Southend University Hospital NHS Foundation Trust

Annual Report and Accounts 2014 - 15

Presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006
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This report was approved by the board of directors on 27 May 2015
1. Foreword

The NHS faces many financial and operational challenges and these inevitably influence our strategy, but patients remain at the core of all the decisions we make.

By chief executive Sue Hardy and chairman Alan Tobias OBE

Welcome to our annual report, Sue’s first since taking up the substantive post of chief executive on 7 April 2015.

Southend Hospital has a long history of excellence and achievement. For any organisation with such a history maintaining that position takes a great deal of hard work and commitment by our staff.

As a trust, we continually strive for excellence and innovation in everything we do. This is borne out by the awards which staff at all levels have won, the academic papers which they have had published in leading specialist journals and the success of various research projects – and by the many letters of appreciation we receive from patients and their families.

The NHS as a whole continues to face significant operational and financial challenges, however despite these pressures we are pleased to be able to look back over a number of significant achievements here at Southend in the past year.

We now boast a regional clinical and research centre for assessing and treating unborn babies – the only one of its kind in Essex. This dedicated fetal medicine unit, which is affiliated to the world renowned centre at London’s Kings College Hospital, was made possible thanks to a £400,000 charitable donation from the foundation set up by world expert Professor Kypros Nicolaides.

Our multi-disciplinary stroke team has won awards both for its rapid access mini stroke service and also for its service redesign to ensure the highest quality of stroke care. In support of our stroke services we are investing £1m to create a hyperacute stroke unit (HASU) to bring experts and equipment together to provide a world-class service 24 hours a day, reducing death rates and long-term disability.

We are proud of the progress we have made in relation to A&E performance, particularly over the winter period when we faced unprecedented demand. In response to these challenges we made a number of changes to working practice; increasing capacity in the department, opening a new paediatric A&E as well as introducing a GP streaming service. Although we recognise we have more improvements to make, we ended the year 94.1 per cent against the target of 95 per cent, which is a significant improvement on last year’s performance.

We have also made significant progress in relation to the 18-week referral to treatment standard. In March we achieved all three of the quality standards for the first time since May 2014 and this reflects an enormous effort by the specialist teams to reduce waiting list backlogs.
We have also successfully introduced our new clinician-led management structure in December 2014, which is designed to give clearer accountability and increased focus on patient safety, patient experience and clinical effectiveness. As a result, our transformation programme, which we will deliver over the next two years, has been clinically driven. The primary focus has been to re-design patient pathways using innovative clinical practice to improve quality and deliver efficiency savings.

In September we took the difficult decision to enlist external support to help stabilise our financial position. We, like many other trusts, were facing significant financial pressures and a deficit that was predicted to grow over the coming years. Working with our clinical directorates we have made good progress to help reduce agency spend and to ensure we met the revised forecast of £9.8m deficit for 2014/15. A financial recovery plan has been produced which will see the trust return to a surplus in three years.

The NHS Five Year View signposts the need for new models of care to respond to the challenges faced by the NHS as a whole. We recognise in order to meet these challenges we must consider new ways of working outside of the traditional hospital boundaries to better support new clinical models and ways of working. In response we are currently developing a new five year strategy in consultation with stakeholders and our health partners. This strategy will focus on ensuring the trust is sustainable in the future so it can continue to provide high quality care for the residents of south east Essex.

This year we were delighted to welcome three new executive directors to the board. James O’Sullivan who joined as chief finance officer and brings with him a wealth of experience in both the financial and transformation fields; Jan China, director of estates and facilities who has worked at the trust for twenty seven years in a variety of senior management roles; and most recently, Mary Foulkes OBE, who joined in January as the new director of human resources and organisational development with a background which spans the public, private and voluntary sectors.

In welcoming new members of the executive team, we also said goodbye to chief executive Jacqueline Totterdell, director of human resources Sandra Le Blanc and commercial director Iain Macmillan, all of whom we thank for their service to the trust.

It is also fitting we pay tribute to our staff, governors, volunteers and associated charities who make this organisation what it is – they are the driving force behind patient care and we thank them for their continued passion and commitment to the trust and its future.

We look forward to 2015/16 but in the meantime hope you enjoy reading our annual report.

This report and accounts have been prepared in accordance with Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006.

Sue Hardy
Chief executive

Alan Tobias OBE
Chairman
2. Strategic report

Southend University Hospital NHS Foundation Trust (SUHFT) provides acute services from the main Prittlewell Chase site and at outlying satellite clinics across the local area. It employs a total of 4,419 staff (2013/14 = 4,528) with 183 (181) consultants, 333 (309) other doctors, 1,269 (1,214) nurses, and 2,634 (2,824) support staff.

The gender split for all permanent and fixed term temporary employees is 3,455 female and 964 male.
The gender split for senior management (defined as all staff on bands 8a and above, plus off scale (excluding doctors)) is 126 female and 81 male.
The gender split for the executive directors is 4 female and 3 male.

<table>
<thead>
<tr>
<th></th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>A&amp;E attendances</td>
<td>93,403</td>
<td>89,965</td>
<td>92,532</td>
</tr>
<tr>
<td>Outpatient attendances</td>
<td>547,643</td>
<td>544,565</td>
<td>539,269</td>
</tr>
<tr>
<td>Inpatient admissions (total):</td>
<td>91,391</td>
<td>94,254</td>
<td>97,921</td>
</tr>
<tr>
<td>- of which, day case</td>
<td>42,370</td>
<td>42,513</td>
<td>44,208</td>
</tr>
<tr>
<td>- of which, emergency</td>
<td>40,524</td>
<td>42,622</td>
<td>43,491</td>
</tr>
<tr>
<td>- of which, inpatient</td>
<td>8,497</td>
<td>9,119</td>
<td>10,222</td>
</tr>
</tbody>
</table>

*All data used by the Trust for management monitoring of attendances, admissions and discharges is derived from the Trust Patient Administration System (PAS) in accordance with the NHS Data Dictionary requirements.

The trust serves a population of 338,800. The configuration of services continues to develop in response to the changing needs of the population.

In common with many other areas, population projections demonstrate that there is likely to be significant growth in the number of older people in years to come. Currently 17.8per cent of the population of Southend is over 65 (though this figure rises to almost 27per cent in some wards). The proportion is set to rise to 19.7per cent by 2020, equivalent to 36,400 people. However, the greatest growth is envisaged in the proportion of the population over-85 which is expected to double. At the other end of the age spectrum, Southend has a birth rate substantially higher than the national average and this may add further pressure on maternity and paediatric services in the future.

The areas of Castle Point and Rochford have a combined population of circa 167,000 which is expected to grow to approximately 178,000 by 2020. The age profile in these areas are in line with the national average, although there is variation across the wards, with a high proportion of under-20s in the west.

These factors combined will present a series of challenges to the Trust that are not unique, but must be addressed. The trust is therefore reviewing the configuration of a number of key services and will be looking to make fundamental improvements in delivery. This will require the ongoing active engagement with local Clinical
Commissioning Groups. It will, however, remain an ongoing priority that the trust’s plans reflect the local health economy’s goals and aims whereby:

“People will be enabled to live longer, healthier and happier lives by commissioning safe, high-quality, cost-effective, caring and compassionate services in partnership with fellow health and social care commissioners. Patients and public will have greater control and responsibility for maintaining and improving their own health. GPs will work more closely together and with community services to better manage long-term conditions, support the frail elderly and reduce A&E attendances and admissions into hospitals and nursing homes. Hospitals in Essex will work more closely together to provide centres of excellence.”

In the current environment the trust has to be an innovative and dynamic organisation that proactively seeks to improve patient care, experience and outcomes whilst ensuring that the cost of delivery is kept down. We want our staff to be engaged and feel valued, and we also place great emphasis on engagement with the communities and stakeholders that depend on the services the trust delivers.

Economic conditions continued to be extremely challenging in the year 2014/15 and we expect this to continue in the coming years. Reductions in public spending and demands for more efficient use of public health sector investment may further increase the need for competitiveness in the health economy.

The trust remains under review by Monitor and it developed its programme of improvement across key areas such as A&E, cancer targets and governance. The trust remains committed to delivering and maintaining excellent levels across all activities. As part of this, regular dialogue with stakeholder groups continued to form a key part of ensuring planned activity and improvements are delivered while building on the base of strengths enjoyed by the trust.

**Our performance and progress against the corporate objectives**

1. **Patient focus – keep getting better.**

The trust strives continually to improve service quality and patient experience – more information on this can be found in the quality report (page 74) and our annual governance statement (beginning on page 141).

The CQC carried out an unannounced inspection in August 2014, and the trust was found to be non-compliant with three standards. A subsequent action plan was devised and is being implemented to remedy areas of poor practice which were identified.

<table>
<thead>
<tr>
<th>Standards inspected</th>
<th>Focused inspection: August 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulation 12: Cleanliness and infection control</td>
<td>Not compliant</td>
</tr>
<tr>
<td>Regulation 13: Management of medicines</td>
<td>Not compliant</td>
</tr>
<tr>
<td>Regulation 22: Staffing</td>
<td>Not compliant</td>
</tr>
</tbody>
</table>

7
Ensuring that our services are safe, effective, caring, responsive and well-led across all areas will remain a key priority.

Since 2013, the trust has been actively surveying patients following their discharge either as an inpatient, outpatient, daycase from A&E and within maternity in relation to the Friends and Family question. Using volunteers, postcards, direct phoning, text messaging and interactive voice messaging, we have continued to increase the number of patients surveyed throughout the year.

We began the roll-out within the maternity department in October 2013, ahead of the national introduction and have continued successfully with postcard and phone calls within maternity due to some sensitivity we encountered when initializing text messaging.

In October 2014 we introduced the Friends & Family Test to outpatients and day cases using only a limited number of areas, initiating this via some postcard surveys and some interactive phone system and text messaging. This proved a success and sees the continuation of these methods moving forward.

The roll-out of this for all outpatients and daycase patients commenced April 2015 as a national requirement and the majority are being surveyed via text message and IVM. We volunteered to pilot an ‘Easy read’ survey to patients with learning disabilities which was a huge success and have continued to offer this survey to patients.

Friends and Family surveys initially were for those aged 16 plus but we have adapted a survey for children and young people to enable them to give us feedback on the services we provide.

Staff Friends and Family surveys have commenced and are lead via our human resources department. The staff figures are below and are compiled from data taken from the local staff surveys in May and August and from an online separate survey in April 2015. The friends and family test was not completed in Q3 due to the Annual NHS staff survey.

<table>
<thead>
<tr>
<th>Reporting Date</th>
<th>% of the responding staff who responded positively</th>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 2014</td>
<td>74%</td>
<td>Would you recommend the Care provided by the Trust to Friends and family</td>
</tr>
<tr>
<td>May 2014</td>
<td>53%</td>
<td>Would you recommend the Trust as a place to work</td>
</tr>
<tr>
<td>August 2014</td>
<td>63%</td>
<td>Would you recommend the Care provided by the Trust to Friends and family</td>
</tr>
<tr>
<td>August 2014</td>
<td>31%</td>
<td>Would you recommend the Trust as a place to work</td>
</tr>
<tr>
<td>April 2015</td>
<td>76%</td>
<td>Would you recommend the Care provided by the Trust</td>
</tr>
</tbody>
</table>
For Patient Friends and Family surveys our net promoter scores, response rates for inpatients and A&E in 2014/15 can be found in Table A.

Maternity figures can be found in Table B.

Outpatient and day case figures are due for reporting commencing April 2015.

### Table A

<table>
<thead>
<tr>
<th>AREA</th>
<th>Net Promoter Score</th>
<th>Response Rate</th>
<th>% recommend</th>
<th>% not recommend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inpatient</td>
<td>67.07</td>
<td>32.3%</td>
<td>97.82%</td>
<td>3.58%</td>
</tr>
<tr>
<td>A&amp;E</td>
<td>48.52</td>
<td>17.1</td>
<td>84.32</td>
<td>9.20%</td>
</tr>
</tbody>
</table>

### Table B

<table>
<thead>
<tr>
<th>AREA</th>
<th>Net Promoter Score</th>
<th>Response Rate</th>
<th>% recommend</th>
<th>% not recommend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maternity</td>
<td>78.43</td>
<td>9.2%</td>
<td>90.95%</td>
<td>4.08%</td>
</tr>
</tbody>
</table>

The system we are using (Envoy) gathers all responses and comments from patients feedback including postcards (these are now entered manually onto the system capturing all feedback in one place). Departments are encouraged to use the system to collate comments, look for particular trends and use as a feedback tool to make service improvements. Encouragement is also promoted to praise staff as a high number of comments relate to staff care and professionalism.

‘You said, we did’ posters are encouraged to be displayed to show patient feedback we are receiving and changes we make as a result of patient feedback.

Our most recent Summary Hospital-level Mortality Indicator (SHMI) for the period October 2013 to September 2014 published on 29 April 2015 is recorded at 1.05, this remains within the expected range (0.90 - 1.12) for a trust of our size with our demographic profile.

A new national audit system called PLACE (Patient-Led Assessment of the Care Environment) was undertaken last year to benchmark our services against other NHS hospitals. This demonstrated the trust had a score of:

- 87.86% for the quality of its food.
- 83.43% for cleanliness which is below the national average; To improve cleaning standards the trust split its ward based catering services from its
cleaning services in 2014. At the same time the number of hours available for cleaning in wards and department was increased by circa 50%. The impact has resulted in the trust achieving the national cleaning standards. Monthly audits and performance reports to the trust board are now undertaken to ensure the national cleaning standards are met, any deviations from the standards result in the development of action plans to rectify shortcomings.

- 77.15% for privacy, dignity, an area of concern was linked to the condition of patient showers and the trust has undertaken refurbishment of circa 78 patient hygiene facilities to improve privacy and dignity.

- 76.03% against condition, appearance and maintenance of building. The Trust has a number of very old buildings, refurbishment works are in place, it will take time to fully refurbish all areas.

The results of the audit carried out this year will become available at the end of November.

The data collated between 1st April 2014 and 31st March 2015 shows the trust received a total of 928 complaints (2013/14 = 883), 3540 PALS contacts (2013/14 = 1956), 140 claims, 859 compliments, 651 comment cards and was involved in 19 inquests (2013/14 = 80 claims, 868 comment cards, 1406 compliments and was involved in 117 inquests).

Although there has been an increase in the number of complaints received into the Trust when compared to hospital episodes during 2014/15 the level of complaints received equates to 0.09% of attendances, which is the same proportion of attendances as in the previous year.

The trust chose to make full compliance with undertaking the World Health Organisation (WHO) checklist a priority for inclusion in the quality account by the trust for 2013/14. The checklist takes place prior to surgery to further ensure patient safety.

During the past year we have achieved 100 per cent compliance with the spot check audits undertaken by the matron and governance lead in theatres, with the average reporting on the data base for all WHO checklists being at 99.9 per cent on the Sapphire theatre system.

We have also continued to develop our trust-wide patient focus group with the first meetings taking place this year; the group meets quarterly and is made up of representatives from staff, patients and their carers.

So far the group has taken a view on the following service improvements: pharmacy self-administration of medication, electronic correspondence and text appointment reminders, and made recommendations for the trust staff during implementation.
2. Sustainability – keep the core strong

Sustainability is considered central to the trust’s objectives; linking in with the performance management framework – which demonstrates progress against corporate objectives – the board assurance framework provides clear escalation processes to the board and its committees when risk issues arise that require corrective action. The board assurance framework was updated and documented throughout the year.

The trust was found in significant breach of conditions 5 (governance) and 6 (healthcare standards) of its Authorisation by Monitor on 9 December 2011. Under Monitor’s new Provider Licencing framework, introduced on 1 April 2013, these breaches were reassigned to breaches of the licence conditions FT4(5)(a), FT4(5)(c), FT4(2) and FT4(6).

Deloitte LLP was commissioned by the trust, with the approval of the regulator, at the beginning of 2012 to carry out a review of board governance. Having also carried out a review of quality governance at the trust, Deloitte LLPs reviews were completed in October 2013 and highlighted significant improvements that had been made. Monitor imposed discretionary requirements on the trust which were published on 25 June 2014 directing the trust to (i) address the breach of A&E and RTT healthcare targets; (ii) address the breaches relating to board governance and effectiveness; and (iii) implement programme management and governance arrangements to enable the delivery of all plans referred to in the discretionary requirements.

Deloitte LLP was engaged, following their previous work with the trust, with the approval of Monitor in the summer of 2014, to carry out the review of the executive team capability and board effectiveness. As a result of the review the executive team and the board developed a programme of improvements with a plan of clear outcomes and timelines agreed and monitored by the board.

The trust has made significant progress in improving its governance arrangements, and in addressing both operational performance and resilience. Although we have not been able to meet all regulatory performance targets on a consistent basis, they are frequently being achieved and it has been recognised by Monitor that our performance now compares favourably with the sector in general. We expect to continue this positive trajectory in the year ahead.

3. Sustainability – grow selectively

The creation of a joint venture venture between the trust, Basildon University Hospital and iPP (a commercial provider of pathology services) is a good example of collaborative working to ensure the provision of excellent services to our patients.

Under the joint venture partnership staff were transferred (excluding consultant staff) to this new service. A new modern pathology laboratory is being built in south Essex
and a new pathology hub will be created at Southend Hospital. The service provides testing

• 24 hours a day, every day of the year
• Diagnostic tests support patient clinical management, interpretation and reporting of results as well as clinical advice on further investigation and treatment of patients.

The trust’s consultant pathologists continue to provide professional and medical direction to the joint venture service. To improve the phlebotomy booking services, patients who require a blood test will be able to use an online booking system that will be introduced in 2015.

The contract for Southend Sexual Health Service was retained by the trust following a successful tender process in the last financial year.

4. Research and Education – investing in the future

Clinical research is a ‘core’ activity within the trust. As a research-active trust, our patients have greater access to evidence-based treatments, therapies and services. Our research contributes to the evidence base and provides opportunities to find more clinical and cost effective treatments that directly improve healthcare services and benefits for patients. Patients on research projects are more closely observed and monitored with respect to outcomes and adverse events.

SUHFT Research and development has made a successful transition from Essex & Hertfordshire Comprehensive Local Research Network (CLRN) to the much larger North Thames Local Clinical Research Network (LCRN).

We now have 43 principle investigators (PI), 23 research nurses/fellows and during the year 2014/2015 1,168 patients were recruited for participation in clinical studies.

Research and development at Southend has grown in depth and breadth boasting of active research programmes of portfolio studies across several specialties including oncology, stroke, rheumatology, ophthalmology, foetal medicine, cardiology, renal, neurology, dementia, sexual health, anaesthesia, critical care, infectious diseases, diabetes, paediatrics, general surgery, vascular surgery, breast surgery, biochemistry, pathology, radiology, rehabilitation, pharmacy, A&E and primary care research. Several departments enjoy national/international reputation based on their research and accompanying clinical excellence.

Regular clinical research forum meetings continue and serve as a focus for researchers to discuss ideas and to collaborate together. I

In 2014/15 Southend hosted several North Thames Clinical Research Network (CRN) Dissemination and specialty events. We also have a greater focus on commercial research and engagement with Anglia Ruskin University (ARU) through the Post Graduate Medical Institute (PMI) and the Clinical Trials Unit (CTU) as well as through
direct contact with Quintiles (the world’s largest contract research organisation) prime site based at Barts Health.

This means the trust has access to all Quintiles projects before they are offered to health care organisations world-wide to participate in projects.

The trust has developed key leaders in research who are Speciality Group leads or key members of specialty teams for their respective disciplines. Their pro-active approach to research has resulted in recognition and acclaim nationally and internationally.

The trust is a part of the UCL Partners Academic Health Science Network (AHSN) as part of the ARU Health Partnership (whose aims are to work with partners to deliver existing projects, and identify new areas of collaboration).

Pertinent ‘firsts’:

Southend has been awarded a major grant by Health Technology Assessment (HTA) (Referral for Patient Benefit) (RFPB) of £150,000 for a randomised controlled trial of anakinra (a biologic agent that blocks the cytokine interleukin-1) in gouty arthritis in presence of renal impairment.

It is a renal/rheumatology collaborative project led by Gowrie Balasubramaniam (AMU/Renal physician) and Professor Bhaskar Dasgupta. This will be complemented by a sizable grant from the manufacturers of anakinra (Sobi).

Southend has received over the last two years major grants from the National Institute for Health Research (NIHR), Napp, the American College of Rheumatology (ACR), the European League Against Rheumatism (EULAR) and the Association for Sandwich Education and Training (ASET) as well as the international educational symposia totalling over £250,000.

Professor Bhaskar Dasgupta has developed a fast-track pathway for giant cell arteritis (GCA) which has been presented to the Department of Health and is now to be rolled out in England.

The rapid diagnosis of GCA means that patients will not have sight loss, are treated better and sooner and so have an excellent outcome for this serious disease. This will be incorporated in 2015 guidelines on GCA to be jointly developed by the British Society of Rheumatology (BSR) and ACR.

Southend has led in research and guidelines on polymyalgia rheumatica. The 2015 EULAR ACR PMR guidelines have now been approved by EULAR and ACR and awaiting publication.

Southend is due to start a prestigious bursal biopsy project in collaboration with Stanford University and Mayo Clinic in the USA.

The musculoskeletal activity at Southend for 2014/15 within the North Thames CRN was only second to the activity of University College Hospitals which is one of the
biggest trusts in the country. Southend has proved the paradigm that good quality clinical research can be executed and orchestrated in an acute medium sized trust.

There was major growth of LCRN funding and the North Thames CRN budget 2014/15 was £999,398. The budget 15/16 is higher with additional funding for at least three research nurses. There were additional monies generated by grants from medical charities, international organisations as well as pharmaceutical firms. This income has been generated by a research workforce funded entirely by the CRN at no additional cost to the trust.

SUFT R&D is now uniquely placed to implement a strategy to create an R&D ‘flagship’ Clinical Research Facility (CRF) outside the large London trusts within the North Thames CRN, focussing on income growth, patient experience and brand and create a Southend clinical research facility that will provide a unique specialised environment for the conduct of clinical trials across the many research active specialties within the trust.

5. Staff – feel proud to work here and keep making a difference

The trust places its values Everybody Matters, Everything Counts and Everyone’s Responsible at the heart of everything it does. The trust is extremely proud of its diverse and dedicated workforce who demonstrate these values.

Overall, good progress was made towards achievement of corporate objectives in the area of human resources, although some were not attained and were highlighted as a risk to the board

Appraisals
The trust has an appraisal process and it is a requirement that all staff have an annual appraisal. As a trust we have set a target of 85 per cent of staff to be appraised, which takes into account factors such as long term absence (e.g. maternity leave) and staff turnover. 78 per cent of staff received an appraisal. Both surgery and diagnostic and therapeutic teams exceeded the overall target. (2013/14 - 80.79% appraisals carried out against target of 85%.)

Agency Spend
Agency spend was 9.22 per cent against a target of 4.00 per cent. During the last five months of the financial year, expenditure was down by over 35 per cent, compared to the previous five months (2013/14 - agency spend was 6.45% against target of 4%).

Sickness Absence
Sickness absence decreased slightly to 3.54 per cent (3.66per cent in 2014). During the year the Trust board revised its internal target sickness absence rate from 3.29 per cent to 3.5per cent as benchmark data indicated the trust is achieving upper quartile performance.

Staff Turnover
The trust has a voluntary staff turnover rate of 12.35% which excludes transfers, junior doctor rotation, redundancy, etc, (18.36% when TUPE transfers are included) against
target of 9.70%. (2013/14 turnover rate 12.54% against target of 9.70) The staff exit survey data has informed work currently underway to enhance staff development, particularly around staff feeling valued. A pilot around exit interview processes is currently underway looking at using different methods to obtain valuable data on why some staff chose to leave us. This will inform our decisions on how we engage more with staff.

The quality of experience and outcomes of the people who use our services are almost entirely due to their interactions with our workforce. The knowledge, skills and commitment of our employees is a great strength and we need to enable employees to continue meeting the needs of our patients and delivering improvements in the quality of our services.

6. Partnership – our hospital, our community

Southend University Hospital NHS Foundation Trust (SUHFT) has faced continued pressure on acute services and the trust has responded well to increasing levels of demand across a range of services.

The trust has worked with its partners in the wider health economy to develop services that meet the needs of the local population. The established Systems Resilience Group (SRG) provides a robust forum for senior hospital staff to work with Commissioners, GPs, Community, Mental Health and Social Care to develop and deliver better emergency care and services for the elderly.

SUHFT provides a number of services with neighbouring acute trusts, oncology services being one of the most significant and the trust actively participates in cancer networking arrangements with a number of the site specific cancer groups being led by our consultants.

The trust is actively engaged in the review process for the reconfiguration of specialist cancer surgery and the potential centralisation of services has inevitably resulted in more detailed discussions with neighbouring organisations. However the trust is committed to ensuring the effective delivery of cancer services for the population of south Essex.

7. Financial performance

The financial plan for the year reflected a number of financial pressures from within the NHS and the wider economy. These included a reduction in the national tariff of 1.2 per cent, expenditure inflation and planned disinvestment in activity commissioned from the local CCG. These manifested themselves in a challenging planned efficiency programme of £9.5m to deliver a planned deficit of £0.7m.

The following table shows the trust’s performance against plan.
The trust experienced substantial financial pressures during the year which culminated in a year end deficit of £9.8m against the planned deficit of £0.7m (an adverse variance of £9.1m).

The seriousness of the position in the first few months of the year led to the appointment of an experienced transformation director in September 2014 with the role of coordinating a financial recovery plan.

This plan addressed the remaining months in 2014/15 and the years beyond and was agreed by the trust board and submitted to Monitor in January 2015.

The main reasons for the variance against plan were as follows:

- Agency spend in excess of staff vacancies contributed approximately £4.0m (adverse) to the variance. The use of agency staff to cover vacancies and absences grew considerably in 2014/15 and reached its peak in October after which the controls put in place (as part of the recovery process) had a significant impact.

- Investment of £2.5m in the Emergency Department to improve performance and resilience.

- Additional contractual fines from commissioners in the amount of £2.0m
The Income & Expenditure deficit placed substantial pressure on the trust’s cash balances which ended the year £2.3m against an original plan of £12.3m.

Maintaining adequate cash balances has been a challenge because of the difficulty in obtaining prompt payment from CCGs in respect of activity performed and from other NHS organisations for services provided, including delays by other NHS trusts in settling debts with regard to GP Trainee salaries (the trust hosts GP trainees on behalf of Health Education East of England). However, the cash position benefited from slippage on the capital programme (described in more detail later) and the trust did not need to resort to utilising its £4.5m overdraft facility.

Despite the very constrained cash position the trust endeavoured to pay suppliers promptly. However, payments to creditors were stretched to between 50 - 55 days. There were a number of small claims made against the trust in respect of The Late Payment of Commercial Debts (Interest) Act 1998. The following table shows the trust’s compliance against the Better Payment Practice Code for 2014/15 and 2013/14:-

<table>
<thead>
<tr>
<th></th>
<th>2013/14</th>
<th>2014/15</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Value £’000</td>
</tr>
<tr>
<td><strong>Non-NHS Trade Invoices</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total invoices paid in year</td>
<td>68,621</td>
<td>116,378</td>
</tr>
<tr>
<td>Total invoices paid within target</td>
<td>3,227</td>
<td>20,358</td>
</tr>
<tr>
<td>Percentage of invoices paid within target</td>
<td>5%</td>
<td>17%</td>
</tr>
<tr>
<td><strong>NHS Trade Invoices</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total invoices paid in year</td>
<td>1,809</td>
<td>14,556</td>
</tr>
<tr>
<td>Total invoices paid within target</td>
<td>36</td>
<td>1,212</td>
</tr>
<tr>
<td>Percentage of invoices paid within target</td>
<td>2%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Capital spend was £8.0m for the year which was £9.1m lower than the £17.1m plan (the original plan comprised £10.9m of trust sourced cash and £6.2m of leasing).

The underspend was largely the result of slippage across a small number of large schemes; of particular significance was slippage on the replacement of two MRIs, a replacement LINAC and the vascular theatre development.
All of these schemes have slipped with the LINAC and vascular theatre investment progressing in 2015/16 and the MRI replacement being deferred until 2016/17 as part of a larger reconfiguration of diagnostic imaging.

Ernst & Young continue to provide external audit services to the Trust.

The Board have considered the Trust’s current financial position, future financial plans and associated risks and after making appropriate enquiries, the directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. The Monitor Continuity of Service Risk Rating for the Trust ended the year at level 1, however this has been discussed with Monitor and has not given rise to any further regulatory action. In addition, we have not sought any external funding support and expect to continue to be self-financing. For these reasons, they continue to adopt the going concern basis in preparing the accounts.

**Future years**

The trust has produced a recovery plan which returns the organisation to a financial surplus within three years. It recognises the continuing difficulty of the financial environment in which it, and the wider NHS, operates and it plans for the continuous improvements in both its basic service delivery and in the way it uses its assets and resources.

In overall terms, given the savings required by the NHS there is a need to improve the financial position by approximately £43m over the three year period which is expected to be achieved largely through transformation of services and to a lesser extent by the income generated through the extension of specialist services into wider areas (eg. hyper acute stroke and vascular services).

The pressures experienced in recent years are expected to continue with further reductions in the payment by results (PbR) tariff, shortfalls in inflation funding and the commissioning intentions of CCGs requiring more reductions in hospital spend in order to address their own affordability challenges.

Consequently, the trust expects to be in deficit in 2015/16 and in 2016/17 and then return to surplus in 2017/18.

James O'Sullivan
Chief financial officer
Trust Strategy, Goals and Objectives

In February 2015, following intensive stakeholder engagement from the previous November, the trust board adopted a new, simplified and more focussed mission statement and supporting organisational goals.

The trust is working on developing a new strategy to deliver these goals and in response to changing circumstances within the local health economy and across the country as a whole.

The trust’s revised mission statement is:

‘Deliver high quality care to every patient, every time.’

In order to execute this mission, the trust will attain the following goals:

a. Excellent patient experience
b. Excellent patient outcomes
c. Financial and operational sustainability
d. Engaged and valued staff

The new strategy was selected from amongst a wide range of strategic options.

Stakeholders provided numerous ‘issues that must be addressed and the clinically-led Corporate Management Team (CMT) provided a list of strategic options and selected a number of evaluation criteria to guide the trust board through the process of choosing the best strategy for the organisation.

The principle upon which the strategy is founded is called ‘vertical integration’. This means combining aspects of services delivered to patients by a number of different organisations in such a way that the patient experiences ‘seamless’ care.

That is to say, the patient will not be able to distinguish between staff employed by this trust, another NHS trust, the local authority, a private sector service provider or a voluntary organisation.

They will all have access to the patient’s records and they will all communicate with each other in a timely and effective manner. There will be no avoidable delays between stages in the care process. Regardless of the number of service providers involved, there will be a single patient pathway constructed around the patient.

Short Term Challenges

Quality Focussed Challenges

As an organisation, we have reflected on the Francis Report and Keogh reports, these formed the basis of our amitions in our quality strategy to place the spotlight further on organisational culture and compassion in care.
Ultimately, the changes in the political climate have driven forward the unacceptability of providing poor care, but has also aided us in our quest for providing clear and articulate plans for how we will deliver our improvements over the next three to five years.

We implemented our quality strategy in the past year and are currently reviewing these objectives. The key objectives are an integral part of how we aim to deliver high-quality care.

We believe the updated strategy will build upon the previous work and further support our vision for excellence, ensuring that:

- patients will feel satisfied and cared for
- carers and visitors will feel assured and supported
- our partners feel that they can rely on us
- our services are and will continue to be safe and sustainable
- we will use research, training and innovation to invest in our future
- our regulators will be satisfied the quality of the care we deliver meets their standards

The focus of the strategy continues to be on our three ‘quality priorities’ which are underpinned by the review of both the Keogh ambitions and the Francis Report but also on an organisational emphasis on embedding a culture which supports our vision, specifically:

- to focus on leadership which supports how staff can deliver excellent care
- to improve patient experience
- to improve clinical outcomes and engender a culture of ‘no harm’ by ensuring that patient safety is embedded into how the trust works

Specifically, over the next couple of years, the Trust faces five major challenges to delivering its patient focussed quality goals effectively:

a) **Deficit in nursing numbers**
   A shortage in appropriately skilled and trained nurses will impact on the delivery of services. A number of existing vacancies and newly identified nursing posts have required an overseas recruitment plan to be put in place to address the shortfall.

b) **Safe 24/7**
   Delivery of the Keogh standards for seven-day working including providing a safe environment where all patients are seen by senior decision makers every day and every emergency patient is seen by a consultant within 14hrs will require a significant change in both the working practices and culture of medical and other staff.

c) **Stroke**
   The challenge to achieving nominated Hyper Acute Stroke Unit (HASU) status for Essex remains primarily political, with delays to the decision making process on-going.
d) **Vascular**

The trust aims to become a vascular hub for the area and is currently awaiting confirmation of this status. Challenges will focus on staffing and facilities.

e) **Cancer**

As with vascular, the trust's desire to become the main cancer centre (hub) for Essex will demand that both staffing and facilities issues be addressed.

**Operational Focussed Challenges**

During 2014/15 the trust faced a significant number of operational pressures that adversely impacted on the organisation’s ability to deliver on key performance standards.

Whilst it is recognised that significant progress has been made, several key challenges remain. Consequently, the plan over the next year will need to focus on addressing these critical issues and on achieving compliance with operational standards.

**4 Hour Access Standard**

The trust achieved the best performance in Essex on this standard with a year end position of 94.1 per cent against the 95 per cent standard. Performance fluctuated throughout the year and was achieved on 25 weeks out of the 52. The longest run of achievement was seven weeks and the longest run of non-achievement was also seven.

NHS England and Monitor called a risk summit in April 2014 to assess the performance of the trust and ensure that actions were taken to improve performance.

As a result a system wide detailed action plan was developed jointly with the CCGs and Area Team to deliver sustained improvement against this performance standard.

In the year since the summit the overall position has improved considerably and our relative position is now much better than it was.

However the trust continues to experience challenges to deliver the 95 per cent standard and has seen recent increases in attendance patterns. A new set of actions which will enable the next stage of delivery and resilience, are in the process of being agreed with partners.

**Referral to Treatment (RTT)**

The Trust achieved all three of the RTT standards for March which is earlier than planned and there has been considerable progress in some of the high volume specialties such as ophthalmology, oral surgery and orthopaedics.

The backlog of patients within the admitted and non-admitted pathways has reduced, but further improvement is required.
The trust has undoubtedly benefited from having a dedicated RTT team managing and monitoring the overall process and from the centrally funded outsourcing of activity.

Maintaining and improving the position will require monitoring delivery carefully as we drive through the productivity efficiencies contained within the transformation plan.

**Cancer**

The increasing demand for cancer referrals as a result of an ageing local population and greater public awareness following recent high-profile campaigns continue to present challenges to delivery in certain areas.

Addressing current capacity constraints in some critical treatments such as high-dosage brachytherapy and some diagnosis such as Magnetic Resonance Imaging (MRI), Endobronchial Ultrasound (EBUS) and Positron Emission Tomography. (PET) will be key priorities.

Overall the trust achieved six out of the eight national cancer standards for quarter four not delivering in the following areas:

- The standard for subsequent treatment within 31 days, where there were significant capacity challenges at speciality level.

- The standard for referral to treatment within 62 days, where there were significant capacity and complexity challenges at speciality level. This was standard was achieved for Southend only patients, i.e. patients who are referred directly to Southend and are treated at Southend.

The main issue in meeting both standards has been capacity in the cancer pathway at speciality levels, specifically urology.

Considerable work has been undertaken to resolve many of the constraints and improve access to diagnostics, however there is insufficient access to surgery, specifically for those requiring certain types of specialist laparoscopic surgery which is not provided at Southend.

There is a national capacity shortfall, meaning that even when we do refer to tertiary centres the waiting times may be longer than would be ideal.

The trust will continue to work to improve cancer pathways and will participate in regional service reviews that aim to enhance access and standards of delivery.

**Workforce Focussed Challenges**

The Human Resources Strategy aims to achieve the following workforce priorities:

- Recruit and retain employees who are able to deliver a quality service.

- Build capacity and competency in our workforce to deliver clinically effective and patient focused care.
- Improve workforce planning to ensure there are safe staffing levels and skills mix in our workforce.
- Maximise learning opportunities for all staff, provide high quality training and development opportunities and remain a centre of excellence for education and research

**Recruitment and Selection**

In terms of resourcing there has been very good progress made in a number of areas. Vacancies across the trust reduced from 440 in September 2014 to 256 in March 2015 - a reduction of 42

Recruitment of qualified nurses remains challenging for the trust, therefore an overseas recruitment campaign was conducted in Spain during the second quarter of 2014, where 56 band 5 nurses were recruited against vacancies across the trust. The trust has been able to retain 50 of the original 56 hired from Spain which had a positive impact on the number of nurses employed, reducing the number of nursing vacancies across the trust down to 72 as of the end of March 2015.

The trust brought forward its interviewing of newly qualified nurses due to graduate in September extending a total of 40 offers of employment, and it is expected these 40 nurses will commence during September / October of 2015 (subject to qualifying).

