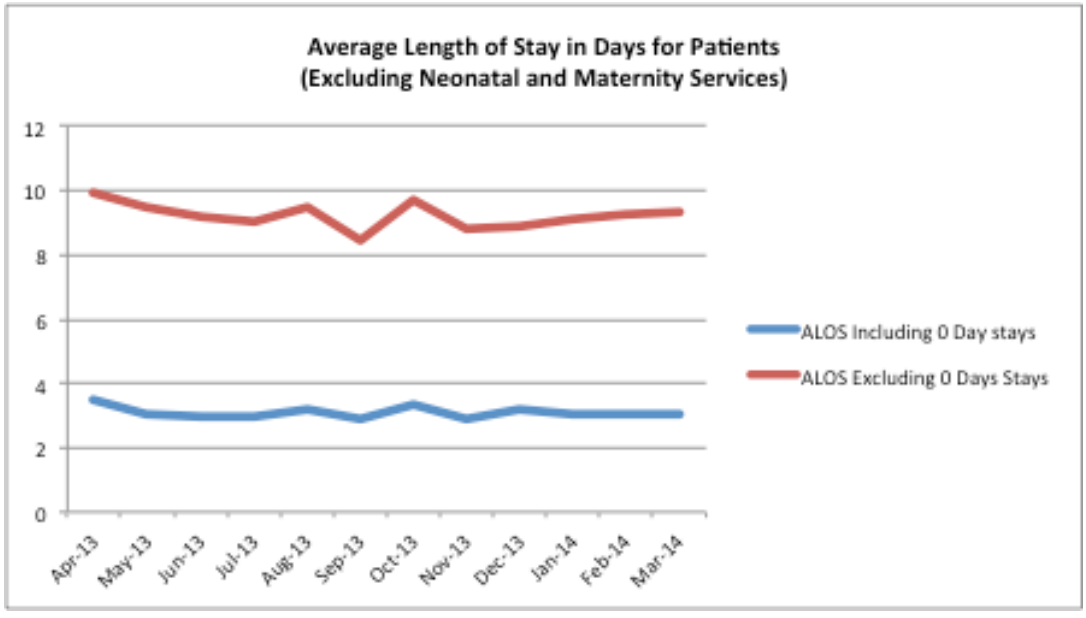
Progress

- Dedicated geriatrics nurse and doctor time was put into the emergency department
- 24 hour psychiatric nurse support was put in place for patients in the emergency department
- New rapid access respiratory and gastroenterology clinics were put in place to prevent unnecessary admissions
- Social service transfer to assess beds were established in two local private homes
- More patients were given access to ambulatory care in the clinical decision unit at King's Mill hospital, reducing unnecessary admissions
- The process of patient transfer to Newark Hospital was streamlined, reducing waits for access to local hospital care
- Improvements were made to the patient transfers for non-clinical reasons (outlier) policy, reducing transfers and improving safety
- Establishment of the transformation programme for emergency care.

Outcomes: The patient journey

Average length of stay

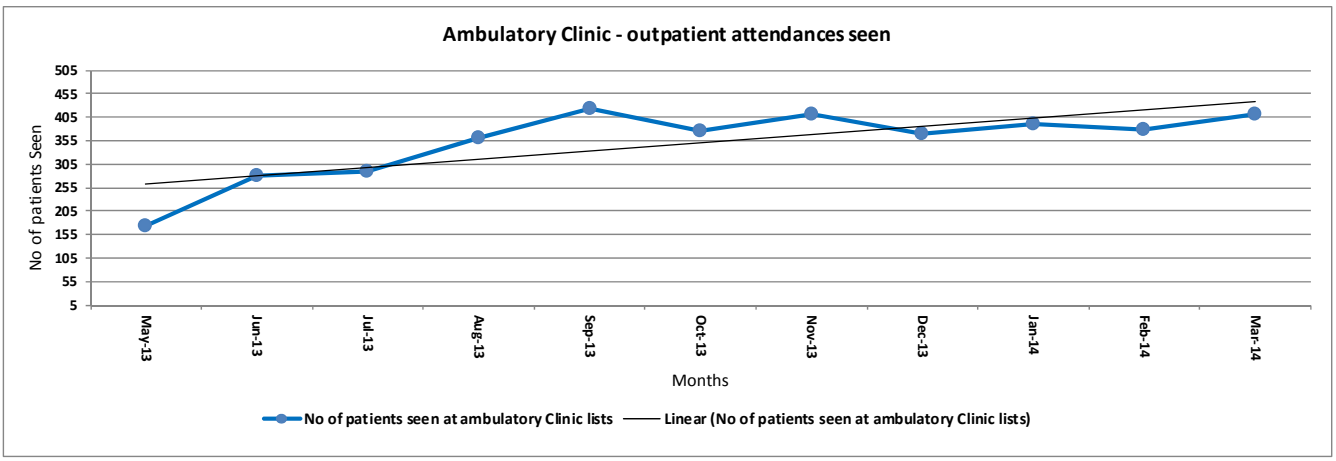
Describing and measuring the length of stay of patients can be done in a number of ways to demonstrate improvements in the patient journey. Using a combined average length of stay measure (ALOS) it shows at a very high level whether patients are staying in hospital for more or less time.



From the 2013/14 ALOS data it is not possible to see any improvement or deterioration in the length of time patients are staying in hospital.

However a key objective of improving flow and access to emergency services for patients in 2013/14 was to increase the number of rapid access services that prevented patients from needing an admission and overnight stay.

From May 2013 the number of ambulatory clinic outpatient attendances significantly increased, reducing the number of patients that previously would have had to say overnight in either King's Mill or Newark hospital. By offering this service the ALOS was actually increased.



	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
No of patients seen	**172**	**279**	**289**	**360**	**422**	**377**	**412**	**369**	**392**	**379**	**411**
Clinic - PL2AT	122	243	251	314	384	310	348	329	321	309	336
Clinic - GMCAC	0	0	2	10	10	17	15	13	18	8	12
Clinic - KMB21	50	36	36	36	28	50	49	27	53	62	63

Monitoring and reporting for sustained improvement

This stream of work will be monitored and overseen by the emergency flow transformation programme board. This has clinical and managerial representation from the divisional teams and our service transformation team. This group will escalate any concerns to the Trust-wide programme board attended by the executive team. This work stream will also link to the local Better Together programme board, which comprises members from the CCG, GPs and local service leads and representatives.

Further improvements identified

Building on the success of new schemes in 2013/14 a number of further schemes are identified to support the 2014/15 objective of further reducing the ALOS and maximising utilisation of services that prevent unnecessary admission. These are:

- Implementation of changes around bed management meetings to ensure accurate information in a timely fashion and improve access to specialty specific wards and beds
- An external review by the emergency care intensive support team in May 2014 will help further identify areas of improvement
- Further development of the clinical decision unit and expansion of services offered at the King's Mill site
- Development of more ambulatory pathways at Newark Hospital
- Improvements in the internal referral process and specifically the use of more electronic forms and systems capitalising on the new patient administration system being deployed in 2014
- Improvements in working with community partners to identify patient records if on a virtual ward or known to a community matron
- Increase in training and support for ward staff in discharging patients.

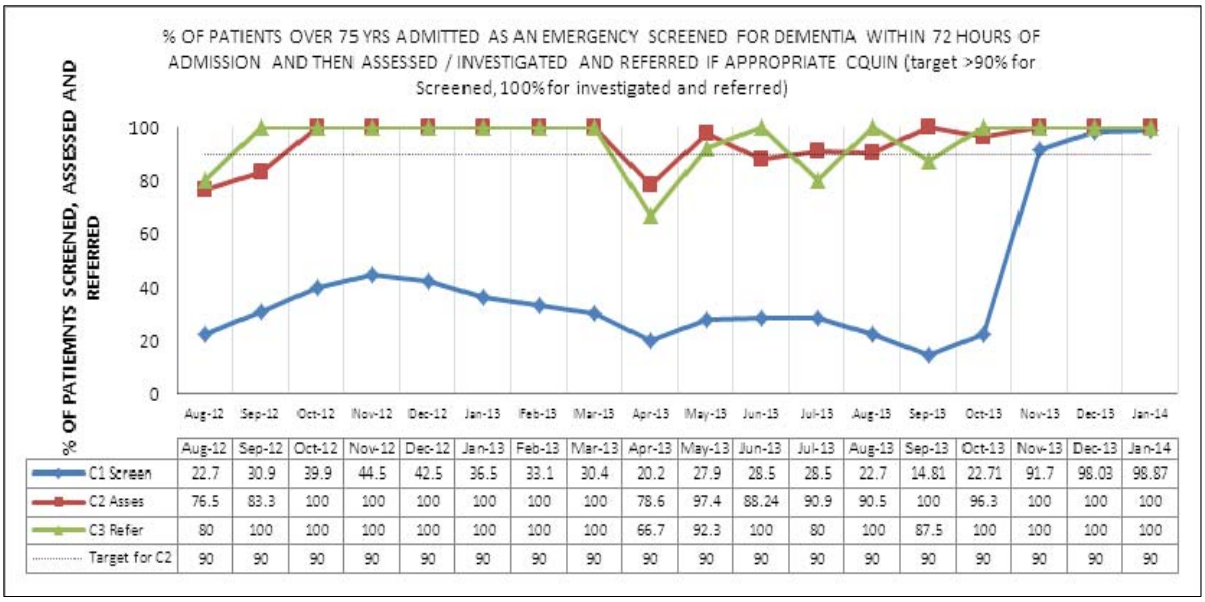
3.3.2 To improve the quality of care for patients living with dementia

What did we set out to achieve during 2013/14?

- 95 per cent of all emergency patients (with exclusion criteria in CQUIN) above the age of 75 will be screened for dementia
- 95 per cent of those who have been screened as at risk of dementia have been assessed, investigated and referred as appropriate to specialist services
- 90 per cent of all relevant staff are trained in dementia awareness every two years
- To conduct and report a monthly survey of carers, to establish if they felt supported during their relative's stay in hospital.

Progress and outcomes

- During quarter four, we achieved our 95 per cent rate of screening, assessing, investigating and referring of patients aged over 75 admitted as an emergency – target achieved
- We continue to deliver dementia awareness training to all clinical staff and remain on target to achieve our self-set target of 90 per cent
- The monthly carers survey has enabled a greater insight into the experience of carers at our Trust – target achieved.



	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14
C1 Screen	22.7	30.9	39.9	44.5	42.5	36.5	33.1	30.4	20.2	27.9	28.5	28.5	22.7	14.81	22.71	91.7	98.03	98.87
C2 Asses	76.5	83.3	100	100	100	100	100	100	78.6	97.4	88.24	90.9	90.5	100	96.3	100	100	100
C3 Refer	80	100	100	100	100	100	100	100	66.7	92.3	100	80	100	87.5	100	100	100	100
Target for C2	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90

How did we achieve this?

