Quality for all

Annual Report and Accounts 2014/15

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Sherwood Forest Hospitals NHS Foundation Trust

Annual Report and Accounts

2014/15

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Foreword from the Chairman and Acting Chief Executive

We are pleased to present to you our annual report and accounts for the financial year 2014/15, which set out the challenges we have faced over the past year and also give details of our successes, of which we have had many.

As always, high quality care remains our top priority, with our enduring purpose being ***to champion and deliver the best care, service and wellbeing outcomes for each individual in the communities we serve.***

We are delighted that more and more patients continue to choose our hospitals as the place to receive their treatment, with more than 480,000 patients being treated each year.

The year that ended on 31 March 2015 was one of the most challenging in the history of the Foundation Trust. Back in October 2012 the health regulator, Monitor announced that the Trust was in significant breach of the terms of its authorisation as a Foundation Trust. In February 2013, the Trust was identified as being one of the 14 healthcare providers in England which had higher than expected mortality rates. This led to the Trust being inspected as part of the Keogh review, with the outcome that in July of the same year the Trust was placed in special measures. We are pleased to report that Monitor has issued a compliance certificate acknowledging the significant improvements in quality since the Keogh review was completed. In addition, we have also made significant progress in addressing the quality concerns highlighted during our Care Quality Commission (CQC) inspection in April 2013.

As we write this foreword we are busy preparing for a further inspection from the CQC in June of 2015. We are confident that we will be able to demonstrate real improvements to the inspection team, and will use their visit to showcase the excellent care we provide to our patients.

We developed our improvement programme, *Quality for all* in conjunction with staff and patients and these values and behaviours underpin all that we do. We have continued to embed them across the organisation during the year, with a programme of staff engagement sessions, changes to our staff induction programme and values-based recruitment and staff appraisals. We have also developed a comprehensive quality improvement plan which incorporates and coordinates the actions required to address any outstanding concerns and recommendations, including those arising from our CQC inspection.

Although we are pleased with our progress to date, we are not complacent and recognise that we need to do much more in order to ensure our patients consistently receive the high quality care they deserve and that our staff are working in an environment where they can flourish and develop.

Whilst we have robust mechanisms in place for ensuring the quality of care received by our patients is maintained and improved, internal control issues have been identified in the Trust's ability to work effectively, efficiently and economically.

This is linked to the ongoing continuity of service risk rating and our breach of licence with Monitor, for which we have associated enforcement notices.

Throughout all of this external scrutiny and regulation, our staff and volunteers have continued to provide high quality care to all of the patients who use our services, and we are as always incredibly proud of every member of our workforce. The progress you will read about throughout this report has only been achieved due to the hard work, dedication and above all the team work of staff and volunteers across all of our hospitals. More details about our progress are also contained within the Quality Report.

Our staff and volunteers are our greatest asset and throughout this report there are many examples of their successes - some as individuals, some as teams. We celebrate success throughout the year with our monthly Star of the Month recognition award, as well as our annual Staff Excellence Awards, Volunteer Long Service Awards and Nurse of the Year Awards.

Our strategy is to continue on the journey set out in our five year plan, which contains our strategic priorities and is aligned to the Better Together programme. Better Together is the mid-Nottinghamshire initiative which brings together all the health and social care services to ensure that everyone receives the best possible care, with services that continue to meet future challenges and embrace opportunities for improvement.

As one of the largest employers in the locality, we are committed to the important role we play within our local communities and are proud of our role in helping to build a healthier future for the people of Mansfield, Ashfield, Newark, Sherwood, Derbyshire and Lincolnshire and further afield. We continue to benefit from tremendous support from our staff and our partners, without whom we would have been unable to achieve the improvements you will read about throughout this report. It remains therefore to thank those who have helped and supported us throughout the year, most importantly our staff and volunteers for their tremendous loyalty, commitment and dedication.

We are also grateful to our Council of Governors for their support and challenge, and for helping to keep us close to our local communities; to our members for their continued support; to our hospitals charity for their ongoing backing and of course the members of the public who regularly - throughout each and every year - dig deep to support us with their donations and fundraising. We also appreciate the support we have received and continue to receive from our staff side members, commissioners, MPs, local government and the multitude of stakeholders in the local and regional health and social care economy. However, none of our progress would be possible without the support of our patients who continue to choose our hospitals and services to provide their care.
Thank you.

Kind regards

Sean Lyons
Chairman

Karen Fisher
Acting Chief Executive

A year at a glance

A year of highlights

Coveted award for ground-breaking dementia care

The Trust's library and knowledge service was picked out for a national award thanks to the success of a ground-breaking project to help people with dementia.

The coveted Sally Hernando Award for Innovation was presented to the service for the development of dementia kits, which help patients feel less frightened when they are admitted for emergency care.

Available at King's Mill, Newark and Mansfield Community hospitals, the resources include reminiscence kits, games and picture books which are used by relatives and carers visiting patients on wards. They tackle disorientation and anxiety, stimulate the patient's mind and provide a diversionary activity that prevents or reduces potentially disruptive behaviour.

A 'smart' new way to improve patient care and safety

A new hi-tech monitoring system with the potential to improve our quality of care, revolutionise patient safety and reduce mortality rates has been introduced across all King's Mill Hospital adult inpatient wards.

The Trust was the first in the East Midlands to introduce VitalPAC – an innovative software system that enables nurses to record patient observations on handheld smart devices at individual bedsides, which can then be instantly analysed. We are currently expanding this system to include Newark Hospital.

Two nurses shortlisted for national award

Adam Hayward and Shantell Miles were recognised in the Enhancing Patient Dignity category in the Nursing Times Awards 2014 for their work to improve the care provided to some of the most vulnerable elderly patients across the Trust. The project, called Enhancing Patient Support in Acute Hospital Settings, enables hospital staff to therapeutically engage with patients experiencing confusion at their bedsides.

Consultant in emergency care selected as life-saving regional representative

Vikas Sodiwala, Consultant in Emergency Medicine at King's Mill Hospital, has been elected as an Advanced Life Support (ALS) regional representative for the Resuscitation Council UK. The council leads research into life-saving techniques and is the expert body in resuscitation medicine. Mr Sodiwala's new role will see him visiting ALS training centres across the East Midlands to ensure the high standards of the council are maintained and to help support centres where necessary.

Extended stroke service will benefit patients

Patients are now able to access stroke services at King's Mill Hospital 24 hours a day, seven days a week, after the Stroke Partnership of Sherwood Forest Hospitals NHS Foundation Trust and Nottingham University Hospitals NHS Trust extended access to thrombolysis (clot busting treatment) at the hospital.

Award-winning use of FLO benefits patients with ‘white coat hypertension’

An innovative use of remote health monitoring is benefiting patients who attend the King’s Mill Hospital Pre-op Assessment Unit and show signs of ‘white coat hypertension’ or high blood pressure caused by nervousness or anxiety.

Patients monitor their own blood pressure at home for seven days using the FLO telehealth system, to help the nurses decide on the right plan of care for them. Within the first 12 months, 42% of patients using FLO were found to have ‘white coat hypertension’ and were able to go ahead with surgery as planned.

Tinnitus support group launched

Audiology clinicians based at the Trust are providing additional support for adult audiology patients suffering with tinnitus with the establishment of a new support group. The audiology department has received UKAS accreditation for all its services, including the tinnitus service.

Best PLACE for hospital care

Results from the Patient-led Assessments of the Care Environment (PLACE) assessment published by the Health and Social Care Information Centre show the Trust scored an impressive 99% for cleanliness, 97% for food and hydration, 89% for privacy, dignity and wellbeing, and 96% for condition, appearance and maintenance.

These results, which are combined for King’s Mill, Mansfield Community and Newark hospitals, are well above the national averages of 97%, 89%, 89% and 92% respectively.

Cancer patients highly satisfied with care

Figures published by NHS England show 90% of patients accessing cancer services at the Trust rated their experience as excellent or good.

Nearly three quarters of patients (73%) felt fully involved in decisions about their treatment and care. Overall, patients also felt that hospital and community staff worked well together and 93% were happy with the level of information the hospital shared with their GP about their condition.

Lindhurst Ward recognised for support given to older patients

Lindhurst Ward at Mansfield Community Hospital has been awarded the Elder Friendly Quality Mark. Developed by the Royal College of Psychiatrists in conjunction with key partners, this award has been established to encourage staff involvement in improving the quality of essential care for older people and to recognise positive patient feedback.

Patients over the age of 65 are asked for their views, including their experiences of comfort, food and drink, support from staff, getting help when needed, and privacy and dignity. They are also asked if they would be happy for their friends or family to be cared for on the ward.

Trust awarded UNICEF Baby Friendly Award

The Trust was the latest UK healthcare facility to win international recognition from the United Nations Children's Fund (UNICEF) by being awarded the prestigious Baby Friendly Award. The Baby Friendly Initiative, set up 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 public services to protect, promote and support breastfeeding, and to strengthen all mother and baby and family relationships. The award is given to hospitals after an assessment by a UNICEF team has shown that recognised best practice standards are in place.

Trust wins award for innovative green scheme

The Trust has won a prestigious Green Apple Environmental Best Practice award in recognition of its ground-breaking geothermal lake pump scheme.

The Trust beat 500 nominations with the acclaimed eco-friendly scheme, which harnesses energy from nearby King's Mill reservoir to power its air conditioning and heating, producing up to 5.4MW of energy – which is enough power to run some electric trains.

The benefits of the geothermal lake pump scheme include lower fuel bills and the potential to generate income. The scheme also lowers the Trust's carbon footprint, requires little maintenance and is an alternative to oil and gas.

Leading the way in intensive care rehabilitation

Staff on the intensive care unit at King's Mill Hospital have been recognised nationally for their innovation in treating patients with life-threatening conditions.

As one of only a few trusts in the country to provide full rehabilitation care to patients with critical illness, the team's work was showcased at a national study day.

Innovations and improvements made by the unit to support rehabilitation include providing a series of information booklets to inform the patient and their family of the changes to expect during recovery, encouragement to family and friends to write a diary for the patient about their stay, and support when they are transferred to a normal ward.

New disabled facilities benefit patients and visitors

People with complex disabilities can access state of the art toilet and changing facilities, following the installation of Changing Places amenities at King's Mill and Newark hospitals.

Changing Places facilities are different to standard disabled facilities. They have extra features and more space to meet the needs of adults with serious impairments such as profound and multiple learning disabilities, spinal injuries, muscular dystrophy, multiple sclerosis or an acquired brain injury.

Streaming success

King's Mill's emergency department is reaping the benefits of a streaming programme introduced five years ago, which has helped staff manage an unprecedented number of patients. This more effective way of working together enables nurses to see and stream patients far more quickly, efficiently and safely.

The programme has been so successful that it has been featured in the prestigious International Journal of Orthopaedic and Trauma Nursing, and the Trust has received enquiries from several other trusts who wish to adopt this best practice model.

Working Better Together across mid-Nottinghamshire

The Better Together programme brings together the NHS in Newark and Sherwood, Mansfield and Ashfield with Nottinghamshire County Council and other partners to transform health and social care services for future populations. Both health and social care services are working to see where they can join up more effectively, improve quality and ensure services are sustainable for the future.

Strategic Report

Strategic Report

How we are structured

Sherwood Forest Hospitals NHS Foundation Trust (SFH) was formed in 2001 and gained Foundation Trust status in 2007. SFH is the main acute hospital trust for the local population, providing care for people across north and mid-Nottinghamshire, as well as parts of Derbyshire and Lincolnshire.

In addition to our two main hospital sites - King's Mill and Newark - we provide community and outpatient services from Mansfield Community Hospital and Ashfield Health Village respectively.

SFH has three clinical divisions (Emergency Care and Medicine, Planned Care and Surgery, and Diagnostics and Rehabilitation), supported by a corporate division. The Trust is managed by the Board of Directors, which is responsible for setting the overall strategy of the organisation and ensuring its effective implementation. As a Foundation Trust, we have a Council of Governors which holds the Board of Directors to account.

What we do

We provide a comprehensive range of hospital and community services including planned and emergency surgery, children's services, and obstetric and gynaecological care. Our emergency department at King's Mill Hospital treats critically ill patients to minor injuries and sees in excess of 100,000 patients every year. Newark Hospital is home to the minor injuries unit/urgent care centre (MIU/UCC) and sees in excess of 21,000 patients a year. The unit 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 8,800 young patients in our outpatient clinics and more than 5,600 children in our community clinics. Every year more than 6,000 patients are looked after on our dedicated children's ward.

Each year our hospitals care for more than 45,000 inpatients, 36,000 day case patients 392,000 outpatients and therapy patients, and we deliver more than 3,500 babies into the world.

Our people

We have 4,300 members of staff working across our hospitals, providing quality care for all. Of these, 81% are female and 19% are male. The composition of the Board of Directors as at 31 March 2015 was 45% female and 55% male.

We have ended the year with 85.62 more whole time equivalent posts compared with the end of 2013/14, which has been achieved through local and international recruitment campaigns and improved relationships with colleges and schools. However, approximately 200 unfilled vacancies remain.

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, three staff and two volunteers) and seven appointed governors.

As a Foundation Trust we are proud to boast a membership totalling approximately 20,000 - allowing our local communities opportunities to influence decisions and to demonstrate loyalty and support for our hospitals.

Our values

Underpinning our strategic priorities are the values and behaviours expressed in our *Quality for all* initiative, which recognises that cultural change is fundamental to service improvement.

Quality *for all*

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

These values describe the ethos of the Trust and our approach to working with patients, the public, staff and partner organisations. We have continued to embed these values across the organisation during 2014/15 through a programme of staff engagement sessions, changes to our induction programme and values-based recruitment and staff appraisals. In addition, we have reviewed our raising concerns policy in line with the *Quality for all* values, and will be conducting a further review in light of the 'Freedom to Speak Up' recommendations.

Why we're here

We are here to champion and deliver the best care, service and wellbeing outcomes possible for each individual in the communities we serve.

Quality for all, our shared values and standards, sets 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 help shape the way we plan and make decisions, the way we recruit, induct, appraise and develop our staff as well as influencing the way we behave with patients, family members and each other.

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

Financial performance

Financial analysis

The need for the whole system transformation that is central to the Better Together programme can only be emphasised by our end of year position for 2014/15. Against a planned deficit of £26.4m, we have ended the year with a deficit of £32.6m before reversal of impairments, which represents a deterioration of £6.2m from the trajectory set out in our strategic plan. This substantial deviation is primarily due to non-delivery of recurrent cost improvement programmes (CIPs). Against an £8.7m CIP target, we achieved £2.7m (£2.1m of which are recurrent), giving a £6.0m CIP shortfall.

In addition to the considerable financial impact of the PFI, we are facing significant workforce challenges, adding further financial pressure. In 2014/15, we recruited substantively to 53 more whole time equivalent posts compared to the end of 2013/14, which in part has been achieved through local and international recruitment campaigns and improved relationships with colleges and schools. However, approximately 200 unfilled vacancies remain. This has driven greater agency and locum expenditure, which has been compounded by a planned ward closure not being achieved and all capacity being open at peak times. The result is that in 2014/15 we have spent approximately £21.5m on premium rate and variable pay.

A new chief financial officer took up post in March 2015 and a prime focus for 2015/16 will be improved governance over expenditure and CIPs and a clear focus on demonstrating a cohesive turnaround plan to evidence and deliver improved financial performance.

To support this drive for financial turnaround a 'delivery engine' is being created, including a turnaround director, recovery director and enhanced programme management office support.

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 £265.04m (£260.90m in 2013/14) representing an increase of 1.6% on the previous year. 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 £272.50m from £255.8m, an increase of 6.5% from the previous year (and an adverse movement of £17.4m 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 to address the Keogh implementation plan and CQC recommendations, and a failure to deliver our planned CIP, which slipped by £6m against plan.

Of this £173.7m (64.2%) was spent on staffing including 501 medical and dental staff, 1,347 registered nurses and midwives, 624 scientific, technical and therapeutic staff and 1,494 other health professionals and clinical staff.

Over 15.2% of our total operating expenses (excluding depreciation) was spent on drugs and clinical supplies, both of which are essential in ensuring our patients continue to access necessary treatments.

The balance of 20.1% reflects expenditure for clinical supplies essential for patient treatment and non-clinical supplies including rates and PFI operating costs.

The Trust continues to embed the revised organisational and management reporting structures in addressing the governance changes recommended when placed in significant breach, and is creating a ‘delivery engine’ for improved CIP delivery and turnaround support.

Fixed assets

During 2014/15 the Trust invested £8.89m in its fixed asset infrastructure (£7.56m in 2013/14). This included upgrading or acquiring new medical equipment essential for the day-to-day operation of the Trust (£2.0m) 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 (£4.48m). The significant element of IT expenditure related to the replacement of the integrated care records system. Of the total expenditure, £5.3m was received as permanent PDC from the Department of Health.

Charitable funds

The Trust recognised £204k (£691k in 2013/14) of charitable income in the statement of comprehensive income to match the value of purchasing equivalent medical equipment from charitable funds.

The Trustees were able to make further grants of £204 (£179 total in 2013/14) 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.

In year, the Trust commenced fundraising for the Dementia Care Appeal, which aims to raise around £300k to provide a state-of-the-art ward for dementia care.

PFI

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 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 £333.6m but the scale of this liability is a primary reason, along with the increasing income and expenditure deficit reserve, that the total taxpayers' equity is -£118.5m. Payments of £43.1m were made in year, of which £37.7m was recognised in income and expenditure.

Cash, liquidity and financial support

The Trust forecast a deficit for the year and agreed planned revenue and capital support with Monitor/Department of Health totalling £31.2m in the form of PDC (£5.3m capital, £25.9m revenue). Due to the adverse movement from plan a further £6.2m in cash support was received in quarter four. Due to changes in national funding introduced in quarter four of 2014/15, this was received as a working capital facility (WCF) which incurs interest of 3.5% per annum. The Trust will continue to require cash support in the form of interest bearing loans (interest of 1.5% per annum)/WCF, as it implements its turnaround plan, and indicative values have been provided to our regulator for 2015/16.

Principal risks and uncertainties

The Trust strengthened its approach to risk management during 2014/15, with auditors recognising the significant progress that has been made. A Risk Management Committee has been instituted and we have developed a revised risk management policy (available on our website). This covers risk and opportunities within the Trust, including those associated with treating and caring for patients, employing staff, innovation, reputation, maintenance of premises and managing finances. It outlines our committee structure, which supports the management of risk in the organisation.

Financial risks

Our deficit position and under delivery of CIPs in 2014/15 increases the financial risks that the Trust faces in 2015/16 and beyond. In particular, the following risks are noteworthy:

- The Trust has been advised that future capital and revenue support will be funded as loans, or as a working capital facility. These new arrangements will attract interest charges (1.5% on loans and 3.5% on working capital), which means the Trust will need to identify further efficiency gains to offset the additional costs.

- The efficiency requirement resulting from the tariff deflator and increased CNST premiums adds further pressure in an already challenging financial environment. The fixed costs of the PFI make efficiency savings particularly challenging to meet.
- We have seen year-on-year activity growth in non-elective work. If this continues, there is a risk that it will hinder our ability to reconfigure our services and estates in the ways required to improve cost effectiveness.
- Recruiting staff to substantive posts has become increasingly difficult during 2014/15. This represents a financial (as well as a quality) risk, due to the requirement to use agency and locum staff at a higher cost to meet staffing requirements. National training initiatives to increase available staffing will take time to have the required impact.
- The adverse movement to plan in 2014/15 and failure to deliver the cost improvement plan. This has been discussed with the Trust regulator and places additional pressure on the 2015/16 planned position.
- The forward plan anticipates a deficit position through 2015/16. The Board recognises that whilst this will continue to place the Trust in breach of its terms of authorisation, it acknowledges that the Trust requires a viable medium/long term solution, with full engagement from our commissioners and partners.

We are, in part, mitigating these risks through our continued participation in the Better Together programme, As well as delivering better outcomes for patients, this is expected to reduce pressure on hospital services which will in turn lead to reduced staffing pressures and greater efficiencies across the health economy. However, there is a risk that if the expected benefits of the Better Together programme do not materialise to the extent required, there could be further pressure on non-elective care, reducing our ability to make the financial savings required. Nevertheless, our strong working relationship with our commissioners has led to aligned plans for 2015/16, reflecting our mutual desire and commitment to create a sustainable health economy into the future. This is detailed further in our annual plan for 2015/16.

The Trust's five year strategic plan identifies the key financial risks and upside and downside scenarios which take account of the potential positive and negative outcomes of the plan. Monitor notified the Trust at the end of April 2015 that a Section 106 condition had been imposed as a result of the Trust breaching conditions Co33(1), FT4(5)(a), FT4(5)(d) and FT4(5)(g). This is because of concerns over our financial governance and the sustainability of our long term financial plan, as well as the unforeseen deterioration in the financial position, which is forecast to significantly worsen in 2015/16. We are also forecast to remain in breach of our Terms of Authorisation for at least the next twelve months.

Monitor has also imposed an additional licence condition under section 111 of the Health and Social Care Act 2012. This requires the Trust to ensure that it has in place sufficient and effective Board management and clinical leadership capacity and capability. Any failure to comply with the additional licence condition would render the Trust liable to further formal action to Monitor, which at its most extreme could include requiring the Trust to remove one or more of its directors, or members of the Council of Governors. The Board is agreeing robust action plans for both the short and long term financial recovery in addition to financial and board governance plans and is confident those actions, with the support of the turnaround team, will deliver the necessary results. The Trust received a compliance certificate from Monitor also in April 2015, confirming satisfaction all previous section 106 undertakings had been satisfactorily delivered.

The Board Assurance Framework document (BAF) details the principal risks for the Trust. *Principal risk three – Unable to deliver and maintain financial sustainability*, details the strategic risks and mitigations with regard to the Trust's financial risks.

This is supported by the Board Assurance Report (BAR) for principal risk three which is owned by the chief financial officer and is scrutinised by the Finance Committee to ensure sources of assurance are robust and evidence based, e.g. external verification. Gaps in assurance are addressed through an action plan detailed on the BAR and the scrutiny of the completion of the actions enables the committee to draw further assurance.

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 the 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.

Progress against our strategic priorities

Our strategy is to continue on the journey set out in our five year plan. Our vision is to be a Trust that champions and consistently delivers the best service and outcomes for the communities we serve. Our mission is to achieve this whilst becoming a clinically and financially sustainable organisation. To achieve our vision, we must continue to focus on the strategic priorities described in our five year plan and continue to participate in the mid-Nottinghamshire Better Together programme. Not only is this programme aligned to our strategic priorities, it is consistent with the compelling vision set out in the 5 Year Forward View (5YFV). As such, we have continued to be active partners in the programme throughout 2014/15.

A particularly positive development in the past year has been the selection of mid-Nottinghamshire as one of nine national vanguard sites for Integrated Primary and Acute Care Systems (IPACS) in the '5YFV into action' initiative. This recognises our collective ambition and progress, as well as the support required to accelerate progress. The IPACS model means joining up GP, hospital, community and mental health services and, as a vanguard site, we will receive bespoke support to enable us to make the changes and improvements required across mid-Nottinghamshire.

Our strategic plan and priorities are summarised in the diagram below and progress against these priorities during 2014/15 is described in the sections that follow:

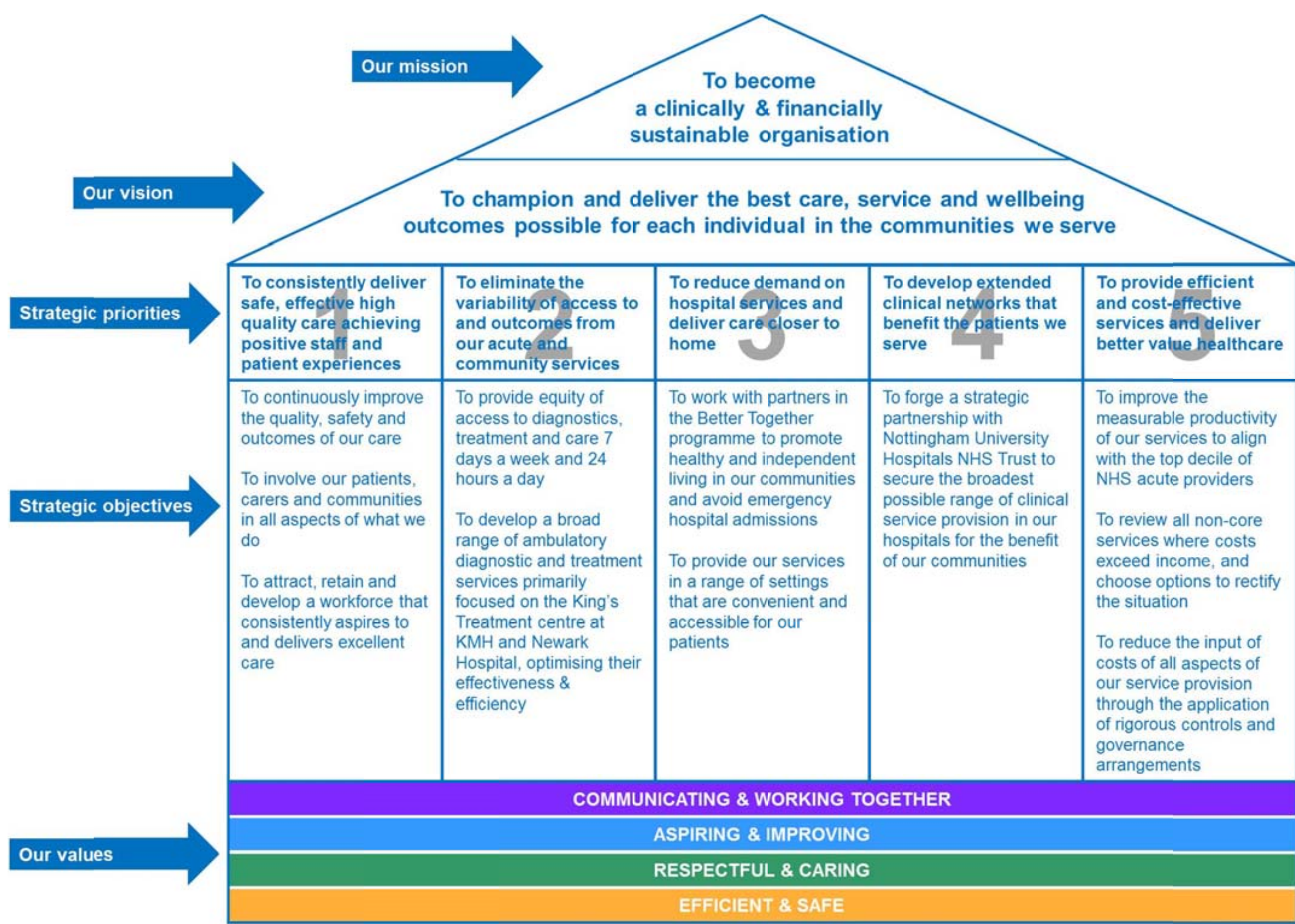


Diagram 1 – Summary of strategic plan

Strategic priority one

To consistently deliver safe, effective and high quality care, achieving positive staff and patient experiences

Our Quality Report details our performance against a range of quality measures and the priorities that we set ourselves for 2014/15. In November 2014, our Board confirmed to Monitor that we are fully assured that all 23 actions required in response to the Keogh review had been completed. In addition, we have made significant headway in addressing the quality concerns highlighted in the CQC inspection (April 2014). The Trust has developed a quality improvement plan (QIP) which incorporates and coordinates the action required to respond to the outstanding concerns and recommendations.

The key themes of these recommendations and examples of progress made in 2014/15 are summarised in the table below:

Theme	Examples of progress
1. Well-led: *The Trust will support, develop and enhance leadership capability across the organisation, continuing Board and governor development programmes together with enhancing targeted programmes for development for appropriate staff.* *Supporting team work and working towards positive performance management.*	Appointment of a substantive chief financial officer. Consultation complete on the restructuring of our management of Newark Hospital. This will improve working across geographical sites. All documentation for selection and recruitment reviewed and aligned to support the Trust's values. Our first organisational learning event was held in March 2015, with positive feedback. 'Learning boards' established in all clinical areas to promote a culture of ongoing learning.
2. Safe: *To create a safe and positive experience for all of our patients all of the time, improving clinical documentation and medicines safety.* *Continuing to identify and mitigate risks.*	Developed plans for the roll-out of new resuscitation trolleys. Continued audit of missed and delayed doses fortnightly – this has reduced from 4% to 2.5%. Strengthened our medicines management systems and seen critical medication omissions fall from 5% to less than 2%. Introduced a new IT system that tracks the maintenance of all medical equipment. Updated and improved our raising concerns policy, in line with our *Quality for all* values

3. Effective: *To create sustainable, efficient and quality core services, establishing clear information flows and reporting, learning and sharing best practice across the organisation and strengthening individual responsibility and accountability.*	Emergency department access standard for March 2015 was 96.38% - the first time that this standard had been met since August 2014. Regular reviews of 14 day length of stay patients, with daily reporting and challenge at Board rounds. Improved delivery of mandatory and targeted training for staff. A new e-learning system giving staff 24/7 access to certain mandatory training courses has been purchased. Roll out of VitalPAC[1], leading to 98% completion of observations and 100% accuracy on early warning scoring.
4. Caring: *Ensure staff are fully engaged with the Trust's vision and values, promoting a shared purpose and positive experience of work.* *Supporting staff to make continuous improvements to services.*	Customer service excellence training delivered to staff. Dedicated workers supporting wards, emergency department, outpatients and day case unit to improve Friends and Family Test (FFT) response rates. FFT results demonstrate (at the time of writing) that 96% of inpatient respondents and 81% of A&E respondents would recommend King's Mill Hospital, whilst 93% of inpatients would recommend Newark Hospital.

[1] VitalPAC is a system that allows staff to record clinical data on hand held devices at the patients' bedside, for instant analysis.

5. **Responsive:** *Build safe staffing levels with escalation policies to meet unpredicted demand, creating and sustaining optimal patient flow across all services.*	Hand hygiene stations have been purchased and are being rolled out to support improved infection prevention and control. A review of seven 'unexplained' fractures between June 2014 and January 2015 was initiated from incident reporting. There were no consistent themes; the wards received feedback and staff awareness was raised. A new strategy for improving end of life care. Developments include specific induction training for staff, a deputy medical director and four sessions for end of life care training and an identified end of life champion for each ward.

We recognise that much more needs to be done, despite the progress that has been made, and we have become more aware during 2014/15 of a number of areas of quality and safety that require renewed focus. In particular, we continue to enhance our safeguarding procedures with an external review of our policies and procedures, providing additional training for staff and appointing nursing Champions on all acute wards.

Although health acquired infection in general was positive with no MRSE blood infections in the year, we failed the Clostridium difficile target with 67 cases. There were only 2 cases of cross infection and two external reviews resulted in modifications in our cleaning programmes and upgrading of policies. The trust has focused on basics with a hand hygiene campaign and continues to monitor antibiotic usage carefully. The trust target for 2015-16 is 4 cases per month and this was met for Q4 of 2014-15.

Our Hospital Standardised Mortality Rate (HSMR) initially improved but showed a rise in the Autumn driven by a rise in deaths related to infection. We have a Sepsis team continuing to drive usage of a national bundle of interventions called Sepsis Six with monthly ward level audits of performance and training across clinical teams. The gap between our weekday and weekend mortality has narrowed considerably during 2014-15 in response to extended medical cover and availability of key tests.

Central to achieving our vision is the effective involvement of patients, carers and communities across the work of the Trust. We launched our patient experience and involvement strategy in January 2014, setting out a series of priorities based on our *Quality for all* values. Progress has been made in 2014/15 on a number of these areas:

- A new patient experience team has been established, with a remit of resolving and learning from compliments, concerns and complaints
- Every complainant is now contacted verbally by the Trust
- As of December 2014, the Trust is working to NHS regulations to provide a response to patient complaints within 25 working days

- A new Patient Experience Board has been introduced to review and monitor patient feedback and to ensure the Trust is learning from feedback.

Understanding and responding to staff and patient feedback is vital to our ongoing learning and improvement as an organisation. Following patient feedback, in 2014 we extended visiting times across all adult inpatient wards at King's Mill Hospital.

All our key findings from the NHS staff survey for 2014 are consistent with the previous year, with the exception of job satisfaction which has shown a marginal reduction (from 3.62 out of five in 2013 to 3.49 in 2014). However, our position relative to other acute trusts has deteriorated and as a result of the findings we are developing an action plan to improve staff experience of working for SFH.

Strategic priority two

To eliminate the variability of access to and outcomes from our services

Progress has been made on two important fronts during 2014/15. Firstly, a strong platform has been built to progress the seven-day services agenda during 2015/16, through engagement sessions with divisions and an assessment of our position against the 10 clinical standards set by Professor Sir Bruce Keogh. Our performance against these standards has been benchmarked against other trusts in the East Midlands, using data collected between October 2012 and March 2014. Our average compliance score against the standards is comparable with other trusts (54.2% compliance against an East Midlands average of 57.6%).

In addition, we have:

- Successfully moved to an enhanced seven-day service model in pathology
- Extended our front door therapy team to provide a seven-day service
- Implemented a 24/7 automated telephone results service for genito-urinary medicine (GUM) and contraceptive and sexual health (CaSH) attenders
- Continued to engage and inform staff about seven-day services and requirements/potential impacts
- Introduced programme management and governance to improve our approach to delivering seven-day services.

Secondly, progress has been made in line with the objective to develop services at Newark Hospital, particularly ambulatory diagnostic and treatment services. Progress during 2014/15 includes:

- Establishment of the Minster day case unit and a dedicated outpatient facility for children (the Bramley Children's unit)
- Identification and commencement of new elective lists delivered from Newark
- An increase of more than seven per cent in elective day-case procedures at Newark Hospital
- Ordering a replacement CT scanner for Newark, to be installed in 2015
- Establishment of an intermediate dermatology service at Newark
- Introduction of 24/7 admissions to the Fernwood Community Unit.

Thirdly, we have continued to develop our services to allow greater delivery of care in outpatient and day case settings. For example, the majority of intravenous iloprost patients, who previously required a five day inpatient spell, can now be treated as day cases at Newark and King's Mill, which has been achieved through new ways of working. In addition, the introduction of 'MyoSure' for uterine fibroid and polyp removal means that the procedure can now be carried out in an outpatient setting, rather than theatre. Finally, the purchase of a 'GreenLight' laser has allowed us to undertake laser prostatectomies as day case procedures, which has benefits for both patients and the Trust.

Strategic priority three

To reduce demand on hospital services and deliver care closer to home

SFH continues to be an active partner in the mid-Nottinghamshire Better Together programme, the aims of which align with this strategic priority. As part of the programme, and following a successful bid to the Prime Minister's Challenge Fund, plans have progressed to implement 'single front doors' at King's Mill and Newark hospitals. At King's Mill, this will involve creating a single, jointly run service across the emergency department and Primary Care 24 (PC24), for triaging patients who present requiring care. The changes at Newark Hospital will see GP services co-located with the minor injuries unit (MIU) to facilitate better integration. The developments follow feedback from patients who said it was often confusing deciding which service to access. The initiatives at both sites will improve and streamline access to services, ensure patients are treated in the most appropriate way and potentially reduce pressure on hospital services.

During 2014/15 we played a key part in the Better Together 'Transfer to Assess' initiative. A small team of dedicated nurses and therapists now work with social care colleagues at both King's Mill and Newark hospitals on a daily basis, in the following ways:

- At the 'front door'/emergency department to assess patients who do not require an acute admission and facilitate transfer to a suitable alternative community setting
- At the emergency assessment unit (EAU) and ambulatory clinics, to facilitate discharge once the acute episode has taken place
- On specific named wards (particularly those providing care of the elderly) to assess patients who are medically fit for discharge and support their transfer into appropriate community services. As part of a multi-disciplinary team, they support patients who have complex discharge needs, or who require an assessment which can be undertaken in an alternative setting.

These initiatives support patients to receive assessments for their long term care needs outside of the hospital environment, where appropriate and beneficial to the patient. Where possible, patients are discharged to their own homes. For patients who require a level of care that cannot be delivered in their own home, the aim is to deliver the care in the community.

As a Trust, we have also developed plans and ordered equipment to enable more sleep studies to be delivered in the community, which will lead to a reduction in inpatient studies, lower costs and better patient experience. Furthermore, the Trust's progress in maximising the capacity at Newark Hospital (described above) helps to ensure that we are providing care at multiple locations, for the convenience and benefit of the populations that the Trust serves.

Strategic priority four

To develop extended clinical networks that benefit the patients we serve

Working in partnership with our commissioners and other providers of health and social care is a fundamental part of our business model. We recognise that the needs of our local communities cannot be met in isolation and as such we have continued to strengthen external partnerships during 2014/15. For example, in the last year we have signed a memorandum of understanding (MoU) with Nottingham University Hospitals (NUH) which provides an overarching framework for closer working and formal collaborations between the Trusts. A further MoU has been signed between SFH, Derby Hospitals NHS Foundation Trust and Chesterfield Royal Hospital NHS Foundation Trust for the joint provision of pathology services for the local populations that the three trusts serve. In 2014, we also entered into a MoU with colleagues in Newcastle University Hospitals NHS Foundation Trust, and we will shortly commence a MoU to work in partnership with Royal United Hospitals Bath NHS Foundation Trust.

As part of our commitment to the Better Together programme, we have been working with other providers across mid-Nottinghamshire to respond to the CCGs' re-commissioning process. In 2014, this culminated in the submission of an interim response to a 'capability assessment', designed to evaluate the ability of SFH and other providers to work together on the challenges being faced by the health economy.

Strategic priority five

To provide efficient and cost effective services and deliver better value healthcare

Contributing to the Trust's long term aim to improve the measurable productivity of services, work has commenced in the planned care and surgery division to provide an initial assessment of productivity across a number of service lines. Similarly, the Trust's strategic plan sets out the case for reviewing non-core services and considering options for addressing situations in which costs exceed income. As an initial step, a decision has been made to cease the provision of orthodontic services, which were unsustainable in the long term. The Trust stopped accepting new referrals from November 2014, with patients already in treatment continuing to receive the service until March 2015.

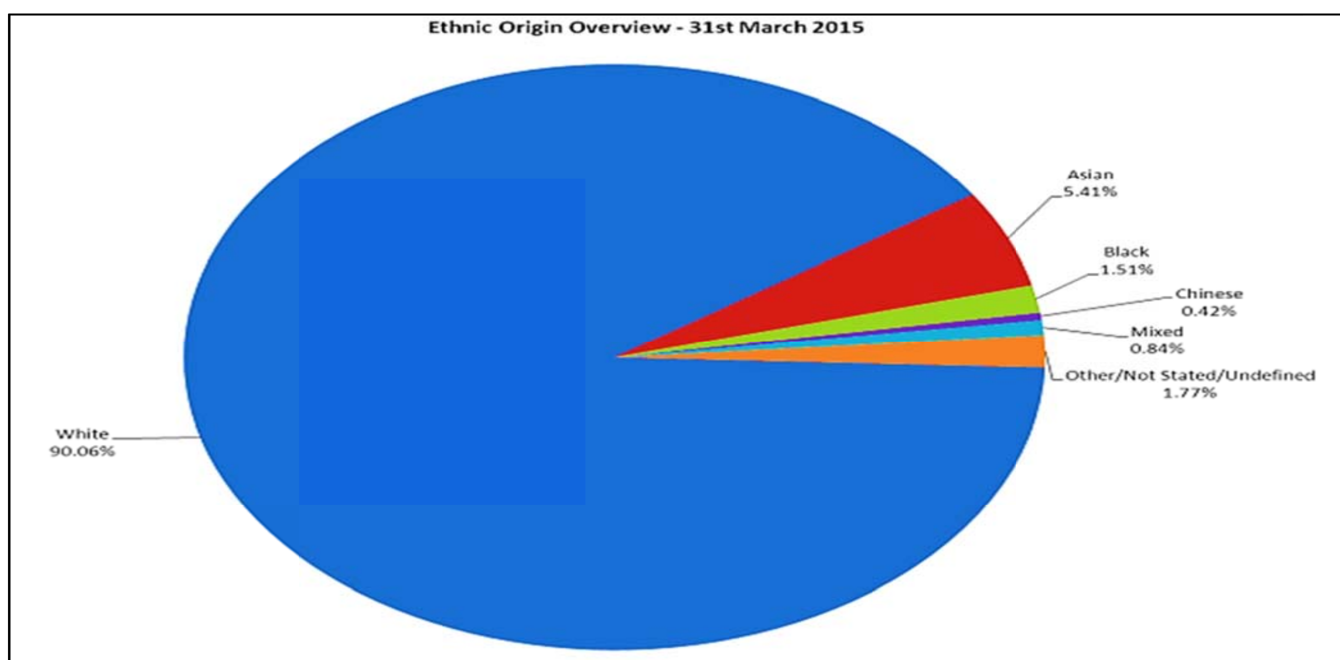
A major way in which the Trust can improve cost efficiency is through strategic and robust procurement. During 2014/15 a number of improvements were made to the Trust's approach to procurement, including the introduction of an e-tendering system, monthly spend analysis, training for staff on effective procurement and a negotiated early settlement discount with a major supplier.

It is recognised that further work is needed to understand the cost effectiveness of the service lines and support services across the Trust and this will need to remain a priority through 2015/16. This is particularly important when considering the challenges that the Trust has faced in 2014/15 in the delivery of cost improvement programmes (CIPs). Against an £8.7m CIP target, we achieved only £2.5m (£1.5m of which are recurrent) giving a £6.2m CIP shortfall. Whilst this is analysed in greater detail later in the report, it is important to note the cumulative financial challenge that the Trust faces looking ahead to 2015/16.

In light of this, we have continued to strengthen our divisional teams and programme management office (PMO). In addition, a team is being brought in to support the production and implementation of a financial turnaround plan, overseen by a turnaround director and recovery director who are now in post. The enhanced PMO and turnaround functions will build upon and coordinate the work that has taken place in 2014/15 to improve the quality and productivity of elective care, as well as patient flow between the ED, assessment and wards.

Diversity and inclusivity

The Trust is committed to treating all its service users and staff with dignity and respect. Embracing diversity supports the delivery of our strategic vision and helps to ensure that we are providing effective services that meet the needs of our community. SFH has an Equality Scheme, which is a public declaration of how we will demonstrably take forward our commitment to ensuring equality is embedded within all aspects of the organisation. Further details of our Equality Scheme and associated policies that underpin our approach to equality and diversity can be found on our website.

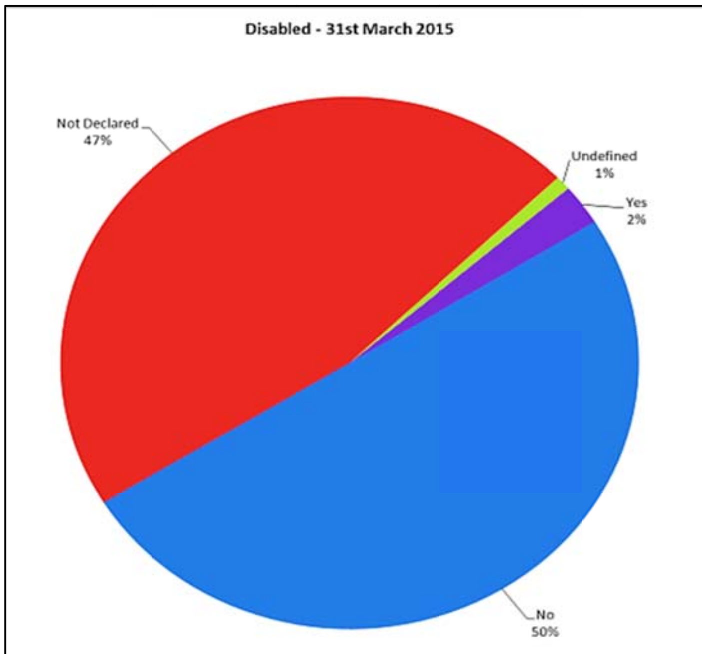


The ethnicity profile of our staff reflects the profile of the local community

Disability

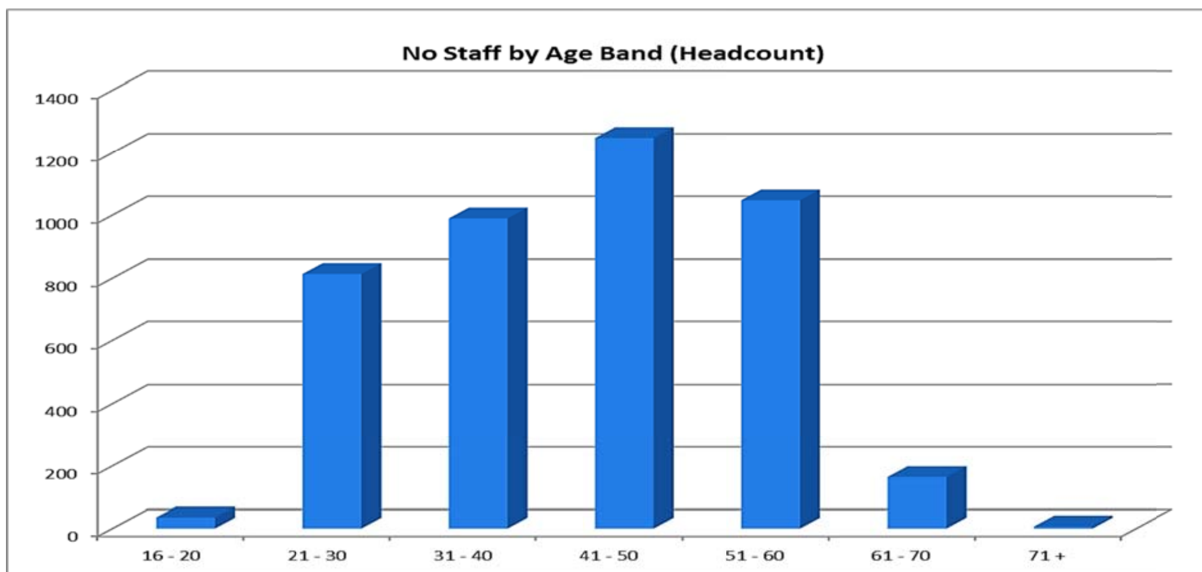
The Trust collects data from all new staff members regarding disability status. The current data identified that 47% of staff have not declared their disability status. During the year the Trust carried out a data cleanse exercise across all staff to ensure improved data quality and more accurate collection and collation of data. Information from NHS Jobs interfaces with the electronic staff record (ESR) for each staff member (newly appointed candidates) and the Trust has also completely rolled out 'employee self service' where staff have the opportunity to update their own equal opportunities information. The Trust continues to support the recruitment of disabled staff and maintain its 'Two Ticks' disability symbol status.

More detail is provided in our Equality and Diversity report.