The trust engaged an external recruitment partner CPL Resources to conduct a European search for 17 Band 5 paediatric nurses, and it is expected that this campaign will be complete by end of May 2015.

A healthcare assistant (HCA) talent pool was successfully implemented during the third quarter of 2014 which now provides the trust a floating pool of HCAs who are centrally deployed to cover shortages as they arise - covering annual leave and long term sickness and reducing the reliance / need for agency staff.

**Medical Workforce**

The workforce challenge is not confined to nursing staff alone. The trust is experiencing difficulty in recruiting to a number of doctor posts and will continue to do so due to an increasing number of consultants who are retiring. Replacing staff at this level – particularly in A&E and all medical specialties including elderly medicine and the acute medical unit – will continue to present the trust with issues. To address this, the trust has begun an overseas recruitment campaign, which has been successful, and will continue to do this throughout 2015.

There were also issues recruiting middle grade doctors in A&E but by using external sources, headhunting agencies, these posts are now filled and the number of posts have been increased to ensure there is better cover in A&E.

The trust’s staffing strategy has a number of trainee doctor posts built into it which are critical to us delivering the levels and acuity of care to our patients.
The model is based upon these posts being filled by the deanery. However, this has not been the case and it is expected that the issue will continue into the foreseeable future.

The trust will implement new roles such as the physicians’ assistant and advanced nurse practitioners.

Medical human resources have started recruiting International Medical Graduates on a two year placement in liaison with the Royal College and the Medical Training Initiative (MTI) scheme as a cost saving initiative.

The trust took on responsibility for employing GP trainees across the East of England starting in 2013. Due to the success of this initiative HEEoE advanced the next cohort to August 2014 instead of the planned August 2015.

This initiative, although still in its infancy, has been largely successful with all pre-employment checks completed and all doctors appointed in post and working from day one. This has raised the trust’s profile and enabled engagement and collaborative working with 18 trusts across the east of England.

**Estates Challenges and Strategy**

The ongoing challenge of maintaining a site that dates from the 1930s to the 1990s was a major focus. The maintenance backlog works completed £3.9m worth of work to reduce statutory risks for example: upgrading or replacing fire doors, fire alarms, emergency exit lighting, water hygiene systems, electrical services, ventilation systems and medical gases.

Works were also undertaken on a number of roofs and enhancements made to entrances to make sure they are easily accessible for our disabled patients and visitors.

To facilitate improvements in clinical services the trust developed a Paediatric A&E.

The trust secured an additional £1.6million in 2013/14 from a national initiative and continued to undertake a range of energy efficiency projects which also improved patient environments and at the same time reduced our carbon emissions and cost of utilities.

The development of a five year strategy has and will continue to require clinical services to redefine their requirements from the estate to support the delivery of innovative developments, the estates strategy will be reviewed annually to ensure we can support the changing need to modernise patient care.

The trust is now working with providers to develop integrated estates planning with the Clinical Commissioning Groups and community health services. This work will also include joint working with Essex and Southend councils.
The trust continues to improve on its commitment to the national sustainability and carbon management objectives which form part of the NHS carbon reduction strategy, ‘Saving Carbon, Improving Health’.

The trust has a sustainable development management plan requiring a reduction on its carbon emissions which have reduced as energy usage has been controlled, in turn reducing emission by 8.8 per cent. This was supported with the £1.6million fund for energy initiatives with low energy lighting being introduced in a number of areas in the trust as well as a number of energy saving products being introduced to our heating and ventilation services.

Our green travel plan continues to encourage staff to use other modes of travel. Improved parking management has reduced the impact of queuing onto the main road, although this still remains a problem at peak periods of demand. The strategy in regard to addressing estate-related clinical service issues focusses on the re-configuration of the estate, and the instigation of a multi-faceted development control programme, addressing both new development and existing stock that is no longer fit for purpose.

Although being instigated, this process will be ongoing throughout the planning period and beyond and will be heavily influenced by the level of available funding. Funding gaps mean that priorities will have to be set.

Changing referral pathways will see increases in demand from Essex health care providers, with increases particularly in patients diagnosed with cancer, chronic diseases and those seeking emergency care. The plan will therefore focus on:

- The co-location of services into one area
- The co-location and provision of additional capacity for critical care services
- The co-location of day-stay services with theatres
- The co-location and provision of appropriate environments for outpatient services
- The co-location of clinical specialities (medicine and surgery)
- The move of inpatient services out of wards that are no longer fit for purpose
- Additional capacity for new medical and IT technologies
- Modernisation of mortuary facilities

It is anticipated that a significant rationalisation of the hospital site through the re-configuration and refurbishment of premises over the full planning period and beyond, as well as vacating off-site leased premises, would provide substantial opportunities
for improved efficiencies and revenue savings. Once again, identified funding gaps will mean that such works will need to be clearly prioritised.

**Information Technology Systems**

A reduction in available funding and increased competition has required greater efficiency of back office services and technologies.

Significant steps have already been taken to restructure, simplify, disinvest in poor value services/assets, and implement new scalable and efficient technologies and this process will continue. This includes the strengthening of IT procurement procedures.

Information Technology Infrastructure Library (ITIL) best practice service management processes are currently being implemented and further improvements to the IT service are being implemented in May 2015.

With the implementation of new systems such as Nervecentre, e-Prescribing and EPR (Electronic Patient Record) there will be a significant increase in support calls to the IT service desk therefore this area has been restructured to ensure staff receive more timely or immediate support.

By being able to resolve higher levels of calls at first point of contact, IT staff will be able to shadow and augment other areas within the department.

During 2014/15 the trust invested £1.55m in new IT Systems of which £1.15m was secured as a result of successful bids to the NHS England Nursing technology and Safer Hospitals, Safer Wards technology funds.

The trust’s in-house clinical portal (CED+) has been enhanced to provide clinical staff with a patient context view of clinical correspondence, diagnostic images and radiology/pathology reports, enabling noteless clinics across the trust. e-Prescribing and digital observations are currently being deployed and will form key elements of the trust’s EPR, significantly enhancing the quality of patient care across all specialties.

2015/16 will see the implementation of a Single Sign On solution which will speed up and streamline access to systems, enhancing the clinical and patient experience, and support regulatory requirements by strengthening the governance of systems and data.

A digital maturity study - based on the European Electronic Medical Record adoption model - of 16 hospitals within the UCLP network was carried out in September 2014. The report concluded the trust provides a low cost, efficient IT service and its strong key performance indicator (KPI) values indicate good prospects to maintain a productive balance of informatics, maturity and clinical efficiency.
**Board governance**

A Deloitte LLP review that concluded at the end of 2013 has led to a number of changes being made to the trust’s board governance structures following a red governance rating in 2011.

Deloitte LLP was engaged, following the above work with the trust, with the approval of Monitor in the summer of 2014, to carry out the review of the executive team capability and board effectiveness.

As a result of the review the executive team and the board developed a programme of improvements with a plan of clear outcomes and timelines agreed and monitored by the board. The board continued to strengthen its strategic planning processes to ensure long-term goals are more specific and they stretch to cover financial, quality and commercial aspects.

The trust has made significant progress in improving the governance arrangements, and substantial work and effort has been invested to build resilience and improve performance, based on the action plans agreed with Monitor.

An in-house governor training programme has been running for a second year using the skills of in-house professional and experienced trainers to ensure the governing body has the appropriate skills and education to support the trust’s governance processes.

Greater oversight of trends and forecasting of future performance, through the presentation of integrated performance report at every board meeting, has led to improvements in the quality of challenge offered by board members at meetings. Increased robustness in the reporting of operational performance has increased transparency throughout the organisation and steps were taken to further improve the integrated performance report.

Bi-monthly board development sessions, which include internal and externally led seminars on pertinent subjects, are held for all board members. Workshops aimed at developing the board as a team are also held and will continue.

The board assurance framework was reviewed last year and continues to be developed to meet the changing needs of the organisation. In addition, a review of the risk management processes a couple of years ago led to a focused approach to embedding the risk management process and further reinforcing oversight.

**Risk assessment and management**

The trust is committed to the management of risk, both clinical and non-clinical throughout the organisation. This ensures that risk to the quality and delivery of services is minimised and protects the services, reputation and finances of the organisation.
The Board Assurance Framework (BAF) provides evidence of the Board’s control over the delivery of the Trust’s strategic objectives. The BAF is a living document, its contents are regularly reviewed by the Board and its Committees and updates provided about the nature of the risks, the control environment, assurances provided and progress of actions. All of these elements contribute to the Board’s overall assessment of how assured it is about the achievement of the strategic objectives. The BAF provides the framework and structure for the evidence supporting the Annual Governance Statement (AGS).

The trust’s Corporate Risk Register (CRR) identifies the high graded risks (a score of 16+) identified within clinical directorates and corporate area risks registers. Risks assessed as being capable of local management are held in risk registers maintained by clinical directorates and corporate areas and made subject of detailed risk assessments.

This captures all risks graded as low or moderate. These registers hold details of all risks identified locally though clinical directorates and corporate area activities, as well as wider sources such as risk assessments, incidents (including serious incidents and never events), inquests, complaints, claims, Patient Advice and Liaison Service (PALS), clinical audit, Central Alert System (CAS) alerts, and from review of external reports and recommendations.

The CRR is reviewed by the trust board at every other meeting (3 times and year) to ensure that operational requirements to mitigate and control risks are kept current.

The CRR also informs the trust’s annual plan (which governors are involved in developing) with the aim of capturing all significant risks that may impinge on the trust’s activities and achievement of its strategic objectives.

Locally, each directorate has a monthly governance meeting with a standardised agenda that is used throughout the trust. This includes risk and incident review. Any training needs or knowledge deficits identified (through the content/detail on the risk register) are addressed in monthly meetings between the risk team and directorate.

The trust recognises that high levels of incidents suggest a stronger organisational culture of safety and therefore encourages its staff to report all incidents on to the trust’s electronic system (DATIX).

All incidents, regardless of the severity grading, are reviewed daily by the risk team and any trends identified (perhaps identifying a greater risk to the trust) are fed back to the relevant directorate should they need to be placed on the trust risk register.

Incidents that identify harm or present as a ‘near miss’ follow the process map set out in the trust’s incident policy to ensure they are appropriately investigated and changes made to prevent a recurrence.

The trust typically has around eight to ten high risks on the corporate risk register at any one time.

These will include both clinical and non clinical risks such as performance, infection control, finance and facilities.
These risks are reviewed and reassessed monthly by the risk team and the relevant clinical directorate / corporate area. Further monthly reviews are undertaken by the relevant areas to determine whether the current controls are effective and managing the risk appropriately.

**In-year risks**

The trust identified the following main clinical and financial risks, setting out the actions being taken to mitigate these and measures being taken to monitor their progress:

**Clinical:**
- Compliance with the targets for both Clostridium Difficile and Bacterial MRSA continued to prove a challenge for the trust with the ceiling target of 26 for clostridium difficile having been breached by one case taking the total to 27.
- Interim work to modernise and refurbish theatre areas has been undertaken with a planned schedule for completion by April 2015
- Staffing vacancies and any impact this may have on poor patient experience and compromised safety has been closely monitored
- Performance against the national 18 week target remained challenging due to the pressures the trust experienced throughout the winter months
- Compliance with current cancer targets also remained challenging and the trust created additional lists to assist with clearing the backlog but was further impeded by winter capacity pressures.

**Financial:**

- Contracts with the CCGs remaining unsigned because of disagreement between the two parties
- Lower (than expected) contract income from the local CCGs as a result of disinvestments and increased fines
- Failure to achieve approval from the Office of Fair Trading with regard to the Pathology Joint Venture
- Additional cost-pressures emerging without the resource to meet these from reserves
- Failure to meet the cost improvement target
- Pressure on cash balances

During the year, additional financial risks emerged as follows:
- Failure of other trusts to settle GP trainee salaries in a timely manner with a consequent pressure on cash
- Non-payment for activity over-performance arising from activity growth and CCG affordability issues
Future Risks
The planning process continues but a number of risks are clearly evident and are outlined as follows:

- Compliance with infection control targets will continue to remain a challenge for the trust. The CCG has agreed the clostridium target for 2015/16 and has increased the ceiling of cases from 26 to 30. MRSA remains at zero tolerance.

- Capacity and demand will continue to influence the trust’s ability to meet both 18 week and cancer targets but work remains ongoing to meet demand.

- The vacancy rate for staffing will continue to remain a challenge, but the part of the trust’s recruitment campaign this year will be to interview and recruit trained nurses from Italy.

- The trust is planning to invest £16m in 2015/16, however this does not fully address the condition of the ageing estate. As a consequence, there may be further demands to maintain essential infrastructure.

- The general inflation levels assumed for 2015/16 are based on realistic estimates but there is a significant risk that actual rates will vary from these and create a cost-pressure.

- The CCG’s financial position is a critical part of the trust’s financial strategy and there is a significant risk that they will be unable to fund the growing levels of acute activity.

- The additional costs of implementing any nationally mandated initiatives (eg. a seven day service across the hospital) would be likely to create considerable financial pressures.

- Failure to fully deliver the ambitious cost improvements for 2015/16 of £13.5m. Even non-recurrent slippage (caused by delays in commencing schemes) would have a considerable short-term impact on cash.

- Cash balances for 2015/16 are expected to be under extreme pressure

Productivity, efficiency and transformation programme (formerly CIP)

The programme is based on a “top-down” assessment of the opportunities which is being validated strategically, operationally and clinically through a gateway and quality assurance process. This process assesses all efficiency proposals against the following principles :-
- Patient safety must be paramount
- Clinicians must be fully involved in the decision making process
- Capacity limitations need to be tackled to improve productivity
- Better health outcomes should be combined with improvements in productivity
- “Back office” savings should be prioritised ahead of “front line” savings
- There must be clear accountability for delivery
- There must be rapid escalation in the event of non-delivery
- Plans must be congruent with the trust’s overall strategy

The plan builds on the work undertaken in October to December 2014 to improve the 2014/15 financial position and is based on detailed capacity and demand analysis and a rigorous analysis of opportunities for improvement in all areas.

Over the next two years, the programme will concentrate on the following broad themes:

**Clinical Services Productivity**
- Length of Stay
- Theatre utilisation
- Other clinical services

**Clinical Services Value for Money**
- Nursing & Therapies
- Medical Staff

**“Back Office” Services**
- Corporate Services
- Estates & Facilities
- Clinical Administration

**Cost Control / Avoidance**
- Procurement
- Medicines Management
- Estates Review
- Management Consultancy

**Staff Engagement**
The trust places great emphasis on staff engagement. The trust’s focus mainly lies in developing a highly engaged workforce through positive strategies that includes rewarding and recognising exceptional employee contribution, access to training and development and providing career opportunities.

As a direct result of the staff survey, the trust introduced several initiatives such as:

- The monthly Hospital Hero award which is now in its third year, supplemented by annual awards and a presentation ceremony.
- Introduction of a survey for new starters to understand what drives people to want to join the trust
- Review of the exit interview process

**Training and Development**

The trust continues to be committed to its objective of developing a highly skilled and motivated workforce.

In achieving this, the learning and organisational development department has played a crucial role to ensure that every member of staff has the necessary skills, knowledge and abilities to fulfil their role and to provide high quality care to patients

The corporate induction session (Welcome Day) includes a presentation by one of the executive directors which covers the trust’s vision and values.

Over the last year we have built in values sessions to the HCA induction and overseas nurses programmes. When designing any internal programme we build in links to our values.

During 2014 the trust launched a number of internally designed leadership programme to develop outstanding leaders at every level. Throughout 2014 we piloted a mentor scheme for staff who wanted to be mentored and those who wanted to be a mentor. We plan to offer another scheme for 2015.

In 2014 we moved towards offering a more blended approach to learning. Webinars, eLearning, podcasts and videos have been designed in-house to offer alternative mediums for learning and development.

Throughout 2014 and 2015 changes have been made to the functionally of the trust’s learning management system (iLearn) system allowing managers real time data on their teams statutory/mandatory compliance.

Other changes have enabled staff to access iLearn from mobile devises and from home to complete learning; improved user interface making access for new starters and managers easier and quicker and management information to plan and track training.

To raise the standards of care all new HCAs joining the trust from July 2015 will undertake the Care Certificate as part of their induction programme. The Care
Certificate will be rolled out across the trust to our entire support workers in a phased roll out during 2015/2016.

The trust has received one years funding from Health Education East of England (HEEoE) for aTalent for Care coordinator who will be tasked with establishing and embedding an apprenticeship programme within the trust. This is to encourage young people to experience working in a hospital, enabling us to draw from a talent pool for future roles. Human resources will be employing an apprentice within the learning and organisational development D department as part of the programme.

**Raising Concerns (Whistleblowing)**

The trust is committed to achieving the highest possible standards of safe patient care and experience and creating a positive working environment for staff.

The trust promotes a climate of openness and dialogue in which staff are encouraged to raise any concerns about potential risks, malpractices or wrongdoing, breaches of the law, regulations or similar concerns ("whistleblowing") without fear of retaliation, which reflects the protections afforded by the Public Interest Disclosure Act 1998.

We have a Raising Concerns at Work Policy and Procedure (Whistleblowing Policy). This policy was updated in 2014 following the Francis Review on Mid Staffordshire NHS Trust. Staff can raise concerns around:

- abuse of patients or unsafe practices;
- disregard of trust policies and procedures;
- concerns about conduct or performance of colleagues which affects patient safety or care;
- breaches of codes of conduct;
- financial misconduct such as fraud or bribery;
- disregard of health and safety for patients, staff or the environment;
- deliberate attempt to conceal any of the above

**Equality and Diversity**

It is the trust’s objective to promote equality and inclusion for all people and to have a workforce representative of the population it provides services to. We are committed to ensuring equality and diversity are integral to all aspects of our work and we will challenge prejudice and discrimination of any form or shape. It is mandatory that all staff have equality and diversity training

Some of the activities are highlighted below

- A board workshop on equality and diversity was held
- Awarded partnership status with NHS Employers for 2014-1/15 after demonstrating delivery against key measurable criteria.
• The trust is a member of the NHS (BME) Black, Minority, Ethnic Network and is represented at their annual conferences.

• Hosted a pilot workshop on Human Rights Act

• Held a Black History month event in October

**Health and Well Being**

The trust recognises that by providing and developing new positive employment practices and benefits that enable our workforce to balance work requirements with domestic, personal and family commitments should improve service delivery.

The trust has put a number of initiatives/benefits in place to support staff.

- Flexible working policies
- Access to occupational health
- Childcare voucher scheme
- Subsidised on site nursery provision
- Subsidy towards holiday play-schemes
- Cycle to work scheme
- Health & Well-Being courses
- NHS Staff discount schemes
- Eye care vouchers
- Complimentary therapy workshops
- Access to an Employee assistance programme (this is a free counselling and advisory service).

**Disclosures under the Companies Act 2006 (s416 and Regulation 10 and Schedule 7 of the Regulations)**

s7(1)(b) - Indication of likely future developments at the trust are incorporated into the strategic report.

s7(1)(c) – Indication of activities in the field of research and development are in the strategic report.

s10(3)(a)(b)(c) -
- Policies applied during the financial year giving full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities.

- Policies applied during the financial year for continuing the employment of, and for arranging appropriate training for, employees who have become disabled persons during the period.

- Policies applied during the financial year for the training, career development and promotion of disabled employees.
The trust has an overarching equal opportunities in employment policy to guide its approach to employing people generally and a sickness absence policy to provide specific guidance about best practice in managing staff who have or develop health issues that affect their ability to attend work.

There are no separate policies for the training, career development and promotion of disabled employees. With regard to promotion, the trust’s recruitment policy requires lawful and fair processes for the appointment to all posts including those that would constitute a promotion opportunity for current staff.

The performance management and review policy guides the general performance management and development of all staff.

The trust has been awarded ‘two ticks’ - positive about disability-accreditation by Jobcentre Plus. This accreditation is awarded to employers who have made commitments to employ, keep and develop the abilities of disabled staff.

The following policies are published on the Intranet and available from the Trust:

Equal Opportunities Policy
Recruitment Policy
Sickness Absence Management Policy

s11(3)(a)(b) – this is covered on the section on staffing within the strategic report
s11(3)(c)(d)– this is covered in various places in the annual report. The trust has a robust policy of staff engagement at various levels and staff are encouraged to participate in the performance and understand the financial and economic factors affecting the performance of the trust.

The trust has no disclosures to make under the following sections:
S3&4, s7(1)(d), s6

Report approved by the board on 27 May 2015

Signed by the accounting officer

Sue Hardy
3. Directors’ report

This report is presented in the name of the directors who occupied the following positions at the year end.

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>In year changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr Qadir Bakhsh MBE</td>
<td>Non-executive director</td>
<td>Re-appointed from December 2015 for 1 year</td>
</tr>
<tr>
<td>Jon Findlay</td>
<td>Chief operating officer</td>
<td></td>
</tr>
<tr>
<td>Mary Foulkes</td>
<td>Director of HR &amp; organisational development</td>
<td>Started 12 January 2015</td>
</tr>
<tr>
<td>Mike Green</td>
<td>Non-executive director</td>
<td>Re-appointed from November 2013 for 3 years</td>
</tr>
<tr>
<td>Sue Hardy</td>
<td>Chief nurse / deputy chief executive</td>
<td>Until 9 October 2014</td>
</tr>
<tr>
<td>Sue Hardy</td>
<td>Chief executive</td>
<td>Appointed to acting chief executive on 10 October 2014 and as Chief Executive on 7 April 2015</td>
</tr>
<tr>
<td>Fred Heddell CBE</td>
<td>Non-executive director</td>
<td>Re-appointed from October 2014 for 3 years</td>
</tr>
<tr>
<td>Tony Le Masurier</td>
<td>Non-executive director</td>
<td>Re-appointed from December 2015 for 3 years</td>
</tr>
<tr>
<td>David Parkins</td>
<td>Non-Executive director</td>
<td>Re-appointed from October 2014 for 1 year</td>
</tr>
<tr>
<td>Dr Neil Rothnie</td>
<td>Medical director</td>
<td></td>
</tr>
<tr>
<td>Alan Tobias OBE</td>
<td>Chairman</td>
<td>Re-appointed from November 2015 for 3 years</td>
</tr>
<tr>
<td>James O’Sullivan</td>
<td>Chief financial officer</td>
<td>Started 21 April 2014</td>
</tr>
<tr>
<td>Tim Young</td>
<td>Non-executive director</td>
<td>Re-appointed from December 2015 for 3 years</td>
</tr>
<tr>
<td>Iain McMillan</td>
<td>Commercial director</td>
<td>Left 20 June 2014</td>
</tr>
<tr>
<td>Colin Cadwallader</td>
<td>Interim director of estates &amp; facilities</td>
<td>Left April 2014</td>
</tr>
<tr>
<td>Sandra Le Blanc</td>
<td>Director of HR</td>
<td>Left 31 August 2014</td>
</tr>
<tr>
<td>Jacqueline Totterdell</td>
<td>Chief executive</td>
<td>Left 29 March 2015</td>
</tr>
</tbody>
</table>

Directors who served during the year, but no longer in office:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Date of departure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iain McMillan</td>
<td>Commercial director</td>
<td>Left 20 June 2014</td>
</tr>
<tr>
<td>Colin Cadwallader</td>
<td>Interim director of estates &amp; facilities</td>
<td>Left April 2014</td>
</tr>
<tr>
<td>Sandra Le Blanc</td>
<td>Director of HR</td>
<td>Left 31 August 2014</td>
</tr>
<tr>
<td>Jacqueline Totterdell</td>
<td>Chief executive</td>
<td>Left 29 March 2015</td>
</tr>
</tbody>
</table>

The following executive directors have been invited to attend board meetings, but do / did not have voting rights:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Date of appointment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan China</td>
<td>Director of estates &amp; facilities</td>
<td>Started 30 June 2014</td>
</tr>
<tr>
<td>Cheryl Schwarz</td>
<td>Acting chief nurse</td>
<td>Appointed to acting chief nurse on 10 October</td>
</tr>
<tr>
<td>Keith Warrior</td>
<td>Acting director of HR</td>
<td>2014July 2014 until 9 January 2015</td>
</tr>
</tbody>
</table>
The directors are responsible for the preparation of the annual reports and accounts and they consider the annual report and accounts taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the trust’s performance, business model and strategy.

The Annual Governance Statement sets out the directors’ approach to quality governance on page 143. The board had conducted a review of the effectiveness of its system of internal controls and it is satisfied the trust has a generally sound system of internal control that supports the achievement of its policies, aims and objectives as stated in the Annual Governance Statement on page 141.

Statement as to disclosure to auditors
For each individual who is a director at the time that the annual report and accounts are approved, so far as the director is aware, there is no relevant audit information of which the trust’s auditor is unaware and the director has taken all the steps they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish the trust’s auditor is aware of that information.

The Trust Board

Statement of operation of the board of directors
Our board of directors comprises both full-time executive and part-time non-executive directors; the latter being appointed from the trust’s membership (via governors) for their broad business experience.

The board is responsible for the leadership of the trust by undertaking three key roles:-
- Formulating strategy;
- Ensuring accountability by holding the organisation to account for the delivery of the strategy and through seeking assurance that the systems of control are robust and reliable; and
- Shaping a positive culture for the board and the organisation.

The board consults with the governors to produce plans for the future strategic development of the organisation whilst ensuring the required financial and human resources are in place for the trust to meet its obligations and review management performance.

Composition, size, independence and tenure
Executive directors comprise the chief executive, chief financial officer, medical director, acting chief nurse, chief operating officer, and director of human resources and operational development, and director of estates and facilities.

The non-executive appointments include specific appointments that have financial and/or commercial experience, existing knowledge of the NHS, educational backgrounds, voluntary and charitable sector experience.
It is considered that all the non-executive directors are independent in character and they are free from material business or other relationship which may interfere with their judgement.

The board incorporates a mixture of skills, knowledge and experience which is considered suitable for the challenges facing its members. Taking into account the wide experience of the whole board of directors, the balance and completeness of the board of directors is considered to be appropriate.

The trust operates not only within its constitutional framework but also its standing orders and standing financial instructions. Any changes to any of these key documents are approved by the board of directors, and in the case of the constitution, by the board of directors and the council of governors.

The constitution was last amended in 2015 in order to incorporate the 2014 Model Election Rules and changes to the size and the composition of the council of governors.

The appraisal process for individual board members is carried out annually and it is based on the outcome of objective setting for both executive and non-executive directors. The outcome of non-executive appraisals is shared with governors, who take part in their appraisal process. Directors and governors also carry out annual appraisals of the chairman’s performance.

The board typically evaluates the performance and processes of its own committees on an annual basis and in accordance with procedures adopted by the board, to ensure its on-going effectiveness.

Deloitte LLP were engaged in 2012/13 to provide an external review of board effectiveness and in 2014/15 to review the executive team capability and board effectiveness. The board has developed an action plan based on the review outcomes, delivery of which is regularly monitored.

**Meetings of the non-executive directors**

Membership of the board represents a significant time commitment and non-executive directors must be prepared to give sufficient time to discharge their duties.

In accordance with the guidance set out in the Foundation Trust Code of Governance, arrangements have continued during 2014/15 for the chairman and non-executive directors to meet outside the normal board meetings.

Also, and in accordance with the Foundation Trust Code of Governance, at least one meeting a year involves solely the non-executive directors, excluding the trust chairman.

**Director’s interest, declarations of interest/related party transactions**

Under the terms of the trust’s constitution, the board of directors are individually required to declare any interest which may under the terms of the constitution conflict with their appointment as a director of the trust.
During the year none of the board members, or applicable parties related to them, has undertaken any material transactions with SUHFT. A register of directors’ interests is maintained by the Foundation Trust secretary and may be viewed by contacting her on 01702 385002.

The contact details above may be used by members who wish to communicate with directors.

**Chairman’s significant commitments**
Mr Tobias has no other significant commitments other than to the trust.

However, Mr Tobias has declared involvement with the following:
Quadnet Services Limited
Leyton Orient Trust
East of England ACCEA Panel.

**Meet the Trust Board**

The descriptions below of each director’s expertise and experience demonstrates the balance and relevance of the skills, knowledge and expertise that each of the directors bring to the Trust.

**Non-Executive Directors**

**Alan Tobias, OBE**
**Chairman**
Alan joined us in December 2011 from his former position of chairman at West Essex PCT and has been appointed for a period of four years. He is a qualified solicitor with a strong record of senior management, both in the public and private sector. For 16 years he was a London borough’s chief executive and latterly chairman of an IT company.

Alan was also chairman of Essex Probation Service for six years and a board member of Springboard Housing Association as well as a trustee to two charitable trusts. He is chairman of both the board of directors and council of governors. He is also chairman of both the directors’ and governors’ nomination committees.

**David Parkins, FCA**
**(Deputy Chairman)**
David is a Fellow of the Institute of Chartered Accountants and has held a number of senior finance roles in the banking sector.

Following a period as finance director with Mortgage Express, part of the Lloyds TSB Group, he was finance director for lending and savings with the Bradford and Bingley
David has experience in audit, corporate governance, joint ventures, treasury and management control systems.

He is treasurer and trustee of Headway Essex, a charity that helps people who have suffered brain injury and their families.

David is deputy chair of the board of directors, and up until 31 March 2013, he chaired the audit committee. During the year, he also served as a member of the quality assurance committee, remuneration committee, nomination committee, finance and investment committee and the charitable funds committee. Since 1 April 2013, David has chaired the finance and investment committee.

The council of governors re-elected David to serve for a further year of office, from 1 October 2014 to 30 September 2015.

**Dr Qadir Bakhsh, MBE**

Qadir has more than 10 years’ experience in the health sector; he joined the NHS (Redbridge PCT) as non-executive director in 2000 and served as vice chairman and on its various committees. Subsequently he served on West Essex PCT and North Essex Cluster Boards.

He is (founder) managing director of the *E.A.G.L.E.S* consultancy, an equalities, leadership training and research organisation. He has worked in the voluntary and public (local government) sectors since 1968 for example as director of a race equality council in Kent and head of race equality unit with the London Borough of Waltham Forest. He is actively involved in race equality, human rights, social justice and diversity and community cohesion issues relating to social and public policy development.

Qadir has a wealth of experience across a number of voluntary sector organisations e.g. chair of the London East Community Law Services, (formerly Waltham Forest Refugee Advice Centre), chair of Engage, a CIC and general secretary of Waltham Muslim Trust, besides being trustee, non-executive director and executive committee member of various voluntary sector organisations. He is founder executive committee member of London East Three Faith Forum.

He has researched and published in social and public policy areas for more than the past 40 years - a published author and researcher with a Ph.D. in social psychology. Qadir is a member of the remuneration committee (chairman from 1st June 2013), nomination committee, quality assurance committee and finance and investment committee. Qadir took over the post of board champion for equality and diversity from 1 April 2013 and board champion for research and development from 1 May 2013.

**Mike Green, BSc (Econ), FCA**

Mike qualified as a chartered accountant with what is now KPMG, and spent 11 years with the audit practice before a 20-year career in the broadcast media industry.
He held senior finance roles at TVS Television Limited and Carlton Communications plc and was involved in the Carlton/Granada merger which formed ITV plc.

Following the merger, Mike moved to ITV and ultimately held the role of deputy group finance director. He now acts as a business consultant and is also currently a board member and chairs the audit committee of the Metropolitan Housing Trust, a charitable housing association with 35,000 homes in London and the Midlands; a director of the Sports Council Trust Company, a sports charity which provides community sporting facilities at the four national sports centres and honorary treasurer of the Royal Television Society.

Mike chairs the audit committee and is a member of the finance and investment committee, remuneration committee (deputy chair) and quality assurance committee. Mike is also the trust’s senior independent director.

**Fred Heddell, CBE**
A former teacher of children with learning disabilities, Fred was formerly chief executive of the national charity Royal Mencap, working alongside the comedy actor and campaigner Lord Brian Rix.

Since then he has acted as treasurer of Inclusion International, working in Africa, Eastern Europe and Central America to help develop inclusive services for people with disability. He has also been a non-executive director of the Commission for the Compact, a member of the Strategic Health Authority independent inspection panel, a governor of the University of East London and trustee of several voluntary organisations.

He is a member of the remuneration committee and audit committee, he chairs the quality assurance committee and charitable funds committee, and is the board’s champion for sustainability.

**Tony Le Masurier, J.P., BA (Hons)**
Tony joined the trust board in December 2012.
Tony’s background is in senior management in the aviation and travel industry, serving as a director and CEO of several large international companies over three and a half decades.
More recently, he acted as interim chief officer for Southend Association of Voluntary Services (SAVS) for two years, and was a non-executive director of the local primary care trust for eight years, holding the position of vice chairman for three of those. He is currently a local magistrate and the chairman of a local care home charity that operates three homes in the borough of Southend.

Tony is a member of the audit committee (deputy chair), finance and investment committee (deputy chair) and the charitable funds committee.
**Tim Young**
Tim joined the trust board in December 2012. He has more than ten years’ experience in the health sector and was on the board of Essex Probation Service for nine years. He is chairman of a housing association and a Colchester borough councillor.

Tim is a member of the nomination committee, quality assurance committee (deputy chair) and the charitable funds committee. Tim took over the post of board champion for health and safety from 1st April 2013.

**Executive Directors**

**Sue Hardy, RGN, RM, MSc**
**Chief Executive**
Sue joined the Trust in April 2011 from Northampton General Hospital, where she was director of nursing, midwifery and patient services.

She qualified as a nurse in 1984 and as a midwife in 1989, and went on to become head of midwifery at Yeovil District Hospital and director of nursing at Hereford Hospitals NHS Trust. During her career she has worked at a number of hospitals around the UK, and has extensive experience in quality management and leading organisational cultural change. Sue also pioneered the development of local nursing indicators and the development of a ‘nursing dashboard’ thereby supporting organisational accountability in providing high-quality care.

Sue is also a member of the East of England Clinical Senate Council, where she participates in the strategic review of clinical services, providing guidance and advice to commissioning organisations for the procurement of those services.

Sue is a committed champion for delivering a positive patient experience with a clear focus on achieving transparent ‘board to ward’ engagement and is dedicated to ensuring that our patients continue to receive the best possible care in a safe environment.

**Jan China, MBA, MSc, BSc, RGN**
**Director of Estates and Facilities**
Jan has been appointed in June 2014. She has committed her entire working career to the NHS and came to Southend from Mid Essex Hospitals in 1988. Initially undertaking roles in health care and general management, Jan moved into service redesign, construction project management and more recently estates maintenance services.

Jan is looking forward to improving the patient environment and ensuring that we have a hospital that gives our clinical teams the support needed to deliver modern day treatments.
Jon Findlay, BSc (Hons)
Chief Operating Officer
Jon joined the trust in January 2014 from Guy's and St Thomas' in London, which is the largest trust in the NHS. By joining the trust he came back to his roots, as he began his NHS career in Southend in 1987.

Working for a time in the private sector, Jon returned to the NHS and has had experience at Basildon, Dartford and Whipps Cross hospitals before and Guy's. Jon has worked tirelessly since joining on improving patient care.

Mary Foulkes, OBE, FCIPD
Director of Organisational Development & Human Resources
Mary joined us as director of organisational development and human resources in January 2015.

Her career spans the private, public and third sector and includes previous NHS experience as human resources director for East London NHS Foundation Trust. Mary was awarded an OBE in 2003 for her charitable work and services to diversity. She is committed to improving staff engagement, which in turn will have a positive impact on the quality of patient care.

James O'Sullivan, BA, ACMA, CGMA
Chief Financial Officer
James joined the trust as chief financial officer in April 2014. During his early career James qualified as an accountant while working in the oil industry. He has also worked in other sectors, latterly spending 18 years with EDF Energy, and has held a number of finance director roles over the years.

Immediately prior to joining us he was a non-executive director at East Sussex Healthcare NHS Trust.

James doesn't just see finance as number crunching. For him it's about supporting and empowering people to do things that make a difference.

Neil Rothnie, MS, FRCS
Medical Director
Neil qualified as a doctor at St. Bartholomew’s Hospital in London in 1981. He undertook postgraduate surgical training in and around London, including a stint as a surgical registrar at Southend Hospital in the 1980s. A period in cancer research at Bristol Royal Infirmary and the Royal Free Hospital led to the award of a Master of Surgery degree from the University of London.

He was a senior registrar at St. Bartholomew’s Hospital prior to his appointment as a consultant general surgeon at Southend Hospital in 1994.

Neil established the specialist breast unit at Southend and developed the ‘open access’ hernia service. He is the director of screening for South Essex Breast Screening Service and lead clinician for breast services.
He previously spent 16 years as the surgical lead to the regional quality assurance team for the NHS Breast Screening Programme and chaired the National Breast Screening Audit for five years until 2013.

**Cheryl Schwarz, RGN, MSc**  
**Acting chief nurse**

Cheryl qualified as a nurse at University College Hospital in 1986 and worked in several hospitals before joining Southend Hospital in 1993 as a senior sister in the accident and emergency department. She trained as an emergency nurse practitioner and later delivered training to other aspiring emergency nurse practitioners.

After a number of years working as the clinical services manager in the department she undertook the role of senior matron in medicine, before becoming the associate director of nursing in 2010.

Cheryl is committed to ensuring that our patients and their families receive the very best safe, effective, dignified and compassionate care, and working with staff to continually improve our patients’ experience.