- 'Inside out of mind' – the Trust played a role in the development and facilitation of this internationally recognised, theatre-based learning event, hosted by Nottingham University
- Dementia Link – our 70-strong team of dementia link staff meets quarterly and is key in the roll out and embedding of service improvements in all clinical areas of the Trust. Our dementia link staff represent all specialties and clinical areas, ensuring that dementia care is improved in all areas
- 'This is Me' – the use of this life history profiling leaflet is becoming embedded across all clinical environments. Its use enables staff to tailor the care they give to individual patients, ensuring a better experience of care
- Activities to share resource – this resource of activity equipment, maintained and administrated by the hospital library team, has received national recognition for innovation in

care from Health Education England. The resource provides staff with practical equipment to actively engage with patients experiencing confusion

- Environmental enhancements – we continue to enhance our care environments in order to make them more dementia friendly. Clearer signage, contrasting coloured toilet seats and brightly coloured cups and beakers all go towards improving the experience of care at our hospitals
- Members events – dementia themed members events have enabled local people to engage and learn from expert practitioners at the Trust
- Work showcased at national event in Westminster – in December, we took a stand to the National Dementia Action Alliance event in Westminster to showcase the work that we are doing at the Trust and across Nottinghamshire
- Cabinet Office review of dementia service improvements – in November we were invited to the *Cabinet Office Review - Prime Minister's Challenge on Dementia*. We were singled out for praise by Professor Alistair Burns, National Dementia Lead for our work to support people with dementia and their carers
- Dementia befriending volunteers – our team of dementia befriending volunteers has been hugely popular. The team continues to grow and find new ways of supporting people with dementia on our wards
- RemPod – the Trust has recently acquired a RemPod with funding support from Hardwick CCG. This portable reminiscence room can be easily transported and used to aid reminiscence activity for people living with dementia. It further expands the resource of activity equipment already available to all clinical areas across the Trust. We are working closely with our occupational therapy team to embed its use and promote activity sessions in clinical environments across the Trust.

Picture shows an example RemPod

Monitoring and reporting for sustained improvement

Results for the dementia targets are reported to Trust Board on a quarterly basis. 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 the Safeguarding Adults Board.

For 2014/15 we plan to:

- Continue to maintain the good work already achieved and use this to further enhance care delivery and carer/family support
- Host a carer support and information session (CRiSP) run by the Alzheimer's Society at King's Mill Hospital
- Roll out and embed more advanced pain assessment tools for people with dementia

- Support the development and facilitation of an East Midlands dementia conference (planned for December)
- Deliver more specialist dementia care training in the form of Stirling University best practice courses and commissioned specialist training in Meaningful Activities
- Make our front door dementia screening process more thorough by integrating it as part of the VitalPAC admissions process
- Increase engagement with carers and families of people with dementia through more detailed surveys and future engagement events to influence our strategic dementia planning.

3.3.3 To enhance end of life care

What did we set out to achieve during 2013/14?

- Commence implementation of the five key enablers within the transforming end of life care in acute hospitals programme
- Commence advance care planning as part of the Gold Standards Framework in Acute Hospitals programme (GSFAH)
- Commence the implementation of the AMBER care bundle (ACB)
- Deliver a minimum of one communication skills for end of life and prognosis training course
- Patients discharged on fast track to have had their preferred place of care identified
- The number of patients where the prognosis is estimated as a few weeks (Nottinghamshire end of life care pathway for all diagnoses 2009), being discharged having anticipatory medications prescribed
- Work collaboratively with primary and community care colleagues on the developments of the electronic palliative care coordination system (EPaCCS) and care planning
- Continue to support staff and monitor the quality of care being delivered to patients in the last days/hours of life.

Progress and outcomes

- We met out target for advance care planning. Between January and March 2014, 14 patients were identified as being in the last year/months/weeks of life and have been registered on the gold standard framework register. The data showed advance care planning discussions had taken place in hospital with seven patients. Two patients died before discussions could take place; one patient lacked mental capacity and had no relatives, and no data was available for four patients. However the GPs have been informed via discharge letters, in order for them to begin advance care planning discussions in the community
- Progress is being made on the implementation of AMBER care bundle
- The integrated discharge advisory team supports the process of enabling those in the last days/hours of life to die in their preferred place of care
- Currently all patients discharged from hospital to their preferred place of care have anticipatory medications prescribed (excluding Derbyshire).

How did we achieve this?

- A lead nurse for end of life care and cancer has been appointed. They are driving improvements with the support of members of the hospital end of life care multi-disciplinary team across the Trust
- We are approaching the end of the first year of implementing the Gold Standard Framework on wards 42 and 51
- End of life care awareness training has been integrated into orientation and induction training

- A number of training sessions on end of life care and communication skills, the Gold Standard Framework and advanced care planning have been delivered with good attendance and evaluation
- The end of life care team has produced interim guidance to replace the Liverpool Care Pathway (LCP) in response to increasing demand from staff to support practice in the last days of life and in the absence of national guidance being published until summer 2014
- Work is ongoing to improve effective methods of cross-boundary communication between ourselves and our primary care colleagues, particularly on flagging patients when admitted to hospital and developing methods and systems of sharing information such as the electronic palliative care coordination system to ensure continuity and coordination of care is provided irrespective of which care setting the patient is in.

Monitoring and reporting for sustained improvement

Results for the end of life care targets are reported to the Trust Board. The number of patients identified for the Gold Standards Framework register and having had discussions regarding their advance care planning is monitored within wards 42 and 51. Monthly compliance with identifying preferred place of care, prescribing of anticipatory medication on discharge and usage of LCP are monitored within the integrated discharge advisory team. End of life care training registers are held by the lead nurse for end of life care and compliance of attending training is monitored by the ward leaders. Evaluation of the individual training courses is being collated and a final evaluation report will be produced following the final training days.

The end of life care strategy and action plans for each component of the transforming end of life care in acute hospitals programme are reviewed and monitored at the general palliative and end of life care group.

Further improvements identified for 2014/15

- End of life care awareness training will continue to be integrated into orientation and induction training
- During the training staff made some suggestions of possible ‘quick wins’ and the workshops enabled information learnt to be put into practice. The course will be fully evaluated after all staff from both wards have been trained, with a view to training all ward staff in the future
- Further training dates are planned to support implementation of the Gold Standards Framework in Acute Hospitals Programme (GSFAH), advance care planning (ACP), preferred place of care (PPC) and AMBER care bundle (ACB)
- Comfort packs for relatives of patients in the last days of life are to be developed
- Cross-boundary working with primary and community care will continue, particularly in relation to the development of Nottinghamshire-wide advance care planning documentation and implementation of electronic palliative care coordination system
- Members of the end of life care team are to contribute to reviewing and updating the Nottinghamshire end of life care for all diagnosis pathway
- As part of the rapid discharge home to die and fast track component of the transforming end of life care in acute hospitals programme, there are plans to develop guidance for staff in supporting them to prevent delays in discharge during out of hours.

3.3.4 To ensure the nutrition and hydration needs of our inpatients are met

Hydration

During 2013/14 we said we would improve how we identify and help those patients who require our assistance to stay hydrated. We also wanted to ensure our patients were risk

assessed to ensure they are appropriately hydrated and that appropriate steps are taken to help our patients meet their hydration requirements.

Fluid management was identified as an area of concern following the Keogh review undertaken in June 2013. It stated that a review of fluid charts identified issues with the majority reviewed including no records for patients for over a day; fluid records not completed; patients not being risk assessed for fluid on arrival; and fluid balance charts not being totalled. In addition, the team highlighted that the 'Red Jug' initiative being used for patients with a need for assistance with fluid was not observed to be effective. The Trust received a compliance action against CQC outcome five.

Progress and outcomes

In August 2013 a hydration workshop was held, attended by a multi-professional group of staff who contributed ideas which were developed into a plan to improve the way we support patients with their hydration needs. From this, a multi-professional hydration improvement group was established.

In September 2013, a Trust-wide mandatory joint training programme for all registered nurses and healthcare support workers commenced, providing an update on all patients' hydration needs and some of the service improvement projects currently underway. Nursing staff who attended training were valuable in contributing to the development of a new hydration risk assessment tool. Trials of the tool proved to be a success and have since been rolled out to all inpatient wards. Hydration training is now included during induction for new clinical staff.

For patients who require help with drinking, we now provide their water in a red-lidded jug. This highlights to staff that assistance is required with drinking, ensuring that the patients' ongoing needs are reassessed.

In October 2013 we were pleased to note that 100% of our patients felt that they are able to ask for a drink when required and where appropriate 100% patients had a jug of water that they could reach.

Red-lidded jugs were in use for 100% of those patients who required them. Results are shown in the table below.

Standard	% compliance	n =
A jug of water is near the patient	100	245/246
The water has been refreshed	98	242/248
There is a consistent approach to measuring volumes of cups, beakers and glasses	100	255/255
Red-lidded jugs are in use for those who require them	100	197/197
If a fluid balance chart is in use, it is completed correctly	77	105/136
The drinking vessel is within the patient's reach	99	246/248
The patient states s/he is able to ask for a drink when required	100	231/231

How did we achieve this?

A hydration work stream was established. Its focus was to ensure that all patients at our hospitals receive adequate hydration and that their needs are assessed, monitored and optimised correctly to reduce the risk of fluid imbalance.

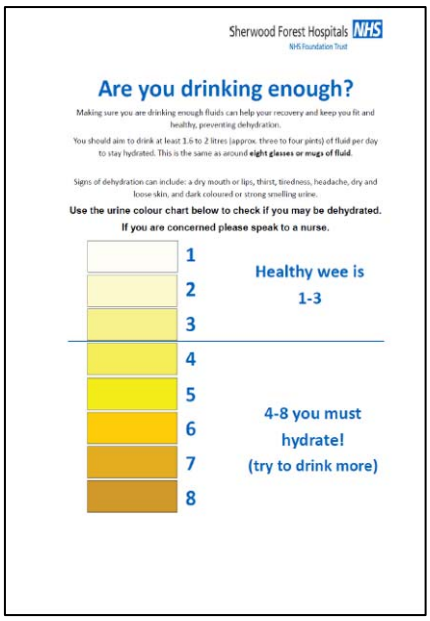
Fundamental standards for hydration care were established

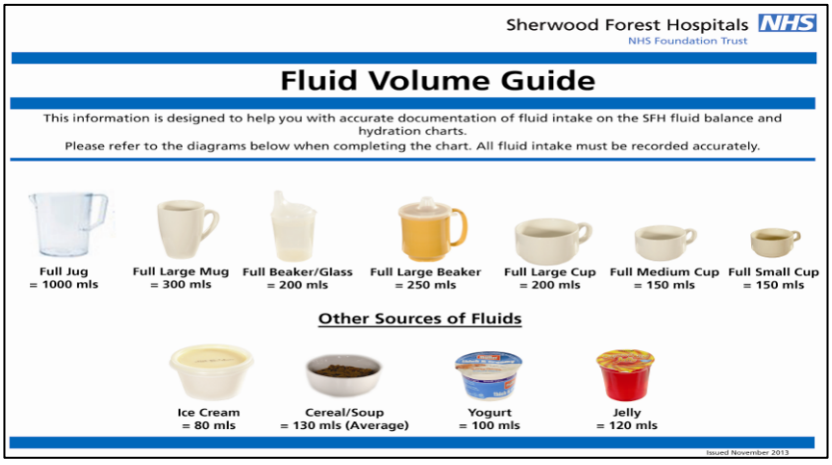
- All patients will have immediate access to fresh water at their bedside unless restricted or inhibited by their clinical condition
- This will be within the patients' reach
- Water will be served from clean, intact, drinking vessels, suitable for individual patient dependency needs
- Patients will be provided with a hot drink several times a day by the ward hostess service, but should feel able to ask for additional drinks at any time of the day or night
- For those patients requiring fluid balance monitoring there will be a consistent approach to the measurement of oral fluids
- Where fluid balance charts are required they will be completed correctly
- Red-lidded jugs will be used for those deemed to be at high risk of fluid imbalance.

We hosted a national outreach study day incorporating the principles of good fluid management and a nutrition and hydration week was held to raise the profile and showcase our work.

We developed a new hydration risk assessment tool to identify when patients require more support to maintain their hydration and to direct health professionals on the appropriate care actions to be undertaken.