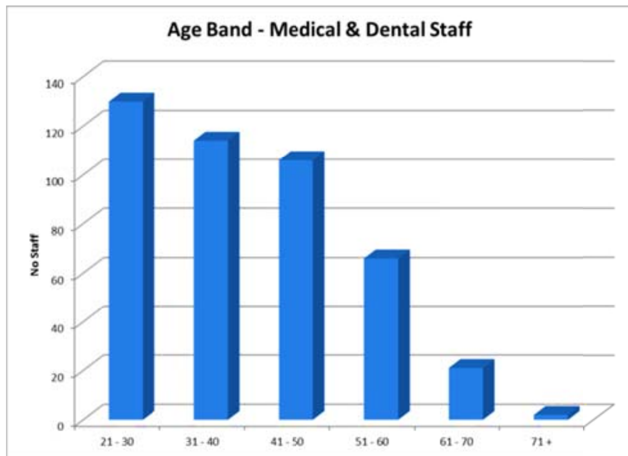
Workforce age profile

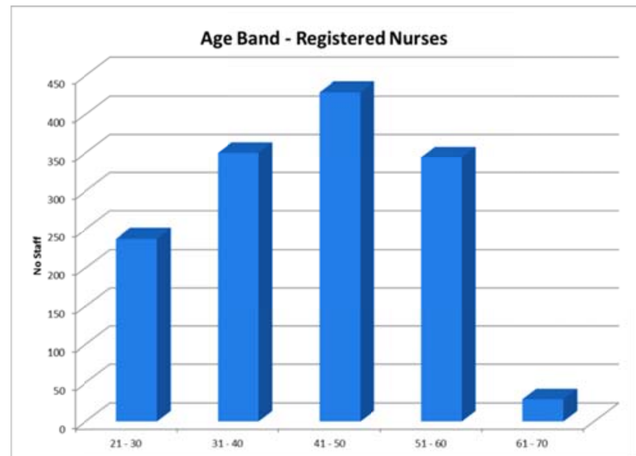
The Trust workforce age profile shows that the majority of staff employed are between the ages of 41 and 60. This means that within the next few years a number of staff will be planning for retirement, as a number of our nurses have special class status which enables them to retire at 55. The Trust is actively supporting flexible retirements and has considered this in its workforce planning and recruitment plans.



The Trust launched its new appraisal policy and paperwork in March 2015, which contributes to succession planning and talent management conversations with staff. Managers and employees are encouraged to consider strategies for developing staff in order to plan for the future and gain an understanding of where staff view their career progression or pathway in the next 12 months to five years.

Work was also undertaken throughout December 2014 and January 2015 by leaders across the Trust to create business plans that consider workforce implications, skills and succession planning for a sustainable future.





The medical age profile is representative of the numbers of doctors in training. The Trust has developed a recruitment plan for 2015/16 to recruit 140 registered nurses to the Trust, which includes international recruitment.

Social, community and human rights issues

Environmental matters

Patients, staff and local communities have continued to benefit from the high quality PFI hospital facilities during 2014/15. A significant advantage of our estate is its contribution to a smaller carbon footprint, due to the innovative use of technology. In 2014 SFH won a prestigious Green Apple Environmental Best Practice award in recognition of its ground-breaking geothermal lake pump scheme. The Trust beat 500 nominations with the acclaimed eco-friendly scheme, which harnesses energy from a nearby reservoir to power its air conditioning and heating. The geothermal lake pump has the added benefits of lower fuel bills, few maintenance requirements and lower emissions.

The quality of the internal environment of our estates has been recognised in our above average Patient Led Assessment of the Care Environment (PLACE) scores published in 2014. Across the Trust's sites the following scores were achieved:

Domain	SFH score	National average
Cleanliness	99.16%	97.25%
Food	97.00%	88.79%
Privacy, dignity and wellbeing	89.32%	88.73%
Condition, appearance and maintenance	95.85%	91.97%

Valuing Our Staff

Celebrating staff success

As a Trust we celebrate the success of our staff. We know that innovation, excellence and compassionate care is carried out every day across our hospital sites, and we want to showcase that.

Staff Excellence Awards 2014

With more than 180 nominations received from patients, visitors and colleagues across the Trust, 2014 was a record-breaking year for the annual Staff Excellence Awards. The awards celebrate those outstanding members of staff who deserve special recognition for consistently demonstrating excellence in patient care.

This year saw a re-launch of the awards with changes to the nomination process and the introduction of a shortlisting stage for each of the categories. The winners were announced at a special awards ceremony in October, hosted by Mansfield 103.2 presenter Stewart Nicholson, in front of 300 guests. For the first time since its launch the awards were held at the John Fretwell Sporting Complex with guests, including local dignitaries, being treated to a drinks reception and a three course meal.

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 King's Mill, Newark, and Mansfield Community hospitals.

For the seventh year in a row patients and carers were invited to nominate their NHS hero – that special member of staff who they feel provides exceptional service that is above and beyond the call of duty. This year's People's Award received 60 nominations from members of the public.

Your People's Award: Marc Abel

Marc Abel, Healthcare Assistant in the emergency department at King's Mill Hospital, was chosen as the winner of this year's award for the care and compassion he shows on a daily basis, constantly going the extra mile to put the needs of his patients first.

One nomination said:

"Mark has a fantastic way of communicating, he showed interest, compassion and warmth and seeing my son wearing a football kit went on to talk about football and engaged at his level. Recognising my son's age he changed his language so that my son could relate to him. His personality is not something that can easily be taught, his tone was warm and his talk interesting and he was able to take both our minds off the situation."

Another nomination said:

"Marc looked after my little girl when she broke her elbow. The care towards her and the trust that he built with her meant she was calm and not too upset as she is only five years old. Marc made the traumatic experience for a little girl so much easier, he really went out of his way and showed care to Jessica beyond his role. It just went to show that Marc takes his role as a healthcare assistant very seriously and is a credit to the department."

Star of the Month

A Star of the Month is chosen from across all our hospitals to reward staff who regularly go the extra mile to really make a difference and consistently provide an excellent service.

During the year, 12 Star of the Month winning members of staff were presented with a certificate, a box of chocolates and a shopping voucher. They were also automatically entered into the Unsung Hero category at the Staff Excellence Awards.

National awards

Various national awards are open to all NHS colleagues each year, allowing excellence and innovation to be showcased to the healthcare community and beyond. 2014 saw colleagues from across the Trust recognised at a local, regional and national level.

Leading the way in intensive care rehabilitation

Staff on the intensive care unit at King's Mill Hospital have been recognised nationally for their innovation in treating patients with life-threatening conditions. Representing one of only a few trusts in the country to provide full rehabilitation care to patients with critical illness, Critical Care Nurse Consultant Michele Platt and Clinical Educator Mandy Coggon were invited to showcase the team's work to other health trusts at a national study day in Birmingham, sharing best practice through a series of workshops for hospital staff.

Award success for innovative green scheme

Ben Widdowson, Head of Estates and Facilities, collected the prestigious Green Apple Environmental Best Practice award in recognition of the ground-breaking geothermal lake pump scheme. The Trust beat 500 nominations with the acclaimed eco-friendly scheme, which harnesses energy from nearby King's Mill reservoir to power its air conditioning and heating.

Trust awarded UNICEF Baby Friendly Award

The neonatal team received international recognition from UNICEF by being awarded the prestigious Baby Friendly Award. The Baby Friendly Initiative is a global programme which provides a practical and effective way for health services to improve the care provided for all mothers and babies. The award is given to hospitals after an assessment by a UNICEF team has shown that recognised best practice standards are in place.

Life-saving regional representative

Vikas Sodiwala, Consultant in Emergency Medicine at King’s Mill Hospital was elected as an Advanced Life Support (ALS) regional representative for the Resuscitation Council UK. The council leads research into life-saving techniques and is the expert body in resuscitation medicine. Mr Sodiwala’s role sees him visiting ALS training centres across the East Midlands to ensure the high standards of the council are maintained and to offer support where necessary.

Mansfield Community Hospital ward receives recognition for support of older people

Lindhurst Ward at Mansfield Community Hospital received the Elder Friendly Quality Mark in recognition of the support that staff give to older people. The Quality Mark is run by the Royal College of Psychiatrists and was established to encourage hospital wards to become involved in improving the quality of essential care for older people and to recognise good care provision, as identified by patient feedback.

Lee secures place on flagship mentoring scheme

Lee Radford, Deputy Director of Training, Education and Development, became one of six people from the East Midlands to secure a place on the Nye Bevan Leadership Programme – a national flagship scheme which helps NHS staff become tomorrow's aspiring leaders.

HSJ Awards shortlisting success

Adam Hayward, Assistant Director of Nursing, was shortlisted in the Rising Stars category at the coveted Health Service Journal (HSJ) Awards 2014. The awards saw over 1,300 entries, with Adam one of 11 to make the final shortlist in this category.

Trust staff shortlisted for regional NHS award

Amanda Solomon, Sister on the Emergency Admissions Unit and Adam Hayward, Assistant Director of Nursing, were both shortlisted for the East Midlands heat of the 2014 NHS Recognition awards after being selected from almost 150 nominations. They were separately shortlisted in the NHS Development Champion of the Year category.

Clinical training success for Alys

Alys Potter, a Clinical Engineer in the medical equipment management department (MEMD), was awarded a place on the Higher Specialist Training scheme for clinical engineers. The scheme, which has been introduced as part of the Modernising Scientific Careers initiative, is a five year programme aimed at developing consultant clinical scientists.

Outstanding Young Communicator

Jack Adlam, Deputy Head of Communications, reached the final of the Chartered Institute of Public Relations (CIPR) Midlands Pride Awards in the Outstanding Young Communicator category. The award recognises the achievements, performance and excellent work of young professionals in the industry who are making a valuable contribution to the organisations they work for and showing considerable promise as future leaders.

Award-winning use of FLO benefits patients with 'white coat hypertension'

An innovative use of remote health monitoring is benefiting patients who attend the King's Mill Hospital Pre-op Assessment Unit (PAU) and show signs of 'white coat hypertension' or high blood pressure caused by nervousness or anxiety. Led by Carol Turner, Senior Operating Department Practitioner and lead on the implementation of FLO, the work won two Excellence Awards at the FLO Simple Telehealth Action Learning Event in Nottinghamshire, with a special commendation for Most Innovative Use of FLO. Carol was also named joint FLO Clinical Champion.

Nursing Times Awards recognition

Adam Hayward, Assistant Director of Nursing, and Shantell Miles, Practice Development Matron, were both shortlisted in the Nursing Times Awards 2014. Adam and Shantell were recognised in the Enhancing Patient Dignity category for their work to improve the care provided to some of the most vulnerable elderly patients across the Trust.

Newark Hospital clerical officer embarks on NHS leadership programme

Bernice Wilson, a Clerical Officer at Newark Hospital was accepted onto the Mary Seacole Programme in May 2014.

The course aims to boost the skills needed to be a great leader, including inspiring others, making informed decisions and focusing even more on patients, service users, carers and families, while learning how to make the NHS values even more central to the daily role and working environment.

Coveted award for ground-breaking dementia care

The library and knowledge service was chosen for a national award thanks to the success of a ground-breaking project to help people with dementia. The coveted Sally Hernando Award for Innovation was presented to the service for the development of dementia kits which help patients feel less frightened when they are admitted for emergency care.

Frailsafe

The frail elderly represent a relatively small proportion of all patients attending accident and emergency departments, but they are much more likely to be admitted following assessment and approximately 60-70% of all inpatient beds are occupied by the elderly. They are a vulnerable group and are more likely to suffer adverse events in hospital such as falls, confusion and hospital acquired infections. Frailsafe put elderly falls awareness to the forefront of staff activity.

Developing our workforce

The development of the Trust's workforce to ensure delivery of high quality and safe patient care has been the central focus of our workforce, training and organisational development strategies. Over the last 12 months, more than 24,000 instances of training, education and development were recorded by our training and development department.

Our organisational development strategy, launched in 2014, had a very successful first year, delivering many notable achievements such as the delivery of cascade sessions for our *Quality for All* values and behaviours, refreshing our corporate induction programme, achievement of a successful nurse recruitment campaign, development of seven-day working initiatives, implementation of a new and strengthened management of sickness absence policy and an improved appraisal system.

The Trust has been a very active member of the Nottinghamshire Local Education and Training Council (LETC) which helps to design and develop the NHS workforce across the county. In December 2014 it won the East Midlands Board of the Year award for its inspirational systems leadership development of the local health community.

In September 2014 we launched our new six-day registered nurse and health care assistant (HCA) induction programme that equips our new nurses and HCAs with all the necessary skills to deliver the best possible patient care. This course has embedded many of the key lessons learnt from the Francis report and has received high praise from our new staff.

In the last 12 months, more than 300 staff have undertaken professional training programmes delivered by our local universities as part of their continuing professional development. These have included advanced nursing practice, clinical decision making, mentorship, critical care and evidence-based practice.

The Trust has its own NVQ centre which enables many of our band 1-4 workforce to achieve recognised qualifications to further their career and professional development. Many of our HCA staff undertake NVQ qualifications to enable them to enter the nursing profession and this is an important succession pipeline for the Trust. In 2014/15, 46 staff successfully achieved qualifications in health and social care, customer service, business administration and dementia care.

Qualification	No of staff achieving qualifications
Dementia Care	12
Level 2 Health and Social Care	4
Level 3 Health and Social Care	10
Health - Clinical Laboratory Support Level 2	1
Health - Perioperative Support L3	1
Health - Pharmacy Skills L2	4
Health - Pharmacy Skills L3	1

Allied Health Level 3	1
Customer Service Level 2	1
Customer Service Level 3	2
Assessor A1	1
Health - Clinical Healthcare L3	2
Business Administration L2	2
Business Administration L3	1
Health-Clinical Healthcare L3 -Maternity/Paeds	3

For more than 10 years, the Trust has run a well-established and recognised work experience programme aimed at young people who are considering joining the NHS workforce. This programme plays a key part in our approach to managing the succession planning of our workforce and promotes the Trust as an employer of choice. More than 78 students have benefitted from attending a work placement at the Trust over the last year in a range of clinical and non-clinical settings.

This year the Trust has taken more than 500 medical and pre-registration nursing students as part of their education programme. We have enjoyed a strong reputation for many years for the quality of our medical and nursing programmes and our multi-disciplinary approach to their delivery. One of our medical nurse educators was nominated by our medical students for the University of Nottingham Peter Twynning Award for best medical teacher in the Deanery 2014.

In 2014, the Trust has partnered with Vision West Nottinghamshire College's Studio School which is a new initiative designed to encourage 14-19 year olds in healthcare and engineering. These young people are our workforce of the future and the Trust is proud to be supporting their development by providing work experience placements and masterclasses. The Trust has also significantly increased its apprentice workforce to nine across a range of non-clinical settings, and the development of this workforce will be a high priority for next year in order to support succession planning.

Leadership and management development remain a key priority for the Trust to ensure that all of our managers and leaders have the necessary skills, behaviours and knowledge to operate in a rapidly changing environment and to support the delivery of high quality patient care. Our leadership development training portfolio has been extremely buoyant over the last year with many new, existing and aspiring leaders engaging in a range of interactive bespoke training programmes.

Our *Quality for all* values and behaviours have been embedded into all of our leadership programmes to ensure that our organisational culture and expectations of leaders and managers are brought to life and lived.

Trust leadership and management development programme

Since the programme began in 2012, over 140 leaders and managers have benefitted from attending this programme. It has played a significant part in strengthening the Trust's leadership infrastructure by refining managers' knowledge, behaviours and skills to lead effectively.

Each participant on the programme has to complete a personalised leadership project designed to support the delivery of high quality patient care using the skills and knowledge acquired through the course. We have seen many successful programme outcomes from this course which we have celebrated at our annual leadership showcase.

Nursing leadership development

In 2014 we ran our second successful year of the prestigious RCN Clinical Leadership Programme. This national programme is recognised for equipping senior nursing leaders with the necessary clinical leadership skills to manage and deliver high quality patient care. There are particular emphases on patient safety, quality of care and team development throughout the programme.

Each participant has to undertake a service improvement project as part of the course and the successful outcomes of these projects were recognised through a poster presentation during a Board meeting in 2014.

Medical leadership

Following on from the success of our first medical leadership programme in 2013, a second cohort of current and aspiring medical leaders took part in this bespoke and refreshed training programme.

Key themes of the course included creating high performing teams, leading change to services to deliver high quality patient care, cultural alignment and systems leadership.

First line management development programme

This foundation management programme has enjoyed continuing success in 2014 and seen more than 34 new and aspiring supervisors and managers benefitting from the knowledge and skills gained from this course.

Many of these participants have also gone on to undertake the Trust's leadership and management development course as part of their continuing professional development.

Listening to our workforce

To supplement the information included in the Strategic Report, the Trust's commitment to engaging with staff is further evidenced in this section which highlights the mechanisms that are in place to ensure that this happens effectively, including:

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

Staff focus groups have also been held on various issues this year including stress at work.

National NHS annual staff survey – 2014

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. The survey is undertaken from the beginning of September to early in December each year.

From those Trust staff surveyed, 44% responded, compared to 47% in 2013. This response rate is average for acute trusts in England. An analysis of the survey response rates is shown below

To understand the 2014 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 experiencing significant pressures from an unprecedented influx of patients into our hospitals as well as a constantly changing operating environment.

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.

The Trust performed at average or above in 10 out of the 29 key findings (KF).

Summary of all key findings:

	2012 (28 KFs)	2013 (28 KFs)	2014 (29 KFs)
Best 20%	2	1	1
Better than average	8	7	5
Average	5	8	4
Worse than average	11	7	11
Worst 20%	2	5	8

The overall indicator of staff engagement for the Trust was 3.66, which was below (worse than) average for acute trusts in England. This compares to 3.75 last year, when the Trust result was average. This is an important indicator which incorporates the key finding area relating to:

- KF22 – Staff ability to contribute towards improvements at work
- KF24 – Staff recommendation of the Trust as a place to work or receive treatment
- KF25 – Staff motivation at work.

The action plan will seek to secure improvements in these areas.

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

- KF4 – Effective team working

- KF28 – Percentage of staff experiencing discrimination at work in the last 12 months
- KF19 – Percentage of staff experiencing harassment, bullying or abuse in the last 12 months
- KF27 – Percentage of staff believing the Trust provides equal opportunities for career progression or promotion
- KF5 – Percentage of staff working extra hours.

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

- KF16 – Percentage of staff experiencing physical violence from patients, relatives or the public in the last 12 months
- KF20 – Percentage of staff feeling pressure in the last three months to attend work when feeling unwell
- KF23 – Staff job satisfaction
- KF21 – Percentage of staff reporting good communication between senior management and staff
- KF9 – Support from immediate managers.

Trust improvement/deterioration/changes from 2013 to 2014

It should be noted that at the time of the 2014 staff survey the Trust was facing significant challenges including being in special measures and a focus for regulatory bodies, heightened media attention, significant financial pressures and an unprecedented level of non-elective emergency activity.

Despite these pressures the Trust's results showed no significant change with the exception of KF 23 – Staff job satisfaction, with the score dropping from 3.62 in 2013 to 3.49 in 2014. There were no areas of improvement from the previous year.

Areas identified for action following the 2013 staff survey

In response to the 2013 NHS staff survey findings, the Trust developed a detailed action plan to address priority areas, each fronted by an identified project lead. Delivery of the action plans was overseen by the Organisational Development and Workforce Committee. Areas of development included:

- Continuing to increase the appraisal rate whilst ensuring that all appraisals are of a consistently high quality. Appraisal rates have improved and the Trust's appraisal framework has been revised to reflect *Quality for all*.
- 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 returning to work following absence due to work-related stress, or known to be experiencing work-related stress.

Consequently the Trust's action plan for 2015/16 will focus on key areas for improvement. The table below gives an overview of the action plan that has been produced to drive improvements for key questions in the 2014 results:

Key question	Specific action
How satisfied are you with the extent to which the organisation values your work? 2014 score – 36% 2015 target score – 45%	Ensure senior and line managers within divisions/departments engage with staff using innovative and creative communication methods e.g. social media, divisional drop in sessions, listening events, walking the floor.
	Develop an open and transparent culture where staff have the confidence to raise concerns via appropriate mechanisms and have confidence these will be appropriately considered by adopting an open door policy and no blame culture. Where staff have raised concerns the Trust will develop mechanisms to ensure feedback is provided.
	Promote a positive coaching approach within departments/service lines including praising work outside of the appraisal process.
Am I able to deliver the patient care I aspire to? 2014 score – 78% 2015 target score – 81%	Improve appraisal rates and achieve the Trust target of 98% compliance.
	Ensure all staff have a personal development plan aligned to appraisals and organisational objectives.
	Ensure all staff attend mandatory training.
	All managers must act as a role model for the *Quality for all* values and behaviours.
	Senior staff, line managers and HR to encourage staff to adopt and behave in ways that reflect the *Quality for all* values and behaviours.
	Roll out of Mentally Healthy Workplace
I would recommend my organisation as a place to work? 2014 score – 52% 2015 target score – 62%	Ensure that all staff are consistently and fairly managed in accordance with Trust HR policies and procedures, providing support, guidance and coaching via HR business partnering, occupational health, training and development.
	Support staff with their own health and wellbeing by promoting health and wellbeing initiatives.
	Promote the benefits of all staff receiving a one-to-one meeting with their line manager or designated deputy to discuss workloads, issues, review performance and identify support required.

Throughout 2015/16 the Trust will also:

- Drive an enhanced programme of staff engagement
- Continue to drive recruitment campaigns nationally and internationally for registered nurses and doctors
- Continue to support the management of sickness absence
- Continue development of leaders and managers to support the delivery of high quality and safe patient care through a well trained workforce
- Continue to enhance our mandatory training provision and compliance to develop an effective workforce
- Increase our apprentice workforce to support succession planning, and explore the development of clinical apprenticeships
- Explore the development of mobile learning technologies to deliver a range of mandatory and professional training requirements to support patient care.

The outcomes will be reported to the Board of Directors within the quarterly human resources report.

Clinical engagement

The Trust recognises the importance of clinical engagement in delivering sustainable improvement. Working with external consultants, the Trust undertook a programme of work with clinicians involving an 'In Your Shoes' listening events with patients, meetings with medical managers and 1-to-1 interviews. This allowed the creation of a medical engagement strategy which involved a formal buddying programme with directors, an open session for clinicians at Trust Board, informal suppers for consultants with the chief executive and the medical director, quarterly meetings open to all consultants and informal breakfasts hosted by the medical director for newly appointed consultants to meet with established colleagues.

A medical leadership programme is run in house and 15 consultants enrolled on this in 2014-15. We continue to actively involve clinicians in leading and contributing to service improvement and we ran a specific programme for radiology in 2014 to improve clinical engagement for this key service.

The Trust has continued its *Quality for all* programme of work, which developed Trust values and behaviours that are now being embedded in all we do for our patients and staff. Trust values form a large part of our induction day and managers and staff attended sessions on values and behaviours throughout the year, making commitments and pledges on areas to improve on.

The whistleblowing policy was launched in conjunction with *Quality for all* and has been reviewed in line with the Freedom to Speak Up review. Staff are encouraged to raise issues and concerns and a listening week will be held in April 2015 to support staff to do this.

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

Mechanisms for communicating with staff are 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 appraisals. Outcomes are reported to the Board of Directors, together with the actions needed to achieve improvement on areas of concern.

The Trust also has an intranet site which provides opportunities for staff to post questions, the answers to which are also posted on the site.

Staff Friends and Family Test

The staff Friends and Family Test (FFT) has been in place since April 2014. It is designed to be a tool for local improvement. The results are submitted to NHS England and published nationally. All staff must have the opportunity to respond at least once in the year.

The survey has to be undertaken in quarters one, two and four (there is no requirement for quarter three because the NHS annual staff survey is undertaken at this time). The staff FFT asks staff to say how likely (using a scale between extremely likely and extremely unlikely) they would be to recommend the organisation to family and friends as a place:

1. To work
2. To receive care or treatment.

Summary of results showing the percentage of staff saying that they would be likely or extremely likely to recommend:

	Q1 **FFT**	**Q2** **FFT**	**Q3** **Staff survey**	**Q4** **FFT**
How likely would you be to recommend this organisation to friends and family if they needed care or treatment?	73.02%	74.89%	61%*	69.09%
How likely would you be to recommend this organisation to friends and family as a place to work?	60.74%	68.20%	52%	51.43%
Number of respondents	*708*	*239*	*376*	*385*

*The staff survey question is slightly different: *"If a friend or relative needed treatment I would be happy with the standard of care provided by this organisation*."

It is a requirement for organisations to provide a free-text follow up question (What is the main reason for the answer you have chosen?) after each of the two fixed questions. This enables staff to provide more detailed feedback if they wish to. The free-text responses are not submitted to NHS England. However, the Trust recognises the value of this feedback and uses it to inform and support improvements to the staff and patient experience.

In quarters one, two and four the Trust asked an additional question to undertake 'pulse surveys' on key topics such as staff health and wellbeing and the Trust's values and behaviours (*Quality for all*).

Equality and diversity

The Trust is committed to providing an environment where all staff, service users and carers enjoy equality of opportunity. Promoting equality, embracing diversity and ensuring full inclusion for people who use our services is central to the vision and values of the Trust. Promoting equal opportunities, preventing discrimination and valuing diversity are fundamental to building strong communities and services.

Our objectives reflect an inclusive approach to the protected characteristics of the Equality Act 2010 – age, disability, sex, sexual orientation, gender reassignment, race, religion and belief, pregnancy and maternity, and marriage and civil partnership. We continue to work with others, for example the Health and Wellbeing Boards, the Health Overview and Scrutiny Committee, Nottinghamshire NHS Equality and Engagement Network and education providers.

The Trust endeavours to meet the needs of patients with learning disabilities and the work of our learning disability nurse specialist continues to improve communications and staff knowledge and understanding of learning disability to enhance the quality of care these patients receive. We will be developing an action plan to implement the *Making health and social care information accessible standard (2015)* to support the information and communication needs of all patients.

The Trust now has state-of-the-art toilet and changing facilities for people with complex disabilities, through the installation of Changing Places amenities at King's Mill and Newark hospitals. Changing Places facilities differ from standard disabled facilities, having extra features and more space to meet the needs of adults with serious impairments such as profound and multiple learning disabilities, spinal injuries, muscular dystrophy, multiple sclerosis or an acquired brain injury.

In 2014 NHS England launched a refreshed Equality Delivery System (EDS2) to support '*an inclusive NHS that is fair and accessible to all*'. With 18 outcomes grouped under four goals this toolkit will help staff and the NHS understand how equality can drive improvements, strengthen the accountability of services for patients and bring about workplaces free from discrimination. The Diversity and Inclusivity Committee has undertaken a grading exercise, from which the Trust is engaging with staff and patients to determine a focus on what things matter the most for patients, communities and staff. The EDS2 became mandatory on 1 April 2015.

As part of its public sector equality duties under the Equality Act 2010 and the CCG Quality Schedule, the Trust continues to develop its patient administration system with the supplier to enhance the recording of patient equality information. Additionally the Workforce Race Equality Standard (WRES) became mandatory on 1 April 2015, requiring the Trust to demonstrate progress through nine points and measures to address workforce race equality issues.

The Trust continues to develop fair recruitment practices to ensure equal access to employment opportunities for all. Awarded by Jobcentre Plus, we use the 'Two Ticks' symbol on our recruitment material to show we encourage applications from disabled people. The 'Two Ticks' award means we are committed to:

- Interviewing all applicants with a disability who meet the essential criteria for a job vacancy, after any reasonable adjustments are made
- Asking staff with a disability at least once a year what we can do to make sure they can develop and use their abilities at work, usually as part of the appraisal process
- Making every effort when employees become disabled to make sure they stay in employment
- Taking action to ensure all employees develop the appropriate level of disability awareness
- Reviewing these commitments every year and assessing what has been achieved, planning ways to improve on them and let employees and Jobcentre Plus know about our progress and future plans.

The Trust continues to support staff with a disability, and wherever possible takes steps to meet their needs and achieve equal outcomes, even if this requires 'more favourable treatment'. This includes for example designating disabled parking bays close to entrances, adjusting application processes, providing physical access to facilities, and providing support or advocacy. Any staff who become disabled during the course of their employment are supported through occupational health assessments, making reasonable adjustments to their duties and if necessary supporting their search for suitable alternative employment, with the aim of valuing and redeploying staff to retain their knowledge, skills and experience within the Trust.

To support a culture of equality, all work and patient care is underpinned by the Trust's *Quality for all* values. The diversity and inclusivity online training has been redeveloped to reflect the Trust values, the local population it serves and the Trust's work to support equality.

Health and safety

The Trust recognises the importance of ensuring the health and safety of its employees as enshrined within the NHS Constitution. We strive to provide staff with a healthy and safe workplace where we have taken all practicable 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, with administration support, acts as the Trust's competent person for health and safety advice.

The Board of Directors receives quarterly updates on specific health and safety issues and key performance data such as any incidents reported to the Health and Safety Executive. The full annual report for 2014/15 will be available for the Board of Directors in July 2015.

One of the most significant changes during 2014/15 was the new system for coding the categories of health and safety incidents, introduced during updates to the Datix system. This will make reporting on incidents more straightforward and consistent in the future. However, it also means that comparison with previous data is not possible and that data for 2014/15 is only available from quarter two onwards.

The main reasons for staff reporting a health and safety incident remain abusive, violent or self-harming behaviour or a needlestick and sharps incident. The vast majority of incidents reported as relating to the health and safety of staff do not involve any harm (63%).

Grade of staff incident	Number reported
Grade 1 – No harm	281
Grade 2 – Low, minimal harm	107
Grade 3 – Moderate, short term harm	12
Grade 4 – Severe, permanent or long term harm	1
Blank	42
TOTAL	**443**

The data available for health and safety incidents is presented in the table below. Unfortunately due to the changes in Datix, comparative data is not yet available.

Staff health and safety incidents by type, 2014/15

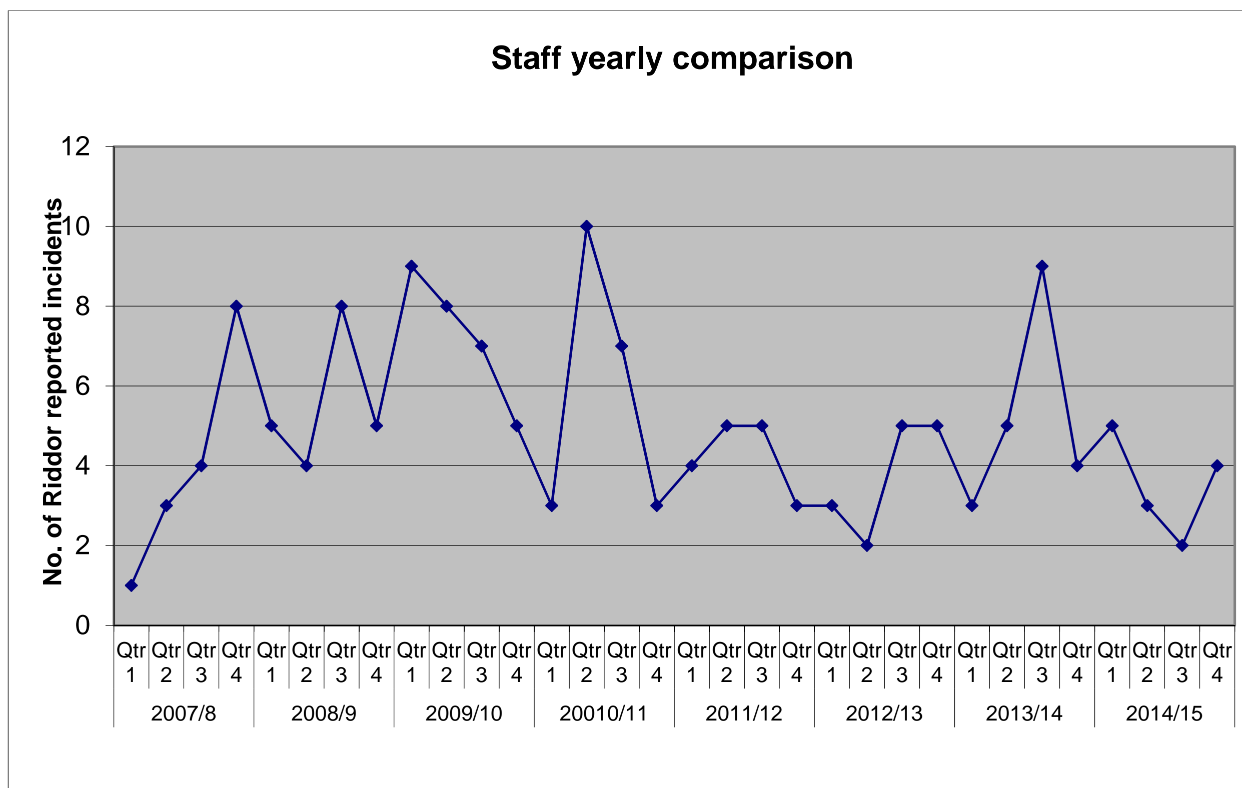
Staff health and safety incidents	Quarter 2	Quarter 3	Quarter 4	2014/15 Totals
Abusive, violent, disruptive or self-harming behaviour	24	49	26	**99**
Another kind of accident	27	45	33	**105**
Contact with hot or cold surfaces	1	2	2	**5**
Contact with machinery/equipment	4	8	8	**20**
Exposure to electricity, hazardous substance, infection etc.	7	13	7	**27**
Manual handling – patient	2	11	4	**17**
Manual handling – inanimate object	2	1	2	**5**
Needlestick injury or other incident connected with sharps	23	24	33	**80**
Road traffic accident/incident	1	1	-	**2**
Trapped by something overturning/collapsing	-	-	1	**1**
Slips, trips and falls	10	20	15	**45**
Struck by a moving/falling object	6	14	12	**32**
Struck against object	3	1	1	**5**
TOTALS	**110**	**189**	**144**	**443**

The number of staff accidents reported to the Health and Safety Executive in the year under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) 2013 decreased to a low of 14 from 21 the previous year. The number of RIDDORs submitted in relation to patient incidents also decreased from four to two. The year saw the Trust report its lowest number of accidents under RIDDOR since the changes to the reporting regulations in 2013.

RIDDOR reports by year

RIDDOR reports by year			
Year	**Number of employee RIDDOR reports**	**Number of RIDDOR reports re members of the public**	**Total**

2014/15	14	2	16
2013/14	21	4	25
2012/13	15	3	18



Health and Safety Executive (HSE) involvement

The Trust received two visits from HSE inspectors during 2014/15. The inspectors examined how the Trust manages the risks from potential violence and aggression and our approach to reducing risks from work related dermatitis. On both occasions the Trust was found to be managing the risks well and no enforcement action resulted from either inspection.

Priority areas for the health and safety function in 2015/16

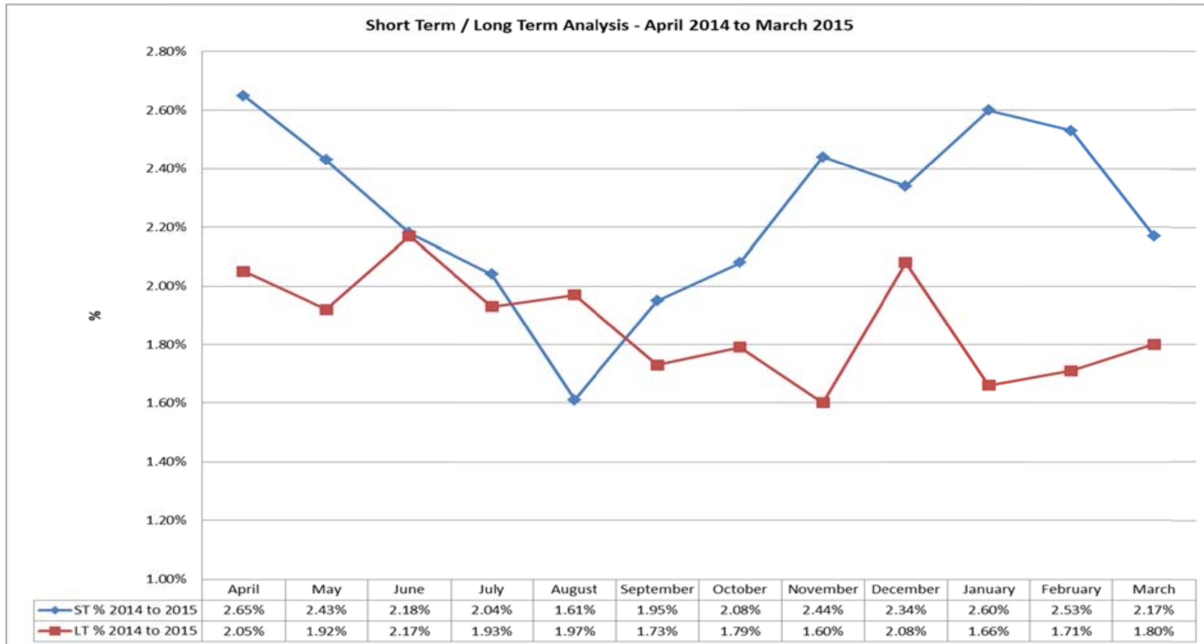
- Reviewing the completion by wards and departments of six-monthly health and safety audits.
- Training managers on the new stress risk assessment model for individuals returning to work following absence due to work-related stress, or known to be experiencing work-related stress.
- Ensuring compliance with the Health and Safety (Sharp Instruments in Healthcare) Regulations 2013 and introducing changes in practice and equipment that reduces the risk of injury from sharp medical instruments. The priority in the coming year will be the introduction of safer sharps for the treatment of diabetes and the trial of a new safety butterfly device.
- Putting in systems to ensure that the Trust is compliant with the Construction Design and Management Regulations (CDM) 2015.
- Assisting with the follow up actions from the stress focus groups run in 2014/15.

All of the above priority areas will be part of the health and safety work plan for 2015/16 and included in the Health and Safety Annual Report for approval by the Board of Directors.

Sickness absence

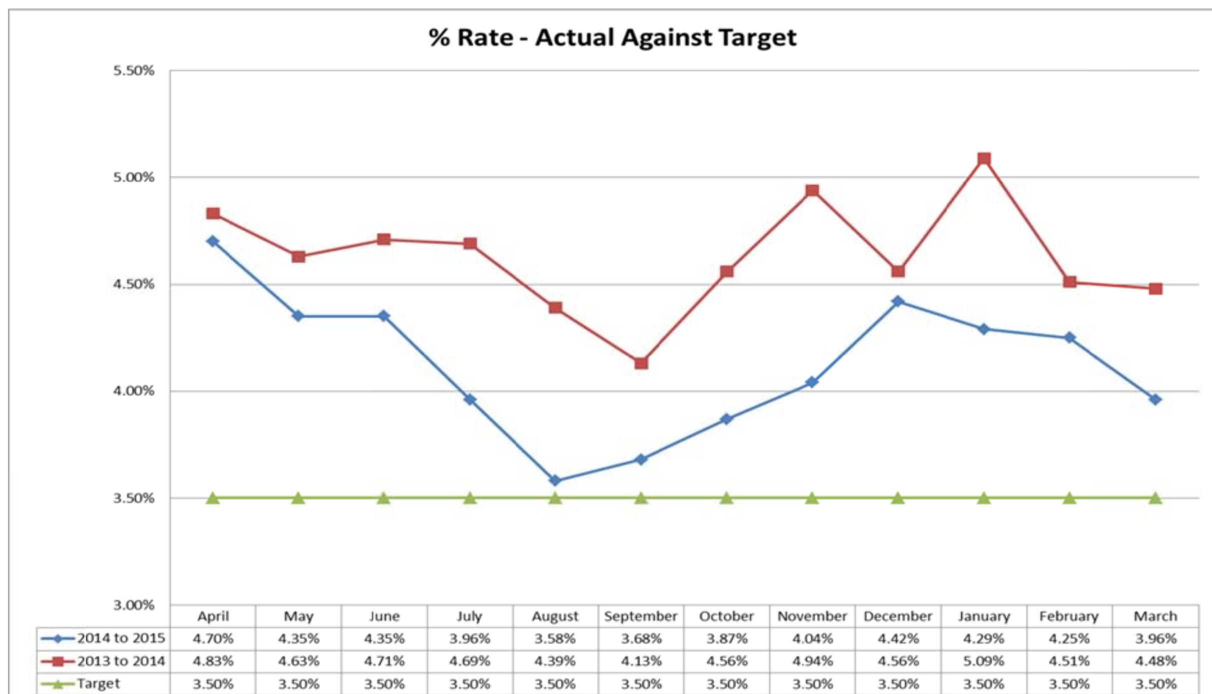
The target sickness absence rate for the Trust for 2014/15 remained at 3.50%. The total sickness absence rate for 2014/15 was 4.12%, compared to 4.63% in 2013/14. The cost of paying absent staff stood at £4.57m compared to £4.84m in 2013/14.

The chart below details Trust performance against the target per month:



Positively, sickness absence did decrease during 2014/15, which can be attributed to the launch of the Trust's new sickness absence policy in July 2014. A significant amount of work has been undertaken across the Trust to support the reduction of sickness absence.

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



The Trust is maintaining its focus on managing short term sickness absence through collaborative working by the divisions and HR and reviewing sickness absence trends to continually improve sickness rates.

The increased focus on long term sickness during 2014/15 will be maintained going forward, with long term sickness cases being proactively managed from the fifteenth day of sickness in order to ensure staff receive early support and intervention from the Trust to improve attendance and facilitate staff positively back into the workplace.

Further sickness absence information is outlined below.

	WTE days lost	**Previously reported**	
Staff sickness absence	**2014/15**	**2013/14**	**2012/13**
Days lost (long term)	24,754	36,945	27,904
Days lost (short term)	29,761	22,604	29,850
Total days lost	54,515	59,549	57,754
Total FTE (headcount)	3677	3564	3375
Average working days lost	14.83	16.71	17.11
Total staff in period (headcount)	4301	4500	4312
Total staff employed in period with no absence (headcount)	1670	1792	1893
Percentage of staff with no sick leave	38.8%	39.8%	43.9%
Total absence rate	4.12%	4.63%	4.73%

Key priorities

- To continue to support managers to manage sickness absence effectively.
- To further develop health and wellbeing initiatives to support staff to maintain healthy lifestyles.
- To continue to identify areas of concern for sickness absence and develop plans to support reduction.

Occupational health service

Background

The Trust's occupational health service (OH) is a nurse-led in-house service. It delivers OH services to both NHS and non-NHS organisations across the Mansfield, Ashfield and Newark areas, and works collaboratively with other NHS OH departments within the Trent region to provide services to a wide range of NHS staff.

OH is based in TB3 at King's Mill Hospital, with a weekly satellite clinic held at the Eastwood Centre, Newark Hospital.

The team plays an active role in supporting staff in return to work and minimising the impact of sickness absence.

Utilisation of the service is substantially increasing year-on-year, as evidenced in the table below, with a 48% increase over the last four years. This has been accommodated so far with no additional OH investment through working more efficiently, effectively and 'smarter'

	2011/12	2012/13	2013/14	2014/15
Total number of contacts to OH service (all appointments exclusive of flu vaccines)	**3814**	**5065**	**5859**	**7355**
Total number of manager referral appointments attended	**815**	**1028**	**1092**	**1164**

Supporting Sherwood Forest Hospitals staff makes up 82% of the work OH undertakes; the remaining 18% is income generation activity.

OH developments and achievements during 2014/15

- The service was awarded national OH accreditation in July 2013, with the first annual re-assessment completed July 2014. Confirmation of successful renewal was received in November 2014. The service was required to submit evidence demonstrating compliance against a number of requirements based on the Safe Effective Quality Occupational Health Standards (SEQOHS). Approximately 50% of the 141 individual NHS OH departments in England are currently SEQOHS accredited.
- The senior OH nurse/manager was nominated as chair of the NHS Employers East Midlands OH streamlining project team in January 2015
- The team led and managed the 2014/15 staff flu vaccination campaign, resulting in an excellent front line staff uptake of 70.2% - much higher than the national average uptake of all trusts (54.9%)

- Proactively implemented initiatives to assist in the reduction of sickness absence including:
    - Provision of developing resilience and stress awareness education sessions by OH nurses to either groups in the workplace or individual staff. Resilience training has also been embedded into the Trust leadership and management course since December 2014.
    - Evaluation of the sessions held shows:
        - 100% felt clearer about the proactive nature of increasing resilience as opposed to stress management where colleagues/members of the team were suffering from increased stress
        - 97% felt they would have more confidence in discussing increasing resilience skills with colleagues/members of their team
        - 97% felt the session would help them increase their own resilience.
    - Provision of a musculoskeletal/pain management service. Over 300 Trust staff accessed this service during 2014/15. Evaluation shows the service either reduces the time staff are off sick or prevents sickness absence.
    - OH and wellbeing clinics provided at all Trust sites since August 2014 with an annual programme arranged going forward (monthly for King's Mill Hospital, every other month at Newark Hospital and quarterly at Mansfield Community Hospital). The clinics are an opportunity for staff to discuss any health and wellbeing concerns they have with an OH nurse. Also on offer is advice on weight management, blood pressure checks, lifestyle advice and onward signposting to other specialist services. Brief intervention for smoking cessation and alcohol use is also available.
    - In conjunction with the training and development department, delivery of ongoing training for Trust managers in effectively managing sickness absence and interpretation of OH reports.
    - Active and integral member of the Trust's health and wellbeing group and agenda.

Celebrating our volunteers

Our volunteers

Our volunteers play a key role in the day-to-day life of Sherwood Forest Hospitals. The incredible contribution they make has a positive impact on the quality of services that we are able to offer to our patients, their families and staff in Newark Hospital, King's Mill Hospital, Ashfield Health Village and Mansfield Community Hospital. We are extremely proud that we are able to use the vast array of talents within our local community and we continue to receive the support of our valued volunteers.

Our volunteers range from 16 year olds wanting to gain experience of the NHS, to volunteers who are at the age of 90 and want to help.

There is a rich variety of volunteer roles across our hospitals, ranging from front of house 'Here to help' volunteers, dining companions, dementia care volunteers, café services and the patient buggy service.

We also have volunteers in specific areas of the Trust. For instance, in cardiac services we have volunteers who are either previous cardiac patients or relatives of patients, who are now supporting other patients with the same condition.

Volunteers also support our charity work and are key supporters of League of Friends colleagues. The portfolio of roles is evolving and new volunteer opportunities are explored with staff on a regular basis. Volunteers contribute almost 6,000 hours to our hospitals each month, or 72,000 hours a year. This makes a significant and positive contribution to the services provided by the Trust and has an immeasurable impact on the patient experience.

Feedback frequently shows that the work of our volunteers is greatly appreciated by our patients:

"*Thanks to all the lovely people in the Daffodil café and the volunteers who push the trolley around. I want to let you know how much everyone appreciates what you do. The old saying is 'service with a smile' and you never fail to do just that.*"

In return, our volunteers feel a sense of pride and satisfaction from their involvement:

"*The reason I like being a volunteer is to be able to give something back to the NHS. Also, I love to meet and talk to people and to try to be understanding and helpful.*"

"*I enjoy working with people and come away from a duty feeling that I have done something worthwhile and the volunteer team are wonderful to work with.*"

Volunteer long service awards

With hundreds of volunteers giving up their time to work across our Trust, we understand the importance of recognising this commitment. Award ceremonies hosted by the Trust chairman were held at Newark Town Hall and the Civic Centre in Mansfield, where volunteers from Newark Hospital and from King's Mill Hospital and Mansfield Community Hospital were rewarded for their long service. Many have dedicated decades of service to the Trust.

Sean Lyons, Chairman said: "I am really proud that we have some of the longest serving and most dedicated volunteers in our hospitals. We are hugely indebted to our volunteers who give their valuable time and skills to the Trust.

"Collectively and individually, their commitment, compassion and contribution play a vital role in helping us to deliver high quality care and it is a great pleasure to be able to say thank you to this amazing group of people who bring so much to the Trust."

Valuing our members

Our membership strategy is being developed to ensure the 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 19,506 at the end of March 2015.While we lost over 2,000 members throughout the year, a total of 394 new members joined us.

Overview

The Trust has two membership constituencies:

- Staff constituency
- Public constituencies.

Staff constituency

Trust employees continue to be registered as members under an opt-out scheme, and the number of employees who choose to opt out remains extremely low. The staff membership ensures that the large majority of staff is able, through a number of additional channels, to participate in and offer their views on developments at the Trust. It is unlikely that we will see significant changes in staff membership given that the opt out rate is already so very low, and due to our work to ensure we retain membership levels. 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 Community Hospital and Ashfield Health Village
- 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

As well as residing within the geographic boundaries described below, public members must be aged 16 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.