**Attendance at Board and Council meetings**

<table>
<thead>
<tr>
<th>Name</th>
<th>Date of retirement / end of tenure (if applicable)</th>
<th>Attendance at Board of Director meetings</th>
<th>Attendance at Council of Governor meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alan Tobias OBE</td>
<td>30 November 2015 (re-appointed in 2015 for a second term)</td>
<td>10/10</td>
<td>4/4</td>
</tr>
<tr>
<td>Qadir Bakhsh MBE</td>
<td>30 November 2016 (re-appointed for 1 year in 2015)</td>
<td>10/10</td>
<td>2/4</td>
</tr>
<tr>
<td>Mike Green</td>
<td>31 October 2016</td>
<td>9/10</td>
<td>3/4</td>
</tr>
<tr>
<td>Sue Hardy</td>
<td>-</td>
<td>9/10</td>
<td>4/4</td>
</tr>
<tr>
<td>Fred Heddell CBE</td>
<td>30 November 2017</td>
<td>10/10</td>
<td>3/4</td>
</tr>
<tr>
<td>Tony Le Masurier</td>
<td>30 November 2015 (re-appointed in 2015 for a second term)</td>
<td>10/10</td>
<td>1/4</td>
</tr>
<tr>
<td>David Parkins</td>
<td>30 September 2015</td>
<td>10/10</td>
<td>1/4</td>
</tr>
<tr>
<td>Name</td>
<td>Appointment Dates</td>
<td>Rating</td>
<td>Performance</td>
</tr>
<tr>
<td>-----------------------</td>
<td>------------------------------------------------------------------------------------</td>
<td>--------</td>
<td>-------------</td>
</tr>
<tr>
<td>Dr Neil Rothnie</td>
<td></td>
<td>10/10</td>
<td>0/4</td>
</tr>
<tr>
<td>Tim Young</td>
<td>30 November 2015 2015 (re-appointed in 2015 for a second term)</td>
<td>9/10</td>
<td>2/4</td>
</tr>
<tr>
<td>Jon Findlay</td>
<td>-</td>
<td>9/10</td>
<td>2/4</td>
</tr>
<tr>
<td>Mary Foulkes OBE</td>
<td>-</td>
<td>2/2</td>
<td>1/1</td>
</tr>
<tr>
<td>Cheryl Schwarz</td>
<td>In acting up role</td>
<td>4/4</td>
<td>1/3</td>
</tr>
<tr>
<td>James O'Sullivan</td>
<td>-</td>
<td>10/10</td>
<td>4/4</td>
</tr>
</tbody>
</table>

**Directors no longer in Office:**

<table>
<thead>
<tr>
<th>Name</th>
<th>Appointment Dates</th>
<th>Rating</th>
<th>Performance</th>
<th>Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Keith Warrior</td>
<td>31 August 2014 – 9 January 2015</td>
<td>6/6</td>
<td>2/3</td>
<td></td>
</tr>
<tr>
<td>Colin Cadwallader</td>
<td>Left April 2014</td>
<td>0/1</td>
<td>0/0</td>
<td></td>
</tr>
<tr>
<td>Iain McMillan</td>
<td>Left 20 June 2014</td>
<td>0/2</td>
<td>0/1</td>
<td></td>
</tr>
<tr>
<td>Sandra Le Blanc</td>
<td>Left 31 August 2014</td>
<td>3/4</td>
<td>2/3</td>
<td></td>
</tr>
</tbody>
</table>

The following executive directors were invited to attend board meetings, but do not / did not have voting rights:

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
<th>Rating</th>
<th>Performance</th>
<th>Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan China</td>
<td>Director of Estates and Facilities</td>
<td>9/9</td>
<td>3/4</td>
<td></td>
</tr>
<tr>
<td>Keith Warrior</td>
<td>Acting director of HR</td>
<td>6/6</td>
<td>2/3</td>
<td></td>
</tr>
</tbody>
</table>

The periods of office and terms and conditions of the chairman and NEDs are determined by the council of governors in accordance with the constitution.

Circumstances under which the appointments may be terminated are also set out in the constitution. NEDs are usually appointed to serve for a period of three years from appointment, with the possibility of re-appointment for a period of a further three years.

**Sub-committees of the board**

The board of directors has the following sub-committees, the terms of reference of each can be found on the trust's website:
The Audit Committee

The audit committee’s responsibilities are set out in its terms of reference. Its main objective is to advise the board of directors on the adequacy of audit arrangements (internal and external), controls and processes and the implications of assurances provided in respect of financial risk and control.

Audit Committee Annual Report

Introduction

In line with the recommendations within Monitor’s published audit code; all foundation trusts are required to present an annual report on the activities undertaken during the year, drawing particular attention to the nature of the reports received from both internal and external auditors. This report is presented to the council of governors.

Membership and attendees

The committee met five times during 2014/15 and will meet quarterly on an ongoing basis. An assurance report is provided to each board meeting following the audit committee. Membership of the committee is appointed by the board of directors and was unchanged during the year comprising:

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mike Green (Chair)</td>
<td>Non-executive director</td>
<td>5/5</td>
</tr>
<tr>
<td>David Parkins</td>
<td>Non-executive director</td>
<td>5/5</td>
</tr>
<tr>
<td>Fred Heddell</td>
<td>Non-executive director</td>
<td>4/5</td>
</tr>
<tr>
<td>Tony Le Masurier (Deputy Chair)</td>
<td>Non-executive director</td>
<td>4/5</td>
</tr>
</tbody>
</table>

Mike Green and David Parkins can be considered to have relevant financial experience. All members can be considered to be independent.

The executive continues to fully support the committee. The chief financial officer (assisted by members of the finance team), head of internal audit and a representative from the external auditors attend all meetings. The chief executive and/or other executive directors are invited to attend on a regular basis, particularly when the committee is discussing operational issues that are the direct responsibility of a specific executive.

Governors are welcome to attend committee meetings as observers and by invitation. The committee chairman is available for governors to talk about audit matters and the
committee’s work, if they wish. Ahead of each committee meeting, the chair holds a private meeting with the NEDs at which they discuss any particular items that they wish to raise during the meeting. At the end of each meeting a private session is held with the auditors, both internal and external without executive members present. These private sessions enable the committee to discuss matters directly with the audit teams.

Committee responsibilities and how they were discharged in 2014/15

The committee ensures that the organisation establishes and maintains effective systems of risk management and internal control that support the achievement of the trust’s objectives. The committee is supported in this duty by the quality assurance committee, which has responsibility for providing assurance that there is an effective system of risk management and internal control across the clinical activities of the organisation that support the Trust’s ability to provide excellent care by excellent people. It is a requirement that the Chairmen of Audit and Quality Assurance Committee’s serve on each other’s committee.

In addition to significant responsibilities regarding internal and external audit, the Committee also has responsibilities regarding financial reporting and financial governance, with particular emphasis on the annual governance statement. The Committee also reviews the annual financial statements before submission to the Trust board and regularly reviews counter fraud issues and the activities of the local counter-fraud specialist. Relevant strategic risks appearing on the Board Assurance Framework are also be reviewed by the Committee.

The Committee Chair presents a report to the Board after each Audit Committee meeting summarising the issues discussed and the assurances received together with any matters that require the consideration of the Board.

The Committee’s full terms of reference, which were reviewed during the year, are available on our website

http://www.southend.nhs.uk/media/130064/40_15_audit_committee_tor_-_2015_revision.pdf

The main matters and areas of judgement reviewed and considered during 2014/15 were as follows:

**Internal controls**

To discharge the responsibility to review the effectiveness of the Trust’s internal controls the Committee:

- Reviewed the internal audit plan and how it related to the Trust’s key risks
- Reviewed the reports produced by internal audit and ensured management had plans to address any control weaknesses identified and that those plans, and any
outstanding issues, were dealt with on a timely basis. Specific areas of focus in the year were:

- Financial reporting and budgetary control
- Data quality
- Agency staffing
- Governance arrangements

- Received reports from the Local Counter Fraud Specialist on a programme of proactive work and any potential fraudulent activity from both within and outside the Trust and discussed management plans to prevent recurrence.

- Reviewed the areas on the revised Board Assurance Framework for which the Committee is responsible

**Financial reporting and significant financial judgements**

With the support of the external auditor, the Committee assessed whether suitable accounting policies had been adopted, whether management had made appropriate estimates and judgements and whether disclosures were balanced and fair. The main areas of focus in 2014/15 and matters where we specifically considered the judgements that had been made are set out below:

- Going concern
- CCG affordability and the provision for fines, challenges, risk share and emergency threshold
- Joint ventures

The Committee reviewed the Annual Report and Accounts with a specific focus on:

- The Annual Governance Statement
- The disclosures in relation to “off payroll” arrangements
- The remuneration report and
- Application of the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis.

**Internal audit**

The Committee monitored and reviewed the activities and performance of Baker Tilly, the internal auditor, including monitoring independence and objectivity by:
Reviewing changes to the internal audit plan, the reasons for the change and resource allocation

Receiving KPIs relating to delivery of reports and follow up

Conducting an assessment by means of a questionnaire completed by Committee members and senior Trust staff with results discussed with the Head of Internal Audit. As a result of this assessment the Audit Committee made a recommendation to the Chief Executive to exercise the option to extend the contract for a further year.

The Head of Internal Audit opinion, based on the work undertaken in 2014/15, provided significant assurance that there is generally a sound system of internal control, designed to meet the organisation’s objectives and that the controls are generally being applied consistently. However, some weaknesses were identified, as identified in the Annual Governance Statement on page 153, that put the achievement of particular objectives at risk.

The Internal Audit plan was driven by the Trust's key risks as identified by management and the Audit Committee. It was also formulated by a drive to review key financial systems to ensure that External Audit can utilise the work of the internal audit to inform their planning. The internal auditors also held discussions with management during the year to ensure that any key emerging risks for the Trust were included in the plan.

The Whole Board is collectively accountable for maintaining a sound system of internal control and for putting in place arrangements for gaining assurance about the effectiveness of that overall system.

**External audit**

The appointment of the Trust's external auditors is a matter that requires the approval of the council of governors, as laid down in the Monitor reference guide relating to governors statutory roles.

A full tender exercise was last entered into by the Trust on behalf of governors at the end of 2012 for the appointment of external auditors for the period 1 April 2013 to 31 March 2016. The effectiveness and independence of the external auditors, was monitored and reviewed by the Committee by:

- Annual assessment questionnaire completed by Committee members and senior staff and results discussed with external auditors

A policy, agreed by the Committee during 2013/14, for the maximum level of non-audit work. This policy is to be reviewed regularly. A breakdown of the fees paid to the auditor for audit and non-audit work may be found in *note* 3 to the financial statements.
The auditors are also required, under professional standards, to confirm their independence both before and after the audit engagement.

**Audit Committee effectiveness**

The Committee undergoes an annual self-assessment of its effectiveness and this takes place via a questionnaire distributed to the Committee members. The outcomes of the self-assessment are discussed at a subsequent Committee meeting.

The Committee members participated in on-going training during the year and the Chair attends the East of England Regional Audit Chairs’ meeting which is held twice a year.

**Priorities for 2015/16**

For 2015/16 the Committee’s focus will be on improvement in assurance levels from the internal audit reviews and an increase in the speed of resolution of outstanding issues. As the Trust implements its long term strategy the Committee will be keen to ensure the emphasis on risk and control is maintained.

**Nomination Committee**

The responsibilities of the nomination committee are set out in its terms of reference. The nominations committee is responsible for the identification and nomination of board directors.

Its main objectives are to regularly review the structure, size and composition of the board and to evaluate the balance of skills, knowledge and experience thereon. In the light of such evaluation, the committee prepares a description of the role and capabilities required for a particular appointment of either executive or non-executive director (including the chairman) and makes recommendations with regard to any proposed changes.

Membership and attendance details of the committee are shown below. Other NEDs may also be called upon to attend meetings when necessary.

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alan Tobias - Chairman</td>
<td>Chairman</td>
<td>2/2</td>
</tr>
<tr>
<td>Sue Hardy</td>
<td>Chief executive</td>
<td>1/1</td>
</tr>
<tr>
<td>Qadir Bakhsh</td>
<td>Non-executive Director</td>
<td>2/2</td>
</tr>
<tr>
<td>Tim Young</td>
<td>Non-executive Director</td>
<td>2/2</td>
</tr>
<tr>
<td>David Parkins</td>
<td>Non-executive Director</td>
<td>2/2</td>
</tr>
</tbody>
</table>
Quality Assurance Committee

The responsibilities of this board committee are set out in its terms of reference.

The committee assures the board that the organisation’s non-financial risks are identified, managed and mitigated and that services provided by the Trust are compliant with relevant national standards and legislation.

There are a number of committees and groups having responsibility for quality governance matters that report regularly to QAC, thus providing comprehensive accountability arrangements within the Trust. The specialist sub-groups are involved in leading local risk management from the perspective of maintaining patient, staff and organisational safety, protecting information data security and ensuring quality.

The committee, which meets quarterly, is made up only of non-executive directors although executive directors and senior managers may be invited to attend. The chairman is also a member of the audit committee.

Members of the committee during the year were:

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qadir Bakhsh</td>
<td>Non-executive director</td>
<td>5/5</td>
</tr>
<tr>
<td>Mike Green</td>
<td>Non-executive director</td>
<td>5/5</td>
</tr>
<tr>
<td>Fred Heddell</td>
<td>Chair (effective from 1 November 2012)</td>
<td>4/5</td>
</tr>
<tr>
<td>David Parkins</td>
<td>Non-executive director</td>
<td>5/5</td>
</tr>
<tr>
<td>Tim Young - Vice Chair</td>
<td>Non-executive director</td>
<td>4/5</td>
</tr>
</tbody>
</table>

Finance and Investment Committee

The responsibilities of this board committee are set out in its terms of reference.

The committee was established at the end of the 2011/12 financial year and provides the board with an objective review of the financial position of the Trust and oversees the delivery of financial performance, including taking any decisions delegated to it. The committee operates at a strategic level - as the executive is responsible for the day-to-day operational delivery and management.

The committee meets quarterly (or more often if required) and its membership is made up of both executive and non-executive directors.
<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mike Green</td>
<td>Non-executive director</td>
<td>5/6</td>
</tr>
<tr>
<td>Qadir Bakhsh</td>
<td>Non-executive director</td>
<td>6/6</td>
</tr>
<tr>
<td>Tony Le Masurier – Vice Chair</td>
<td>Non-executive director</td>
<td>6/6</td>
</tr>
<tr>
<td>David Parkins - Chair</td>
<td>Non-executive director</td>
<td>6/6</td>
</tr>
<tr>
<td>James O’Sullivan</td>
<td>Chief financial officer</td>
<td>6/6</td>
</tr>
<tr>
<td>Jon Findlay</td>
<td>Chief operating officer</td>
<td>3/6</td>
</tr>
</tbody>
</table>

**Remuneration Committee**

Details of this committee are provided in a separate report on pages 70 to 73.

Committees undergo an annual self-assessment, with all members contributing. The evaluations are considered by each committee and reported at a subsequent meeting, with agreed action being taken to address issues where required.

**Disclosures under the Companies Act 2006 (s416 and Regulation 10 and Schedule 7 of the Regulations)**

Disclosures under the following sections of Schedule 7 are made in the strategic report:

s7(1)(b)
s7(1)(c)
s10(3)(a)
s10(3)(b)
s10(3)(c)
s11(3)(a)
s11(3)(b)
s11(3)(c)
s11(3)(d)
The council of governors

Governors represent the interests of the Trust’s public, patient, carer and worker constituencies, as well as its partner organisations in the community.

Members of the Trust are able to elect representatives from their membership constituencies to serve on the council of governors – open elections are held in May every year. In addition, partnership organisations may also appoint representatives to the council of governors.

The Council of Governors agreed in September 2014 the following changes to be implemented after the 2015 Governor elections:

- Reduction in the number of governors from 41 to 32
- Amalgamating the categories of public, patient and carer governors into one category of public elected governors
- Reduction in the number of public elected governors from 23 to 19 (Southend 9 to 8, Castle Point and Rochford from 5 to 4 each, Rest of Essex from 4 to 3)
- Reduction in the number of worker governors (including the volunteer worker) from 7 to 5
- Reduction in the local authority governors from 5 to 4
- Reduction in partnership governors from 6 to 4

Following the implementation of changes the council of governors of the Trust shall be made up of 32 members, comprising:

(a) 19 public elected governors:

(i) eight for the Southend public constituency;
(ii) four for the Castle Point public constituency;
(iii) four for the Rochford public constituency; and
(iv) three for the Rest of Essex public constituency.

(b) five worker governors:

(i) four worker governors to be elected by workers in the Southend Hospital and treatment centre class
(ii) one worker governor to be elected by staff in the
Britannia House and satellites clinics class

(iii) one volunteer worker to be elected by volunteer workers in the volunteer worker class.

(c) four Local Authority governors

(d) four other partnership governors

Many of the Trust’s governors have addressed the regular evening and afternoon meetings held for members, Trust members and members of the public. These meetings also provide ideal engagement opportunities for governors as they provide direct access to directors, governors and staff, and provide the opportunity of posing a wide variety of questions to clinicians and executives from the Trust. In addition to attending members’ meetings – which can attract over 100 attendee members – the governors also issue a regular newsletter to all the members, The FuTure which keeps them informed of hospital and membership matters.

**Council of governors - responsibilities**

The council of governors has a number of statutory duties, defined in the constitution, which include:-

(a) representing the interests of, and regularly feeding back information about the Trust, its vision and its performance, to the constituency they represent;

(b) appointing and removing the non-executive directors, including the Chairman at a general meeting;

(c) appointing and removing the Trust’s auditor at a general meeting;

(d) receiving and giving their view on plans from the board of directors regarding the future development of the Trust;

(e) receiving at a general meeting, copies of the Trust’s annual accounts, auditor’s reports and annual reports; and

(f) informing Monitor if concerns about the performance of the board of directors.

**Council of governors and its relationship with the board of directors**

The council of governors also has a statutory duty to hold the non-executive directors, individually and collectively, to account for the performance board of directors. Throughout the year, the council has been briefed on the Trust’s future strategy, its
operational performance and how the Trust looks after its patients to ensure that it is provided with the information required to fulfil its duty.

As part of the continuing cooperation between the two boards, governors are invited to attend meetings of the board of directors’ audit and quality assurance committees, neither of which is open to the public. The vice-chairman of governors is also invited to attend meetings of the directors’ nomination committee. The Vice Chair and Lead Governor of the Council of Governors is invited to attend part 2 of the Board meetings.

The chairman of the council of governors is also the chairman of the board of directors – this is a legal requirement.

To ensure that they understand the views of the governors in their statutory role of representing the interests of the members of the Trust as a whole and the interests of the public, members of the board of directors, particularly the non-executive directors have engaged in the following measures:

- regular attendance at council of governor meetings;
- acting as NED liaison on governor committees;
- attending member meetings.

Together with the governors, the non-executive directors have also taken part in ‘listening exercises’ in the hospital and its clinics to solicit the views of patients, members and visitors to the hospital.

The Trust has in place arrangements covering the process for the appointment of the chairman and non-executive directors. These arrangements cover the following responsibilities:--:

- The board of directors will identify the balance of individual skills, experience and knowledge it requires at the time a vacancy arises for the non-executive directors (including the chairman);
- A job description and person specification is drawn up for each occurrence of new appointments;
- Under the Trust’s constitution, the governors can re-appoint the chairman or non-executives for a second term of office;
- In such circumstances, when open competition is applicable, appropriate candidates will be identified through a process of open competition by the governors’ search and appointments committee;
- The search and appointments committee will have responsibility for handling all further aspects of the recruitment process, including the arrangement of ‘meet the candidate’ days when executive and non-executive directors are invited to

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meet the candidates, together with the governors, and provide their views to the final interviewing panel.

- In the case of the appointment of a chairman, an independent third party (non-voting) will sit on the final interview panels;
- The Search and Appointments Committee will make recommendations to the council of governors who shall appoint the non-executive directors;
- Any re-appointment of a non-executive director shall be subject to a satisfactory appraisal carried out in accordance with procedures which the council of governors have approved.

The non-executive directors and chairman indicated their willingness to forego any increase in remuneration for the financial year in the year 2013/14 and there was not increase in remuneration in the year 2014/15. The council of governors voted in the previous year to retain non-executive directors’ remuneration levels at £12,475 (NEDs) and (chairman) £46,500.

In 2011/12, the chairman advised the governors as soon as the directors became aware that the Trust faced the possibility of being found to be in significant breach of its authorisation in 2011/12, and has continually updated them consistently following meetings with Monitor.

The regular attendance at council of governor meetings by both non-executive directors and executive directors provides an excellent opportunity for governors to raise and discuss any issue which they feel is important to their role.

**Council of governors’ committees and groups:**

**Education and training group**

The group reviews the education and training of the Trust’s workforce and also the education and training needs of governors to enable them to fulfil their role as fully as possible, and makes recommendations to the council of governors.

**Strategy & governance committee**

This committee meets to discuss a wide range of strategy and governance matters and advises the council of governors accordingly.

Topics considered include surveys of governors conducted by organisations such as Monitor and NHS Providers, the council of governors’ self-assessment, Governor elections and nominations for honours and hospital awards. The committee makes recommendations on the appointment or removal of the Trust’s external auditors taking into account the views of the Audit Committee. It also monitors the application of the constitution and reviews the wording of the governors’ code of conduct to
ensure that it continues to be appropriate. On behalf of the council of governors, the group considers forward planning issues and makes recommendations.

Membership engagement and recruitment group

This group includes the former Editorial Advisory Group and looks at ways of communicating and engaging with members of the Foundation Trust and encouraging patients, carers and members of the public to join the Trust. It is also the group which networks with other Foundation Trusts and monitors and receives reports from the Foundation Trust Governors’ Association before consideration by the Council of governors. This group also agrees the content of the governors’ newsletter which is sent to members of the Foundation Trust.

NEDs and governors’ group

Under a new governance framework of the NHS, governors are presented with extra duties, it was considered prudent to create a forum in which both governors and NEDs can discuss issues that are important to each other. The meetings are less formal than council of governor meetings, although matters raised at it are escalated to other governor committees for resolution or action.

Patient and carer experience group

This group consider how the Trust meets the healthcare needs of the people served by the Trust. It participates in projects to obtain the views of patients and receives information about hospital services directly from patients and nursing staff, amongst other sources. In addition to reviewing the wider needs of patients it also considers how the hospital provides services to specific groups such as children and younger persons, and older people.

Search and appointments committee

The council of governors is responsible for appointing the chairman and non-executive directors. This committee reviews the structure, size and composition of the board of directors, gives full consideration to succession planning for the chairman and other non-executive directors, identifies and nominates suitable candidates and reviews the remuneration and allowances and other terms and conditions of office. The committee makes recommendations to the council of governors regarding chairman and other non-executive directors’ appointments.
Worker governors' group

Worker governors meet to discuss how they may engage with their members, and have held a series of lunchtime meetings with small groups of worker members. The Chief executive also attends and updates members on hospital developments.

Members of the council of governors

Chairman – Alan Tobias OBE

Vice chairman and lead governor – Les Catley from 10 September 2014

David Hobbs – Vice Chairman until 10 September 2014

Elaine Blatchford – Lead Governor until 10 September 2014

Governors having served during the year

Those highlighted in red retired/resigned during the 2014/2015 financial year.

Those highlighted in green were elected/appointed during the 2014/15 financial year.

Elected governors may hold office for three years but are eligible for re-election at the end of their first term. In accordance with the constitution, they may not hold continuous office for a period of longer than six years, which must be followed by a two-year break before standing for re-election.

<table>
<thead>
<tr>
<th>Governor</th>
<th>Constituency</th>
<th>Type</th>
<th>Tenure</th>
<th>Attendance at council meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geraldine Alward</td>
<td>Rochford</td>
<td>Public</td>
<td>3 years from 1/6/2011</td>
<td>0/0</td>
</tr>
<tr>
<td>Kay Bell</td>
<td>Britannia House</td>
<td>Worker</td>
<td>Stepped down on 1/6/2014</td>
<td>0/0</td>
</tr>
<tr>
<td>Elaine Blatchford</td>
<td>Castle Point</td>
<td>Public</td>
<td>Re-elected in June 2013 for 3 years</td>
<td>4/4</td>
</tr>
<tr>
<td>Robert Bradbrook</td>
<td>Volunteer</td>
<td>Worker</td>
<td>3 years from 1/6/2011</td>
<td>† 0/0</td>
</tr>
<tr>
<td>Linda Cook</td>
<td>Southend</td>
<td>Public</td>
<td>3 years from</td>
<td>4/4</td>
</tr>
<tr>
<td>Name</td>
<td>Location</td>
<td>Position</td>
<td>Term Start</td>
<td>Term End</td>
</tr>
<tr>
<td>----------------------</td>
<td>----------------</td>
<td>----------------</td>
<td>--------------------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>Judith Craven</td>
<td>Rest of Essex</td>
<td>Public</td>
<td>3 years from 1/6/2012</td>
<td></td>
</tr>
<tr>
<td>George Cutting</td>
<td>Rest of Essex</td>
<td>Public</td>
<td>3 years from 1/6/2012</td>
<td></td>
</tr>
<tr>
<td>Arthur Gaze</td>
<td>Southend</td>
<td>Patient</td>
<td>Stepped down from 1/6/2012</td>
<td></td>
</tr>
<tr>
<td>Nora Goodman</td>
<td>Southend</td>
<td>Patient</td>
<td>3 years from 1/6/2011</td>
<td></td>
</tr>
<tr>
<td>David Hobbs</td>
<td>Southend</td>
<td>Public</td>
<td>3 years from 1/6/2012</td>
<td></td>
</tr>
<tr>
<td>Sam James</td>
<td>Hospital site</td>
<td>Worker</td>
<td>3 years from 1/6/2011</td>
<td></td>
</tr>
<tr>
<td>Ashley Jayaweera</td>
<td>Castle Point</td>
<td>Public</td>
<td>3 years from 1/6/2011</td>
<td></td>
</tr>
<tr>
<td>Ron Kennedy</td>
<td>Southend</td>
<td>Public</td>
<td>Re-elected in June 2013 for 3 years</td>
<td></td>
</tr>
<tr>
<td>Liz Leigh</td>
<td>Worker</td>
<td>Hospital site</td>
<td>3 years from 1/6/2012</td>
<td></td>
</tr>
<tr>
<td>Ted Lewin</td>
<td>Southend</td>
<td>Public</td>
<td>3 years from 1/6/2011</td>
<td></td>
</tr>
<tr>
<td>Barbara Oliver</td>
<td>Rochford</td>
<td>Public</td>
<td>3 years from 1/6/2012</td>
<td></td>
</tr>
<tr>
<td>Colin Pavitt</td>
<td>Castle Point</td>
<td>Public</td>
<td>3 years from 1/6/2011</td>
<td></td>
</tr>
<tr>
<td>Kym Popplewell</td>
<td>Hospital site</td>
<td>Worker</td>
<td>Stepped down from 1/6/2014</td>
<td></td>
</tr>
<tr>
<td>Hilary Seago</td>
<td>Southend</td>
<td>Public</td>
<td>Re-elected in June 2014</td>
<td></td>
</tr>
<tr>
<td>Maureen Sutcliffe</td>
<td>Castle Point</td>
<td>Public</td>
<td>3 years from 1/6/2012</td>
<td></td>
</tr>
<tr>
<td>Christine Watts</td>
<td>Castle Point</td>
<td>Public</td>
<td>3 years from 1/6/2012</td>
<td></td>
</tr>
<tr>
<td>Name</td>
<td>Location</td>
<td>Type</td>
<td>Appointment</td>
<td>Votes</td>
</tr>
<tr>
<td>-----------------------</td>
<td>---------------------</td>
<td>---------------------</td>
<td>---------------------</td>
<td>-------</td>
</tr>
<tr>
<td>Karen Blake (Mills)</td>
<td>Rochford</td>
<td>Public</td>
<td>3 years from 1/6/2013</td>
<td>0/4</td>
</tr>
<tr>
<td>Les Catley</td>
<td>Rochford</td>
<td>Public</td>
<td>3 years from 1/6/2013</td>
<td>4/4</td>
</tr>
<tr>
<td>Lawrence Collin</td>
<td>Southend</td>
<td>Public</td>
<td>3 years from 1/6/2013</td>
<td>3/4</td>
</tr>
<tr>
<td>Joe Cooke</td>
<td>Castle Point</td>
<td>Public</td>
<td>3 years from 1/6/2013</td>
<td>4/4</td>
</tr>
<tr>
<td>Tony Dunn</td>
<td>Southend</td>
<td>Public</td>
<td>3 years from 1/6/2013</td>
<td>4/4</td>
</tr>
<tr>
<td>Wanjiku Waweru</td>
<td>Hospital site</td>
<td>Worker</td>
<td>3 years from 1/6/2013</td>
<td>4/4</td>
</tr>
<tr>
<td>Janet Tassell</td>
<td>Rochford</td>
<td>Public</td>
<td>3 years from 1/6/2014</td>
<td>4/4</td>
</tr>
<tr>
<td>Steve Brown</td>
<td>Hospital site</td>
<td>Worker</td>
<td>3 years from 1/6/2014</td>
<td>3/4</td>
</tr>
<tr>
<td>Konrad Hutchins</td>
<td>Britannia House &amp; Satellite Clinics</td>
<td>Worker</td>
<td>3 years from 1/6/2014</td>
<td>3/4</td>
</tr>
<tr>
<td>Barbara Salter</td>
<td>Hospital site</td>
<td>Volunteer worker</td>
<td>3 years from 1/6/2014</td>
<td>1/4</td>
</tr>
</tbody>
</table>

Key to re-election symbols:
- Originally appointed in 2006 = *
- Originally appointed in 2007 = ₪
- Originally appointed in 2008 = †
- Originally appointed in 2009 = µ
Appointed governors may hold office for three years but are eligible for re-election at the end of their first term and second terms. In accordance with the terms of the constitution, they may not hold office for a continuous period of longer than nine years.

<table>
<thead>
<tr>
<th>Governor</th>
<th>Constituency</th>
<th>Type</th>
<th>Tenure</th>
<th>Attendance at council meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pam Challis</td>
<td>Castle Point</td>
<td>Local Authority</td>
<td>3 years from 1/6/2012</td>
<td>* 4/4</td>
</tr>
<tr>
<td>Alan Crystall</td>
<td>Southend</td>
<td>Local Authority</td>
<td>3 years from 1/6/2012</td>
<td>* 3/4</td>
</tr>
<tr>
<td>Colin George</td>
<td>Southend Hospital Charitable Foundation Trust</td>
<td></td>
<td>3 years from 1/6/2012</td>
<td>* 2/4</td>
</tr>
<tr>
<td>Mark Gillett</td>
<td>SAVS</td>
<td>Partnership</td>
<td>3 years from 07/08/2012</td>
<td>3/4</td>
</tr>
<tr>
<td>Jo McPherson</td>
<td>Rochford</td>
<td>Local Authority</td>
<td>3 years from 17/5/2011</td>
<td>0/0</td>
</tr>
<tr>
<td>Marimuthu Velmurugan</td>
<td>Southend</td>
<td>Local Authority</td>
<td>3 years from 1/6/2011</td>
<td>† 2/4</td>
</tr>
<tr>
<td>Sue Lord</td>
<td>Anglia Ruskin University</td>
<td>Partnership</td>
<td>3 years from 1/6/2014</td>
<td>1/4</td>
</tr>
<tr>
<td>Joanna Jackson</td>
<td>Essex University</td>
<td>Partnership</td>
<td>3 years from 1/6/2014</td>
<td>1/4</td>
</tr>
<tr>
<td>Cllr Terry Cutmore</td>
<td>Essex County Council</td>
<td>Local Authority</td>
<td>3 years from 1/6/2014</td>
<td>3/4</td>
</tr>
<tr>
<td>Cllr Heather Glynn</td>
<td>Rochford District Council</td>
<td>Local Authority</td>
<td>3 years from 1/6/2014</td>
<td>1/4</td>
</tr>
</tbody>
</table>

Governors’ interests

A register of governors’ interests is maintained by the Foundation Trust Secretary and may be viewed by contacting her on 01702 385002.
Contacting governors and directors

The same contact details as above may be used by members who wish to communicate with governors and / or directors.

Membership

Our members are able to elect representatives to the council of governors and stand for election to the council of governors, and through our governors, they receive information about the Trust, and are consulted on plans regarding the future development of the Trust and its services. We strive to ensure that our membership reflects the full diversity of the local population.

Eligibility to become a Southend University Hospital foundation trust member is based on criteria as described below:

Public member
These are based on local authority areas in the immediate vicinity (Southend, Castle Point and Rayleigh & Rochford, with a separate constituency for ‘rest of Essex’).

Volunteer worker member
This category is for our hospital volunteers.

Worker members
Members of the worker constituency are individuals who:

(a) who are employed under a contract of employment by the Trust ; or

(b) who are not so employed but who nevertheless exercise functions for the purposes of the Trust; and

(c) who satisfy the minimum duration requirements set out in paragraph 3(3) of Schedule 1 to the 2003 Act

(d) who are not disqualified from becoming a member and have either made an application for membership, or have received an invitation from the Trust to become a member and have now informed the Trust that they do not wish to do so.

At year end (31 March 2015), our total FT membership stood at 20482 (2013/14 =19,001), made up of:

Public members = 15,963 (2013/14 = 12,125) NB Patient and carer members have become public members
Volunteer workers = 429 (317)
Workers = 4,419 (4,523)
**Our membership objectives**

1. To focus on developing and maintaining effective meaningful engagement with our members and the public.
2. To ensure that our membership better reflects the demographic of south Essex by increasing our membership in under-represented areas by March 2016.
3. To ensure our members, and the public at large, are actively involved in shaping future services at Southend University Hospital.
4. To measure the effectiveness of the membership engagement strategy and to ensure resources are deployed to achieve maximum benefit.

If you would like to receive information about becoming a member, call on Freephone number 0800 0185202, email to foundation.members@southend.nhs.uk or write to the membership manager, communications department, The Lodge, Southend University Hospital NHS Foundation Trust, FREEPOST ANG1863, Prittlewell Chase, Westcliff-on-Sea, Essex SS0 0RY.

**Consulting with our members**

During the 2014/15 financial year, we held three well-attended governor engagement events in different localities where market stalls were set up promoting local organisations, the Trust Chair then addressed the audience and round table discussions took place between governors and members on a variety of pre-set issues.

The dates and locations of the public meetings were as follows:

**2014**

- Wednesday, July 16
- Southend constituency

- Thursday, August 28
- Rochford & Rayleigh constituency

**2015**

- Thursday, March 12
- Castle Point constituency

**Consultations with member / public / patient involvement**

**Local ethnicity groups** - we continue to build on our links with local ethnic groups to increase membership and improve engagement. We have met regularly with the local Polish, Chinese and Muslim communities on a number of occasions throughout the year.

**Listening exercises** - Governors and non-executive directors have once again conducted ‘listening exercises’ on the main hospital site at Main Outpatients and the Xray Department. These provide the ideal opportunity for us to learn about the experience of our service users, and their families / carers, when they use our facilities. This information provides valuable, real-time patient experience feedback which is used to help us improve our services.

**Community engagement at schools & colleges** - There have been a number of opportunities for the governors to engage with younger members of the public at schools and colleges.
4. Compliance and public disclosure

NHS Foundation Trust Code of Governance disclosures

The Southend University Hospital 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 seeks to comply with the NHS Foundation Trust Code of Governance and has established processes to enable it to comply with the majority of code provisions. Areas of non-compliance and the reasons, are set out below:

Code provision B.1.2.

At least half of the board, excluding the chairperson should comprise non-executive directors determined by the board to be independent.

From January 2014, the board was not compliant with this provision due to the difficulties in recruiting a NED, following a recruitment exercise. The board will continue its search for a suitable NED and is hopeful of making a successful appointment. During the year there was no cause to take a vote where this has been an issue. In, addition one of the Executive Directors who is a Board Member, has no voting rights.

Code provision B.6.4.

The chairman, with the assistance of the board secretary, if applicable, should use the performance evaluations as the basis for determining individual and collective professional development programmes for non-executive directors relevant to their duties as board members.

During the summer the Board went through an assessment carried out by Deloitte LLP. The Board used the results of this in the appraisals carried out by the Chairman and work is on-going to introduce improved professional development programmes for directors relevant to their duties as board members.

Public interest disclosures

Freedom of Information Act

The Trust fully complies with the Freedom of Information Act (2000). Details of the Trust’s publication scheme and how to make requests under the Act are on the Trust’s website or available in a paper format upon request.
During the course of the year, the Trust has responded to many requests for information, and these have been dealt with in accordance with the Trust’s policy and the Freedom of Information Act.

**Counter-fraud and bribery arrangements**

It is essential that proper use is made of public money and the Trust is committed to high ethical and moral standards. To this end the Trust takes a zero tolerance approach to fraud and corruption with the intention of protecting the property and finances of the NHS and of patients in our care.

The Trust also has procedures in place that reduce the likelihood of bribery occurring which include requirements to adhere to standing orders, standing financial instructions, documented procedures, a system of internal control (including internal and external audit) and a system of risk assessment and is absolutely committed to maintaining an honest, open and well-intentioned atmosphere so as to best fulfil the objectives of the Trust and of the NHS.