- Development of a new hydration chart in addition to existing fluid balance chart.
- "Are you drinking enough?" poster in wards and departments providing information for both patients and staff





- Development of a fluid volume guide which was designed to help staff with the accurate documentation of a patient's fluid intake
- In order to raise awareness of the assessment tool more widely and reinforce the messages from the mandatory training a pocket sized card has been designed

- Posters for all wards that provide information on how to use the risk assessment tool and monitoring charts have been designed
- A simplified list of instructions has been devised and circulated to ward sisters
- Accountability handover (see section 3.4.2) has been introduced which means registered nurses sign an accountability sheet at the point of handover (change of shift). The signature is confirmation that all documentation and charts have been completed fully
- Red-lidded jugs and the process of when to use them made available on all wards.

Monitoring and reporting for sustained improvement

A designated set of hydration quality measures have been incorporated into the nursing care metrics (FOCUS IT) from October 2013. Each month senior nurses review the performance of each ward against the hydration standards we have set ourselves. On the occasions that we fall below our standards, the matrons work with nursing teams to improve our performance. This is overseen by our director of nursing.

During February 2013 a review of compliance with a recently implemented hydration risk assessment tool and use of the care actions plan was measured by the critical care consultant nurse and members of the critical care outreach team. This has shown that although many have already adopted the tool and evidence indicates that it is used in 75 per cent of cases, there is a need to increase compliance with its use.

The Guardians of Care model, a programme of internal review visits to assess hydration and nutritional standards, has been implemented.

Further improvements identified for 2014/15

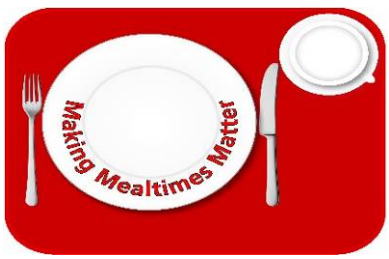
- Identification and development of key competencies for staff relating to hydration
- Design and implementation of **Three Steps to** THIRsT **(The Hydration of Inpatients Risk Tool)** to support the use of the hydration toolkit
- Expansion of the use of coloured cup scheme.

Nutrition

What did we set out to achieve during 2013/14?

Following its visit to the Trust last July, the CQC identified that actions were needed to embed the principles of nutrition and hydration and improve the mealtime experience for patients. The Trust received a moderate concern against outcome five – *Nutrition.*

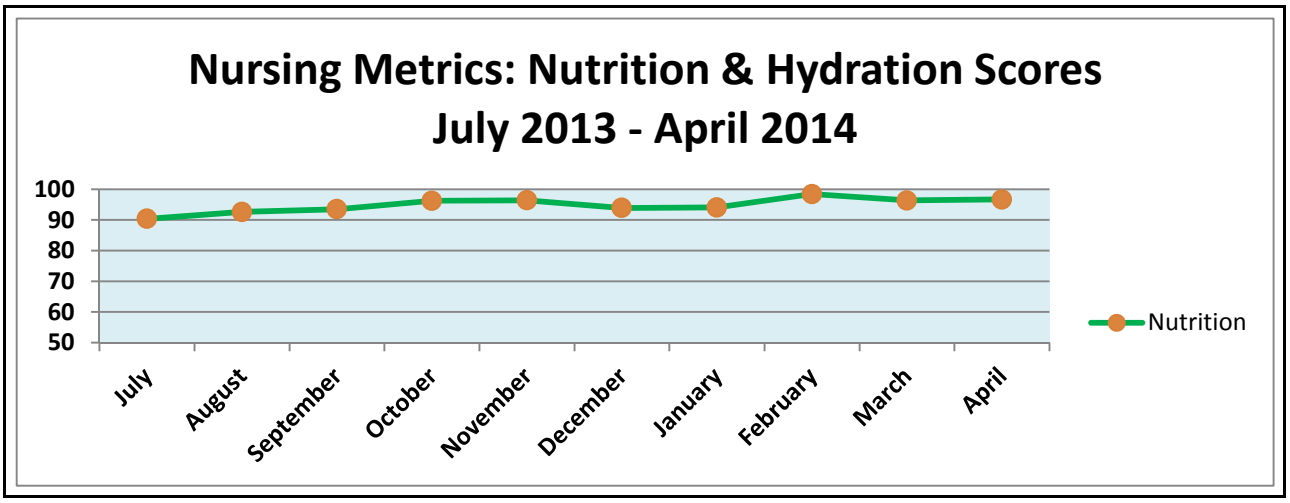
Progress



Making Mealtimes Matter was developed and launched across the Trust to support the national protected mealtimes initiative and drive up standards with clear expectations. There have been two peer review audits undertaken in order to review progress. The results are being used in conjunction with nursing metrics, PLACE audit findings and Outcome Guardian visits to identify areas of good practice and highlight areas requiring further support.

Outcomes

The graph below shows the nursing care metrics scores for nutrition in March 2014. Each month senior nurses visit clinical areas to assess care across a range of indicators and questions. We expect all areas to achieve 95 per cent in their nutrition metrics and if they do not we discuss the reasons for this and actions are instigated to address it.



How did we achieve this?

- Development of an e-learning nutrition screening module
- The nutrition steering group has been re-energised and will take place on a monthly basis. This will ensure plans for the future are sustained
- Nutrition screening training for medical staff
- Quarterly peer review audit plan established
- Red tray and red lid jug guidance has been strengthened for staff
- Redesigned resources have been distributed to all areas that inform both patients, their carers/relatives and staff of the support available to them in ensuring individual needs of patients are met
- A comprehensive nutrition training plan for all staff groups has commenced
- The nutrition and hydration policy has been revised and implemented.

Monitoring and reporting for sustained improvement

- Adherence to nutrition and hydration standards will be monitored through the monthly nursing metrics, peer review audits and observational visits
- The nutrition steering group oversees how the Trust is doing in relation to these standards. The patient safety steering group also oversees progress of this work stream and escalates any issues to the clinical quality and governance committee.

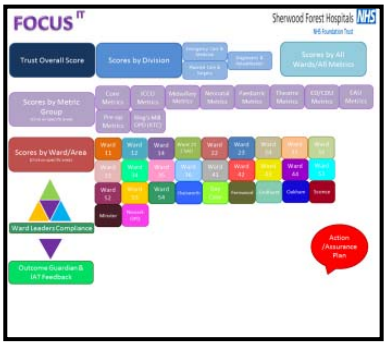
Further improvements identified

- Continue work to ensure embedding of nutrition standards into practice
- The completion of nutritional intake charts, fluid balance charts and nutrition care plans are areas of particular focus.

3.4 Progress on other initiatives and services

3.4.1 Measuring our nursing care

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. 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.

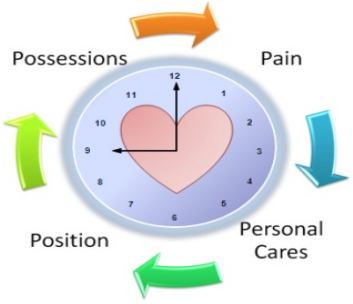
The metrics are carried out on the wards every month. As part of this development work we need to ensure we have an assurance tool that supports this robust framework and we will be building on the work we have done with FOCUS IT to design a system that supports our staff to monitor care and action plans effectively. Following a successful bid application to the *Safer Hospitals, Safer Wards Technology Fund* we have secured funding to develop and strengthen this system. We are working with colleagues in information technology and clinical teams to design the system over the coming months. We are keen that this tool also incorporates a more interactive and accessible version of the ward assurance matrix.

Summary of the Trust-wide nursing metrics scores July 2013 - March 2014:

Metric	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Continence	88	88	84	90	83	84	83	90	86
Dementia	70	61	68	68	76	63	71	83	84
Falls	95	93	96	97	97	96	95	94	94
Infection	96	94	96	97	95	95	97	97	96
Meds	61	93	96	97	97	97	97	96	98
Nutrition	90	93	93	96	96	94	94	98	96
Obs	88	90	89	93	90	92	90	91	90
Pain	90	87	89	91	83	85	87	88	85
Privacy	99	99	99	99	99	100	99	99	100
Safe	95	91	95	92	84	83	83	85	84
Staff	89	91	88	91	96	94	94	93	90
Tissue	82	79	82	84	84	86	87	87	88

3.4.2 Care, dignity and compassion - care and comfort rounds

Care and comfort rounds have been implemented across the Trust during 2013/14. This is a nationally endorsed approach in which nursing staff proactively assess their patients every hour, using an agreed assessment framework. Leadership rounding forms part of this approach and is carried out daily by the ward sister, charge nurse



or nurse in charge to ensure rounding is being undertaken and patients and their relatives are able to feed back to a senior nurse. The implementation of care and comfort rounds at the Trust is aimed at creating a safer hospital environment and also aims to reduce patient harm by proactively checking patients. Care and comfort rounds take place for all patients.

Care and comfort rounding provides an opportunity to reward, recognise and connect good practice and offers opportunities for better patient safety, clinical quality and releases time to care. In doing this we have seen:

- Reduction in falls
- Reduction in pressure ulcer prevalence
- Increase in hydration/nutrition standards
- Improved patient experience
- Reduction in call bell usage
- Increase in coaching and leadership
- Increase in pain assessments
- More compliments than complaints.

Nursing handover

The accountability handover project is aimed at promoting individual accountability for the care of patients through twice daily peer review and challenge of registered nurses and midwives looking after patients.

Nurses and midwives are the only professions whose presence is continuous over the 24 period and there is no doubt that the standard of their communication and handover will impact on the care that patients receive. There should be clear nursing accountability for each patient's care and a clear dual responsibility at the point of handover.

The Francis Report mentions on numerous occasions the need for constructive handover processes and *demonstrable* accountability of staff. Families told Robert Francis (QC) that they did not believe that nursing staff were undertaking a sufficient handover between shifts, as staff coming onto a shift appeared to have little knowledge of their relative or of the significant events of the day.

Communication with patients and those closest to them requires staff to have ready access to the relevant information, and the time to impart it. It is an essential part of the care of any patient that adequate information is handed over from shift to shift (as well as between different clinical teams and departments). This requires good record keeping, appropriate handovers and a caring attitude, promoting the easy recall of particular patients and their treatment and care needs.

Accountability handover addresses these issues. The new handover process will require both registered staff to sign an accountability sheet at the point of handover (change of shift). The signature is confirmation that all documentation and charts have been completed fully. Both staff are required to check the documentation together. If any omissions are identified then the trained member of staff that has been looking after the patient is required to rectify the situation prior to handing over care.

The outline of the process followed is:

- Handover of all patients to the on-coming shift (15-20 minutes) – usually recorded to maintain focus and reduce the amount of time

- One-to-one handover from registered nurse to registered nurse at the patient bedside (10-15 minutes), using patient documentation and interaction with the patient wherever possible and if appropriate.

Impact of the new way of working:

- Enhanced involvement of patients and carers at handover, raising awareness of progress and plans for care and treatment
- Improved support for, and identification of sick patients by formalising the opportunity for two registered nurses to discuss and evaluate a patient's condition whilst the patient is clearly visible to both
- Improved support for our more junior and newly-qualified nurses in caring for very sick patients. Offers the opportunity to support and share experience between inexperienced and experienced staff in a more formal way
- Improvement in metrics performance and completion of documentation.

The nursing care forum will drive the actions and monitor compliance. This will be reported to the Trust Board via the quality and safety reports at least six monthly.

3.4.3 Patient led audits of the care environment (PLACE)

In 2013 the annual patient environment action team (PEAT) audits were replaced by patient led audits of the care environment (PLACE). The focus of the audit remains the care environment from a patient perspective. This annual audit measures the standards of cleanliness, environment, patient meal service and the privacy and dignity afforded to patients.