There are five public constituencies:

- Ashfield constituency - includes the geographic boundaries of Ashfield District Council and the wards of Ravenshead and Newstead from Gedling District Council
- Derbyshire constituency - includes wards from Bolsover District Council and North East Derbyshire District Council

- Mansfield constituency - includes the geographic boundaries of Mansfield District Council and the ward of Welbeck from Bassetlaw District Council
- Newark and Sherwood constituency - includes the geographic boundaries of Newark and Sherwood District Council plus wards from Bassetlaw District Council, South Kesteven, District Council and Rushcliffe District Council.
- Rest of the East Midlands constituency - includes the remainder of the East Midlands region which is not covered in the other constituencies.

Public membership breakdown at 31March 2015

	Number of members	Membership profile	Population profile
Age (years)*			
0 – 16	15	0.07%	1.22%
17 – 21	427	2.19%	5.93%
22+	17633	90.40%	92.84%
Ethnicity*			
White	17548	89.96%	90.05%
Mixed	29	0.15%	1.78%
Asian	94	0.48%	6.03%
Black	39	0.20%	1.62%
Other	13	0.07%	0.51%
Gender*			
Male	7263	37.23%	49.71%
Female	12029	61.67%	50.29%
Constituency			
Ashfield	5,807	29.77%	
Mansfield	6,059	31.06%	
Derbyshire	2,010	10.30%	
Newark & Sherwood	4670	23.94%	
Rest of East Midlands	960	4.92%	

*Where the information was provided.

Membership activity throughout the year

As part of the Trust's commitment to having an active membership we worked hard with our Membership and Engagement Committee during 2014/15 to build more knowledge of our membership through surveys and events, to enable us to build a stronger, more fulfilling membership experience. The year's focus included how we can best engage with members and what their key interests are. In general terms, we want to utilise our loyal membership to support us in understanding how we are perceived externally as a Trust and where we need to focus our improvement efforts. The Membership and Engagement Committee is a governor-led committee of the Council of Governors, and it continues to be active in developing communication and engagement activities for our members.

We are grateful to Beryl Perrin, committee Chairman, for her tireless commitment to improving membership engagement.

As with previous years the Trust has actively communicated and engaged with members and potential members throughout the year using a variety of methods, including:

- **Member events:** These are held at King's Mill and Newark hospitals and are open to all members. The events focus on a particular topic and this year we have focused on ankylosing spondylitis.
- **Healthy living member events:** These sessions offered tips and advice to members on the everyday lifestyle changes that can be made to promote healthy living.
- **Emergency lifesaving training sessions:** These sessions at Newark and King's Mill hospitals were well received by members. We worked in partnership with East Midlands Ambulance Service (EMAS) and the sessions covered topics to enable participants to confidently deal with a heart crisis, choking and CPR.
- **Membership information and recruitment stands:** These stands were held across all our hospitals and were usually supported by a public governor. They were an opportunity to talk directly with potential members and we signed up more than 200 new members this way.
- **Attending local events:** In September the communications team attended the Ashfield Job Fair in partnership with Health Education East Midlands workforce team (Nottinghamshire). The event was very well attended and allowed the Trust to promote local jobs available in the NHS as well as the benefits of becoming a public member of the Trust.
- **Annual general meeting/Annual members' meeting:** This event on 11 September 2014 at King's Mill Hospital was attended by more than 70 people.
- **Partnership working with the local community:** Our working partnership with West Nottinghamshire College has continued to develop. Members of the communications team met with tutors and student welfare representatives to discuss ways in which membership can be promoted at the college.
  October also saw European Restart a Heart day, and the Trust invited local school children into King's Mill and Newark hospitals to learn resuscitation skills. More than 70 children benefitted from this training with many arranging to demonstrate their knowledge to other pupils in their school assemblies.

The Trust continues to enjoy working closely with its members to help it be truly accountable for the quality of the services it provides. Opportunities for people to become members and for members to be involved and engaged are seldom missed.

2015/16 will be a challenging year where we continue to consolidate relationships with existing members. However, in light of the financial pressures facing the NHS, we will review our membership strategy and our membership communications and engagement to make sure we can continue to ensure members can be involved, have their say and shape services but at a cost that is affordable and that will remain a justifiable use of public funds. We will also review any opportunities to generate income or sponsorship to cover the costs associated with managing a vibrant membership function.

Valuing our governors

The Board of Directors 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.

Our Constitution was reviewed in 2014 (with the support and influence of the governors) to include a review of the standing orders, both of which make clear the process to appoint or remove the chairman and the other non-executive directors including their role in deciding the remuneration and allowances and other terms and conditions of office of the non-executive directors. The removal of the chairman or a non-executive director requires the approval of three-quarters of the members of the Council of Governors.

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) and 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.

The current list of the Trust's public and staff governors and non-executive directors can be found on our website.

Governors' Annual Report 2014/15

The governors of Sherwood Forest Hospitals NHS Foundation Trust have found it a very challenging year. There have been a lot of changes as a result of two longstanding governors leaving the Trust. Mick Parker, a public governor for Ashfield who everyone held in high regard, sadly passed away during the year. This resulted in the Trust deciding to hold elections to fill his place and three other positions that had become vacant the previous year. The elections ran successfully and were contested in three public regions. The two positions in Ashfield were filled by Sue Holmes and Kevin Stewart.
The role in Mansfield was filled by John Barsby, and Sue Moss was elected as governor in Newark and Sherwood. The governors welcomed them on board and they are fitting into their roles really well. We also had a change of personnel from the Vision West Nottinghamshire College where the long standing governor Patricia Harman was replaced by Louise Knott. We were really sad to see Patricia leave as she had been a long serving member of the governing body. We look forward to working with Louise Knott in the future. As part of the changes, the terms of reference were updated for the Council of Governors.

The development of the governors has seen strong committees evolve under the guidance of their respected chairs. The Safety and Experience Committee is led by Nigel Nice, Public Governor for Newark and Sherwood. The Performance and Strategy Committee is led by Andy March, Public Governor for Mansfield and the Membership Committee by Beryl Perrin, Public Governor for Ashfield. These are the key areas with which the governors judge performance and hold the Board to account. In addition, we have set up a robust governor development training programme which was formed to support present and future governors to gain the knowledge and understanding they need to help them fulfil their roles effectively. Other areas where governors have acquired knowledge for their development are attending membership events that were held throughout the year, helping out with PLACE audits and observing Board and committee meetings. All these things help governors to discuss their findings at newly set up Governor Forums which are held prior to the full Council of Governors.

Looking forward to the year ahead, a lot has been already been done to provide structure for governors to hold the Trust Board to account. The new governor development sessions are held monthly which will provide additional information and resources for governors. This will help them to become more effective in their roles in the coming year.

Colin Barnard, Lead Governor

New governors

This year we welcomed four new public governors to the Trust. The election was held in the autumn to fill four vacancies for public governors in the Mansfield, Ashfield and Newark and Sherwood constituencies.

More than 3,700 votes were cast from Trust members across the three constituencies and the following candidates were elected:

- John Barsby, Public Governor for Mansfield
- Kevin Stewart, Public Governor for Ashfield
- Sue Holmes, Public Governor for Ashfield
- Sue Moss, Public Governor for Newark and Sherwood

Speaking after their election success, Sean Lyons, Trust Chairman, said: “I am delighted to welcome our new governors to the Trust and would like to thank all the candidates who put their names forward for this election.”

Membership recruitment

Throughout the year a number of recruitment and engagement events were held for Trust members and prospective Trust members. These events have taken place both within our hospitals and out in the community.
Representatives from our Council of Governors have been present at these events and have been able to field questions from our members and the public.

The Membership and Engagement Committee has continued to meet throughout the year to review membership recruitment and engagement ambitions for 2015/16. After analysis of the Trust’s membership figures, the committee recommended to the Board of Directors that while still aiming to boost recruitment in our under-represented areas, the focus should be on delivering high quality engagement events for our current members.

It was recommended that a wider variety of engagement methods should be used in order to effectively engage with all groups of 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 engagement, with plans and ideas being discussed by the Membership and Engagement Committee at quarterly meetings.

Member engagement highlights have included:

- The Trust magazine has been revamped and is now called SFH News. Distribution has been increased to four times a year to all members, either electronically or as a hard copy depending on member preference. A survey was distributed to members with the first edition to determine what they would specifically like to see in the magazine.

- Member events were organised over both hospital sites and covered a variety of health related topics, including healthy living and emergency lifesaving training. Feedback forms received at these events are used to plan future events based on member interests.

- Governor-led information stands were held on both hospital sites, as well as out in the community. Governors were able to field questions from members and also recruit new members.

Governor attendance at Council of Governors

Name	Constituency	Elected/ appointed	Date elected/ appointed	Meetings/ Attended	Terms of office
Colin Barnard – Lead Governor	Ashfield	E	1/5/13	5/5	3
Beryl Perrin	Ashfield	E	1/5/13	5/5	3
Andy March	Mansfield	E	1/5/13	4/5	3
John Swanwick	Mansfield	E	1/5/13	5/5	3
Diane Wright	Mansfield	E	1/5/13	3/5	3
Jim Barrie	Newark & Sherwood	E	1/5/13	3/5	3
Nigel Nice	Newark & Sherwood	E	1/5/13	4/5	3
Martin Stott	Newark & Sherwood	E	1/5/13	3/5	3
Annie Palmer	Rest of the East Midlands	E	1/5/13	3/5	3
Valerie Bacon	Derbyshire	E	1/8/13	4/5	3
Nicola Waller	Derbyshire	E	1/8/13	4/5	3
Alison Beal	Staff – King's Mill Hospital	E	1/5/13	3/5	3
Wesley Burton	Staff – King's Mill Hospital	E	1/5/13	4/5	3
Roz Norman	Staff – King's Mill Hospital	E	1/5/13	4/5	3
Samantha Annis	Staff – Newark Hospital	E	1/5/13	3/5	3
Angie Emmott	Staff – Newark Hospital	E	1/5/13	5/5	3
Nicola Juden	Volunteer – Newark Hospital	E	1/5/13	2/5	3
Ron Tansley	Volunteer – King's Mill Hospital	E	1/5/13	5/5	3

John Barsby	Mansfield	E	1/11/14	2/2	3
Kevin Stewart	Ashfield	E	1/11/14	2/2	3
Susan Holmes	Ashfield	E	1/11/14	2/2	3
Susan Moss	Newark & Sherwood	E	1/11/14	0/2	3
Councillor Jim Aspinall	Ashfield District Council	A		3/5	
Tricia Harman	Vision West Notts	A	Resigned 1/13/15	3/5	
Councillor David Payne	Newark & Sherwood District Council	A		5/5	
Amanda Sullivan	NHS Notts County	A		4/5	
Councillor Sonya Ward	Mansfield District Council	A		2/5	
Councillor Yvonne Woodhead	Notts County Council	A		4/5	
Louise Knott	Vision West Notts	A	1/3/15	1/1	
Craig Day (resigned April 2014)	Ashfield	E	1/5/13	0/0	3
Mick Parker (deceased)	Ashfield	E	1/5/13	0/0	2

*P = present, A = absent

The last year has been a busy one for our governors who have attended inductions, training, governor development sessions and various committees including Trust Board committees where they act as observers and report back to the main Council of Governors and its sub committees.

This reflects an excellent year of working together, with governors and Board members involving themselves in walkabouts within our healthcare settings to support the Trust in continually improving healthcare delivery as well as being out and about in their constituencies and within the Trust in order to get closer to members.

Further opportunities to improve our understanding of the needs and perceptions of members and the governors' role in that will be explored over the next 12 months.

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 and we are also grateful for the support of the Lead Governor, Colin Barnard, who has supported the chairman and company secretary to enhance the relationship between the Board of Directors and the Council of Governors.

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; and public transport on a 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.

Contacting your governor

Members can contact their governor by:

- **Email:** governors@sfh-tr.nhs.uk
- **Telephone:** 01623 622515 extension 3570
- **In writing:** FREEPOST RLSJ-BGTL-XRUY
Membership Response Centre
King's Mill Hospital
Mansfield Road
Sutton-in-Ashfield
Nottinghamshire
NG17 4JL

Valuing our environment

Sustainability, environment and climate change

The Trust remains committed to reducing its impact on the environment and continually seeks opportunities 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. Sherwood Forest Hospitals 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 King's Mill Hospital facilities provide energy efficient accommodation; the challenge to be met is improving energy efficiency in the retained estate and at Newark Hospital. This gives the Trust the opportunity to develop its sustainability, environmental and climate change strategies. As part of these developing strategies, and to meet the challenges of climate change, the Trust will refine a number of its objectives and activity streams:

- Proactive management of energy, utilities and waste
- Design of upgrades and new works to incorporate low energy technologies
- Effective working with contract partners and other stakeholders
- Driving value for money through dynamic procurement of utilities
- Strong governance and communication
- Pioneering geothermal technologies
- Exploring options for combined heat and power systems at King's Mill and Newark hospitals
- A robust approach to carbon management.

The objectives are part of the latest draft of the Trust's carbon reduction management plan (CRMP) and sustainable development management plan (SDMP) which will be submitted to the Board for consideration in the near future.

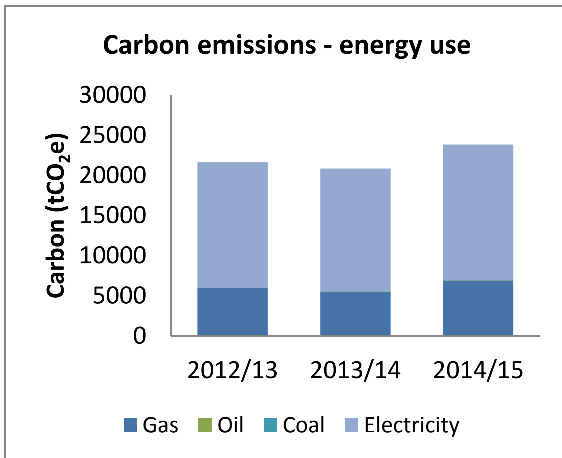
The Trust will demonstrate its commitment to sustainability in 2015 by applying for the Good Corporate Citizen (GCC) and Carbon Saver accreditations.

In achieving these standards the Trust will gain recognition for its activities to support sustainability both within the organisation and outside in the community.

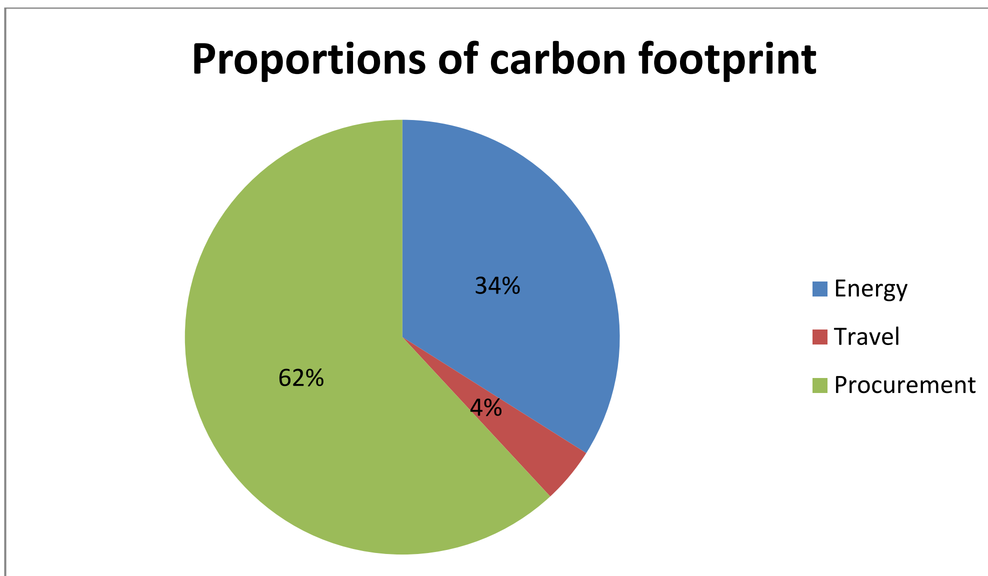
NHS carbon footprint

As a member of the Government's Carbon Reduction Commitment (CRC) Energy Efficiency Scheme, the Trust is required to report its emissions annually to the Department of Energy and Climate Change. The Trust's emissions for 2014/2015 were 23,842 tCO_2 (tonnes of equivalent carbon emissions). This was an increase on the previous year, demonstrating the need to engage staff as part of a wider effort to improve energy efficiency across the Trust.

Carbon emissions for Sherwood Forest Hospitals NHS Foundation Trust for 2012/13 to 2014/15



The information provided in the earlier sections of this sustainability report uses the Estates Return Information Collection (ERIC) returns 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. This results in an estimated total carbon footprint of 70,123 tonnes of equivalent carbon emissions for 2014/15. The footprint is illustrated below:



Gas, oil, coal and electricity

Resource		2012/13	2013/14	2014/15
Gas	Use (kWh)	29021779	26119601.1	32982982
	tCO_2e	5930.600539	5541.012177	6919.92867
Oil	Use (kWh)	113254	59000	77513

	tCO_2e	36.1110379	18.84165	24.8056642
Coal	Use (kWh)	0	0	0
	tCO_2e	0	0	0
Electricity	Use (kWh)	27420320	27297482	27284327
	tCO_2e	15651.79286	15284.13315	16898.0022
Total Energy CO_2e		21618.50444	20843.98697	23842.73
Total Energy Spend		£ 3,266,000.00	£ 3,542,701.00	£3,697,048.00

Water

Water		2012/13	2013/14	2014/15
Mains	m^3	143638	129275	145608
	tCO_2e	131	118	133
Water & Sewage Spend		£ 326,000	£ 334,597	£290,419

The Trust spent £3,697,048 on energy in 2014/15, which is a four per cent increase on energy spend from the previous year, and is due to an increase in consumption balanced by a reduction in energy costs.

Initiatives are gathering pace to address the increase in emissions across the estate, through an awareness campaign and trials of LED lighting and improved controls to reduce energy use.

An awareness campaign to be rolled out in summer 2015 follows the first roadshow for NHS Sustainability Day. It embraces the suggestions of attendees at that event, and good practice available from the NHS sustainable development unit.

Waste

Waste		2012/13	2013/14	2014/15
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)	5.5	0	0
	tCO_2e	0.1155	0	0
High	(tonnes)	0	0	0

Temp recovery	tCO_2e	0	0	0
High Temp disposal	(tonnes)	542.5	572	584
	tCO_2e	119.35	125.84	128.50
Non-burn disposal	(tonnes)	0	0	0
	tCO_2e	0	0	0
Landfill	(tonnes)	480	634.42	634.28
	tCO_2e	117.3205	155.0635	155.03
Total Waste (tonnes)		1028	1206.42	1218.28
% Recycled or Re-used		0	0	0
Total Waste tCO_2e		128.8285	167.0755	283.53

The waste produced by the Trust has risen slightly in comparison to the previous year, however significant efforts have been made to implement a pro-active audit programme for hazardous waste, to reduce the amount of waste that needs high temperature disposal. This system went live in March 2015 and will deliver significant carbon savings over future years.

A significant programme of recycling has also been introduced, with cardboard packaging separated at source and compacted on site, vastly reducing traditional 'landfill' quantities.

Other local waste sources are being assessed with a local supplier to be disposed as 'co-mingled' waste for rollout later in 2015. If successful, this will result in a significantly increased rate of recycling with minimal waste going for landfill.

Climate change and the estate

The Trust has established an energy strategy group to review energy consumption and trends, including the CRC, energy procurement, any adverse Department of Energy & Climate Change (DEC) trends, and to 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 operational activity stream is targeted on achieving increases in 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 such as NHS Sustainability Day
e) Quick win projects and activities
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 of materials.

During 2014/15 the Trust carried out a number of capital investment schemes to improve energy efficiency, including:

- LED lighting installation
- Lighting control upgrades
- Retained theatre HVAC plant upgrades
- Boiler control optimisation.

The Trust also engaged an external carbon accreditation consultant, the Carbon Saver Certification Scheme, to independently assess its sustainability agenda and score 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 2015/16.

The Trust participated in 'NHS Sustainability Day 2015', which aimed to raise awareness of sustainability across the health service. The roadshow held at King's Mill Hospital showcased green travel options from different local providers alongside demonstrations of the low-carbon technology used in the building and waste management, as well as raising recycling awareness.

The second stream relates to recommendations for projects to be incorporated in the estates strategy. Through benchmarking of energy performance across different areas of the estate, data is provided to support the rationalisation programme, ensuring that services are provided from modern and sustainable facilities.

Sherwood Forest Hospitals NHS
NHS Foundation Trust

Directors' report

Meet the Board of Directors

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. The Board seeks to achieve this through setting out strategy, monitoring strategic objectives and providing oversight of 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 individuals who served at any time during the financial year as directors were as follows: Sean Lyons (Chairman), Gerry McSorley, Peter Marks, Claire Ward, Mark Chivers, Tim Reddish, Ray Dawson, Paul O'Connor, Fran Steele, Margaret Ashworth (interim), Paul Robinson, Karen Fisher, Andrew Haynes, Susan Bowler, Jacqui Tuffnell, Susan Barnett (interim), Kerry Rogers and Peter Wozencroft. Full biographies of our directors and non-executive directors can be found on our website.

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. The chairman had no other significant commitments during the year.

The membership of the Board and information regarding the expertise of each serving director is detailed on our website 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.

Attendance at board meetings

Name	Public		Private	
	Actual	Possible	Actual	Possible
Paul O'Connor	9	11	9	11
Karen Fisher	11	11	11	11
Andrew Haynes	11	11	11	11
Susan Bowler	10	11	9	11
Margaret Ashworth	6	6	6	6
Paul Robinson	1	1	1	1
Sean Lyons	10	11	10	11
Gerry McSorley	10	11	10	11
Peter Marks	10	11	10	11
Ray Dawson	10	11	9	11
Claire Ward	10	11	10	11
Tim Reddish	11	11	11	11
Mark Chivers	8	11	8	11
Kerry Rogers	9	11	9	11
Peter Wozencroft	7	11	9	11
Susan Barnett	3	3	3	3
Jacqui Tufnell	5	8	5	8
Fran Steele	4	4	4	4

Directors' report

As highlighted in last year's annual report, 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 in 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 Board of Directors in October 2014 and a declaration of assurance sent to Monitor against all 23 actions including acknowledgement that additional improvements in terms of sustainability would flow from the Trust's quality improvement plan as a consequence of the Trust's CQC inspection in April 2014. Monitor issued a compliance statement in April 2015 with regard to the Trust's Enforcement Undertakings (s106 of the Health and Social Care Act 2012) with regard to the specifics of the 23 actions in acknowledgement of the explicit improvements achieved. Different undertakings will be agreed in early 2015/16 to recognise the improvement required in financial, clinical and corporate governance and in the Trust's deteriorating financial position and Monitor formalised the undertakings pursuant to its powers under new section106 requirements and section 111 Licence conditions of the Health and Social Care Act 2012 in April 2015.

The hospital standardised mortality ratio (HSMR), which allows comparison of mortality rates between hospitals and in which the Trust was an outlier at the beginning of the year, has consistently improved throughout 2014/15 and is now within the expected range.

Our results including achievements for 2014/15 and objectives for 2015/16 are described in more detail in the Quality Report. As part of our special measures conditions the Trust was allocated 'buddying' arrangements with other trusts. The Trust completed early work with Newcastle Upon Tyne Hospitals NHS Foundation Trust to whom we are most grateful for their support. Needing to focus on some different challenges, the Trust is now buddying with Royal United Bath Foundation Trust and our agreement is outlined within a memorandum of understanding which has been agreed and which is shaped around the following work streams:

- Implementation of a 'delivery engine' to ensure sustainable transformational change
- Enhanced medical engagement
- Development of governance structures to support improved integration and streamline patient pathways across secondary and primary care
- Improved infection prevention and control
- Improved end of life care
- Enhanced arrangement for communication and engagement from 'Board to Ward'
- Individual peer support - executive director to executive director.

The Strategic Report highlights the significant amount of scrutiny of the Trust during 2014/15 and regulatory intervention, and while the increase in scrutiny is testing, we continue to embrace 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.

We do not get everything right all of the time, but we will look to learn where we make mistakes, and our external Board evaluation is assisting us in highlighting areas for improvement. In 2014/15 we continued to make strong progress in improving how the Trust is governed, and we will strive to continue this improvement agenda in 2015/16 and beyond to ensure we deliver the best quality of care that we can to patients and at the same time satisfy our regulatory conditions.

Much work was undertaken during the year with regard to quality governance, 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 we were required to declare to Monitor that we 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.

The Board regularly assesses its score against each of the elements of the Quality Governance Framework, and that assessment has 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 maintain the Board's score at below four and to sustain improvement going forwards in terms of delivering against the Trust's governance plans as part of its discretionary requirements.

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. The Trust continued to be actively involved in clinical research with our 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 2015/16. 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, sex, sexual orientation, gender reassignment, race, religion and belief, pregnancy and maternity, and marriage and civil partnership – 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 (see 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.

Patient care

Operational performance

Our achievements during 2014/15 and our quality performance are detailed in our Strategic and Quality Reports. In performance terms, 2014/15 has been another challenging year for the Trust with increases in activity and demand being experienced locally. Activity has grown in the following areas since 2013/14:

- Emergency department (ED):
  - Attendances have increased by 3.9%
  - The proportion of ED majors has increased from 36.7% to 39.0%
- Emergency admissions have increased by 4.7%
- Elective day cases have increased by 2.4%.

Exceptions to this pattern of increased activity are decreases in elective inpatient activity of 4.5% and outpatient activity of 4.1%, which reflects a period of cancelled appointments during January 2015 in response to intense winter pressures and associated performance challenges. Our performance against standards and targets has been mixed, as the following indicators demonstrate:

Integrated performance measure	Threshold	2014/15
Maximum time of 18 weeks from point of referral to treatment in aggregate – admitted	18 weeks 90%	88.9%
Maximum time of 18 weeks from point of referral to treatment in aggregate – non-admitted	18 weeks 95%	93.4%
Maximum time of 18 weeks from point of referral to treatment in aggregate – patients on an incomplete pathway	18 weeks 92%	89.4%*
A&E clinical quality: total time in emergency department (% <4 hour wait)	4 hours 95%	92.33%
Cancer 2 week wait: all cancers	93%	93.5%
Cancer 2 week wait: breast symptomatic	93%	95.1%
Cancer 31 day wait: from diagnosis to first treatment	96%	98.8%
Cancer 31 day wait: for subsequent treatment – surgery	94%	97.8%
Cancer 31 day wait: for subsequent treatment – drugs	98%	99.7%
Cancer 62 day wait: urgent referral to treatment	85%	86.0%
Cancer 62 day wait: for first treatment – screening	90%	95.5%
Clostridium (C) *difficile* – meeting the C. *difficile* objective	37	67

Infection prevention control: MRSA bacteraemia (no. of cases attributed to Trust)	0	0
Access to healthcare for people with learning disabilities	Compliant	
Data completeness: community services		
Referral to treatment information	50%	92.0%
Referral information	50%	54.8%
Treatment activity information	50%	76.8%

This reflects system-wide pressures in health and social care, as well as an ever greater need to improve the efficiency of our services.

Service and quality improvements

During 2014/15 we have applied significant focus to improving the quality of our services. Whilst much of the progress that we have made is described in more detail in our Strategic and Quality Reports, it is important to highlight a number of developments here. Firstly, our Quality Improvement Plan (which constitutes the outstanding actions required following CQC visits in 2013 and 2014) demonstrates and evidences progress across a number of important areas, including:

- The recruitment of a substantive chief financial officer
- Strengthened governance arrangements, including the development of our governance support unit to support risk management and organisational learning
- Actions to embed our *Quality for all* values and behaviours, including their incorporation into staff appraisals
- The implementation of new leadership development programmes and opportunities
- The commencement of eight practice development matrons in post to support improved staff performance and clinical excellence
- Strengthened nurse staffing in our emergency department and emergency assessment unit
- An improved and updated whistleblowing policy
- An improved approach to the management of medical equipment and devices, including a new IT system for tracking maintenance
- Strengthened medicines management systems in which we have seen critical medication omissions fall from five per cent to less than two per cent
- Improved management of patient records
- The development of an end of life care strategy and action plan to ensure that end of life care is responsive to patients' needs and preferences.

In our approach to handling feedback and complaints we have made significant progress. In particular:

- Every complainant is now contacted verbally by the Trust
- The Trust is working to NHS regulations to provide a response to patient complaints within 25 working days

Further detail is included in the Quality Accounts and Report.

While we are pleased with the progress that has been made in 2014/15, we recognise that there is much more to do in the year ahead. The quality improvement plan highlights a number of areas that continue to require particular focus, including:

- Improving our infection prevention and control, recognising our higher than planned incidence of C.diff (67 against a target of 37)
- Improving adult safeguarding
- Improving engagement with our staff.

Stakeholder relations

Better Together

We have continued to develop strong partnerships with the local health community, particularly through the Better Together programme. In the last year, this has involved developing strategic relationships with a number of other local providers in response to the re-commissioning process recently launched by our local Clinical Commissioning Groups (CCGs). Our coordinated response to this as providers builds on the partnership working that has become increasingly important over recent years as we seek to provide integrated services for the populations we serve. Specific examples of services delivered in partnership can be found in our Strategic Report.

The Better Together transformation programme has encapsulated the most important aspects of partnership development in 2014/15, representing 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, generating 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 with 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 the future.

Going forward

The Trust will continue to face a major financial challenge with a significant underlying deficit. The NHS operating environment will continue to be challenging with a need to deliver significant and recurrent efficiency improvements, whilst safeguarding and enhancing the quality of patient care provided: it is therefore unlikely the Trust will be able to return to financial surplus without a local health economy solution.

The Trust has signed its clinical contracts with all its commissioners and operates under the National Payment by Results (PbR) regime. Our local health economy is a vanguard site and 2015/16 may be the last year that the Trust operates under the PbR regime with our Mid-Notts commissioners progressing a move to a form of outcomes-based capitation contracting under lead provider arrangements. We are committed with our commissioners to delivering the Mid-Notts Better Together programme and continue to focus on moving the treatment of patients, where appropriate, out of an acute setting and reducing the length of time patients spend inappropriately in an acute bed.

The Trust will continue to work with its turnaround director, its commissioners, Monitor and other stakeholders to develop long term plans. These plans incorporate:

- A significant internal efficiency improvement challenge (which, in order to reduce the Trust's deficit, will need to exceed the proposed annual efficiency targets that are imposed each year through reductions to national tariffs)
- An increased financial contribution from the clinical services that we already provide (in partnership with commissioners and other providers)
- Continuing to focus on providing excellent quality of patient care, delivering operational targets and improving internal governance arrangements
- Working in partnership with commissioners and community services to avoid unnecessary hospital attendances and delays to discharge, in order to assist capacity pressures and understand the need for services in the community
- Finding a solution to the affordability of the Trust's PFI scheme.

The delivery of these long term plans will depend partly on the Trust's ability to fulfil a number of challenging internal objectives but also on gaining the support and co-operation of a large number of stakeholders (including the Department of Health, Monitor, our commissioners and other providers) to drive the necessary changes to the local health system.

The success of commissioners' activity plans to treat more patients outside of an acute setting is a major factor in the Trust's ability to achieve its financial and efficiency targets.

The Trust is again expecting to incur a deficit during the next 12 months and as a result will require significant additional external funding. Our regulator Monitor has been informed of the indicative capital and revenue support requirements, which will require approval by the Department of Health as capital/revenue loans, alongside a WCF to cover any short term funding requirements.

It is acknowledged that the Trust requires a viable medium to long term solution, with full engagement from our commissioners and partners. This is predicated on receiving a total of c£50.95m of additional funding in the form of a long term loan, which is being drawn down in line with the schedule provided to our Regulator. In addition the Trust is required to have a £7.39m working capital facility in place to cover unplanned cash shortfalls.

Of the total additional funding required, the Trust has received formal confirmation from the Department Of Health that £28.9 million will be provided, which covers the period to the end of July 2015. Thereafter, any future funding (£15.6m for the remainder of 2015/16) is not formally approved at the date of the audit opinion.

The future funding requirement is predicated on the receipt and approval by Monitor of the Trust's long term financial model, which the Trust will submit in October 2015.

Although, based on past performance, the directors have a reasonable expectation that the funding will be received, this presents a material uncertainty as to the whether the remaining funding required for 2015/16 will be received.

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.

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.

Although we all have a lot to be proud of here at the Trust, the Francis report and other NHS inquiries have 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 and other reports in order to maintain and improve the care we deliver to patients.

Commissioning intentions for 2015/16 continue to focus on delivering the intended benefits of the Better Together programme which include reducing demand into the Trust through the redesign of patient pathways and models of delivery under locally agreed quality, innovation, productivity and prevention initiatives (QIPP). Key challenges will be to maintain and flex capacity to deliver performance while removing costs associated with shifts in commissioned care and the associated shift in income out of acute services.

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 further developed 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 as there remains much to do.

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 through our short and long term recovery plans, along with the support of our turnaround team and improvement director to have shown sufficient improvement for 2015/16 to be a year in which we are enabled to begin to set our own strategic direction for the benefit of the patients and communities we serve and for our colleagues.

Sherwood Forest Hospitals NHS
NHS Foundation Trust

Corporate Governance Report

Sherwood Forest Hospitals NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

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 welcomed a number of new members to the Board, each bringing 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 and committee membership is included earlier in this Annual Report.

Chairman Sean Lyons 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 and presents the outcomes of such to the Governor Nomination Committee. Furthermore the chairman carries out the appraisal of the chief executive.

Paul O'Connor, substantive Chief Executive in 2014/15 is 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) 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.

During the year time has been spent with the governors to understand views of the Trust and its strategies, and all Board members attend the Council of Governors, and governors attend the Board and its committees as observers. Surveys of members have supported our understanding of the things that matter to patients, but we recognise more work needs to be done to make membership more meaningful for those that would wish to be more involved.

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 has been reviewed in 2014/15, and has in date and relevant terms of reference for the Board's key committees. The Board receives monthly updates on performance and delegates management, through the chief executive, for the overall performance of the 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.

During the year an engagement policy has been developed with the Council of Governors in recognition of the recommendations contained in the Code of Governance to address engagement between the Board of Directors and the Council of Governors. This policy outlines the mechanisms by which the Council of Governors and Board of Directors will interact and communicate with each other to support ongoing interaction and engagement, ensure compliance with the regulatory framework and specifically provide for those circumstances where the Council of Governors has concerns about the performance of the Board of Directors, compliance with the Trust's Provider Licence, or other matters related to the overall wellbeing of the Trust.

Committees of the Board

Audit and Assurance Committee

The Audit and Assurance Committee was chaired by Ray Dawson, who is a fellow of the Chartered Institute of Management Accountants and has extensive financial expertise. The committee membership comprises wholly non-executive directors with executives and others in attendance. Attendance at meetings is detailed below:

Ray Dawson	6/8
Mark Chivers	7/8
Peter Marks	8/8

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

- Monitor the integrity of the financial accounting 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 ensuring 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 non-executives routinely hold meetings during the year with both internal and external audit without the executives present. The committee also received detailed Board Assurance Reports from lead directors with regard to the effectiveness of controls managing the principal risks to achievement of the Trust's strategic objectives, utilising the finance and quality committee assurances from their own reviews of strategic risk as necessary and recognising, but not specifically relying upon, the flow of oversight through Trust Board and its committees.

The committee works with the counter fraud service 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 counter fraud service has a standing invitation to all meetings, with relevant policies readily available on the Trust's intranet.

The Audit Committee routinely receives financial information, including cash and liquidity and the going concern status of the Trust, as well as operational information. This includes assurance from the finance 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. Where recommendations have been received as part of internal or external reviews, agreed actions are tracked by the committee to ensure they are addressed.

As part of the year end process and approval of the accounts for the Board for ratification, the committee reviews and gains assurance from:

- Internal audit assurance report and opinion
- 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. 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 that strengthen interactions with one another.

Internal audit (360 Assurance)

The audit plan for 2014/15 was developed in line with the mandatory requirements of the NHS Internal Audit Standards. 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 are sustainably implemented within the organisation.
Following their review, any remaining unimplemented recommendations are escalated to the Audit and Assurance 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 following a tender exercise as the Trust's external auditors from 1 November 2012 for a period of three years with a two year contract extension option. We incurred £67,000 in audit service fees in relation to the statutory audit of our accounts for the twelve month period to 31 March 2015 (£75,000 for period to 31 March 2014). Non-audit services amounted to £29,000 (£54,000 for the period to 31 March 2014). 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 2015 and ongoing, the membership comprises Sean Lyons as Chairman and all non-executive directors, with Gerry McSorley and Peter Marks as core members during the year. The attendance of core members is detailed within the Remuneration Report.

The committee's 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 the Annual Report. The remuneration of the non-executive directors is determined by the Council of Governors via recommendations from its own Remuneration and Nomination Committee.

Committee of the Council of Governors

The Remuneration and Nomination committee comprises Sean Lyons as Chairman and representatives from the public, staff and partner governor classes, membership of which is detailed within the Council of Governor section of the 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, and it 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.

Committees of the Board of Directors

During the year the committees of the Board, in addition to the Audit and Assurance Committee, each of which were chaired by a non-executive director, also included:

- Quality Committee (from 1 April 2014) chaired by Peter Marks which enabled the Board to obtain assurance regarding standards of care provided by the Trust and that adequate and appropriate clinical governance structures, processes and controls were in place

- Finance Committee (from 1 April 2014) chaired by Gerry McSorley which has overseen the development and implementation of the Trust's strategic financial plan and overseen management of the principal risks to the achievement of that plan.

The terms of reference of the Board committees reflect the required focus on integrated risk, performance and quality management.

The Trust also has a Charitable Funds Committee, chaired by Tim Reddish, ensuring the stewardship and effective management of funds which have been donated, bequeathed and given to the Sherwood Hospitals General Charitable Fund for charitable purposes.

Health and safety

The Trust takes the health and safety of its patients, staff and visitors very seriously 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 and the Audit and Assurance Committee has paid close attention to awareness of bribery and corruption obligations.

We continue to work to maintain an anti-fraud culture and have a range of policies and procedures to minimise risk in this area. There were a number of communications over the year to highlight how staff should raise concerns and suspicions. Staff also have access to counter fraud awareness training which is 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 its assets. We are committed to the elimination of fraud and illegal acts within the Trust and ensure 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 concern about potential fraud. This is reinforced by awareness training. Any concerns are investigated by our local counter fraud specialist or CFSMS as appropriate. All investigations are reported to the Audit and Assurance Committee.

NHS Litigation Authority

We were last assessed by the NHS Litigation Authority (NHSLA) against their risk management standards for acute Trusts in 2002 and achieved Level 1. We were assessed for maternity services (Clinical Negligence Scheme for Trusts – CNST) in November 2013 and achieved Level 2. Level 3 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.

The discount scheme relating to the levels achieved and associated premiums has ceased for 2015/16. This has resulted in average national increases in premiums of 35% for 2015/16. The previous risk management discount scheme reduced the Trust's premium by £0.74m.

The Trust's CNST premium has increased by £2.67m (£4.86m to £7.53m) – this is a 55% increase.

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 Board of Directors is committed to high standards of corporate governance. For the year ended 31 March 2015, the Board considers that it was, throughout the year, fully compliant with the provisions of the NHS Foundation Trust Code of Governance with the following exceptions where we have alternative arrangements in place.

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. The Board continued its programme of Board development which included looking at a deeper understanding of the compliance and performance information the Board receives. This included ongoing improvements in the corporate governance arrangements for the Trust, many of which were borne out of the work emanating from Foresight Partnership's Board effectiveness review and reviews into financial governance in year.

There will be additional and ongoing development sessions for the full Board of Directors in 2015 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 continue to learn and develop through the new skills and experiences of those on 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 and will continue to assess the effectiveness of the Board following the external assessment through the Foresight Partnership in December 2014. The outcome of the external assessment has led to an action plan being formulated in order to continually improve the effectiveness of the Board. The external facilitator of our board effectiveness review, Foresight Partnership, has no other connection with the Trust.

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 build on improvements through its exceptional staff to respond to these challenges.

During the year the Constitution of the Trust was reviewed to reflect the provisions of the Health and Social Care Act. The Trust ensured due regard was taken to its legal obligations and implemented a governor development programme that accorded with, and ensured a detailed understanding of, the new requirements of the Act, including equipping the governors with the requisite knowledge and skills.

Following a review of the Constitution led by the Governors, a revised Constitution was approved in May 2014 by the Board of Directors and the Council of Governors.

The roles and responsibilities of the Council of Governors are described in the Constitution together with detail of how any 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 was comprehensively reviewed during 2014/15. This sets out, explicitly, those decisions which are reserved to the Board, those which may be determined by standing committees and those which are delegated to managers.

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 received 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.

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 directors of the Board are appraised by the chief executive who is in turn appraised by the chairman. The Council of Governors does not routinely 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 NHS Appointments Commission in relation to NHS trusts or the NHS Confederation, together with benchmark data from NHS Providers and Capita.

Register of interests

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 risk assessment framework sets out the approach which Monitor takes to assess the compliance of NHS foundation trusts with their terms of authorisation, with a particular focus on financial and governance risk. The aim of a Monitor assessment under the risk assessment framework 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. The continuity of services risk rating identifies the level of risk to the ongoing availability of key services.

There are three categories to the 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 2014/15 forecast a financial risk rating of one (where one is poor and five is excellent) with a forecast governance risk rating of 'red'. Below is the outcome for each quarter of the year and a comparison of the previous year

	Annual plan 2014/15	Q1 2014/15	Q2 2014/15	Q3 2014/15	Q4 2014/15
Under the risk assessment framework					
Governance risk rating	Red	Red	Red	Red	Red
Continuity of service rating	1	1	1	1	1
	Annual Plan 2013/14	Q1 2013/14	Q2 2013/14	Q3 2013/14	Q4 2013/14
Governance risk rating	Amber/Green	Amber/red*	Amber/red*		
Continuity of service rating	1*	1*	1*	1	1

- Under the compliance framework – predating risk assessment framework

The Trust has updated Monitor regularly through the performance review meeting (PRM) process, providing updates on progress with the improvement agenda.

The Board, in its annual plan 2014/15, highlighted performance risks in respect of C.difficile and potential challenges in respect of A&E. However, as stated previously in the Annual Report, during the year there have also been significant challenges with RTT 18 weeks. Details of full year performance can be found in the performance table in the directors' report section. These outcomes have been reported to Monitor through the PRM process and monthly and quarterly monitoring and are made available each month on the website through the Board meeting papers.

Sherwood Forest Hospitals NHS
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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, Parts 2 and 4 of Schedule 8 of the Regulations and the NHS Foundation Trust Code of Governance.

Details of executive directors' remuneration and pension benefits are set out in the tables below. This information has been subject to audit.

Senior managers' disclosure

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 of 31 March 2015 for more than £220 per day and more than six months

Number of engagements	0
Of which:	
Number that have existed less than 12 months	n/a
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	n/a
Left during the period	n/a
Of which:	
Number for whom assurance has been requested and received	n/a

Off payroll engagements that reached six months' duration between 1 April 2014 and 31 March 2015 for more than £220 per day

Number of 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
Left during the period	1
Of which:	
Number for whom assurance has been requested and received	1

Off payroll engagements of board members with significant financial responsibility, between 1 April 2014 and 31 March 2015.

Number of engagements	2
Of which:	
Number that have existed less than 12 months	2
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	2
Left during the period	1
Of which:	
Number for whom assurance has been requested and received	2

Two executive directors left during the year. While active recruitment was undertaken, it was not possible to appoint to these posts in the short term. Due to the nature of the posts, interim appointments were therefore made. The duration of appointment were:

Chief financial officer: 1 August 2014 to 23 March 2015
Director of operations: 5 January 2015 – on-going.

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.

.2	2014/15						2013/14					
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 (bands of £5,000)	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 (bands of £5,000)
Executive Directors												
Mr P O'Connor [1] (Chief Executive) Appointed 10 June 2013	195 – 200	105 - 115	0	29	90 – 92.5	425 – 430	160 – 165	0	0	23	112.5-115	295 – 300
Mr P Robinson (Chief Financial Officer) Appointed 23 March 2015	0 - 5	0	0	0	0	0 - 5	N/A	N/A	N/A	N/A	N/A	N/A
Mrs M Ashworth (Interim Chief Financial Officer) Appointed 1 August 2014	210-215	0	0	0	0	210-215	N/A	N/A	N/A	N/A	N/A	N/A
Ms F Steele	45-50	0	0	7	32.5-35	85-90	140-145	0	0	20	37.5-40	195-200

(Chief Financial Officer) Left 31 July 2014												
Mrs S. Bowler (Executive Director of Nursing and Quality)	100 - 105	0	6,800	14	5-7.5	130-135	100 – 105	0	6,500	14	75-77.5	195 – 200
Ms K. Fisher (Executive Director of Human Resources)	100 - 105	0	4,600	14	5-7.5	125-130	100 – 105	0	6,000	14	87.5-90	210 – 215
Dr A Haynes[2] (Interim Executive Medical Director from 1 October 2013)	160-165	0	0	19	500-505	685-690	85 – 90	0	0	0	N/A	85 - 90
Ms K Rogers (Non-voting Director of Corporate Services/ Company Secretary) Appointed 27 August 2013	95-100	0	0	15	12.5-15	125-130	55 – 60	0	0	9	22.5-25	86 – 94
Mr P Wozencroft (Non-voting Director of Strategic Planning and Commercial Development)	100-105	0	0	15	17.5-20	130-135	30-35	0	0	5	22.5-25	60-65

Appointed 2 December 2013												
Ms S Barnett (Interim non-voting Director of Operations) Appointed 5 January 2015	90-95	0	0	0	0	90-95	N/A	N/A	N/A	N/A	N/A	N/A
Ms J Tuffnell [3] (Non-voting Director of Operations) Left 31 December 2014	75-80	50-55	4,700	11	27.5-30	170-175	80 – 85	0	3,200	12	160-162.5	260 – 265
Dr N. Ali (Executive Medical Director) Left 30 September 2013	N/A	N/A	N/A	N/A	N/A	0	10-15	90-95	2,900	12	67.5-70	185-190
Ms L. Dadge (Non-Voting Commercial Director. On secondment from January 2013. Left 30 June 2013.)	N/A	N/A	N/A	N/A	N/A	0	25 - 30	5 - 10	0	4	N/A	34 – 44
Mr I. Greenwood (Interim Director of Strategic Planning and	N/A	N/A	N/A	N/A	N/A	0	130 - 135	0	0	0	N/A	130 – 135

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)	Pensions Related Benefit (bands of £2,500)	Total
Commercial Development. In post from 18 January 2013 to 1 December 2013)												
Mr E. Morton (Interim Chief Executive Officer. Left 9 June 2013)	N/A	N/A	N/A	N/A	N/A	0	70 - 75	0	0	0	N/A	70-75
Non-Executive Directors												
Mr S. Lyons (Started 1 May 2013, Chair from 10 June 2013)	50-55	0	0	0		50-55	40-45	0	0	0		45 – 60
Mr J. Chivers (Appointed 8 July 2013)	10-15	0	0	0		10-15	5 – 10	0	0	0		5 – 10
Mr R. Dawson (Appointed 1 June 2013)	10-15	0	0	0		10-15	10 – 15	0	0	0		10 – 15
Mr P. Marks (Appointed 1 May 2013)	10-15	0	0	0		10-15	10 – 15	0	0	0		10 – 15

Dr J. McSorley (Appointed 1 May 2013)	10-15	0	0	0		10-15	10 – 15	0	0	0		10 – 15
Mr T. Reddish (Appointed 8 July 2013)	10-15	0	0	0		10-15	5 – 10	0	0	0		5 – 10
Ms C. Ward (Appointed 1 May 2013)	10-15	0	0	0		10-15	10 – 15	0	0	0		10 – 15
Mr C. Bellringer (Left 31 May 2013)	N/A	N/A	N/A	N/A		0	0 – 5	N/A	N/A	N/A		0 – 5
Mr S. Grasar (Left 31 October 2013)	N/A	N/A	N/A	N/A		0	5 – 10	N/A	N/A	N/A		5 – 10
Mr D. J. Leah (Left 31 October 2013)	N/A	N/A	N/A	N/A		0	5 – 10	N/A	N/A	N/A		5 – 10
Mr C. Mellor (Chair - From 8 October 2012, to 9 June 2013)	N/A	N/A	N/A	N/A		0	50 – 55	N/A	N/A	N/A		50 - 55
Mr M. Obhrai (Left 31 May 2013)	N/A	N/A	N/A	N/A		0	0-5	N/A	N/A	N/A		0 – 5
Ms L. Barnett (Non-Executive Advisor from 15 January 2013)	N/A	N/A	N/A	N/A		0	0-5	N/A	N/A	N/A		0 – 5

Benefit in kind relates to lease car P11D taxable charge

[1] 2014/15 other remuneration relates to pay in lieu of notice accrued in 2014/15. Left the Trust 9 April 2015.