The Trust is also committed to the rigorous investigation of any such allegations and to taking appropriate action against wrong doers, including possible criminal prosecution.

**Health and safety at the Trust**

We recognise that the maintenance of a safe environment, safe systems and a competent workforce are all critical to ensuring our service users’ comfort and well-being.

Overall responsibility for health and safety within our Trust lies with our chief executive, as the accountable officer. Executive day-to-day line management responsibilities are delegated to both our acting chief nurse and director of estates and facilities. We recognise though that effective control of health and safety depends on cooperation across our Trust, with all our managers and staff responsible for the adherence to our health & safety policy and procedures.

We have incorporated Health and Safety Executive (HSE) guidance concerning best practice into our management arrangements and the Trust has an active health & safety committee.

**Equality, diversity and human rights**

The Trust board and the council of governors of SUHFT are fully committed to promoting equality, diversity and human rights and achieving the elimination of unlawful discrimination.

This is achieved by ensuring that the Trust values equality, diversity and human rights through all aspects of service provision and employment.

To make our vision a reality, we are determined to promote equality of access and to identify and eliminate any inequalities in everything we do. We also reaffirm our
commitment to ensuring that our own staff are treated fairly, with dignity and respect and afforded equality of opportunity to develop to their full potential.

We encourage all patients, staff and visitors to

- respect everyone's individuality - any offensive discriminatory behaviour will not be tolerated;
- avoid prejudice and stereotyping;
- become more accepting of other ways of life, cultures, and beliefs;
- not to tolerate any form of discrimination and where possible, challenge, record and report it.

The Trust’s key equality objectives can be found on the Trust’s website. Steady progress has been made throughout the year against achievement of the key equality objectives, details of which, again, can be found on the Trust’s website.

Corporate social responsibility statement

Our commitment - to our patients, partners and communities – is that we will:

- work in partnership with other organisations to share experience and ideas and to ensure continuous learning and development is provided
- inform our patients, public and local communities of key issues to encourage views, opinions and feedback
- engage and communicate news and information regularly
- be active in our local community to help make views and opinions heard
- share knowledge, skills and experience with other hospitals, both nationally and internationally
- encourage excellence, responsibility and pride

Sustainability and carbon management

The Trust continues to improve on its commitment to the national sustainability and carbon management objectives which form part of the NHS carbon reduction strategy, ‘Saving Carbon, Improving Health’.

The Trust has a sustainable development management plan requiring a reduction on its carbon emissions which have reduced as energy usage has been controlled, in turn reducing emission by 8.8%. This was supported with the £1.6million fund for energy initiatives with low energy lighting being introduced in a number of areas in the Trust as well as a number of energy saving products being introduced to our heating and ventilation services.
Compliance with HM Treasury and office of public sector information guidance

Southend University Hospital NHS Foundation Trust has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance.

Compliance with the better payment practice code

We seek to adhere to the above code, but due to cash limitations, performance is as published in the strategic report on page 7.

Trust auditors

Details of the Trust’s auditors are provided on pages 18 and their charges can be found in note 3 to the accounts.

There weren’t any significant events since the end of the financial year affecting the Trust.

5. Regulatory ratings

Each Foundation Trust is required by Monitor to submit a quarterly report. This allows for the identification of potential problems before they arise. The in-year monitoring is also designed to measure and assess actual performance against the annual plan.

From 1st October 2013 the financial risk rating was replaced by the continuity of service risk rating (CoSRR) which placed more emphasis on a Trust’s liquidity and its ability to service debt. While the financial risk rating was scored out of a total of 5, the CoSRR has a range of between 1 to 4. Both methods assume that a high score is more favourable than a low score.

In terms of the governance risk rating (GRR), a green rating equates to a low risk while a red rating represents a high risk.

The ratings for SUHFT for the last three years are highlighted below.

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Governance Rating</td>
<td>Red</td>
<td>Red</td>
<td>Red</td>
<td>Red</td>
<td>Red</td>
</tr>
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<table>
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<tbody>
<tr>
<td></td>
<td>4</td>
<td>n/a</td>
<td>n/a</td>
<td>4</td>
<td>4</td>
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</tbody>
</table>
End of quarter 1:
The Trust reported breaches in the following areas:
- Maximum time of 18 weeks from point of RTT, admitted patients
- A&E four-hour waiting time target
- Cancer 62-day wait for first treatment (urgent GP referral)
- Cancer two-week wait from referral to date first seen-symptomatic breast patients (cancer not initially suspected)

A CoSRR of 2 and a GRR of red was assigned by Monitor for Q1.

End of quarter 2:
The Trust reported breaches in the following areas:
- Maximum time of 18 weeks from point of RTT, admitted patients
- Maximum time of 18 weeks from point of RTT, non-admitted patients
- Maximum time of 18 weeks from point of RTT, incomplete pathways
- Cancer 62-day wait for first treatment (urgent GP referral)

A CoSRR of 2 and a GRR of red was assigned by Monitor for Q2.

End of quarter 3:
The Trust reported breaches in the following areas:
- Maximum time of 18 weeks from point of RTT, admitted patients
- Maximum time of 18 weeks from point of RTT, non-admitted patients
- A&E four-hour waiting time target
- Cancer 62-day wait for first treatment (urgent GP referral)
- Cancer 31-day wait for second or subsequent treatment – surgery

In addition, the Trust highlighted the following issues:
- An outstanding action regarding CQC compliance

A CoSRR of 2 and a GRR of red was assigned by Monitor for Q3.

End of quarter 4:
The Trust reported breaches in the following areas:
- Maximum time of 18 weeks from point of RTT, admitted patients

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<table>
<thead>
<tr>
<th>Financial Risk Rating</th>
<th>3</th>
<th>3</th>
<th>3</th>
<th>n/a</th>
<th>n/a</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance Risk Rating</td>
<td>Red</td>
<td>Red</td>
<td>Red</td>
<td>Red</td>
<td>Red</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial Risk Rating</th>
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<th>3</th>
<th>3</th>
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<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance Risk Rating</td>
<td>Red</td>
<td>Red</td>
<td>Red</td>
<td>Red</td>
<td>Red</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Annual Plan 2012/13</th>
<th>Q1 2012/13</th>
<th>Q2 2012/13</th>
<th>Q3 2012/13</th>
<th>Q4 2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Risk Rating</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Governance Risk Rating</td>
<td>Red</td>
<td>Red</td>
<td>Red</td>
<td>Red</td>
</tr>
</tbody>
</table>
- A&E four-hour waiting time target
- Cancer 62-day wait for first treatment (urgent GP referral)
- Cancer 31-day wait for second or subsequent treatment – surgery

In addition, the Trust highlighted the following issues:
- An outstanding action regarding CQC compliance
6. Remuneration report

The Remuneration Committee

The responsibilities of this non-executive committee are set out in its terms of reference. It has delegated responsibility for determining the terms of remuneration for the chief executive and the executive directors. Each member of the committee is considered to be independent and none has a personal financial interest in the committee’s decisions. There were no salary increases for the executive directors in 2014/15 and there have not been any major decisions or substantial changes regarding the pay of the senior management.

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qadir Bakhsh</td>
<td>Chair</td>
<td>3/3</td>
</tr>
<tr>
<td>Mike Green</td>
<td>Non-executive director</td>
<td>3/3</td>
</tr>
<tr>
<td>Fred Heddell</td>
<td>Non-executive director</td>
<td>3/3</td>
</tr>
<tr>
<td>David Parkins</td>
<td>Non-executive director</td>
<td>3/3</td>
</tr>
</tbody>
</table>

Remuneration policy

The Trust’s overall pay stance for directors is to pay competitively in comparison with peers in the NHS and in other organisations where this is relevant for specific roles. External comparisons will reflect the size and nature of the Trust.

Individual performance is taken into account in the annual pay review. Performance criteria that feeds into individual base pay decisions is robust and advised in advance. This includes performance against corporate and individual objectives as well as individual behaviour, as articulated through the Trust’s stated values and behaviours.

The remuneration framework is based on the following principles:

- facilitate the recruitment and retention of high-quality senior staff
- ensure that cash remuneration reflects the extent of the role and responsibilities of individual posts and their contribution to the Trust
- ensure that the remuneration is justifiable and provides good value for money
- provide a transparent framework for determining senior level remuneration.

Contracts of employment

The contracts of employment of permanent executive directors contain a maximum notice period of six months. All such contracts are open-ended but are subject to earlier termination for cause or if notice is given under the contract. There is no entitlement to any additional remuneration in the event of early termination for any of the directors. Ian McMillan was paid £55K in lieu of Notice in July 2014.

Executive director’s service contract dates
Non-executive directors, including the Trust chairman, are subject to fixed term appointments.

Expenses

Expenses are paid to directors and governors based on the following rates, which apply across the organisation for those on local terms, and can be found in the organisation’s terms and conditions of service, dated December 2014:

- Casual users (up to 1500 miles per annum) 29.7p per mile
- Essential users (e.g. community midwives) 42.9p per mile
- Passenger allowance 5p per mile
- Motorcycles (over 5,000 miles) 6.7p per mile (125cc or less) 9.9p per mile (over 125cc)
- Motorcycles (up to 5,000 miles) 17.8p per mile (125cc or less) 27.8p per mile (over 125cc)

The non-executive directors have a different arrangement and have a PAYE settlement agreement (PSA) as their expenses are mainly coming to the Trust for board meetings etc. As that journey is not a normal paid expense, the Trust has a dispensation (PSA). This allows us to gross up those payments and pay the relevant tax (depending upon their tax band) for them on the total value after the tax year has finished. The non-executive directors mileage rate is 53p per mile.

In the financial year 2014/15 there were 31 governors and 14 directors in office. 8 out of the 31 governors claimed and received expenses in the amount of £1.4K. Out of the 14 directors in office, 5 executive directors and 7 non-executive directors received expenses in the amount of £18.1K (made up of £3.5K expenses received by executive directors and £14.6k by non-executive directors).

In comparison, in the year 2013/14 there were 35 governors and 14 directors in office. 16 out of 35 governors received expenses in the amount of £2.5K. Out of the total 14 directors, six executive directors received expenses in the amount of £3K and 8 non-executive directors received expenses in the amount of £17K, totalling expenses received by directors of £20K.
In the year 2014/15 there was a slight reduction in the expenses received for both governors and directors.

The annual accounts contain the details of the remuneration for the executive directors of the Trust and these can be found on page 182. Accounting policies for pensions and other retirement benefits are set out in note 1.3 of the annual accounts.

**Off-payroll disclosure**

The Trust adheres to the regulatory requirements in this area and makes regular submissions to Monitor on the use of off-payroll arrangements. The Trust will review the recommendation to formulate a policy.

### Table 1. For all off-payroll engagements as of 31 Mar 2015, for more than £220 per day and that last for longer than six months

<table>
<thead>
<tr>
<th>No. of existing engagements as of 31 Mar 2015</th>
<th>2014/15 Number of engagements</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td></td>
</tr>
</tbody>
</table>

Of which:
- Number that have existed for less than one year at the time of reporting: 7
- Number that have existed for between one and two years at the time of reporting: 1
- Number that have existed for between two and three years at the time of reporting: 1
- Number that have existed for between three and four years at the time of reporting: 0
- Number that have existed for four or more years at the time of reporting: 0

**Confirmation:**

Confirm that all existing off-payroll engagements, outlined above, have at some point been subject to a risk based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, that assurance has been sought.

Yes

### Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 01 Apr 2014 and 31 Mar 2015, for more than £220 per day and that last for longer than six months

<table>
<thead>
<tr>
<th>2014/15 Number of engagements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of engagements</td>
</tr>
</tbody>
</table>

Number of new engagements, or those that reached six months in duration between 01 Apr 2014 and 31 Mar 2015: 6

- Number of the above which include contractual clauses giving the trust the right to request assurance in relation to income tax and national insurance obligations: 6
- Number for whom assurance has been requested: 3

Of which:
- Number for whom assurance has been received: 1
Number for whom assurance has not been received | 2
---|---
Number that have been terminated as a result of assurance not being received | 0

In any cases where, exceptionally:
- the trust has engaged without including contractual clauses allowing the trust to seek assurance as to their tax obligations; or
- where assurance has been requested and not received, without a contract termination
please specify the reasons for this.

Outstanding 2 assurances should be received within the next 7 days

| Table 3: For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 01 Apr 2014 and 31 Mar 2015 |
|---|---|---|
| **2014/15** | **Number of engagements** | **Number** |
| Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year. | 1 |
| Number of individuals that have been deemed "board members and/or senior officials with significant financial responsibility". This figure should include both off-payroll and on-payroll engagements. | 1 |

In any cases where individuals are included within the first row of this table, please set out:

Details of the exceptional circumstances that led to each of these engagements.
The Trust was experiencing serious levels of budget overspend in the first half of 2014/15 and after careful consideration took the decision to commission specialist support, particularly in the area of service transformation.

Details of the length of time each of these exceptional engagements lasted.
September 2014 to current day

Sue Hardy
Chief executive
May 2015
7. Quality Report 2014/15

Independent auditor’s report to the Council of Governors of Southend University Hospital NHS Foundation Trust on the Quality Report

We have been engaged by the Council of Governors of Southend University Hospital NHS Foundation Trust to perform an independent assurance engagement in respect of Southend University Hospital 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 indicators for the year ended 31 March 2015 subject to limited assurance consist of the national priority indicators as mandated by Monitor:

- Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways; and

- Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers.

We refer to these national priority indicators collectively as the ‘indicators’.

Respective responsibilities of the directors and auditors

The directors are responsible for the content and the preparation of the quality report in accordance with the criteria set out in the NHS Foundation Trust Annual Reporting Manual issued by Monitor.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the quality report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual;
- the quality report is not consistent in all material respects with the sources specified in the 2014/15 Detailed Guidance for External Assurance on Quality Reports issued by Monitor; and
- the indicators in the quality report identified as having been the subject of limited assurance in the quality report are not reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the Detailed Guidance for External Assurance on Quality Reports.

We read the quality report and consider whether it addresses the content requirements of the NHS Foundation Trust Annual Reporting Manual, and consider the implications for our report if we become aware of any material omissions.
We read the other information contained in the quality report and consider whether it is materially inconsistent with:

- Board minutes for the period April 2014 to 29 May 2015;
- papers relating to quality reported to the Board over the period April 2014 to 29 May 2015;
- feedback from the Commissioners, dated 29/05/2015;
- feedback from local Healthwatch organisations, dated 17/05/2015;
- feedback from governors dated 19/05/2015;
- the Trust’s complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 27/05/2015;
- the 2014 national patient survey, published on 24/02/2015;
- the 2014 national staff survey, published on 29/05/2015;
- Care Quality Commission Intelligence Monitoring Report, dated 14/05/2015;
- the Head of Internal Audit’s annual opinion over the Trust’s control environment, dated 18/05/2015; and
- any other information included in our review.

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 Southend University Hospital NHS Foundation Trust as a body, to assist the Council of Governors in reporting Southend University Hospital 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 Southend University Hospital 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’), and the 2014/15 Detailed Guidance for External Assurance on Quality Reports issued by Monitor. Our limited assurance procedures included:

- Evaluating the design and implementation of the key processes and controls for managing and reporting the indicators.
- Making enquiries of management.
- Limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation.
• Comparing the content requirements of the *NHS Foundation Trust Annual Reporting Manual* to the categories reported in the quality report.

• Reading the documents.

A limited assurance engagement is smaller in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

**Limitations**

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can 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 Southend University Hospital 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 2014/15 *Detailed Guidance for External Assurance on Quality Reports*; and

• the indicators in the quality report subject to limited assurance have not been reasonably stated in all material respects in accordance with the *NHS Foundation Trust Annual Reporting Manual*.

__Ernst and Young LLP__
Chartered Accountants
Luton
Date 29 May 2015
Introduction

The purpose of this quality report is to provide patients, their families and carers, staff, members of the local communities and local commissioners, with a report on the quality of services that the Trust provides.

The Quality Report is one aspect of the continued drive to improve the quality and safety of the services we provide.

In Part One, there is a statement on quality from the chief executive, Sue Hardy. An update is also provided on the priorities that were set by the Trust for 2014/15, and details of the priorities set for the coming year.

In Part Two, we have provided details of our priorities for quality improvement that we intend to provide for 2015/16 and details of how we have progressed in 2014/15.

There are also a number of Statements of Assurance regarding specific aspects of service provision. The Trust is required to provide these statements to meet the requirements of the Department of Health and Monitor.

Part Three contains further information which provides a picture of some of the other initiatives that have been implemented at the Trust to improve quality, with the latter sections providing some commentaries which express the views of some of the Trust's key stakeholders.

Throughout all parts of this Quality Account, where information on performance in previous years is available this has been included. The most up to date national and local information has also been included throughout.

In previous years the Trust has referred, throughout the Quality Account, to clinical areas as Business Units (BU). The current document refers to these and to Clinical Directorates (CD), as from January 2015 clinically led directorates were introduced to replace the Business Units. These Clinical Directorates provide improved engagement with clinical staff and create an environment of continuous improvement to deliver high quality care to our patients.

Thank you for taking the time to read our Quality Account. If you would like to comment on any aspect of this document, we would welcome your feedback.

You can contact us at communications@southend.nhs.uk
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Part 1

Statement on quality from the chief executive

Welcome to our quality report 2014/15, which describes just how seriously we consider quality and safety issues in our hospital and how we will work continuously to make improvements where they are needed.

I know from my interactions with staff at all levels that they are totally committed to providing excellent care for our patients and are firm in the belief that ‘everybody matters, everything counts, everyone’s responsible’.

Nevertheless, we all know that the NHS is facing one of the most challenging periods ever. Following the Francis Report and the Keogh Review, the quality of care in hospitals has rightly been in the spotlight.

The last year has undoubtedly presented a number of challenges. The number of patients using our emergency services is increasing year on year; however, significant progress has been made. We had a very positive start to the year achieving the four-hour target for five consecutive months, narrowly missing quarter one with 94.14% but comfortably achieving quarter two with 96.25%. Despite winter pressures and not reaching the target in the last two quarters we have consistently been one of the best achieving trusts in Essex.

We recognise that the 62 day cancer standard continues to be a significant challenge, particularly in our urology service. We have invited in external assistance from the national intensive support team to help us utilise best practice from other hospitals, and have produced a robust action plan to address performance issues which will be monitored throughout the year by the Trust board.

Our priorities for 2015/16, which we established last year following consultation with staff, governors and members of the public will continue to be:

**Patient Safety**
- World Health Organisation (WHO) checklist
- Early Warning System
- Duty of Candour

**Patient Experience**
- Patient Feedback
- Patient Focus Groups
- Education and development programme for staff at all levels

**Clinical Effectiveness**

- Ensure nursing skill mix is safe and appropriate to caseload
- 62 day ceiling for cancer waits
- 4 hour accident and emergency target

Our current registration status with the CQC is unconditional and the Commission has not taken any enforcement action against the Trust during 2014/15. The CQC visited the Trust in August 2014 in response to the concerns of stakeholders and information of concern received by the CQC about the Trust’s urgent and emergency care services. The Trust was found to be non-compliant with three regulations. A subsequent action plan was devised and implemented to remedy the areas of poor practice which were identified.

We routinely take part in national clinical audits as well as designing and undertaking local audits. This process helps us identify what works well in the delivery of clinical care, what we need to change and whether we have met the standards which were set for us nationally. Using these findings, we will keep striving to improve and refine during the coming year.

The financial pressures and uncertainties surround the NHS reforms will be present again during the coming year. But it will continue to be our mission to work with our colleagues in the Clinical Commissioning Groups to strive for quality whilst delivering the efficiencies needed.

I hope the following pages give you a sense of our commitment to the quality of care we provide, and that you read with interest our plans for the future.

I confirm that to the best of my knowledge, the information contained in this document is accurate.

Sue Hardy

**Chief Executive**

April 2015
Part Two

Priorities for Improvement 2015/16:

As part of the quality report process, the Trust is required to set priorities for improvement. These are issues which are considered important to patients, local communities and our stakeholders.

In February 2014 we held a week-long road show around the hospital to gain insight into staff, patient and public concerns, and all had the opportunity to vote on what was important to them. Different things matter more to different stakeholder groups but the three top priorities were very clear: to continue to reduce avoidable deaths (78%), to ensure the nursing skill mix is safe and appropriate to caseload (68%) and to provide a positive patient experience (74%).

We also involved our governors using an existing network of governor led bi-monthly public meetings, patient and carer forums, and listening exercises. This year we have taken the decision that as these priorities were so important to our staff, patients and public we would continue to measure the same priorities in order to see year-on-year improvements.

Progress made since the publication of the 2013/14 quality report is described in part 3, as the priorities for improvement have not changed for the coming year and the qualities for improvement have formed our quality of care indicators.

Patient Safety Priorities 2015/16

To continue to reduce avoidable deaths, a key priority identified by our staff and public and with the approval of the Trust board, the following indicators were selected:

World Health Organisation (WHO) checklist

Why have we chosen this priority?

We want to continue to ensure that our patients are cared for safely throughout their surgery and a critical part of this is to have compliance with the WHO checklist before, during and after surgery.

How will we improve?

We will carry out monthly audits on our compliance with the WHO checklist and act on any shortfalls in practice.

How will we measure our improvement and what are our targets?

Our target is that 100% of applicable patients who have surgery through theatres undergo a comprehensive safety checklist that incorporates all the elements of the WHO initiative.

How will we report and monitor our progress?
Our progress will be reported through the clinical directorate’s governance meeting then onward to the clinical assurance committee though their clinical directorate’s quarterly reports. This is then reported up to the quality assurance committee through the Quality Account updates. Any issues will be escalated to the Trust board via the quality assurance committee chair’s report.

**Early warning system**

**Why have we chosen this priority?**

Early recognition of the deteriorating patient is critical to be able to intervene rapidly and effectively to avoid harm to our patients.

**How will we improve?**

We have undertaken a comprehensive review of the early warning system and escalation procedures for deteriorating, high-risk patients, in particular at weekends and out of hours.

**How will we measure our improvement and what are our targets?**

We will continue to audit our performance on the recognition of the deteriorating patient through the critical care outreach team. This will be undertaken monthly and our target is that we achieve 85% compliance with patients that meet the criteria to be escalated.

**How will we report and monitor our progress?**

Compliance will be reported to the Trust resuscitation committee bi-monthly. Issues with compliance will be escalated to both the clinical assurance committee and the quality assurance committee. Any issues will be escalated to the Trust board via the quality assurance committee chair’s report.

**Duty of candour**

**Why we have chosen this priority?**

We know through feedback from our patients and carers that when things go wrong it is important to them that we are open and honest regarding what has happened (duty of candour).

**How will we improve?**

Duty of candour over the past year has become a statutory requirement; our aim is that in all cases where Duty of Candour is applicable we will achieve 100% compliance.

The duty of candour applies to all patient safety incidents graded moderate or above.

Within 10 working days, or sooner, after becoming aware that a notifiable safety incident has occurred, we are required to:

- Notify the relevant person that the incident has occurred and
- Provide reasonable support to the relevant person in relation to the incident
This notification given must be followed by a written notification given or sent to the relevant person (patient or relative if patient is deceased) containing:

• the information provided as above
• details of any investigation that will be required
• results of any further enquiries into the incident, and
• an apology

**How will we measure our improvement and what are our targets?**

We will measure our compliance that we are being open and honest when things go wrong through our serious and critical incident reporting. Our target is that we undertake this in 100% of applicable cases.

**How will we report and monitor our progress?**

Our progress will be monitored through bi-monthly reports that are taken to the Trust board. Any issues will be escalated to the medical director.

**Patient Experience Priorities 2015/16**

**Patient feedback**

**Why we have chosen this priority?**

This priority was chosen with the overarching aim to provide a positive patient experience.

We know that the very best consumer-focused organisations embrace feedback, concerns and complaints from their customers as a powerful source of information for improvement.

**How will we improve?**

We will take a cohesive approach to real-time patient feedback ensuring that we know what our patients feel about their care at the point of care beyond the Friends and Family test; we will act on the comments and suggestions from our patients at a local level ensuring that staff and patients are aware of feedback utilising the “you said, we did” slogan throughout the Trust. We will also update our comments cards to reflect this by asking our patients “what did we do well?” and “what could we have done better?” to further embed this practice.

**How will we measure our improvement and what are our targets?**

We will report to the clinical assurance committee additional comments from the Friends and Family test and monitor the changes in practice through this committee.

**How will we report and monitor our progress?**
We will have in place throughout the Trust “you said, we did” posters following our patients feedback which will be reported to the clinical assurance committee. Progress will also be monitored through the number of patients who would recommend the hospital to friends and family and this will be reported to the clinical assurance committee.

**Patent focus groups**

**Why have we chosen this priority?**

We want to ensure that future developments within the organisation have input from patients and public engagement by seeking the views of patients and the public through focus groups both Trust wide and in each of the clinical directorates.

**How will we improve?**

We set out to have focus groups in place in each of the clinical directorates reporting into a Trust-wide group. We know that this is an important mechanism to get feedback so have kept this as a priority for the forthcoming year.

**How will we measure our improvement and what are our targets?**

We will measure the number of focus groups that are in place and then we will set targets for the number of meetings per year and how the groups are reporting the voice of these groups to ensure that future developments incorporate their views.

**How will we report and monitor our progress?**

The Trust forum will report to the clinical assurance committee (CAC) with outcomes and action plans.

**Education and development programmes for all levels of staff**

**Why have we chosen this priority?**

We know that staff who are engaged with the Trust values will reflect these elements in their practice thus providing a better patient experience.

**How will we improve?**

We will continue to develop and implement education and development programmes for all levels of staff based on our values, and include customer experience training.

**How will we measure our improvement and what are our targets?**

We will measure how these are reflected into practice through the feedback from our patients utilising the national in-patient survey, Friends and Family test and through the patient experience trackers.
How will we report and monitor our progress?

Friends and Family test results will be triangulated with quarterly feedback from patient experience trackers and, when available, through the national in-patient survey and reported to the quality assurance committee.

We will also report on the number of education sessions held that reflect our values and the attendance rates at these sessions.

Clinical effectiveness priorities 2015/16

Ensure nursing skill mix is safe and appropriate to caseload

Why have we chosen this priority?

We know that safe care can only be delivered when there are appropriate levels of staffing with the right skills.

How will we improve?

The board will continue to sign off and publish evidence-based staffing levels at least every six months, providing assurance about the impact on quality of care and patient experience.

The Trust will display in each ward the approved staffing levels and actual staffing levels on a shift to shift basis. The staffing levels will be monitored by the matrons to ensure safe care is maintained. The staffing levels for each ward will be reported to the Trust board, including key quality, safety and patient experience measures.

Where staffing levels are below optimum in the short term, a risk assessment will be undertaken and reported to the clinical director / associate director for their actions. Where there are ongoing staffing issues, an action plan will be put in place.

How will we measure our improvement and what are our targets?

Our target is to ensure that there are the right numbers of staff with the right skills in order to provide safe care. Action plans will be put in place where staffing is below optimum. Staffing levels will be displayed in clinical areas and on the website. Staffing levels will continue to be monitored through the Trust board. The monitoring of outcomes in relation to patient safety, quality and patient experience will enable us to identify the impact of staffing levels on patient care.

How will we report and monitor our progress?

Staffing levels and key outcomes in relation to patient safety, quality and patient experience are reported regularly at each meeting of the Trust board.

62-day target for cancer waits

Why have we chosen this priority?
This priority relates to a NHS-wide target and is measured in line with national guidelines. All urgent suspected cancer referrals made by GPs, where the patient is found to have cancer and receives treatment, are monitored.

This remains an issue for us following last year’s quality priorities and we recognise how important it is to get this right for our patients so that they get their treatment at the right time.

**How will we improve?**
As a designated cancer centre we not only receive direct GP referrals but also onward referrals from neighbouring trusts, which we have little control over in terms of lateness of referral.

We continued to work closely with our colleagues to ensure these referrals were made in a timely way to minimise the delay to patients.

The Trust also set its own internal target of seeing 85% of patients, who are directly referred to us rather than via a neighbouring trust within 62 days, to ensure compliance with the overall target.

**How will we measure our improvement and what are our targets?**
The Trust has adopted the national target of 85% of patients to begin treatment within 62 days of referral.

**How will we report and monitor our progress?**
Performance throughout the year will be monitored via the regular integrated performance reports presented at each meeting of the Trust Board

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**Four-hour accident and emergency target**

**Why have we chosen this priority?**
The number of patients using our emergency services is increasing year-on-year and in recent months we have struggled to meet the required target of a maximum four-hour wait.

We also recognise the importance for our patients in being treated in a timely manner and therefore chose to incorporate this into our quality indicators for the coming year.

**How will we improve?**
We continue to review our admissions procedures to see where we can further improve the flow of patients so they are either admitted or treated and discharged within the required four hours and we have an Emergency Care Improvement Plan – to ensure we have the right number and type of specialty bed available. We remain committed to our workforce plan particularly with continuing to increase and recruit substantive consultants. We will carry on towards the future model of emergency care in the form of Advanced Care Practitioners (ACPs). We now have our senior ACP in place within the Emergency Department (ED) team. The Trust is now creating the pathway for our future ACPs. We are starting to see a consistent increase in daily attendances and we will continue to strive to develop ways to adapt and improve our ED pathways.
How will we measure our improvement and what are our targets?
The national target for compliance is 95% of A&E attendances to be either admitted or treated and discharged within four hours.

This will continue to be measured and reported weekly by the A&E department.

How will we report and monitor our progress?
Performance throughout the year will be monitored via the regular integrated performance reports presented at each meeting of the Trust Board
Part Two: Statements of assurance from the board of directors

These statements of assurance follow the statutory requirements for the presentation of Quality Reports, as set out in the Department of Health’s Quality Reports regulations.

Information on the review of services:

During 2014/15, Southend University Hospital NHS Foundation Trust provided and/or sub contracted 42 relevant health services.

Southend University Hospital NHS Foundation Trust has reviewed all the data available to them on the quality of care in 42 of these relevant health services.

The income generated by the relevant health services reviewed in 2014/15 represents 96.12 per cent of the total income generated from the provision of relevant health services by the Southend University Hospital NHS Foundation Trust for 2014/15.

Information on participation in clinical audits and national confidential enquiries:

During 2014/2015, 30 national clinical audits and four national confidential enquiries covered relevant health services that Southend University Hospital NHS Foundation Trust provides.

During that period Southend University Hospital NHS Foundation Trust participated in 65% of national clinical audits and 100% of national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.

The national clinical audits and national confidential enquiries (NCEPOD) that Southend University Hospital NHS Trust was eligible to participate in during 2014/2015 are as follows:

National Clinic Audit

Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)

Adult Community Acquired Pneumonia

Bowel cancer (NBOCAP)

Cardiac Rhythm Management (CRM)

Case Mix Programme (CMP)
Child health clinical outcome review programme
Congenital Heart Disease (Paediatric cardiac surgery) (CHD)
Coronary Angioplasty/National Audit of PCI
Diabetes (Adult)
Diabetes (Paediatric) (NPDA)
Falls and Fragility Fractures Audit Programme (FFFAP)
Inflammatory Bowel Disease (IBD) programme
Lung cancer (NLCA)
Major Trauma: The Trauma Audit & Research Network (TARN)
Maternal, Newborn and Infant Clinical Outcome Review Programme (MBRRACE-UK)
National Cardiac Arrest Audit (NCAA)
National Chronic Obstructive Pulmonary Disease (COPD) Audit Programme
National Comparative Audit of Blood Transfusion programme
National Complicated Diverticulitis Audit (CAD)
National Emergency Laparotomy Audit (NELA)
National Joint Registry (NJR)
National Prostate Cancer Audit
National Vascular Registry
Neonatal Intensive and Special Care (NNAP)
Non-Invasive Ventilation - adults
Oesophago-gastric cancer (NAOGC)
Paediatric Intensive Care Audit Network (PICANet)
Pleural Procedure
Prescribing Observatory for Mental Health (POMH)
Pulmonary Hypertension (Pulmonary Hypertension Audit)
Rheumatoid and Early Inflammatory Arthritis
Sentinel Stroke National Audit Programme (SSNAP) Organisational
Sentinel Stroke National Audit Programme (SSNAP) Clinical
UK Cystic Fibrosis Registry

**NCEPOD**

- Sepsis
- Gastro-intestinal haemorrhage
- Lower limb amputation
- Tracheostomy care

2.3 The national clinical audits and national confidential enquiries that Southend University Hospital NHS Foundation Trust participated in during 2014/2015 are as follows:

**National Clinic Audit**

- Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)
- Bowel cancer (NBOCAP)
- Cardiac Rhythm Management (CRM)
- Case Mix Programme (CMP)
- Falls and Fragility Fractures Audit Programme (FFFAP)
- Lung cancer (NLCA)
- Major Trauma: The Trauma Audit & Research Network (TARN)
- Maternal, Newborn and Infant Clinical Outcome Review Programme (MBRRACE-UK)
- National Cardiac Arrest Audit (NCAA)
- National Chronic Obstructive Pulmonary Disease (COPD) Audit Programme
- National Comparative Audit of Blood Transfusion programme
- National Complicated Diverticulitis Audit (CAD)
- National Emergency Laparotomy Audit (NELA)
- National Joint Registry (NJR)
- National Prostate Cancer Audit
- National Vascular Registry
- Neonatal Intensive and Special Care (NNAP)
- Oesophago-gastric cancer (NAOGC)
- Rheumatoid and Early Inflammatory Arthritis
NCEPOD

Sepsis
Gastro-intestinal haemorrhage
Lower limb amputation
Tracheostomy care

2.4 The national clinical audits and national confidential enquires that Southend University Hospital NHS Foundation Trust participated in, and for which data collection was completed during 2014/15, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

<table>
<thead>
<tr>
<th>National Clinic Audit</th>
<th>Participation in terms of % required</th>
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</thead>
<tbody>
<tr>
<td>Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)</td>
<td>100%</td>
</tr>
<tr>
<td>Bowel cancer (NBOCAP)</td>
<td>100%</td>
</tr>
<tr>
<td>Cardiac Rhythm Management (CRM)</td>
<td>100%</td>
</tr>
<tr>
<td>Case Mix Programme (CMP)</td>
<td>100%</td>
</tr>
<tr>
<td>Falls and Fragility Fractures Audit Programme (FFFAP)</td>
<td>Up to 30 sample patients during data collection</td>
</tr>
<tr>
<td>Lung cancer (NLCA)</td>
<td>100%</td>
</tr>
<tr>
<td>Major Trauma: The Trauma Audit &amp; Research Network (TARN)</td>
<td>92.5%</td>
</tr>
<tr>
<td>Maternal, Newborn and Infant Clinical Outcome Review Programme (MBRRACE-UK)</td>
<td>100%</td>
</tr>
<tr>
<td>National Cardiac Arrest Audit (NCAA)</td>
<td>100%</td>
</tr>
<tr>
<td>National Chronic Obstructive Pulmonary Disease (COPD) Audit Programme</td>
<td>100%</td>
</tr>
<tr>
<td>National Comparative Audit of Blood Transfusion programme</td>
<td>100%</td>
</tr>
<tr>
<td>National Emergency Laparotomy Audit (NELA)</td>
<td>90%</td>
</tr>
<tr>
<td>National Joint Registry (NJR)</td>
<td>100%</td>
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<td>--------------------------------------</td>
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</tr>
<tr>
<td>National Prostate Cancer Audit</td>
<td>100%</td>
</tr>
<tr>
<td>National Vascular Registry</td>
<td>100%</td>
</tr>
<tr>
<td>Neonatal Intensive and Special Care (NNAP)</td>
<td>100%</td>
</tr>
<tr>
<td>Oesophago-gastric cancer (NAOGC)</td>
<td>100%</td>
</tr>
<tr>
<td>Rheumatoid and Early Inflammatory Arthritis</td>
<td>100%</td>
</tr>
<tr>
<td>Sentinel Stroke National Audit Programme (SSNAP) Organisational</td>
<td>100%</td>
</tr>
<tr>
<td>Sentinel Stroke National Audit Programme (SSNAP) Clinical</td>
<td>100%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>NCEPOD</th>
<th>Participation in terms of % required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gastro-intestinal haemorrhage</td>
<td>20% of questionnaires/case notes were returned</td>
</tr>
<tr>
<td>Lower limb amputation</td>
<td>14% of questionnaires/case notes were returned</td>
</tr>
<tr>
<td>Tracheostomy care</td>
<td>100% of questionnaires/case notes were returned</td>
</tr>
</tbody>
</table>

2.5, 2.6, The reports of two national clinical audits were reviewed by the provider in 2014/2015 and Southend University Hospital NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided.

**National Chronic Obstructive Pulmonary Disease (COPD) Audit**

The core aim of the audit was to drive improvements in the quality of care and services provided for COPD patients. This was done through gathering and linking data to map the patient journey, compare performance and practice, highlight variations in patient care and outcomes, and drive up standards of patient care. The programme supported the Department of Health’s (DH) aims to improve the quality of services for people with COPD.