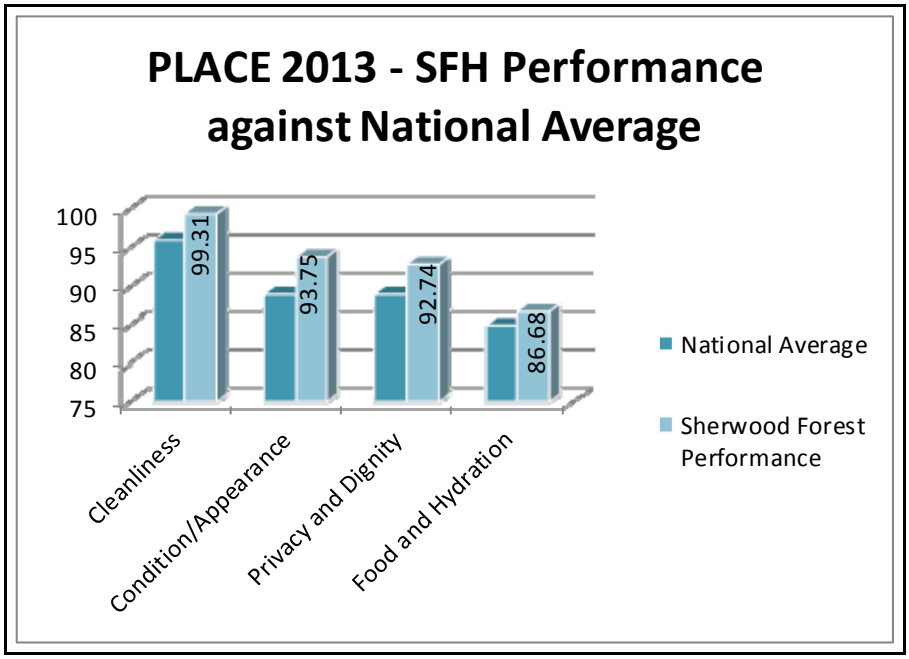
The new PLACE assessment sets out the following requirements:

- As well as participating in the audit each patient representative is required to complete a section independently on how the audit was undertaken and to confirm their voice was heard
- Every individual area audited has to have the findings submitted on separate audit sheets
- Changes to the scoring regime to pass, qualified pass or fail
- Introduction of a number of organisational sections, food service and the estate
- The team is to develop an action plan which is then signed off by the Board, publicised and performance against the action plan is monitored during the year.

Summary of PLACE scores 2013

Site and year	Cleanliness	Food	Privacy and dignity	Condition, appearance and maintenance
2013: King's Mill	99.42%	85.35%	94.53%	94.05%
2013: Newark	99.54%	93.96%	82.78%	92.49%
2013: Mansfield	97.35%	96.71%	80.31%	91.18%

There will be no weighting associated with the scoring but other information from other audits will be considered in awarding the final score, e.g. the CQC inpatient survey.



Progress and outcomes

- All operational elements identified were resolved within 24 hours
- The key findings were developed into a Board action plan and comprised of 19 action points
- Fifteen actions have been completed within the year
- Four action points remain on going
    - Provision of lockers at the bedside which lock to hold patient belongings and patients have a key – prioritisation of funding, investigating innovation to determine a solution
    - Provision of dementia friendly environments – large project and piece of work being developed and changes already implemented (signage and equipment)
    - Toilet signage to designate male or female in areas where use changes – door signs in place at Newark, roll out of signage at King's Mill to be developed
    - Position of toilet roll holders in bathroom pods within single rooms.

3.4.4 Looking after patients with learning disabilities (LD)

What did we set out to achieve in 2013/14?

- Complete the learning disability (LD) self-assessment framework (adult health and social care)
- Engage with maternity services about recognising women with LD and ensuring maternity services are adjusted to meet individual needs
- To complete a gap analysis and implement recommendations from the confidential inquiry into premature deaths of people with learning disabilities (CIPOLD report)
- To complete an audit on the use of the risk, dependency and support assessment
- During quarter four we received concerns about several patients' discharge from King's Mill hospital. After meeting with concerned parties an agreement was made to design a guidance template for community teams, family carers and provider agencies to use when discussing the discharge needs of patients with LD
- To be compliant in the six LD standards reported to Monitor
- Ensure we use the Nottinghamshire good communication strategy when working with patients and when developing information for patients with LD.

Progress and outcomes

- The LD self-assessment framework was completed in November 2013
- After initial scoping work it has been agreed that LD awareness training will be included on the midwives' mandatory training starting from April 2014. A resource pack will be given to the main three maternity areas with information on how to refer to the LD nurse specialist and will have a range of accessible information for women using our services
- After the GAP analysis of the CIPOLD report we have formed a working party to review all LD deaths in hospital. This group identifies any themes and brings this to the attention of the appropriate division
- Audit completed on the risk, dependency and support assessment. Plan for 2014/15 to revise the risk assessment and make it more accessible to staff
- Guidance template for discharge completed in consultation with the safeguarding adults lead, integrated discharge team lead, local LD health facilitators and LD acute liaison nurses, and the local community LD team. This has now been cascaded to all locality teams and care providers for use
- Fully compliant with the monitor standards for LD within the Trust
- The good communication strategy is used when creating new information for patients with LD. These guidelines are available to staff on the intranet site.

How did we achieve this?

We continue to educate staff about LD. The hospital LD steering group (patients and carers) is involved in updating the training resources used for staff.

The LD nurse specialist continues to monitor several elements of how we deliver a service to patients with LD and to ensure the stay is equitable and safe. The following annual checks are completed:

- Length of stay - monitored quarterly to ensure people with LD receive an equitable length of stay with the general population. The 2013/14 audit showed that patients with LD did have a longer stay in hospital however the audit showed that this was required
- LD policy audit - yearly audit to monitor compliance of LD policy showed poor compliance with the risk, dependency and support assessment. This area will be focused on for 2014/15, developing a new streamlined assessment as well a focus on education for inpatient areas. The LD policy is also to be reviewed and updated during 2014/15
- New process to monitor the deaths of people with LD from recommendations of the CIPOLD report 2013 - a multi-disciplinary group of professionals complete an audit on the deceased patients' notes; any feedback on good/bad practice is then highlighted to the appropriate division for 'lessons learnt' and for them to cascade to their staff members
- Annual audit of all DATIX incident reports for patients with LD - this audit has shown a trend; 33 per cent of incidents (three out of 12) have involved problems around the patient lacking capacity and patchy use of the Mental Capacity Act within the hospital. This issue will be highlighted to the Safeguarding Adults Board and a plan devised to address this. A Mental Capacity Act audit will take place 2014/15 across all hospital sites

The group continues to meet on a quarterly basis and has representation from nursing, people with LD and family carers. The group feeds back into the Safeguarding Adults Board in the hospital as well as giving updates to the local LD partnership board and updates to Healthwatch. During 2013/14 the group has been involved in:

- Designing an alert card with the local day service - the card aims to help communicate difficulties to unfamiliar people in unfamiliar environments. The cards are for the Nottinghamshire, Nottingham and Bassetlaw areas
- Easier read leaflets were produced by the group for patients with LD
- The group updated the mandatory training pack
- The group contributed to the joint safeguarding adult and LD work plan
- Monitored patient and carer feedback and involvement in the local 'Big Health days' (to feed into the LD self-assessment framework)
- Involvement of people with LD in developing an easier read hospital audit tool. People from the local LD day service are due to start assisting in the audits in April 2014
- Supporting the hospital to find appropriate areas in King's Mill Hospital and Newark Hospital for adult changing places toilet and contributed to plans and drawings. Building work is due to start at the end of March 2014 and Newark Hospital has plans for the same layout but is currently having drawings completed and looking at costings.

3.4.6 Maternity services

What did we set out to achieve during 2013/14?

To ensure that midwife-to-birth ratios are at recommended levels. The ratios recommended within the midwifery profession focused on national planning quote a figure of 28 births per whole time equivalent midwife for hospital births, including all aspects of midwifery care in hospital and the community. This equates to a recommended ratio of 1:28.

Progress and outcomes

We have achieved the target of one midwife to 28 births as nationally recommended against the staff we are funded for.

How did we achieve this?

We secured investment to increase midwifery posts and, in line with national guidance, introduced trained midwifery support workers at a band three into the hospital and community setting.

Monitoring and reporting for sustained improvement

We continue to monitor midwife-to-birth ratios quarterly and report through the divisional governance forums and to the Clinical Commissioning Group via the performance and quality scrutiny panel. We also monitor against funded posts as well as midwives in post.

Further improvements identified

The national maternity survey was undertaken between April and September 2013. The survey had previously been run in 2010 and some changes were made to the questionnaire since that iteration. It showed us where the Trust is positioned compared to others:

	No. criteria measured	Top 20% of trusts	Lowest 20% of trusts
Antenatal care	8	2	0
Labour and birth	7	0	2
Hospital post natal care	5	3	1
Infant feeding	4	1	0
Home post natal care	14	7	2

Totals	38	13	5

Maternity services Clinical Negligence scheme for Trusts (CNST)

Policy, practice and performance are assessed through a variety of outcomes. The assessment is performed using evidence provided by the maternity service. The maternity service was assessed against five standards, each containing ten criteria giving a total of 50 criteria. In order to gain compliance at level two the Trust was required to pass at least 40 of these criteria, with a minimum of seven criteria being passed in each individual standard. The organisation achieved a score of 48 out of 50.

Baby friendly assessment February 2014

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 professionals to ensure that mothers and babies receive high quality support that facilitates successful breast feeding. The award is given to maternity services after an assessment by a UNICEF team. We were assessed against level three and we passed on 43 out of 45 standards (often with 100 per cent). Sadly we only achieved 72 per cent where we needed 80 per cent on showing and teaching positioning and attachment for breast feeding. We are awaiting the final report to confirm our next steps.

Local supervising authority audit and the Nursing and Midwifery Council visit to audit the local supervising authority

We are awaiting the formal report for these visits but verbal feedback at the time of the visit was very positive.

Smoking cessation

We have secured additional funding to be the first maternity service in the East Midlands to implement a smoking cessation service that replicates a model developed in Rotherham that provides additional training to midwives, enabling them to undertake intense interventions with women to reduce smoking in pregnancy.

Improving maternity care settings – Department of Health

We have secured funding to improve the environment to encourage fathers to stay and support their partners following birth and enhance the environment for breast feeding mothers on the postnatal ward and women requiring interventions in ante natal clinic.