[2] 2013/14 costs disclosed relate to recharges from substantive employer during period of interim appointment, plus substantive salary. 2014/15 pension increase is due to effect of prior part year disclosure as executive director.

[3] 2013/14 figures relate to a 10 month period - April/May 2013 services received on a no-fee secondment. Other remuneration relates to pay in lieu of notice.

27.3 Hutton disclosure

	2014/15	2013/14
Band of highest paid directors’ remuneration (£000’s)	200-205	200-205
Median total remuneration	22,016	22,636
Ratio of median to highest paid director	9.20	8.95
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 Pension disclosure

2014/15

Name and Title	Real increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at aged 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2015 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2015 (bands of £5,000)	Cash Equivalent Transfer Value at 1 April 2014	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 1 April 2015	Employer's contribution to stakeholder pension
Executive Directors	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Mr P. O'Connor	2.5 - 5	15 - 17.5	55 – 60	165 - 170	1054	117	1197	82
Mrs S. Bowler	0 - 2.5	0 - 2.5	40 – 45	120 - 125	695	26	738	18
Mrs K Rogers	0 - 2.5	0 - 2.5	10 – 15	35 - 40	183	15	203	11
Ms F. Steele	0 - 2.5	0 - 2.5	5 – 10	0 - 5	84	22	107	15
Mr P. Wozencroft	0 - 2.5	2.5 – 5	35 – 40	85 - 90	456	26	494	18
Ms K. Fisher	0 - 2.5	0 - 2.5	40 – 45	125 - 130	740	26	785	18
Dr A. Haynes	20 - 22.5	85 - 87.5	60 – 65	185 - 190	816	480	1316	336
Mrs J. Tuffnell	0 - 2.5	2.5 – 5	30 – 35	100 - 105	475	33	520	23
Ms L. Dadge	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dr N. Ali	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.

2013/14

Name and Title	Real increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at aged 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2015 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2015 (bands of £5,000)	Cash Equivalent Transfer Value at 1 April 2014	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 1 April 2015	Employer's contribution to stakeholder pension
Executive Directors	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Mr P. O'Connor	2.5 - 5	15 - 17.5	50 – 55	150 - 155	902	129	1054	91
Mrs S. Bowler	2.5 - 5	12.5 – 15	35 – 40	115 - 120	603	77	695	54
Mrs K Rogers	0 - 2.5	2.5 – 5	10 – 15	30 - 35	159	20	183	14
Ms F. Steele	0 - 2.5	0 - 2.5	5 – 10	0 - 5	58	24	84	17
Mr P. Wozencroft	0 - 2.5	2.5 – 5	25 – 30	80 - 85	416	30	456	21

Ms K. Fisher	2.5 - 5	15 - 17.5	40 – 45	125 - 130	636	88	740	62
Dr A. Haynes	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mrs J. Tuffnell	5 - 7.5	27.5 – 30	30 – 35	95 - 100	362	104	475	73
Ms L. Dadge	0 - 2.5	5 - 7.5	10 – 15	35 - 40	202	31	238	22
Dr N. Ali	2.5 - 5	10 - 12.5	65 – 70	205 - 210	1336	102	1472	72

Related party transactions

No related party transactions have been identified from a review of the register of interests.

Signed: Acting Chief Executive Officer 28 May 2015
Karen Fisher

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, the following non-executive directors have served on the committee as core members:

	Attendance:
Sean Lyons (Chairman)	3/3
Gerry McSorley (Senior independent director)	2/3
Peter Marks	3/3

The committee also invited the assistance of the chief executive (Paul O'Connor), the executive director of human resources (Karen Fisher) and 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 three occasions during 2014/15.

Annual Statement on Remuneration

The Chair of the Remuneration Committee, Sean Lyons, states there have been no major decisions, nor substantial changes to any senior managers remuneration.

Senior Managers 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 to ensure it is positioned to deliver its business plans.

The Trust defines its senior managers as those managers who have the authority or responsibility for directing or controlling the major activity of the Trust i.e. those who influence the Trust as whole. The Trust therefore defines these as members of the Board of Directors only.

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 2014/15. 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.

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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.
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 NHS Providers and the wider pay policies of the NHS).

Executive appointments to the Board of Directors continue under permanent contracts and during 2014/15 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 2014/15, details of which are contained within tables on pages 99 to 103.

During the year the non-executive directors successfully appointed a new chief financial officer, starting at the Trust on 23 March 2015.

No executive directors of the Trust served as a non-executive director elsewhere during the year.

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.

The remuneration framework, as agreed previously by the Council of Governors, is consistent with best practice and external benchmarking, and remuneration during 2014/15 has been consistent with that framework. There were no cost of living increases applied for non-executive directors during 2013/14 or 2014/15.

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 commenced the process to appoint a replacement non-executive in order to succession plan for the departure of Gerry McSorley who leaves the Trust in May 2015.

The process accords with the rules governing appointments of non-executive directors as laid out in the Trust's Constitution and included the support of an external recruitment agency.

Termination payments

There were no termination payments made to Board members during 2014/15.

Off payroll arrangements

Highly paid/or senior off payroll engagements are detailed on pages 99 to 103.

The Trust does not routinely use off-payroll arrangements, however there are exceptional circumstances when the Trust uses interim staff to fulfil specialist roles or difficult to fill posts within the organisation. Such arrangements are subject to a robust process, authorised by the relevant executive director or Finance Committee, following which individuals are subject to all required checks including those related to tax and national insurance.

Governor and director expenses

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

Directors		TOTAL PAID 2014/15	TOTAL PAID 2013/14
Sean Lyons	Chairman	3642.95	2370.24
Peter Marks	Non-executive Director	446.22	0.00
Gerry McSorley	Non-executive Director	3548.25	243.27
Ray Dawson	Non-executive Director	1631.45	639.46
Claire Ward	Non-executive Director	1421.60	43.68
Mark Chivers	Non-executive Director	741.26	0.00
Tim Reddish	Non-executive Director	1309.92	0.00
Paul O'Connor	Chief Executive	3175.70	1471.90
Andrew Haynes	Executive Medical Director	0.00	Not on SFHT payroll
Fran Steele (left Aug14)	Chief Financial Officer	158.25	0.00
Karen Fisher	Executive Director of Human Resources	80.42	92.40
Susan Bowler	Executive Director of Nursing and Quality	327.04	233.61
Peter Wozencroft	Director of Strategic Planning and Commercial Development	1342.27	0.00

Kerry Rogers	Director of Corporate Services	0.00	0.00
Jacqui Tuffnell (left Dec 14)	Director of Operations	184.61	199.50
Margaret Ashworth (Commenced Aug 14)	Interim Chief Financial Officer	0.00	0.00
Susan Barnett (Commenced Jan 15)	Interim Director of Operations	0.00	0.00
Paul Robinson (commenced March 23)	Chief Financial Officer	0.00	0.00
Chris Mellor	Interim Chairman	0.00	Not on SFH payroll
Eric Morton	Interim Chief Executive	0.00	Not on SFH payroll
Charles Bellringer	Interim Non-executive Director	0.00	4894.35
David Leah	Interim Non-executive Director	0.00	1327.92
Louise Barrett	Interim Non-executive Director	0.00	Not on SFH payroll
Manjit Obhrai	Interim Non-executive Director	0.00	709.84
Nabeel Ali	Executive Medical Director	0.00	0.00
Stuart Grasar	Non-executive Director	0	325.92
TOTAL		18009.94	12552.09

Governors		**Total paid 2014/15**	**Total paid 2013/14**
Samantha Annis	Staff Governor, Newark Hospital	No Claim	£ 17.40
Paul Baggaley (Resigned 20.02.2014)	Public Governor, Newark and Sherwood (Resigned 20 Feb 2014)	£36.06	£248.51
Colin Barnard	Pubic Governor, Ashfield	No Claim	No Claim
Jim Barrie	Public Governor, Newark and Sherwood	£239.75	£232.06
Alison Beal	Staff Governor, King's Mill Hospital	No Claim	No Claim
Wesley Burton	Staff Governor, King's Mill Hospital	£21.56	No Claim
Angie Emmott	Staff Governor, Newark Hospital	£14.50	£21.54
Craig Gunton-Day (resigned)	Public Governor, Ashfield	No Claim	£121.09
Richard Hallam (Resigned)	Public Governor, Mansfield	No Claim	
Patricia Harman	Appointed Governor, Vision West Notts	No Claim	£17.64
Louise Knott (appointed March 2015)	Appointed Governor, Vision West Notts	No Claim	No claim
Nicola Juden	Volunteer Governor, Newark Hospital	No Claim	No Claim
Andy March	Public Governor, Mansfield	No Claim	No Claim
Nigel Nice	Public Governor, Newark & Sherwood	£476.75	£486.30
Roz Norman	Staff Governor, King's Mill Hospital	No Claim	No Claim
Annie Palmer	Public Governor, Rest of the East Midlands	No Claim	No Claim
Mick Parker	Public Governor, Ashfield	No Claim	No Claim
David Payne	Appointed Governor, Newark & Sherwood District Council	No Claim	No Claim
Beryl Perrin	Public Governor, Ashfield	£25.00	No Claim
Martin Stott	Public Governor, Newark & Sherwood	£341.41	£248.46
Amanda Sullivan	Appointed Governor, NHS Nottinghamshire	No Claim	No Claim

John Swanwick	Public Governor, Mansfield	£50.92	£99.40
John Barsby (Elected Oct 14)	Public Governor, Mansfield		N/A
Kevin Stewart (Elected Oct 14)	Public Governor, Ashfield		N/A
Sue Holmes (Elected Oct 14)	Public Governor, Ashfield		N/A
Sue Moss (Elected Oct 14)	Public Governor, Newark & Sherwood		N/A
Ron Tansley	Volunteer Governor, King's Mill Hospital	No Claim	£227.20
Diane Wright	Public Governor, Mansfield	No Claim	No Claim
Valerie Bacon	Public Governor, Derbyshire	£232.53	£242.49
Nicola Waller	Public Governor, Derbyshire	£215.97	£163.57
Jim Aspinall	Appointed Governor, Ashfield District Council	No Claim	No Claim
Yvonne Woodhead	Appointed Governor, Nottinghamshire County Council	No Claim	No Claim
Sonia Ward	Appointed Governor, Mansfield District Council	No Claim	No Claim
TOTAL		1654.45	2125.66

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 ………………………………………..
Chief Executive

Date ………………………………………..

Statement of accounting officer's responsibilities

Statement of the chief executive's responsibilities as the accounting officer of Sherwood Forest Hospitals NHS Foundation Trust.

The NHS Act 2006 states that the chief executive 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 Account Officer Memorandum* issued by Monitor.

Under the NHS 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…………………………………

Karen Fisher – Acting Chief Executive Date: 28th May 2015

Sherwood Forest Hospitals NHS

NHS Foundation Trust

Annual Governance Statement

Scope of responsibility

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

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 and following a review of the structure to ensure the appropriate delineation of responsibilities with regard to Board and executive management, the new structure commenced from 1 April 2014 with all Board committees being wholly NED membership and executives and senior managers in attendance – in order that we strengthen the foundations for holding the executives to account for the delivery of Trust objectives.

During 2014/15 the Audit Committee has 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 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 improved with regard to alignment to the strategic priorities of the Trust and during the last two quarters of the year has begun to be more dynamic through executive lead Board Assurance Reports (BARs) in assuring Board of the effectiveness of managing strategic risks. The work undertaken to improve management of strategic risk demonstrates an audit trail of progress with regard to the management of risk and identification of any gaps in controls, thereby better safeguarding the achievement of the Trust's strategic objectives.

Given the challenges faced by the Trust in terms of regulatory actions in particular, the key role of the Trust's project management office and governance support unit this year has been to oversee both compliance and quality assurance with regard to the Trust's quality strategy and quality account priorities, and its quality improvement plan. This focus has supported the Trust in achieving improvements in its service delivery, its quality and service improvement programmes/action plans thus minimising risk of non-compliance in these areas and helping the Trust to accomplish its objectives and evidence continuing improvement by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of assurance processes.

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 and the Trust has worked closely with the CCGs in particular to support their oversight of the quality and performance of the Trust's services, to support delivery of Better Together and to collaborate in connection with co-commissioning and exciting new models of service delivery.

For the year ending 31 March 2015 the Trust has recorded a financial deficit greater than planned but continues to forge ahead with initiatives that support reduced reliance on acute services in the future. The continuing work with commissioners to contribute to safeguarding the on-going viability of the Trust is actively supporting service redesign; the sensible and fair management of penalties; contract performance and the cost improvement programmes and the commissioners recognise and are reacting to our dependency on the delivery of commissioner-led demand management schemes to help reduce the non-elective pressures. The Board recognises the Trust requires a viable medium / long term financial solution which as previously stated is predicated on receiving a total of c£50.95m of additional funding in the form of a long term loan, which is being drawn down in line with the schedule agreed with our Regulator. In addition the Trust is required to have a £7.39m working capital facility in place to cover unplanned cash shortfalls.

Of the total £50.95m additional funding required, the Trust has received formal confirmation from the Department Of Health that £16.7 million will be provided, which covers the period to the 11th of July 2015. Thereafter, any future funding (£34.2m for the remainder of 2015/16) is not formally approved at the date of the audit opinion. The future funding requirement is predicated on the receipt and approval by Monitor of the Trust's Short Term Financial Plans in July 2015, and Long Term Financial Model which the Trust will submit in October 2015. Although, based on past performance, the Directors have a reasonable expectation that the funding will be received, this presents a material uncertainty as to the whether the remaining funding required for 2015/16 will be received.

Monitor notified the Trust at the end of April 2015 that a Section 106 condition had been imposed as a result of the Trust breaching conditions Co33(1), FT4(5)(a), FT4(5)(d) and FT4(5)(g). This is because of concerns over its financial governance and the sustainability of its long term financial plan, as well as the unforeseen deterioration in the financial position, which is forecast to significantly worsen in 2015/16. It is also forecast to remain breach of its Terms of Authorisation for at least the next twelve months.

Monitor has also decided to impose the additional licence condition under section 111 of the Health and Social Care Act 2012. This requires the Trust to ensure that it has in place sufficient and effective Board management and clinical leadership capacity and capability. Any failure to comply with the additional licence condition would render the Trust liable to further formal action to Monitor, this could include requiring the Trust to remove one or more of its Directors, or members of the Council of Governors.

The appointment of a turnaround director in March 2015 will ensure additional capacity is focused on developing a robust and defensible short and long term financial recovery plan. Although it is inevitable this will continue to deliver an annual deficit position for years to come, and will demand the need for continuing funding, it is imperative that the Trust is improving its financial position year on year. The full appreciation of the form of this support is currently being worked through as stated above and also in the Directors' Report and, although based on past performance the Directors have a reasonable expectation that the funding will be received, this presents a material uncertainty as to whether the remaining funding required for 2015/16 will be received.

Significant breach of the Trust's terms of authorisation

As reported in last year's statement, in September 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, which have continued during 2014/15 in order to address Monitor's concerns. The Trust has remained in significant breach until the end of the financial year and has entered 2015/16 with discretionary requirements and an enforcement notice in connection with its licence with Monitor. Monitor has issued a compliance certificate with regard to the explicit terms of the section 106 undertakings as referenced in this annual report and has redefined other section 106 and section 111 requirements in April 2015.. We have satisfied a number of conditions through the delivery of significant improvements in year, and are hopeful positive decisions concerning special measures will also be made during 2015/16 but there remains considerable need for continuing improvements in order to satisfy ourselves and the regulators that our developments are sustainable and embedded. We take Monitor's and the Care Quality Commission's (CQC) concerns very seriously and also understand that the shortcomings highlighted 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 2014/15 we took action to strengthen our governance arrangements, including risk management to ensure these issues are resolved sustainably as soon as practicable. The rest of this statement explains how we have achieved this to date and gives some sense of the work still to be completed.

With respect to our performance against specific targets, the Annual Report describes what we have achieved and explains areas where we have breached any national targets, namely in A&E, referral to treatment 18 weeks, and C-diff, (although the latter is a target not breached from the perspective of the regulator as they measure only lapses in care against the annual target (37) for which the Trust has had 12 cases). Regarding our referral to treatment 18 week targets, all three have been breached for the year and additionally, a range of data quality issues have been identified.

A significant amount of work has been undertaken through a recovery programme to respond to key issues identified both in operational capacity and pathway management as well as issues arising from the migration to a new patient access system (PAS).

This recovery programme reflects the response to data quality and management of administrative functions on the RTT pathway which have made producing accurate and robust trajectories challenging. New draft trajectories will be developed by June 2015 building on the urgent work done to improve data quality. These will be reviewed and signed off by our commissioners with support and validation from the intensive support team (IST) by the end of June.

The Trust has also identified a number of issues and challenges within its outpatient services and associated administration. These issues were identified as historical and predate the migration of computer systems (PAS) in October 2014 however it is clear that by changing systems this further exacerbated the position.
RTT, diagnostic and cancer performance reporting post system migration highlighted that a growing number of patients had not had their outpatient attendance confirmed (reconciled), that the outcome of these patients had not been recorded in the electronic system satisfactorily or that they were overdue their follow-up appointment.

As a consequence the Trust set up an oversight group incorporating stakeholders internally and externally which managed and oversaw an investigation into causality to rectify and prevent further reoccurrence. In response to the issues found, in April 2015 the trust started an outpatient improvement programme. This work programme builds on the thorough work already completed by the task force working on the investigations described above. Its overriding purpose will be to deliver a significant and sustainable improvement in patient experience accessing outpatient services. It will incorporate patient and staff representation throughout its structure.

By the end of the year, the performance of our teams has resulted in the Trust meeting a significant number of its national targets and we have plans in place to improve that position further in 15/16. We are very proud of our staff in ensuring delivery against these targets during another challenging year.

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 Sherwood Forest Hospitals NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Sherwood Forest Hospitals NHS Foundation Trust for the year ended 31 March 2015 and up to the date of approval of the Annual Report and Accounts.

Capacity to handle risk

The Foundation 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 was enhanced following a review during the year and continues to clearly identify 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.

A range of risk management training has been rolled out 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 which have been reviewed through the strengthening of the risk management strategy. There is evidence of learning actions having taken place linked to serious incident and complaints given the focus on improving organisational learning during the year, and this effort will continue into 2015/16 and beyond.

Learning from unacceptable levels of care will continue to be strongly supported by dissemination mechanisms concerning safety and quality, such as (i)care2 newsletters, the work of internal assurance teams, practice development nurse roles and leads for patient safety which have all supported improvement in both capacity and capability to handle risk and to improve 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, professional development through formal mechanisms such as clinical audit and application of evidence-based practice and root cause analysis. The restructure of the governance support unit last year has stimulated concerted improvement activity following identification of trends and themes to ensure the Trust 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.

A new Risk Committee was initiated during the year and has monitored progress with developments in the Trust corporate risk and divisional risk registers, and their alignment with the Board Assurance Framework, 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. Amongst the most significant of the Trust's risks are financial recovery and the sustainability of quality improvements following the CQC inspection in April 2014.

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 along with the requisite refinancing of PDC into loan and working capital loans/facilities. Work is continuing with CCGs and health economy partners to understand and manage any future changes to commissioning intentions, particularly relating to Better Together and co-commissioning.

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 governance and quality committee and the risk committee in addition to monitoring through service and divisional clinical governance committees, the Board and its committees and the audit and assurance committee.

The risk management strategy is supported by:

- Accountability arrangements and the Board Assurance Framework
- 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 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 and quality committee.

The Board Assurance Framework (BAF) was in place during 2014/15 although it has been necessary during the year to continue improvement activity 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 have developed to include the presentation and scrutiny of information to evidence assurance of control effectiveness at the Audit and Assurance, Finance and Quality Committees as an enhancement to assurance processes commencing in 2014/15.

The BAF risk profile for 2014/15 was developed by the Board of Directors. 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, and the Audit and Assurance 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 and quality improvement priorities as stated previously in this statement and other areas of focus are included throughout the Annual Report.

A True for Us programme measures the Trust's control environment against high profile industry and cross industry failings for example, to determine if the Trust's controls would withstand scrutiny, along with a robust confirm and challenge programme that itself enhances Board scrutiny against the quality governance framework to identify the progress made in the programmes of work to support the ongoing development of quality governance within the Trust. Both initiatives will be further developed and strengthened in 2015/16 along with implementation of a new external recommendations policy. 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.
- Appropriately skilled members of the Board of Directors provide rigorous challenge to the quality governance processes through receipt of reports relating to quality governance, many of which are standing items on Board of Directors meeting agendas and the Clinical Governance and Quality Committee which include:
    - Quarterly 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 executive director for each principal risk contained within the BAF.
- Board members have played an active role in the delivery of quality improvement objectives and members of the executive and non-executive have walked the floor to deliver unannounced assurance visits, have delivered confirm and challenge sessions, have shadowed consultants and have participated in the implementation of *Quality for all* and the associated engagement events.
- Board approved a new raising concerns (whistleblowing) policy, developed in conjunction with Public Concern At Work in the previous year, and members of the Board have participated in listening events 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, and nursing and quality metric performance and the reporting of these successes through the Trust's internal communication mechanisms such as Team Brief and iCARE2 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 2015/16 in terms of a clear direction to include:
    - A data quality and business intelligence strategy
    - Work to develop a data assurance methodology which quality assures the data used to underpin all indicators contained within the Trust's quality account and Monitor submissions.

Reviews of data quality and the accuracy, validity and completeness of all Trust performance information falls within the remit of the audit and assurance 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 has supported some understanding of the effectiveness of our data quality validation processes.

Information governance (IG) is the responsibility of the director of corporate services, and also 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 medical director chairs the IG group as Caldicott Guardian.

The reporting and management of both data and security risks are supported by ensuring that all employees of the Trust are reminded of their data security responsibilities, through education (over 4,200 staff members received mandatory IG training in 2014/15), and regular reminders are shared via staff communications. Near misses and lessons learned are used as supporting tools for this whole Trust education process.

The IG group, which reports to the Risk Committee, includes amongst its membership the Caldicott Guardian and the SIRO, and reported incidents and the actions taken are regular agenda items, via both the Caldicott Log, and the ad-hoc 'task and finish' approach. All IG related serious incidents are reported via the IG toolkit, (which in turn reports them to the Information Commissioner) and communicated to the Information Commissioner. Since 1 April 2014 there have been four serious IG related incidents reported via the IG toolkit. Two of these were related to a patient letter, one was related to inappropriate access to information by a member of staff and one was related to a ward handover sheet. Investigations have been completed, action plans implemented and the incidents closed. During 2015, an additional group has been created to manage the implementation of the *Information Governance Review – Information to Share or Not to Share*. The Caldicott group has been instigated during the year and terms of reference agreed. A new confidentiality audit policy has been written and the Trust confidentiality policy has been reviewed and updated. Going forward, the Trust is implementing FairWarning, and confidentiality audits will be also undertaken and communicated to the Information Commissioner.

The IG group is responsible for the delivery of the IG toolkit. All standards were allocated 'standard owners' during 2014/15, with each 'owner' understanding the requirement to report activity to the IG group, including any risks to compliance.

Across the Trust a previous review of information flows has supported compliance with the IG toolkit, and information asset owners (IAOs) have been allocated for all information assets with responsibility for undertaking data risk assessments. The Trust will maintain its satisfactory 'green' rating for the 2014/15 submission of version 12 IG toolkit, and all IG and most 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 and assurance committee reviews any actions highlighted via these audits to ensure actions are taken to deliver 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 have been five reportable incidents relating to information governance in the past year and reports were 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 Care Quality Commission (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 2015. 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 the carbon footprint in line with the NHS SDU targets and it articulated this commitment further in a Carbon Policy in 2014 which will be monitored by our energy management committee. Adaptation reporting uses a risk assessment approach in conjunction with resilience planning founded on weather based risks such as heat wave, extreme cold 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 focus of our improvement director on our quality improvement priorities to support removal of special measures status has led to a number of changes during the year to the control environment which supports the Trust's ability to deliver sustainable improvement. Whilst it is unlikely that all CQC domains will be assessed as 'good' at our next inspection in June 2015, we are confident that a number of domains will have evidenced sufficiently sustained improvement to move to 'good'. The Board recognises that not all improvements are yet fully embedded.

Improvements in year regarding the review of the strategic risks facing the organisation by the Board through the Board Assurance Framework has enabled more timely and proactive action to be taken, but further improvements are required in this area particularly given the Trust's financial challenges amplified by the impact of considerable 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 and whole health system redesign.

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 regrettably the lowest rating within the risk assessment framework issued by Monitor. The Trust 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. We have engaged with our commissioners regarding the proposed service changes as part of the Better Together programme for future service provision, and the forecast 2015/16 plan is in line with previous submissions to Monitor, but the Trust is only forecasting improvement in the Trust's financial deficit position for the next five years.

Revenue and capital support was agreed and drawn down throughout 2014/15. Changes to liquidity support were introduced in quarter four of 2014/15, where all future requirements would be made as interest bearing loans. Due to the Trust's adverse financial position to plan a further £6.2m was utilised as a WCF (loan) in February/March 2015. Monitor has been advised of the indicative figures for 2015/16 and discussions are ongoing regarding agreement of these requirements, which as stated previously creates uncertainty until concluded.

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 liquidity support will not be available for 2015/16, 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 2015/16 due to its underlying deficit and the need for financial support in connection with capital and revenue cash support throughout the year ahead. The appointment of a turnaround director in March 2015 will support significant improvement in the Trust's underlying performance. However at the date of publication of the accounts, the Trust traded at a loss for 2014/15 and is forecasting a trading loss for 2015/16 and as such, the financial elements of licence conditions are likely to remain in place.

A very different approach to performance management and the supporting programme management office will take place in 2015/16 to safeguard delivery of the challenging cost improvement programme and planned performance outcomes. In order to deliver cost improvements of the magnitude required, transformational change is necessary and the executives and divisional teams are driving focus around improvements that address admission, length of stay and clinic efficiencies. Each is fundamental to realising cost effectiveness and allowing for the inevitable reduction required in bed stock and associated expenditures, particularly around variable pay (bank, agency and locum staff) in order to meet the significant cost reduction strategies and quality improvements required across the five year plan and to remain aligned with the ambitions of Better Together.

The Board has considered its principal risks during the year and ensured appropriate mitigations. Amongst those risks have been capacity to deliver the quality improvement plan which was shaped following the CQC inspection in April 2014 and which covered in particular areas concerning leadership, risk management, learning, staffing and emergency flow amongst other operational matters. Additionally, the BAF itself included risks concerning finance and liquidity, PFI solutions, CIP delivery the ability to recruit and retain skilled and experienced staff. 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 implementation of a new 'delivery engine' to ensure the benefits of improvement activity are realised in order to monitor and measure the intended success of the transformational programme.

In view of the improvements required, the current pace of change and the economic challenge faced by the organisation, it is imperative that the Board continues to closely monitor progress of the Trust's advancement against its cost improvement/recovery and quality improvement plans to ensure the required actions to secure the necessary cost reductions and external liquidity/PFI funding requirements. The Board will ensure a focus on the appropriate level of assurance to satisfy itself that risk is being managed effectively and the audit and assurance committee are reasonably confident that progress is being made in this regard.

Annual quality account

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 Sherwood Forest Hospitals NHS Foundation Trust's performance over the period from 1 April 2014 to 31 March 2015 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 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 Framework. The BAF report is supported by completion of Board assurance reports by the responsible executive 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.
- Key individuals involved in producing the report are recruited on the basis that they have the appropriate skills and knowledge to deliver their responsibilities.
- 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 used as are utilised for other aspects of the Trust's performance. Further work will commence in 2015 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 monthly 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 NHS Foundation Trust that 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. The BAF itself and the work of the Audit and Assurance and Risk Committees in particular provide 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 2014/15 is also informed by:

- The 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 13/14)
- Health and Safety Executive assessments
- External validations and peer reviews
- The Care Quality Commission's visits and feedback
- Results of national patient and staff surveys
- Investigation reports and action plans following serious incidents, 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 Board of the effectiveness of the systems of internal control.

The Audit and Assurance Committee supported by the detailed work undertaken by the Finance and Quality 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 auditors. Internal audit have reviewed and reported upon control, governance and risk management processes, driven by an audit plan approved by the Audit and Assurance Committee. Their work included identifying and evaluating controls and testing their effectiveness. Where scope for improvement was found, recommendations were made and appropriate action plans agreed with management and progress monitored.

Conclusion

Whilst there are strong mechanisms in place for ensuring that the quality of care received by the Trust's patients is maintained and improved, there are internal control issues identified in the Trust's ability to work effectively, efficiently and economically.

This is linked to the ongoing continuity of service risk rating and breach of licence with Monitor, with associated enforcement notices.

There has, however, been a moderate assurance outcome from the head of internal audit opinion, with substantial assurance across some of the many audited areas and an overall moderate assurance opinion that the Trust has a generally sound system of internal control to meet its objectives and that controls are generally being applied consistently.

Whilst this is welcomed, the Trust recognises that the internal control environment must be strengthened and this work will continue in 2015/16, in order to ensure that recent progress is embedded and improvements are made in the system of control for finance, cost control, workforce, operations and performance management.
As would be expected, there have been significant challenges during the year. Where gaps have been identified, mitigation plans have been developed and related improvements have either been delivered or are on track to be delivered. The Trust is committed to delivering the recovery plan and Monitor's enforcement notices and undertakings, aimed at securing a viable and sustainable future for the Trust's services.

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 improved over the last year, although with the significant control issues as identified that have been indicative of systemic deficiencies in the control environment. However significant improvement in pace and sustainability of quality developments and in performance management and financial controls will improve this situation and are paramount given performance outcomes in 2014/15.

Actions have been taken in year where weaknesses have been identified (e.g. financial control around budgeting and forecasting, the impact of the first phase implementation of our Patient Access System (PAS), quality governance and incident investigations), and identified within this statement as relevant and the Board is clear on the additional improvements that need to be progressed in 2015/16.

The Board is however being monitored closely by Monitor which will continue while ever the Trust retains authorisation/licence conditions. The Board will continue to progress cost reduction strategies and monitor the rigour of new performance and project management of cost and quality improvement plans. Focus will be on further enhancements to performance management and assurance arrangements to ensure continued financial and quality recovery in significantly challenging times for the Trust and for the NHS and to ensure the protection of high quality services for all.

Signed....................
Chief Executive   Date: 28 May 2015

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Introduction to Sherwood Forest Hospitals NHS Foundation Trust - Quality report & accounts 2014/15

Quality accounts are annual reports to the public from providers of NHS healthcare regarding the quality of services that they provide and deliver. The primary purpose of this report is to enable the Board and leaders of our Trust to assess quality in its broadest form across all of the healthcare services we offer. It allows us to demonstrate a shared commitment to continuous, evidence based quality improvements and for the organisation to openly share its commitment and progress with the communities it serves.

The quality account incorporates a review of the activities and achievements in improving the quality of our care during 2014/15, and goes on to state and explain our quality priorities for 2015/16.

The retrospective elements of this report pertain to the activities undertaken by the Trust during the financial year of 2014/15 and incorporate all of the mandatory reporting requirements set out by Monitor referenced within the following documents:

- NHS Foundation Trust Annual Reporting Manual 2014/15
- Detailed Requirements for Quality Reports 2014/15
- Data Dictionary 2015/16

"The staff team were very attentive, caring and professional"

Part 1. Statement on Quality from the Chief Executive Officer

I am pleased to introduce the Quality Report and Accounts for 2014/15 which details how we have continued to deliver quality care to our patients.

Within our Quality Report we have set out our quality priorities, always placing the patient at the centre of everything that we do, underpinned by our '*Quality for all values*'. We have in addition included a number of quotes from the NHS Choices website that have been posted by patients, carers and families accessing our services during 2014/15.

In 2013/14 Sir Bruce Keogh, NHS medical director undertook a review of the quality of care and treatment being provided by those Trusts whom had persistent outliers on mortality statistics. Sherwood Forest NHS Foundation Trust was one of 14 Trusts which fell into the scope of this review. The initial Rapid Response Review took place in 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 which included the determination of regulatory obligations under section 106 of the Health and Social Care Act 2012.

In April 2014, the Trust participated in a planned inspection by the Care Quality Commission (CQC), using the CQC regulatory model. Following this full inspection of our services, England's Chief Inspector of Hospitals Professor Sir Mike Richards, recommended that the Trust should remain in special measures. While the CQC found that some improvements had been made since it was placed into special measures following on from the Keogh review in 2013, it was felt that there had been insufficient progress made to recommend the Trust leaves special measures.

A robust Quality Improvement Plan has supported significant activity across the year in order to ensure the Trust can evidence sustainable quality improvements by its next planned inspection in June. With regard to the 23 actions coming out of the risk summit, and the terms of the section 106 requirements, Monitor has issued a compliance certificate acknowledging the significant improvements in quality since the undertakings were agreed in 2013. As referenced in our annual report Monitor has redefined other section 106 and section 111 requirements in April 2015. Although there remains much to be done, we have satisfied a number of conditions through the delivery of significant improvements in year, and so we are hopeful positive decisions concerning Special Measures will also be made during 15/16 but there remains considerable need for continuing improvements in order to satisfy ourselves and the regulators that our developments are sustainable and embedded.

We take Monitor's and the CQC's concerns very seriously and as a result of our licence conditions and the outcome of the CQC inspection in April 2014 from which we remained in special measures, we have during 14/15 taken action to strengthen our clinical governance arrangements, including risk management, to ensure quality issues are resolved sustainably as soon as practicable.

With respect to our performance against specific targets, the report describes what we have achieved and explains areas where we have breached any national targets, namely our 4hour access target, 18 weeks Referral to Treatment (RTT), and Clostridium difficile, albeit the latter is a target not breached from the perspective of the regulator as they measure only lapses in care against the annual target (37) for which the Trust has had twelve cases. Regarding 18 weeks Referral to Treatment, all three have been breached for the year and additionally, a range of data quality issues have been identified. A significant amount of work has been undertaken through a recovery programme to respond to key issues identified both in operational capacity and pathway management as well as issues arising from the migration to a new patient access system (PAS).

This recovery programme reflects the response to data quality and management of administrative functions on the RTT pathway which have made producing accurate and robust trajectories challenging. The Trust has also identified a number of issues and challenges within its outpatient services and associated administration. These issues were identified as historical and predate the migration of computer systems (PAS) in October 2014 however, it is clear that by changing systems this further exacerbated the position. The Trust intends to commission extensive work in relation to data quality in the coming year.

A significant amount of improvement activity has been undertaken to deliver sustainable improvement in patient experience of accessing outpatient services. By the end of the year, the performance of our teams has however resulted in the Trust meeting a significant number of its remaining national targets and we have plans in place to improve that position further in 15/16. We are very proud of our staff in ensuring delivery against these targets during yet another challenging year. There have been many successes we should be proud of:

- Excellent pressure ulcer performance with no Grade four and six Grade three hospital acquired pressure ulcers
- Fantastic PLACE results, with our patient assessors commenting that 'they didn't think we could exceed previous year's results, but we have'
- A turnaround in complaints performance and improved quality of the complaints service since receiving damming comments from the Keogh Review
- A cultural change in medicine safety in which we proactively contributed to national data though the medicine safety thermometer to demonstrate our excellent audit results
- A gradual improvement in our Family and Friends response rates and a marked improvement in maternity response rates.

The Trust recognises and commends its loyal and dedicated workforce which is acknowledged through our ‘Star of the Month’, People’s Award and ‘Staff Excellence Awards. All these things reinforce the value that we place on the contribution of staff in the provision of high quality care. I am pleased to report a number of our staff were shortlisted in prestigious national awards run by the Health Service Journal and the Nursing Times.

We have continued to build and develop strong and effective strategic partnerships across the wider health and social care community; driven by the ‘Better Together’ programme and selection to become one of nine vanguard sites for Primary and Acute Care Systems (PACS) in the 5 Year Forward View into action is testament to the success of these partnerships.

We recognise that that much more needs to be done; despite the progress that has been made and we have become more aware during 2014/15 of a number of areas of quality and safety that require renewed focus

In reflecting back on the previous year I am confident that the information in this report accurately reflects our performance and provides and honest and consistent appraisal of where our plans were delivered, where they were exceeded and where we have failed to meet our high ambitions.

Karen Fisher
Acting Chief Executive Officer

Sherwood Forest Hospitals is committed to providing high quality care to every patient that accesses its services. Our patient safety & quality strategy (2014-17) is modelled on the principles that underpin Lord Darzi's vision contained within 'High Quality Care for All' namely that the provision of high quality care can be achieved if it is:

- Safe
- Effective
- With positive patient experience

Our quality priorities for 2015/16 encompass our guiding principles in relation to quality and safety, which are:

Principle 1: We will build on our strengths and previous successes of 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 into our day-to-day practice

Principle 6: We will listen to 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 care 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 evidence and information sources to identify and agree our priorities for 2015/16:

- The information we obtained from our 'In Our Shoes' events to formulate the patient experience and involvement strategy (2014-17)
- Stakeholder and regulator reports and recommendations
- Clinical Commissioning Group (CCG) feedback and observations following their quality visits.
- Commissioning for Quality and Innovation (CQUIN) priorities
- National inpatient and outpatient surveys (2014)
- Feedback from our Board of Directors and Council of Governors
- Emergent themes and trends arising from complaints, serious incidents and inquests
- Analysis of ward assurance framework and nursing metrics
- Quality & safety reports
- Internal and external reviews
- National policy
- Our staff, in particular the outputs from our '*Quality for all'* initiative and the launch of our organisational values.
- Staff, governor, patient and public online and paper survey to ascertain views and opinions as to what we should include within our quality priorities for 2015/16
- Organisational strategies namely: patient safety and quality strategy, patient experience and involvement strategy and our organisational development strategy

Key quality priorities for 2015/16

From our longer list of priorities we have identified three improvement areas which we would like to give particular focus to in 2015/16, shown in the table below:

Key priority 1	Reduce mortality as measured by hospital standardised mortality ratio (HSMR)	To ensure that global and specific HSMR results fall within the expected range To have an embedded mortality reporting system visible from service to Board To eliminate the difference in weekend and weekday mortality as measured by HSMR

Key priority 2	Reduce mortality from sepsis	To implement a recognised local protocol / screening tool within emergency department / other units that directly admit emergency patients To administer intravenous antibiotics to patients presenting with sepsis within one hour of presentation
Key Priority 3	Reduce harm from falls	To reduce the number of inpatients falling in hospital to less than seven per 1000 occupied bed days To reduce the number of in patients sustaining a fracture as a result of a fall in hospital to less than 25 To deliver a safety improvement programme, utilising best practice both from a local and national perspective. To establish registered nurse / health care assistant focus groups in order to gain a greater understanding of the perceived barriers that prevent the outcome of risk assessment being translated into practice. To undertake a review of the enhanced patient care tool currently in operation

Our three key priorities for 2015/16

Priority 1 - Reduce mortality as measured by hospital standardised mortality ratio (HSMR)

Introduction

Mortality rates are one of the indicators of quality of care. They help us understand the risks of hospital treatments for individual patients, changes in the patterns of disease over time and can point to improvements needed to reduce mortality. Changes in mortality rates over time in a given hospital may highlight changes in clinical practice and differences between hospitals may indicate areas to review.

The 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. It is not a sensitive measure because it is affected directly by the number of admissions and gives no indication of the type of patient and their risk of death. The total number of deaths varies from year to year and is influenced by factors such as extremes of climate and the severity of seasonal flu outbreaks.

Standardised mortality rates are a way of allowing comparison between hospitals. By comparing risk factors in the local population against those for the whole of England an expected number of deaths can be calculated. Comparison of the observed and expected deaths gives a ratio so that any number above 100 indicates more deaths than expected. The ratio will vary from one month to the next hence a normal range is described and values within this range indicate no excess of unexpected deaths. If the local population differs significantly from the average across England or the accuracy with which activity is coded differs significantly from average, the standardised mortality ratio can be falsely elevated. For these reasons, elevated ratios above 100 may indicate avoidable deaths related to clinical issues and require an understanding of local data.

The hospital standardised mortality ratio (HSMR) considers deaths in a 'basket' of conditions which cover 80% of deaths in hospital. The summary hospital mortality index (SHMI) covers all hospital deaths and those outside of hospital within 30 days of discharge.

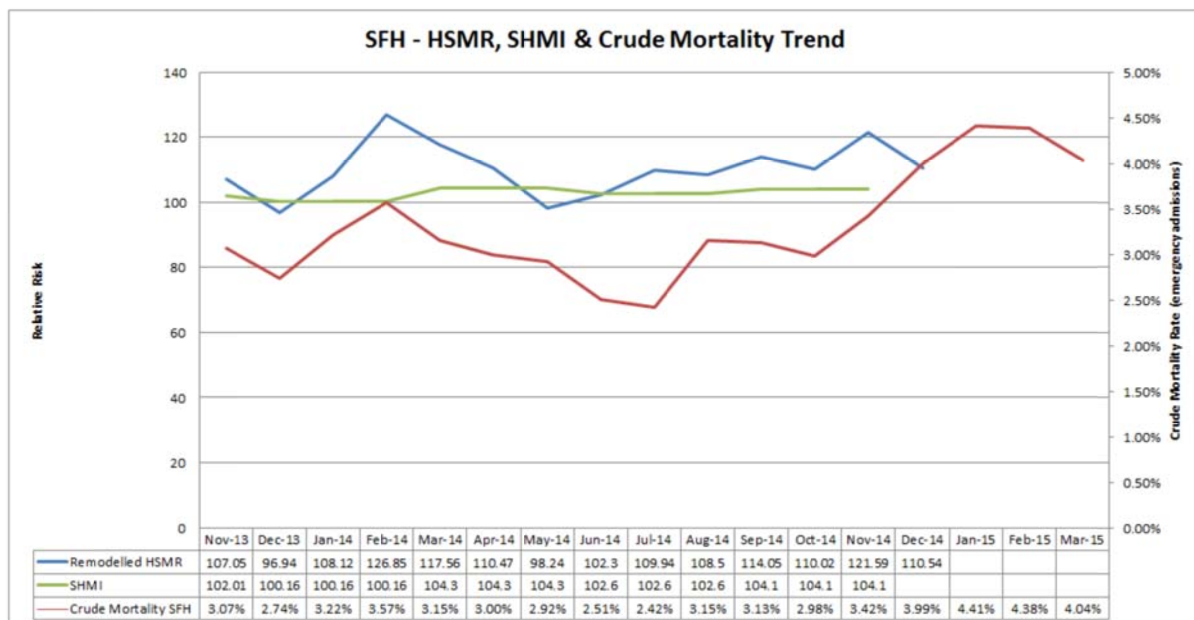
Why does this remain a priority?

Whilst the Trust has made progress on mortality as reflected in the Dr Foster report on Keogh trusts published in February, we recognise the importance of continuous improvement and sustainability hence the on-going focus in 2015/16.

What did we aim to achieve in 2014/15?

- To maintain HSMR within the expected range, eliminate the variation between weekday/ weekend mortality and establish a bed to Board reporting format.

What progress have we made so far?



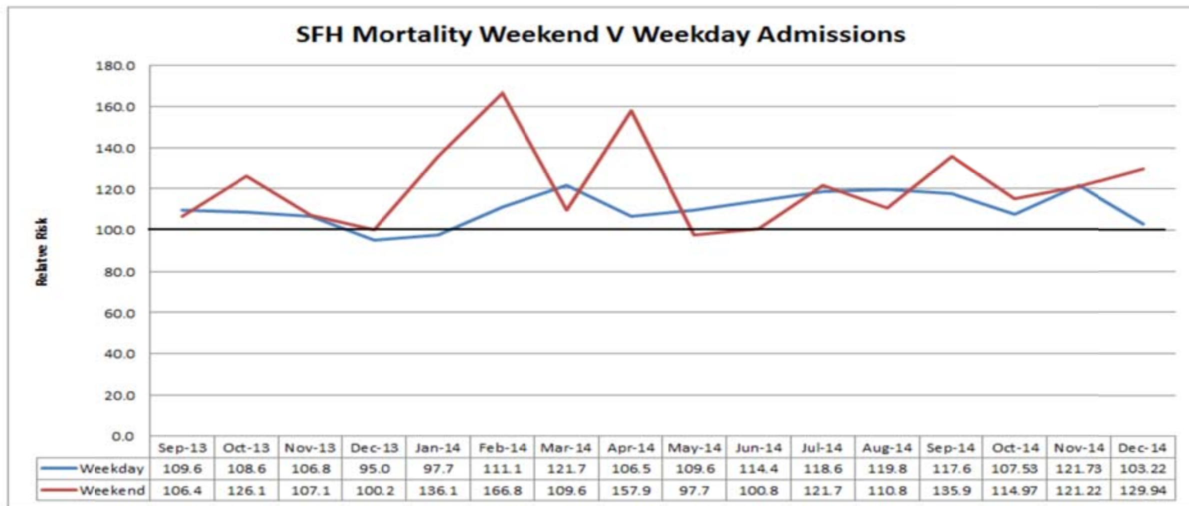
	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
Remodelled HSMR	107.05	96.94	108.12	126.85	117.56	110.47	98.24	102.3	109.94	108.5	114.05	110.02	121.59	110.54			
SHMI	102.01	100.16	100.16	100.16	104.3	104.3	104.3	102.6	102.6	102.6	104.1	104.1	104.1				
Crude Mortality SFH	3.07%	2.74%	3.22%	3.57%	3.15%	3.00%	2.92%	2.51%	2.42%	3.15%	3.13%	2.98%	3.42%	3.99%	4.41%	4.38%	4.04%

The HSMR position has shown deterioration through the summer and autumn months but generally mirrored crude mortality. In December the HSMR reduced despite a significant rise in crude mortality, indicating that these were expected deaths.

The SHMI indicator has been stable and within the normal range. The only way to clarify if an increase in unexpected deaths reflected in the HSMR is due to avoidable deaths is to directly examine case notes. We examined the case notes of all deaths from July and did not uncover any avoidable deaths. Similarly we examined the case notes of all deaths between mid-December and mid-January; there were a large number of frail older patients admitted with pneumonia and other difficulties complicating the flu epidemic seen this winter. This is in keeping with the increase in expected deaths in December.

The Intelligence Unit at Dr Foster distributes alerts when more deaths than expected are observed in a given diagnosis or procedure. We investigated alerts for sepsis and upper GI endoscopy procedures in 2014. Sepsis deaths were reviewed for quarters two, three and four; a small number of cases with suboptimal care were identified and most of these had already been picked up through our Serious Incident reporting mechanism. An action plan has been developed which includes educational sessions, mandatory training for all nurses and midwives, on-going monthly audit against full completion of the sepsis bundle and monthly case note reviews of sepsis deaths. The reviews also highlighted issues with inaccurate coding (cases labelled as sepsis which were not), end of life care in the community and ceiling of care documentation. The end of life issues are being picked up via the care of the dying work stream.