The outcomes showed that the Trust had low mortality rates, good rates of oxygen prescribing and high rates of referral for smoking cessation and pulmonary rehabilitation. However, it found that the Trust could improve on review times, recording of escalation status and the number of patients managed on respiratory wards.
To improve the quality of health care, we have undertaken to develop a COPD pathway. This will ensure that patients presenting with COPD have a rapid assessment with appropriate investigations requested; appropriate management commenced promptly (including documentation of an escalation plan) and are transferred to the most appropriate ward.

**National Care of the Dying Audit**

The core aim of the audit was to sample the quality of care that dying people receive in hospital. The audit also covered the treatment and support received by relatives of the patient and their involvement in decision making; the organisation of care, including availability of palliative care services, numbers of staff, training, and responsibilities for care. It looked at the care of 6580 people across 149 hospitals.

The results showed that the Trust had good provision for promoting patient privacy, dignity and respect up to, including and after the death of the patient. However, it was also found that improvements were required in: information provision, specialist support, staff training, protocols for prescribing medication and feedback processes.

To improve the quality of health care we are undertaking a number of changes in response to the findings of the audit and as part of our wider review of our end-of-life care process. These include an annual audit of end-of-life care and annual report; review of our mortuary services and refurbishment of the mortuary; the introduction of a multi-disciplinary care plan for the last days of life; additional training on end-of-life care, and the implementation of the Gold Standard Framework for all patients nearing the end of life.

**Local clinical audits**

The reports of three local clinical audits were reviewed by the provider in 2014/2015 and Southend University Hospital NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided.

**Hepatitis B Vaccination in HIV infected patients**

This audit was conducted to determine if HIV patients attending our service are screened and vaccinated for Hepatitis B in line with British HIV Association (BHIVA) guidelines. The BHIVA guidelines recommend that all HIV positive patients should be routinely immunised against Hepatitis B and receive double-dose strength of vaccine.

To improve the quality of health care, we undertook the following actions: we are developing a vaccination proforma and sticker to improve screening and documentation; double-dose Hepatitis B vaccinations are being given as a course of three, or as a single booster; vaccinations continue to be administered even in ‘non-responders’ since the majority will develop antibodies after repeated courses. Patients are reminded of the importance of having their levels checked and boosters offered.

**Blood transfusion in paediatrics**

This was a retrospective audit that was conducted to review our practice of paediatric transfusion against the standards of Great Ormond Street Hospital. This covered indication of
blood transfusion, the amount of blood transfusion given, consent, complications and actions to address these, and the quality of documentation.

The results showed good practice in cross-checking and reactions and that at least 60% of patients had a transfusion less than 24 hours from the transfusion threshold. Improvements were required in documentation, the request system and overall risk management.

To improve the quality of health care, we are undertaking the following actions: We have implemented an on-line system to request blood products where the introduction of blood component, volume and special requirements are indicated. A doctors/nurses transfusion checklist has been prepared and is going through the approval process. Staff now prescribe blood in ‘mls’ and not ‘units’.

Audit of the quality of medicines counselling to inpatients

The aim of the audit was to assess the quality of medicines counselling to inpatients on newly prescribed medicines and the Trust’s adherence to NICE guidance and Royal Pharmaceutical Society professional standards.

We interviewed 40 patients about their newly started medicines and asked if they had been counselled on their medications before they had been started; whether or not they knew why they were taking the medication and how they should take it, and whether they knew any common side effects of the medicine and how to manage them. We found that we were not always adhering to established guidance and standards in every case.

To improve the quality of health care, we undertook the following actions: We established a dedicated pharmacy training session on counselling patients, which ran in December 2014; we also incorporated counselling into prescriber teaching sessions for Foundation Year 1 and 2 doctors and for nursing staff; we have undertaken to re-audit our adherence to these guidelines by August 2015.

Information on participation in clinical research:

The number of patients receiving relevant health services provided or sub-contracted by Southend University Hospital NHS Foundation Trust in 2014/15 who were recruited during that period to participate in research approved by a research ethics committee was 1313.

Information on the use of the CQUIN framework:

A proportion of Southend University Hospital NHS Foundation Trust’s income in 2014/15 was conditional upon achieving quality improvement and innovation goals agreed between Southend University Hospital NHS Foundation Trust and any person or body it entered into a contract, agreement or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation payment framework.

Further details of the agreed goals for 2014/15 and for the following 12-month period are available electronically on the Monitor website.
The amount of income received by Southend University Hospital NHS Foundation Trust in 2014/15 that was conditional upon achieving quality improvement and innovation goals was £1,283,971. The figure is up to and including quarter 3 payments. Quarter 4 income, at the time of production of this report, is still being finalised. However, the value total for CQUIN income for 2014/15 is forecast to be £1,470,576. (£2,001,604 in 2013/14).

**Information relating to registration with the Care Quality Commission and periodic / special reviews:**

Southend University Hospital NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is unconditional.

5.1 The Care Quality Commission has not taken enforcement action against Southend University Hospital NHS Foundation Trust during 2014/5.

6 and 6.1 removed from the reporting legislation by the 2011 amendments.

7.1 Southend University Hospital NHS Foundation Trust has not been subject to any special reviews or investigations by the CQC during the reporting period.

**Care Quality Commission (CQC) visit**

The CQC visited the Trust in August 2014 in response to the concerns of stakeholders and information of concern received by the CQC about the Trust’s urgent and emergency care services.

Commission inspectors toured the Emergency Department, checked records, observed how services were delivered and spoke to both patients and staff.

The Trust was found to be non-compliant with three regulations. A subsequent action plan was devised and implemented to remedy areas of poor practice identified.

<table>
<thead>
<tr>
<th>Regulation</th>
<th>Area of non-compliance</th>
<th>Actions we have taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulation 12 HSCA 2008 (Regulated Activities) Regulations 2010</td>
<td>Cleanliness and infection control</td>
<td>People who use services and others were not protected against the risks associated with infection because of inadequate maintenance of appropriate standards of cleanliness and hygiene within the A&amp;E department.</td>
</tr>
<tr>
<td>Regulation 13 HSCA 2008 (Regulated Activities) Regulations</td>
<td>People who use services and others were not protected against the risks</td>
<td>Pharmacy link staff introduced in the acute medical unit&lt;br&gt;Safe medicines management policies</td>
</tr>
</tbody>
</table>
2010

Management of medicines

associated with the unsafe use and management of medicines because the medicines were not stored securely and were not always disposed of appropriately within the A&E department.

and procedures reviewed with staff
Regular medicines spot checks introduced

Regulation 22 HSCA 2008 (Regulated Activities) Regulations 2010

Staffing

There were an insufficient number of suitably qualified, skilled and experienced trained nurses and consultant doctors within the A&E Department.

Twelve registered nurses recruited
Two paediatric registered nurses recruited and the Trust has in place a further recruitment campaign.
Rolling advertisement in place to recruit permanent consultants in the A&E department

Information on the quality of data:

Southend University Hospital NHS Foundation 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 percentage of records in the published data:

- which included the patient's valid NHS Number was:
  - 99.8% (March 2015) for admitted patient care
  - 99.9% (March 2015) for outpatient care
  - 99.0% (March 2015) for accident and emergency care

- which included the patient's valid General Medical Practice Code was:
  - 100% (March 2015) for admitted patient care
  - 99.9% (March 2015) for outpatient care
  - 100% (March 2015) for accident and emergency care

Information Governance

Southend University Hospital NHS Foundation Trust's Information Governance Assessment Report overall score for 2014/15 as measured by the Information Governance Toolkit was 77% and was graded satisfactory (green). However our internal auditors have been unable to validate this and a number of actions have been agreed to give this assurance going forward.

Payment by results

Southend University Hospital NHS Foundation Trust was not subject to the Payments by Results clinical coding audit during 2014/2015 by the Audit Commission.
Quality of data

Southend University Hospital NHS Foundation Trust will be taking the following actions to improve data quality:

- Continue roll out of noteless clinics.
- Continued provision of training to staff on data quality and verification checks.
- Sustained data verification work between clinical coding staff and healthcare professionals.
Part Two: Reporting against core indicators:

All trusts are now required to report against a core set of indicators using a standardised statement set out in the NHS (Quality Reports) Amendment Regulations 2012. Some of the indicators are not relevant to this Trust, for instance ambulance response times which are relevant to ambulance trusts only.

Since 2012/13 NHS Foundation trusts have been required to report performance against a core set of indicators using data made available to the trust by the Health and Social care Information Centre (HSCIC). Where available from the HSCIC we have shown a comparison of numbers, percentages, values, scores or for each of the indicators that are applicable to this Trust, with regard to:

- the national average for the same; and
- those NHS Trusts and the NHS Foundation Trusts with the highest and lowest of the same.

Measurement of SHMI:

Prescribed Information

(a) the value and banding of the summary hospital-level mortality indicator ("SHMI") for the trust for the reporting period; and (b) the percentage of patient deaths with palliative care coded at either diagnosis or specialty level for the trust for the reporting period.

<table>
<thead>
<tr>
<th>Period</th>
<th>From</th>
<th>To</th>
<th>Value</th>
<th>Expected</th>
<th>Banding</th>
<th>Rank</th>
<th>Worst</th>
<th>Best</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/04/2013</td>
<td>31/03/2014</td>
<td></td>
<td>1.040</td>
<td>1.000</td>
<td>Within</td>
<td>Expected</td>
<td>92/141</td>
<td>1.197 (BLACKPOOL TEACHING HOSPITALS NHS FOUNDATION TRUST)</td>
</tr>
<tr>
<td>01/04/2012</td>
<td>31/03/2013</td>
<td></td>
<td>1.020</td>
<td>1.000</td>
<td>Within</td>
<td>Expected</td>
<td>74/142</td>
<td>1.169 (BLACKPOOL TEACHING HOSPITALS NHS FOUNDATION TRUST)</td>
</tr>
</tbody>
</table>

Southend University Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- Regular quarterly reports are produced by the information team and monitored by the clinical assurance committee and the clinical quality review group.
- A more detailed analysis of each quarterly SHMI result is undertaken to identify any outliers in terms of performance at specialty, consultant or procedure level.
- Patient-level clinically based audits are undertaken where necessary to identify any procedural, systemic, or clinical care anomaly which needs to be addressed.
• The SHMI is reported to the Trust board on a regular basis as part of our integrated performance board report (IPBR).

Southend University Hospital NHS Foundation Trust intends to take the following actions to improve the indicator and the quality of its services by:

• Further embedding the work of the mortality review group, this group will continue to undertake a review of all unexpected deaths to establish learning for improvements in the future

**Reporting of Patient Reported Outcome Measures (PROMS):**

**Prescribed Information**

Groin hernia surgery, varicose vein surgery, hip replacement surgery, and knee replacement surgery, during the reporting period.

**Groin Hernia**

<table>
<thead>
<tr>
<th>Period</th>
<th>From</th>
<th>To</th>
<th>Nat Value</th>
<th>Avg</th>
<th>Rank</th>
<th>Worst</th>
<th>Best</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/04/2013</td>
<td>31/03/2014</td>
<td>0.096</td>
<td>0.083</td>
<td>29/116</td>
<td>0.039 (THE DUDLEY GROUP NHS FOUNDATION TRUST)</td>
<td>0.132 (WYE VALLEY NHS TRUST)</td>
<td></td>
</tr>
<tr>
<td>01/04/2012</td>
<td>31/03/2013</td>
<td>0.058</td>
<td>0.080</td>
<td>119/132</td>
<td>0.021 (MID YORKSHIRE HOSPITALS NHS TRUST)</td>
<td>0.119 (ASHFORD AND ST PETER’S HOSPITALS NHS FOUNDATION TRUST)</td>
<td></td>
</tr>
</tbody>
</table>

**Hip Replacement Primary**

<table>
<thead>
<tr>
<th>Period</th>
<th>From</th>
<th>To</th>
<th>Nat Value</th>
<th>Avg</th>
<th>Rank</th>
<th>Worst</th>
<th>Best</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/04/2013</td>
<td>31/03/2014</td>
<td>0.408</td>
<td>0.426</td>
<td>105/133</td>
<td>0.342 (ROYAL LIVERPOOL AND BROADGREEN UNIVERSITY HOSPITALS NHS TRUST)</td>
<td>0.483 (CHELSEA AND WESTMINSTER HOSPITAL NHS FOUNDATION TRUST)</td>
<td></td>
</tr>
<tr>
<td>01/04/2012</td>
<td>31/03/2013</td>
<td>0.423</td>
<td>0.428</td>
<td>81/136</td>
<td>0.319 (THE WHITTINGTON HOSPITAL NHS TRUST)</td>
<td>0.537 (LEWISHAM AND GREENWICH NHS TRUST)</td>
<td></td>
</tr>
</tbody>
</table>

**Knee Replacement Primary**

<table>
<thead>
<tr>
<th>Period</th>
<th>From</th>
<th>To</th>
<th>Nat Value</th>
<th>Avg</th>
<th>Rank</th>
<th>Worst</th>
<th>Best</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/04/2013</td>
<td>31/03/2014</td>
<td>0.306</td>
<td>0.315</td>
<td>95/135</td>
<td>0.215 (HOMERTON UNIVERSITY HOSPITAL NHS FOUNDATION TRUST)</td>
<td>0.400 (NORTHAMPTON GENERAL HOSPITAL NHS TRUST)</td>
<td></td>
</tr>
<tr>
<td>01/04/2012</td>
<td>31/03/2013</td>
<td>0.250</td>
<td>0.311</td>
<td>132/136</td>
<td>0.208 (WEST MIDDLESEX UNIVERSITY HOSPITAL NHS TRUST)</td>
<td>0.375 (ISLE OF WIGHT NHS TRUST)</td>
<td></td>
</tr>
</tbody>
</table>
Southend University Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

PROMS are collated quarterly, and due to the information captured, the surveys run two quarters behind. Therefore, the data included is for the last full year and is not the latest information available but provides a more robust comparison of year on year performance. It should be noted that a higher figure for national average indicates a better performance. It should also be noted that, nationally, no data is available on hip replacement, knee replacement or varicose veins.

Southend University Hospital NHS Foundation Trust intends to take the following actions to improve these outcome scores, and the quality of its services by:

- Changing the process for the pre-op assessment of our patients and have started to run a seminar class during which patients have the opportunity to participate in the PROMS data collection.
- Trauma nurses are the point of contact for patients throughout their operation and on discharge so that patients can address any queries regarding their operation or follow-up care. We also intend to continue the enhanced recovery programme during the next year.

**Reporting of Re-admissions:**

**Prescribed Information**

*Percentage of patients aged (i) 0 to 15; and (ii) 16 or over, readmitted to a hospital which forms part of the trust within 28 days of being discharged from a hospital which forms part of the Trust during the reporting period.*

### 0-15 years

<table>
<thead>
<tr>
<th>Period</th>
<th>From</th>
<th>To</th>
<th>Value</th>
<th>Nat Avg</th>
<th>Rank</th>
<th>Worst</th>
<th>Best</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/04/2011</td>
<td>31/03/2012</td>
<td></td>
<td>6.59</td>
<td>10.04</td>
<td>4/49</td>
<td>13.58 (NORTH CHESHIRE HOSPITALS NHS TRUST)</td>
<td>5.10 (THE PRINCESS ALEXANDRA HOSPITAL NHS TRUST)</td>
</tr>
</tbody>
</table>

### 16+

<table>
<thead>
<tr>
<th>Period</th>
<th>From</th>
<th>To</th>
<th>Value</th>
<th>Nat Avg</th>
<th>Rank</th>
<th>Worst</th>
<th>Best</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/04/2011</td>
<td>31/03/2012</td>
<td></td>
<td>11.06</td>
<td>11.26</td>
<td>25/51</td>
<td>13.50 (VARIABLE TRUSTS)</td>
<td>8.96 (WINCHESTER AND EASTLEIGH HEALTHCARE NHS TRUST)</td>
</tr>
<tr>
<td>01/04/2010</td>
<td>31/03/2011</td>
<td></td>
<td>11.17</td>
<td>11.17</td>
<td>27/50</td>
<td>13.00 (THE LEWISHAM HOSPITAL NHS TRUST)</td>
<td>7.68 (NEWHAM UNIVERSITY HOSPITAL NHS TRUST)</td>
</tr>
</tbody>
</table>
Southend University Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

There is currently no national readmissions data available since 2011/2012. The Health and Social Care Information Centre (HSCIC) have confirmed that the publication of these indicators has been delayed this year and it is unlikely that they will be published during 2014/2015.

Southend University Hospital NHS Foundation Trust has taken the following actions to improve these percentages, and the quality of its services, by:

- Further audits have been done to look at the reasons for readmissions and, where appropriate, changes have been made to processes in order to improve accuracy of reporting, and this will continue in 2015/16.
- A weekly report which looks at patients who have been readmitted and are currently in the hospital goes to the discharge team to see if they could have been avoided and investigates the reasons why they have been readmitted.
- Targets are set with an interim goal of 9.5% and an ultimate goal of 3.25% of all discharges for re-admissions following an admission.
- Further focus has been and will continue to be applied to ensure the Trust understands and manages readmissions appropriately.
- Performance throughout the year will be monitored via the regular integrated performance report to the board.

The Trust’s responsiveness to the personal needs of its patients during the reporting period.

Prescribed Information

*The data made available and covering services for inpatients and patients discharged from A&E (types 1 and 2). (Gateway reference 00931)*

<table>
<thead>
<tr>
<th>Period</th>
<th>Value</th>
<th>Nat Avg</th>
<th>Rank</th>
<th>Worst</th>
<th>Best</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-14</td>
<td>68.3</td>
<td>68.7</td>
<td>74/156</td>
<td>54.4 (CROYDON HEALTH SERVICES NHS TRUST)</td>
<td>84.2 (THE ROYAL MARSDEN NHS FOUNDATION TRUST)</td>
</tr>
<tr>
<td>2012-13</td>
<td>68.4</td>
<td>68.1</td>
<td>62/156</td>
<td>57.4 (CROYDON HEALTH SERVICES NHS TRUST)</td>
<td>84.4 (THE CLATTERBRIDGE CANCER CENTRE NHS FOUNDATION TRUST)</td>
</tr>
</tbody>
</table>

Southend University Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

We actively survey patients following their discharge in relation to the national Friends and Family test. We have exceeded the target that we set to receive feedback from our patients in both A&E and in-patients. All comments received via the Friends and Family surveys are shared with the relevant teams, and changes that are implemented are displayed as “you said, we did” in the relevant ward areas.
Southend University Hospital NHS Foundation Trust has taken the following actions to improve this percentage, and the quality of its services, by:

- Continuing to use technologies such as text messaging and interactive voice messaging. This has proven successful in increasing the response rate and work is in place to further develop how we improve the outcome of these scores by making changes to practice following the feedback from our patients.

**Measurement of staff who would recommend the Trust as a provider of care to their family or friends**

**Prescribed information**

*The percentage of staff employed by, or under contract to, the Trust during the reporting period who would recommend the trust as a provider of care to their family or friends.*

<table>
<thead>
<tr>
<th>Period</th>
<th>Value</th>
<th>National Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>61</td>
<td>65</td>
</tr>
<tr>
<td>2013 survey</td>
<td>67.0</td>
<td>68</td>
</tr>
<tr>
<td>2012 survey</td>
<td>68.0</td>
<td>65.0</td>
</tr>
</tbody>
</table>

Southend University Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

The results of the 2014 NHS staff survey were reported to the Trust board on 25th March 2015. The Trust undertook a further engagement with staff during 2014 through focus groups and as a result has recommended an approach for 2015.

Southend University Hospital NHS Foundation Trust has taken the following actions to improve this percentage, and the quality of its services, by:

Our proposal for using the staff survey results to improve staff engagement during 2015 is to clearly make the link between how staff feel and perform and the impact on the patient experience, as highlighted in Paul Gilbert’s book on care and compassion, Mindful Compassion 2013. We know that staff feel engaged when their voice has been heard and the organisation demonstrates it is willing to take action which increases staff’s confidence to offer ideas, solutions and having their say. The detail of our proposal is that each clinical director is responsible for taking action on staff survey results for their area in the following ways:

---

1 Mindful Compassion; Professor Paul Gilbert & Choden. Robinson. May 2013
<table>
<thead>
<tr>
<th>Frequency</th>
<th>Action</th>
<th>Responsibility</th>
</tr>
</thead>
</table>
| Annually  | Each clinical directorate analyses their staff survey results to identify:  
- 2 key areas of concern  
- 2 key areas where there are positive responses (celebrating success) | Clinical Director/HR Business Partner |
|           | Draft action plan that addresses the areas of concern, highlighting how they plan to improve the issues raised | Clinical Director/HR Business Partner |
| Monthly   | Report on progress (and achievements) at the executive team meeting, making links to feedback received from patient experience & Friends & Family  
Cascade of progress to teams following Executive team meeting | Clinical Director/HR Business Partner |
| Quarterly | Friends and Family staff questionnaires electronically completed via staffnet/other appropriate delivery methodology | Learning and OD |
|           | Clinical directorates receive their results | Learning and OD |
|           | Each area reviews and incorporates any additional actions into their action plan, feeding back to the Executive team meeting | Clinical Director/HR Business Partner |
| 6 monthly | Pulse Survey consisting of 2 or 3 questions, selected by the executives on something topical, meaningful or relevant at that time to gauge Trust’s atmosphere | Executive Team and Corporate Management Team |
### Measurement of VTE

<table>
<thead>
<tr>
<th>Period</th>
<th>From</th>
<th>To</th>
<th>Value</th>
<th>Nat Avg</th>
<th>Rank</th>
<th>Worst</th>
<th>Best</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/10/2014</td>
<td>31/12/2014</td>
<td></td>
<td>95.8%</td>
<td>95.9%</td>
<td>93/160</td>
<td>81.2% (CAMBRIDGE UNIVERSITY HOSPITALS NHS FOUNDATION TRUST)</td>
<td>100% (Various trusts)</td>
</tr>
<tr>
<td>01/07/2014</td>
<td>30/09/2014</td>
<td></td>
<td>95.5%</td>
<td>96.1%</td>
<td>116/162</td>
<td>86.4% (NORTH CUMBRIA UNIVERSITY HOSPITALS NHS TRUST)</td>
<td>100% (Various trusts)</td>
</tr>
</tbody>
</table>

### VTE Return – Data Submissions

<table>
<thead>
<tr>
<th>Month</th>
<th>Number of Risk Assessments</th>
<th>Number of Admissions</th>
<th>% Compliance</th>
<th>Date Submission</th>
<th>of Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr-14</td>
<td>5659</td>
<td>6101</td>
<td>92.76%</td>
<td>28/04/2014</td>
<td>95%</td>
</tr>
<tr>
<td>May-14</td>
<td>5884</td>
<td>6294</td>
<td>93.49%</td>
<td>27/06/2014</td>
<td>95%</td>
</tr>
<tr>
<td>Jun-14</td>
<td>6107</td>
<td>6393</td>
<td>95.53%</td>
<td>27/06/2014</td>
<td>95%</td>
</tr>
<tr>
<td>Jul-14</td>
<td>6515</td>
<td>6829</td>
<td>95.40%</td>
<td>28/08/2014</td>
<td>95%</td>
</tr>
<tr>
<td>Aug-14</td>
<td>5836</td>
<td>6096</td>
<td>95.73%</td>
<td>29/08/2014</td>
<td>95%</td>
</tr>
<tr>
<td>Sep-14</td>
<td>6176</td>
<td>6485</td>
<td>95.24%</td>
<td>22/10/2014</td>
<td>95%</td>
</tr>
<tr>
<td>Oct-14</td>
<td>6449</td>
<td>6744</td>
<td>95.63%</td>
<td>28/11/2014</td>
<td>95%</td>
</tr>
<tr>
<td>Nov-14</td>
<td>6208</td>
<td>6435</td>
<td>96.47%</td>
<td>05/01/2014</td>
<td>95%</td>
</tr>
<tr>
<td>Dec-14</td>
<td>6085</td>
<td>6375</td>
<td>95.45%</td>
<td>28/01/2015</td>
<td>95%</td>
</tr>
<tr>
<td>Jan-15</td>
<td>6022</td>
<td>6279</td>
<td>95.91%</td>
<td>28/01/2015</td>
<td>95%</td>
</tr>
<tr>
<td>Feb-15</td>
<td>5880</td>
<td>6146</td>
<td>95.67%</td>
<td>30/03/2015</td>
<td>95%</td>
</tr>
<tr>
<td>Mar-15</td>
<td>6505</td>
<td>6811</td>
<td>95.51%</td>
<td>28/04/2015</td>
<td>95%</td>
</tr>
</tbody>
</table>

Southend University Hospital NHS Foundation Trust considers that this data is as described for the following reasons

The Trust’s VTE risk assessment compliance is monitored by an established and thorough audit process. Every month, prior to submission of risk assessment data, notes are checked for non-compliant admissions. In the majority of cases, it is found that a risk assessment had been completed, but error had occurred recording it on the patient administration system (PAS). For these cases, PAS is updated to show the correct information. Cases confirmed as having no risk assessment, are recorded and monitored to see if there is an on-going issue in any particular area, or if it is a one-off error. On-going problem areas are reported back to the VTE steering group, and followed up by the VTE link nurse and clinical directorate.

Additional to this specific risk assessment audit, the audit department perform spot checks on general VTE performance. They audit 10 random admissions on a selection of wards each
month, to ensure risk assessment was completed – and that recommended prophylaxis was given.

Southend University Hospital NHS Foundation Trust has taken the following actions to improve this percentage, and the quality of its services, by:

- Raising awareness with staff, auditing and closely monitoring compliance so that any practice issues can be identified and addressed. Training has been put in place to improve performance; this has included running a VTE study day and introducing an e-learning package.

- Reviewing data transfer processes to ensure data is correctly recorded and reported; including implementing an escalation process for those staff entering VTE data to PAS to be able to raise issues with named staff who can assist them.

- Carrying out spot audits of all patients. The results reported to wards, matrons, clinical directors and associate clinical directors to inform additional actions required to improve performance.

- Providing a prompt, system of recording confirmation of assessment and intervention, with alerts which flag delays or non-compliance and runs “live” compliance reports.

**Measurement of C difficile cases:**

**Prescribed information**

*The rate per 100,000 bed days of cases of *C. difficile* infection reported within the Trust amongst patients aged 2 or over during the reporting period.*

<table>
<thead>
<tr>
<th>Period</th>
<th>From</th>
<th>To</th>
<th>Nat Value</th>
<th>Rank Avg</th>
<th>Worst</th>
<th>Best</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/04/2013-31/03/2014</td>
<td>17.8</td>
<td>14.7</td>
<td>121/160</td>
<td>37.1 (University College London Hospitals)</td>
<td>0.0 (Several trusts)</td>
<td></td>
</tr>
<tr>
<td>01/04/2012-31/03/2013</td>
<td>13.4</td>
<td>17.4</td>
<td>50/160</td>
<td>31.2 (Imperial College Healthcare)</td>
<td>0.0 (Several trusts)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C-Diff in Qtr</th>
<th>Qtr1</th>
<th>Qtr2</th>
<th>Qtr3</th>
<th>Qtr4</th>
</tr>
</thead>
<tbody>
<tr>
<td>OBD for Qtr</td>
<td>45920</td>
<td>46427</td>
<td>46575</td>
<td>46720</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ratio Per 100,000 OBD</th>
<th>C-Diff</th>
<th>OBD</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qtr1</td>
<td>5</td>
<td></td>
<td>10.89</td>
</tr>
<tr>
<td>Qtr2</td>
<td>8</td>
<td>17.23</td>
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<tr>
<td>Qtr3</td>
<td>8</td>
<td>17.18</td>
<td></td>
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<tr>
<td>Qtr4</td>
<td>7</td>
<td>14.98</td>
<td></td>
</tr>
</tbody>
</table>
Southend University Hospital NHS Foundation Trust considers that this data is as described for the following reasons.

It is apparent that there are indications that the level of Clostridium infections may be approaching their irreducible minimum level and these cases will occur, due to some people carrying *C. difficile* in their bowel and will develop symptoms due to their underlying clinical conditions or as a consequence of the antibiotics they have to take. These are factors outside the control of the NHS organisation. Following each episode of a patient being identified with *C. difficile* in the Trust a full root cause analysis is undertaken. The outcome of these has shown that for the cases that have occurred during the reporting period only one case was avoidable.

Southend University Hospital NHS Foundation Trust has taken the following actions to improve this rate, and the quality of its services, by:

As part of the on-going C difficile reduction programme in the Trust, the C difficile policy was refreshed and updated in July 2014 with increased emphasis on

- Prudent antibiotic prescribing
- Raised awareness of the use of the Bristol stool chart and prompt isolation of suspected cases
- Environmental cleaning

The infection prevention and control team (IPCT) continue to operate a system of scrutiny of all C difficile tests prior to laboratory processing with the aim of:

- Reducing unnecessary or inappropriate requests
- Identifying patients of concern for early assessment and intervention
- Providing feedback to wards and clinicians over request patterns
- Preventing inadvertent repeat testing of known positive isolates

Measurement of patient safety incidents:

Prescribed information

The number of patient safety incidents reported within the Trust during the reporting period, and the number and percentage of such patient safety incidents that resulted in severe harm or death.

<table>
<thead>
<tr>
<th>Period</th>
<th>Number of Patient H&amp;S incidents/near misses</th>
<th>Number of incidents severity rating high or extreme</th>
<th>Percentage of severe harm</th>
</tr>
</thead>
<tbody>
<tr>
<td>14-15</td>
<td>9205 (44.32 by 1000 bed days)</td>
<td>48</td>
<td>0.5%</td>
</tr>
<tr>
<td>13-14</td>
<td>6543 (32.43 by 1000 bed days)</td>
<td>29</td>
<td>0.4%</td>
</tr>
<tr>
<td>12-13</td>
<td>5968 (31.02 by 1000 bed days)</td>
<td>36</td>
<td>0.6%</td>
</tr>
</tbody>
</table>
Southend University Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

This data identifies an increase in the reported patient incidents per bed day and therefore demonstrates that staff have confidence in the local reporting system and use it to notify senior managers of incidents that are occurring, including near misses, within the Trust. Barriers to report incidents have been identified and removed and staff are not blamed or punished when they report incidents. Staff feel comfortable to report incidents, a process that is easy to do, whatever the severity of harm, rather than something that may only happen when a serious incident occurs.

The NRLS (National Reporting and Learning System) which is the patient safety function of the NHS Commissioning Board considers that organisations with a high level of reporting low/near miss incidents and a low level of incidents causing harm is indicative of a positive reporting culture. Encouraging the reporting of all incidents and feedback about changes in practice implemented locally which may be usefully shared more widely to improve the quality of care and safety. Sharing lessons learned from the analysis of incidents is vital to ensuring improvements and reducing risk of similar occurrences.

Southend University Hospital NHS Foundation Trust has taken the following actions to improve this number and/or rate, and the quality of its services, by:

- Improving the electronic and paper incident forms to make them easier to use and therefore make the reporting process less daunting for staff
- Promoting the use of the governance helpline to enable staff to raise queries regarding incidents and enable anonymous reporting of incidents
- The governance team undertake a periodic review of comparative incident reporting data in relation to other similar sized organisations within the Essex County to determine if we are consistent in our reporting
- The team also undertakes a breakdown of type and severity of incidents reported trust wide including a measure of profile by directorate and staff groups
- The Trust-wide distribution of a weekly incident round-up to feed back on recent incidents and lessons learned and to encourage reporting rates amongst all staff, doctors and other allied health care professionals
- The governance team also participate in the mortality and morbidity reviews to ensure recommendations are implemented
- Members of the governance team attend directorate governance meetings to provide advice and guidance on the incident processes
- Simplifying the investigation paperwork to enable staff to complete root cause analysis of incidents in a timely fashion.
Part Three: Other information

NHS foundation Trusts must specifically use Part 3 of the quality report to present an overview of the quality of care offered by the NHS foundation Trust based on performance in 2014/15 against indicators selected by the board in consultation with stakeholders.

The indicators set must include

- at least three indicators for patient safety
- at least three indicators for clinical effectiveness and
- at least three indicators for patient experience.

The quality indicators for 2014/15 were chosen following a week-long road show engaging with our patients, their carers our foundation trust members, governors and our staff to determine what was important. The indicators were approved by our Trust board.

The quality of care indicators chosen describe the quality for improvement indicators for 2015/16 in part 2 of the quality account. These remain unchanged from 2014/15 which provides the foundation of the care provided to our patients.

Patient safety 2014/15

World Health Organisation (WHO) checklist

This indicator was first made a priority for inclusion in the Quality Account by the Trust for 2014/15. During the past year we have achieved 100% compliance with the spot check audits undertaken by the matron and governance lead in theatres, with the average reporting on the data base for all WHO checklists being at 99.9% on the Sapphire theatre system.

What have we achieved this year?

The compliance with the WHO checklist is further evidenced by having no reportable ‘Never’ events for the reporting period.

The robustness of the checks has been the key to preventing issues identified as part of the process of the checks for the WHO checklist.

These include

- Wrong site markings
- Incorrect data recorded on theatre system
- Patient alerts not recorded
- Identification errors i.e. hospital numbers/dates of birth incorrect
- Allergies not recorded
Next steps

We will continue to ensure that staff are trained in undertaking the WHO checklist and that the process is audited both by spot checks and from the Trust theatre system.

**Early warning system**

Percentage of ward compliance

<table>
<thead>
<tr>
<th></th>
<th>Aug-Dec 2012</th>
<th>Jan-Dec 2013</th>
<th>Jan-Dec 2014</th>
<th>Jan/ March 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of new referrals with a complete set of vital signs</td>
<td>Monthly 75-89%</td>
<td>Monthly 62-92%</td>
<td>Monthly 86-95%</td>
<td>Monthly 90-97%</td>
</tr>
<tr>
<td>% of timely referrals to Outreach</td>
<td>86-95%</td>
<td>67-92%</td>
<td>86-97%</td>
<td>86-95%</td>
</tr>
<tr>
<td>% of timely patient transfer to critical care</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**What have we achieved this year?**

The care of deteriorating patient within Southend University Hospital NHS Foundation Trust is being led clinically by the associate medical director.

The work that has been undertaken in this area during 2014-2015 includes:

- All qualified nursing staff in ward areas have received SBAR (Situation Background Assessment Recommendation) training.
- The introduction of a sepsis protocol for patients who present with sepsis. This is now in place in A&E. The process is being audited using patient data collection forms. Liaison is now taking place with the oncology department to include oncology patients who present with sepsis in this protocol.
- The roll out of Treatment Escalation Plans (TEP) has now been implemented in all inpatient clinical areas.
- The implementation of the National Early Warning System (NEWS). This is currently being implemented within all inpatient areas with full support and monitoring from the outreach team. The aim is to have this fully embedded by the end of May 2015.
- A successful bid to the Nursing Technology Fund for an electronic clinical observation recording tool (Nerve Centre). A project team has been convened and completion of the project is estimated for approximately 12 months’ time.

- On-going work on our AKI (Acute Kidney Injury) management project. Led by the renal consultants with input from the critical care outreach team. The first 150 patients have had an AKI pro-forma alert put in their records. Further feedback is awaited on how we progress this further which will inform our next steps.

All of the above supports the Trust’s work in the identification and management of the patient at risk of deterioration.

**Duty of candour**

**2014/15 performance**

In 2014/15 we have exceeded our target of 85% throughout the year.

![Graph showing duty of candour performance and target]

**What have we achieved this year?**

The Trust has made significant improvements on how the duty of candour is met. The above target was agreed following our contractual requirements; however the duty became statutory on the 27th November 2014 and now requires the Trust to go beyond this and include patient safety incidents that result in moderate harm and prolonged psychological harm and follow up the verbal notification with a written notification. We are required to be open and transparent with the ‘relevant person’ when certain incidents occur, advising what the incident was and provide them with the necessary support. This includes an apology that the patient safety incident occurred. This verbal notification is then followed up by giving the same information in writing and is sent directly from the Trust’s medical director.
Next steps

We will continue to measure to ensure that the Trust is being open and honest when an incident occurs. For the forthcoming year we have increased our target of compliance to be in 100% of applicable cases in line with statutory guidance.

Clinical effectiveness 2014/15

Ensure nursing skill mix is safe and appropriate to caseload

This indicator was first made a priority for inclusion in the Quality Account by the Trust for 2014/15. Currently performance information is only available for the current year and achievements are detailed below. What have we achieved this year?

The requirement to report nurse staffing levels to the Department of Health has been complied with. Reports on the actual staffing levels in comparison to the planned staffing levels for each ward have been submitted to the Trust board and published on the Trust’s website in accordance with the schedule set by NHS England. These reports have met the reporting guidance set out in the National Quality Board (NQB) (2013) publication “How to ensure the right people, with the right skills are in the right place at the right time.” Both NHS England and the CCG have been assured that the Trust is complying fully with the reporting requirements.

Nursing Staffing Workforce Review 2014

In the reporting period an additional 69.48 Registered Nurses and 3.12 Health care assistants were agreed by the Trust board.

Close management is undertaken on a shift by shift basis and where there are high risk triggers identified these are then mitigated, it was reported to the Trust board on 25th March 2015 that in January and February 2015 the most up to date reporting period, that all of the high level risks were mitigated with the actions taken. In addition to this to further support the staffing levels senior professional nursing cover (duty matron) was increased to go across the seven days of the week from the 2nd February 2015.

We developed a policy to provide guidance on the assessment, management and escalation of adverse nurse staffing situations which is available to all staff.