3.5 An overview of measures

Integrated performance measure	Reportable to	Threshold	2013/14	2012/13	2011/12	2010/11	2009/10	2008/9
Maximum time of 18 weeks from point of referral to treatment in aggregate – admitted	Monitor	18 weeks 90%	92.4%	88.86%	94.94%	95.13%	94.64%	N/A
Maximum time of 18 weeks from point of referral to treatment in aggregate – non-admitted	Monitor	18 weeks 95%	94.9%	94.71%	97.76%	97.98%	98.53%	N/A
Maximum time of 18 weeks from point of referral to treatment in aggregate – patients on an incomplete pathway	Monitor	18 weeks 92%	92.4%	95.24%	94.45%	93.43%	95.84%	N/A
A&E clinical quality: total time in A&E dept (% <4 hour wait)	Monitor	4 Hours > 95%	95.66%	94.34%	96.21%	97.70%	98.70%	98%
Cancer 2 week wait: all cancers	Monitor	93%	(94.9%)	95.82%	95.32%	94.20%	94.40%	99.80%
Cancer 2 week wait: breast symptomatic	Monitor	93%	(95.0%)	95.54%	96.39%	95.10%	92.80%	-
Cancer 31 day wait: from diagnosis to first treatment	Monitor	96%	(99.7%)	99.42%	99.60%	99.60%	98.80%	99.30%
Cancer 31 day wait: for subsequent treatment – surgery	Monitor	94%	(99.0%)	98.63%	98.98%	97.30%	94.30%	-
Cancer 31 day wait: for subsequent treatment – drugs	Monitor	98%	(99.4%)	100%	99.70%	99.20%	99.70%	-
Cancer 62 day wait: urgent referral to treatment	Monitor	85%	(89.1%)	90.73%	89.54%	89.70%	84.50%	-
Cancer 62 day wait: for first treatment – screening	Monitor	90%	(98.8%)	94.95%	96.35%	93.10%	90.50%	-
C. *difficile* – meeting the C. *difficile* objective	Monitor	Local targets	36	29	45	54	96	177
Infection prevention control: MRSA bacteraemia (no. of cases attributed to Trust)	Monitor	0	3	0	0	0	14	31
Access to healthcare for people with LD	Monitor	Compliant	Compliant	Compliant				
Data completeness: community services: referral to treatment information	Monitor	50%	86.3%	74.35%	0.23%	N/A	N/A	N/A
Referral information	Monitor	50%	54.2%	54.37%	54.78%	N/A	N/A	N/A
Treatment activity information	Monitor	50%	76.4%	68.77%	70.17	N/A	N/A	N/A

3.6 What do other people say about this quality report?

Comments from NHS Newark and Sherwood CCG and NHS Mansfield and Ashfield CCG, 23 May 2014

This has been a challenging year for the Trust with a number of high profile incidents, failure to achieve national infection targets on C*. difficile* and MRSA along with the Trust being placed in special measures by Monitor following a Keogh inspection in June. The CCGs have worked closely with the Trust during the year to monitor and improve the quality of patient care. During the year we have seen improvement in the Trust's mortality rates and a clearer focus on listening to patients and staff. Sustaining and building on changes the Trust has implemented this year will be essential to delivering 2014/15 objectives. Hospital doctors and GPs are working together to improve patient care across settings and this will be further strengthened in 2014/15 through a programme called Better Together.

Statement from Healthwatch Nottinghamshire, 23 May 2014

Healthwatch Nottinghamshire is pleased to have the opportunity to read and respond to the Sherwood Forest Hospitals Trust Quality Report for 2013/14. This is a very detailed document which gives an in-depth account of the work that has been done and the plans for the coming year. It is clear that the Trust has made good progress in a number of areas and has implemented a number of changes over the year that are resulting in improvements in quality and patient experience. Our comments will focus mainly on the accessibility of the report itself and on the Trust's record of, and future plans for, developing patient experience and patient involvement in its work.

In general we think that the Trust has made good progress in developing its patient experience work over the past year, following the feedback from the Keogh Review and the development of the Patient Experience and Involvement Strategy. From feedback we receive directly from the public and from other sources, such as NHS Choices, we see that people's views of services at Sherwood Forest Hospitals can vary greatly and we think that the Trust could do more to try and understand the reasons for the very different reports, learning from and building on what makes for a good experience for patients. We feel that the Quality Report gives very little detail of the range of other ways that the Trust could use to find out more about people's experiences, including by developing links with local Healthwatch. We believe that closer links with Healthwatch and others would strengthen the Trust's patient experience work.

Although we welcome all initiatives that seek to increase the number of people feeding back their views and experiences to the Trust, we feel that the emphasis on improving responses to the Friends and Family Test (FFT) may detract from developing other, more interactive methods of understanding people's experiences of using the Trust's services. In some areas of the Trust's work e.g. Accident and Emergency, the FFT is not always the best way of finding out what people's experiences are and we would like to see more detail in the report of the range of other methods that the Trust plans to use to engage with and involve people in service review and development.

We know that the Trust has done a lot of work last year to improve its complaints system and are surprised that this is not reflected in the report. There is also little mention of the

importance of not only responding to complaints, but also learning from them, and what processes are in place to ensure that systems and services are reviewed and changed following complaints being resolved.

We liked the use of the three domains of quality to focus the early part of the report, but on the whole do not feel that this document is accessible to the lay reader and would recommend that a summary document is produced, together with a glossary of the terms and acronyms used. For example the Better Together programme is mentioned, but there is no explanation in the report of what the programme is or how it will impact on the work of the Trust over the next few years.

Healthwatch Nottinghamshire would welcome the opportunity to become more involved in the Trust's Quality and Patient Experience work over the next year to build on the good start that has already been made in our first year of operation.

Comments from Health and Scrutiny Committee, 13 May 2014

The Health Scrutiny Committee for Nottinghamshire welcomes the opportunity to comment on Sherwood Forest Hospitals NHS Foundation Trust Quality Account for 2013/14.

The Committee welcomes the particular focus that the Trust has given to the reduction of mortality rates and congratulates the Trust on reducing mortality rates to within the normal range. It is also gratifying to see that there have been zero grade four pressure ulcers for the last 12 months across the Trust.

The Committee commends the Trust's objective to improve the quality of care for patients living with dementia, as well as its use of innovative equipment i.e. the 'RemPod' – the portable reminiscence room.

The Committee also commends the Trust on its work to improve sepsis care and the downward trend in sepsis related mortality. The Committee looks forward to further developing its relations with the Trust in the coming year.

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 NHS foundation trust boards should put in place to support 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 content of the quality report meets the requirements set out in the *NHS Foundation Trust Annual Reporting Manual 2013/14*
- The content of the quality report is not inconsistent with internal and external sources of information including:
    - Board minutes and papers for the period April 2013 to June 2014
    - Papers relating to Quality reported to the Board over the period April 2013 to June 2014
    - Feedback from commissioners dated 23 May 2014
    - Feedback from governors dated 11 March 2014

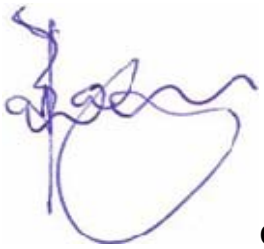
- Feedback from local Healthwatch organisation dated 23 May 2014
- The trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 24 April 2014
- 2013 national patient survey [*2013*]
- 2013 national staff survey [*2013*]
- The head of internal audit's annual opinion over the trust's control environment CQC quality and risk profiles.

- The quality report presents a balanced picture of the NHS foundation trust's performance over the period covered
- The performance information 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 in the quality report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review
- The quality report has been prepared in accordance with Monitor's annual reporting guidance (which incorporates the Quality Accounts Regulations) as well as the standards to support data quality for the preparation of the quality report.

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

29 May 2014 **Chairman**



29 May 2014 **Chief Executive**

External audit opinion and certificate

Independent Auditor's Report to the Council of Governors of Sherwood Forest Hospitals NHS Foundation Trust on the Quality Report

We have been engaged by the Council 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 2014 (the "Quality Report") and certain performance indicators contained therein.

Scope and subject matter
The indicators for the year ended 31 March 2014 subject to limited assurance consist of the national priority indicators as mandated by Monitor:

- 62 Day cancer waits – the percentage of patients treated within 62 days of referral from GP; and
- Emergency readmissions within 28 days of discharge from hospital.
- 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 *Detailed Guidance for External Assurance on Quality Reports; and.*
  Tthe 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 2013 to May 2014;
- Papers relating to Quality reported to the Board over the period April 2013 to May 2014;
- Feedback from the Commissioners dated May 2014;
- Feedback from local Healthwatch organisations dated May 2014;
- The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, 2013/14;
- The 2013/14 national patient survey*;*
- The 2013/14 national staff survey*;*

- Care Quality Commission quality and risk profiles/intelligent monitoring reports 2013/14; and
- The 2013/14 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 2014, 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.

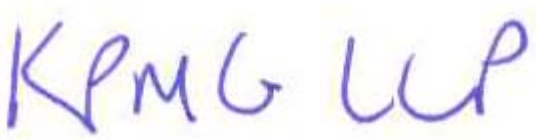
The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary.

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 2014:

- 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, Statutory Auditor
Birmingham
29 May 2014

3 Annual accounts and financial statements 2013/14

FTC SUMMARISATION SCHEDULES FOR SHERWOOD FOREST HOSPITALS NHS FOUNDATION TRUST

Summarisation schedules numbers FTC01 to FTC41 and the accompanying WGA sheets for 2013/14 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* 2013/14 issued by Monitor

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
29 May 2014

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 Foundation Trust is required to submit to Monitor.

2. I have reviewed the schedules and agree the statements made by the Chief Financial Officer above.

Paul O'Connor
Chief Executive Officer
29 May 2014

FOREWORD TO THE ACCOUNTS FOR THE YEAR ENDED

31 MARCH 2014

SHERWOOD FOREST HOSPITALS NHS FOUNDATION TRUST

These financial statements are for the year ended 31 March 2014 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 2013.

Signed: **(Chief Executive Officer)**

Name: Paul O'Connor

Date: 29 May 2014

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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2014

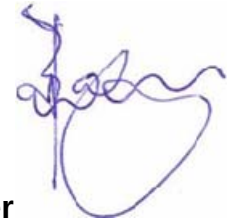
	Notes	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Operating income	C1-C3, C 5.4	266,158	255,784
Operating expenses	C4,C5.1	(269,808)	(252,845)
Operating surplus		**(3,650)**	**2,939**
Finance costs			
Finance income	C11.1	137	201
Finance costs – financial liabilities	C11.2	(18,142)	(18,604)
Net finance costs		**(18,005)**	**(18,403)**
Retained (deficit) for the year (excluding impairments)		**(21,655)**	**(15,464)**
Reversal of impairment	C14	(5,258)	0
Impairment	C14	3,411	0
Retained (deficit) / surplus for the year		**(23,502)**	**(15,464)**
Other comprehensive income			
Retained (deficit) for the year		**(21,655)**	**(15,464)**
Revaluations	C14	(1804)	0
Total comprehensive (expense) / income for the year		**(23,459)**	**(15,464)**

The notes on pages 187 to 213 form part of these accounts and are cross referenced as appropriate.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014

	Note	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Non-current assets			
Intangible assets	C13	885	804
Property, plant and equipment	C12	225,088	227,036
Trade and other receivables	C17	918	975
Total non-current assets		**226,891**	**228,815**
Current assets			
Inventories	C16	2,799	2,807
Trade and other receivables	C17	11,922	11,087
Cash and cash equivalents	C20	944	15,518
Total current assets		**15,665**	**29,412**
Current liabilities			
Trade and other payables	C18	(22,064)	(28,123)
Borrowings	C19,C23	(5,400)	(5,133)
Provisions	C21, C22	(616)	(1,007)
Other liabilities		(9,710)	(14,257)
Total current liabilities		**(37,790)**	**(48,520)**
Non-current liabilities			
Trade and other payables	C18	(3,408)	(7,501)
Borrowings	C19,C23	(339,256)	(344,657)
Provisions	C21	(421)	(506)
Total non-current liabilities		**(343,085)**	**(352,664)**
Total assets employed		**(138,319)**	**(142,957)**
Financed by taxpayers' equity			
Public dividend capital		112,400	84,303
Revaluation reserve		11,900	14,713
Income and expenditure reserve		(262,619)	(241,973)
Total taxpayers' equity		**(138,319)**	**(142,957)**

The financial statements on pages 171 to 213 were approved by the Board and signed on its behalf by:



Chief Executive Officer **Date: 29 May 2014**
Paul O'Connor

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 2013				
As previously stated	84,303	14,713	(241,973)	(142,957)
Retained (deficit) for the year	0	0	(21,655)	(21,655)
Public Dividend Capital Received	28,097	0	0	28,097
Revaluations	0	(1,804)	0	(1,804)
Transfer of excess current cost depreciation over historical cost depreciation		(221)	221	0
Transfer of retained earnings on disposal of assets		(788)	788	0
Taxpayers' equity at 31 March 2014	**112,400**	**11,900**	**(262,619)**	**(138,319)**
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)**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2014