Co-morbidities are the additional underlying health issues a patient has which contribute to their risk of dying on a given admission and are used to calculate the expected mortality. Our case note reviews show that we are under reporting these which will lower the expected mortality and increase the HSMR as a result. The co-morbidities must be recorded in the case notes by medical staff, interpreted accurately by our coding staff and the data accurately shared with Dr Foster. We have held educational sessions with medical staff and introduced new admissions paperwork which makes capture of co-morbidities easier. We have also reviewed our coding practice and continue to monitor our data validation and sharing. We anticipate benefits from this in the next 12 months.



One of the aims for 2014/15 was to reduce the gap between weekend and weekday mortality. This is being achieved thanks to the large amount of work that has been done to move the Trust towards the delivery of seven day services. This has shown an increase in the number of staff available at weekends, including provision of consultant ward rounds. Diagnostic tests are undertaken and results reported seven days a week, enabling the development of appropriate treatment plans at any time.

Our 2014/15 mortality programme

Over the last two years we have developed a mortality programme that has enabled us to identify the leading causes of inpatient deaths contributing to the higher than expected HSMR. The work streams we identified included:

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

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

In 2014/15, we set out to continue the clinical work that was undertaken in recognising and responding to acutely unwell patients and continue to identify areas of concern that needed investigation. The areas of concern are identified via Dr Foster alerting to diagnoses with a higher than expected number of deaths over a period and through a robust programme of regular medical review. When an area of concern is highlighted, a decision will be made to generate a task and finish group of relevant professionals to look into it. The group then looks into the processes associated with the area and considers what improvements should be made; examples might include changes to staffing arrangements, equipment changes or using clinical investigations. They may develop a new structure for staff to work within – known as a bundle. For example, the group working on acute kidney injury (AKI) developed an AKI bundle as a step-by step reminder of the investigations, tests and activities that need to be done when a patient develops AKI.

These task and finish groups report to the patient safety improvement group (PSIG) which oversees them and ensures that the new protocols and improvements are introduced and become part of the normal working practice of the trust.

In 2014/15 we developed standardised mortality review forms. There have been a number of large reviews carried out over the period using this format. This is also being introduced across the service lines. They hold mortality and morbidity meetings where they discuss the deaths that have occurred. We are working on a standard format for the reviews and maintaining a central database for these outcomes, thereby providing the Trust with valuable mortality review data about most of the deaths. This is important for looking for any cases in which our care was not up to the standard that it should be or where the death might have been avoidable, had different actions been taken. Our reviews have not highlighted any concerns about avoidable deaths within the Trust. In March 2015, we invited the Medical Director from another Trust; an experienced mortality reviewer, to repeat the mortality review of some of our records and he has been able to provide assurance that his findings were the same and that the deaths were unavoidable.

In 2014/15 we increased our reporting of mortality data within the Trust. We now provide regular reports to the clinical divisions, with data pertinent to them. This gives them information to work with in making improvements in their own areas. They can use the data in both divisional and service line meetings to inform their strategies.

The patient safety team has been increasing its profile within the Trust. The patient safety lead has taken responsibility for improving organisational learning. This group comprises staff members from all areas within the Trust, not just direct clinical areas. They are developing innovations to foster a learning culture and improve learning across the Trust.

This learning is derived from incident reporting, serious incident investigations, quality improvement projects, mortality reviews and many other areas. We are aiming to get consistent, relevant messages out to everyone in the Trust.

In terms of learning and sharing outside the Trust, the patient safety team is now part of the East Midlands Regional Patient Safety Collaborative which promotes mutual learning. The sepsis lead nurse was invited to join the NHS England Collaborative for Sepsis in light of the outstanding programme for managing sepsis that we have developed.

The patient safety team now delivers a monthly briefing for the Trust. The subject is chosen to be consistent with the organisational learning messages.

What do we aim to achieve in 2015/16

1. Reducing HSMR and having an accurate expected mortality rate remains a high priority and will require continuous audit and monitoring. Given that the results of mortality review would suggest that the deaths are not avoidable, we will be focusing on coding. This will mean working with coders and clinicians to improve the recording of co-morbidities in particular.
   Work will continue around weekday and weekend mortality as we continue our advances towards 7 day services.
2. Widespread use of the mortality review format across all divisions and introduction of an electronic entry form and centralised database.
3. Use of alerts and reviews to continue developing new work streams to look at patient care
4. Make use of the learning from reviews to share across the Trust and publish some of the successes to also share learning externally.

Monitoring and reporting

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

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

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

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

Executive sponsor: Executive medical director

Priority 2 – To improve the management of sepsis and reduce sepsis related mortality

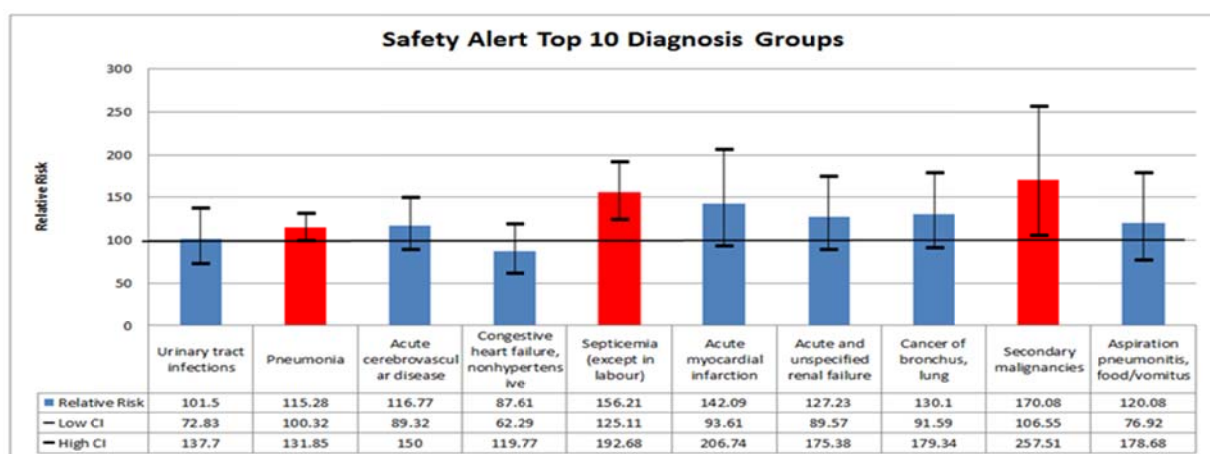
Introduction

Sepsis is recognised as a significant cause of mortality and morbidity in the NHS, with around 37,000 deaths in the UK attributed to sepsis each year. Sepsis is a medical emergency; it arises when the body's response to an infection injures its own tissues and organs and can rapidly lead to shock, multiple organ failure and death especially if not recognised early and treated promptly. Severe sepsis and septic shock are major healthcare problems affecting millions of people around the world each year, killing one in four individuals and increasing in incidence. Similar to polytrauma, acute myocardial infarction or stroke, the speed and appropriateness of therapy administered in the initial hours after severe sepsis develops are likely to influence outcome.

Estimates suggest that 12,500 sepsis related deaths could be prevented; however problems in achieving consistent recognition and rapid treatment of sepsis are currently thought to contribute to the number of preventable deaths from sepsis.

Why has this indicator been chosen as a priority?

Patients with severe sepsis or septic shock have a mortality (death) rate of about 40-60%, with the elderly having the highest death rates. At SFH deaths associated with sepsis remains within our top 10 diagnosis groups, as evidenced in the table below. The means the Trust needs to improve with respect to preventing, identifying and treating sepsis.



Data from Dr Foster Quality Investigator

One method of improving survival rates for sepsis is through the use of the sepsis care bundle. 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.

They include: measuring lactate, obtaining blood cultures, administration of broad spectrum antibiotics and intravenous fluids.

The importance of the sepsis care bundle is recognised in its selection as a quality indicator during 2014/15 (local CQUIN) in order to drive and performance manage the improvements required regarding sepsis care.

What did we achieve during 2014/15?

Our performance for delivering the sepsis care bundle during 2014/15 failed to achieve the required targets set.

2014/15	Compliance Target (%)	Achievement of Compliance Target (%)
Q1		48.8%
Q2	75%	51.3%
Q3	85%	56.3%
Q4	95%	65%

During 2014/15 our outcomes fell below the required target thresholds. We achieved 48.8% compliance during quarter one and increased compliance with the sepsis bundle to 65% in quarter four. Due to our failure to meet our targets we have decided to select this as one of our three key quality indicators during 2015/16, in recognition that further work is required in order to improve our compliance with the sepsis bundle, reduce sepsis related mortality and improve overall patient outcomes.

What do we aim to achieve during 2015/16?

Sepsis is a health priority with a national CQUIN target in 2015/16.
Our aims for this year are:

- To improve sepsis screening compliance (target to be agreed following baseline period).
- To establish a protocol and clinical tool to appropriately screen for sepsis in the emergency department and units that directly admit emergencies.
- Evidence that a proportion of eligible patients will be screened for sepsis (target to be agreed following baseline period).
- Evidence that a proportion of patients, with severe sepsis, will receive intravenous antibiotics within one hour of presentation (target to be agreed following baseline period).

The lead nurse for sepsis is working with the Clinical Commissioning Group (CCG) to support improvements regarding sepsis care across the wider health community. She also works with the NHS England Sepsis Collaborative to improve sepsis care nationally.

Monitoring, measurement and reporting

Performance against the sepsis bundle is monitored via a working group of the sepsis steering group; this is a multi-disciplinary group and is inclusive of paediatrics. This group reports monthly to the patient safety improvement group which is monitored by the Clinical Quality and Governance Committee.
From a governance perspective recent improvements to audit systems and processes have sought to address and resolve delays in reporting, this has resulted in audit information being available on a bi-monthly basis for all specialities to review and inform practice.

Executive Sponsor: Executive medical director

Priority 3 – Falls reduction

Introduction

Falls and falls- related injuries are a serious problem for older people. Research suggests that 282,000 patient falls are reported per year to NHS England (NHSE). People aged 65 and older have the highest risk of falling, with 30% of people older than 65 and 50% of people older than 80 falling at least once a year. The human cost of falling includes distress, pain, injury, loss of confidence, loss of independence and mortality. Falling also affects family members and carers of people who fall. Falls are estimated to cost the NHS £2.3 billion per year, therefore falling has an impact on quality of life, health and healthcare costs.

Why has this indicator been chosen as a priority?

Prior to 2014, the falls reduction strategy was being driven by a small group of clinicians and did not have the Trust priority it required. To drive organisational ownership and improvements, falls reduction was selected as a key quality indicator during 2014/15. To support our aspiration of making a 'noticeable' improvement we negotiated to have falls reduction as a local CQUIN.

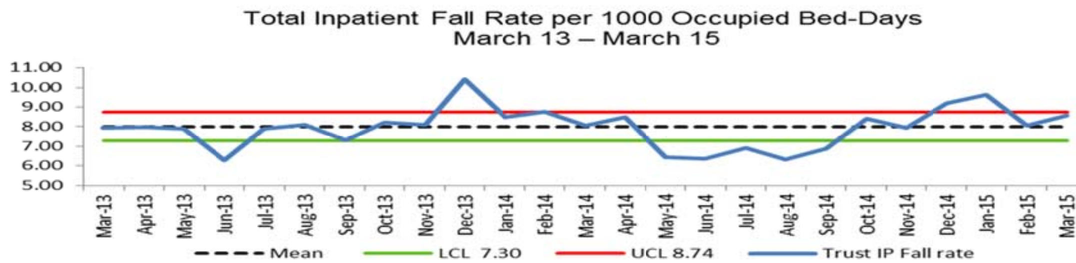
The recommended approach for calculating and measuring falls rate is against 1000 occupied bed days (OBD).

During 2014/15 we set the following falls reduction measures;

- To reduce the total number of patients who fall to less than seven per 1000 occupied bed days (OBD) by quarter four
- To reduce the numbers of patients who fall resulting in harm to less than 1.7 per 1000 OBD by quarter four
- To reduce the number of patients falling more than twice during their inpatient stay
- To reduce the number of fractures sustained following a fall to less than 25.

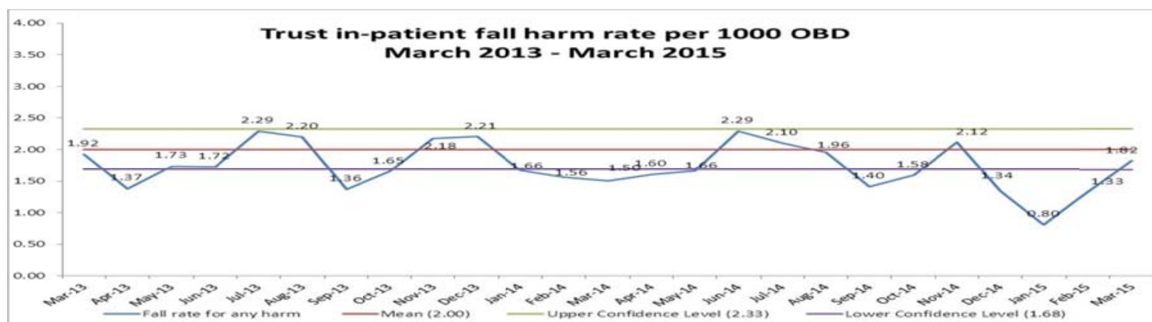
The following section provides further detail and narrative regarding our performance.

To reduce the total number of patients who fall to less than seven per 1000 occupied bed days (OBD) by quarter four



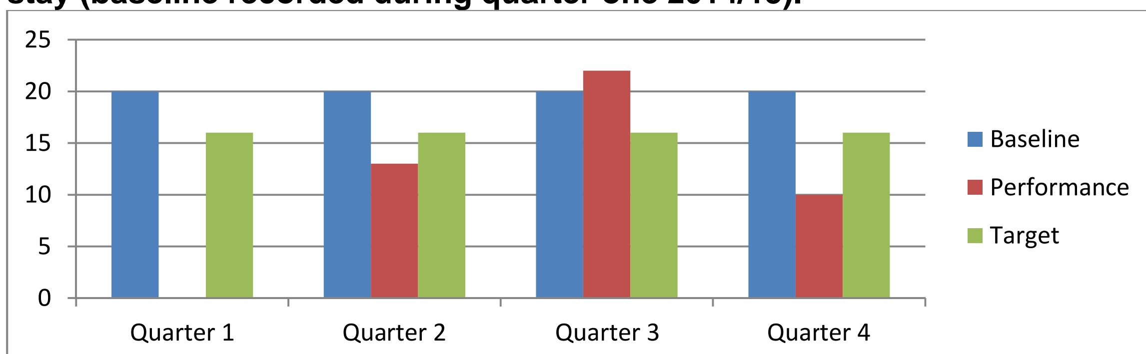
As evidenced within the above graph our performance has, whilst being sustained and taking into consideration normal variation, demonstrated no obvious or significant improvement or deterioration.

To reduce the number of patients who fall, resulting in harm to less than 1.7 per 1000 occupied bed days (OBD) by quarter four.



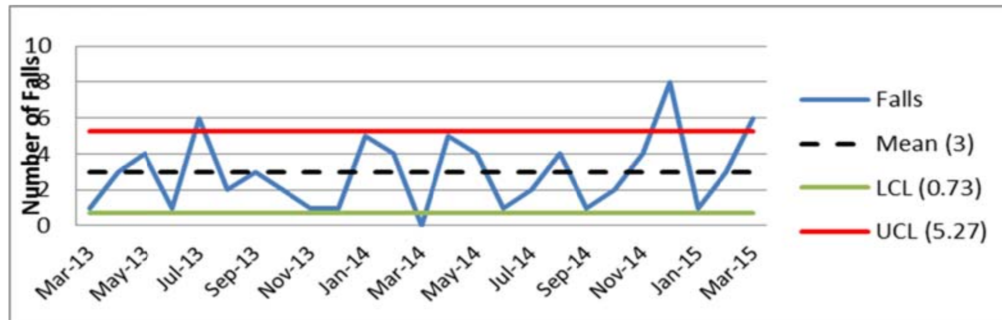
Inpatient falls resulting in harm rate has remained at a consistent position with no obvious deterioration or improvement. We are firmly committed to reducing the number of patients who fall repeatedly whilst an inpatient as we believe there is more work we can do to prevent this from occurring. We have implemented initiatives to reduce the number of falls and harm from falls. Despite this, we failed to achieve our targets. We will learn from better performing organisations and use this information to influence our actions for 2015/16.

To reduce the number of patients falling more than twice during their inpatient stay (baseline recorded during quarter one 2014/15).



During quarter one a baseline figure of 20 patients falling more than twice was established, and a subsequent target of 16 patients falling more than twice per quarter was agreed. As evidenced in the above graph the target was achieved across the year with the exception of quarter three.

To reduce the number of fractures sustained following a fall to less than 25 for 2014/15.



During 2014/15 a total of 38 fractures were recorded across the organisation; this is set against an internal target of 25 being recorded. There is still more work required to reduce falls resulting in fractures.

What did we achieve during 2014/15?

We have undertaken a substantial amount of work during 2014/15 resulting in a cultural shift in the ownership and managment of falls across our in-patient wards. It has been disappointing to have not made the measurable improvements we set ourselves. We have decided to maintain falls reduction as one of our top three key priotities for 2015/16.

The work introduced, which will be built upon during 2015/16 includes:

- Reviewing the efficacy of hip protectors, specialist chairs / bed / chair sensor alarms and wireless nurse call systems. We are currently in the process of procuring new equipment for use across the organisation
- Falls reduction training within our nurse induction, mandatory study days and Proud to Care study sessions.
- A falls champion model across the organisation to disseminate best practice standards including a requirement to record lying and standing blood pressure monitoring for patients deemed to be at a higher risk of falls.

What do we aim to achieve during 2015/16?

- To reduce the number of inpatients falling in hospital to less than seven per 1000 OBD
- To reduce the number of in patients sustaining a fracture as a result of a fall in hospital to less than 25
- To deliver a safety improvement programme, utilising best practice both from a local and national perspective.
- To establish registered nurse / health care assistant focus groups to gain a

greater understanding of the perceived barriers that prevent the outcome of risk assessment being translated into practice.

- To undertake a review of the enhanced patient care tool currently in operation in order to measure impact against the falls reduction agenda.

Monitoring, measurement and reporting

The falls steering group will operationally lead the falls reduction strategy. This group will report into the patient safety group, which reports to the Clinical Quality & Governance Committee and in turn to the Board of Directors, via the Quality Committee. In addition progress against this priority will be monitored by the Quality Committee who will receive 'deep dive' presentations as requested.
As part of our falls improvement strategy we are strengthening the data produced to ensure it informs our continuous improvement work. We monitor our falls performance within the falls steering group which links into respective divisional speciality governance meetings and reports formally into the Clinical Quality and Governance Committee and up to the Quality Committee (escalation).
We also continue to monitor falls performance at the monthly ward assurance meetings attended by respective matrons and publicise our performance on the ward communication boards.

Executive sponsor: Executive director of nursing and quality

Additional quality priorities (2015/16)

We have identified a number of supplementary quality priorities that will be implemented during 2015/16. A summary of our quality priorities is included in the table below:

	2015 / 16 priority	Target / outputs
IMPROVING THE SAFETY OF OUR PATIENTS	1. To reduce the number of Clostridium difficile (C diff) cases reported.	To reduce the number of Clostridium difficile cases reported during 2015/16 to less than 48 cases.
	2. Improve medication safety.	To sustain zero medication-related 'never-events'. To increase the number of medication-related incidents and near misses reported on Datix To increase the number of patients whose medicines are reconciled by pharmacy staff within 24 hours of admission to hospital To ensure all patients have a documented allergy status on prescription To reduce the number of patients with omitted doses of critical medicines (e.g. antibiotics, insulin etc.) To reduce the number of medication-related incidents resulting in 'harm'. Such incidents involving 'high-risk' medicines (e.g. insulin, anticoagulants etc.) to be specifically highlighted. To improve learning from severity graded three and above medication related incidents reported on Datix.

	3 To reduce the number of urinary tract infections (UTI's) (Internal)	To reduce the total number of hospital acquired urethral catheter associated bacteraemia cases reported to less than five cases per year
IMPROVING THE EFFECTIVENESS OF CLINICAL CARE	4. Hospital length of stay (LOS) (Contractual).	To reduce average length of stay for general and acute patients from 8.3 to seven days.
	5. Improve the discharge information for acute kidney injury (AKI) diagnosis and treatment in hospital (National CQUIN).	To record the stage of acute kidney injury in the medical records and communicate this to the patient's General Practitioner (GP) To demonstrate evidence of a medication review having been undertaken To communicate to the patient's GP the 'type and frequency of blood tests required on discharge' for monitoring
	6. To improve the experience of patients who are coming to their end of life (Local CQUIN)	To establish an end of life clinical champion within the organisation To increase the number of patients who die in their preferred place of care To ensure that patients are discharged safely and effectively underpinned by robust communication with care planning principles in place To demonstrate evidence of specific end of life training is in place
	Underpinning these objectives will be the continued implementation of Care and Comfort rounding, Accountability Handover and expansion of the VitalPAC project.	
IMPROVING PATIENT EXPEREINCE	7. Improve the experience of care for dementia patients and their carers (National CQUIN)	To find, assess, inform and review all patients over the age of 75 admitted for emergency, unplanned care to hospital To provide a dementia training programme To undertake a supporting carers survey
	8. Ensure that our complaints system and processes are robust, responsive and support organisational learning	To ensure that complaint responses are effectively managed within national timescales To provide evidence a reduction in the number of unresolved cases being referred to the Parliamentary and Health Service Ombudsman (PHSO) To demonstrate organisational learning from patient feedback and complaints.
	9. Safeguarding	To continue to assess and report to Clinical Commissioning Group (CCG) against the Local Safeguarding Adults Board (LSAB) and Local Safeguarding Children's Board (LSCB) self-assessment and accountability frameworks To ensure that safeguarding training (Level 2/3) targets are achieved To ensure that Mental Capacity Assessment (MCA) and best interest systems and processes are embedded within clinical practice To further embed the recently implemented safeguarding champion model
	Underpinning this objective will be the continued delivery of the patient experience and involvement and organisational development strategy.	

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. The Trust has a comprehensive committee and governance structure which reports from ward to board (Appendix 1). This ensures effective monitoring systems are in place to track progress against each of our key priorities.

Throughout 2014/15 the 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 Board. This reporting process is underpinned by a strengthened assurance process whereby formal monitoring and measurement of our quality priorities during 2015/16 will be undertaken across a range of established committees and groups, that in turn report to the Clinical Quality and Governance Committee, Quality Committee and Board of Directors (Appendix 1). Further scrutiny and assurance will be facilitated via the quality & performance meeting attended by the Clinical Commissioning Group (CCG) and Sherwood Forest Hospitals executive directors.

Statement of assurance from the Board

Review of services

During 2014/15 Sherwood Forest Hospitals NHS Foundation Trust provided 51 mandated relevant services. The Trust has reviewed all the data available to it on the quality of care in 51 of these relevant services.

Each year we look after over 80,000 inpatients, 400,000 outpatients, 143,000 visitors to our emergency department, and over 3,000 women who choose to give birth at King's Mill Hospital. We employ 4,300 staff, including 167 specialist consultants, working in hospital facilities that are some of the best in the country.

The income generated by the relevant health services reviewed in 2014/15 represents 85% of the total income generated from the provision of relevant health services by Sherwood Forest Hospitals NHS Foundation Trust for 2014/15.

Our overriding aim is to ensure that quality is at the heart of everything that we do as we strive for continuous improvement. In order to ensure that quality is a high priority we formally report on our progress against our quality priorities to the Board of Directors on a monthly and quarterly basis.

Further assurance and triangulation is sought and received via our established internal assurance team (IAT) framework, quality visits undertaken by our Clinical Commissioning Group colleagues, executive walk rounds, nursing metrics and ward assurance framework.

All of the above is linked to our revised committee structure (Appendix 1).

Participation in clinical audit and clinical outcome review projects (formally known as confidential enquiries)

Clinical audit is a nationally recognised quality improvement process that seeks to improve patient care and outcomes through the systemic review of care against a range of nationally agreed standards. This approach enables healthcare providers to primarily evidence where their services are doing well and secondly identifies other areas where improvements need to take place in order to improve outcomes for patients.

Total number of national and local audits during 2014/15

The following section provides an overview of the number and type of clinical audits undertaken across the organisation during 2014/15.

Audit	No:
Total number of audits of the 2014/15 plan	218

Number of local audits:	174
Number of national audits, incl NCEPOD	42
Number of audits still on-going (as at 31 March 2015)	153
Number of audits completed	39
Number of audits not completed or commenced	26

During 2014/15 - 35 national clinical audits and five national confidential enquiries covered relevant health services that Sherwood Forest Hospitals NHS Foundation Trust provides.

During this period the Trust participated in 94% of the national clinical audits and 100% of the national confidential enquiries which it was eligible to participate in. The national clinical audits and national confidential enquiries that Sherwood Forest Hospitals NHS Foundation Trust participated in during 2014/15 were as follows:

Name of audit	National Mandatory Audit (NCAPOP)	SFH participating	Submission rates
Adult Community Acquired Pneumonia (BTS)	No	Yes	Yet to commence
Intensive Care National Audit and Research Centre (ICNARC)	No	Yes	100% of cases required
Trauma Audit & Research Network (TARN)	No	Yes	100% of cases required
National Emergency Laparotomy Audit (NELA) RCA	Yes	Yes	100% of cases required
National Joint Registry (NJR) HQIP	Yes	Yes	100% of cases required
Non-Invasive Ventilation - adults BTS	No	Yes	On-going
Pleural Procedure BTS	No	No	Not participating
Head and neck oncology (DAHNO) HSCIC	Yes	Yes	100% of cases required
Bowel cancer (NBOCAP) RCS	Yes	Yes	100% of cases required
Lung cancer (NLCA) RCP	Yes	Yes	100% of cases required
National Prostate Cancer Audit RCS	Yes	Yes	100% of cases required
Oesophago-gastric cancer (NAOGC) RCS	Yes	Yes	100% of cases required
Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP) NICOR	Yes	Yes	100% of cases required
Cardiac Rhythm Management (CRM) NICOR	Yes	Yes	100% of cases required
Coronary Angioplasty/National Audit of PCI NICOR	Yes	Yes	100% of cases required
National Cardiac Arrest Audit (NCAA) ICNARC	No	Yes	100% of cases required

National Heart Failure Audit NICOR	Yes	Yes	100% of cases required
National Vascular Registry RCS	Yes	Yes	On-going
Diabetes (Adult) National Diabetes Foot care Audit HSCIC	Yes	Yes	100% of cases required
Diabetes (Adult) National Pregnancy in Diabetes Audit HSCIC	Yes	Yes	100% of cases required
Diabetes (Adult) National Diabetes Inpatient Audit HSCIC	Yes	Yes	On-going
Diabetes (Adult) National Diabetes Adults HSCIC	Yes	Yes	Yes- SFH is submitting a list of patient names
Diabetes (Paediatric) (NPDA) RCPCH	Yes	Yes	100%
Inflammatory Bowel Disease (IBD) programme RCP	Yes	Yes	90% of cases required
National Chronic Obstructive Pulmonary Disease (COPD) Audit Programme RCP	Yes	Yes	On-going
Rheumatoid and Early Inflammatory Arthritis BSR	Yes	Yes	On-going
Mental health (care in emergency departments) RCEM	No	Yes	100% of cases required
Older people (care in emergency departments) RCEM	No	Yes	100% of cases required
Falls and Fragility Fractures Audit Programme (FFFAP) NHFD RCP	Yes	Yes	100% of cases required
Sentinel Stroke National Audit Programme SSNAP Post-Acute Organisational Audit(SSNAP) RCP	Yes	Yes	100% of cases required
Sentinel Stroke National Audit Programme (SSNAP) SSNAP Clinical Audit RCP	Yes	Yes	100% of cases required
Elective surgery (National PROMs Programme) HSCIC	No	Yes	On-going
Epilepsy 12 audit (Childhood Epilepsy) RCPCH	Yes	Yes	100% of cases required
Fitting child (care in emergency departments) RCEM	No	Yes	100% of cases required
Neonatal Intensive and Special Care (NNAP) RCPCH	Yes	Yes	100%

NCEPOD / CORP

National Confidential Enquiry into Patient Outcome and Death (NCEPOD) – see the table below	Yes	Yes	100%
Maternal, New-born and Infant Clinical Outcome Review Programme (MBRRACE-UK) – see the table below	Yes	Yes	100%

Study Title	Participation	Project Status	%
Sepsis	Yes	Cases submitted–study still open	100%
Gastrointestinal Haemorrhage	Yes	Cases submitted – publication due July 2015	100%
Lower Limb Amputation	Yes	Questionnaire returned – report published Nov 2014, working on gap analysis	100%
Tracheostomy Care	Yes	Cases submitted – report published June 2014	100%
MBRRACE-UK	Yes	Continuous submission	100%

The reports of two national clinical audits were reviewed by the Trust in 2014/15. These audits were:

- National Care of the Dying
- Epilepsy 12 National Paediatric Audit

The reports of ten local clinical audits were reviewed by the Trust in 2014/15. These audits included:

- Quality of Consent Documentation
- Nutrition: 'Making Mealtimes Matter'
- Completion of Pre-theatre Patient Safety Checks in Holding Bay
- Informed consent – general surgery
- Informed consent – zero tolerance
- Chlamydia screening programme: offer of re-testing
- Women's Mental Health
- Tazocin usage
- WHO Surgical Checklist
- Medical Record Keeping

Sherwood Forest Hospitals NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided:

Audit No:	Topic:	Description / Outcome	Link To Strategic Aims
1	Validity of consent in general surgery – the patients' experience	A patient experience audit was carried out reviewing twelve key areas in relation to their experience of consent. In eight of the areas the Trust scored above the target of 94% and in eleven of the twelve areas scored above 90%. Only one area was deemed in need of improvement - 'the Trust should ensure patients needing to be informed of their right to have a second opinion'.	Patient safety Clinical effectiveness Patient experience
2	Obstetrics and gynaecology consent documentation audit	In June 2014 the obstetrics and gynaecology team audited its patient consent documentation. In the previous years' audit the compliance rate was 85%. Following a re-audit in 2014/15 the overall compliance rate had increased to 96%.	Patient safety Clinical effectiveness Patient experience
3	Adherence with the 2007 British Association for Sexual Health and HIV Guideline for Management of Likely First Presentation of Genital Herpes	A total of 70 patients were audited with a first time presentation of genital herpes at Kings Mill Hospital GUM clinic. It was found that all patients were appropriately managed according to the British Association of Sexual Health Guidelines; fulfilling all five criteria set out in the audit, obtaining a 100% target achievement	Clinical effectiveness
4	Is rheumatology adhering to NICE guidelines for the use of Anti TNFa in patients with ankylosing spondylitis	The audit highlighted some areas of good practice and adherence to the NICE guidelines. It also highlighted areas in need of improvement; the main area being the timing of assessments and on-going monitoring of patients. Work is being undertaken with specialist nurses to ensure patient assessments are done at 12 week intervals as recommended by NICE.	Clinical effectiveness Patient experience

5	Paediatric sleep study audit	Following a reorganisation of the paediatric sleep study services, an audit was carried out to assess whether the new service was adhering to the RCPCH guidance. A total of 91 patients were reviewed against the following elements: monitoring during sleep, prompt referral to appropriate service and follow up study post-surgery. The audit identified a 100 per cent achievement rate with the exclusion of just one patient not receiving a follow up.	Clinical effectiveness Patient experience
6	Re-audit of World Health Authority (WHO) surgical checklist	The WHO checklist was put in place to improve safety in theatres. A re-audit undertaken against the checklist demonstrated that measures that have been put in place as a result of previous audits have helped ensure nearly full compliance, with three of the five elements of the checklist. In a previous audit the other two elements (which were briefing and de-briefing) were showing only one per cent compliance, this has since increased to 76 per cent compliance.	Patient safety Clinical effectiveness
7	Gestational trophoblastic neoplasia	The RCOG guidelines state that products of conception following medical or surgical management of miscarriage are sent for histopathological analysis, and that molar pregnancies are referred to the regional trophoblastic diseases centre. A retrospective audit was conducted covering five years from 2009 to 2014. The audit showed that 100% of molar pregnancies were was diagnosed at the earliest possible opportunity and that 96% of molar pregnancy was referred to the regional trophoblastic diseases centre.	Clinical effectiveness

Clinical audit – progress and developments during 2014/15

The clinical audit and effectiveness sub-committee was set up in 2014/15 as a sub-committee of the Clinical Quality and Governance Committee. This is chaired by the medical director. A number of audits have been presented at this committee which has enabled various staff groups to get a better understanding of some of the outcomes and challenges faced from the results of audits presented including:

- Consent for intimate examinations and chaperones – audit and re-audit
- Human Immunodeficiency Virus (HIV) testing audit
- Usage of Tazocin – summary of findings
- Audit of Allow Natural Death (AND) communication and multi-disciplinary team
- Informed consent audit
- Epilepsy 12 – National Paediatric Audit
- Chlamydia audit.

In addition to this, work has been on-going in the following areas:

- Development work has taken place to ensure the clinical audit intranet site is both useful and fit for purpose. It includes useful information for example on conducting clinical audits, clinical audit training and e-registration of audits
- A new suite of clinical audit templates and documentation has been developed to assist practitioners in their clinical audit work
- A review of the audit services and processes has taken place and this has influenced the priorities for the coming year as detailed below.

Looking forward to 2015/16

- A new clinical audit database will be developed which will enable better reporting for specialties and divisions
- An electronic audit registration process will be developed to enable hospital teams and individuals to register their audits online; this will then feed into the new clinical audit database
- A new clinical audit policy will be developed to reflect the new systems, processes, and current best practice in clinical audit. It will reflect the direction the Trust is taking
- Regular clinical audit training sessions will be set up for all levels of staff to attend
- The work of the clinical audit officer will be refocused to ensure their work concentrates on the findings from clinical audits and that the learning and outcomes are disseminated
- Work will be undertaken to move away from paper based data collection in audit, to electronic data collection which will enable real-time reporting and cut out the need for separate input and analysis
- Collaborative work will be undertaken with staff carrying out clinical audits, in particular junior doctors.

- Additionally, efforts will be make to engage the clinical audit leads within the Trust and ensure audit aspirations are realised through specialties and divisions
- Key performance indicators and a standard operating procedure will be developed around obtaining patient notes for the purposes of clinical audit in conjunction with case note store.

Participation in clinical research and innovation

Clinical research and innovation within the NHS are integral to delivering and sustaining safe, effective care and in driving improvements in healthcare services for patients both now and in the future. The promotion and conduct of research activity continues to be a core function of the NHS, however further action is required to embed a culture that encourages and values research throughout the NHS. Sherwood Forest Hospitals NHS Foundation Trust is a research active acute hospital with research taking place across most disease areas and specialities across the organisation. Activity in clinical research is a hallmark of high quality service and it is our ambition to be at the leading edge of patient care and treatment.
During 2014/15 Sherwood Forest Hospitals NHS Foundation Trust participated in 231 research studies/clinical trials.

The number of patients receiving relevant health services provided by Sherwood Forest Hospitals NHS Foundation Trust in 2014/15 that were recruited during that period to participate in research approved by a research ethics committee was 1,019.

We currently have 206 research studies open across the trust with 184 actively recruiting. This includes 13 commercial studies (an increase from seven during the preceding year) and two other trials which are part industry funded.

Recruitment to a number of studies has been notable, including:

- The ENCHANTED Study is a global public health study into acute ischaemic stroke that aims to improve the treatment and outcomes of stroke. The study commenced in 2012, spanning nine countries and over 40 UK centres. Its aim is to primarily examine whether low dose Alteplase provides the same or better chance of survival compared with the standard dose. Secondly the study aims to examine whether reducing blood pressure quickly and maintaining it below normal established parameters will improve survivorship. Within the UK the aim of this study is to administer this drug within one hour of the patients arrival in hospital (door to needle time), but preferably within 30 minutes. **Sherwood Forest Hospitals NHS Foundation Trust has the shortest door to needle time recorded of 27 minutes.**

During 2014/15 we have seen a number of changes to the National Institute for Health Research (NIHR) structure and subsequent establishment of the local clinical research networks (LCRNs).

We have kept abreast of these changes through our involvement with some of the key transition working groups in order to ensure that we have an awareness and understanding of the changes affecting and impacting across the region.

Each year we celebrate International Clinical Trials Day by hosting an information stand in the Kings Treatment Centre. This event is supported by members of the research & innovation team in order raise overall awareness and understanding of research through engagement with patients, staff and visitors to the Trust.

In terms of looking ahead into 2015/16 we are currently in the process of recruiting to a research and innovation manager position within the organisation that will enable significant expansion of our research activity over forthcoming years, as the post holder engages with staff and the wider research community and in ensuring that we are best placed in attracting potential opportunities in the future.

During 2014/15 the Trust's research strategy was approved; this is a key document that will provide a framework on which we will be able to grow and expand 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.

Commissioning for Quality and Innovation (CQUIN) indicators

The Commissioning for Quality and Innovation scheme (CQUIN) established in 2009/10 is offered by NHS commissioners to providers of healthcare services commissioned under an NHS contract, to reward excellence by linking a proportion of the provider's income to the achievement of local and national improvement goals. A proportion of Sherwood Forest Hospitals NHS Foundation Trust income in 2014/15 was conditional upon achieving quality improvement and innovation goals agreed between the Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of relevant health services, through the CQUIN.

Further details of the agreed goals for 2014/15 and for the following 12 month period are available electronically at http://www.sfh-tr.nhs.uk/index.php/board-of-directors/board-of-directors-meeting-papers-2014-15

During 2014/15 Sherwood Forest Hospitals NHS Foundation Trust received payment of circa £4.8m from its commissioners for the CQUIN goals agreed during that reporting period. This represents 2.5% of eligible clinical contract income. This is in comparison to £4.5m received in 2013/14.

The following section provides an overview of the 2014/15 CQUIN predicted year end position.

Summary of acute schemes for 2014/15					
CQUIN scheme (Local/national/ specialist):			**Indicator name**	**Indicator weighting (% of CQUIN scheme available) and expected financial value of indicator (£)**	**Year end result**
1a	National	Staff Friends and Family Test (FFT)	Implementation of staff FFT	£234,230	**Achieved**
1b	National	Patient Friends and Family Test (FFT)	Implementation of patient FFT into outpatient and day- case facilities by 1.10.2014		Achieved
1c	National		Increasing or maintaining response rates in in patient areas		**Partially Achieved** (To be discussed at May 2015 CQUIN contract meeting
	National		Emergency department		**Partially Achieved** (To be discussed at May 2015 CQUIN contract meeting
2	National		Reducing / maintaining negative response rates		**Partially Achieved** (To be discussed at May 2015 CQUIN contract meeting
2.1	National	Reduction in the prevalence of pressure ulcers	To achieve five consecutive monthly data points below the median value	£229,630	**Partially Achieved** (To be discussed at May 2015 CQUIN contract meeting

3.1	National	Dementia	90% of emergency admission patients aged 75 and over screened, assessed and referred onto specialist services	£229,630	**Achieved**
3.2	National		Named lead clinician and appropriate training for staff		**Achieved**
3.3	National		Supporting carers		**Achieved**
4	Local	Complaints management	To complete one internal and one external complaint peer review To undertake a complainant satisfaction survey To develop an improvement plan	£68,890	**Achieved**
5	Local	Falls	To capture the number of patients aged 65 and over who have a history of falls within the past 12 months	£229,640	**Achieved**
	Local		To reduce the number of patients falling more than twice during their in-patient stay		**Partially Achieved** (To be discussed at May 2015 CQUIN contract meeting
6a	Local	Improving patient safety at the time of transfer of care	Evidence of provider wide communication tool / document for use in internal patient transfers Identification of champion / lead clinician for the over 65's Partnership working with key stakeholders to strengthen patient safety at the point of transfer	£275,560	**Achieved**
6b	Local		PDD to be implemented within 24 hours of admission Evidence of discharge summary audit Evidence of staff competency to care for patients transferred		Achieved
7a	Local	Information sharing	Evidence of information sharing protocol established and in place	£183,710	Achieved
7b	Local		Attendance and participation in the NRIG		Achieved
7c	Local		Audit of services against NICE 138		Achieved

7d	Local		Information sharing audit undertaken		Achieved
7e	Local		Technical plan in place to deliver information messaging		Achieved
7f	Local		Technical solution in place to deliver CGA and EPACCS		Achieved
8	Local	Smoking at the time of delivery	To achieve national ambition of five per cent by end of 2014/15 To deliver smoking cessation support	£183,700	**Partially Achieved** (To be discussed at May 2015 CQUIN contract meeting
9	Local	Sepsis	To achieve compliance with sepsis bundle	£183,710	Not Achieved
10 a	Local	Mid Notts Better Together programme	Increase primary and secondary care working in ED	£2,773,980	**Achieved**
10 b	Local		Increase in ambulatory care pathways		**Achieved**
10 c	Local		Systematization of self-care and care planning (training)		**Achieved**
10 d	Local		Systematisation of self-care and care planning (Information)		**Achieved**
10 e	Local		System-wide working to support the provision of LTC and frailty		**Achieved**
10f	Local		System-wide working to deliver a reduction in non-elective admission in the 65 years and over age group		**Achieved**
CB 02	Speciali st	HIV	GP registration and communication	£232,220	**Achieved**
	Speciali st	Specialist services quality dashboards	Evidence of/and use of dashboards		Achieved
	Speciali st	Improved access to breast milk in pre-term infants	To increase uptake by five per cent (target 56%)		**Partially Achieved** (To be discussed at May 2015 CQUIN contract meeting

Registration with the Care Quality Commission (CQC)

Sherwood Forest Hospitals NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is '**Requires Improvement.'**

Following assurance reviews undertaken as part of the Sir Bruce Keogh reviews into the quality of care and treatment being provided by those Trusts in England which had been persistent outliers on mortality statistics, the Trust is also in '**special measures'**.

The Trust is recorded as being in **'significant breach of governance'** with its regulator Monitor.

The CQC has taken enforcement action against Sherwood Forest Hospitals NHS Foundation Trust during 2014/15.

During 2014/15 the Trust has experienced a challenging time in relation to demonstrating the quality of its care. The Care Quality Commission undertook one visit during 2014/15, using the new CQC regulatory model. Following this full inspection of our services, England's Chief Inspector of Hospitals Professor Sir Mike Richards, recommended that the Trust should **remain in special measures**. While the CQC found that some improvements had been made since it was placed into special measures following on from the Keogh review in 2013, it was felt that there had been insufficient progress made to recommend the Trust leave special measures.

"While we saw signs of improvement, the trust still has some way to go before it reaches the required standard. That is why I have recommended to Monitor that the trust remains in special measures… So far, the trust has proven that they can progress in the right direction, so I hope this will continue." Sir Mike Richards-April 2014.

The full report is available at:
http://www.cqc.org.uk/sites/default/files/new_reports/AAAA1772.pdf

Under the new inspection model, the CQC gives individual ratings to each of the care services that the hospital provides including; accident and emergency, medical care (including older people's care), surgery, critical care, maternity and family planning, services for children and outpatients.

For SFH the following rating was awarded:

Safe?	Requires improvement
Effective?	Requires improvement
Caring?	Good
Responsive?	Requires improvement
Well led?	Requires improvement

The following section provides a ratings overview of each hospital site
Kings Mill Hospital:

	Safe	Effective	Caring	Responsive	Well led	Overall
Urgent and emergency services (A&E)	Requires improvement	Not rated	Good	Requires improvement	Requires improvement	Requires improvement
Medical care (including older people's care)	Inadequate	Requires improvement	Good	Requires improvement	Requires improvement	Requires improvement
Surgery	Requires improvement	Good	Good	Requires improvement	Requires improvement	Requires improvement
Intensive/critical care	Good	Good	Good	Good	Good	Good
Maternity and gynaecology	Good	Good	Good	Good	Good	Good
Services for children & young people	Good	Good	Good	Good	Good	Good
End of life care	Requires improvement	Requires improvement	Good	Requires improvement	Requires improvement	Requires improvement
Outpatients	Requires improvement	Not rated	Good	Requires improvement	Good	Requires improvement

Newark Hospital:

	Safe	Effective	Caring	Responsive	Well led	Overall
Minor injuries unit	Requires improvement	Not rated	Good	Good	Requires improvement	Requires improvement
Surgery	Requires improvement	Good	Good	Good	Requires improvement	Requires improvement
End of life care	Requires improvement	Requires improvement	Good	Requires improvement	Requires improvement	Requires improvement
Outpatients	Requires improvement	Not rated	Good	Good	Requires improvement	Requires improvement

Inspectors found services across the Trust were caring, and rated these as 'Good'. Nursing staff were seen to be compassionate and patients said staff were caring, kind and respected their wishes.

Inspectors found some excellent practice in the maternity department, emergency department, children and young people's services and surgery at Newark Hospital. Examples of this included multi-disciplinary working in the maternity and children's departments and junior doctors reporting that they felt well supported in the emergency department and the surgical unit at Newark Hospital.

Additionally, the Trust's smoking reduction programme used for women during pregnancy produced good results. It was also noted that the gynaecology department was well led. Staff were passionate about the care and service they provided there.

However, Sherwood Forest Hospitals NHS Foundation Trust has the following conditions on registration:

King's Mill

- Regulation 9 - Care and welfare of people who use the service
- Regulation 10 - Assessing and monitoring the quality of service provision
- Regulation 16 - Safety, availability and suitability of equipment
- Regulation 22 - Staffing

Newark

- Regulation 9 - Care and welfare of people who use the service
- Regulation 10 - Assessing and monitoring the quality of service provision
- Regulation 22 - Staffing

Among inspectors' concerns were that patient record keeping was poor, medical equipment was not being maintained or audited effectively and staff training and appraisals were not being completed in time. In addition, senior staff were concerned that there were insufficient contingency plans in place during busy periods. Patient flow was increasing and there were not enough staff on hand to give the required support.

The Trust has been told that it must make improvements to ensure that:

- Staff mandatory training and appraisals must be completed to meet Trust targets
- There are appropriate numbers of staff in place for the care required at Newark Hospital
- Accurate record keeping is maintained with regard to patient' observations and hydration
- There are secure systems in place for storing medicines and patients are given medicines according to their prescription.

Sherwood Forest Hospitals NHS Foundation Trust has not participated in any special reviews or investigations by the CQC during the reporting period.

During its period of 'special measures' the Trust has been working with an Improvement Director - Gillian Hooper. Gillian has been instrumental in helping the Trust formulate an extensive quality improvement plan (QIP), which has been closely monitored on a monthly basis at the Trust Board. The Trust has been reporting demonstrable progress and as at 30 April 2015, the Trust was reporting;

- 71 actions were fully completed (Blue)
- 50 actions were on track to be complete in line with completion dates (Green)
- 53 are working towards completion or are overdue (Amber)
- 0 (Red) rated actions – no progress being made.

Progress made includes:

- ✓ A reduction in omitted critical medications from five per cent to 1.75%
- ✓ Full set of observations in 98% of instances
- ✓ Four out of five domains in the WHO checklist scoring above 90%
- ✓ Introduction of a new ‘Maintenance 500’ reporting system, with a revised devices policy
- ✓ 875 staff trained in end of life care. New end of life guidance in place
- ✓ An increase of WTE staff in post
- ✓ Appraisal rates at 88%
- ✓ Progress on medical engagement, organisational learning and clinical pathways

Further information is available with the monthly Trust Board reports.

Forward into 2015/16

With a recently announced re-inspection date scheduled for June 2015, we are continuing to work closely with our regulators and local health community partners to ensure that we become fully compliant with regulations and leave special measures.

We continue to run and develop our internal assurance processes. These include our internal assurance teams, who follow bespoke key lines of enquiry to peer review wards and departments across the Trust. This form of planned reconnaissance enables quality assurance for staff at all levels (ward to Board) as staff of all grades and backgrounds are involved in the review and judgement of services provided.