Next steps

- We will continue to monitor and report our staffing levels as we have done for the current reporting period with close management of staffing levels on a shift-by-shift basis.

- We will be updating our electronic rostering system in April 2015 will allow more effective real-time reporting of how we use our workforce.
• Monthly reports of nursing staffing levels will continue to be submitted and published in accordance with national guidance

• Six-monthly staffing and skill mix reviews of the nursing staff workforce will be undertaken based on using the Safer Nursing Care Tool (SNCT), other available tools and professional judgement. The next review is under way at the present time and this will be presented to the Trust board in May 2015.

• Initiatives continue to recruit more staff, with plans to recruit from Europe.

**62-day target for cancer waits**

**2014/15 performance against previous years**

The first chart below specifically shows the Trust's performance through the year 2013/14 against our internal 90% target for Southend only pathways. 2014/15 saw an agreed amendment to our internal target to 80%, and the second chart below illustrates our performance against that target.

**2013/14 performance**

![2013/14 performance chart](image)

**2014/15 performance**

![2014/15 performance chart](image)
What have we achieved this year?

We realise that this continues to be a significant challenge for us particularly with our Urology services. An action plan for our 62-day target has been in place and we recognise that this needed to be updated.

Next steps

- A revised cancer recovery plan has been finalised. This will target the 2/3 most significant issues across our most challenged tumour sites.
- Weekly teleconference calls have been arranged with Basildon and Broomfield Hospitals to highlight any urgent referrals that require escalation.
- A second brachytherapy team has been provisionally agreed, and was due to start work early March effectively doubling capacity.
- A capacity and demand plan is underway in oncology aimed at addressing the shortfalls in the joint oncology clinics.

Four-hour accident and emergency target

2013/14

Performance

![A&E 4 Hour Target Performance Chart](chart.png)
What have we achieved this year?

We had a very positive start to the year achieving the four-hour target for five consecutive months, narrowly missing quarter 1 with 94.14% but comfortably achieving quarter 2 with 96.25%. Despite winter pressures, we have maintained good progress towards the four-hour target. Although not achieving quarter 3, we have consistently been one of the best achieving trusts in Essex. We also have been one of the best performing Trusts in relation to ambulance turnaround times this year in Essex. We have very successfully created our Rapid Assessment and Treatment (RAT) team this year which has improved our service greatly within the ED. The team include senior decision makers who rapidly see and treat patients in the department, achieving early treatment and diagnosis in order for the patient to move in a timely manner through the emergency pathway. We have also opened our paediatric emergency department, an audio and visually separate, comfortable unit for children and young people to be seen and treated. Our majors and minors areas within the main ED have been expanded creating two extra majors cubicles and three extra minors cubicles. We have also welcomed our senior advanced care practitioner who started with us early 2015.

Next steps

There is still significant work to be completed as part of the Emergency Care Improvement Plan – specifically around bed modelling and speciality pull. We remain committed to our workforce plan particularly with regard to increasing and recruiting substantive consultants. We have taken our first steps towards looking to the future in the form of Advanced Care Practitioners (ACPs). We have our senior ACP within the ED team and are beginning to create the pathway for our future ACPs. We are starting to see a consistent increase in daily attendances and will strive to look at ways to adapt and improve our ED pathways.
Patient experience 2014/15

Patient feedback

What have we achieved this year?

We have ensured that the Friends and Family test is available in all inpatient wards, A&E, maternity and outpatient areas. More recently we introduced an ‘easy read’ Friends and Family survey for patients with learning disabilities and also a survey for children and young people.

We recognised through the year that we were not achieving our desired levels of feedback so looked at what other initiatives we could offer for patients to give us their feedback and increase our response rate. We now collect the data in three ways: postcard surveys, phone surveys (IVM, interactive voice message) and text messaging.

From this we have developed the ‘You said, we did’ slogan within Friends and Family test comments and positive comments received are placed on a ‘comments’ board available for staff and patients to see. Any constructive or negative comments are sent to the area with an action plan to report back.

Also, a monthly patient experience feedback tool has been devised with all feedback including Friends and Family test comments, mystery shopper and web feedback. This information is sent out on a monthly basis for each clinical directorate to review, and again any actions made as a result are communicated to the patient experience team.

The patient experience team monitor the ‘patient opinion’ and ‘NHS choices' websites daily and feedback key issues to the clinical directorates. We have noticed through good communication, small changes can make a big difference to patient experience.

Next steps

We have extended the text messaging and interactive voice message service to reach more patients including all Outpatient areas and Day cases.

We have also further scoped the patient survey to include children and young people developing an easy read survey asking the question to obtain feedback from under 16’s ensuring we are inclusive and can make changes to children services as well as adult.

Wards and departments are able to learn from service user comments being able to view and share with staff to make changes and celebrate good practice as a result of the feedback received.

A quarterly Patient and Carer service improvement focus group is held - The aim of this group is to give patients and carers the opportunity to be consulted and comment on major service improvements being made by the Trust. The groups will draw upon patients and carers using all areas of the Trust to provide a balanced overview and allow us to consult as widely as possible.
Patient focus groups

What have we achieved this year?

We have further developed our Trust-wide patient focus group with the first meetings taking place this year; the group meets quarterly and is made up of representatives from staff, patients and their carers.

So far the group has taken a view on the following service improvements: pharmacy self-administration of medication, electronic correspondence and text appointment reminders, and made recommendations for the Trust staff during implementation.

Next steps

The work plan for the focus group is to ensure that they work collaboratively with the directorate focus groups to make a difference to the services that the Trust provides and ensure that these are led by involvement with our patients and their carers.

Education and development programmes for all levels of staff

What have we achieved this year?

As part of all new healthcare assistant inductions, we have built in our values and customer experience sessions.

As part of the induction programme for nurses recruited from the European Union we built in values and customer experience sessions and will do the same when we induct our nurses from other overseas recruitment events.

Throughout 2014 to 2015 our values have been weaved into all new programmes and we have newly designed activities, such as podcasts and webinars.

Our programmes are developing all the time - including e-Learning; podcasts or webinars - alongside face to face sessions. We have recently launched three new leadership programmes following a successful pilot.

We have carried out a complete review of the statutory/mandatory training to ensure it meets the needs of the organisation. Working with management teams to preserve staff’s time to care for our patients and operate in a safe and risk free environment.

We have started delivering on our vision that all Bands 1 to 4 (circa 2000 staff) are offered at least one piece of personal skills development per year.

We have launched the manager’s toolkit providing tools, support and guidance for all managers. Alongside we have launched a new manager’s programme so that newly appointed managers - whether internal or external- have access to all the information they need at their fingertips to make their transition as smooth as possible.

Following our Bands 1 to 4 event in November we are holding another event in April 2015
The outcome of the conference will be to:
- reward and thank staff for their contribution
- build awareness of the different roles within this population group
- develop skills and knowledge aligned to our values
- create an environment where we can get the group to generate ideas for making the patient experience better
- build networks across the organisation to support each other

Next steps

In April 2015 we are launching the Clinical Directorate Leaders programme. This programme is a six-month programme of facilitated sessions, 360 Feedback tools, expert internal speakers, external speakers, actor participation to develop skills and coaching from an external organisation.

Two key improvements:

It was recognised that the lowest compliance was found in two key staff groups: volunteers and domestic staff. Working with the service managers, 15 bespoke sessions (over a four month period) were scheduled to suit the service requirements which increased our compliance from 0% to 75% for Volunteers and 12% to 68% for domestic staff.

The Learning and Organisational Development team are looking to schedule a number of voluntary events, where participants can gain a first-hand experience of what it might be like to undergo life with a protected characteristic – one proposal is engaging the Royal National Institute of Blind People to lead an ‘in the dark’ event. The aim is that these events will create a greater interest to and understating of diversity awareness.

Additionally, it is intended that inclusivity and collaborative working is achieved through bespoke learning interventions. For example, an equality and diversity portal will be designed on iLearn, so that staff can access articles, videos, act guidance and mini-byte development at the point of need.

Performance against 2014/15 key national priorities

The Trust continues to review the services it provides, and the systems and processes that support them, in order to ensure that they are accessible to patients. Southend University Hospital NHS Foundation Trust recognises that providing timely access contributes to a positive patient experience.

The table below sets out the performance of the Trust against the key national priorities from Monitor’s Risk Assessment Framework.
The Trust has struggled to deliver and sustain acceptable levels of performance against the key operational standards, namely RTT 18-week admitted performance, the A&E 95% four-hour standard and the 62-day cancer referral to treatment target.

A system wide review of the urgent care pathway is underway with the CCG and area team which will introduce significant change to the urgent care patient pathway and will address historical poor practices.

For the 62-day cancer target, individual tumour site pathway reviews have commenced with a view to removing any unnecessary processes. A cancer board has been established which is clinically led.
## Monitor Risk Assessment Framework - Targets and Indicators with thresholds

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</tr>
</thead>
<tbody>
<tr>
<td>Access</td>
<td>Maximum time of 18 weeks from point of referral to treatment in aggregate - admitted</td>
<td>90%</td>
<td>1</td>
<td>88.5</td>
<td>87.7</td>
<td>89</td>
<td>88.1</td>
<td>90.2</td>
<td>85.1</td>
<td>83.5</td>
<td>89.0</td>
</tr>
<tr>
<td>Access</td>
<td>Maximum time of 18 weeks from point of referral to treatment in aggregate - non-admitted</td>
<td>95%</td>
<td>1</td>
<td>97.4</td>
<td>95.7</td>
<td>95.5</td>
<td>96.2</td>
<td>96.0</td>
<td>94.9</td>
<td>93.3</td>
<td>95.5</td>
</tr>
<tr>
<td>Access</td>
<td>Maximum time of 18 weeks from point of referral to treatment in aggregate - patients on an incomplete pathway</td>
<td>92%</td>
<td>1</td>
<td>95</td>
<td>94.4</td>
<td>93.8</td>
<td>93.4</td>
<td>93.0</td>
<td>92.6</td>
<td>93.4</td>
<td>95.0</td>
</tr>
<tr>
<td>Access</td>
<td>A&amp;E: maximum waiting time of four hours from arrival to admission/transfer/discharge</td>
<td>95%</td>
<td>1</td>
<td>91</td>
<td>96.5</td>
<td>94.2</td>
<td>87.9</td>
<td>94.1</td>
<td>96.3</td>
<td>92.4</td>
<td>93.6</td>
</tr>
<tr>
<td>All cancers</td>
<td>62-day wait for first treatment from urgent GP referral for suspected cancer</td>
<td>85%</td>
<td>1</td>
<td>83.1</td>
<td>85.6</td>
<td>85.8</td>
<td>81.3</td>
<td>81.7</td>
<td>79.0</td>
<td>78.2</td>
<td>82.0</td>
</tr>
<tr>
<td>All cancers</td>
<td>62-day wait for first treatment from NHS Cancer Screening Service referral</td>
<td>90%</td>
<td>1</td>
<td>92.9</td>
<td>100</td>
<td>95.9</td>
<td>90.9</td>
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<td>96.7</td>
</tr>
<tr>
<td>All cancers</td>
<td>31-day wait for second or subsequent treatment comprising surgery</td>
<td>94%</td>
<td>1</td>
<td>93.1</td>
<td>94.5</td>
<td>98.5</td>
<td>97.2</td>
<td>97.0</td>
<td>94.6</td>
<td>93.9</td>
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<tr>
<td>Outcomes</td>
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<tr>
<td>All cancers: 31-day wait for second or subsequent treatments comprising anticancer drug treatments</td>
<td>98%</td>
<td>1</td>
<td>98.9</td>
<td>100</td>
<td>99.1</td>
<td>99.7</td>
<td>99.4</td>
<td>99.7</td>
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<tr>
<td>All cancers: 31-day wait for second or subsequent treatment comprising radiotherapy</td>
<td>94%</td>
<td>1</td>
<td>98.7</td>
<td>98.3</td>
<td>97</td>
<td>99.3</td>
<td>99.7</td>
<td>99.4</td>
<td>99.0</td>
<td>98.6</td>
<td></td>
</tr>
<tr>
<td>All cancers: 31-day wait from diagnosis to first treatment</td>
<td>96%</td>
<td>1</td>
<td>95.6</td>
<td>98.3</td>
<td>99.2</td>
<td>98.5</td>
<td>97.8</td>
<td>97.9</td>
<td>96.8</td>
<td>97.1</td>
<td></td>
</tr>
<tr>
<td>Cancer: 2-week wait from referral to date first seen comprising all urgent referrals (cancer suspected)</td>
<td>93%</td>
<td>1</td>
<td>95.3</td>
<td>95.6</td>
<td>95.3</td>
<td>94.2</td>
<td>93.7</td>
<td>95.0</td>
<td>95.1</td>
<td>95.2</td>
<td></td>
</tr>
<tr>
<td>Cancer: 2-week wait from referral to date first seen comprising symptomatic breast patients (cancer not initially suspected)</td>
<td>93%</td>
<td>1</td>
<td>94.2</td>
<td>96.1</td>
<td>97.4</td>
<td>89.3</td>
<td>91.7</td>
<td>96.1</td>
<td>98.6</td>
<td>97.9</td>
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<tr>
<td>Outcomes</td>
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<tr>
<td>Clostridium (C.) difficile - meeting the C. difficile objective</td>
<td>de minimis applies</td>
<td>1</td>
<td>7</td>
<td>5</td>
<td>8</td>
<td>11</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td></td>
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<tr>
<td>Certification against compliance with requirements regarding access to health care for people with learning disability</td>
<td>N/A</td>
<td>1</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
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</tbody>
</table>
Other information

The Trust must provide a copy of the draft Quality Report to the clinical commissioning group which has responsibility for the largest number of persons to whom the provider has provided relevant health services during the reporting period for comment prior to publication and we include these comments as follows

Annexes:

Comments (obligatory) from commissioners

Comments (voluntary) from Southend – Borough Council (OSC)

Comments (voluntary) from Governors’ Patient and Carer Experience Group

Statement of Directors’ Responsibilities in respect of the Quality Report

External Auditors’ Limited Assurance report
Other information - Annexes

NHS Southend CCG commentary on Southend University Hospitals NHS Foundation Trust 2014/15

NHS Southend Clinical Commissioning Group (the CCG) welcomes the opportunity to comment on the Quality Account prepared by Southend University Hospitals NHS Foundation Trust (the Trust) as the co-ordinating commissioner of the Trust’s services. It is to be noted that this response is made on behalf of the four CCGs in South Essex.

To the best of NHS Southend CCG’s knowledge, the information contained in the Account is accurate and reflects a true description of the quality of provision of services.

The CCG is pleased to note that the Trust’s current registration status with the Care Quality Commission is ‘unconditional’ and no enforcement action has been taken against the Trust during this period. Further to the visit by the CQC in August 2014, the CCG was supportive of the action plan, which was developed when the Trust was found to be non-compliant for 3 regulations, progress against this plan is monitored through the monthly Clinical Quality Review Groups (CQRG).

The Trust recognises that there have been challenges during the year particularly for acute trusts following the publication of the Francis and Berwick Reports. In addition, relating to compliance with the four hour standard for patients to be seen in the Emergency Department and the 62 day cancer targets. The CCG has been working closely with the Trust to optimise their performance and ensuring that patient safety is assured. The CCG is aware that the Trust has signed up to the ‘Sign Up for Safety Campaign’ and the CCG will be working through the CQRG to monitor progress with the initiatives.

The CCG notes the Trust’s key priorities for 2015/16 which will continue to build on the following themes:

**Patient Safety**
- World Health Organisation (WHO) checklist
- Early Warning System
- Duty of Candour

**Patient Experience**
- Patient Feedback
- Patient Focus Groups
- Education and development programme for staff at all levels

**Clinical Effectiveness**
- Ensure nursing skill mix is safe and appropriate to caseload
- 62 day ceiling for cancer waits
- 4 hour accident and emergency target

The CCG notes the Trust’s comprehensive clinical audit and research programmes for 2014/15 and would welcome the sharing of outcomes linked to key areas of improvement or challenge, through the CQRG Meeting forum.
The CCG notes that during 2014/2015, SHMI increased to 1.040 which is above the expected of 1.000. The ranking nationally has dropped to 92/141 from 74/141 (2012/13). The Trust will be taking actions to further embed the work of the Mortality Review Group in the review of all unexpected deaths to establish learning for improvements in the future.

It is noted that the current data for C.Difficile performance is not included in the Quality Account whilst recognising that the CCG is aware that the trajectory for 2014/15 was breached (28/26), there continues to be robust Trust and CCG infection control monitoring of all investigation reports. In addition there was 1 true MRSA bacteraemia and 1 contaminant against a zero tolerance agenda the investigation report is shared through the Infection control network meeting to optimise opportunities for learning through these incidents.

The CCG notes the Trust's achievements against the 2014/15 priorities which include the following outcomes:

**Patient Safety**  
**World Health Organisation (WHO) checklist**
- Achieved 100% compliance with spot check audits and no reported ‘Never Events’

**Early Warning System**
- All nursing staff have received SBAR training
- The use of the sepsis protocol has been embedded in the Emergency Department
- The implementation of the MEWS Early Warning System is expected to be embedded by May 2015

**Duty of Candour**
- The initial guidance on Duty of Candour was published and the Trust set an 85% compliance target which has been achieved. The CQC guidance went live in November 2014 and the Trust has increased its target compliance to 100%.

**Patient Experience**

**Patient Feedback**
- Introduction of an easy read Friends & Family survey for patients with learning disabilities and a ‘you said’ ‘we did’ board for patients and staff.

**Patient Focus Groups**
- Enhanced the patient focus group to include service improvements relating to pharmacy, text appointment reminders and a Maternity service user group.

**Education and development programme for staff at all levels**
- Development of programmes including podcasts e-learning and webinars for staff.

**Clinical Effectiveness**
- Ensure nursing skill mix is safe and appropriate to caseload
- The Trust undertook a nursing workforce review to comply with the safer staffing guidance and continues with monthly reporting.

**62 day ceiling for cancer waits**
- As previously mentioned the Trust has experienced difficulties in achieving compliance and there was an agreed amendment to the Trust’s target now 85%.
**4 hour accident and emergency target**
- The CCG continues to support the Trust to optimise its performance and it is noted that the rapid assessment and treatment team has improved the delivery of the Emergency Department service.

NHS Southend CCG continues to meet regularly with the Trust to seek assurance on performance, delivery of care and to ensure that quality, patient safety and experience remain paramount. Assurances on the quality of service provision will continue to be monitored through a programme of agreed reporting timescales, monitoring of agreed action plans and quality visits to strengthen assurance processes to observe in real time the delivery of patient care.

**Linda Dowse**
Chief Nurse
29 May 2015
Feedback from Healthwatch Southend

Healthwatch Southend response to Southend University Hospital NHS Foundation Trust’s Quality Account 2014/2015

We would like to thank Southend University Hospital NHS Foundation Trust for inviting us to comment on its quality report 2014/15.

Healthwatch Southend continues to enjoy positive and productive relationships with individual Trust staff that have willingly contributed to and engaged with us and the issues we have raised over the last year. Relationships with individuals have strengthened and NHS staff attended and contributed to several of our events notably on Health Checks for people with Learning Disability (July 2014), Access to GPs (August 2014) and Community Dentistry (October 2014). There is further work to be conducted in these particular areas of health care but we feel confident that further improvements can be realised and reported in 2015/2016.

We believe that we enjoy an open relationship with key Trust staff and look forward to continuing work around shared concerns and issues with an ongoing spirit of collaboration, cooperation and proactivity throughout 2015/2016. It is also important for Healthwatch to remain responsive to concerns and issues which may be raised by the public individually or informed by our advocacy and advisory service provision. It is our view that where responsiveness is the appropriate reaction, we will be appropriately supported by Trust staff.

We systematically collate data from our Complaints Advocacy and Information and Advice services and would be happy to share this specific information on request. It is a legislated obligation of Healthwatch to “enable local people to monitor the standard of provision of local care services and whether and how local care services could and ought to be improved”. For this reason, a priority for Healthwatch Southend 2015/2016 is to exercise its power to ‘enter and view’ and this may include observing and reporting on services at Southend University Hospital. These visits will be informed by our consumer feedback on issues, concerns and compliments highlighted and conducted by fully trained volunteer representatives. The reason for the visits will be transparent and communicated to the Trust prior to arranging the visit. The respective outcomes will be reported and published with the ultimate aim being to contribute to effecting any requisite change and improvement together with highlighting good practice and negative/positive patient experience.

We can confirm that all of our FOI requests have received prompt responses from the Trust and there have been no refusals. This information provided us with answers that broadened our insight into issues affecting the hospital. In turn, we were able to pass this information on to the public via our e-bulletin and social media accounts.

Our comments on the quality account are as follows:

- It is clear that the commitment and responsiveness of hospital staff to the continued pressures has resulted in the progress reported in emergency service provision and we commend the Trust for this achievement. However, the challenges remain as does the threat in meeting the 4-hour A&E target which is evidenced in the difficulties in meeting this target in the last two quarters of 2014/15. As noted in our previous response, while we appreciate that the Trust reports patient numbers accessing the service to be consistently increasing, we hope that the fundamental factors for performance deficiencies – insufficient
numbers of senior staff and physical size of the department – are prioritised and systematically addressed.

- It is of concern that the 62 day cancer target continues to be a challenge and that no significant improvements can be reported. However, we are pleased to hear that performance issues are further being addressed with external expertise and an action plan and that monitoring thereof will be a responsibility of the Trust board. Cancer services in Southend are a key priority in the work plan of Healthwatch 2015/2016. We will be proactively gathering views and information from a range of consumer sources with the objective of evidencing areas of issue and concern in order to effect improvements in this critical area and as always we will be consistent in reporting good practice in cancer care services too. We look forward to significant improvements being achieved and reported by the Trust, and the public, over the coming year.

- We also note that the CQC visit, in response to stakeholder concerns of the service in August 2014, was proactively addressed with an action plan and consequentially identification of poor practice. The fact that no enforcement action has been taken against the Trust in 2014/2015 is testament to the dedication of its staff and efficacy of its improved and scrutinised processes.

- We support the Trust in remaining attentive and responsive to the main concerns of its stakeholders by continuing with the priorities of the previous year; Patient Safety, Patient Experience, Clinical Effectiveness.

- The progress and achievements in Patient Safety with the WHO checklist, the Early Warning System and Duty of Candour are extremely encouraging and the compliance rates reported are notable. We commend the Trust for its achievements in these areas and are confident that continued vigilance together with the consistent review of processes and the implementation of systems will support further improvements and the meeting of targets in these areas.

- Patient Experience initiatives also continue to be implemented and embedded across the Trust and as a representative consumer voice for health services across the borough, Healthwatch Southend commends developments, successes and future plans in response to this priority and would welcome the opportunity of further collaborating with the Trust to support patient involvement in current and future service review and design.

- We have noted our concerns regarding A&E targets and cancer waiting times and will be monitoring Healthwatch consumer feedback received relating to these areas. Gathering the consumer voice on cancer services is a key priority of Healthwatch Southend 2015/16 and we will be planning a range of engagement activities to ensure that we are gathering comprehensive evidence of cancer patient experiences and views to further inform the respective activity of the Trust. In addition to these areas of Clinical Effectiveness being addressed, we are pleased to see that there are a number of initiatives having being undertaken or planned to ensure the nursing skill mix is safe and appropriate. Of particular
note is the increased senior professional nursing cover across seven days from 2\textsuperscript{nd}
February 2015.

\textbf{Debbie Bent}
Interim Healthwatch Manager
19 May 2015

\textbf{Feedback from Essex County Council Health Oversight and Scrutiny Committee}

The HOSC has sought to provide a critical friend whilst being supportive to the Trust. SUFHT
has yet to appear before the HOSC – this will be rectified later in the year. However, a small
sub group of the HOSC, that is reviewing Complaints Handling in Acute Trusts in Essex has
been working with staff from the Complaints Handling and Patient Experience Team at the
Trust and has also had a discussion with the head Governor of the Trust. The new Chief
Executive at Southend has also requested a meeting.

Whilst reviewing the overall impression and messages given in the Quality Accounts, it was
noted that it does have an emphasis on patient experience and national audit, Readmission
data and Family and Friends data. Very little in the report refers to the A&E 4 hour target, nor
the 62 day patient standard. The report is lightweight on KPIs. It is noted that paediatric
separation in A&E has been improved, step down beds increased although there is no
evidence of sharing this with ECC SC Teams.

Finally, I think it would be helpful to have included some mention of collaborative working with
Adult Social Care, in response to the Care Act and also to have had more information
regarding patient experience.

On behalf of the HOSC, may I thank you for the opportunity to comment on these draft
accounts.

\textbf{Jill Reeves}
Chairman Essex County Council HOSC
17 May 2015
Feedback from Governors’ patient experience group

Quality Account 2014-2015

Response from the Governors’ Patient and Carer Experience Group (PCEG)

2014-2015 has been a period of change for the Trust and patient care has benefitted. Governors were pleased to see the progress in the priorities for patient safety that were set at the beginning of the year:

- The WHO checklist;
- The early warning system;
- The duty of candour.

We appreciate the importance of continuing these priorities, aiming even higher in 2015-2016.

When Governors engage with the members of the Trust and the public at meetings in the local area, we ask them about their experiences of the hospital as patients or carers. The majority are full of praise for the care they have received from doctors and nurses. We also ask how the Trust could improve and report suggestions to the relevant staff. Similarly when we hold Listening Exercises on hospital premises in various departments people are willing to talk. We are glad that there has been an increase in staffing levels on the wards. Patients often comment on how busy nurses are. Accompanying Non-Executive Directors on their Walk-rounds to wards and various departments has increased our understanding of staff and patients’ needs. Setting up the Patient and Carer Service Improvement Focus Groups (PACSIFG) within the Clinical Directorates has been slow.

While we recognise the improvements in many areas, especially in A&E, the PCEG is disappointed that despite considerable effort certain key national priorities have still not been met:

- the 18 week Referral to Treatment (RTT) target;
- the 62 day target for Cancer patients to receive their first treatment after an urgent referral.

The PCEG believe that in measuring trust performance, factors outside trust control such as late referrals from other trusts and cancellations by patients should be clearly identified and their effects properly taken into account.

The Patient Carer Experience group will be following up the planned improvements in the pathways for COPD (Chronic Obstructive Pulmonary Disease) and Care of the Dying.

We hope to see an increase in the number of staff who will recommend the Trust to friends and family. The great majority of staff show a high level of commitment and many go beyond their contractual requirements.

Elaine Blatchford
Chair of the Patient and Carer Engagement Group.
19 May 2015
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 Reports Regulations to prepare Quality Reports 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;
- 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 May 2015
  - Papers relating to quality reported to the Board over the period April 2014 to May 2015
  - Feedback from the commissioners dated 29 May 2015
  - Feedback from governors dated 19 May 2015
  - Feedback from Local Healthwatch organisations dated 19 May 2015
  - Feedback from Essex County Council Health Oversight and Scrutiny Committee dated 17 May 2015
  - The trust’s complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 27 May 2015
  - The national inpatient survey published by CQC on 29 May 2015
  - The national staff survey published on 24 February 2015
  - The Head of Internal Audit’s annual opinion over the Trust’s control environment dated 18 May 2015
  - CQC quality and risk profiles dated April 2015
- the Quality Report presents a balanced picture of the NHS foundation trust’s performance over the period covered;
- the performance information reported in the Quality Report is reliable and accurate;
- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice;
- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review; and

- the Quality Report has been prepared in accordance with Monitor’s annual reporting guidance (which incorporates the Quality Reports regulations) (published at www.monitor-nhsft.gov.uk/annualreportingmanual) as well as the standards to support data quality for the preparation of the Quality Report (available at www.monitor-nhsft.gov.uk/annualreportingmanual)).

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

_By order of the Board_

_NB: sign and date in any colour ink except black_

27 May 2015

Alan Tobias, OBE
Chairman

27 May 2015

Sue Hardy
Chief executive
8. Staff survey report

2014 NHS Staff Survey
The NHS Staff Survey was sent to all Trust employees in 2014. The Trust’s response rate from the sample survey was 43%, a decrease of 6% from 2014. The Trust has improved on several of the factors compared to last year’s figures however there were also several areas highlighted for improvement.

The two scores below show how the Trust compares nationally on an overall indicator of staff engagement, and how staff feel about the organisation. The score is calculated by the NHS Staff survey and possible scores range from 1 to 5, with 1 indicating a low score and 5 indicating a high score.

See detailed information below:

Staff recommending Southend Hospital as a place to work or receive treatment
- Results in 2014 – 3.51
- National average – 3.67

Overall Engagement Score
- Result in 2014 - 3.62
- National average - 3.74
- Receiving health & safety training 8% better than National Average
- Appraised in last 12 months 3% better than National Average
- Working extra hours 2% better than National Average
- Staff having equality and diversity training in last 12 months 10% better than National Average
- Agreeing that they would feel secure raising concerns about unsafe clinical practice 4% below the National Average
- Believing the trust provides equal opportunities for career progression/promotion 4% below the National Average 4% below the National Average
- Able to contribute towards improvements at work 3% below the National Average
- Agreeing that their role makes a difference to patient 3% below the National Average

Each clinical directorate following analysis of their staff survey results will identify 2 areas of focus for the coming year, producing action plans detailing how they will work on improvements. Progress on the action plans will be at the Directorate’s Performance Meetings.
At six months we will carry out Pulse Surveys consisting of 2 or 3 questions, selected by the CMT on topical situations; relevant issues or areas that we require feedback on to gauge the Trust’s atmosphere.

Friends and Family staff questionnaires will be completed electronically on a quarterly basis with actions where appropriate incorporated into the staff survey action plans.
INDEPENDENT AUDITOR’S REPORT TO THE COUNCIL OF GOVERNORS OF
SOUTHEND UNIVERSITY HOSPITAL NHS FOUNDATION TRUST

Qualified certificate

We certify that we have completed the audit of the financial statements of Southend University Hospital 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, except that, as noted below, we have been unable to satisfy ourselves that Southend University Hospitals NHS Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of Southend University Hospital NHS Foundation Trust's affairs as at 31 March 2015 and of its income and expenditure and cash flows for the year then ended;
- have been prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2014/15; and
- give a true and fair view of the financial position of the Group as at 31 March 2015 and of its income and expenditure and cash flows for the year then ended.

The financial statements comprise the Trust and Group Statement of Comprehensive Income, the Trust and Group Statement of Financial Position, the Trust and Group Statement of Changes in Taxpayers’ Equity, the Trust and Group Statement of Cash Flows and the related notes 1 to 24.

Matter on which we report by exception

The Audit Code for NHS Foundation Trusts requires us to report to you if we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Southend University Hospitals NHS Foundation Trust has a general duty under paragraph 63 of Chapter 5 of the National Service Act 2006 to exercise the functions of the Trust effectively, efficiently and economically. Paragraph 1 of Schedule 10 of the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts requires that we satisfy ourselves that the Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

In June 2014, Monitor issued the Trust with notice of breach of licence conditions, resulting in the imposition of discretionary conditions and additional licence conditions. The breach of licence related to failures to meet accident and emergency and referral to treatment targets as well as failings in Board effectiveness and governance. A number of compliance requirements were imposed on the Trust as a result of these breaches.

The Trust has also been assessed as level 2 by Monitor in its continuity of services risk rating. The Monitor rating reflects the reported deficit of £9.8 million reported in the 2014/15 financial statements, as well as the projected deficit of £6.9 million, which is dependent on delivery of savings of £13.5 million by the Transformation Plan.

As a result of the matters in the notice issued by Monitor and the Trust’s financial position, we have been unable to satisfy ourselves that Southend University Hospitals NHS Foundation Trust made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2015.
Our assessment of risk of material misstatement

The assessed risks of material misstatement in the financial statements described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. This is not a complete list of all the risks identified in our audit.

<table>
<thead>
<tr>
<th>Principal risk area</th>
<th>Audit response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agreement of balances with commissioners</td>
<td>Our audit procedures included:</td>
</tr>
<tr>
<td>► The accuracy of the Trust’s income and reported financial performance relies on the accuracy of estimates made by management in relation to income and year end debtors (NHS receivables).</td>
<td>► Identifying NHS balances and Trust income that have not been agreed with the relevant commissioning body at the date of the audit.</td>
</tr>
<tr>
<td>► The current financial pressures within the NHS economy mean that commissioning bodies have been making more challenges to charges raised by the Trust.</td>
<td>► Assessing the evidence provided by the Trust in relation to these items to gain sufficient assurance over the validity and collectability of the income reflected in the financial statements. We did this by obtaining and critically evaluating the Trust’s correspondence with commissioning bodies and confirming the subsequent receipt of income where possible.</td>
</tr>
<tr>
<td>► The value of NHS receivables included within the Statement of Financial Position is £14.9 million.</td>
<td>► Obtaining details of accrued income and confirming this was not material</td>
</tr>
<tr>
<td>► At year end, there were a number of disputes and penalties regarding charges that were not resolved. As a result, income in the financial statements may not be fully recoverable and management have had to estimate the likely level of income that will be received for the year.</td>
<td>► Obtaining details of unsettled financial penalties related to contract performance and establishing the accounting treatment in the Trust’s accounts. Critically evaluating management judgements related to the likely outcome of ongoing negotiations regarding such penalties to ensure they are adequately supported by contract and activity information.</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>Our audit procedures included:</td>
</tr>
<tr>
<td>► The value of property, plant and equipment (PPE) included within the Statement of Financial Position is £153.9 million. The valuation of property assets and capital expenditure are therefore significant entries that have material impact on the financial statements, and are subject to a degree of estimation.</td>
<td>► Assessing the information provided by the Trust and comparing this to independent indices of trends in land and building valuations to confirm the Trust’s assessment that there was no evidence of material impairment or increase in values for their property assets during the 2014/15 financial year.</td>
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<tr>
<td>► The Trust has not revalued it property assets in 2014/15 and the next full revaluation will be undertaken in 2015/16. Capital additions of £8.7 million have however been reflected in the property, plant and equipment balance at year end.</td>
<td>► Obtained a listing of in year capital additions and year end accruals and checked a sample to supporting documentation i.e. invoices to ensure they are capital in nature and have been correctly classified in the balance sheet and accounted for in the...</td>
</tr>
<tr>
<td>Principal risk area</td>
<td>Audit response</td>
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<tr>
<td>---------------------</td>
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</tr>
<tr>
<td>Risk of financial misreporting</td>
<td>Our audit procedures included:</td>
</tr>
<tr>
<td>▶ Management in any organisation is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively</td>
<td>▶ Testing the appropriateness of journal entries recorded in the general ledger. We did this by documenting the processes for the control and posting of journals, the use of analytical techniques to examine the full population of journals as well as sample testing of individual journals. Our specific procedures for journals included:</td>
</tr>
<tr>
<td>▶ The Trust has reported an in year deficit of £9.8 million in its Statement of Comprehensive Income for the year ended 31 March 2015. This increased from the projected deficit of £7.8 million reported at the end of January 2015.</td>
<td>▶ Confirming the validity of posting to seldom used accounts, through examination of individual journals,</td>
</tr>
<tr>
<td>▶ The deficit position increases the financial pressures on the Trust, resulting in an increased risk of manipulation of the reported financial position to present a more favourable outturn.</td>
<td>▶ Ensuring that there are no journals that do not balance to nil;</td>
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<tr>
<td></td>
<td>▶ Confirming that there were no journals posted that included reference to either the Assistant Director of Finance or Director of Finance or Directors in the description.</td>
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<tr>
<td></td>
<td>▶ Examination of all journals processed just before or after the year end that are above TE, through to confirm their validity;</td>
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<td></td>
<td>▶ Identifying the material accounting estimates within the financial statements and establishing and confirming the management process for making these estimates to identify any evidence of management bias which could result in a material error in the accounts. As part of these procedures we also tested a sample of provision calculations to source evidence which was used as the basis of the provision calculation.</td>
</tr>
</tbody>
</table>
| | ▶ Examination of the outputs from the agreement of intra-NHS balances exercise that is completed between all NHS bodies to identify any material differences between the position reported by counterparties. Where material differences were identified, we followed these up with the Trust and obtained evidence to support the Trust’s
### Principal risk area

<table>
<thead>
<tr>
<th>Audit response</th>
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<tbody>
<tr>
<td>confirmed position. Confirming by examination of the financial statements, supporting working papers and general ledger, that there are no significant unusual transactions.</td>
</tr>
<tr>
<td>► Cut off testing for the periods just before and after year end to ensure transactions are recorded at the correct value and in the correct financial year.</td>
</tr>
</tbody>
</table>

### Assessment of group boundary for pathology joint arrangement

- In 2014/15, the Trust entered into a joint arrangement with Basildon University Hospital for a shared pathology service.
- The Trust has assessed the impact of this new arrangement on its financial statements and considered the need to prepare group accounts. It has concluded that the arrangement is a joint venture in accordance with IFRS11, but has concluded that for the year ended 31 March 2015 there is no requirement to consolidate into Group accounts on the grounds that the impact would not be material.

### Our audit procedures included:

- Assessing the Trust's group boundary assessment against the criteria stipulated in the Code and relevant international accounting standards (IFRS 10, 11 and 12) to confirm the Trust's assessment.