	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Net cash generated from operating activities		
Operating surplus / (deficit) from operations	(3,650)	2,939
Depreciation and amortisation	9,081	9,126
Impairments and reversals	(1,847)	0
(Increase) / decrease in trade and other receivables	(778)	(1,122)
Decrease / (Increase) in inventories	8	78
Increase / (decrease) in trade and other payables	(10,731)	2,303
(Decrease) in provisions	(476)	(215)
Increase in other liabilities	(4,547)	5,478
Other movements in operating cash flows	163	(275)
Net cash outflow from operating activities	**(12,777)**	**18,312**
Cash flows from investing activities		
Interest received	137	201
Payments to acquire intangible assets	(610)	(196)
Purchase of property, plant and equipment	(6,146)	(2,081)
Net cash (outflow) from investing activities	**(6,619)**	**(2,076)**
Cash flows from financing activities		
Public Dividend Capital received	28,097	
Capital element of private finance initiatives	(5,133)	(4,880)
Interest element of private finance initiative	(18,095)	(18,604)
Other financing activities	(47)	0
Net cash inflow from financing activities	**4,822**	**(23,484)**
(Decrease) in cash and cash equivalents	**(14,574)**	**(7,248)**
Cash and cash equivalents at 1 April	**15,518**	**22,766**
Cash and cash equivalents at 31 March	**944**	**15,518**

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 2013/14 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 2013/14 of £21.66m, (£15.46m deficit 2012/13) this being a favourable variance to the original plan which forecast a deficit of £23.25m. 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 2014/15 planned cost improvement plan totalling £8.7m
- Receipt of PDC cash injection in quarter 1-4 of 2014/15 of £31.23m

- Assumed patient activity continuing at levels jointly agreed with commissioners and incorporated in the 2014/15 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.

Monitor assurance

The Board has received written confirmation that Monitor 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 regarding long term PFI funding support.

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 (£1k in 2012/13) as cash in hand or at bank at 31 March 2014 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.26.

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 and the movements in market value reflected in the financial position.

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. IAS 27 Consolidated and separate financial statements came into force in 2013/14, which resulted in a review of the treatment of the Sherwood Forest Hospitals General Charitable Fund. While the Trust as Corporate Trustee is deemed to control the operations of the Charity, it has not been consolidated as a subsidiary within the financial statements of the Trust, on the basis of materiality.

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.

In year income has been received relating to the 'maternity pathway' which is received after 14 weeks for the whole period of treatment. Where income has been received prior to completion of the provision of the healthcare service, then income relating to the patient activity has been deferred.

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	1	- 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

1 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. In accordance with IAS17, 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 clinical commissioning groups 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.10.1Recognition

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, 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 £51.95m (2012/13 £44.42m).

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, average daily cash balances held within the 'Government Banking Services' accounts and National loan fund deposits. The Trust does not currently pay any PDC as it has negative net relevant assets, due to the impairment of the main PFI. In year the Trust received £26.9m in PDC liquidity funding support. The Trust also received £1.20m from NHS England in respect of the NHS Technologies/Safer Hospitals, Safer wards initiatives.

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 367 payments totalling £0.82m (445 cases totalling, £1.72m 2012/13).

C Detailed notes to the financial statements

C.1. Operating income	**Year ended 31 March 2014**	Year ended 31 March 2013
C.1.1 **Income from activities**	**£000**	£000
NHS Trusts	1,466	1,621
Primary Care Trusts	0	210,481
Clinical Commissioning Groups,/ Department of Health Bodies	216,702	0
Non NHS:		
- Private patients	165	139
- NHS injury scheme	1,079	1,192
	219,412	**213,433**

NHS Injury Cost Recovery scheme income is subject to a provision for impairment of receivables of 15.8% to reflect expected rates of collection. (12.6% 2012/13)

C.1.2 Analysis of income from activities

	£000	£000
Inpatient - elective income	34,886	36,281
Inpatient - non elective income	65,689	62,065
Outpatient income	41,143	49,013
A & E income	11,240	11,145
Other NHS clinical income	63,744	51,977
Private patient income	165	139
Other non protected clinical income	2,545	2,813
Total income from activities	**219,412**	**213,433**

C.1.3 Other operating income

	£000	£000
Research and development	574	912
Education and training	11,560	12,027
Charitable and other contributions to expenditure	914	740
Non patient care services to other bodies	5,354	12,108
Other income	23,086	16,564
Total other operating income (excluding impairments)	**41,488**	**42,351**
Reversal of impairments	5,258	0
Income from continuing operations	**266,158**	**255,784**

Other income includes business activities with our PFI provider c£4.8m, income carried forward relating to hosted projects completed in 2013/14, c£.4.8m and other deferred income relating to ongoing, completed projects c£4.0m.

C.1.4 Income from commissioner requested services

	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Income from activities	219,412	213,433
Less: NHS injury cost recovery scheme	(1,079)	(1,192)
Private patient income	(165)	(139)
Total	**218,168**	**212,102**

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 2014 £000	Year ended 31 March 2013 £000
Services from Foundation Trusts	85	93
Services from other NHS Trusts	203	69
Purchase of healthcare from non NHS bodies	86	335
Employee remuneration – executive directors	934	1,189
Employee remuneration – non-executive directors	202	234
Employee remuneration – staff	163,683	158,394
Drugs	16,828	15,375
Supplies and services – clinical	21,486	19,512
Supplies and services – general	1,208	841
Establishment	3,422	2,213
Travel Business Travel	554	550
Transport	187	246
Premises	17,348	17,698
Provision for impairments of receivables	146	90
Depreciation of property, plant and equipment	8,552	8,505

Amortisation of intangible assets	529	621
Auditor's services – statutory audit	61	75
Other auditors' remuneration	67	176
Clinical negligence	4,711	4,857
Loss on disposal of property, plant and equipment	463	17
Legal fees	166	128
Consultancy services	5,221	3,173
Training, courses and conferences	630	528
Early retirements	54	57
Redundancy	762	1,695
Hospitality	194	163
Losses, ex gratia and special payments	24	15
Other	18,591	15,996
Operating expenses of continuing operations (excluding impairments)	**266,397**	**252,845**
Impairments of property, plant and equipment	3,411	0
Operating expenses of continuing operations	**269,808**	**252,845**

C.5. Operating leases (excluding off Statement of Financial Position PFI)	**Year ended 31 March 2014**	Year ended 31 March 2013
C.5.1 As lessee	**£000**	£000
Minimum lease payments	267	194
Total	**267**	**194**

C.5.2 Future minimum lease payments due	**£000**	£000
Payable		
Not later than one year	216	148
Between one and not later than five years	725	223
Later than five years	63	94
Total	**1,004**	**465**

C.5.3 As lessor	**£000**	£000
Rents recognised in period	1,087	946
Total	**1,087**	**946**

C.5.4 Total future minimum lease payments	**£000**	£000
Receivable		
Not later than one year	904	341
Between one and not later than five years	1,363	1,363

Later than five years	1,111	1,480
Total	**3,378**	**3,184**

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 2014 £000	Permanently employed £000	Other £000	Year ended 31 March 2013 £000
Salaries and wages	126,990	126,990		124,171
Social security costs	9,356	9,356	0	9,129
Employer contributions to NHS pension scheme	15,318	15,318	0	14,476
Pension cost –other contributions	53	53	0	58
Termination benefits	798	798	0	1,695
Agency costs	12,900	0	12,900	11,678
	165,415	**152,515**	**12,900**	**161,207**

C.7.2 Average number of persons employed

	Year ended 31 March 2014 Number	Permanently employed Number	Other Number	Year ended 31 March 2013 Number
Medical and dental	464	401	63	472
Administration and estates	869	815	54	825
Healthcare assistants and other support staff	652	652	0	655
Nursing, midwifery and health visiting staff	1,252	1,130	122	1,213
Scientific, therapeutic and technical staff	512	499	13	466
	3,749	**3,497**	**252**	**3,631**

C.8. Retirements due to ill-health

During 2013/14 there were twelve (2012/13 seven) early retirements from the Trust agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £589k (2012/13 £457k). 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 2014		Year ended 31 March 2013	
	Number	**£000**	Number	£000
Total non-NHS trade invoices paid in the year	61,142	147,193	57,424	110,056
Total non-NHS trade invoices paid within target	56,835	140,240	52,661	105,874
Percentage of non-NHS trade invoices paid within target	93%	95%	92%	96%
Total NHS trade invoices paid in the year	1,941	10,141	1,875	17,620
Total NHS trade invoices paid within target	1,788	9,015	1,717	16,113
Percentage of NHS trade invoices paid within target	92%	89%	92%	91%

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 2014	Year ended 31 March 2013
	£000	£000
Bank accounts	137	201
Total	**137**	**201**

C.11.2 Finance costs

	£000	£000
Interest on long term creditor arising from agreements reached on PFI contract changes	47	202
Interest on obligations under PFI finance leases	18,095	18,402
Total	**18,142**	**18,604**

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 2013	**17,021**	**476,592**	**1,046**	**1,190**	**26,191**	**4,025**	**291**	**526,356**
Additions purchased		1,457	147	(387)	3,076	1,965		6,258
Additions donated		52			640			692
Impairments / (Reversal of Impairments)	75	1,772						1,847
Reclassifications	(149)	(842)		(803)				(1,794)
Revaluations	(968)	(836)			976			(828)
Disposals	74	(2,563)			(2,122)			(4,611)
At 31 March 2014	**16,053**	**475,632**	**1,193**	**0**	**28,761**	**5,990**	**291**	**527,920**
Depreciation at 1 April 2013	**75**	**280,577**	**0**	**0**	**15,645**	**2,902**	**121**	**299,320**
Provided during the year		5,650			2,283	584	35	8,552
Reclassifications	(75)	(743)						(818)
Disposals		(2,563)			(1,659)			(4,222)
Depreciation at 31 March 2014	**0**	**282,921**	**0**	**0**	**16,269**	**3,486**	**156**	**302,832**
Net book value at 31 March 2014								
Purchased	16,053	10,856	1,193		10,926	2,504	111	41,643
Donated		1,194			1,566		24	2,784
PFI		180,661						180,661
Total at 31 March 2014	**16,053**	**192,711**	**1,193**	**0**	**12,492**	**2,504**	**135**	**225,088**

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 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**

C.13. Intangible assets

	Software licenses and trademarks 2013/14 £000		Software licenses and trademarks 2012/13 £000
Cost or valuation at 1 April 2013	**5,510**	**Cost or valuation at 1 April 2012**	**5,314**
Reclassifications		Reclassifications	
Additions purchased	610	Additions purchased	196
Gross cost at 31 March 2014	**6,120**	**Gross cost at 31 March 2013**	**5,510**
Amortisation at 1 April 2012	**4,706**	Amortisation at 1 April 2012	**4,085**
Provided during the year	529	Provided during the year	621
Reclassifications		Reclassifications	
Amortisation at 31 March 2014	**5,235**	**Amortisation at 31 March 2013**	**4,706**
Net book value: at 31 March 2014	**885**	**Net book value: at 31 March 2013**	**804**
Purchased	885	Purchased	801
Donated	0	Donated	3
Total at 31 March 2014	**885**	**Total at 31 March 2013**	**804**

C.14. Impairments

Impairments in the period arose from:	**Tangible**	
	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Impairments charged to operating expenditure	(3,411)	0
Reversal of impairments	5,258	0
Impact on retained (deficit) for the year	**1,847**	**0**

C.15. Capital commitments

Commitments under capital expenditure contracts at the balance sheet date were:

	Year ended 31 March 2014	Year ended 31 March 2013
	£000	£000
Property, plant and equipment	0	60
Total	**0**	**60**

C.16. Inventories

	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Drugs	963	992
Materials	1,706	1,654
Energy	130	161
Total	**2,799**	**2,807**

C.16.1 Inventories recognised in expenses

	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Inventories recognised as an expense in the period	21,055	23,874
Total	**21,055**	**23,874**

C.17. Trade and other receivables

	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Current (falling due within one year)		
NHS receivables	6,313	8,151
Other trade receivables	1,620	1,292
Provision for the impairment of receivables	(179)	(207)
Prepayments	858	550
Accrued income	248	2
Other receivables	3,062	1,299
Total current trade and other receivables	**11,922**	**11,087**
Non-current (falling due after more than one year)		
NHS receivables	991	1,057
Provision for the impairment of receivables	(270)	(158)
Prepayments	73	76
Other receivables	124	0
Total non-current trade and other receivables	**918**	**975**
Total trade and other receivables	**12,840**	**12,062**

The great majority of income, and therefore debtors, relates to Care Commissioning Groups, 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 2014 £000**	Year ended 31 March 2013 £000
Balance at 1 April	365	575
Increase in provision	159	280
Amounts utilised / reversed	(75)	(490)
Balance at 31 March	**449**	**365**

All debts are reviewed and provisions made based on the probability of payment following referral to external debt recovery agencies, and based on national guidance for debts relating to the compensation recovery unit (15.8%).