Looking at services through the eyes of our patients, their carers and families enables staff to utilise reporting as a critical friend, further improving the care that they deliver by highlighting where we get things right and where we can improve further. Coupled with our executive and non-executive walk round programmes and on-going quality improvement work this gives the Trust the best possible footing on our journey towards continuous improvement.

The latest update on our quality improvement plan can be found here:
http://www.nhs.uk/NHSEngland/specialmeasures/Documents/March%202015/sherwood-forest-action-plan-march-2015.pdf

Data quality

All NHS organisations have a responsibility to ensure that their data is confidential, accurate and fit for purpose in order to maintain compliance against the Data Protection Act 1998.

Good quality information underpins the delivery of high quality, safe, effective patient care and is essential in terms of decision making processes at all levels within an organisation both in terms of delivering current and future service provision.
The Trust submitted records during 2014/15 to the secondary uses service for inclusion in the hospital episode statistics which are included in the latest published data.

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.

18 week quality indicator

A review has been undertaken in respect of the Trust's Monitor self-certification processes. The review considered the systems and processes in place to support self-certification, and included a review of the systems to support the 18 weeks Referral to Treatment (RTT) data reported. The review highlighted errors or anomalies in 31% of the pathways reviewed (8/26). The testing found that the system calculated the pathway correctly based on the information recorded, but that human error (for example the use of incorrect codes when recording events) resulted in pathways being misstated, which raises sufficient concern over the quality of the underpinning data. There was also a lack of data quality assurance provided to the Board to support decision making. Our auditors were only able to provide limited assurance in relation to the 18 weeks RTT tracer.

Significant assurance was provided in that there is a generally sound system of governance underpinning self – certification to Monitor, although some areas for further strengthening of processes have been identified.

Limited Assurance was provided in relation to the 18 weeks RTT tracer; the 15% error rate raises sufficient concern over the quality of underpinning data; there is also a lack of data quality assurance provide to the Board to support decision making.

In this context data quality means that data is accurate, complete, timely and fit for the purpose for which it is collected and used. As part of this year's audit of the trust's data quality internal audit have identified a degree of error in the trust's recording of patients waiting times. In considering this it is important to note the context of data quality nationally. In January 2014 the National Audit Office (NAO) issued a report on *'NHS Waiting Times for Elective Care in England'.* The report highlighted that published waiting time figures should be viewed with a degree of caution.

Despite this 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 staff
- Training 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 have 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.
- Establish an improvement group to undertake whole system review

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

- Hold monthly data quality group meetings will continue to discuss forthcoming information standard notices, data recording, training documentation and data quality dashboards and implementation of remedial actions as required
- Undertake an annual data quality audit 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
- Develop an annual data quality timetable where the Trust identifies key indicators or areas for review providing assurance on information reported
- Provide routine data quality reports (containing a kite mark system) will continue to be produced from the patient administration system on a daily, weekly and monthly basis with appropriate action taken on issues identified.
- Ensure performance reports will contain a kite mark system to reflect the robustness of the data contained within it.
- Re-launch patient administration system procedures with operational teams building on previous user training, supported and informed by the new data quality reports

NHS number and general medical practice code validity

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 2014/15 (part year) and 2013/14 are summarised:

% of records April 2014 – January 2015 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	99.5%	99.2%	100%	99.9%
For outpatient care	99.9%	99.3%	100%	99.9%
For emergency care (A&E)	98.1%	95.2%	99.9%	99.2%
% of records 2013/14 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)	98.2%	96.0%	99.9%	99.1%

Source: Health & Social Care Information Centre (HSCIC)

Analysis of the above table evidences a marginal year-on-year improvement regarding the recording of valid NHS numbers. Our overall performance regarding the recording of NHS number and GP practice code (2013/14 - 2014/15) is comparable to the national average shown.

Information governance (IG) toolkit Attainment Levels

The Sherwood Forest Hospitals NHS Foundation Trust information governance assessment report overall score for 2014/15 was 84%, and was graded green. The score was an improvement on the 79% reported during the previous year and reflects the continual refinement and rigour of the requirements each year.
We intend to maintain this standard for 2015/16 by continuing the work strands, building on the actions below:

- Ensure that information governance continues to be 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 and maintained , with responsible officers identified
- To have one lead for each standard 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
- Build on the introduction of the Fair Warning privacy detection system, including the implementation of confidentiality audits throughout the Trust.

Clinical coding audit error rate

Sherwood Forest Hospitals NHS Foundation Trust was not subject to the Payment by Results clinical coding audit during 2014/15 by the Audit Commission. This was as a result of a delay incurred regarding the national timetable. The audit will however be undertaken in April 2015, when 200 finished consultant episodes will be audited to assess the accuracy of clinical coding performed across the Trust.

The Trust has undertaken, as part of the Information Governance Standard 505 an audit of 200 finished consultant episodes (April – December 2014). The results indicate an error rate of less than five per cent regarding correct primary and secondary diagnoses/primary and secondary procedures and provides assurance that the Trust has a consistently high accuracy rate within this area.

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

- Our palliative care coding whilst improving is consistently below the national average. Work is therefore currently on-going between our clinicians and clinical coding team to improve overall data capture
- Ensure that recently amended delayed transfer of care (DTOC) definitions and criteria are sustained and embedded into the organisation in order to ensure consistent reporting that aligns with national standards.

It should be noted that the above results pertaining to finished consultant episodes should not be extrapolated further than the actual sample audited.

Mortality indicator (SHMI) and palliative care coding

The data used to produce the summary hospital mortality indicator (SHMI) are generated from data that we submit to the secondary users service (SUS). The SHMI is the ratio between the actual number of patients who die following an episode of care at the Trust and the number that we would expect to die based local demographics and national statistics.

Patient deaths (coded as palliative care)				
Year	% of deaths	National average %	Lowest national %	Highest national %
Jan – Dec 13	14.8%	22.0%	1.3%	46.9%
Apr 13 – Mar 14	15.8%	23.6%	0.0%	48.5%
Jul 13 – Jun 14	16.3%	24.6%	0.0%	49.0%

Source: Health & Social Care Information Centre (HSCIC). Note: Data is only available up to and including June 2014

The Trust considers that this data is as described for the following reasons:

- 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 services, by:

- Our rate of palliative coding whilst improving is below the national average and does indicate that data capture of patients receiving palliative care at the Trust can be improved. Work is on-going between the Trust clinical staff and clinical coders to improve our coding ensuring that we capture patients receiving palliative care.

The table below shows how we are banded for SHMI. A SHMI value is calculated for each Trust. 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 following table illustrates our SHMI banding as being consistently being recorded as a two, which indicates 'as expected' level of mortality.

SHMI Banding		
Year	Value	Banding
Jan – Dec 13	1.002	2
Apr 13 – Mar 14	1.043	2
Jul 13 – Jun 14	1.026	2

Source: Health & Social Care Information Centre (HSCIC)

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

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

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

- Our rate of palliative coding whilst improving is below the national average and does indicate that data capture of patients receiving palliative care at the Trust can be improved. Work is on-going between the Trust clinical staff and clinical coders to improve our coding ensuring, that we capture patients receiving palliative care.

Patient outcome reported measures (PROMs)

Patient reported outcome measures (PROMs) are a means of collecting information regarding the effectiveness of care delivered by the NHS as perceived by the patients themselves utilising pre and post-operative surveys to calculate health gains.

PROMs have been collected by providers of NHS care since 2009 and currently include four clinical procedures:

- Hip replacement
- Knee replacement
- Groin hernia
- Varicose veins

From a pre-operative perspective a total of 1,091 patients were surveyed during 2014/15 across the four procedures types. The adjusted health gains are illustrated in the following table:

Patient reported outcome measures - adjusted average health gain score				
	2013/14		April – September 2014	
Procedure	Trust adjusted health gain	National average adjusted health gain	Trust adjusted health gain	National average adjusted health gain
Groin hernia surgery	51.7%	50.6%	44.2%	50.2%
Varicose vein surgery	50.0%	51.8%	50.0%	53.8%
Hip replacement surgery	81.5%	89.3%	75.0%	90.6%
Knee replacement surgery	81.0%	81.4%	60.0%	82.2%

Source: Health & Social Care Information Centre (HSCIC). Note: The full PROMs data set is currently unavailable and will be published in autumn 2015.
The adjusted health gain indicates the percentage of patients who had an improvement on their health following the procedure undertaken.

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

- There is evidence of robust mechanisms in place to collect this data both from an internal and external perspective.

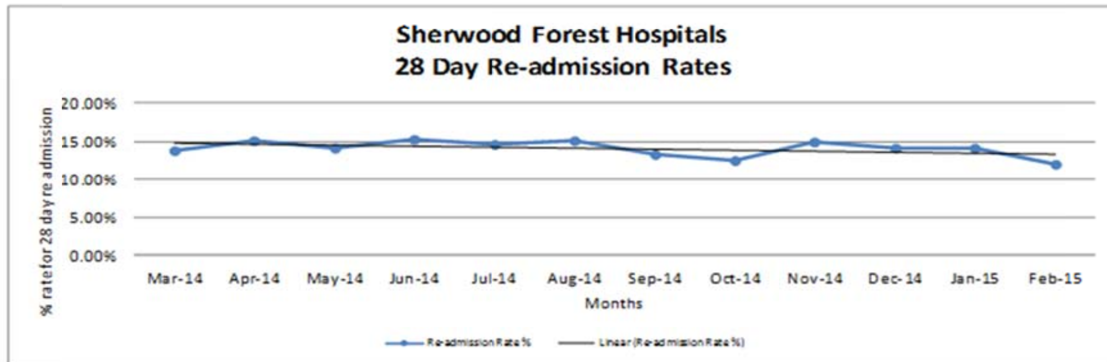
As evidenced within the above table, the Trust adjusted health gains for groin hernia and varicose vein surgery are comparable to those reported nationally. However there appears to be a significant difference in the health gains reported locally regarding hip and knee replacement surgery in comparison to the national figures reported.

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

- To effectively utilise PROMs data both at a service line and consultant level in order to gain a greater understanding of the variances identified and agree on any actions required to improve patient outcomes with this regard
- To undertake further analysis regarding the health gains reported against hip and knee replacement surgery in order to understand how our health gains can be improved to align with national averages
- To undertake a patient level review for those patients reporting no change or deterioration post operatively in order to identify any emergent themes and trends.

Patients readmitted to a hospital within 28 days of being discharged

The readmission data for 2014/15 is as yet unavailable from The Health & Social Care Information Centre (HSCIC); therefore we have included our performance as shown in the graph below. This data is extracted from the Trust data warehouse and utilises the same methodology used by HSCIC.



	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	14/15
Re-admission Rate %	13.76%	15.18%	14.17%	15.26%	14.60%	15.07%	13.28%	12.44%	14.93%	14.11%	14.24%	12.07%	14.09%
Spell Discharges	2937	2886	2985	2896	3110	2827	2996	3094	2987	3006	2816	2859	35399
28 Day Readmissions	404	438	423	442	454	426	398	385	446	424	401	345	4986

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

- Over the last year we have developed and expanded a range of ambulatory services that are provided through our clinical decisions unit
- We have further embedded our consultant on call rota to incorporate seven day working and the provision of ‘hot clinics’ in order to urgently review patients within an outpatient setting.

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

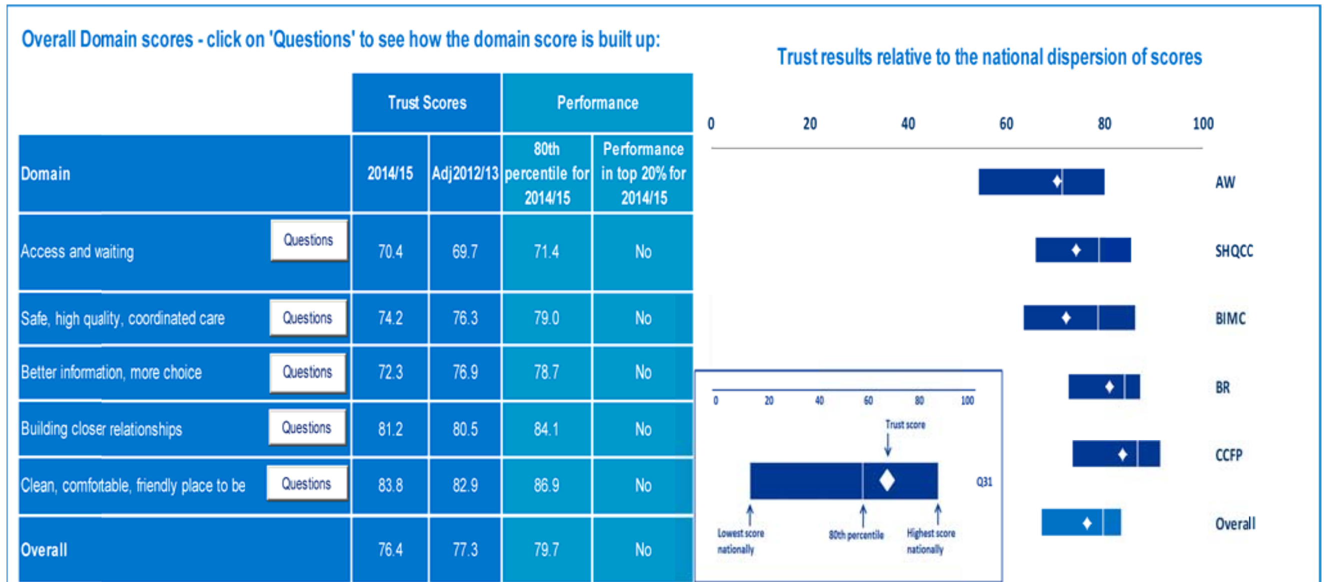
- The implementation of the Better Together programme will further strengthen pathways across the wider health and social care community thereby reducing our re admission rates.

Our responsiveness to the personal needs of patients

Patient experience scores are collated nationally via the National Patient Survey programme as a means of capturing their views regarding the care they have received. National surveys are mandated across:

- Out patient service
- In patient services
- Emergency departments

At the time of producing this report the only data that was available was regarding the emergency department patient survey.



Overall Domain scores - click on 'Questions' to see how the domain score is built up:

Domain	Trust Scores		Performance	
	2014/15	Adj2012/13	80th percentile for 2014/15	Performance in top 20% for 2014/15
Access and waiting (Questions)	70.4	69.7	71.4	No
Safe, high quality, coordinated care (Questions)	74.2	76.3	79.0	No
Better information, more choice (Questions)	72.3	76.9	78.7	No
Building closer relationships (Questions)	81.2	80.5	84.1	No
Clean, comfortable, friendly place to be (Questions)	83.8	82.9	86.9	No
Overall	76.4	77.3	79.7	No

Source: National Patient Survey Programme

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

- During 2014 the patient experience team underwent a significant workforce change programme that not only changed the structure of the team also created a more rounded and holistic view of patient experience. Through the establishment of the patient experience board we are now able to triangulate patient experience from a range of different sources in order to build a greater understanding of emergent themes and trends regarding patient experience.

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

- In light of the changes to the patient experience team continuing to embed new ways of working and ensuring that patient experience feedback is used in a meaningful way to improve patient experience across the Trust.

Staff Friends and Family response rates (FFT)

During 2014/15 Sherwood Forest Hospitals implemented the staff Friends and Family Test (FFT) in order to identify how many staff either employed or under contract would recommend the Trust as an employer and provider of care to their family or friends.

The survey was undertaken in house and utilised a combination of paper and on line survey methods. The overall response rates are included in the following table:

Reporting period: 2014/15	Response rate (%):
Q1	13.2
Q2	4.6
Q3 FFT not indicated during Q3 – survey replaced by national staff survey	
Q4	9%

Source: NHS England

The following table provides an overview of the percentage of staff who said that they would be likely or extremely likely to recommend Sherwood Forest Hospitals NHS Foundation Trust as a place of work or to receive care or treatment.

Question:	Q1 (FFT) %	Q2 (FFT) %	Q3 (Staff Survey) %	Q4 (FFT) %
How likely would you be to recommend this organisation to friends and family if they needed care or treatment?	73.02%	74.89%	61.0%*	69.09%
How likely would you be to recommend this organisation to friends and family as a place of work?	60.74%	68.20%	52.0%	51.43%
Number of respondents	708	239	376	385

Source: NHS England
*The staff survey question is slightly different. *'If a friend or relative needed treatment I would be happy with the standard of care provided by this organisation'*

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

- Our quarterly data submission is in line with national reporting requirements which are published by NHS England.

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

- Move to a on line system
- The staff Friends and Family Test (FFT) whilst not being identified as a CQUIN for 2015/16 will be monitored via the Quality and Performance Committee both in terms of overall response rates and emergent themes and trends.

Venous thromboembolism (VTE)

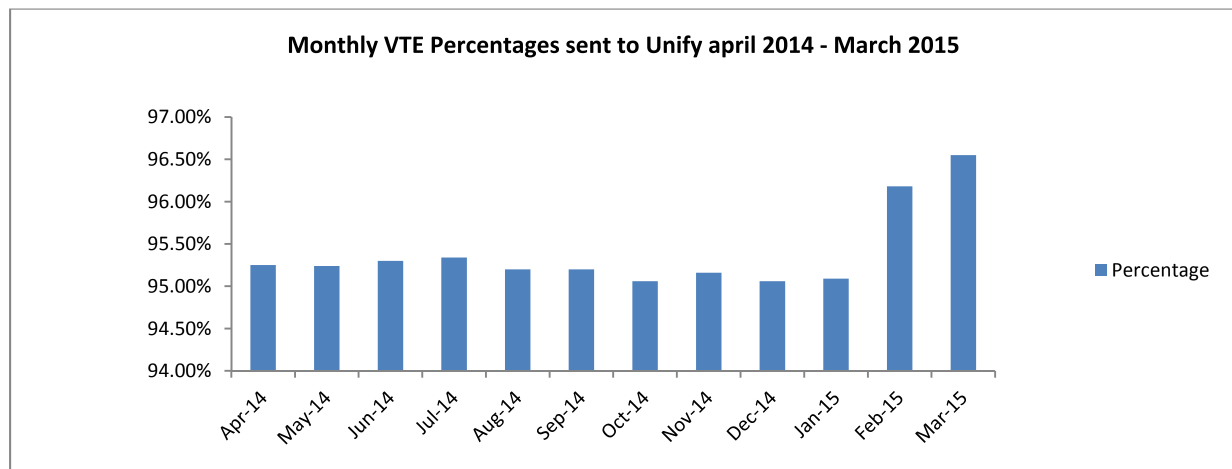
The House of Commons Health Committee reported in 2005 that an estimated 25,000 people in the UK die from preventable hospital acquired venous thromboembolism (VTE) every year. This includes patients admitted to hospital for medical and surgical care. The inconsistent use of prophylactic measures for VTE in hospital patients has been widely reported. VTE is an important cause of death in hospital patients, and treatment of non-fatal symptomatic VTE and related long term morbidities is associated with considerable cost to the health service.

A VTE is a blood clot (thrombus) that forms within a vein that can cause occlusion within the lung (pulmonary embolism) or in the deep leg veins (deep vein thrombus). All adult patients should have a VTE risk assessment on admission to hospital using a nationally recognised risk assessment tool.

During 2014/15 the following targets were agreed regarding the management of VTE:

- 95% of all patients will undergo a VTE risk assessment (Contractual)
- 100% of cases of hospital acquired thrombosis (HAT) will have a root cause analysis (RCA) performed (Internal).

During the reporting period - 2014/15 (April – January 2015) more than 95% of patients underwent a VTE risk assessment as evidenced in the following graph.



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

- From an organisational perspective, we have robust screening systems and processes in place to identify at risk patients
- All the potential hospital acquired thrombosis (HAT) cases are reviewed at the VTE group and those deemed to be potentially avoidable are forwarded on to a relevant consultant to undertake a Root Cause Analysis.

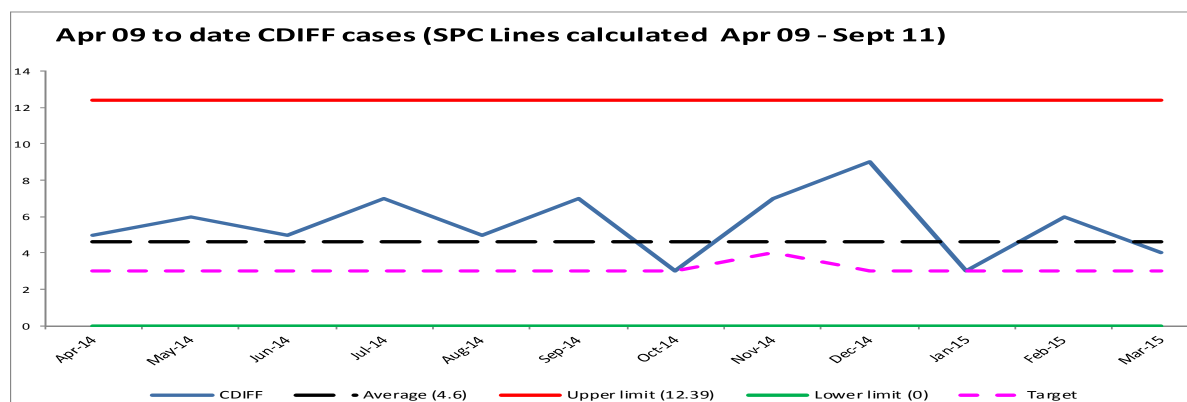
- The results are subsequently discussed at specialty clinical governance meetings to facilitate organisational learning and identify areas for further improvement.

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

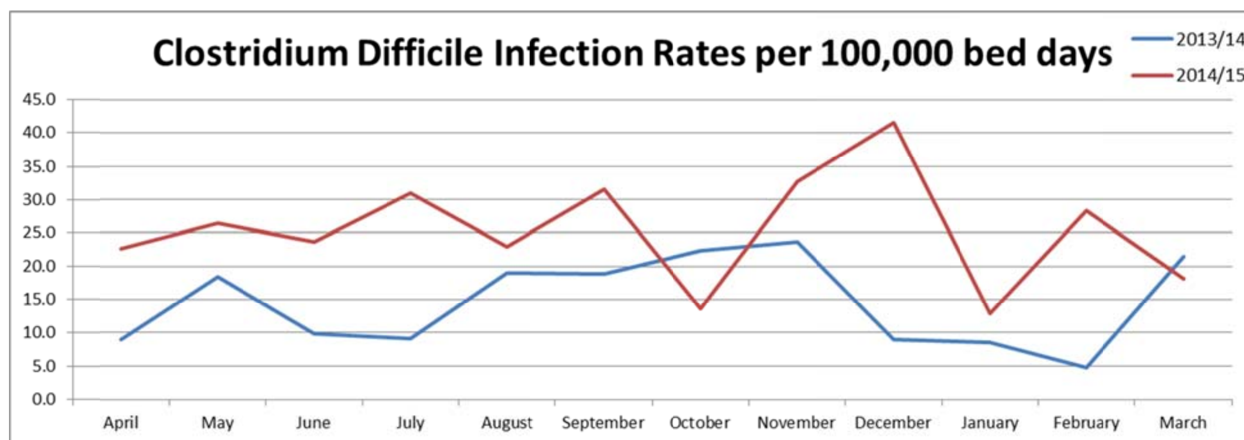
- Formally monitoring performance against this indicator and reporting to the Quality and Performance Committee.

Clostridium difficile infection

A Clostridium difficile infection is a type of bacterial infection that affects the digestive system, commonly affecting the frail elderly, and particularly those who have complex co-morbidities or have been treated with antibiotics.
During 2014/15 the Trust was set an annual target of 37 cases, however during the reporting period a total of 67 cases were recorded. The following table illustrates performance during 2014/15.



The following graph and table provides further information regarding Clostridium difficile infection rates (per 100,000 bed days) and provides a comparison between reported performance during 2014/15 and the previous year.



Period	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
2013/14	9.0	18.4	9.9	9.2	19.0	18.9	22.3	23.6	9.0	8.5	4.7	21.5
2014/15	22.6	26.5	23.7	30.9	22.9	31.5	13.6	32.7	41.6	12.9	28.4	18.1

Genetic studies undertaken during 2014/15 have not revealed evidence of cross infection. It is increasingly recognised that colonisation with Clostridium difficile spores before patients are hospitalised is an important and little understood source of Clostridium difficile infection in hospital. We are working with partners in the community to understand the implications of this for our patients.

The target for 2015/16 is 48 cases; we have achieved this for three of the last four months and will continue to work hard to maintain this.

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

- Clostridium difficile rates are reported internally via the Health Care Associated Infection Committee (HCAI), Infection Control Committee and Board of Directors Meeting (Appendix 1) and reported externally to Public Health England, in line with national reporting requirements.

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

- The infection control team has updated all relevant policies and procedures
- We have had two external reviews during this reporting period and have implemented their recommendations
- Renewed door signage pertaining to patients requiring isolation
- Procured new fogging machines for cleaning rooms
- Undertaken a review of our cleaning product formulary
- Implemented a revised drug chart which includes a separate antimicrobial section to ensure prescribed antibiotics are reviewed appropriately
- New hand hygiene stations have been introduced and a campaign launched for staff to focus on basics.

Patient safety incidents

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.

The National Reporting Learning System (NRLS) is changing the NRLS clusters, and corresponding denominator data. Currently Sherwood Forest Hospitals is defined as a medium acute organisation and the changes should better reflect the Trust's exposure to risk.

It was reported to the Trust's Clinical Quality and Governance Committee in February 2015 that it would be likely that the overall number of patient safety incidents reported to the NRLS would be lower in the next reporting period (1 October 2014 to the 31 March 2015). The current reporting culture has not deteriorated, the way the NRLS request the data and then report on that data is changing. The quality checking, on-going support and education of the handlers will improve the overall quality of the information being uploaded.

The following table illustrates the level of incident reporting including those that resulted in severe harm/death per 100 admissions from a Sherwood Forest Hospitals perspective and includes a comparison with other medium sized acute trusts. It should however be noted that the reporting period concludes at March 2014.

Sherwood Forest Hospitals NHS Foundation Trust – levels of incident reporting (2013/2014)										
	Sherwood Forest Hospitals NHS Foundation Trust				Comparison with other medium acute trusts					
Year	Number of incidents	Rate per 100 admissions	Number resulting in severe harm or death	Rate resulting in severe harm or death	Lowest number of incidents	Lowest rate per 100 admissions	Highest number of incidents	Highest rate per 100 admissions	Average number of incidents	Average rate per 100 admissions
1 October 2013 – 31 March 2014	3,301	7.9	16	0.5	1,048	2.41	5,495	16.76	3,083	8.03
2013/2014 (April to Sept 2013	2,704	6.51	3	0.1	1,535	3.54	4,888	14.49	2,896	7.47

Source: Health & Social Care Information Centre (HSCIC)

The following table further illustrates the level of incident reporting up to and including September 2014 but it should be noted that the data is based upon the rate per 1,000 bed days. Caution should therefore be urged in terms of comparing the two reporting periods.

Sherwood Forest Hospitals NHS Foundation Trust – levels of incident reporting 1 April 2014 – 30 September 2014										
	Sherwood Forest Hospitals NHS Foundation Trust				**Comparison with other non-specialist acute trusts**					
Year	Number of Incidents	Rate	Number resulting in severe harm or death	Rate resulting in severe harm or death	Lowest number of incidents	Lowest rate	Highest number of incidents	Highest rate	Average number of incidents	Average rate
Oct13 - Mar14 Re-calculated Rate per 1,000 bed days	**3181**	**26.2**	**3**	**0.1**	**35**	**5.8**	**12020**	**74.9**	**4196**	**33.3**
Apr14 - Sep14 Rate per 1,000 bed days		**25.37**				**0.24**		**74.9**		**35.90**

Source: Health & Social Care Information Centre (HSCIC)

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

- Incidents are reported electronically and can be submitted anonymously in line with the Trust's whistleblowing policy; this gives staff the facility to raise concerns without the need to identify themselves.

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

- The Trust has purchased the Datix web-based patient safety software to support the organisation's risk management functions and to provide a comprehensive oversight of our risk management activities. The Trust has invested considerably in Datix to ensure that we can be even better at integrating best practice and learning. The Trust worked closely with the National Reporting Learning System (NRLS) during the Datix project and all incidents are now mapped. The mapping process involves matching the answers or data sets within Datix to those contained within the NRLS. The mapping is agreed and signed off by the NRLS, eliminating inaccuracies or inconsistencies
- The Trust completed a workforce review of the governance support unit and invested in improved governance structures and processes to improve risk and safety management.
- In April 2014 the Trust implemented a robust mechanism to consider, review and monitor serious incident investigations. The serious incident review and sign-off group was established to provide a high level forum in which to oversee and monitor the reporting and review of serious incidents (SIs), ensuring that recommendations arising from SI investigations are implemented as required and that organisational learning has taken place.

The group reports to the Clinical Quality and Governance Committee and in addition, the Quality Committee receives regular briefings on the detail of significant issues, trends and other analysis on serious incidents. The group escalates any appropriate risks to the Quality Committee for inclusion on either the Board Assurance Framework or the Trust Organisational Risk Register.

- Incident reporting is actively encouraged at all levels and by all professions. Members of the governance support unit present at Trust inductions to promote reporting and are reviewing how to improve reporting by the medical profession
- Training courses have been established in risk management, reporting of incidents and investigation management as part of the new governance support unit. A two day lead investigator training course commenced in February 2015 and will run eight times per year. The course is designed to provide delegates with the tools and knowledge required to begin leading comprehensive root cause analysis (RCA) investigations for our reportable grade one and grade two serious incidents requiring investigation. The course provides an in-depth look at key RCA tools, techniques and methodologies. Training is built around case studies and provides time to practice during group work. The course also introduces use of other processes involved during investigations including Being Open – the statutory duty of candour with patients and families, the Incident Decision Tree and report writing
- The Trust is working to embrace learning from incidents, complaints and patient stories and a significant focus has been to improve organisational learning to strengthen learning opportunities from ward to Board.

It has been identified that there would be value in having a consistent approach to capturing organisational learning opportunities. The Trust intends to take the following actions to improve this percentage and so the quality of its services, by:

- The new “i-care 2 share and i-care 2 learn” boards will have space for clinical effectiveness learning. It is anticipated our learning from patient experience, incidents and SI’s will influence the audit plan for 2015/16. There will be greater triangulated evidence of learning, or otherwise from patient experience and incidents. This will further promote a culture of reporting and learning.
- Continue the rollout of learning boards to wards and departments. The boards include sections for:
    - Patient story
    - Serious incident information
    - Safety briefing.
- Lessons of the Month and addition of the local learning board story developed through divisional governance meetings.
- Monthly grand round
- Monthly patient safety briefings
- Roll out of (i) care2 share, (i) care2 learn shared learning events. In addition, an (i) care2 share, (i) care2 learn learning visual planner has been developed in draft; this will be fully populated to provide an overview of the topics to be shared over the year at a glance.

Part 3. Other information

A review of quality indicators during 2014/15

The following section provides an overview of the Trust's quality indicator performance during 2014/15 and is further sub-divided into the following three domains:

To improve the safety of our patients:

- To reduce avoidable pressure ulcers
- To reduce the number of catheter associated urinary tract infections
- To reduce the number of patients who develop venous thromboembolism (See part 2)
- To improve medication safety
- To improve compliance with the surgical site infection bundle.

To improve the effectiveness of clinical care:

- To improve patient flow and discharge processes
- To implement care bundles (stroke, myocardial Infarction, heart failure and chronic obstructive pulmonary disease)
- To improve compliance with the sepsis bundle (See part 2)
- To improve seven-day working across the Trust, linking with the Better Together programme.

To improve patient and staff experience:

- To improve the experience of dementia patients and their carers

The above information has been formally reported and presented to a number of key committees, groups and forums within the organisation including: the Board of Directors, Council of Governors, Quality Committee and Clinical Quality and Governance Committee

''I couldn't have hoped for better treatment''

To reduce avoidable pressure ulcers

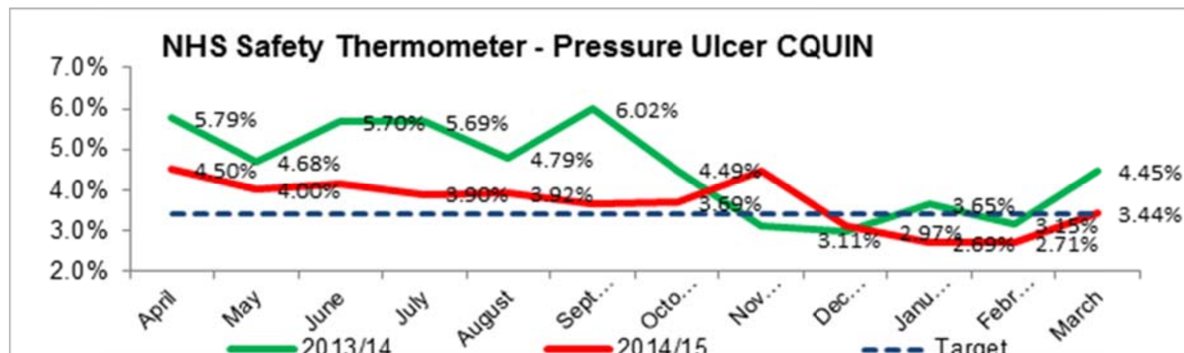
The majority of pressure ulcers (approximately 95%) are prevented with the right care and equipment. However, despite this some patients will develop a pressure ulcer due to the severity of their medical condition. As a result we chose to specifically focus on reducing avoidable pressure ulcers.

What did we set out to achieve in 2014/15?

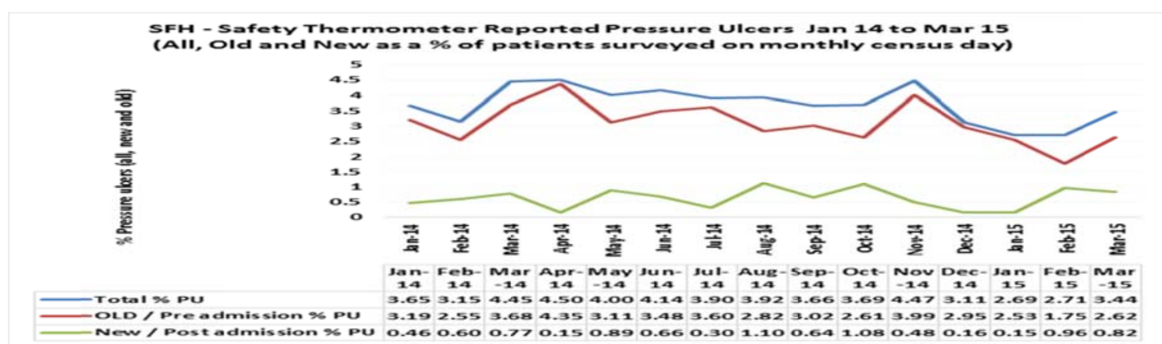
- To achieve a 50% reduction in all pressure ulcers (both inherited and hospital acquired) using the Safety Thermometer data (CQUIN)
- To achieve a 50% reduction in avoidable pressure ulcers (Contractual)
- To reduce all grade 3 and 4 avoidable hospital acquired pressure ulcers by October 2014 and achieve zero by March 2015.

Progress and outcomes

Pressure ulcer management and prevention has been excellent during 2014/15. The Trust has evidenced a gradual reduction in the number of pressure ulcers reported both from an inherited and hospital acquired perspective in comparison to that of the previous year.



The following graph provides further detail and differentiates between the numbers of pressure ulcers that develop whilst within our care versus the number that develop prior to admission to hospital.



	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
Total % PU	3.65	3.15	4.45	4.50	4.00	4.14	3.90	3.92	3.66	3.69	4.47	3.11	2.69	2.71	3.44
OLD / Pre admission % PU	3.19	2.55	3.68	4.35	3.11	3.48	3.60	2.82	3.02	2.61	3.99	2.95	2.53	1.75	2.62
New / Post admission % PU	0.46	0.60	0.77	0.15	0.89	0.66	0.30	1.10	0.64	1.08	0.48	0.16	0.15	0.96	0.82

As evidenced within the above table, the overall number of pressure ulcers that develop whilst in our care is significantly less than those that develop outside of the organisation. In addition to this we have implemented early intervention strategies within the emergency department and assessment units to ensure that risk assessments are undertaken in the very early stages of attendance/admitance and that appropriate pressure relieving devices are utilised to prevent tissue breakdown/further deterioration. The results of our early intervention strategies are bourne out in the following table:

	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Totals
GRADE 2 - is superficial and may look like an abrasion or blister													
2013-14	14	13	16	8	7	5	9	6	7	9	5	7	106
2014 -2015	5	10	12	8	9	2	6	3	0	2	3	3	64
Target No.	5	5	5	5	5	4	4	4	4	4	4	4	53
GRADE 3 - goes through the whole layer of skin and there is damage to the tissues underneath the skin													
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
2014 -2015	2	0	0	0	0	0	0	0	0	2	2	0	6
Target No.	2	2	2	1	1	1	0	0	0	0	0	0	9
GRADE 4 – is the most severe form, it is deep and there is damage to the muscle / bone underneath													
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
2014 -2015	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

Monitoring and reporting for sustained improvement

- 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 placed particular focus on the emergency department and emergency admissions unit, developing bespoke documentation and equipment.
- 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 2015/16 we plan to:

- Develop and implement a revised pressure relieving mattress service across the organisation
- Establish a strategic partnership with community nursing colleagues regarding the transfer and management of patients with long term pressure ulcers into acute care.
- Develop and trial a revised pressure ulcer risk assessment tool and associated documentation across the organisation.

To reduce the number of catheter associated urinary tract infections

Caring for patients who have an indwelling urethral catheter is a common feature of nursing practice, which for some patients is essential to their medical management.

Evidence however suggests that in many cases that catheterisation may be unjustified, potentially exposing patients to a significant risk of acquiring a urinary tract infection. Such infections account for 80% of hospital acquired infections, thereby extending length of stay and imposing an extra burden of care and cost on the healthcare provider.

What did we set out to achieve during 2014/15?

- To reduce the total number of hospital acquired urethral catheter associated bacteraemia cases reported to less than five cases per year. (Internal)

Progress and outcomes

During 2014/15 we reported 11 cases of urethral catheter associated infections against an internal target of five – we therefore failed to achieve this target.

Monitoring and reporting for sustained improvement

During 2014/15 the following initiatives were implemented:

- A strategic reducing harms associated with urinary catheterisation working group has been established with membership drawn from the wider health community including: infection control team, nurse specialists, ward and community nursing staff
- From a governance perspective all urinary tract bacteraemia are investigated through an established RCA process in order to identify areas of good practice and lapses in care in order to support organisational learning and continuous improvement

- A catheter product formulary group has been established in order to streamline and standardise product selection both from a financial and quality perspective
- In addition to the above group, an operational group has been established across acute and community services in order to address and seek resolution to catheter management related issues, particularly pertaining to discharge arrangements
- A patient information leaflet has been developed and implemented, specifically designed to support patients discharged with indwelling catheters in situ in order to improve their knowledge, understanding and confidence regarding their catheter
- A training and competency package has been implemented for registered nurses regarding catheterisation technique and aftercare in order to reduce the incidence of catheter associated urinary tract infection
- The above groups report into the SFH healthcare associated infection group in order to demonstrate and evidence that robust and effective governance processes. are in place.

For 2015/16 we plan to:

- Further embed the above actions into clinical practice to ensure we have less than five cases.

To improve medication safety

Medication incidents are defined as those which have actually caused harm or had the potential to cause harm, involving an error in the process of prescribing, dispensing, preparing, administering, monitoring or provision of medicines advice. Over 90% of incidents reported to the National Reporting and Learning System (NRLS) are associated with no harm or low harm. The most frequently reported types of medication incidents involve:

- Wrong dose
- Omitted or delayed medicines
- Wrong medicine.

What did we set out to achieve during 2014/15?

- Zero medication-related ‘never events’
- To increase the number of reported medication-related incidents by 20% (compared to 2013/14 data)
- To reduce the number of medication-related incidents resulting in moderate/severe harm by 25% (compared to 2013/14 data), particularly for high-risk medicines such as opioids, insulin, anticoagulation etc.
- Implement improvements to reduce missed and delayed doses of medicines by 50% in 2014/15.

- Achieve 95% 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.

How are we performing against this target?

There has been an enormous amount of work in relation to medicines safety during 2014/15. A fortnightly medicines task and finish group has moved medicine safety from being a pharmacy-led activity to having a multi-disciplinary focus, with evidence of excellent engagement between nursing and pharmacy professions.

Never events

No medication-related never events occurred in the Trust in 2014/15; however near-misses did occur and actions were developed to help avoid repetition.

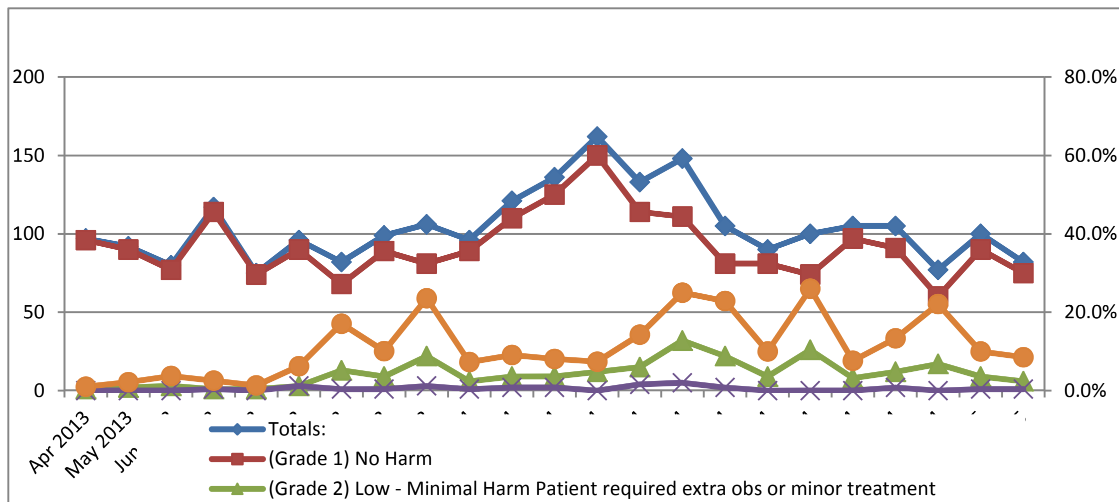
Medication incidents reported on Datix, and attributable 'harm'

The graph below indicates the total number of medication-related incidents reported monthly on Datix since April 2013, to the end of February 2015.

The graph also indicates the total numbers of associated measures of 'harm' severity as a result (where this has been indicated on the incident report), specified as 'no harm', 'low' harm or 'moderate' harm (there was one example of 'catastrophic' harm reported in July 2013, but this coding relates to the outcome from overall case management rather than being medication-specific).

The number of incidents with a severity of 'moderate' or worse remained very low during 2014/15, but there has been an overall increase (25%) in the number of incidents causing 'moderate' harm during April to February 2014/15 compared to the same period in 2013/14 (15 compared to 12).

The proportion of incidents resulting in any harm remains slightly elevated during 2014/15 compared to 2013/14, but this is probably due to improved reporting and assessment of outcome from incidents ('harm' assessment was probably falsely low prior to October 2013). The vast majority of incidents continue to have no directly attributable harm as an outcome.



Incidents and 'critical' medicines

From April 2014 to February 2015, there have been approximately 1,000 medication-related incidents where the specific medicine involved has been identified (out of approximately 1,200 medication-related incidents reported on Datix in total).

Analysis is challenging due to the many different ways in which medicine detail can be input into Datix at the time of reporting, and the change to medication classification made during the August 2014 Datix upgrade. Review of the data indicates that, where 'harm' has occurred, most 'low' harm is as a result of warfarin and enoxaparin; more 'severe' harm has been attributed to incidents involving insulin (including a never event near miss (overdose), and problems relating to omission (prescribing)). Work is on-going to enable access to insulin e-learning for all Trust staff, and investigation and learning has been undertaken from the serious insulin incidents. Insulin prescribing documentation is being redesigned during 2015 as a means to improve the clarity and safety of insulin prescribing.

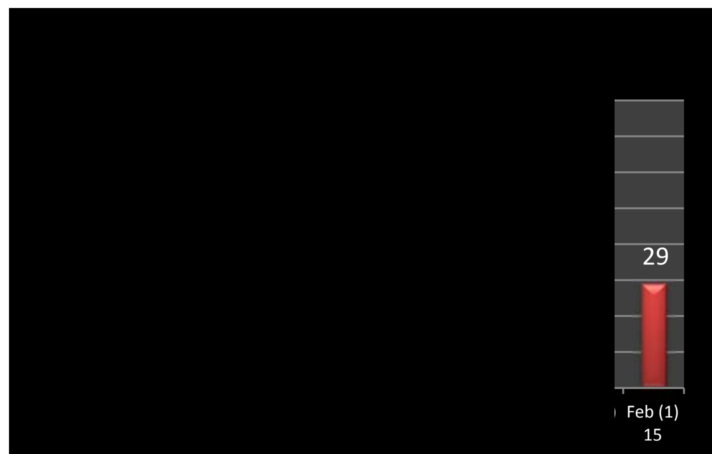
'Critical' medicine groups provide the majority of incidents reported relating to medicines, which reflects positively on the need to identify risks relating to their use. Most incidents relate to:

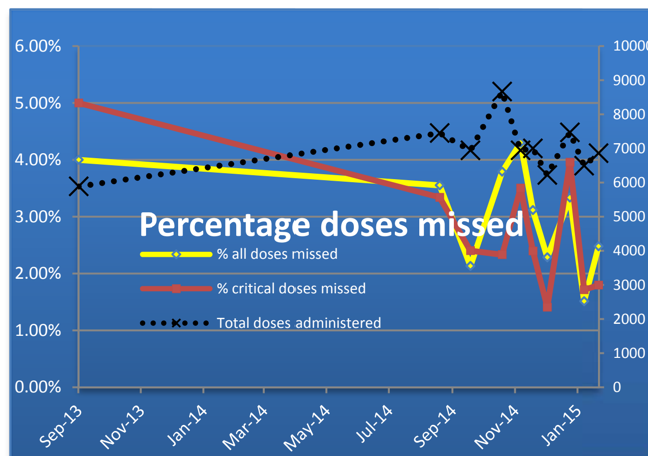
- Antimicrobials (particularly gentamicin and vancomycin)
- Anticoagulants (particularly warfarin, and commonly in relation to referral failures). Development work is currently on going to introduce an Orion-based anticoagulation referral pathway at discharge
- Enoxaparin
- Opioids (particularly morphine, fentanyl and oxycodone)
- Insulin
- Methotrexate (particularly relating to prescribing error)
- Medicines for Parkinson's disease, antiepileptics and oral hypoglycaemics.

Missed and delayed doses

Work started on reducing missed and delayed doses of medicines in 2013. Regular audits were later initiated in 2014. Considerable work and effort has been applied to this area and we believe we are now seeing improvements in rates of missed doses of all and especially critical medicines (see charts below).

This is important work for the Trust is an issue nationally. SFH has recently started participating in the National Medicines Safety Thermometer (MST), which allows for benchmarking of performance in a number of areas including missed doses. Initial indications are that the Trust is performing better than the national mean. More work remains to achieve the absolute minimum number of missed doses, especially for critical medicines that are more likely to cause patient harm.





To reduce missed and delayed doses of medicines a number of strategies have been employed – red tabards to reduce interruptions, medicines included in accountability handover, decision aids, medicines champions in each area, spot check audits and posters aimed at nurses, doctors and our patients.

Medicines reconciliation
Over 2014/15 we worked to maximise our input into admissions wards without detracting from important clinical pharmacy input to other areas. Medicines reconciliation rates have been measured via formal audits. Audits show we are achieving 75%. Although the ideal is to achieve a 100% rate the national target is 95%. The number of patients admitted outside current pharmacy working hours does mean that achieving the 95% target is not feasible; however it is anticipated that we will be in a better position following the implementation of seven-day working that will extend the working day and increase pharmacy input at weekends.