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### Our application of materiality

When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole. We determined materiality to be £2.8 million (2014: £2.6 million), which is 1% of operating expenses for the year ended 31 March 2015. We consider operating expenses to be one of the principal considerations for stakeholders in assessing the financial performance of the Trust. We set our tolerable error for the audit at £1.3 million (based on 50% of our materiality level). Tolerable error is the application of planning materiality at the individual account or balance level. It is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds planning materiality.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.135 million (2014: £0.133 million).

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations.

We also identified the following areas where misstatement at a level lower than our overall materiality level might influence the reader. For these areas we developed an audit strategy specific to these areas, which are listed below:
• Remuneration Report, including any severance payments, exit packages and termination benefits.

• Related party transactions.

An overview of the scope of our audit

We adopt a risk based approach in determining our audit strategy. This approach focuses audit effort towards higher risk areas, such as management judgements and estimates and balances that are considered significant based on value and complexity. In taking a risk based approach we identify a number a significant accounts where our audit work is focussed. We ensure that our audit provides adequate assurance of these significant accounts identified.

The audit team follows a programme of work to ensure we have obtained an understanding of; the entity-level controls of the Trust and the Trust's systems, including documenting and walking through key financial systems which assisted us in identifying and assessing risks of material misstatement due to fraud or error, as well as assisting us in determining the most appropriate audit strategy.

The Trust prepares group financial statements, consolidating the Charitable Fund accounts which we also audit and issue an opinion on. We have performed a full audit on the group financial statements, including the relevant elements of the Charitable Fund for Group consolidation purposes.

We were provided with sufficient access to the Trust to ensure appropriate audit procedures could be completed.

Respective responsibilities of accounting officer and auditors

As explained more fully in the Statement of Accounting Officer’s Responsibilities, set out on page 140, the accounting officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with the NHS Act 2006, the Audit Code for NHS Foundation Trusts issued by Monitor and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

This report is made solely to the Council of Governors of Southend University Hospital 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. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors, for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

This includes an assessment of:

• whether the accounting policies are appropriate to the Trust and Group's circumstances and have been consistently applied and adequately disclosed;
• the reasonableness of significant accounting estimates made by the accounting officer; and
• the overall presentation of the financial statements.
In addition we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

We also undertake procedures required by the Audit Code for NHS Foundation Trusts issued by Monitor:

- Reviewing, and reporting on as appropriate, other information published with the financial statements, including the Annual Governance Statement and the Remuneration Report.

**Opinion on other matters prescribed by the Audit Code for NHS Foundation Trusts**

In our opinion

- the information given in the Strategic Report and Directors’ Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the part of the Directors’ Remuneration Report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual.

**Other matters on which we are required to report by exception**

We have nothing to report in respect of the following:

Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Trust acquired in the course of performing our audit; or
- is otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors’ statement. We are also required to review whether the annual report is fair, balanced and understandable and appropriately discloses those matters that we communicated to the Audit Committee

Debbie Hanson
for and on behalf of Ernst & Young LLP, Statutory Auditor
Luton
Date: 29 May 2015

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Statement of the chief executive’s responsibilities as the accounting officer of Southend University Hospital 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 Accounting Officer Memorandum issued by the Independent Regulator of NHS Foundation Trusts (“Monitor”).

Under the NHS Act 2006, Monitor has directed Southend University Hospital 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 Southend University Hospital NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the NHS Foundation Trust Annual Reporting Manual and in particular to:

- observe the Accounts Direction issued by Monitor, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual have been followed, and disclose and explain any material departures in the financial statements;
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance; and
- prepare the financial statements on a going concern basis.

The accounting officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS foundation trust and to enable 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.

Sue Hardy
Chief executive

Date 29 May 2015
Annual Governance Statement 2014/15

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.

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 Southend University Hospital 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 Southend University Hospital NHS Foundation Trust for the year ended 31 March 2015 and up to the date of approval of the annual report and accounts.

Background to the preparation of the Annual Governance Statement – regulatory action

The Trust was found in significant breach of conditions 5 (governance) and 6 (healthcare standards) of its Authorisation by Monitor on 9 December 2011. Under Monitor’s new Provider Licensing framework, introduced on 1 April 2013, these breaches were reassigned to breaches of the Licence conditions FT4(5)(a), FT4(5)(c), FT4(2) and FT4(6).

Deloitte LLP was commissioned by the Trust, with the approval of the regulator, at the beginning of 2012 to carry out a review of board governance. Having also carried out a review of quality governance at the Trust, Deloitte LLP’s reviews were completed in October 2013 and highlighted significant improvements that had been made.

Monitor imposed discretionary requirements on the Trust which were published on 25 June 2014 directing the Trust to (i) address the breach of A&E and RTT healthcare targets; (ii) address the breaches relating to Board governance and effectiveness; and (iii) implement programme management and governance arrangements to enable the delivery of all plans referred to in the discretionary requirements.

Monitor also imposed an additional licence condition on the Trust to ensure it has sufficient capability and capacity to address the governance issues to enable it to successfully meet the compliance requirements set out in the final notice of discretionary requirements published on 25 June 2014.

Deloitte LLP was engaged, following their previous work with the Trust, with the approval of Monitor in the summer of 2014, to carry out the review of the Executive Team capability and Board effectiveness. As a result of the review the Executive Team and the Board developed a programme of improvements with a plan of clear outcomes and timelines agreed and monitored by the Board.
The Trust has made significant progress in improving the governance arrangements, but issues with health care targets remain, although substantial work and effort has been invested to build resilience and improve performance, based on the action plans agreed with Monitor.

Capacity to handle risk

As Accounting Officer, I have overall responsibility and accountability, for risk management within the organisation. I am supported in my leadership by the Board, and in particular my executive colleagues, who are accountable for the development of the operational infrastructure ensuring capacity to support risk management processes in the areas within their remit.

The Trust aims to facilitate a pro-active approach to risk management and learning from good practice through staff training and other awareness raising initiatives. Internal audit and clinical audit programmes are also used to provide assurance that processes are operating effectively and required changes to practices have been implemented where necessary.

The Trust’s revised Risk Management Strategy (updated in February 2014) sets out the key responsibilities for managing risk within the organisation and makes it clear that managing risk is the responsibility of all staff employed by the Trust. Staff are trained to be responsible for reporting incidents, hazards, complaints and near misses in accordance with appropriate Trust policies.

The risk and control framework

Risk Management

The Board Assurance Framework (BAF) evidences that Southend University Hospital NHS Foundation Trust Board has control over delivery of its corporate objectives and risks. A traditional risk assessment matrix is used to ensure a consistent approach is taken to assess risk.

The BAF document is a tool for the Board to assure itself about successful delivery of the organisation’s strategic objectives. The framework is designed to focus the Board on controlling principal risks threatening the delivery of those objectives. The BAF aligns principal risks, key controls and assurances on controls alongside each objective.

BAF risks are reviewed regularly by the Board and its sub-committees and the risks scores reassessed. Where gaps are identified or where key controls and assurances are insufficient to reduce the risk of non-delivery of objectives, action plans are put in place to address any gaps that have been identified, with clear accountability, timescales and monitoring created. The direction of the Board in these matters ensures appropriate allocation of resources to improve the effectiveness of management. The Trust has an agreed risk appetite statement providing guidance on the levels of risks that are permitted to be taken. It permeates the Trust programmes, policies, processes and projects.

Risk is assessed at all levels in the organisation from the Trust Board to individual wards and directorates. This ensures that both strategic and operational risks are identified and managed appropriately.

The Quality Assurance Committee, the Finance and Investment Committee and the Audit Committee each have allocated BAF risks that are regularly reviewed by the Executive leads and the Committees. The Audit Committee independently monitors, reviews and reports to
the Board of Directors on the extent to which the Trust has in place an effective system of governance, risk management and internal control.

The Trust is committed to the management of risk, both clinical and non clinical throughout the organisation. This ensures that risk to the quality and delivery of services are minimised and protects the services, reputation and finances of the organisation.

The Trust’s Corporate Risk Register (CRR) identifies the high graded risks (a score of 16+) identified within the Clinical Directorates and Corporate Area risks registers. Risks assessed as being capable of local management are held in risk registers maintained by clinical directorates and corporate areas and made subject of detailed risk assessments. This captures all risks graded as low or moderate. These registers hold details of all risks identified locally though clinical directorates and corporate area activities, as well as wider sources such as risk assessments, incidents (including serious incidents and never events), inquests, complaints, claims, PALS, clinical audit, CAS alerts, and from review of external reports and recommendations.

The CRR is reviewed by the Trust Board 3 times a year to ensure that operational requirements to mitigate and control risks are kept current. The CRR also informs the Trust’s annual plan with the aim of capturing all significant risks that may impinge on the Trust’s activities and achievement of its strategic objectives.

Locally, each directorate has a monthly governance meeting with a standardised agenda that is used throughout the Trust. This includes risk and incident review. Any training needs or knowledge deficits identified (through the content/detail on the risk register) is addressed in monthly meetings between the risk team and directorate.

The Trust recognises that high levels of incident reporting suggest a stronger organisational culture of safety and therefore encourages its staff to report all incidents on to the Trust’s electronic system (DATIX). All incidents, regardless of the severity grading, are reviewed daily by the risk team and any trends identified (perhaps identifying a greater risk to the Trust) are fed back to the relevant directorate should they need to be placed on the Trust risk register. Incidents that identify harm or present as a ‘near miss’ follow the process map set out in the Trust’s incident policy to ensure they are appropriately investigated and changes made to prevent a recurrence.

**Quality Governance**

The Trust places a high priority on quality of its clinical outcomes, patient safety and patient experience. Quality appears at the top of each Trust Board agenda and a patient story – reporting both positive and negative outcomes – is presented on a quarterly basis at Trust Board. Board agreed Key Performance Indicators (KPIs) are regularly monitored and reported against, with quality indicators being tracked on a nursing dashboard. Patient experience is receiving increased focus with an aim to achieve improvements in quality.

Risks to quality are listed on the organisation’s CRR and BAF, and are used to inform decision priorities; potential initiatives (for example, cost improvement measures) are assessed for their potential risks to quality. Quality Impact Assessments all have executive sign-off; quality of care is the main priority.

The Clinical Assurance Committee (‘CAC’), chaired by the Associate Medical Director, was established as part of a process to provide enhanced clinical quality assurance and to hold directorates to account for quality and quality monitoring. Any areas considered by CAC to need attention, are escalated to the Quality Assurance Committee (QAC). QAC scrutinise the minutes of the CAC to ensure all issues are escalated appropriately. The QAC has
delegated responsibility to assure the Board that non-financial risks are identified, managed and mitigated and that services provided by the Trust are caring, reliable, safe, effective and compliant with relevant national standards and legislation.

**Capability and Culture**

A board-to-ward programme is in place with both executives and non-executive directors taking part in safety/quality walkabouts. This programme was extended to include the participation of members of the Council of Governors.

Directorate associate Directors are held to account for the delivery of improvements in patient experience / quality indicators, and meet regularly with the Chief Operating Officer, and as a Corporate Management Team, together with executive directors. A performance framework has been introduced to facilitate quality monitoring in these areas, and to facilitate the implementation of further improvement measures as required.

Enhanced education and professional development continues for matrons and ward managers.

The Council of Governors receive a quarterly update regarding Quality Account indicators and presentations from the Chief Nurse at Council Meetings on quality issues. At their regular Patient and Carer Experience Group, also attended by Non-Executive Directors as group liaison, Governors discuss matters pertaining to quality and the care of our service users and actions taken by business units to improve patient experience.

Trust policies and procedures are assessed to ensure that there is no detrimental impact arising from any of the nine protected characteristics determined by The Equality Act 2010; age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage and civil partnership, and pregnancy and maternity.

**Processes and Structure**

The Trust Board receives reports routinely on complaints, patient and staff feedback surveys and any on-going actions to address identified concerns. The Executive team jointly reviews the reports before submission to the Board. Where appropriate, the Board has implemented additional assurance processes such as tailored internal audit reviews or externally commissioned reviews.

The programme of unannounced internal CQC style inspections provided valuable intelligence on the level of compliance with essential and professional standards. Action plans have been put in place to address areas of non-compliance. Key assurance committees of the Board focus on quality and safety supported by formalised management meetings led by accountable Executive members and senior management. Communication through Chief Executive briefings and guest blogs has resulted in improved communication and highlighted key management messages to staff. The Executive started carrying out a monthly visibility exercise, when all the Executive members visit various areas and teams in the organisation.

**Measurement**

The Trust Board reviews its metrics on an on-going basis; these are linked to the Trust’s Corporate Objectives, national priority indicators, Monitor governance ratings, Commissioning for Quality and Innovation (CQIN) and local priorities.
**Principal Risks**

The Trust typically has around 8 – 10 high risks on the corporate risk register at any one time. These will include both clinical and non-clinical risks such as performance, infection control, finance and facilities. These risks are reviewed and reassessed monthly by the risk team and the relevant clinical directorate / corporate area. Further in month reviews are undertaken by the relevant areas to determine whether the current controls are effective and managing the risk appropriately.

A clinical risk management paper is taken to the Quality Assurance Committee quarterly who will review the current process and management. Both clinical and non-clinical risks are also reviewed quarterly by the Corporate Management Team where any issues around the performance management of the risks are reviewed.

**In-year risks**

The Trust’s Annual Plan for 2014/15 identified the following main clinical and financial risks, setting out the actions being taken to mitigate these and measures being taken to monitor their progress:

**Clinical:**
- Compliance with the targets for both Clostridium Difficile and MRSA Bacteremia continued to prove a challenge for the Trust with the ceiling target of 26 for clostridium difficile having been breached by one case taking the total to 27. However the review through the RCA process confirms that in 26 out of 27 cases no lapses in care have been identified.
- Staffing vacancies and any impact this may have on patient experience and compromised safety has been closely monitored
- Performance against the national 18 week RTT target remained challenging due in particular to the pressures the Trust experienced throughout the winter months
- Compliance with some cancer targets also remained challenging and the Trust created additional lists to assist with clearing the backlog but was further impeded by winter capacity pressures.

**Financial:**
- Lower (than expected) contract income from the local CCGs as a result of disinvestments and increased fines
- Failure to achieve approval from the Office of Fair Trading with regard to the Pathology Joint Venture
- Additional cost-pressures emerging without the resource to meet these from reserves
- Failure to meet the cost-improvement target
- Pressure on cash balances
During the year, additional financial risks emerged as follows:

- Failure of other Trusts to settle GP trainee salaries payable to the trust in a timely manner with a consequent pressure on cash
- Non-payment for activity over-performance arising from activity growth and CCG affordability issues

Future Risks

The planning process for 2015/16 has identified a number of risks for the year ahead as follows:

- Compliance with infection control targets will continue to remain a challenge for the Trust. The CCG has agreed the clostridium target for 2015/16 and has increased the ceiling of cases from 26 to 30. MRSA remains at zero tolerance.
- The Trust will continue to strive to meet A&E, 18 week and cancer targets and achievement of these targets remains a risk. Capacity and demand work is underway to ensure that we have the capacity to meet these targets.
- The Trust Board has agreed to increase nurse establishment and recruiting to this level will be a challenge. In order to address this part of the Trust’s recruitment campaign this year will be to undertake recruitment for registered nurses overseas and within the EU.
- Cash available for capital expenditure is extremely limited and while the Trust is planning to invest £13m in 2015/16, this does not fully address the condition of the ageing Estate. As a consequence, there may be further demands to maintain essential infrastructure.
- The general inflation levels assumed for 2015/16 are based on realistic estimates but there is a significant risk that actual rates will vary from these and create a cost-pressure.
- The CCG’s financial position is a critical part of the Trust’s financial strategy and there is a significant risk that they will be unable to fund the growing levels of acute activity.
- The additional costs of implementing any nationally mandated initiatives (eg. a seven day service across the hospital) would be likely to create considerable financial pressures.
- Failure to fully deliver the ambitious cost-improvements for 2015/16. Even non-recurrent slippage (caused by delays in commencing schemes) would have a considerable short-term impact on cash.
- Cash balances for 2015/16 are expected to be under extreme pressure and are supported by the sale of property. There is some risk concerning the value and timing of cash receipts from any sale.
These financial risks have been mitigated to a large extent by the employment of an experienced Transformation Director leading on efficiencies and financial delivery. The risks will be subject to close monitoring and scrutiny and swift corrective action will be taken in the event that some begin to materialise.

**Compliance with CQC registration standards**

The Trust is required to be registered with the Care Quality Commission (CQC) and be compliant with the essential standards of quality and safety.

The CQC carried out an unannounced responsive inspection of the Trust’s urgent and emergency care services on 7 August 2014. This resulted in the Trust being given compliance actions to meet four essential standards. These were:

- Cleanliness and infection control (Regulation 12)
- Medicines management (Regulation 13)
- Staffing (Regulation 22)
- Assessing and monitoring the quality of service Providers (Regulation 10)

The foundation trust is fully compliant with the registration requirements of the Care Quality Commission.

**Compliance with NHS FT Provider Licence condition 4**

The Trust is subject to formal enforcement action in the form of discretionary requirements and additional licence condition. The Trust has a current Continuity of service risk rating of 1 and a red Governance risk rating.

Following the review last summer by Deloitte LLP, there has been a considerable focus on developing the Executive team capability and the effectiveness of the Board. Progress has in particular been made in establishing Clinical Directorates and appointing to the Clinical Director posts, the introduction of the Board development programme, and the greater engagement with key stakeholders.

The Trust is committed to continuing to make improvements to the Board governance processes, in particular to focusing on increasing clinical engagement and embedding the new structures in order to further improve performance. The Trust will continue to provide Monitor with regular updates on the Trust’s progress against the outstanding actions including the extent to which the Trust’s actions have been effective in addressing the issues set out in the governance review.

To support compliance with this condition the Trust has an established Board and Committee structure, with clear accountability for the Board and its Committees and the staff reporting to it. The Board and its Committees have a schedule of matters to be considered at each meeting and meetings are set at times to ensure that the information they receive is timely. Each Committee reviews its effectiveness and its terms of reference annually to take into account any changes of priorities during the year.

Performance reporting at the public Board meeting is via the Integrated Performance Board Report and it includes graphical information incorporating targets and standards where appropriate together with variance analysis and forecasts where performance is not in line with the plans. All Serious Incidents are reported to the Trust Board by the Chief Nurse at
every Board meeting and any themes arising from incidents are subject to thorough investigation and arising recommendations provide learning opportunities. The Trust's Audit Committee, Quality Assurance Committee and Finance and Investment Committee meet bi-monthly and report routinely and also by exception to the Trust Board.

Financial information is provided to the Trust Board through the reporting timetable and the regular monitoring and review of progress against this. The accuracy of information is ensured through the design of the accounting controls and the review process which cross-references and tests the information for reasonableness at various stages during the reporting cycle. The production and reporting of management information is subject to annual audit review and recommendations to improve the process are acted upon.

The Board and its Committees structure is underpinned by a revised operational structure, with clinically led Directorates, providing enhanced accountability for services. The responsibilities of the Directors and Board Committees are detailed in the Directors Report. Risk management is embedded within the Trust in the form of processes such as adherence to the Trust policies, procedures and guidelines. The identification of risk is encouraged with clear methods for escalation where required. Public stakeholders are involved in managing risks which impact on them.

**Pensions**

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.

**Compliance with Equality, Diversity and Human Rights Legislation**

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

**Environmental Carbon reduction**

The foundation trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation’s obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

Carbon emissions have reduced as energy usage has been controlled, in turn reducing emission by 8.8 per cent. This was supported by the national programme providing £1.6million fund for energy initiatives with low energy lighting being introduced in a number of areas in the trust as well as a number of energy saving products being introduced to our heating and ventilation services.

**Safe Environment**

The maintenance backlog works completed £3.9m worth of work to reduce statutory risks for example: upgrading or replacing fire doors, fire alarms, emergency exit lighting, water hygiene systems, electrical services, ventilation systems and medical gases.
To improve cleaning standards the trust split its ward based catering services from its cleaning services in 2014. At the same time the number of hours available for cleaning in wards and department was increased by circa 50%. The impact has resulted in an improvement in cleaning standards with monthly reporting to the trust board on cleaning standards to ensure the national cleaning standards are met, any deviations from the standards result in the development of action plans to rectify shortcomings.

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

The Trust’s external auditors have reviewed the arrangements to secure economy, efficiency and effectiveness and concluded that the Trust did not have proper arrangements in place due to the existing breaches of licence conditions and the current and projected deficits. However, they have also recognized that the Trust has taken a number of steps to address these matters including:

- Appointment of a Transformation Director and development of a defined transformation plans with full clinical engagement.
- Development of a bottom up budget for 2015/16.
- Changes to governance and management structures to ensure that decision making is clinically led.

The Trust has strengthened the transformation and strategic planning functions in order that efficiencies are delivered and resources are managed effectively. This has included a budget setting process based on a “bottom-up” approach supported with comprehensive capacity and demand analysis for all the key groups of staff. Cost improvements have been developed using a matrix approach whereby Trust wide schemes have been assigned a senior responsible officer and an Executive sponsor and will be managed under a formal project management structure.

The gateway and Quality Impact Assessment processes have also been improved with schemes being presented, by their owners, at the Corporate Management Team and Trust Board where they are faced with significant challenge and scrutiny. This process tests the robustness of the plan and the strength of ownership.

Effective accountability arrangements are in place with clinically led management teams which are also accountable for operational performance.

The Trust develops its plans for income and expenditure, capital investment and cost improvements on the basis of a 5 year strategic plan and a more detailed 1 year operating plan.

The Board approves the plan and receive regular monthly reports that highlight variances as well as forecasting outturn. A risk based internal audit plan is agreed by the Audit Committee and regular reports are received which provide assurance from both internal and external auditors. The Board of directors also receive assurances on the use of resources from agencies outside the Trust, such as Monitor.

The requirement to adhere to Standing Financial Instructions and a Scheme of Delegation provides further controls.

Internal audit has reviewed the systems and processes in place during the year and published reports detailing the required actions within specific areas to ensure economy, efficiency and effectiveness with regard to the use of resources. The outcomes of these reports are graded according to the level of outstanding risks within the area.
In respect of Procurement, the Trust adheres to Standing Financial Instructions and Scheme of Delegation which set out the financial limits that Quotations and Tenders are sought. The Trust complies with all statutory regulations relating to the conduct of public sector procurement applicable within the UK. This includes European and UK procurement rules and regulations, including Public Contracts Regulations, Department of Health’s Principles and Rules for Co-operation and Competition (PRCC). Ensuring procurement opportunities are advertised widely using the Official Journal of the European Union (OJEU).

The Trust takes advantage of the many NHS Supply Chain, Government Procurement Service, or other collaborative procurement framework agreements in order to maximise operational efficiency, for due diligence and benefit from collective NHS purchasing power.

Should, for a small set of specific reasons, a competitive procurement exercise not be possible the Trust has a robust tender waiver procedure that is “signed-off” by both Chief Financial Officer and Chief Executive and reported annually to the Audit Committee or, if an individual request is above the OJEU limit, at the next meeting.

**Information governance**

The management of Information Governance (IG) risks continue to be a high priority for the Trust. The Trust has appointed a Caldicott Guardian, Senior Information Risk Owner (SIRO) and Clinical Safety Officer (CSO). The SIRO is the designated Chair of the Trust's Information Governance Committee and the Caldicott Guardian the deputy chair. The IG Committee meets monthly and escalates areas of concern to the Audit Committee and executive team.

Information governance risks are managed in line with the Trust's risk management framework, and where appropriate, are recorded on the Trust's risk register. Information assets are recorded on the Trust's Information Asset Register with designated Information Asset Owners and Information Asset Administrators. These roles have defined responsibilities, including responsibility for identifying information security risks and management of identified risks.

All Trust staff are governed by a code of confidentiality, and access to data held on IT systems is restricted to authorised users. The Trust's IT department maintain up to date technical security measures to minimise the threat to Trust network resources from outside threats and inappropriate access. Role appropriate information governance training is completed annually by all contracted staff, volunteers and new starters in accordance with the requirements of the Health and Social Care Information Centre's (HSCIC) Information Governance Toolkit.

The annual information governance self-assessment has taken place using the HSCIC Information Governance Toolkit and was measured as achieving all standards satisfactorily. However, a review by the Trust's Internal Auditors has been unable to confirm this result and further work is therefore planned to be able to ensure that compliance with standards can be confirmed.

The Trust reported four serious data security incident to the Information Commissioner's Office (ICO) this financial year. The ICO have since closed three of the cases with no formal enforcement actions at this time, as they were satisfied with the Trust's investigation and resulting change in procedure. The final incident has been acknowledged by the ICO and the results of their investigation are awaited. The Board believes that the on-going promotion and provision of information governance training and staff guidance has increased awareness of information security risks and helped embed effective control measures.
Annual Quality Report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. Monitor has issued guidance to NHS foundation trust boards on the form and content of annual Quality Reports which incorporate the above legal requirements in the NHS Foundation Trust Annual Reporting Manual.

The guidance issued by Monitor is followed to ensure that the form and content of the annual Quality Reports meets legal requirements, and the Board has established controls to ensure the accuracy of outcome performance measure data enabling presentation of a balanced report.

In preparing the Quality Report, directors took 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;
- 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 May 2015;
  - Papers relating to Quality reported to the board over the period April 2014 to May 2015;
  - Feedback from commissioners dated 29 May 2015
  - Feedback from Local Healthwatch organisations dated 19 May 2015
  - Feedback from Essex County Council Health Oversight and Scrutiny Committee dated 17 May 2015
  - Feedback from Governors’ Patient Experience Group dated 19 May 2015
  - The Trust’s complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 27 May 2015
  - The national patient survey published by CQC on 29 May 2015
  - The national staff survey 2014 published on 24 February 2015
  - The Head of Internal Audit’s annual opinion over the trust’s control environment dated 18 May 2015
  - CQC quality and risk profiles dated April 2015.
- the Quality Report presents a balanced picture of the NHS foundation trust’s performance over the period covered;
- the performance information reported in the Quality Report is reliable and accurate; there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice;

- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review; and

- the Quality Report has been prepared in accordance with Monitor’s annual reporting guidance (which incorporates the Quality Accounts regulations) as well as the standards to support data quality for the preparation of the Quality Report.

In addition to the presentation of quality KPIs to the Board, data specific to the Quality Report is collated and presented on a quarterly basis in a series of reports to stakeholders and Board members. Internal controls over the collection and reporting of the performance measures are subject to review, to ensure that they are working effectively and conform to specified data quality standards and prescribed definitions.

There are a number of committees and working groups with responsibility for key aspects of the quality agenda, including the Health and Safety Committee, Infection Prevention Committee and Safeguarding Committee.

The Chief Nurse leads the development of the Quality Report with input from senior managers and clinical staff. An Associate Director of Governance provides linkage to clinical governance leads in Clinical directorates and the Clinical directors being part of the corporate team, which meets regularly.

The relationship between quality KPIs and other measures of the Trust’s performance (financial and operational) are considered by the Board and its committees on a regular basis.

The Board will be further assured by external assurances on the Quality Report as part of the mandatory scope of the external auditor.

The Trust has a dedicated data quality team that manages data quality on a daily basis. Standardised data quality audits are completed monthly in accordance with the Information Governance Toolkits and the Trust also undertakes additional internal and external audits. The quality and accuracy of referral to treatment data is monitored and managed at Clinical Directorate level. Reports and audits are used to help inform training requirements.

The Trust has recently rolled out an enhanced training programme and continues to actively monitor waiting time data including via weekly meetings with Clinical Directorates. The development of enhanced monitoring tools and data quality reports continues to provide further assurance.

**Review of effectiveness**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the quality report attached to this Annual report and other performance information available to me. My
My review is also informed in a number of ways:

- Dialogue with executive directors and managers within the organisation who have responsibility for the development and maintenance of the system of internal control, the risk management system and the assurance framework;

- The work of internal audit throughout the year to review and report on control, governance and risk management processes, based on an audit plan approved by the Audit Committee;

- In-year reports from the Audit Committee and the QAC,

- The Trust’s Senior Information Risk Owner (SIRO), who has advised me specifically on the control of information risks;

- Monthly Integrated Performance Reports to the Trust Board showing performance against Monitor’s compliance framework and local targets;

- The results of patient and staff surveys;

- Close monitoring of financial performance and maintenance of cash flow and liquidity;

- Recognition of the dynamic nature of assurance and the work that has been undertaken to further develop the Trust’s assurance framework;

- Review of external assessments and reports including the Care Quality Commission’s published Quality Risk Profile.

**Head of internal audit opinion**

The Trust has received a statement from its internal auditors that based on the work undertaken in 2014/15, significant assurance can be given that there is generally a sound system of internal control, which is designed to meet the organisation’s objectives, and that controls are generally being consistently applied in all the areas reviewed.

**Statement from the internal auditors**

Based on the work undertaken in 2014/15, significant assurance can be given that there is generally a sound system of internal control, designed to meet the organisation’s objectives and that the controls are generally being applied consistently. However, some weaknesses were identified that put the achievement of particular objectives at risk. The exceptions include the areas of Red Rated Opinions in Data Quality, Capture and Reporting of A&E 4 hour Wait, E-rostering, Agency Staffing Usage and the Advisory IG Toolkit review.

All red rated reports are considered in detail at the Audit Committee, with Executive Directors required to present action plans to rectify risk areas identified.
Whilst the Trust’s Internal Recommendations tracking activity has highlighted progress being made in some of the above areas, Internal Audit has highlighted as part of their follow up audit work, that further improvements are still required to be made which were highlighted within the Data Quality, Capture and Reporting of A&E 4 hour Wait performance.

In addition our IG Toolkit review identified in March 2015 that management of Information Governance was not embedded within each clinical directorate, resulting in non-compliance with key requirements for ensuring the protection of patient identifiable information. At the time of our review, the Trust did not have sufficient evidence in place to demonstrate level 2 attainment of the IG Toolkit for five out of ten requirements sampled (110, 112, 307, 308, and 505). Subsequent review of the Trust’s website in April 2015 identified that the Trust has assessed itself against the Toolkit at the end of March 2015 at “Satisfactory” (i.e. attaining Level 2 or above on all requirements). We have undertaken some further testing and have been unable to verify this result. The Trust have therefore agreed a number of actions to ensure that achievement of level 2 compliance can be satisfactorily evidenced.

Conclusion

I am aware that a significant risk remains around the Trust’s financial performance going into 2015-16. The legacy issues arising from an aged estate, staffing issues, the financial limitations and difficulties arising from the local health economy and inability of local CCG’s to meet their obligations are risks that the Trust is facing in the coming year.

However, whilst being aware of the risks cited, my review does confirm that Southend University Hospital NHS Foundation Trust has a generally sound system of internal control that supports the achievement of its policies, aims and objectives.

Signed
Chief Executive
Date: 29 May 2015

Foreword to the Accounts

These accounts for the year ended 31 March 2015, have been prepared by Southend University Hospital NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006.

Signed
Sue Hardy
Chief executive
Date: 29 May 2015
## STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2015

<table>
<thead>
<tr>
<th></th>
<th>Group</th>
<th>Foundation Trust</th>
<th>Group</th>
<th>Foundation Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014/15</td>
<td>2014/15</td>
<td>2013/14</td>
<td>2013/14</td>
</tr>
<tr>
<td>Income and expenditure note</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Operating Income from continuing operations</td>
<td>273,875</td>
<td>273,591</td>
<td>270,682</td>
<td>271,000</td>
</tr>
<tr>
<td>Operating Expenses of continuing operations</td>
<td>(279,156)</td>
<td>(278,890)</td>
<td>(267,403)</td>
<td>(267,172)</td>
</tr>
<tr>
<td>Operating surplus/(deficit)</td>
<td>(5,281)</td>
<td>(5,299)</td>
<td>3,279</td>
<td>3,828</td>
</tr>
<tr>
<td>Finance costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance income</td>
<td>6.1</td>
<td>69</td>
<td>64</td>
<td>63</td>
</tr>
<tr>
<td>Finance expense - financial liabilities</td>
<td>6.2</td>
<td>(351)</td>
<td>(351)</td>
<td>(357)</td>
</tr>
<tr>
<td>Finance expense - unwinding of discount on provisions</td>
<td>(6)</td>
<td>(6)</td>
<td>(7)</td>
<td>(7)</td>
</tr>
<tr>
<td>Net finance costs</td>
<td>(4,530)</td>
<td>(4,535)</td>
<td>(4,802)</td>
<td>(4,808)</td>
</tr>
<tr>
<td>Surplus/(Deficit) for the year</td>
<td>(9,811)</td>
<td>(9,834)</td>
<td>(1,523)</td>
<td>(980)</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impairments</td>
<td>0</td>
<td>0</td>
<td>(450)</td>
<td>(450)</td>
</tr>
<tr>
<td>Revaluations</td>
<td>0</td>
<td>0</td>
<td>3,171</td>
<td>3,171</td>
</tr>
<tr>
<td>Total Comprehensive Income (expense) for the year</td>
<td>(9,811)</td>
<td>(9,834)</td>
<td>1,198</td>
<td>1,741</td>
</tr>
</tbody>
</table>

The notes referred to above form part of these financial statements.
## STATEMENT OF FINANCIAL POSITION
### AS AT 31 MARCH 2015

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>7 £000</td>
<td>2,232</td>
<td>7 £000</td>
<td>2,232</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>8 152,547</td>
<td>152,547</td>
<td>8 153,764</td>
<td>153,764</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>10 2,240</td>
<td>2,240</td>
<td>10 0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>157,019</td>
<td>157,019</td>
<td>154,697</td>
<td>154,697</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>9 £000</td>
<td>5,736</td>
<td>9 £000</td>
<td>5,730</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>10 19,644</td>
<td>19,730</td>
<td>10 20,495</td>
<td>20,690</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>18 3,982</td>
<td>2,329</td>
<td>18 16,013</td>
<td>16,013</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>29,362</td>
<td>27,795</td>
<td>44,395</td>
<td>42,433</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>11 (32,907)</td>
<td>(32,902)</td>
<td>11 (37,319)</td>
<td>(36,896)</td>
</tr>
<tr>
<td>Borrowings</td>
<td>13 (379)</td>
<td>(379)</td>
<td>13 (364)</td>
<td>(364)</td>
</tr>
<tr>
<td>Provisions</td>
<td>15 (688)</td>
<td>(688)</td>
<td>15 (750)</td>
<td>(750)</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>12 (2,163)</td>
<td>(2,163)</td>
<td>12 (1,619)</td>
<td>(1,619)</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>(36,136)</td>
<td>(36,132)</td>
<td>(40,052)</td>
<td>(39,629)</td>
</tr>
<tr>
<td><strong>Total assets less current liabilities</strong></td>
<td>150,246</td>
<td>148,682</td>
<td>159,040</td>
<td>157,501</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>13 (3,101)</td>
<td>(3,101)</td>
<td>13 (3,459)</td>
<td>(3,459)</td>
</tr>
<tr>
<td>Provisions</td>
<td>15 (471)</td>
<td>(471)</td>
<td>15 (630)</td>
<td>(630)</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>12 (1,230)</td>
<td>(1,230)</td>
<td>12 (1,288)</td>
<td>(1,288)</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>(4,801)</td>
<td>(4,801)</td>
<td>(5,377)</td>
<td>(5,377)</td>
</tr>
<tr>
<td><strong>Total assets employed</strong></td>
<td>145,444</td>
<td>143,882</td>
<td>153,663</td>
<td>152,124</td>
</tr>
</tbody>
</table>

Financed by (taxpayers' equity)
- Public Dividend Capital | 103,013 | 103,013 | 101,421 | 101,421
- Revaluation reserve | 16 28,588 | 28,588 | 28,588 | 28,588
- Income and expenditure reserve | 12,281 | 12,281 | 22,115 | 22,115

**Total taxpayers' equity** | 143,882 | 143,882 | 152,124 | 152,124

Charitable Fund Reserves | 17 1,562 | 1,539 |
Total taxpayers’ and others equity | 145,444 | 143,882 | 153,663 | 152,124

---

The notes referred to above form part of these financial statements. The financial statements were approved by the board on 27 May 2015 and signed by:

**SIGNATURE**

Sue Hardy  Chief executive

Date  29 May 2015
## Statement of Changes in Taxpayers’ Equity

For the year ended 31 March 2015

<table>
<thead>
<tr>
<th></th>
<th>Group Total</th>
<th>NHS Charitable Funds Reserves</th>
<th>Foundation Trust Total</th>
<th>Public Dividend Capital</th>
<th>Revaluation Reserve</th>
<th>Income and Expenditure Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td><strong>Taxpayers’ Equity at 1 April 2014</strong></td>
<td>153,663</td>
<td>1,539</td>
<td>152,124</td>
<td>101,421</td>
<td>28,588</td>
<td>22,115</td>
</tr>
<tr>
<td>Surplus/(deficit) for the year</td>
<td>(9,811)</td>
<td>23</td>
<td>(9,834)</td>
<td>0</td>
<td>0</td>
<td>(9,834)</td>
</tr>
<tr>
<td>Impairments</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Revaluations – property, plant and equipment</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Public Dividend Capital Received</td>
<td>1,592</td>
<td>0</td>
<td>1,592</td>
<td>1,592</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other Reserve Movements</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Taxpayers’ Equity at 31 March 2015</strong></td>
<td>145,444</td>
<td>1,562</td>
<td>143,882</td>
<td>103,013</td>
<td>28,588</td>
<td>12,281</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Group Total</th>
<th>NHS Charitable Funds Reserves</th>
<th>Foundation Trust Total</th>
<th>Public Dividend Capital</th>
<th>Revaluation Reserve</th>
<th>Income and Expenditure Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td><strong>Taxpayers’ Equity at 1 April 2013</strong></td>
<td>150,770</td>
<td>2,082</td>
<td>148,688</td>
<td>99,726</td>
<td>28,096</td>
<td>20,866</td>
</tr>
<tr>
<td>Surplus/(deficit) for the year</td>
<td>(1,523)</td>
<td>(543)</td>
<td>(980)</td>
<td>0</td>
<td>0</td>
<td>(980)</td>
</tr>
<tr>
<td>Impairments</td>
<td>(450)</td>
<td>0</td>
<td>(450)</td>
<td>0</td>
<td>(450)</td>
<td>0</td>
</tr>
<tr>
<td>Revaluations – property, plant and equipment</td>
<td>3,171</td>
<td>0</td>
<td>3,171</td>
<td>0</td>
<td>3,171</td>
<td>0</td>
</tr>
<tr>
<td>Public Dividend Capital Received</td>
<td>1,695</td>
<td>0</td>
<td>1,695</td>
<td>1,695</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other Reserve Movements</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>(2,229)</td>
</tr>
<tr>
<td><strong>Taxpayers’ Equity at 31 March 2014</strong></td>
<td>153,663</td>
<td>1,539</td>
<td>152,124</td>
<td>101,421</td>
<td>28,588</td>
<td>22,115</td>
</tr>
</tbody>
</table>
The notes referred to above form part of these financial statements.
Notes to the Accounts

Note 1. Accounting Policies

Monitor has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the *Foundation Trust Annual Reporting Manual (FT ARM)* which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the *FT ARM 2014/15* issued by Monitor. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury’s *FReM* to the extent that they are meaningful and appropriate to NHS foundation trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

1.1 Consolidation

**NHS Charitable Funds**

The NHS Foundation Trust is the Corporate Trustee to Southend Hospital Charity. The foundation trust has assessed its relationship to the charity and determined it to be a subsidiary, because the trust has the power to govern the financial and operating policies of the charity so as to obtain the benefits from its activities for itself, its patients or its staff.