C.18. Trade and other payables

Current (falling due within one year)	**Year ended 31 March 2014 £000**	Year ended 31 March 2013 £000
Receipts in advance	219	0
NHS payables	1,458	1,385
Non-NHS trade payables – capital	2,813	2,234
Tax and social security costs	1,472	3,134
Accruals	11,260	12,589
Other payables	4,842	8,781
Total current trade and other payables	**22,064**	**28,123**
Non current (falling due after one year)		
Receipts in advance	1,755	2,015
Non-NHS trade payables – revenue	1,653	5,486
Total non-current trade and other payables	**3,408**	**7,501**

C.19. Borrowings

Capital current	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Private finance initiative (PFI) contract	5,400	5,133
Total current	**5,400**	**5,133**
Capital non-current		
Private finance initiative (PFI) contract	339,256	344,657
Total non-current	**339,256**	**344,657**
Total borrowings	**344,656**	**349,790**

C.19.1 Amounts payable under PFI

PFI Service Charge obligations	Modernising Acute Services (MAS) Minimum lease payments Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Gross liability	**1,565,926**	**1,586,609**
Of which liability is due:		
Within one year	21,999	20,684
Between one and five years	102,076	96,014
After five years	1,441,851	1,469,911
Finance charges allocated to future periods	(927,958)	(966,098)
Net liability	**637,968**	**620,511**
Of which liability is due:		
Within one year	21,999	20,684
Between one and five years	87,996	82,736
After five years	527,973	517,091

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 Year ended 31 March 2014 £000	MAS Year ended 31 March 2013 £000	LHA Year ended 31 March 2014 £000	LHA Year ended 31 March 2013 £000
Gross liability	**327,846**	**345,914**	**514**	**580**
Of which liability is due:				
Within one year	17,803	18,067	63	66
Between one and five years	68,293	69,492	219	233
After five years	241,750	258,355	232	281

PFI Capital Charge obligations				
Gross liability	**343,695**	**348,785**	**961**	**1,005**
Of which liability is due:				
Within one year	5,353	5,090	46	44
Between one and five years	24,333	23,135	219	206
After five years	314,009	320,560	696	755

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 statement of financial Position

Leicester Housing Association

The Trust is currently committed to one 'off statement of financial position' 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. 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 2014:

£000	
Amounts included within operating expenses in respect of PFI transactions deemed to be off-statement of financial position – gross	309

Amortisation of PFI deferred asset	(146)
Net charge to operating expenses	**163**

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	309

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.	2,080

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-statement of financial Position

The Trust is currently committed to two on-statement of financial position 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. Throughout the term of the agreement there is a requirement to keep the premises clean tidy and in good order and to keep in good and substantial repair and condition in accordance with the Operating Agreement.

   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 2014

	MAS £000	LHA £000
Amounts included within operating expenses in respect of PFI transactions deemed to be on-statement of financial position	19,677	0
Amounts included within depreciation in respect of PFI transactions deemed to be on-statement of financial position	4,287	13
Amounts included within interest payable in respect of PFI transactions deemed to be on-statement of financial position	18,067	28
Total charge to operating statement	**42,031**	**41**

Year ended 31 March 2013

Amounts included within operating expenses in respect of PFI transactions deemed to be on-statement of financial position	17,571	0
Amounts included within depreciation in respect of PFI transactions deemed to be on-statement of financial position	4,367	13
Amounts included within interest payable in respect of PFI transactions deemed to be on-statement of financial position	18,318	84
Total charge to operating statement	**40,256**	**97**

The Trust is committed to make the following payments in 2014/15 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)	45,156	
Out of Hours (contract end January 2027)		67

In addition to the commitments in 2014/15 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;	5,353	47
• Later than one year and not later than five years; and	24,333	219
• Later than five years.	314,009	696
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	29	13

C.20. Cash and cash equivalents	2014 £000	2013 £000
Balance at 1 April	15,518	22,766
Net change in year	(14,574)	(7,248)
Balance at 31 March	**944**	**15,518**
Made up of		
Cash with the Government banking service (RBS / Citibank) / Office of Paymaster General	938	15,512
Cash in hand	6	6
Cash and cash equivalents	**944**	**15,518**

C.21. Provisions for liabilities and charges

	Pensions relating to other staff £000	Legal claims £000	Other £000	Total £000
At 1 April 2013	448	328	737	1,513
Arising during the period	52	206	1	259
Utilised during the period	(52)	(115)	(2)	(169)
Reversed during the period	(40)	(9)	(517)	(566)
At 31 March 2014	**408**	**410**	**219**	**1,037**
Expected timing of cashflows				
Within one year	49	410	157	616
Between one and five years	196	0	20	216
After five years	163	0	42	205
	408	**410**	**219**	**1,037**

	Current		Non-current	
	31 March 2014 £000	31 March 2013 £000	31 March 2014 £000	31 March 2013 £000
Pensions relating to former staff (excluding directors)	49	52	359	396
Other legal claims	410	328	0	0
Other	157	627	62	110
Total	**616**	**1,007**	**421**	**506**

£51.95m is included in the provisions of the NHS Litigation Authority in respect of clinical negligence liabilities of the Trust (31/03/13 £44.42m).

C.22. Contingent liabilities

	31 March 2014 £000	31 March 2013 £000
Gross value	115	106
Net contingent liability	**115**	**106**

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 the Care Commissioning Groups and the way those 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 prudential borrowing code requirements of the NHS Act 2006 have been repealed with effect from 1 April 2013 by the Health and Social Care Act 2012.The financial disclosures that were provided previously are no longer required as a result.

C.24. Financial instruments and related disclosures

	Carrying value 31 March 2014 £000	Carrying value 31 March 2013 £000
Current financial assets		
Cash and cash equivalents	944	15,518
Trade and other receivables	8,824	11,087
Non-current financial assets		
Trade and receivables	918	975
Total financial assets	**10,686**	**27,580**
Current financial liabilities		
Financial liabilities measured at amortised cost:		
PFI Finance leases	5,400	5,133
Trade and other payables	18,473	42,380
Provisions under contract	1,037	1,513
Non-current financial liabilities		
Financial liabilities measured at amortised cost:		
PFI Finance leases	339,256	344,657
Total financial liabilities	**364,166**	**393,683**

The fair value of all these financial assets and financial liabilities approximate to the carrying value recognised in the Statement of Financial Position.

C.25. Exit packages

	2013/14			2012/13		
Exit package cost band	**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	0	20	20	13	0	13
£10,000 - £25,000	3	2	5	4	0	4
£25,001 - £50,000	0	2	2	6	2	8
£50,001 – £100,000	1	2	3	4	0	4
£100,000 - £150,000	0	3	3	1	0	1
£150,001 - £200,000	0	0	0	1	0	1
£200,001 - £250,000	0	0	0	0	1	1
£500,001 - £550,000	0	0	0	1	0	1
Total number of exit packages by type	**4**	**29**	**33**	**30**	**3**	**33**
Total cost (£000)	**113**	**685**	**798**	**1396**	**299**	**1695**
Total cost (£000)	**113**	**685**	**798**	**1396**	**299**	**1695**

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.

Analysis of other agreed departures

Exit package cost band	Number of other departures Lieu of Notice	Cost (£000)	Number of other departures Mars	Cost (£000)	Number of other departures Pension Capitalisation	Cost (£000)
<£10,000	19	57	1	7	0	0
£10,000 - £25,000	3	45	4	78	0	0
£25,001 - £50,000	0	0	3	118	0	0
£50,001 – £100,000	0	0	1	93	2	176
£100,000 - £150,000			1	110		
Total	**22**	**102**	**10**	**406**	**2**	**176**

C.26. Related party transactions	2013/14 Income £000	2013/14 Expenditure £000
NHS Mansfield And Ashfield CCG	110,227	18
NHS Newark & Sherwood CCG	54,784	13
NHS England	13,692	16
NHS Greater East Midlands Commissioning Support Unit	13,302	3
NHS Hardwick CCG	14,268	0
Health Education England	11,456	0
NHS Southern Derbyshire CCG	6,663	0
NHS Nottingham North And East CCG	5,899	0
NHS Property Services	5,554	3,931
NHS Rushcliffe CCG	5,231	0
Nottingham University Hospitals NHS Trust	4,271	1,946
Nottinghamshire Healthcare NHS Trust	2,817	1,471
NHS Lincolnshire West CCG	2,023	0
NHS Nottingham West CCG	2,021	0
NHS Nottingham City CCG	1,762	11
NHS South West Lincolnshire CCG	962	0

NHS Bassetlaw CCG	716	0
NHS Litigation	0	4,711
NHS Property Services	5,554	3,931
Ashfield District Council	0	2,500
NHS Blood & Transplant	6	951

The above schedule discloses the main related party transactions. A full schedule by NHS organisation is available on request.

C. 27. Senior managers' disclosure

C.27.1. 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 engagements as at 31 March 2014 for more than £220 per day and more than 6 months

Number of exiting engagements	1
Of which:	
Number that have existed less than 12 months	1
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	1
Of which	
Number for whom assurance has been requested and received	1

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.

The above post has now been appointed to on a substantive basis.