Medication safety officer
The medication safety officer (MSO) role was introduced in 2014 following the publication of the NHS England alert. An expanded programme of work around medicines safety and reporting of medication incidents is underway.

Monitoring and reporting for sustained improvement

The chief pharmacist and clinical director for medicines management and the Medicines Management Committee set much of the agenda and monitor feedback on progress around improvement areas. A number of sub-groups are specifically tasked to undertake specific work plans e.g. the medication safety group reviews medication incidents and proposes improvement work for medicines safety.

As already alluded to above, there is more work required in a number of areas such as missed and delayed doses of medicines and medicines reconciliation. The following have been identified as areas for improvement work in 2015/16:

- Missed and delayed doses – continue existing work to minimise the occurrence of missed doses, with special focus on critical medicines
- Medicines reconciliation following seven-day working – following the implementation of seven-day working we aim to achieve a 95% level of medicine reconciliation
- Medication to take out (TTO) writing – pharmacists' writing of TTOs is being piloted and if this is successful and shows an impact on safety, improved communication and positive effects on patient flow, the intention is to roll out the system across the organisation
- E-prescribing and medicines administration (EPMA) – EPMA is one of the most significant changes that will affect patient safety with medicines. Although we were not successful in getting Department of Health funding for EPMA, alternative routes are being investigated to enable us to achieve EPMA by 2018.
- Increase rates of reporting of incidents – the NHS England alert around MSOs requires organisations to increase their reporting of medication incidents. This will be tracked during 2015/16
- Improve anticoagulation referral and follow up at discharge – poor referral of patients on warfarin and heparins following discharge places these patients at risk.

To improve compliance with the surgical site infection bundle

Surgical site infection (SSI) is a type of healthcare associated infection that occurs after an invasive (surgical) procedure. A surgical site infection may range from a spontaneous limited wound discharge within seven to ten days of an operation, to a life-threatening post-operative complication, most commonly caused by contamination of the surgical incision from the patient's own body during surgery.

Surgical site infections can have a significant effect on quality of life for the patient, are associated with considerable morbidity, extended hospital stay and significant financial burden to healthcare providers.

From a surgical site infection perspective we are mandated to report against a number of '*Saving Lives'* key performance indicators both from a pre-operative and peri operative perspective. The key areas include:

Preoperative actions:
- MRSA screening and decontamination
- Hair removal

Perioperative actions:
- Prophylactic antimicrobial prescribing
- Glucose control
- Normothermia.

What did we set out to achieve during 2014/15?

During 2014/15 we set out to achieve 95% compliance against the surgical site infection care bundle by March 2015.

How are we performing against this target?

Pre-operative performance:

Reporting period:	No: observations undertaken	MRSA screening (%)	MRSA decontamination (%)	Hair removal (%)	Compliance against all elements
2013/14	3733	100	100	99.99	99.99
2014/15	3109	100	100	99.99	99.99

Peri operative performance:

Reporting period:	No: observations undertaken	Prophylactic antimicrobial (%)	Glucose control <11 mmols (%)	Normothermia >36°C (%)	Compliance against all elements
2013/14	4796	100	100	99.99	99.99
2014/15	5490	100	100	99.99	99.99

As evidenced within the above tables our performance regarding surgical site infection bundles has exceeded the 95% target set for 2014/15.

Monitoring and reporting for sustained improvement

From a reporting perspective all mandatory surgical site infections are formally reported to and presented at the Healthcare Associated Infection Committee (HCAI), Infection Control Committee and Board of Directors Meeting.

To improve patient flow and discharge processes

Evidence suggests that the NHS is arguably one of the most complex delivery systems to manage successfully, given the complex array of variables, entry and exit points within the system. The situation is further compounded by significant demographic changes resulting in patients living longer, many of whom live with complex co-morbidities and live within complex social circumstances technological advances in treatment and heightened expectations of patients and their families.

The situation is further complicated by an array of national access and waiting time targets coupled with a complex discharge process; all of which result in reduced patient flow through the health and social care system, creating a capacity and demand mismatch.

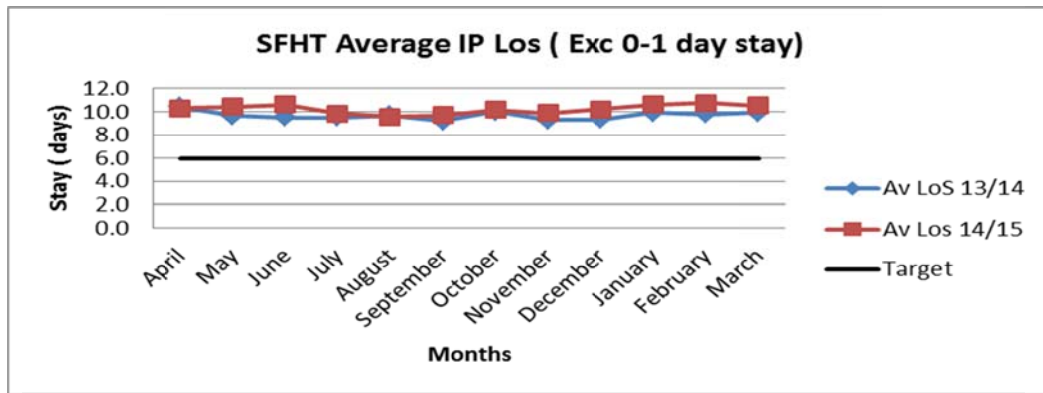
Patient flow, therefore, is the lifeblood of the NHS and is a key driver in achieving quality and efficiency improvements across services. Evidence suggests that enhancing patient flow can also increase patient safety and outcomes. In essence it is about patients receiving the right care, in the right place, at the right time, all of the time.

What did we set out to achieve during 2014/15?

- To reduce length of stay (LOS) to six days (excludes 0-1 LOS).

How are we performing against this target

Analysis of the length of stay performance during 2014/15 shows little change in comparison to the previous reporting period and we continue to exceed the target set.



Monitoring and reporting for sustained improvement

The following section provides an overview of how this indicator is monitored and includes a range of initiatives currently in place to ensure sustained improvement:

- From a monitoring perspective we formally review our length of stay performance via the Board of Directors, Finance and Performance Committee, capacity meeting and emergency improvement group, with actions agreed to remain on trajectory.
- The recent introduction of Board rounds across all in patient wards has created the necessary conditions for the multi-disciplinary team to discuss each patient on a daily basis and ensure that predicted dates of discharge are set, are realistic and that discharge plans are enacted to facilitate this.
- The introduction of consultant ward rounds over weekend periods has in addition supported patient flow through the presence of a senior decision maker.
- Further expansion to the emergency department avoidance support service (EDASS) scheme has facilitated early discharge for patients awaiting commencement of a package of care.
- The recent introduction of the transfer to assess scheme, hosted by community providers, has helped to facilitate early discharge for patients deemed to be medically fit for discharge, whereby on going assessments regarding their future care provision can be made within the community setting either within their own home or a residential care setting.

To implement care bundles (stroke, myocardial infarction, heart failure and chronic obstructive pulmonary disease)

A care bundle can be defined as a structured and systematic way of improving care delivery and patient outcomes via a straightforward set of evidence-based practices, that when performed collectively and reliably have been proven to improve patient outcomes.

What did we set out to achieve during 2014/15?

During 2014/15 a number of specialities were asked to develop and implement the care bundle principle across a range of common disease groups, namely: stroke, myocardial infarction, heart failure and chronic obstructive pulmonary disease.

How are we performing against this target?

The following section provides an overview of progress to date within each speciality.

Disease group	Progress to date:
Stroke	Established a 24 hour, seven days a week thrombolysis Service Integration of the acute and rehabilitation therapists on the stroke unit in order to create one integrated team
Myocardial infarction	Appointment of three substantive consultant interventionists to provide inpatient coronary intervention within 72 hours of presentation
Heart failure	Initiated new heart failure pathways within the emergency care pathway Appointment of a consultant cardiologist with a specialist interest in heart failure Initiated the ECHO project which has resulted in early referrals to the heart failure nurse specialist Continued to build strong strategic partnerships with community-based heart failure nurse specialists in order to streamline patient pathways between acute and primary care interfaces Provision of clinical supervision to community-based heart failure nurse specialists by consultant cardiologists in order to maintain best practice standards Business case developed for the provision of an additional heart failure nurse specialist

Chronic obstructive pulmonary disease (COPD)	Development of the draft COPD discharge bundle that has been piloted across the acute respiratory wards Continued to build strong strategic partnerships with community-based COPD nurse specialists in order to streamline patient pathways between acute and primary care interfaces Provision of clinical supervision to community-based COPD nurse specialists by consultant physicians in order to maintain best practice standards

Monitoring and reporting for sustained improvement

The following section provides an overview of a range of on-going improvements that are scheduled to take place over the next year;

Disease group	**Future plans:**
Stroke	To appoint three consultants with a special interest in stroke on a substantive basis To integrate the early supported discharge stroke team into the inpatient team on the stroke unit to create a truly integrated service, whereby staff rotate through the various elements of the service
Heart Failure	To appoint an additional heart failure nurse specialist on a substantive basis To increase the number of cardiac resynchronisation therapy (CRT) procedures undertaken for patients presenting with heart failure as per NICE guidance
Chronic Obstructive Pulmonary Disease	To ensure that the COPD discharged Bundle is ratified and subsequently embedded into clinical practice To undertake a review of the role and function of the COPD nurse specialists in order to ensure that respective roles within acute and primary care align and complement each other Implement colour coded patient wrist bands to denote the correct prescribed oxygen saturations to be administered

From a monitoring and reporting perspective respective specialities work collaboratively within their service lines, reporting into their heads of service and division via an established governance and divisional management board reporting framework.

To improve seven day working across the hospital linking with the Better Together programme

It is well acknowledged that the general public access the NHS seven days a week, predominantly from a non-elective perspective, however provision of some services fails to match this demand profile resulting in delays, increased length of stay, poor patient outcomes and increased mortality during out-of-hours periods. Therefore in order to deliver a truly patient focussed service the NHS must move towards ensuring that routine NHS services are available seven days a week.

What did we set out to achieve during 2014/15?

- To improve seven-day working across the Trust linking in with the Better Together programme.

How are we performing against this target?

- From an organisational perspective the Trust has engaged with the national seven day working programme and has undertaken a benchmarking exercise in order to assess our position against other Trusts from across the East Midlands
- The Trust has in addition undertaken a gap analysis exercise, comparing current service provision to the 10 clinical standards in order to quantify the gap in service provision. Our average compliance score against the standards is comparable with other trusts (54.2% compliance against an East Midlands average of 57.6%)
- The Trust has selected four priority work streams across the organisation which is key to the successful delivery of seven-day services namely: therapy, pharmacy, medical staff and radiology. A series of engagement sessions are currently underway with staff within the above work streams in order to formally launch the programme and engage with staff regarding implementation and transition of services
- The introduction of consultant ward rounds/board rounds over weekend periods has in addition supported patient flow through the presence of a senior decision maker

Monitoring and reporting for sustained improvement

The seven-day working programme is one of four work streams that form part of the integrated improvement programme. From a reporting perspective the seven-day transformation board reports into the transformation steering group and board, whereby progress and achievement against key milestones are monitored and managed.

During 2015/16 the seven-day working group aim to achieve the following outcomes:

- To achieve the five clinical standards required by 2015/16. They include: time to first consultant review, multi-disciplinary review, diagnostics, mental health and on-going review
- Development and implementation of a generic health community dashboard to include a range of KPI's namely: mortality rates, emergency admissions, re-admission rates, length of stay and patient experience in order to monitor the impact of seven-day working across acute and community settings.

To improve the experience of dementia patients and their carers

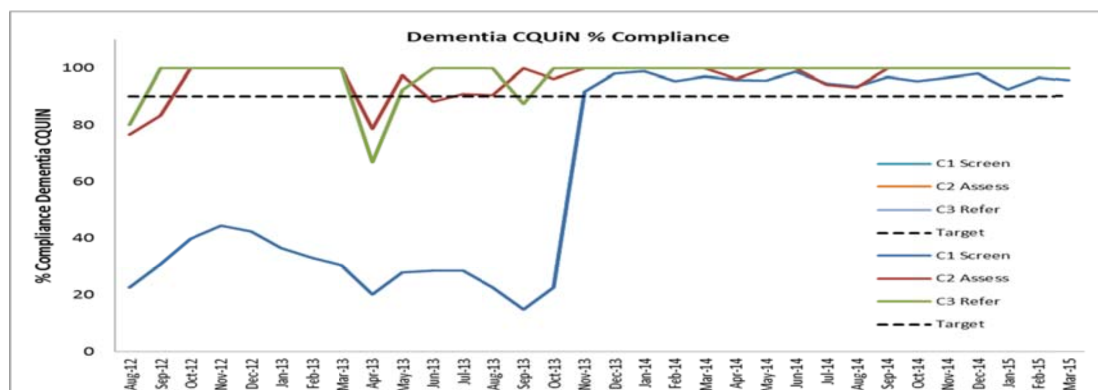
Dementia is a progressive and largely irreversible clinical syndrome that is characterised by a widespread impairment of mental function. Dementia is associated with complex needs and, especially in the latter stages, high levels of dependency and morbidity. Early identification, treatment and care of people with dementia and support for carers is therefore imperative and requires primary, secondary and social care agencies to work in an integrated way to maximise benefit.

What did we set out to achieve during 2014/15?

- 90 % of all emergency admissions aged 75 years and over are screened, assessed and referred onto a specialist service
- Identification of a named lead clinician and evidence of appropriate training for staff
- Establishment of a carer support audit tool.

How are we performing against this target?

During 2014/15 more than 90% of all emergency admissions aged 75 years and over were screened, assessed and referred onto a specialist service – target achieved.



We have a named clinician in post and continue to progress with our Dementia Awareness, Tier 1, Meaningful Activity training.

In addition we have dementia champions in post across all of our wards to provide support and share good practice.
The carers survey has been established and expanded to include a range of questions regarding care planning and discharge arrangements.

How did we achieve this?

- 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
- An activity 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 and disorientation
- Environmental enhancements – a business case to develop Ward 52 into a geriatric medical mental health ward has been approved by the Trust Corporate Development Group and Charitable Trust Funds Committee. In addition to this we have raise funds through the dementia appeal to continue to enhance our care environments in order to make them more dementia friendly. Clearer signage, contrasting coloured toilet seats and brightly coloured cups, beakers and plates 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
- 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
- 'Forget Me Not project approval granted to utilise the 'Forget Me Not' image on the front of case notes and magnetic patient information boards in order to clearly communicate information regarding our dementia patients
- We appointed two registered mental nurses to work within our designated geriatric medical mental health ward in order to enhance the nursing establishment.
- We have developed and implemented an advanced pain assessment tool across the organisation specifically designed for use with patients with communication and cognitive difficulties.

Monitoring and reporting for sustained improvement

Performance regarding dementia screening, assessment and referral are reported to the Trust Board on a quarterly basis. The dementia strategy and associated work plan are monitored via the dementia strategy group whereby any deviations from plan are reported to the Safeguarding Adults Board.

For 2015/16 we plan to:

- Continue to maintain the good work already achieved and use this to further enhance care delivery and carer/family support
- Hold a carer support and information event hosted by the Alzheimer's Society at King's Mill Hospital
- Support the development and facilitation of an East Midlands dementia conference
- Deliver more specialist dementia care training in the form of Stirling University best practice courses and commissioned specialist training in Meaningful Activities
- Consider the feasibility of integrating dementia screening into our VitalPAC system and processes
- Increase overall engagement with carers and families of patients diagnosed with dementia via more detailed surveys and engagement events in order to influence our strategic planning regarding dementia care.

Improved response rates in the patient Friends and Family Test (FFT)

The Friends and Family test (FFT) is an important feedback tool that supports the fundamental principle that people who use NHS services should have the opportunity to provide feedback on their experience.

It asks people if they would recommend the services they have used and offers a range of responses. When combined with the supplementary follow-up questions, the FFT provides a mechanism to highlight both good and poor patient experience. This kind of feedback is vital in transforming NHS services and supporting patient choice.

What did we set out to achieve during 2014/15?

We selected the patient Friends and Family Test (FFT) as one of our three key quality indicators during 2014/15 in order to seek the views and opinions of patients who accessed our services and secondly to further underpin the recent amalgamation of the patient experience team and launch of the patient experience and involvement strategy. During this period, the patient Friends and Family Test (FFT) was selected as a national CQUIN – this created the necessary pace and rigor to facilitate in the main the required response rates required.

The following section provides an overview of the key performance indicators that we were required to achieve from an inpatient, emergency department and maternity services perspective during this reporting period:

- To increase our FFTresponse rate to 50% by October 2014
- To further improve the score to 80% by March 2015
- To expand FFT across our outpatient and day case facilities.

How are we performing against this target?

The following section provides an overview of our performance during 2014/15 and provides a national comparison to provide further context.

From an in-patient perspective we have maintained our response rates over the year with no evidence of significant improvement or deterioration noted. Our performance appears to mirror that being reported nationally;

Month	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
SFH response rate (%)	32.8	32.2	28.9	38.1	34.3	34.9	40.5	33.8	36.6	38	29.6	53.2
National response rate (%)	34.9	35.7	38.0	38.3	36.9	36.6	37.7	37.1	33.9	36.1	40.1	

Source: NHS England

Achievement of our emergency department FFT response rates has proven to be challenging over this year, particularly in comparison to the data being reported nationally. In response to this we have deployed resources to the department to increase our overall response rates and have trialled an electronic tablet based solution to support this.

Month	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Response rate (%)	16	14.9	9.6	12.4	20.7	21.6	19.8	15.6	15.6	10.8	6.7	17.2
National response rate (%)	18.6	19.1	20.8	20.3	20.0	19.5	19.6	18.7	18.1	20.1	21.2	

Source: NHS England

From a maternity perspective, we are mandated to report at four separate touch points during the antenatal and postnatal pathway. As evidenced within the following table there has been a significant increase in the response rates reported over the year. This is following the establishment and implementation of a maternity services task and finish group and specific awaremess raising in the units and wards.

Month	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Response rate (%)	18.9	12.4	12.4	10.5	12	11.8	13.8	16.3	19.3	25	36	38

National respons e Rate (%)												

Source: NHS England

Monitoring and reporting for sustained improvement

Whilst the FFT is not identified as a quality priority or CQUIN for 2015/16 it will continue to be monitored and reported via the quality schedule. Monitoring and reporting will in addition be undertaken via the following committee structures and forums:

- Ward assurance dashboards
- Patient experience committee
- CCG quality and performance meeting

The Trust has implemented the following actions to increase the response rates and capture the qualitative data provided by patients to shape and improve services:

- A communication strategy has been implemented that has included the distribution of posters and banners across all the wards, departments, entrances and exits across the organisation in order to raise overall awareness of FFT. In addition to this the use of social media, iCare2 and local press has equally been utilised to raise overall awareness
- A pilot of the use of an FFT online application is currently being utilised through the use of IPAD/Android touch screen technology to capture views and opinions providing real time feedback across our outpatient and emergency departments
- The patient experience team have recently appointed a dedicated CQUIN worker to support the uptake of FFT across our wards and departments
- The Trust has undertaken a benchmarking exercise in terms of response rates with comparable-sized organisations and against national averages
- Provision of qualitative data to respective wards and departments in order to identify examples of good practice and areas requiring further improvement.

Complaints

The Trust has made a noticeable change to its management of complaints and improvements in its patient experience functions during 2014/15.

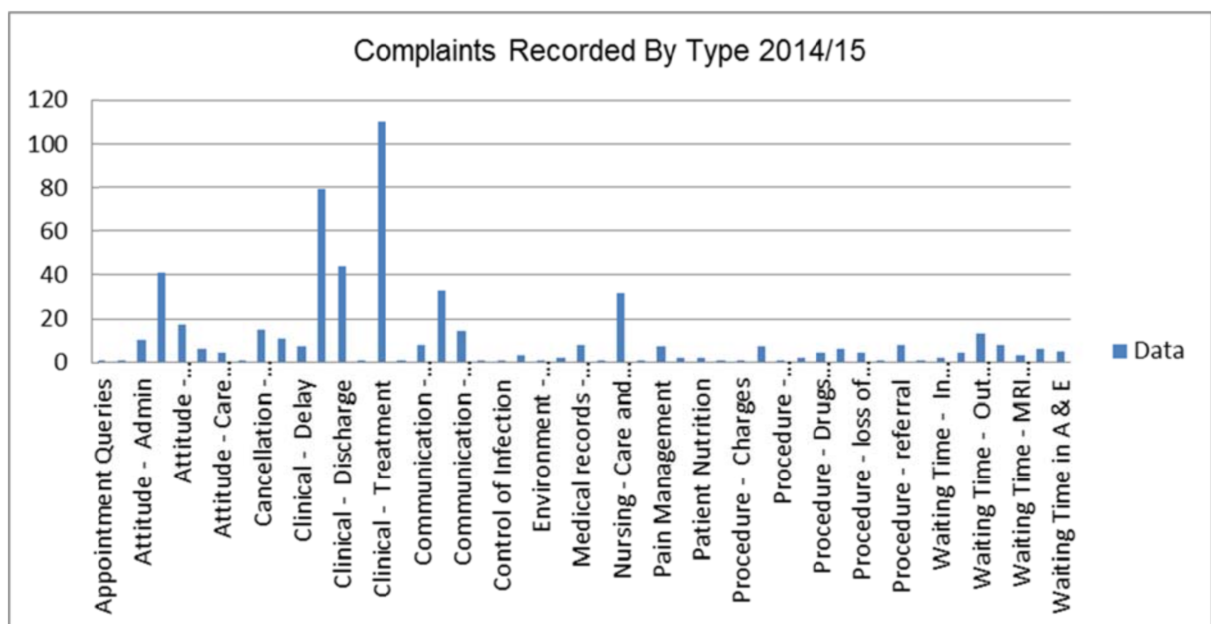
The patient experience team provide a first line response service to patients, relatives and carers concerns, complaints and compliments throughout the Trust of which are facilitated through local resolution meetings, home visits and formal written correspondence.

The patient experience team continues to manage concerns, complaints and compliments through the processes and procedures introduced in September 2014 following the service restructure, verbally acknowledging all concerns and formal complaints within one-three working days, seeking to provide a prompt resolution wherever possible, or escalation to a formal complaint in accordance with NHS Complaints Regulations and Trust policy.

From February 2015, the patient experience team streamlined the collection of patient feedback relating to the historical categories recorded as PALS contacts, comments, complaints and compliments. All patient and relative/carer feedback is now recorded as a concern, complaint or compliment, including signposting/information requests ensuring the intelligence is providing an accurate picture of the services within the Trust.

The patient experience team formally report complaints into Datix Web, which is a centralised incident reporting database.

During 2014/15 the Trust received 699 formal complaints; the following graph provides an overview of those reported by type.



The patient experience team works closely with respective divisional teams to seek resolution to complaints generated and in addition liaises with the governance support unit regarding the management of simultaneous complaints / serious incidents, maintaining consistent dialogue with complainants where parallel processes are being managed. In addition to this the patient experience team provides regular progress updates to complainants and support within local resolution meetings.

A revised complaints, concerns and compliments policy is currently being consulted on, reflecting the revisions to the complaints management process and procedure In accordance with The Local Authority Social Services and National Health Service Complaints (England) Regulations 2009 and a NHS Complaints Procedure in England, House of Commons notes in January 2014.This policy will be presented at the Clinical Quality and Governance Committee in May 2015.

It is essential that the Trust continues to learn from complaints and concerns, ensuring service improvements are embedded into everyday practice. The following section provides an overview of Trust- wide service improvements implemented during 2014/15:

- The development of a patient pathway to encourage doctors to consider the differential diagnosis of a child with torticollis in the paediatric service ensuring cases are appropriately managed in the future, including early discussion with specialised colleagues in neighbouring NHS trusts
- Increased reception staffing during the lunchtime period to ensure patients arriving for afternoon clinic appointments are greeted and welcomed in a timely manner.
- The Trust is reviewing the transfer and discharge arrangements in place, to ensure better communication, smooth transitions and to improve the services provided to vulnerable patients in our care
- The business unit provides clear and timely communication to patients regarding cancelled outpatient appointments, providing rationale for the cancellation and offering a new appointment
- The radiology administration and support staff have attended a customer care training course to enhance their skills, knowledge and perception following a number of complaints relating to staff attitude.
- Nursing staff on the day case unit are currently receiving training regarding care, compassion and dignity, increasing the awareness of perception and recognising and managing sensitive situation.

During 2015 the patient experience committee was established, which has drawn together a number of key internal and external stakeholders in order to drive forward the patient experience and involvement strategy and triangulate a number of data sources to identify and seek resolution to a number of emergent themes. During 2014/15 the Trust forged a new relationship with our local Healthwatch, which forms part of the Patient Experience Committee membership.

A peer review of the Trusts complaints processes and procedures was undertaken by the Clinical Commissioning Group (CCG) in association with the Patient Association in October 2014. The final report was received highlighting areas of good practice in complaint investigations in quarter two and quarter three, however a number of recommendations were made, of which a number have been expedited and an action plan is in place to support the outstanding areas.

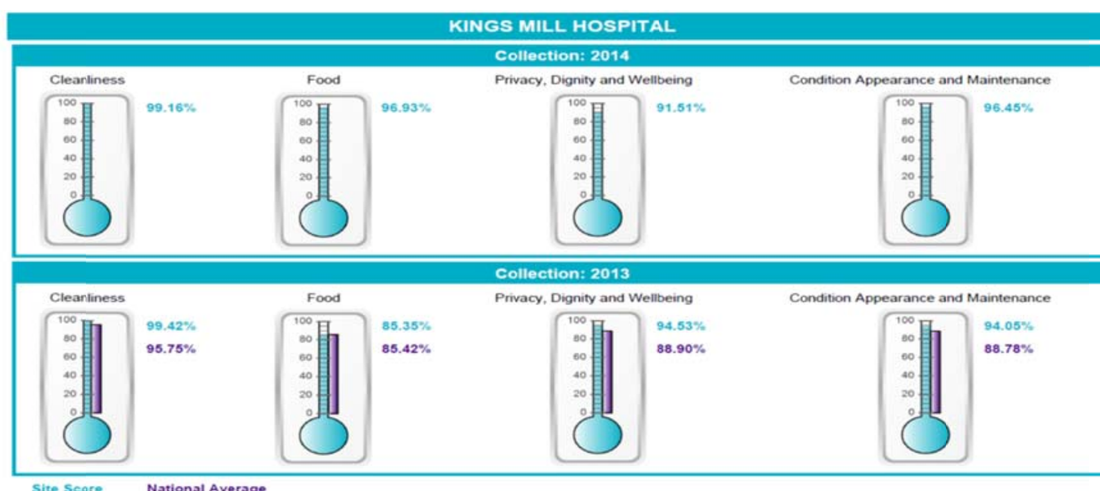
In addition to this, an internal audit review of complaint investigations was undertaken during 2015; the Trust is currently awaiting the draft report.

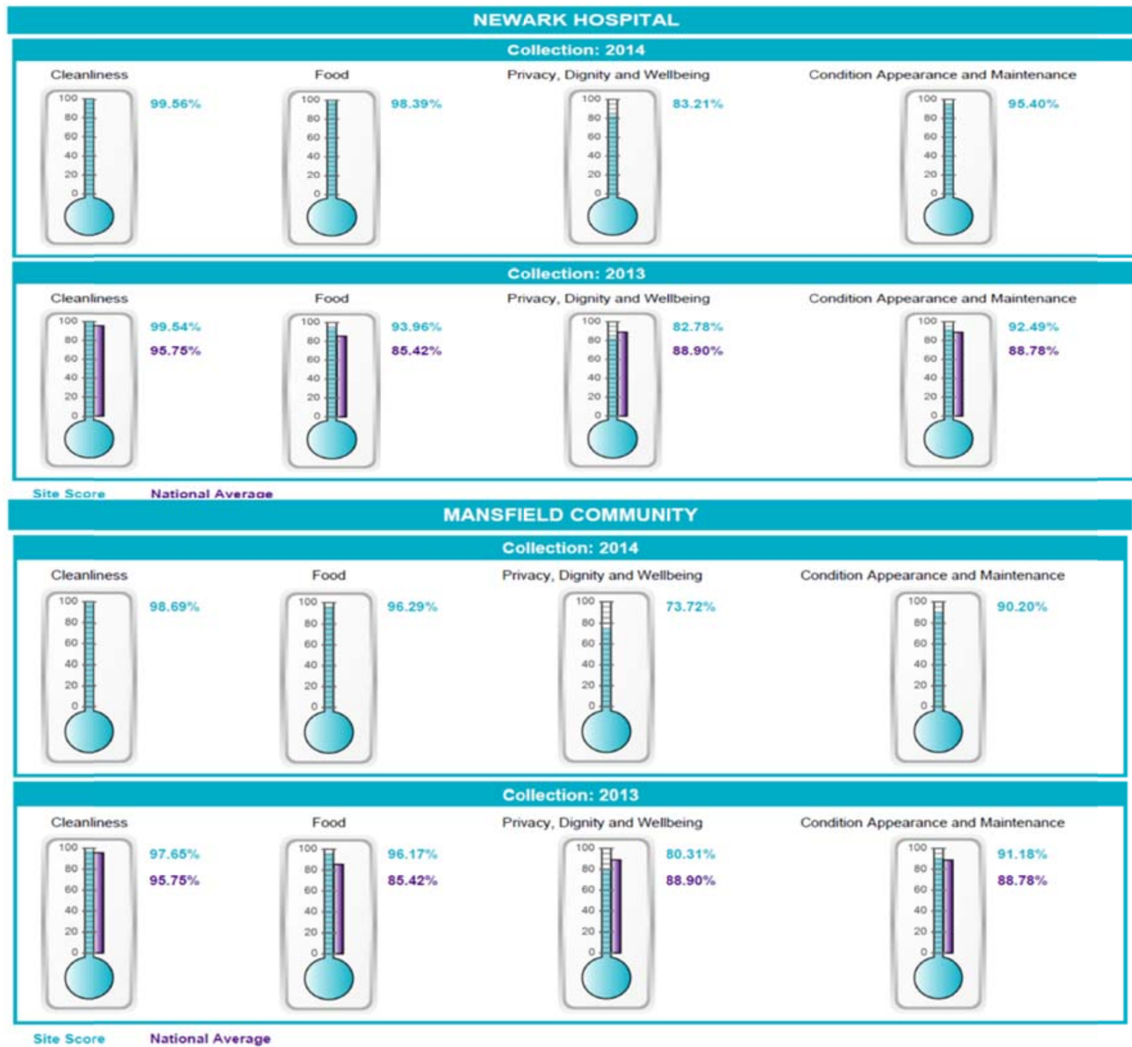
The Trust has historically provided a complainant satisfaction survey to a selection of complainants following the closure of a complaint case, to establish how the complaint management felt for the complainant. The patient experience team reported a low response rate during quarter two and quarter three and has therefore reviewed and developed a new survey. This has been introduced during quarter four and distributed to 20% of all closed complainants. The survey is underpinned by the Patients Association Satisfaction Survey used throughout NHS trusts nationally and locally, and provides detailed feedback to strengthen the Trust processes and improve the experience for the complainants.

The Trust Board receives a quarterly patient experience report which informs the Board of performance, trends, themes and learning.

Patient led assessments of the care environment (PLACE)

In 2013 the annual patient environment action team (PEAT) audits were replaced by the patient led audits of the care environment (PLACE). The focus of the revised audit is the overall condition and appearance of the care environment from a patient perspective. This annual audit measures the standard of cleanliness, environment, patient meal service and the privacy and dignity afforded to patients.
The following tables provide an overview of the PLACE scores awarded during 2014 and include a comparison with those of the previous year and the national average as a comparison.





With regard to the privacy, dignity and wellbeing score the Health & Social Care Information Centre (HSCIC) has advised that due to changes in the assessment criteria regarding access to television and radios the scores awarded in 2013 and 2014 are not directly comparable.

These are fantastic results for the Trust and clearly demonstrate our commitment to these important metrics.

Following on from the 2014 PLACE audit there were no new actions added to the existing action plan.

''Thank you, in our experience you're all stars and I can't praise you enough''.

Mandatory key performance indicators

The following table provides an overview of the mandatory key performance indicators that are formally reported to Monitor and provides a comparison against the previous two reporting periods.

Integrated performance measure	**Reportable to**	**Threshold**	**2014/15**	**2013/14**	**2012/13**
Maximum time of 18 weeks from point of referral to treatment in aggregate – admitted	Monitor	18 weeks 90%	88.9%	92.4%	88.86%
Maximum time of 18 weeks from point of referral to treatment in aggregate – non-admitted	Monitor	18 weeks 95%	93.4%	94.9%	94.71%
Maximum time of 18 weeks from point of referral to treatment in aggregate – patients on an incomplete pathway	Monitor	18 weeks 92%	89.4%	92.4%	95.24%
A&E clinical quality: total time in A&E dept. (% <4hour wait)	Monitor	4 Hours > 95%	92.33%	95.66%	94.34%
Cancer 2 week wait: all cancers	Monitor	93%	93.5%	94.8%	95.82%
Cancer 2 week wait: breast symptomatic	Monitor	93%	95.1%	95.0%	95.54%
Cancer 31 day wait: from diagnosis to first treatment	Monitor	96%	98.8%	99.7%	99.42%
Cancer 31 day wait: for subsequent treatment – surgery	Monitor	94%	97.8%	99.1%	98.63%
Cancer 31 day wait: for subsequent treatment –drugs	Monitor	98%	99.7%	99.4%	100%
Cancer 62 day wait: urgent referral to treatment	Monitor	85%	86.0%	89.1%	90.73%
Cancer 62 day wait: for first treatment – screening	Monitor	90%	95.5%	98.8%	94.95%
C. *difficile* – meeting the C. *difficile* objective	Monitor	Local targets	67	36	29
Infection prevention control: MRSA bacteraemia (no. of cases attributed to Trust)	Monitor	0	0	3	0
Access to healthcare for people with LD	Monitor	Compliant	Compliant	Compliant	Compliant
Data completeness: community services: referral to treatment information	Monitor	50%	92.0%	86.3%	74.35%
Referral information	Monitor	50%	54.8%	54.2%	54.37%
Treatment activity information	Monitor	50%	76.8%	76.4%	68.77%

Annex 1. Statement from commissioners, Healthwatch and Health Scrutiny Committee

Statement from Mid Nottinghamshire Clinical Commissioning Group (CCG). Date: 21.05.2015

This was a challenging year for the Trust from both a quality and a governance perspective. The CCG continued to work closely with the organisation during 2014 - 15 to monitor implementation of sustainable improvements set against their Quality Improvement Plan, which was developed following the Trust being placed in Special Measures. As commissioners we identified further quality and patient safety concerns during the year that led to additional challenge and increased levels of scrutiny. The Trust has shown improvement in timeliness of response to incident investigation and complaints management during the year. We continued to undertake announced and unannounced visits to gain added assurance that processes are improving patient experience.

The Trust has been an active participant in the Mid Nottinghamshire Better to Together transformation programme that will lead to improvements in services for the population of Mansfield, Ashfield, Newark and Sherwood.

Statement from Healthwatch Nottinghamshire. Date: 14.05.2015

As the independent watchdog for health and care in the County, we work hard to ensure patient and carer voices are heard, by providers and commissioners. We are grateful for the opportunity to view and comment on the Quality Report. We specifically reviewed it in terms of patient and carer involvement

We think we have a good working relationship with the Trust. We have regular update meetings where any issues can be discussed. We have shared comments we have received from the public with the Trust and have received timely and useful responses to these. We are pleased to have been invited to join the patient experience committee, and look forward to contributing to the further development of patient experience activity within the Trust.

We are pleased to see that positive patient experience is identified as a key priority in the report. It is particularly good to see the restructuring and streamlining of the patient experience team, and a revised complaints, concerns and compliments policy and plans for a consistent approach to capturing organisational learning opportunities though the collation of learning from patient experience, audits of incidents and the development of a staff whistleblowing policy.

Changes have been implemented across the Trust to improve the quality and safety of services. These are welcomed and we acknowledge the progress that has been made in some areas.

Comments received by Healthwatch Nottinghamshire about people’s experience of

the Trust's services continue to be polarised between very good and poor and we feel that more could be learned from these experiences about what works well for patients as well as identifying areas for improvement. We are pleased to see that the plans for 2015-16 include an increase in engagement with carers and families in order to influence strategic planning, and that other measures are also in place to improve the collection of and response to comments and complaints.

We feel that the report reflects the health and care priorities of mid-Nottinghamshire. The local area, in common with the national picture, has an increase in patients with long term conditions, dementia, co-morbidities and an ageing population. There is a particularly high level of diabetes, heart disease and COPD. Progress has been made in many areas, but the report highlights areas where performance in relation to quality and safety has not reached the targets set. We are pleased to see that the Trust is focussing attention on mortality rates, to understand the underlying problems and take action when it is needed. We feel that the Trust's involvement in the Better Together programme has been a positive development and we believe that this will help to drive forward improvements in quality and safety for the people of Mid Notts. We would like to see some more specific attention paid in the report to developments at Newark Hospital and how the quality and safety of services for people in Newark are also being addressed.

The report is clearly laid out, although in the draft we saw, many of the graphs and tables were very small and unclear and so did not add value to the narrative. Although the report states that patients, carers and the public have been involved in developing the quality account, it is not clear how their comments have influenced its content.

Statement from the Health Scrutiny Committee. Date: 28.05.2015

The Heath Scrutiny Committee welcomes this opportunity to comment on the Trust's Quality
Account and commends the Trust on its close engagement with the committee this year.

The committee notes the Trust's success in relation to pressure ulcers, as well as its own recognition that there is still a long way to go on the journey to improvement across a host of other indicators. However, the committee is pleased to see that quality and safety are still at the top of the Trust's agenda.

The committee is cognizant that it is enormously difficult to institute the sorts of changes required and was pleased to hear that where the Trust has not hit targets (e.g. in relation to sepsis) it is not financially penalised by the commissioners, since this would have been very counter-productive. Instead, the money is reinvested within the Trust rather than being lost to the system.

The committee is concerned that the Trust's financial difficulties may be difficult to address.
This is because of the heavy pressure of the PFI agreement and because of the

difficulties in staff recruitment which result in having to use expensive Agency or Bank Staff. The committee hopes that support will be given to help hospitals recruit more people, especially mature entrants, locally.

In relation to mortality rates, it is reassuring that the Trust is working closely with Bath University Hospital in order to learn how best to improve its performance. The committee praises this and hopes that the Trust will get help from other outside institutions where necessary in order to facilitate improvements.

Statement from the East Midlands Academic Health Science Network. Date: 21.4.15

East Midlands Academic Health Science Network Patient Safety Collaborative Quality Account Statement (2015)

EMAHSN has established a local Patient Safety Collaborative whose role is to offer staff, service users, carers and patients the opportunity to work together to tackle specific patient safety problems, improve the safety of systems of care, build patient safety improvement capability and focus on actions that make the biggest difference using evidence based improvement methodologies.
Sherwood Forest Hospitals NHS Foundation Trust is committed to working with the EMPSC and has pledged to contribute to the emergent safety priorities below

- Discharge, transfers and transitions
- Suicide, delirium and restraint
- The deteriorating patient
- The older person: focussing on what ‘good safety’ looks like in the care home setting.

In addition we pledge to support the core priorities identified below:
- Developing a safety culture/leadership
- Measurement for improvement
- Capability building

Annex 2. Statement of directors responsibilities in respect of the Quality Report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare Quality Accounts for each financial year.

Monitor has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that foundation trust boards should put in place to support the data quality for the preparation of the Quality Report.

In preparing the Quality Report, directors are required to take steps to satisfy themselves that:

- The content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2014/15 and supporting guidance.
- 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 2014 to June 2015
- Papers relating to quality reported to the Board over the period April 2014 to June 2015
- Feedback from commissioners 22.05.15
- Feedback from governors 21.05.15
- Feedback from local Healthwatch organisations 18.05.15
- Feedback from Overview and Scrutiny Committee 18.05.15
- The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 21.05.15
- Latest national patient survey April 2014 – awaiting publication for 2014 survey
- Latest national staff survey 24.02.15
- Head of Internal Audit's annual opinion over the trust's control environment 28.05.15
- CQC Intelligent Monitoring Report 03.12.14.
- The Quality Report presents a balanced picture of the NHS Foundation Trust's performance over the period covered
- 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 appropriate scrutiny and review notwithstanding the issues referred to above.
- The data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review.
- However, In respect of performance information included in the Quality Report we are aware of data quality issues particularly in respect of the 18 week pathway indicators which impact on their reliability and accuracy.

Furthermore, we are aware of further data quality issues around the indicator reporting process. The Trust intends to commission extensive work in relation to data quality in the coming year

- The Quality Report has been prepared in accordance with Monitor's annual reporting guidance (which incorporates the Quality Accounts regulations) (published at www.monitor.gov.uk/annualreportingmanual) as well as the standards to support data quality for the preparation of the quality report (available at www.monitor.gov.uk/annualreportingmanual)

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

By order of the Board

..............................Date..Chairman

..............................Date..Chief Executive

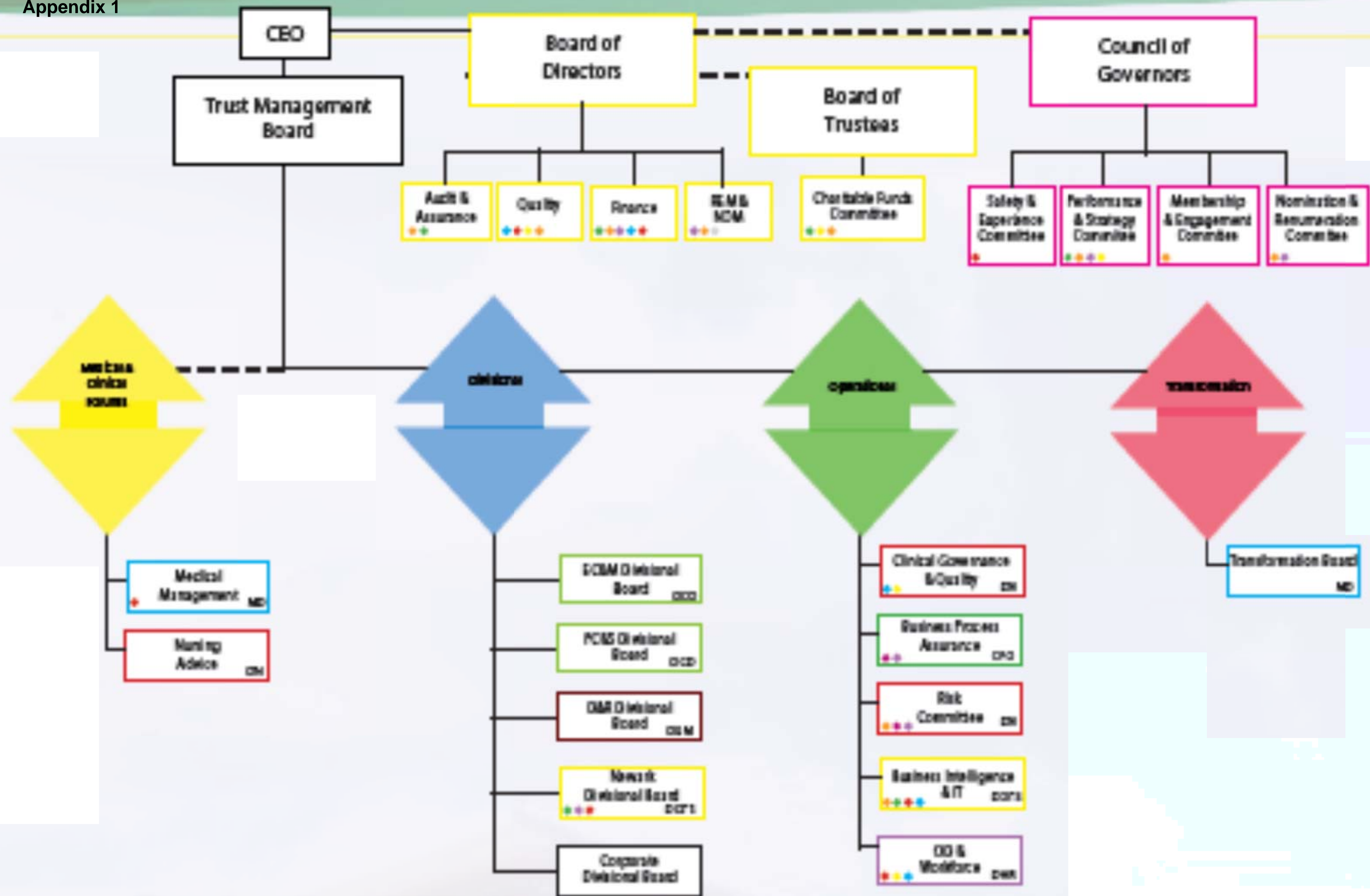
Annex 3. Independent Assurance Report

Glossary of Terms Used

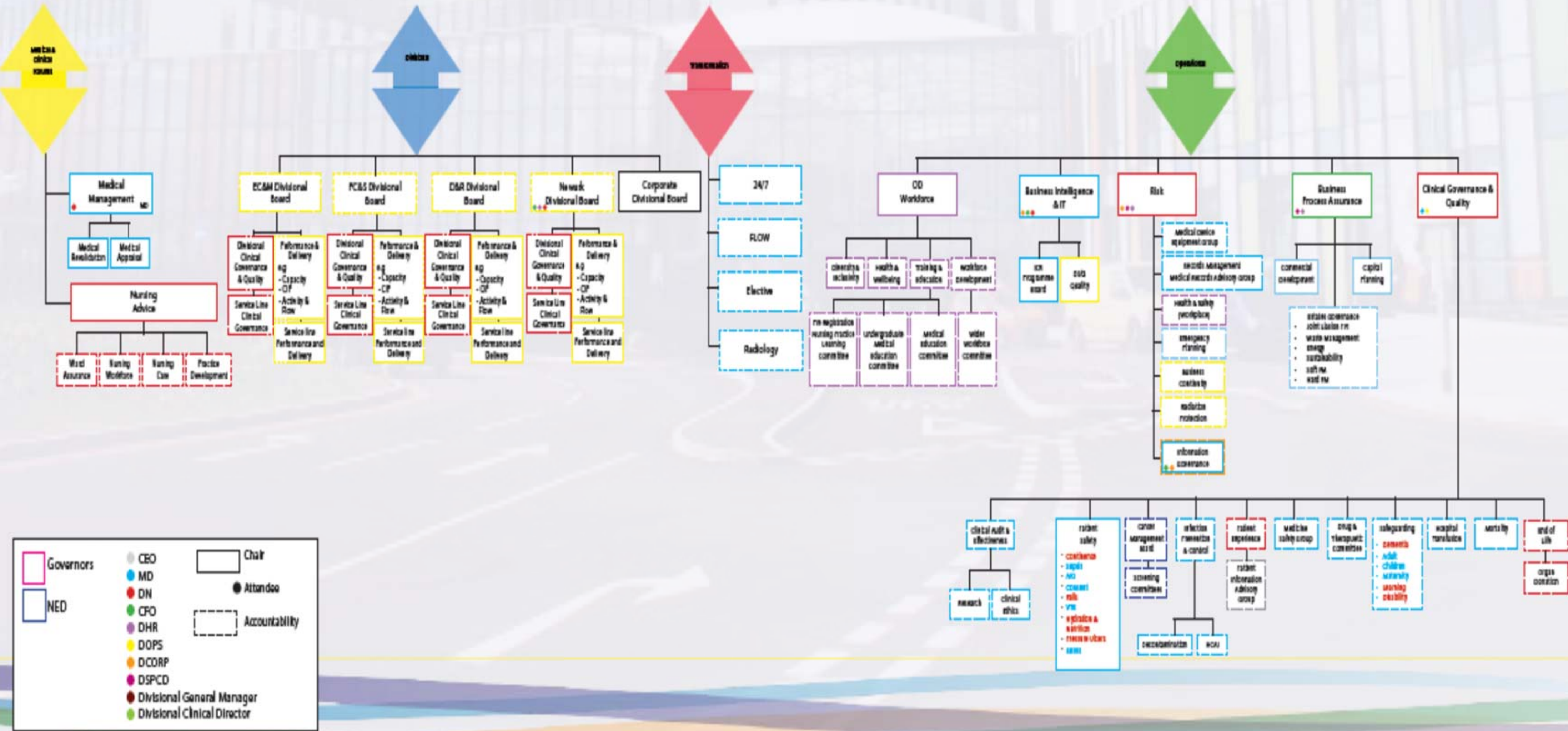
Term	Description
A&E	Accident & emergency
AKI	Acute kidney injury
CCG	Clinical Commissioning Group
C Diff	Clostridium difficile
CQC	Care Quality Commission
CQUIN	Commissioning for Quality and Innovation
CRT	Cardiac resynchronisation therapy
COPD	Chronic obstructive pulmonary disease
DH	Department of Health
ECHO	Echocardiogram
ED	Emergency department
EDASS	Emergency department avoidance support service
EMPSC	East Midlands Academic Health Science Network
EPACCS	Electronic palliative care co-ordination system
EPMA	Electronic prescribing and administration
FFT	Friends and Family Test
GP	General practitioner
HSCIC	Health & Social Care Information Centre
HSMR	Hospital standardised mortality ratio
IDAT	Integrated discharge advisory team
IG	Information governance
LCRN	Local clinical research network
LOS	Length of stay
LTC	Long term condition
MRSA	Methicillin resistant staphylococcus aureus
MSO	Medicines safety officer
NHS	National Health Service
NHSE	National Health Service England
NICE	National Institute of Health and Clinical Excellence
NIHR	National Institute for Health Research
NRIG	Nottinghamshire records information group
NRLS	National Reporting and Learning System
OBD	Occupied bed days
PDD	Predicted date of discharge
PEAT	Patient environment action team
PLACE	Patient led assessment care environment
PROMS	Patient reported outcome measures
PSIG	Patient safety improvement group
QIP	Quality improvement plan
RCA	Root cause analysis
RCOG	Royal College of Obstetricians and Gynaecologists
RCPCH	Royal College of Paediatrics and Children's Health
SFH	Sherwood Forest Hospitals
SHMI	Summary hospital mortality index
SSI	Surgical site infection
TTO	To take out
VTE	Venous thromboembolism
WHO	World Health Organisation
WTE	Whole time equivalent

Trust Committee Structure December 2014

Appendix 1



Trust Management Board Committee and Sub Structures December 2014



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 I NHS Foundation Trust's Quality Report for the year ended 31 March 2015 (the 'Quality Report') and certain performance indicators contained therein.