27.2	2013/14						2012/13				
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)	Pensions Related Benefit (bands of £2,500)	Total	Salary (bands of £5,000)	Other remuneration (bands of £5,000)	Benefits in kind (nearest £100)	Employer pension contributions (nearest £1,000)	Total
-											
Executive Directors											
-											
P O'Connor (Appointed as Chief Executive 10 June 2013)	160 – 165	0	0	23	112.5 - 115	295 – 303	N/A	N/A	N/A	N/A	N/A
Ms F. Steele (Chief Financial Officer)	140 - 145	0	0	20	37.5 - 40	197 – 205	150 - 155	0	0	22	172 – 177
Mrs S. Bowler (Executive Director of Nursing and Quality)	100 - 105	0	6,500	14	75 - 77.5	196 – 204	90 - 95	0	6,200	13	109 – 114
Ms K. Fisher (Executive Director of Human Resources)	100 - 105	0	6,000	14	87.5 - 90	207 - 215	90 - 95	0	5,700	13	109 – 114
A Haynes [4] (Interim Executive Medical Director from 1 October 2013)	85 - 90	0	0	0	N/A	85 - 90	N/A	N/A	N/A	N/A	N/A
K Rogers (Non-Voting Director of Corporate Services/ Company Secretary, appointed 27 August 2013)	55 - 60	0	0	9	22.5 - 25	86 – 94	N/A	N/A	N/A	N/A	N/A
J Tuffnell [3] (Non-Voting Director of Operations)	80 - 85	0	3,200	12	160 - 162.5	255 – 263	N/A	N/A	N/A	N/A	N/A
P Wozencroft (Non-Voting Director of Strategic Planning and Commercial Development, appointed 2 December 2013)	30 - 35	0	0	5	22.5 - 25	57 – 65	N/A	N/A	N/A	N/A	N/A
Dr N. Ali (Executive Medical Director up to 30 September 2013)	10 - 15	90 - 95	2,900	12	67.5 - 70	182 – 195	25 - 30	160 - 165	2,600	21	209 – 219

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)	Pensions Related Benefit (bands of £2,500)	Total	Salary (bands of £5,000)	Other remuneration (bands of £5,000)	Benefits in kind (nearest £100)	Employer pension contributions (nearest £1,000)	Total
Ms L. Dadge[2] (Non-Voting Commercial Director. On secondment from January 2013. Left 30 June 2013.)	25 - 30	5 - 10	0	4	N/A	34 – 44	95 - 100	0-5	6,000	14	115 - 125
Mr I. Greenwood (Interim Director of Strategic Planning and Commercial Development. In post from 18 January 2013 to 1 December 2013)	130 - 135	0	0	0	N/A	130 – 135	35-40	0	0	0	35 – 40
Mr E. Morton (Interim Chief Executive Officer. Left 9 June 2013)	70 - 75	0	0	0	N/A	70-75	190 - 195	0	0	0	190 – 195
Mr M. Goldman (Interim Chief Executive Officer. From 6 June to 12 October 2012)	N/A	N/A	N/A	N/A	N/A	N/A	135 - 140	0	0	0	135 - 140
Mrs C.White[1] (Deputy Chief Executive Left 14 December 2012. Seconded from 1 January 2013. Left 31 March 2013)	N/A	N/A	N/A	N/A	N/A	N/A	105 - 110	500-505	4,800	15	625 – 635
Mr M. Wakeley[1] (Chief Executive Officer. Left 30 May 2012)	N/A	N/A	N/A	N/A	N/A	N/A	30 - 35	45-50	1,700	5	82 – 92
A payment of £50k relating to MARS was paid to Mrs E. Konieczny who on two previous occasions held the post of Acting Director of Finance (left on 31 January 2014).							N/A	N/A	N/A	N/A	N/A

Non-Executive Directors												
Mr S. Lyons (Started 1 May 2013, Chair from 10 June 2013)	45 - 60	0	0	N/A		45 – 60	N/A	N/A	N/A	N/A	N/A
Mr J. Chivers (Appointed 8 July 2013)	5 – 10	0	0	0		5 – 10	N/A	N/A	N/A	N/A	N/A
Mr R. Dawson (Appointed 1 June 2013)	10 - 15	0	0	0		10 – 15	N/A	N/A	N/A	N/A	N/A
Mr P. Marks (Appointed 1 May 2013)	10 - 15	0	0	0		10 – 15	N/A	N/A	N/A	N/A	N/A
Dr J. McSorley (Appointed 1 May 2013)	10 - 15	0	0	0		10 – 15	N/A	N/A	N/A	N/A	N/A
Mr T. Reddish (Appointed 8 July 2013)	5 – 10	0	0	0		5 – 10	N/A	N/A	N/A	N/A	N/A
Ms C. Ward (Appointed 1 May 2013)	10 - 15	0	0	0		10 – 15	N/A	N/A	N/A	N/A	N/A
Ms T. Doucet [1] (Chair - Left 4 October 2012)	N/A	N/A	N/A	N/A		N/A	30 - 35	30-35	N/A	N/A	60 – 70
Mr C. Bellringer (Left 31 May 2013)	0 - 5	N/A	N/A	N/A		0 – 5	N/A	N/A	N/A	N/A	N/A
Mr S. Grasar (Left 31 October 2013)	5 - 10	N/A	N/A	N/A		5 – 10	10 - 15	N/A	N/A	N/A	10 – 15
Mr D. J. Leah (Left 31 October 2013)	5 - 10	N/A	N/A	N/A		5 – 10	10 - 15	N/A	N/A	N/A	10 – 15
Mr C. Mellor (Chair - From 8 October 2012, to 9 June 2013)	50 - 55	N/A	N/A	N/A		50 - 55	N/A	N/A	N/A	N/A	N/A
Mr M. Obhrai (Left 31 May 2013)	0-5	N/A	N/A	N/A		0 – 5	0 - 5	N/A	N/A	N/A	0 – 5
Mr D. B. Heathcote (Left 3 November 2012)	N/A	N/A	N/A	N/A		N/A	5 – 10	N/A	N/A	N/A	5 – 10
Mrs B. Y. Jones (Left 31 October 2012)	N/A	N/A	N/A	N/A		N/A	5 – 10	N/A	N/A	N/A	5 – 10
Sir S. Moss (From 1 December 2012)	N/A	N/A	N/A	N/A		N/A	0 - 5	N/A	N/A	N/A	0 – 5
Mr I. M. Younger (Left 30 November 2012)	N/A	N/A	N/A	N/A		N/A	5 – 10	N/A	N/A	N/A	5 – 10
Ms L. Barnett (Non Executive Advisor from 15 January 2013)	0-5	N/A	N/A	N/A		0 – 5	0 - 5	N/A	N/A	N/A	0 – 5

Benefit in kind relates to lease car P11D taxable charge

[1] Other remuneration relates to a contractual redundancy and or notice period payment.

[2] Other remuneration relates to a contractual performance related payment.

[3] Relates to a 10 month period, April May services received on a no fee secondment

[4] Costs disclosed relate to recharges from substantive employer

27.3 Hutton Disclosure

	2013/14	**2012/13**
Band of highest paid directors' remuneration (£000's)	200-205	330-335
Median total remuneration	22,636	22,676
Ratio of median to highest paid Director	8.84	14.66
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.

C.27.4

Name and Title	2013/14 Real increase during the year in pension and lump sum at age 60 (bands of £2,500)	2013/14 Total accrued pension (incl. lump sum) at age 60 at 31 March 2014 (bands of £5,000)	2013/14 Value of cash equivalent transfer value as at 1 April 2013 (nearest £1,000)	2013/14 Real increase in cash equivalent transfer value during the year ended 31 March 2014 (bands of £1,000)	2013/14 Value of cash equivalent transfer value at the end of the reporting period - 31 March 2014 (bands of £1,000)	2012/13 Real increase during the year in pension and lump sum at age 60 (bands of £2,500)	2012/13 Total accrued pension (incl. lump sum) at age 60 at 31 March 2013 (bands of £5,000)	2012/13 Value of cash equivalent transfer value as at 1 April 2012 (nearest £1,000)	2012/13 Real increase in cash equivalent transfer value during the year ended 31 March 2013 (bands of £1,000)	2012/13 Value of cash equivalent transfer value at the end of the reporting period - 31 March 2013 (bands of £1,000)
Executive Directors										
Mr P. O'Connor	20.0-22.5	200 - 205	902	129	1,054	N/A	N/A	N/A	N/A	N/A
Mr M. Wakeley	N/A	N/A	N/A	N/A	N/A	22.5-25	135 - 140	470	6	518
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	N/A	N/A	N/A	N/A	N/A	2.5 – 5.0	230 - 235	1,027	(750)	0
Mrs S. Bowler	12.5 – 15.0	155 - 160	603	77	695	(20.0)-(22.5)	135 - 140	654	68	603
Mrs K Rogers	2.5 – 5.0	45 - 50	159	20	183	N/A	N/A	N/A	N/A	N/A
Ms F. Steele	0.0 - 2.5	5-10	58	24	84	0.0 – 2.5	5-10	27	31	58
Mr P. Wozencroft	2.5 – 5.0	110 - 115	416	30	456	N/A	N/A	N/A	N/A	N/A
Ms K. Fisher	15.0 - 17.5	165 - 170	636	88	740	0.0 – 2.5	145 - 150	598	24	636
Mr A. Haynes	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mrs J. Tuffnell	28	125 - 130	362	104	475	N/A	N/A	N/A	N/A	N/A
Ms L. Dadge	5.0 – 7.5	50 - 55	202	31	238	2.5-5	45 - 50	174	25	202
Dr N. Ali	5.0 – 7.5	270 - 275	1,336	51	1,421	47.5-50	255 - 260	1,031	279	1,336
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.

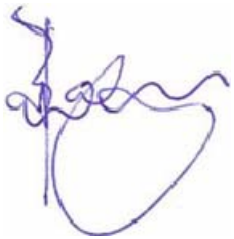
The defined benefit pension liability is uplifted in line with the Consumer Prices Index (CPI) to calculate the minimum pension increases for index-linked pensions.

Related party transactions

- During both 2013/14 and 2012/13 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 £10,600, all of which was paid 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 £112,412). Ms F Steele remains a shareholder.

These relationships have been identified in the Register of Interests



Signed: **Chief Executive Officer** **29 May 2014**
Paul O' Connor

KPMG

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF SHERWOOD FOREST HOSPITALS NHS FOUNDATION TRUST ON THE NHS FOUNDATION TRUST CONSOLIDATION SCHEDULES

We have examined the NHS foundation trust consolidation schedules (FTCs) numbered FTC01 to FTC40 of Sherwood Forest Hospitals NHS Foundation Trust for the year ended 31 March 2014, 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 the 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
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

29 May 2014

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 2014. These financial statements have been prepared under applicable law and the NHS Foundation Trust Annual Reporting Manual 2013/14.

This report is made solely to the Council 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 Council 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 Council 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 March 2014 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2013/14.

Emphasis of matter - financial performance

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in Note 1 to the financial statements concerning the ability of the Trust to meet its financial performance targets.

The Trust incurred a deficit of £21.7 million during the year ended 31 March 2014, and has received additional financial support in year in the form of PDC funding of £29.9 million. The Trust's 2014/15 annual plan requires reliance on additional financial support from the Department of Health in the form of PDC totalling £31.3 million, to be drawn down in monthly instalments. This funding has not been formally confirmed, although funding has been received in April and May 2014. This, along with the other matters explained in Note 1 to the financial statements, indicate the existence of material uncertainties which may cast significant doubt on the Trust's ability to meet its financial performance targets.

Opinion on other matters prescribed by the Audit Code for NHS Foundation Trusts

In our opinion the information given in the Strategic Report and 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.

Other matter on which we report by exception

Under Section 62(1) of the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts, 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.

In September 2012 Monitor notified the Trust that it was in significant breach of its terms of authorisation, and in August 2013 Monitor placed the Trust in special measures and invoked its powers under section 105 and 106 of the Health and Social Care Act 2012. The Trust remains in special measures as at 31 March 2014 because an independent review established that it had not ensured effective oversight by the Board, had not established and implemented systems to ensure compliance with its duty to operate economically, efficiently and effectively throughout the year, and had been unable to remedy failings in patient care. The Trust's governance risk rating has remained red throughout the year. The actions taken by the Trust to address the weaknesses identified are set out in the Annual Report, along with a summary of progress to date.

As a result of these matters, we are unable to satisfy ourselves that the Trust made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2014.

Certificate

We certify that we have completed the audit of the accounts of Sherwood Forest Hospitals NHS Foundation Trust in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts issued by Monitor.

Andrew Bostock for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

29 May 2014