Scope and subject matter

The indicator for the year ended 31 March 2015 subject to limited assurance is the following national priority indicator:

- Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers.

The scope of our review originally covered the Referral to Treatment (RTT) national priority indicator. We were unable to we were unable to issue an opinion on the 18 week Referral to Treatment indicator because we were unable to conclude that it had been calculated in accordance with the Monitor definition.

In addition we were unable to gain assurance as to the completeness and accuracy of reported performance data generated by the Medway system. As a consequence we are unable to conclude on the completeness and accuracy of the RTT indicator included in the published Quality Report and have excluded this indicator from the scope of our limited assurance review.

- We refer to the remaining national priority indicator, Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers, as 'the indicator'.

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 2014/15 ('the Guidance'); and
- the indicator 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 Guidance.

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 2014 to 28 May 2015
- papers relating to quality reported to the board over the period April 2014 to 28 May 2015
- feedback from Commissioners, dated 22 May 2015
- feedback from governors, dated 21 May 2015
- feedback from local Healthwatch organisations, dated 18 May 2015
- feedback from Overview and Scrutiny Committee dated 18 May 2015
- the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 21 May 2015
- the national patient survey, dated April 2014
- the national staff survey, dated 24 February 2015

- Care Quality Commission Intelligent Monitoring Report dated 3 December 2014
- the Head of Internal Audit's annual opinion over the trust's control environment, dated 22 May 2015 and

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 NHS Foundation Trust as a body, to assist the Council of Governors in reporting the 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 2015, 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 NHS Foundation Trust for our work or this report, except 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 indicator
- making enquiries of management
- testing key management controls
- performing walkthrough testing to substantiate our understanding of 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.

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 affect 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 of these criteria, 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 2015:

- 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 Guidance; and
- the indicator in the Quality Report subject to limited assurance has not been 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 Guidance.

KPMG LLP

KPMG LLP
Chartered Accountants
Birmingham
B4 6GH

28 May 2015

Annual Accounts

and

Financial Statements

FTC SUMMARISATION SCHEDULES FOR SHERWOOD FOREST HOSPITALS NHS FOUNDATION TRUST

Summarisation schedules numbers FTC01 to FTC41 and the accompanying WGA sheets for *2014/15* 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* 2014/15 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.

Paul Robinson
Chief Financial Officer
28th May 2015

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.

Karen Fisher
Acting Chief Executive Officer
28th May 2015

SHERWOOD FOREST HOSPITALS NHS FOUNDATION TRUST

FOREWARD TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

These financial statements are for the year ended 31 March 2015 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 2014.

Signed: ………………………………………………… Date: 28 May 2015

Name: Karen Fisher (Acting Chief Executive Officer)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2015

	Notes	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Operating income from patient care activities	*C1-C3, C 5.4*	224,224	219,412
Other operating income		59,912	46,746
Total income from continuing operations		284,136	266,158
Operating expenses	*C4,C5.1*	(280,196)	(269,808)
Operating surplus / (deficit)		**3,940**	**(3,650)**
Finance costs			
Finance income	*C11.1*	35	137
Finance costs – financial liabilities	*C11.2*	(17,861)	(18,142)
Net finance costs		**(17,826)**	**(18,005)**
Retained (deficit) for the year		**(13,886)**	**(21,655)**

Retained (deficit) for the year		**(13,886)**	**(21,655)**
Reversal of impairment	*C12*	(19,093)	(5,258)
Impairment	*C12*	382	3,411
Retained (deficit) from continuing operations excluding the impact of impairments		**(32,597)**	**(23,502)**

Other comprehensive income			
Retained (deficit) for the year		**(13,886)**	**(21,655)**
Revaluations		1,970	(1804)
Total comprehensive (expense) / income for the year		**(11,916)**	**(23,459)**

The notes on pages 6 to 42 form part of these accounts and are cross referenced as appropriate.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

	Note	**Year ended 31 March 2015 £000**	Year ended 31 March 2014 £000
Non-current assets			
Intangible assets	*C13*	4,186	885
Property, plant and equipment	*C12*	243,901	225,088
Trade and other receivables	*C17*	942	918
Total non-current assets		**249,029**	**226,891**
Current assets			
Inventories	*C16*	3,006	2,799
Trade and other receivables	*C17*	10,346	11,922
Cash and cash equivalents	*C21*	744	944
Total current assets		**14,096**	**15,665**
Current liabilities			
Trade and other payables	*C18*	(25,166)	(22,064)
Borrowings	*C19,C24*	(5,680)	(5,400)
Provisions	*C22*	(821)	(616)
Other liabilities		(7,270)	(9,710)
Total current liabilities		**(38,937)**	**(37,790)**
Non-current liabilities			
Trade and other payables	*C18*	(2,488)	(3,408)
Borrowings	*C19,C24*	(339,791)	(339,256)
Provisions	*C22*	(408)	(421)
Total non-current liabilities		**(342,687)**	**(343,085)**
Total assets employed		**(118,499)**	**(138,319)**
Financed by taxpayers' equity			
Public dividend capital		144,136	112,400
Revaluation reserve		13,005	11,900
Income and expenditure reserve		(275,640)	(262,619)
Total taxpayers' equity		**(118,499)**	**(138,319)**

The financial statements on pages 2 to 42 were approved by the Board and signed on its behalf by:

Acting Chief Executive Officer: …………………………….. Date: 28 May 2015
Karen Fisher

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

	Public dividend capital (PDC)	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' equity at 31 March 2014				
As previously state	**112,400**	**11,900**	**(262,619)**	**(138,319)**
Retained (deficit) for the year			(13,886)	(13,886)
Public Dividend Capital Received	31,736			31,736
Revaluations		1,970		1,970
Transfer of excess current cost depreciation over historical cost depreciation		(134)	134	
Transfer of retained earnings on disposal of assets		(731)	731	
Taxpayers' equity at 31 March 2015	**144,136**	**13,005**	**(275,640)**	**(118,499)**
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)**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2015

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Net cash generated from operating activities		
Operating surplus / (deficit) from operations	3,940	(3,650)
Depreciation and amortisation	7,319	9,081
Impairments and reversals	(18,711)	(1,847)
(Increase) / decrease in trade and other receivables	1,552	(778)
Decrease / (Increase) in inventories	(207)	8
Increase / (decrease) in trade and other payables	2,596	(10,731)
Increase / (decrease) in provisions	192	(476)
Increase in other liabilities	(2,440)	(4,547)
Other movements in operating cash flows	134	163
Net cash outflow from operating activities	**(5,625)**	**(12,777)**
Cash flows from investing activities		
Interest received	35	137
Payments to acquire intangible assets	(3,926)	(610)
Purchase of property, plant and equipment	(5,374)	(6,146)
Net cash (outflow) from investing activities	**(9,265)**	**(6,619)**
Cash flows from financing activities		
Public Dividend Capital received	31,736	28,097
Capital element of private finance initiatives	(5,399)	(5,133)
Interest element of private finance initiative	(17,861)	(18,095)
Other financing activities	6,214	(47)
Net cash inflow from financing activities	**14,690**	**4,822**
(Decrease) in cash and cash equivalents	**(200)**	**(14,574)**
Cash and cash equivalents at 1 April 14	**944**	**15,518**
Cash and cash equivalents at 31 March 15	**744**	**944**

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 2014/15 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

The financial statements are prepared on a going concern basis which the directors believe to be appropriate for the following reasons.

The going concern concept is further covered in IAS 1 – ‘Presentation of Financial Statements’. IAS 1 requires management to assess, as part of the accounts preparation process, the Trust’s ability to continue as a going concern. Foundation Trusts therefore need to pay particular attention to going concern issues. In the event that a Foundation Trust is dissolved by Monitor any property or liabilities of the Trust may be transferred to another Foundation Trust, an NHS Trust or the Secretary of State.

For the year ending 2014/15 the Trust has recorded a £32.6m deficit, (before the reversal of impairments) which is adverse to plan by £6.2m. This has been discussed with the Trust regulator, and places additional pressure on the 2015/16 planned position. To reach this financial position, the Trust received £31.2m of capital and revenue support as Public Dividend Capital in 2014/15. A further £6.2m was drawn down in February and March 2015, accounted for as a Working Capital Facility (loan).

The forward plan currently anticipates a deficit position at 31 March 2016 of £44.5m. The Board recognises that whilst this will continue to place the Trust in breach of its terms of authorisation, it acknowledges that the Trust requires a viable medium / long term solution, with full engagement from our commissioners and partners. This is predicated on receiving a total of £50.95m of additional funding in the form of a long term loan, which is being drawn down in line with the schedule provided to our Regulator. In addition the Trust is required to have a £7.39m WCF in place to cover unplanned cash shortfalls.

Of the total £50.95m additional funding required, the Trust has received formal confirmation from the Department Of Health that £16.7 million will be provided, which covers the period to the 11th of July 2015. Thereafter, any future funding (£34.2m for the remainder of 2015/16) is not formally approved at the date of the audit opinion. The future funding requirement is predicated on the receipt and approval by Monitor of the Trust’s Short Term Financial Plans in July 2015, and Long Term Financial Model which the Trust will submit in October 2015. Although, based on past performance, the Directors have a reasonable expectation that the funding will be received, this presents a material uncertainty as to the whether the remaining funding required for 2015/16 will be received.

Development of the detailed 2015/16 cost improvement plans has continued in year and in 2015/16 will be part of the 'delivery engine' with a dedicated turnaround director. Indicative schemes with a full year effect of over £11m have already been identified and further schemes are currently being reviewed, however, they are only planned to release savings of £6.5m in year.

Monitor notified the Trust at the end of April 2015 that a Section 106 condition had been imposed as a result of the Trust breaching conditions Co33(1), FT4(5)(a), FT4(5)(d) and FT4(5)(g). This is because of concerns over its financial governance and the sustainability of its long term financial plan, as well as the unforeseen deterioration in the financial position, which is forecast to significantly worsen in 2015/16. It is also forecast to remain breach of its Terms of Authorisation for at least the next twelve months.

Monitor has also decided to impose the additional licence condition under section 111 of the Health and Social Care Act 2012. This requires the Trust to ensure that it has in place sufficient and effective Board management and clinical leadership capacity and capability. Any failure to comply with the additional licence condition would render the Trust liable to further formal action to Monitor, this could include requiring the Trust to remove one or more of its Directors, or members of the Council of Governors.

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.

Conclusion

Given the evidence available to the Board of Directors as summarised within this report, the analysis supports the conclusion that the Foundation Trust is a going concern. The Board of Directors has taken steps to ensure this remains the case for the next 12 months.

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 2013/14) as cash in hand or at bank at 31 March 2015 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.28.

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 aware of changes to the following accounting standards:

- IFRS 10, Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12, Disclosure of Interests in Other Entities

The Trust is also aware of amendments to the following accounting standards:

- IAS 27 Separate Financial Statements
- IAS 28 Investments in Associates and Joint Ventures
- IFRS 3 Business Combinations

Though these changes have limited impact on the Trust's financial statements care has been taken to adjust them in line with the changes as required.

There are currently no standards approved for introduction which impact on these financial statements or their presentation.

We note that IAS 27, Consolidated and Separate Financial Statements, came into force in 2013/14, and resulted in a review of the treatment of the Sherwood Forest Hospitals General Charitable Fund. The amendments do not change the way the Trust presents their financial statements.

The Trust as Corporate Trustee is still 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.

Conversely 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 and provided for in the financial statements; to the extent that employees are permitted to carry-forward leave into the following period.

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 has a value including non-recoverable VAT of £5,000
- It has a value of £250 or more and is classed as part of a larger grouped asset which exceeds £5,000
- It relates to an asset already in use which enhances the value or maintains / extends its useful life
- 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 - 60 years.

Freehold land and artwork are considered to have an infinite life and are not depreciated.

Property, plant and equipment which has been reclassified as ‘Held for Sale’, ceases to be depreciated upon reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

Revaluation

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease previously recognised in operating expenses, in which case they are recognised in operating income.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of ‘other comprehensive income’.

Impairments

In accordance with the FT Annual Reporting Manual, impairments that are due to a loss of economic benefits or service potential in the asset are charged to operating expenses. A compensating transfer is made between the revaluation and income and expenditure reserves of an amount equal to the lower of:

(i) The impairment charged to operating expenses; and
(ii) The balance in the revaluation reserve attributable to that asset before the impairment.

Other impairments are treated as revaluation losses. Reversals of ‘other impairments’ are treated as revaluation gains.

B.6.3 De-recognition

Assets intended for disposal are reclassified as ‘Held for Sale’ once all of the following criteria are met:

- The asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales
- The sale must be highly probable i.e.:
    - Management are committed to a plan to sell the asset

- An active programme has begun to find a buyer and complete the sale
- The asset is being actively marketed at a reasonable price
- The sale is expected to be completed within 12 months of the date of classification as ‘Held for Sale’; and
- The actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their ‘fair value less costs to sell’. Depreciation ceases to be charged and the assets are not revalued, except where the ‘fair value less costs to sell’ falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as ‘Held for Sale’ and instead is retained as an operational asset and the asset’s economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

B.6.4 Donated assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

B.6.5 Private finance initiative (PFI) transactions

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury’s Financial Reporting Manual (FReM), are accounted for as ‘on-Statement of Financial Position’ by the Trust. 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. The cost of inventories is valued on the basis of a first in first out basis. This is considered to be a reasonable approximation of fair value due to the high turnover of stocks.

B.10. Financial instruments and financial liabilities

B.10.1 Recognition

Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements, are recognised when, and to the extent to which, performance occurs, i.e. when receipt or delivery of the goods or services is made. Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described below. All other financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

B.10.2 De-recognition

All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the Trust has transferred substantially all of the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

B.10.3 Classification and Measurement

Financial assets are categorised as 'fair value through income and expenditure', 'loans and receivables' or 'available-for-sale financial assets'. Financial liabilities are classified as 'fair value through income and expenditure' or as 'other financial liabilities'.

B.10.4 Financial assets and financial liabilities at 'fair value through income and expenditure'

Financial assets and financial liabilities at 'fair value through income and expenditure' are financial assets or financial liabilities held for trading. A financial asset or financial liability is classified in this category if acquired principally for the purpose of selling in the short-term. Assets and liabilities in this category are classified as current assets and current liabilities. These financial assets and financial liabilities are recognised initially at fair value, with transaction costs expensed in the Income and Expenditure Account. Subsequent movements in the fair value are recognised as gains or losses in the Statement of Comprehensive Income.

B.10.5 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets. The Trust's loans and receivables comprise: current asset investments, 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 £60.54 million (2013/14 £51.95m).

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.23 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 £31.2m in PDC liquidity funding support. The Trust also received £0.5m from NHS England in respect of the NHS Technologies/Safer Hospitals, Safer wards initiatives.

B.15. Working Capital Facility

The Working Capital Facility is a facility which allows for temporary borrowing. A temporary borrowing facility of £11.9m was agreed with the Department of Health in March 2015. Interest is payable at a rate of 3.5%. £6.2m of this facility had been utilised as at 31 March 2015.

B.16. 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.17. Corporation Tax

No liability for corporation tax has been recognised or incurred when applying current legislation.

B.18. 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 375 payments totalling £0.21m (367 payments totalling £0.82m 2013/14). Section C.26

C DETAILED NOTES TO THE FINANCIAL STATEMENTS

C.1. Operating Income

C.1.1 **Income from activities**	**Year ended 31 March 2015 £000**	Year ended 31 March 2014 £000
NHS Trusts/Foundation Trusts/NHS Clinical Commissioning Groups/Department of Health/NHS England	1,522	1,466
	216,913	216,702
Local Authorities	4,800	0
Non NHS:		
- Private patients	121	165
- Overseas patients	10	-
- NHS injury scheme	858	1,079
	224,224	**219,412**

NHS Injury Cost Recovery scheme income is subject to a provision for impairment of receivables of 18.9% to reflect expected rates of collection. (15.8% 2013/14)

C.1.2 Analysis of income from activities

	£000	£000
Inpatient - elective income	34,281	34,886
Inpatient - non elective income	70,122	65,689
Outpatient income	40,638	41,143
A & E income	11,866	11,240
Other NHS clinical income	64,838	63,744
Private patient income	121	165
Other non protected clinical income	2,358	2,545
Total income from activities	**224,224**	**219,412**

C.1.3 Other operating income

	£000	£000
Research and development	987	574
Education and training	11,972	11,560
Charitable and other contributions to expenditure	408	914
Non patient care services to other bodies	6,233	5,354
Other income	21,219	23,086
Total other operating income (excluding impairments)	**40,819**	**41,488**
Reversal of impairments	19,093	5,258
Income from continuing operations	**284,136**	**266,158**

C.1.4 Income from commissioner requested services

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Income from activities	224,224	219,412
Less: NHS injury cost recovery scheme	(858)	(1,079)
Private patient income	(121)	(165)
Total	**223,245**	**218,168**

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 2015 £000	Year ended 31 March 2014 £000
Services from Foundation Trusts	292	85
Services from other NHS Trusts	195	203
Purchase of healthcare from non NHS bodies	856	86
Employee remuneration – executive directors	1,576	934
Employee remuneration – non executive directors	148	202
Employee remuneration – staff	171,979	163,683
Drugs	18,820	16,828
Supplies and services – clinical	23,242	21,486
Supplies and services – general	1,080	1,208
Establishment	3,090	3,422
Travel Business Travel	613	554
Transport	221	187
Premises	18,455	17,348
Provision for impairments of receivables	(10)	146
Depreciation of property, plant and equipment	6,694	8,552
Amortisation of intangible assets	625	529
External Auditor's services – statutory audit	67	61
Other auditors' remuneration (external auditor only)	29	67
Clinical negligence	5,100	4,711
Loss on disposal of property, plant and equipment	134	463
Legal fees	154	166
Consultancy services	3,173	5,221
Training, courses and conferences	538	630
Early retirements	53	54
Redundancy	175	762
Hospitality	196	194
Losses, ex gratia and special payments	28	24
Other[1]	22,291	18,591
Operating expenses of continuing operations (excluding impairments)	**279,814**	**266,397**
Impairments of property, plant and equipment	382	3,411
Operating expenses of continuing operations	**280,196**	**269,808**

[1] Other expenditure relates almost solely to the PFI 'unitary charge payments' in both Financial years. This is disclosed in note C.20.

C.4.1 Analyses of Other External Auditor remuneration

		£'000	£'000
1	The auditing of accounts of any associate of the trust;		
2	Audit-related assurance services		
3	Taxation compliance services;		
4	All taxation advisory service not falling within item 3 above;		
5	Internal audit services;		
6	All assurance services not falling within items 1 to 5;		
7	Corporate finance transaction services not falling within items 1 to 6 above; and		
8	All other non-audit services not falling within items 2 to 7 above.	29	67
	Total	**29**	**67**

C.5. Operating leases (excluding off Statement of Financial Position PFI) ***C.5.1* As lessee**	**Year ended 31 March 2015 £000**	Year ended 31 March 2014 £000
Minimum lease payments	326	267
Total	**326**	**267**
***C.5.2* Future minimum lease payments due**	**£000**	£000
Payable		
Not later than one year	143	216
Between one and not later than five years	229	725
Later than five years	16	63
Total	**388**	**1,004**
***C.5.3* As lessor**	**£000**	£000
Rents recognised in period	1,943	1,087
Total	**1,943**	**1,087**
***C.5.4* Total future minimum lease payments Receivable**	**£000**	£000
Not later than one year	1,773	904
Between one and not later than five years[3]	6,748	1,363
Later than five years	2,813	1,111
Total	**11,334**	**3,378**

[3] Additional 10 year accommodation lease in 2014/15.

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 2015 £000	Permanently employed £000	Other £000	Year ended 31 March 2014 £000
Salaries and wages	133,362	133,362		126,990
Social security costs	9,636	9,636		9,356
Employer contributions to NHS pension scheme	15,761	15,761		15,318
Pension cost –other contributions	53	53		53
Termination benefits	175	175		798
Agency costs	14,568		14,568	12,900
	173,555	**158,987**	**14,568**	**165,415**

C.7.2 Average number of persons employed

	Year ended 31 March 2015 Number	Permanently employed Number	Other Number	Year ended 31 March 2014 Number
Medical and dental	501	419	82	464
Administration and estates	969	915	54	869
Healthcare assistants and other support staff	525	525		652
Nursing, midwifery and health visiting staff	1,347	1,175	172	1,252
Scientific, therapeutic and technical staff	624	610	14	512
	3,966	**3,644**	**322**	**3,749**

C.8. Retirements due to ill-health

During 2014/15 there were 10 (2013/14 twelve) early retirements from the Trust agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £409k (2013/14 - £589k). 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 2015 Number	**£000**	Year ended 31 March 2014 Number	£000
Total non-NHS trade invoices paid in the year	69,380	135,556	61,142	147,193
Total non-NHS trade invoices paid within target	52,678	118,368	56,835	140,240
Percentage of non-NHS trade invoices paid within target	76%	87%	93%	95%
Total NHS trade invoices paid in the year	2263	12,343	1,941	10,141
Total NHS trade invoices paid within target	1403	8,590	1,788	9,015
Percentage of NHS trade invoices paid within target	62%	70%	92%	89%

The Better Payment Practice Code includes a non-mandatory target to pay 95% of 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 (2013/14 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 2015 £000**	Year ended 31 March 2014 £000
Bank accounts	35	137
Total	**35**	**137**

C.11.2 **Finance costs**	**£000**	£000
Interest on long term creditor arising from agreements reached on PFI contract changes		47
Interest on obligations under PFI finance leases	17,861	18,095
Total	**17,861**	**18,142**

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 2014	**16,053**	**475,632**	**1,193**	**0**	**28,761**	**5,990**	**291**	**527,920**
Additions purchased		1,731	146		2,050	825	3	4,755
Additions donated		9			180	16		205
Reclassifications		39			(976)			(937)
Impairments / (Reversal of Impairments)		16,065						16,065
Revaluations	1,288	(237,179)						(235,891)
Disposals		(45,061)			(519)	(31)		(45,611)
At 31 March 2015	**17,341**	**211,236**	**1,339**	**0**	**29,496**	**6,800**	**294**	**266,506**
Depreciation at 1 April 2014	**0**	**282,921**	**0**	**0**	**16,269**	**3,486**	**156**	**302,832**
Impairments / (Reversal of Impairments)		(2,646)						(2,646)
Provided during the year		3,583			2,220	858	33	6,694
Reclassifications		(937)						(937)
Revaluations		(237,861)						(237,861)
Disposals		(45,060)			(390)	(27)		(45,477)
Depreciation at 31 March 2015	**0**	**0**	**0**	**0**	**18,099**	**4,317**	**189**	**22,605**
Net book value at 31 March 2015	**17,341**	**211,236**	**1,339**	**0**	**11,397**	**2,483**	**105**	**243,901**

Net book value at 31 March 2015

	Land	Buildings, excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and machinery	Information technology	Furniture & fittings	Total
Purchased/Owned	17,341	12,451			9,886	2,469	85	42,232
On balance sheet PFI Contracts		197,483						197,483
PFI Residual Interest			1,339					1,339
Donated		1,302			1,511	14	20	2,847
PFI								
Total at 31 March 2015	**17,341**	**211,236**	**1,339**	**0**	**11,397**	**2,483**	**105**	**243,901**

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 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
Reclassifications	(149)	(842)		(803)	976			(818)
Revaluations	(968)	(836)						(1,804)
Reversal of impairment	75	1,772						1,847
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**
Impairments / (Reversal of Impairments)								
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 March 2014	**16,053**	**192,711**	**1,193**	**0**	**12,492**	**2,504**	**135**	**225,088**

Net book value at 31 March 2014

	Land	Buildings, excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and machinery	Information technology	Furniture & fittings	Total
Purchased	16,053	10,856	1		10,926	2,504	111	40,451
On balance sheet PFI Contracts		180,661						180,661
PFI Residual Interest			1,192					1,192
Donated		1,194			1,566		24	2,784
PFI								
Total at 31 March 2014	**16,053**	**192,711**	**1,193**	**0**	**12,492**	**2,504**	**135**	**225,088**

C.13. Intangible assets

	Software licenses and trademarks 2014/15 £000		Software licenses and trademarks 2013/14 £000
Cost or valuation at 1 April 2014	**6,120**	**Cost or valuation at 1 April 2013**	**5,510**
Reclassifications		Reclassifications	
Additions purchased	3,926	Additions purchased	610
Gross cost at 31 March 2015	**10,046**	**Gross cost at 31 March 2014**	**6,120**
Amortisation at 1 April 2014	**5235**	Amortisation at 1 April 2012	**4,706**
Provided during the year	625	Provided during the year	529
Reclassifications		Reclassifications	
Amortisation at 31 March 2015	**5,860**	**Amortisation at 31 March 2014**	**5,235**
Net book value at: 31 March 2015	**4,186**	**Net book value: at 31 March 2014**	**885**

Net book value: at 31 March 2015		**Net book value: at 31 March 2014**	
Purchased	4186	Purchased	885
Donated		Donated	0
Total at 31 March 2015	**4,186**	Total at 31 March 2014	**885**

C.14. Impairments

Impairments in the period arose from:	**Tangible** **Year ended 31 March 2015 £000**	Year ended 31 March 2014 £000
Impairments charged to operating expenditure	(382)	(3,411)
Reversal of impairments	19,093	5,258
Impact on retained (deficit) for the year	**18,711**	**1,847**

C.15. Capital commitments

Commitments under capital expenditure contracts at the balance sheet date were:

	Year ended 31 March 2015 **£000**	Year ended 31 March 2014 £000
Property, plant and equipment	2,838	0
Total	**2,838**	**0**

C.16. Inventories

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Drugs	1,096	963
Materials	1,822	1,706
Energy	88	130
Total	**3,006**	**2,799**

C.18. Trade and other payables

Current (falling due within one year)

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Receipts in advance	324	219
NHS payables	3,255	1,458
Non-NHS trade payables – capital	2,399	2,813
Other Related Parties- Revenue	135	
Tax and social security costs	2,992	2,119
Accruals	7,524	11,260
Superannuation	2,148	1,472
Other payables[2]	6,389	2,723
Total current trade and other payables	**25,166**	**22,064**

Non current (falling due after one year)

Non-NHS trade payables – revenue	1,495	1,755
Other Related Parties- Revenue	993	1,653
Total non-current trade and other payables	**2,488**	**3,408**

[2] Primarily relates to Trade Creditors

C.19. Borrowings

Current	**Year ended 31 March 2015**	Year ended 31 March 2014
	£000	£000
Private finance initiative (PFI) contract	5,680	5,400
Total current	**5,680**	**5,400**
Non-current		
Private finance initiative (PFI) contract	333,577	339,256
Working Capital Loans from Department of Health	6,214	
Total non-current	**339,791**	**339,256**
Total borrowings	**345,471**	**344,656**

C.20 Private Finance Initiative schemes

C.20.1 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.

As referenced in Note B.6.5 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 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 a current 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.

C.20.2 Amounts payable under PFI

Modernising Acute Services (MAS)		
	Minimum lease payments	
PFI Service Charge obligations	**Year ended 31 March 2015 £000**	Year ended 31 March 2014 £000
Gross liability	**1,543,927**	**1,565,926**
Of which liability is due:		
Within one year	23,173	21,999
Between one and five years	108,859	102,076
After five years	1,411,895	1,441,851
Net liability	**648,843**	**637,968**
Of which liability is due:		
Within one year	23,173	21,999
Between one and five years	92,692	87,996
After five years	532,978	527,973

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.

	MAS		**LHA**	
PFI Interest Charge obligations	**Year ended 31 March 2015 £000**	Year ended 31 March 2014 £000	**Year ended 31 March 2015 £000**	Year ended 31 March 2014 £000
Gross liability	**310,043**	**327,846**	**451**	**514**
Of which liability is due:				
Within one year	17,526	17,803	60	63
Between one and five years	67,033	68,293	205	219
After five years	225,484	241,750	186	232
PFI Capital Charge obligations				
Gross liability	**338,342**	**343,695**	**915**	**961**

Of which liability is due:

Within one year	5,630	5,353	50	46
Between one and five years	25,594	24,333	233	219
After five years	307,118	314,009	632	696

C.20.3 Amounts charged for the Year ending March 2015

The annual unitary charge for the MAS and LHA PFI's for 2014/15 was £40.935m as below. The Trust is committed to the annual charges until the respective contracts expires at which time ownership will transfer to the Trust.

	MAS £000	LHA £000
Amounts included within operating expenses in respect of PFI transactions deemed to be on-statement of financial position	19,873	0
Amounts included within depreciation in respect of PFI transactions deemed to be on-statement of financial position	3,190	11
Amounts included within interest payable in respect of PFI transactions deemed to be on-statement of financial position	17,804	57
Total charge to operating statement	**40,867**	**68**
Year ended 31 March 2014		
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**

The Trust is committed to make the following payments in 2015/16 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)	46,329	

Out of Hours (contract end January 2027) 67

The Capital element of the PFI commitment to the end of the respective schemes is as follows.

	MAS	LHA
	£000	£000
• Not later than one year;	5,630	50
• Later than one year and not later than five years; and	25,594	233
• Later than five years.	307,118	632
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	28	12

C.20.4 Finance lease receivables

The Trust has no finance leases where it is the lessor in operation.

C.20.5 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 2015:

	£000
Amounts included within operating expenses in respect of PFI transactions deemed to be off-statement of financial position – gross	302
Amortisation of PFI deferred asset	(146)
Net charge to operating expenses	**156**

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 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.	1,950

The 35 year contract started in September 2000 and will end in September 2035.

C.21. Cash and cash equivalents

	2015 £000	2014 £000
Balance at 1 April	944	15,518
Net change in year	(200)	(14,574)
Balance at 31 March	**744**	**944**
Made up of		
Cash with the Government banking service (RBS / Citibank) / Office of Paymaster General	738	938
Cash in hand	6	6
Cash and cash equivalents	**744**	**944**

C.22. Provisions for liabilities and charges

	Pensions relating to other staff £000	Legal claims £000	Other £000	Total £000
At 1 April 2014	**408**	**410**	**219**	**1,037**
Arising during the period	52	111	428	591
Utilised during the period	(52)	(108)		(160)
Reversed during the period	(11)	(228)		(239)
At 31 March 2015	**397**	**185**	**647**	**1,229**
Expected timing of cashflows				
Within one year	50	185	586	821
Between one and five years	200		20	220
After five years	147		41	188
	397	**185**	**647**	**1229**

	Current		Non-current	
	31 March 2015 £000	31 March 2014 £000	31 March 2015 £000	31 March 2014 £000
Pensions relating to former staff (excluding directors)	50	49	347	359
Other legal claims	185	410		0
Other	586	157	61	62
Total	**821**	**616**	**408**	**421**

£60.54 million is included in the provisions of the NHS Litigation Authority in respect of clinical negligence liabilities of the Trust (31/03/14 £51.95m).

C.23. Contingent liabilities

	31 March 2015 £000	31 March 2014 £000
Gross value	99	115
Net contingent liability	**99**	**115**

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.24 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.

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C.25. Financial instruments and related disclosures	**Carrying value 31 March 2015 £000**	Carrying value 31 March 2014 £000
Current financial assets		
Cash and cash equivalents	744	944
Trade and other receivables	8,672	8,824
Non-current financial assets		
Trade and receivables	942	918
Total financial assets	**10,358**	**10,686**
Current financial liabilities		
Borrowing excluding Finance Lease and PFI	6,214	0
Financial liabilities measured at amortised cost:		
PFI Finance leases	5,680	5,400
Trade and other payables	23,107	18,473
Provisions under contract	1,229	1,037
Non-current financial liabilities		
Financial liabilities measured at amortised cost:		
PFI Finance leases	333,577	339,256
Total financial liabilities	**369,807**	**364,166**

The fair value of all these financial assets and financial liabilities approximate to the carrying value recognised in the Statement of Financial Position.

C.26. Losses and Special Payments

	2014/15 Total number of cases Number	2014/15 Total value of cases £000's	2013/14 Total number of cases Number	2013/14 Total value of cases £000's
LOSSES:				
1. Losses of cash due to:				
a. theft, fraud etc.			3	
b. overpayment of salaries etc.	10	2	2	
c. other causes				
2. Fruitless payments and constructive losses				
3. Bad debts and claims abandoned in relation to:				
a. private patients	4	2	7	1
b. overseas visitors				
c. other	318	3	289	5
4. Damage to buildings, property etc. (including stores losses) due to:				
a. theft, fraud etc.				
b. stores losses				
c. other				
TOTAL LOSSES	**332**	**7**	**301**	**6**
SPECIAL PAYMENTS:				
5. Compensation under legal obligation	1	20	1	13
6. Extra contractual to contractors				
7. Ex gratia payments in respect of:				
a. loss of personal effects	28	8	29	5
b. clinical negligence with advice				
c. personal injury with advice				
d. other negligence and injury				
e. other employment payments (should not include special severance payments which are disclosed below)	14	175	36	798
f. patient referrals outside the UK and EEA Guidelines				
g. other				
h. maladministration, no financial loss				
8. Special severance payments				
9. Extra statutory and regulatory				
TOTAL SPECIAL PAYMENTS	**43**	**203**	**66**	**816**
TOTAL LOSSES AND SPECIAL PAYMENTS	**375**	**210**	**367**	**822**

C.27. Exit packages

	2014/15			2013/14		
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	12	12	0	20	20
£10,000 - £25,000	0	0	0	3	2	5
£25,001 - £50,000	0	0	0	0	2	2
£50,001 – £100,000	0	1	1	1	2	3
£100,001 - £150,000	0	1	1	0	3	3
£150,001 - £200,000	0	0	0	0	0	0
£200,001 - £250,000	0	0	0	0	0	0
£500,001 - £550,000	0	0	0	0	0	0
Total number of exit packages by type	**0**	**14**	**14**	**4**	**29**	**33**
Total cost (£000)	**0**	**175**	**175**	**113**	**685**	**798**

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	12	22	0	0	0	0
£10,000 - £25,000	0	0	0	0	0	0
£25,001 - £50,000	0	0	0	0	0	0
£50,001 – £100,000	1	51	0	0	0	0
£100,000 - £150,000	1	102	0	0	0	0
Total	**14**	**175**	**0**	**0**	**0**	**0**

C.28 Related Party transactions

The Trust undertakes a large number of related party transactions with other Government bodies. The significant transactions are as follows:

A full schedule by NHS organisation is available on request.

	2014/15 Income £000	2014/15 Expenditure £000	2014/15 YE Debtors £000	2014/15 YE Creditors £000
NHS Mansfield and Ashfield	111,320	43	762	733
NHS Newark & Sherwood CCG	57,485	15	618	410
NHS Hardwick CCG	14,106	3	366	32
Health Education England	11,706	63	6	79
Leicestershire and Lincolnshire Area Team	10,961	0	126	34
NHS Rushcliffe CCG	6,979	1	132	76
NHS Southern Derbyshire CCG	6,422	0	260	0
NHS Nottingham North And East CCG	5,674	14	75	56

Nottingham University Hospitals NHS Trust	4,081	2,559	368	2,326
NHS Nottingham City CCG	2,344	8	486	9
Derbyshire and Nottinghamshire Area Team	2,606	0	150	0
NHS Nottingham West CCG	2,081	1	3	76
NHS Lincolnshire West CCG	1,996	1	0	13
Nottinghamshire Healthcare NHS Foundation Trust	1,500	1,631	199	148
University Hospitals of Leicester NHS Trust	1,168	65	18	22
NHS Pensions Scheme	0	15,761	0	2,148
HM Revenue and Customs (Tax/NI)	0	9,636	0	2,992
NHS Property Services	5,219	3,442	1,109	520
Nottinghamshire County Council	4,897	149	326	135
Ashfield District Council	0	1,844	0	0
NHS Litigation Authority	0	5,100	0	0

C.29.Directors' remuneration

The aggregate amounts payable to directors were:

	2014/15 £'000	**2013/14 £'000**
Salary	1,585	1,015
Taxable benefits	16	19
Performance related bonuses	0	10
Employer's Pension contributions	123	92
Total	**1,724**	**1,136**

Further details of directors' remuneration can be found in the remuneration report.

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 FTC 41X of Sherwood Forest Hospitals NHS Foundation Trust for the year ended 31 March 2015, 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. Our opinion on the statutory financial statements included an explanatory paragraph because of the fundamental uncertainty which may cast significant doubt as to the Trust's ability to continue as a going concern.

Andrew Bostock, for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
One Snowhill
Snowhill Queensway
Birmingham
B4 6GH

27 May 2015

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF SHERWOOD FOREST HOSPITALS NHS FOUNDATION TRUST ONLY

Opinions and conclusions arising from our audit

1 Our opinion on the financial statements is unmodified

We have audited the financial statements of Sherwood Forest Hospitals NHS Foundation Trust for the year ended 31 March 2015 set out on pages 125 to 165. In our opinion:

- the financial statements give a true and fair view of the state of the Trust's affairs as at 31 March 2015 and of the Trust's income and expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2014/15.

2. Emphasis of Matter – Going concern

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 continue as a going concern.

The Trust incurred a deficit of £32.6 million during the year ended 31 March 2015. It received additional financial support in year in the form of Public Dividend Capital (PDC) funding of £31.2 million and a further working capital loan of £6.2 million.

The Trust's 2015/16 annual plan is dependent on additional financial support totalling £50.95 million in the form of a long-term loan, which is being drawn down in line with plans agreed with Monitor. However only £16.7 million has been formally approved (which covers requirements to 11 July 2015). Receipt of the remaining £34.2 million is predicated upon Monitor receiving and approving the Trust's short term financial plans in July 2015 and Long Term Financial Model, which the Trust will submit in October 2015. In addition the Trust is required to have a £7.4 million Working Capital Facility in place to cover unplanned cash shortfalls.

These matters, along with other matters explained in Note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt on the Trust's ability to continue as a going concern.

3. Our assessment of risks of material misstatement
4.

In arriving at our audit opinion above on the financial statements the risks of material misstatement that had the greatest effect on our audit were as follows:

Valuation of land and buildings and PFI disclosure - £211 million

Refer to page 86 (Audit Committee Report), page 136 (accounting policy) and pages 149 to 158 (financial disclosures).

The risk: Land and buildings are required to be maintained at up to date estimates of year-end market value in existing use (EUV) for non-specialised property assets in operational use, and, for specialised assets where no market value is readily ascertainable, the depreciated replacement cost (DRC) of a modern equivalent asset that has the same service potential as the existing property (MEAV). There is significant judgment involved in determining the appropriate basis (EUV or MEAV) for each asset according to the degree of specialisation, as well as the assumptions made in arriving at the valuation, including the condition of the asset. In particular the MEAV basis requires an assumption as to whether the replacement asset would be situated on the existing site or, if more appropriate, on an alternative site, with a potentially significant effect on the valuation. Assumptions may also be made about the treatment of VAT in DRC valuations which are inconsistent with the ability of the Trust to recover VAT on construction costs.

For 2014/15 the Trust commissioned a revaluation of land and buildings (including Assets Under Construction) from an external valuer which comprised of a walkaround.

Our response*:* In this area our audit procedures included:

- assessing the competence, capability, objectivity and independence of the Trust's/Group's external valuer and considering the terms of engagement of, and the instructions issued to, the valuer for consistency with the Trust's accounting policies for property, plant and equipment, including the treatment of VAT;

- Obtaining the instructions provided to the valuer and reconciling the data provided in respect of floor area to the Trust's internal floor space measurements and drawings, as well as the fixed asset register;

- Considering, with the assistance of our own valuation specialists as required, the appropriateness of the valuation bases, cost indices and assumptions applied to a sample of higher value land and buildings (including Assets Under Construction);

- Undertaking work to understand the basis upon which any revaluations to land and buildings have been recognised in the financial statements and determining whether they complied with the requirements of the ARM;

- Considering the adequacy of the disclosures about the key judgments and degree of estimation involved in arriving at the valuation and the related sensitivities; and

- Considering the adequacy of the disclosures in relation to the Private Finance Initiative (PFI) arrangements and their compliance with the requirements of SIC 29.

NHS Income Recognition - £284 million

Refer to page 86 (Audit Committee Report), page 136 (accounting policy) and pages 149 to 158 (financial disclosures).

The risk:
The main source of income for the Trust is the provision of healthcare services to the public under contracts with NHS commissioners, which make up 97% of income. The Trust participates in the Agreement of Balances (AoB) exercise which is mandated by the Department of Health (the Department), covering the English NHS only, for the purpose of ensuring that intra-NHS balances are eliminated when the consolidation exercise takes place to report the Department's Consolidated Resource Account. The AoB exercise identifies mismatches between receivable and payable balances recognised by the Trust and its counter parties at 31 March 2015.

Mis-matches can occur for a number of reasons, but the most significant arise where the Trust and commissioners have not concluded the reconciliations of healthcare spells completed within the last quarter of the financial year, which have not yet been invoiced, or there is not final agreement over proposed contract penalties as activity data for the period has not been finally validated.

We do not consider NHS income to be at high risk of significant misstatement, or to be subject to a significant level of judgement. However, due to its materiality in the context of the financial statements as a whole NHS income is considered to be one of the areas which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.

Our response*:* In this area our audit procedures included:

- Reconciling the income recorded in the financial statements to signed contracts with material counter parties and reviewing material variations supported by explanations from the Trust;

- Assessing whether the Trust was in formal dispute or arbitration in relation to any material income balances and examining the supporting correspondence, including - if appropriate - any legal advice, for consistency with the treatment of these balances within the financial statements;

- Inspecting third party confirmations from other NHS counter parties and comparing the values disclosed within their financial statements to the values recorded in the Trust's financial statements through the English AoB exercise;

- For estimated accruals (including for completed and partially-completed periods of healthcare), comparing a sample of accrued amounts to invoices raised in the new financial year and checking evidence of payment and acceptance;

- Carrying out testing of invoices raised around the financial year-end to determine whether income had been recognised in the appropriate period;

- Confirming the basis upon which any provisions for doubtful non NHS debt have been made. We tested the assumptions taking into account past performance and any circumstances specific to the year ended 31 March 2015. We also tested the accuracy of calculations for bad debt provisioning; and
- Considering the adequacy of disclosures about the key judgements and degree of estimation involved in arriving at the estimate of revenue receivable and the related sensitivities.

4. Our application of materiality and an overview of the scope of our audit

The materiality for the financial statements was set at £5.3 million, determined with reference to a benchmark of income from operations (of which it represents 2%). We consider income from operations to be more stable than a surplus-related benchmark.

We report to the Audit Committee any corrected and uncorrected identified misstatements exceeding £250,000, in addition to other identified misstatements that warrant reporting on qualitative grounds.

Our audit of the Trust was undertaken to the materiality level specified above and was performed at the Trust's main site at Kingsmill Hospital.

5. Our opinion on other matters prescribed by the Audit Code for NHS Foundation Trusts is unmodified

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2014/15; and
- 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.

6. We have nothing to report in respect of the following matters on which we are required to report by exception

Under ISAs (UK&I) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In particular, we are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our audit and the directors' statement that they consider that the annual report and accounts taken as a whole is fair, balanced and understandable and

provides the information necessary for patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy; or
- the Annual Governance Statement does not appropriately address matters communicated by us to the audit committee.

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 2014/15, 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.

7 Other matters on which we report by exception - adequacy of arrangements to secure value for money

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 and 106 of the Health and Social Care Act 2012. The Trust has remained in Special Measures since that time and throughout 2014/15. Monitor removed the Section 106 condition relating to regulatory compliance at the end of April 2015, because it considers that adequate progress to address the weaknesses identified.

However, a new Section 106 condition was imposed upon the Trust in April 2015 because of concerns over its financial governance and the sustainability of the long term financial plan, as well as the worsening financial position. In addition Monitor has imposed a Section 111 condition on the Trust, requiring it to ensure that it has in place sufficient and effective management and clinical leadership capacity and capability. This is because Monitor considers that the Board is failing to secure compliance with the Trust's licence conditions, and failing properly to take steps to reduce the breaches of those conditions.

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 2015.

Certificate of audit completion

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.

Our certificate is qualified in accordance with paragraph 5.12 of the Audit Code as:

- we have been unable to satisfy ourselves that the Trust made proper arrangements for securing economy, efficiency and effectiveness in its use of resources; and
- whilst we have issued a limited assurance opinion in relation to the content of the quality report and one of the mandated indicators (62 day Cancer Waits), we have not issued an opinion in relation to the Trust's other mandated indicator (18 week Referral to Treatment target).

Respective responsibilities of the accounting officer and auditor

As described more fully in the Statement of Accounting Officer's Responsibilities on page XX 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 UK Ethical Standards for Auditors.

Scope of an audit of financial statements performed in accordance with ISAs (UK and Ireland)

A description of the scope of an audit of financial statements is provided on our website at www.kpmg.com/uk/auditscopeother2014. This report is made subject to important explanations regarding our responsibilities, as published on that website, which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Council of Governors of the Trust, as a body, 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.

Andrew Bostock
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
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B4 6GH
28 May 2015