The charity’s statutory accounts are prepared to 31st March 2015 in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Generally Accepted Accounting Principles (UK GAAP). On consolidation necessary adjustments are made to the charity’s assets, liabilities and transactions to:

- Recognise and measure them in accordance with the foundation trust’s own accounting policies; and
- Eliminate inter group transactions, balances, gains and losses.

The material accounting policies for the charity are detailed in the notes below.

**Joint ventures**

In 2014/15 Southend University Hospital NHS Foundation Trust entered into a joint venture arrangement with Basildon & Thurrock University Hospitals NHS FT, each with a 25.5% interest, and Integrated Pathology Partnerships, with a 49% interest. This resulted in the creation of two limited liability partnerships, Pathology First LLP and Facilities First LLP.

Joint ventures are arrangements in which the trust has joint control with one or more other parties, and where it has the rights to the net assets of the arrangement.

Joint ventures are accounted for using the equity method, where the value of the FT’s investment is recorded under investments.
In 2014/15 the two partnerships traded only with the Southend and Basildon FTs and broke even. They are not expected to show a profit until they begin trading with third party customers. As at 31\textsuperscript{st} March 2015, the value of their assets is not material and, therefore, they are not consolidated in the accounts.

1.2 Income

**Foundation Trust 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. An estimate is made for incomplete spells as at 31\textsuperscript{st} March 2015, and accrued (see note 1.20).

Where income is received for a specific activity which is to be delivered in the following financial year, that income is 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.

**Charity Incoming Resources**

In order for incoming resources to be recognised they must be legally due to the charity, measurable, and there must be a reasonable certainty of receipt. Legacy income is accounted for once the receipt becomes reasonably certain.

Assets given for distribution by the charity are recognised only when distributed. Assets given for use by the charity are recognised when receivable. Gifts in kind, for conversion into cash, are included in the period in which the gift is sold. Gifts in kind are brought into account at either a reasonable estimate of their value or the amount realised. The basis of valuation is disclosed in the charity’s annual report.

1.3 Expenditure on Employee Benefits

**Short-term Employee Benefits**

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

**Pension costs**

**NHS Pension Scheme**

Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme.
assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

a) Accounting valuation

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability, as at 31 March 2015, is based on valuation data as 31 March 2014, updated to 31 March 2015 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2004. Consequently, a formal actuarial valuation would have been due for the year ending 31 March 2008. However, formal actuarial valuations for unfunded public service schemes were suspended by HM Treasury on value for money grounds while consideration is given to recent changes to public service pensions, and while future scheme terms are developed as part of the reforms to public service pension provision due in 2015.

The Scheme Regulations were changed to allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

The next formal valuation to be used for funding purposes will be carried out at as at March 2012 and will be used to inform the contribution rates to be used from 1 April 2015.

c) Scheme provisions

The NHS Pension Scheme provided defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained: The Scheme is a “final salary” scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.
With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as “pension commutation”.

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) has been used and replaced the Retail Prices Index (RPI).

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year’s pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC's run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

1.4 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.

1.5 Property, Plant and Equipment

**Recognition**
Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential 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.

- the cost of the item individually is at least £5,000
- the cost of the items collectively is at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates, and are under single managerial control;

or

- form part of the initial equipping and setting up cost of a new building, ward or unit irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives e.g. plant and equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.

Costs arising from financing the construction of fixed assets are not capitalised but are charged to the income and expenditure account in the year to which they relate.
Measurement

Valuation

All property, plant and equipment assets are measured initially at cost (for leased assets, fair value), 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 which is determined separately for various asset classes.

All land and buildings are measured at fair value using professional valuations every five years, with an interim valuation every three years. A scheduled full valuation took place as at 31st March 2010. A further full valuation was carried out as at 31st March 2013, with an interim valuation undertaken by the District Valuer as at 31st March 2014. The next full valuation will take place as at 31st March 2016.

Professional valuations are carried out by the District Valuer's of the Inland Revenue Government Department. The valuations are carried out in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the Department of Health and HM Treasury.

The valuations are carried out primarily on the basis of Modern Equivalent Values for all land and buildings. For non-operational properties including surplus land, the valuations are carried out at Open Market Value.

All adjustments arising from indexation and revaluations are taken to the Revaluation Reserve. Falls in value when newly constructed assets are brought into use are recognised in the Statement of Comprehensive Income. These falls in value result from the adoption of ideal conditions as the basis for Modern Equivalent Values.

Assets in the course of construction are valued at cost and are valued by professional valuers as part of the five or three-yearly valuation or when they are brought into use. These assets include any existing land or buildings under the control of a contractor.

Non Property assets are valued at market value or depreciated historic cost as a proxy for fair value where the asset has a short useful life or low value (or both). Equipment surplus to requirements is valued at net recoverable amount.

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably.
Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is derecognised.

Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

**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.

Freehold land is considered to have an infinite life and is not depreciated.

The estimated useful economic lives of the classes of assets used are as follows:

- **Buildings and Dwellings:** up to 50 years
- **Furniture and Fittings:** 5 to 50 years, depending on the nature of the fittings
- **Transport equipment:** up to 7 years
- **Information Technology:** up to 5 years
- **Plant and Machinery:**
  - Short-term medical equipment: up to 5 years
  - Medium-term medical equipment: up to 10 years
  - Long-term medical equipment: up to 15 years

Property, Plant and Equipment which has been reclassified as ‘Held for Sale’ ceases to be depreciated upon the reclassification.

Assets in the course of construction are not depreciated until the asset is brought into use.

**Revaluation gains and losses**

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been 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 ARM, 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 from the revaluation reserve to the income and expenditure reserve 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.

An impairment arising from a loss of economic benefit or service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating income to the extent that the asset is restored to the carrying amount it would have had, if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of “other impairments” are treated as revaluation gains.

**De-recognition**

Assets intended for disposals 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. 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.

**1.6 Donated, government grant and other grant funded 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.

1.7 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the trust’s business 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 will be provided to, the trust and where the cost of the asset can be measured reliably, and they have a cost of at least £5,000. Where internally generated assets are held for service potential, this involves a direct contribution to the delivery of services to the public.

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.

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.
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. Revaluations 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”.

Amortisation

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

1.8 Government and other grants (Revenue)

Government grants are grants from Government bodies other than income from Clinical Commissioning Groups or NHS trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

1.9 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the First In, First Out method.

1.10 Financial instruments and financial liabilities

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 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 per note 1.11.

All other financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

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.
Classification and Measurement

Financial assets are categorised as “Fair Value through Income and Expenditure’ and ‘Loans and Receivables”.

Financial liabilities are classified as “Fair Value through Income and Expenditure’ or as ‘Other Financial liabilities”.

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.

Derivatives are also categorised as held for trading unless they are designated as hedges. Derivatives which are embedded in other contracts but which are not “closely-related” to those contracts are separated-out from those contracts and measured in this category. 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.

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: cash and cash equivalents, NHS debtors, accrued income and “other debtors”.

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest 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 method and credited to the Statement of Comprehensive Income.

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 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 date of the Statement of Financial Position, which are classified as long-term liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest 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.

**Determination of fair value**

For financial assets and financial liabilities carried at fair value, the carrying amounts are determined from quoted market prices.

**Impairment of financial assets**

At the date of the Statement of Financial Position, 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 cashflows 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 directly.

**1.11 Leases**

**Finance leases**

Where substantially all risks and rewards of ownership of a leased asset are borne by the NHS Foundation 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 asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for as an item of property plant and equipment.

The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

**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.
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. Thereafter the asset is accounted for as an item of property, plant and equipment.

1.12 Provisions

The NHS foundation trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources 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 the discount rates published and mandated by HM Treasury.

Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the NHS Foundation 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 NHS Foundation Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the NHS foundation trust is disclosed at note 15 but is not recognised in the NHS foundation trust's accounts.

Non-clinical risk pooling

The NHS foundation 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.

1.13 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 in note 20 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 20, 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
1.14 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 NHS 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 NHS Foundation 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 NHS Foundation Trust during the financial year.

Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for
(i) donated assets (including lottery funded assets),
(ii) average daily balances held with the Government Banking Services (GBS) and National Loan Fund (NLF), excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and
(iii) any PDC dividend balance receivable or payable.

In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the “pre-audit” version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

1.15 Value Added Tax

Most of the activities of the NHS foundation 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.

1.16 Corporation Tax

The Foundation Trust has determined that it has no corporation tax liability as the surplus on trading activities falls below the threshold for corporation tax.

1.17 Foreign exchange

The functional and presentational currencies of the trust are sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:
- monetary items (other than financial instruments measured at “fair value through income and expenditure”) are translated at the spot exchange rate on 31 March;
• non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction; and

• non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise. Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

1.18 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS foundation trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury’s FReM.

1.19 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 that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NHS trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

However the losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

1.20 Critical accounting judgements and key sources of estimation uncertainty

In the application of 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, which are considered to be relevant. Actual results may differ from those estimates. 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.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations that management has made in the process of applying the entity’s accounting policies and that have the most significant effect on the amounts recognised in the financial statements.
Valuation of Land and Buildings

The most significant judgement within the financial statements is the value of land and buildings. The land and buildings were subject to a full valuation by the district valuer as at 31st March 2013, with an interim valuation as at 31st March 2014. The district valuer is independent of the Trust and is certified by the Royal Institute of Chartered surveyors. The valuer has extensive knowledge of the physical estate and market factors. The value does not take into account potential future changes in market value which cannot be predicted with any certainty. Further details can be found in note 1.5.

Impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. See note 1.5 for further details.

Leases

In order to classify whether a lease should be classified as a finance or operating lease the Trust must make judgements as to whether substantially all the risks and reward of ownership are transferred. See note 1.11 for further details.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Depreciation

The purpose of depreciation is to reduce the net book value of assets to their residual values over their estimated useful lives. The selection of these residual values and estimated lives requires estimation by management. See note 1.5 for further details.

Value of income for incomplete spells

Income for an inpatient stay can be recognised from the day of admission, but cannot be precisely calculated until after the patient is discharged. For patients occupying beds as at 31 March 2015, the estimated income from partially completed patient spells was calculated using a two month average.

Provisions

Provisions are recognised when the Trust has a present legal or constructive obligation as a result of a past event, it is probable that the Trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. See note 1.12 for further details. In respect of pension provisions, assumptions around the timing of cash flows are based on information from the NHS Pensions Agency.
Note 2 Operating Income

Note 2.1 Operating Income (by classification)

<table>
<thead>
<tr>
<th></th>
<th>Group 2014/15</th>
<th>Group 2013/14</th>
<th>Trust 2014/15</th>
<th>Trust 2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from Activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elective income</td>
<td>50,779</td>
<td>50,779</td>
<td>56,203</td>
<td>56,203</td>
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<tr>
<td>Non elective income</td>
<td>67,185</td>
<td>71,478</td>
<td>67,185</td>
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<tr>
<td>Outpatient income</td>
<td>37,204</td>
<td>45,428</td>
<td>37,204</td>
<td>45,428</td>
</tr>
<tr>
<td>A &amp; E income</td>
<td>9,192</td>
<td>9,113</td>
<td>9,192</td>
<td>9,113</td>
</tr>
<tr>
<td>Other NHS clinical income</td>
<td>88,107</td>
<td>65,069</td>
<td>88,107</td>
<td>65,069</td>
</tr>
<tr>
<td>Private patient income</td>
<td>563</td>
<td>557</td>
<td>563</td>
<td>557</td>
</tr>
<tr>
<td>Other non-protected clinical income</td>
<td>998</td>
<td>952</td>
<td>998</td>
<td>952</td>
</tr>
<tr>
<td>Total income from activities</td>
<td>254,028</td>
<td>248,800</td>
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<td>248,800</td>
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</table>

Other operating income

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Research and development</td>
<td>1,184</td>
<td>1,246</td>
<td>1,184</td>
<td>1,246</td>
</tr>
<tr>
<td>Education and training</td>
<td>7,878</td>
<td>7,491</td>
<td>7,878</td>
<td>7,491</td>
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<tr>
<td>Receipt of donations for capital acquisitions</td>
<td>117</td>
<td>425</td>
<td>117</td>
<td>836</td>
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<tr>
<td>Receipt of grants for capital acquisitions</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>447</td>
</tr>
<tr>
<td>Other charitable and other contributions to expenditure</td>
<td>41</td>
<td>74</td>
<td>26</td>
<td>63</td>
</tr>
<tr>
<td>Received from NHS charities: Other charitable and other contributions to expenditure</td>
<td>0</td>
<td>194</td>
<td>214</td>
<td>0</td>
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<tr>
<td>Non-patient care services to other bodies</td>
<td>2,437</td>
<td>2,228</td>
<td>2,437</td>
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<tr>
<td>Reversal of impairments of property, plant and equipment</td>
<td>0</td>
<td>684</td>
<td>0</td>
<td>684</td>
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<tr>
<td>Rental revenue from operating leases</td>
<td>59</td>
<td>59</td>
<td>59</td>
<td>59</td>
</tr>
<tr>
<td>Profit on disposal of fixed assets</td>
<td>31</td>
<td>0</td>
<td>31</td>
<td>0</td>
</tr>
<tr>
<td>Other Note 2.5 NHS Charitable Funds: Incoming Resources excluding investment income</td>
<td>6,980</td>
<td>8,952</td>
<td>7,617</td>
<td>8,952</td>
</tr>
<tr>
<td>Total other operating income</td>
<td>19,847</td>
<td>22,200</td>
<td>19,563</td>
<td>21,882</td>
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Total Operating Income

<table>
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<tr>
<th></th>
<th>Group 2014/15</th>
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<th>Trust 2013/14</th>
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</thead>
<tbody>
<tr>
<td>Total Operating Income</td>
<td>273,875</td>
<td>270,682</td>
<td>273,591</td>
<td>271,000</td>
</tr>
</tbody>
</table>

Note 2.2 Private Patient Income

The statutory limitation on private patient income in section 44 of the National Health Service Act 2006 was repealed with effect from 1 October 2012 by the Health and Social Care Act 2012. The disclosure relating to the Trust’s performance against the statutory limit that were provided previously are no longer required.
Note 2.3 Operating Lease Income

During 2011/12 the trust granted an operating lease over its retail units within the hospital grounds with a 25 year term and the annual operating lease income is £59k.

<table>
<thead>
<tr>
<th></th>
<th>Group 2014/15</th>
<th>Group 2013/14</th>
<th>Foundation Trust 2014/15</th>
<th>Foundation Trust 2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rents recognised in income in the period</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Total</td>
<td>59</td>
<td>59</td>
<td>59</td>
<td>59</td>
</tr>
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</table>

Future Minimum Lease Payments Due

<table>
<thead>
<tr>
<th></th>
<th>Group 2014/15</th>
<th>Group 2013/14</th>
<th>Foundation Trust 2014/15</th>
<th>Foundation Trust 2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>on leases of Buildings</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>not later than one year</td>
<td>59</td>
<td>59</td>
<td>59</td>
<td>59</td>
</tr>
<tr>
<td>later than one year and not later than five years</td>
<td>234</td>
<td>234</td>
<td>234</td>
<td>234</td>
</tr>
<tr>
<td>later than five years</td>
<td>937</td>
<td>937</td>
<td>995</td>
<td>995</td>
</tr>
<tr>
<td>Total – shown as deferred income in note 12</td>
<td>1,230</td>
<td>1,230</td>
<td>1,288</td>
<td>1,288</td>
</tr>
</tbody>
</table>

Note 2.4 Operating Income (by type)

<table>
<thead>
<tr>
<th></th>
<th>Group 2014/15</th>
<th>Group 2013/14</th>
<th>Foundation Trust 2014/15</th>
<th>Foundation Trust 2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from activities</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>NHS Foundation Trusts</td>
<td>0</td>
<td>0</td>
<td>163</td>
<td>163</td>
</tr>
<tr>
<td>CCGs and NHS England</td>
<td>251,145</td>
<td>251,145</td>
<td>245,718</td>
<td>245,718</td>
</tr>
<tr>
<td>Local Authorities</td>
<td>1,293</td>
<td>1,293</td>
<td>1,411</td>
<td>1,411</td>
</tr>
<tr>
<td>Non NHS: Private patients</td>
<td>561</td>
<td>561</td>
<td>261</td>
<td>261</td>
</tr>
<tr>
<td>Non-NHS: Overseas patients (non-reciprocal)</td>
<td>3</td>
<td>3</td>
<td>47</td>
<td>47</td>
</tr>
<tr>
<td>NHS injury scheme (was RTA)</td>
<td>999</td>
<td>999</td>
<td>1,200</td>
<td>1,200</td>
</tr>
<tr>
<td>Non NHS: Other</td>
<td>27</td>
<td>27</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total income from activities</td>
<td>254,028</td>
<td>254,028</td>
<td>248,800</td>
<td>248,800</td>
</tr>
</tbody>
</table>
### Note 2.5 Analysis of other income

<table>
<thead>
<tr>
<th></th>
<th>Group 2014/15</th>
<th>Foundation Trust 2014/15</th>
<th>Group 2013/14</th>
<th>Foundation Trust 2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total (£000)</td>
<td>Total (£000)</td>
<td>Total (£000)</td>
<td>Total (£000)</td>
</tr>
<tr>
<td>Car parking</td>
<td>1,545</td>
<td>1,545</td>
<td>1,395</td>
<td>1,395</td>
</tr>
<tr>
<td>Estates recharges</td>
<td>172</td>
<td>172</td>
<td>91</td>
<td>91</td>
</tr>
<tr>
<td>Pharmacy sales</td>
<td>1,304</td>
<td>1,304</td>
<td>1,353</td>
<td>1,353</td>
</tr>
<tr>
<td>Staff accommodation rentals</td>
<td>592</td>
<td>592</td>
<td>553</td>
<td>553</td>
</tr>
<tr>
<td>Crèche Services</td>
<td>404</td>
<td>404</td>
<td>438</td>
<td>438</td>
</tr>
<tr>
<td>Clinical tests</td>
<td>556</td>
<td>556</td>
<td>607</td>
<td>607</td>
</tr>
<tr>
<td>Other income</td>
<td>2,407</td>
<td>3,044</td>
<td>4,515</td>
<td>4,515</td>
</tr>
<tr>
<td><strong>Total other income</strong></td>
<td><strong>6,980</strong></td>
<td><strong>7,617</strong></td>
<td><strong>8,952</strong></td>
<td><strong>8,952</strong></td>
</tr>
</tbody>
</table>

### Note 2.6 Segmental Reporting

The Foundation Trust is not required to provide a segmental analysis, as all of its activities relate to one business segment, the provision of healthcare services.

### Note 3 Operating Expenses

#### Note 3.1 Operating Expenses (by type)

<table>
<thead>
<tr>
<th></th>
<th>Group 2014/15</th>
<th>Foundation Trust 2014/15</th>
<th>Group 2013/14</th>
<th>Foundation Trust 2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total (£000)</td>
<td>Total (£000)</td>
<td>Total (£000)</td>
<td>Total (£000)</td>
</tr>
<tr>
<td>Services from NHS Foundation Trusts</td>
<td>927</td>
<td>927</td>
<td>508</td>
<td>508</td>
</tr>
<tr>
<td>Services from NHS Trusts</td>
<td>383</td>
<td>383</td>
<td>206</td>
<td>206</td>
</tr>
<tr>
<td>Services from CCGs and NHS England</td>
<td>17</td>
<td>17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of healthcare from non NHS bodies</td>
<td>9,492</td>
<td>9,492</td>
<td>599</td>
<td>599</td>
</tr>
<tr>
<td>Employee Expenses - Non-executive directors</td>
<td>149</td>
<td>149</td>
<td>153</td>
<td>153</td>
</tr>
<tr>
<td>Employee Expenses - Executive directors (see note 5)</td>
<td>1,307</td>
<td>1,307</td>
<td>1,439</td>
<td>1,439</td>
</tr>
<tr>
<td>Employee Expenses – Staff (see note 5)</td>
<td>172,557</td>
<td>172,498</td>
<td>169,133</td>
<td>169,133</td>
</tr>
<tr>
<td>Drug costs</td>
<td>34,369</td>
<td>34,369</td>
<td>30,214</td>
<td>30,214</td>
</tr>
<tr>
<td>Supplies and services - clinical (excluding drug costs)</td>
<td>24,444</td>
<td>24,444</td>
<td>26,850</td>
<td>26,850</td>
</tr>
<tr>
<td>Supplies and services - general</td>
<td>3,811</td>
<td>3,811</td>
<td>4,173</td>
<td>4,173</td>
</tr>
<tr>
<td>Establishment</td>
<td>3,009</td>
<td>3,009</td>
<td>2,685</td>
<td>2,685</td>
</tr>
<tr>
<td>Transport</td>
<td>436</td>
<td>436</td>
<td>652</td>
<td>652</td>
</tr>
<tr>
<td>Premises</td>
<td>9,740</td>
<td>9,740</td>
<td>8,781</td>
<td>8,781</td>
</tr>
<tr>
<td>Increase /(decrease) in bad debt provision</td>
<td>(205)</td>
<td>(205)</td>
<td>409</td>
<td>409</td>
</tr>
<tr>
<td>Increase /(decrease) in other provisions</td>
<td>19</td>
<td>19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation on property, plant and equipment</td>
<td>9,536</td>
<td>9,536</td>
<td>9,658</td>
<td>9,658</td>
</tr>
</tbody>
</table>
Amortisation of intangible assets 227 227 155 155
Impairments of property, plant and equipment 0 0 2,210 2,210
Audit fees:
  audit services- statutory audit 90 90 109 109
Other auditors remuneration:
  audit services- charitable fund accounts 0 0 0 0
Clinical negligence – payments to NHSLA 5,706 5,706 5,953 5,953
Loss on disposal of other property, plant and equipment (see note 3.4) 0 0 26 26
Legal fees 415 415 275 275
Consultancy costs 487 487 911 911
Training, courses and conferences 782 782 728 728
Car parking & Security 0 0 3 3
Redundancy (see note 5) 120 120 197 197
Publishing 0 0 32 32
Insurance 339 339 357 357
Losses, ex gratia & special payments 11 11 20 20
NHS Charitable funds: Other resources expended 207 0 231 0
Other 781 781 736 736
Total 279,156 278,890 267,403 267,172

Note 3.2 Arrangements containing an operating lease

<table>
<thead>
<tr>
<th></th>
<th>Group 2014/15</th>
<th>Foundation Trust 2014/15</th>
<th>Group 2013/14</th>
<th>Foundation Trust 2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total minimum lease payments</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td></td>
<td>1,916</td>
<td>1,916</td>
<td>1,953</td>
<td>1,953</td>
</tr>
<tr>
<td>Contingent rents</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Less sublease payments received</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>1,916</td>
<td>1,916</td>
<td>1,953</td>
<td>1,953</td>
</tr>
</tbody>
</table>

Future minimum lease payments due:
- not later than one year: 442 442 442 442
- later than one year and not later than five years: 1,474 1,474 1,511 1,511
- later than five years: 0 0 0 0
Total 1,916 1,916 1,953 1,953

The trust leases commercial property for both clinical and administrative purposes under cancellable operating leases.
Note 3.3 Disposal of fixed assets

<table>
<thead>
<tr>
<th></th>
<th>Group 2014/15</th>
<th>Group 2013/14</th>
<th>Foundation Trust 2014/15</th>
<th>Foundation Trust 2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total £000</td>
<td>Total £000</td>
<td>Total £000</td>
<td>Total £000</td>
<td>Total £000</td>
</tr>
<tr>
<td>(Profit)/Loss on disposal of plant and machinery:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- protected;</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>- non protected;</td>
<td>(31)</td>
<td>(31)</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td>Total</td>
<td>(31)</td>
<td>(31)</td>
<td>26</td>
<td>26</td>
</tr>
</tbody>
</table>

Note 4 The Late Payment of Commercial Debts (Interest) Act 1998

There were no significant penalties for late payments of commercial debts in 2014/15.

Note 5 Employee expenses and numbers

Note 5.1 Employee Expenses

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total £000</td>
<td>Permanent £000</td>
<td>Other £000</td>
<td>Total £000</td>
<td>Total £000</td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>128,767</td>
<td>119,553</td>
<td>9,214</td>
<td>133,959</td>
<td></td>
</tr>
<tr>
<td>Social security costs</td>
<td>13,309</td>
<td>13,309</td>
<td>0</td>
<td>11,718</td>
<td></td>
</tr>
<tr>
<td>Pension costs - defined contribution plans:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employers contributions to NHS Pensions (staff)</td>
<td>17,458</td>
<td>17,458</td>
<td>0</td>
<td>15,823</td>
<td></td>
</tr>
<tr>
<td>Employers contributions to NHS Pensions (Directors)</td>
<td>118</td>
<td>118</td>
<td>0</td>
<td>101</td>
<td></td>
</tr>
<tr>
<td>Termination benefits</td>
<td>120</td>
<td>120</td>
<td>0</td>
<td>197</td>
<td></td>
</tr>
<tr>
<td>Agency/contract staff</td>
<td>16,757</td>
<td>0</td>
<td>16,757</td>
<td>9,977</td>
<td></td>
</tr>
<tr>
<td>Less income in respect of salaries and wages where netted off expenditure</td>
<td>(2,604)</td>
<td>(2,604)</td>
<td>0</td>
<td>(941)</td>
<td></td>
</tr>
<tr>
<td>Less costs capitalised as part of assets</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>(65)</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>173,925</td>
<td>147,954</td>
<td>25,971</td>
<td>170,769</td>
<td></td>
</tr>
</tbody>
</table>

Note 5.2 Average number of employees (WTE Basis)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Number</td>
<td>Permanent Number</td>
<td>Other Number</td>
<td>Total Number</td>
<td>Total Number</td>
</tr>
<tr>
<td>Medical and dental</td>
<td>461</td>
<td>453</td>
<td>8</td>
<td>459</td>
<td></td>
</tr>
<tr>
<td>Administration and estates</td>
<td>856</td>
<td>856</td>
<td>0</td>
<td>877</td>
<td></td>
</tr>
<tr>
<td>Healthcare assistants and other support staff</td>
<td>643</td>
<td>643</td>
<td>0</td>
<td>661</td>
<td></td>
</tr>
<tr>
<td>Nursing, midwifery and health visiting staff</td>
<td>1,065</td>
<td>1,065</td>
<td>0</td>
<td>1,031</td>
<td></td>
</tr>
<tr>
<td>Scientific, therapeutic and technical staff</td>
<td>650</td>
<td>650</td>
<td>0</td>
<td>746</td>
<td></td>
</tr>
<tr>
<td>Bank and agency staff</td>
<td>280</td>
<td>0</td>
<td>280</td>
<td>293</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3,956</td>
<td>3,668</td>
<td>288</td>
<td>4,068</td>
<td></td>
</tr>
</tbody>
</table>
The above calculation of staff numbers is based on Whole Time Equivalents and this information is not available for external agency staffing.

**Note 5.3 Employee benefits**

<table>
<thead>
<tr>
<th></th>
<th>2014/15</th>
<th>2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxable benefit of leased cars provided</td>
<td>12</td>
<td>19</td>
</tr>
</tbody>
</table>
### Note 5.4 Reporting of other compensation schemes

#### Exit packages 2014/15

<table>
<thead>
<tr>
<th>Exit package cost band</th>
<th>Number of compulsory redundancies</th>
<th>Cost of compulsory redundancies £000s</th>
<th>Number of other departures agreed</th>
<th>Cost of other departures agreed £000s</th>
<th>Total number of exit packages Number</th>
<th>Total cost of exit packages £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;£10,000</td>
<td>4</td>
<td>36</td>
<td>1</td>
<td>6</td>
<td>5</td>
<td>42</td>
</tr>
<tr>
<td>£10,001 - £25,000</td>
<td>2</td>
<td>40</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>40</td>
</tr>
<tr>
<td>£25,001 - 50,000</td>
<td>1</td>
<td>44</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>44</td>
</tr>
<tr>
<td>£50,001 - £100,000</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>56</td>
<td>1</td>
<td>56</td>
</tr>
<tr>
<td>£100,001 - £150,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>£150,001 - £200,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>&gt;£200,001</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7</strong></td>
<td><strong>120</strong></td>
<td><strong>2</strong></td>
<td><strong>62</strong></td>
<td><strong>9</strong></td>
<td><strong>182</strong></td>
</tr>
</tbody>
</table>

Compulsory redundancies included in the above table are the result of redundancies from departmental reorganisations.

Further information on ‘other departures’ is given in the table below:

<table>
<thead>
<tr>
<th>Agreements</th>
<th>Total Value of Agreements £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractual payments in lieu of notice</td>
<td>1</td>
</tr>
<tr>
<td>Exit payments following Employment Tribunals or Court Orders</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>2</td>
</tr>
</tbody>
</table>

The Remuneration Report provides details of exit payments payable to individuals named in that report.
Exit packages 2013/14

<table>
<thead>
<tr>
<th>Exit package cost band (including any special payment element)</th>
<th>*Number of compulsory redundancies</th>
<th>*Cost of compulsory redundancies</th>
<th>Number of other departures agreed</th>
<th>Cost of other departures agreed</th>
<th>Total number of exit packages</th>
<th>Total cost of exit packages</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;£10,000</td>
<td>1</td>
<td>9</td>
<td>2</td>
<td>8</td>
<td>3</td>
<td>17</td>
</tr>
<tr>
<td>£10,001 - £25,000</td>
<td>1</td>
<td>22</td>
<td>2</td>
<td>39</td>
<td>3</td>
<td>61</td>
</tr>
<tr>
<td>£25,001 - 50,000</td>
<td>2</td>
<td>73</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>73</td>
</tr>
<tr>
<td>£50,001 - £100,000</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>151</td>
<td>2</td>
<td>151</td>
</tr>
<tr>
<td>£100,001 - £150,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>£150,001 - £200,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>&gt;£200,001</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4</strong></td>
<td><strong>104</strong></td>
<td><strong>6</strong></td>
<td><strong>198</strong></td>
<td><strong>10</strong></td>
<td><strong>302</strong></td>
</tr>
</tbody>
</table>

All exit packages included in the above table are the result of redundancies from departmental reorganisations. Treasury approval was obtained for exit packages where required.

Further information on ‘other departures’ is given in the table below:

<table>
<thead>
<tr>
<th>Agreements</th>
<th>Total Value of Agreements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractual payments in lieu of notice</td>
<td>4</td>
</tr>
<tr>
<td>Exit payments following Employment Tribunals or Court Orders</td>
<td>2</td>
</tr>
</tbody>
</table>
### Note 5.5 Salary and pension entitlements of senior managers

As Corporate Trustee of the Charity, the senior managers below relate to the group.

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>2014/15</th>
<th>2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Salary (bands of £5000)</td>
<td>Bonuses (band of £5000)</td>
<td>2014/15 Other Remuneration (bands of £5000)</td>
</tr>
<tr>
<td>J. Totterdell</td>
<td>Chief Executive</td>
<td>170 to 175</td>
<td>-</td>
</tr>
<tr>
<td>S. Hardy</td>
<td>Chief Nurse and Acting Chief Executive (from October 2014)</td>
<td>155 to 160</td>
<td>-</td>
</tr>
<tr>
<td>B. Shipley</td>
<td>Director of Finance (to March 2014)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>J. O’Sullivan</td>
<td>Chief Financial Officer</td>
<td>125 to 130</td>
<td>-</td>
</tr>
<tr>
<td>S. Le Blanc</td>
<td>Director of Human Resources (to August 2014)</td>
<td>45 to 50</td>
<td>-</td>
</tr>
<tr>
<td>K. Warrior</td>
<td>Acting Director of Human Resources (September to December 2014)</td>
<td>45 to 50</td>
<td>-</td>
</tr>
<tr>
<td>M. Foulkes OBE</td>
<td>Director of Human Resources (from January 2015)</td>
<td>20 to 25</td>
<td>-</td>
</tr>
<tr>
<td>N. Rothnie</td>
<td>Medical Director</td>
<td>120 to 125</td>
<td>50 to 55</td>
</tr>
<tr>
<td>R. Wainwright</td>
<td>Chief Operating Officer (to June 2013)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>S Spencer</td>
<td>Interim Chief Operating Officer (July 2013 to Dec 2013)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>J Findlay</td>
<td>Chief Operating Officer</td>
<td>125 to 130</td>
<td>-</td>
</tr>
<tr>
<td>I. McMillan</td>
<td>Commercial Director (to July 2014)</td>
<td>25 to 30</td>
<td>55 to 60</td>
</tr>
<tr>
<td>C. Cadwallader</td>
<td>Interim Director of Estates and Facilities</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>J. China</td>
<td>Director of Estates and Facilities (from May 2014)</td>
<td>95 to 100</td>
<td>-</td>
</tr>
<tr>
<td>C. Schwarz</td>
<td>Acting Chief Nurse (from October 2014)</td>
<td>45 to 50</td>
<td>-</td>
</tr>
</tbody>
</table>
B) Non-Executive Directors

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Band of highest-paid Director</th>
<th>Total Remuneration (£'000)</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Tobias OBE</td>
<td>Chair</td>
<td>45 to 50</td>
<td>170 to 175</td>
<td>7.53</td>
</tr>
<tr>
<td>P. Little</td>
<td>Non-executive Director</td>
<td>15 to 20</td>
<td>10 to 15</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>10 to 15</td>
<td></td>
</tr>
<tr>
<td>D. Parkins</td>
<td>Non-executive Director</td>
<td>15 to 20</td>
<td>10 to 15</td>
<td></td>
</tr>
<tr>
<td>M Green</td>
<td>Non-executive Director</td>
<td>15 to 20</td>
<td>10 to 15</td>
<td></td>
</tr>
<tr>
<td>F. Heddell</td>
<td>Non-executive Director</td>
<td>15 to 20</td>
<td>10 to 15</td>
<td></td>
</tr>
<tr>
<td>J. Le Masurier</td>
<td>Non-executive Director</td>
<td>10 to 15</td>
<td>10 to 15</td>
<td></td>
</tr>
<tr>
<td>T. Young</td>
<td>Non-executive Director</td>
<td>10 to 15</td>
<td>10 to 15</td>
<td></td>
</tr>
<tr>
<td>Q. Bakhsh</td>
<td>Non-executive Director</td>
<td>10 to 15</td>
<td>10 to 15</td>
<td></td>
</tr>
</tbody>
</table>

Dr Neil Rothnie, Medical Director, received other remuneration for his work as a consultant.

During a period of secondment of the Chief Executive outside of the Trust, the deputy Chief Executive acted up and was paid the appropriate acting up allowance

Iain McMillan left the Trust in July 2014 and the other remuneration related to a payment in lieu of notice. This payment is included in the exit packages disclosure in note 5.4.

Jan China was in attendance at board meetings but did not have voting rights.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median, the mid-point, remuneration of the organisation’s workforce, including bank and locum staff.

<table>
<thead>
<tr>
<th>Band of highest-paid Director</th>
<th>Total Remuneration (£'000)</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014/15</td>
<td>£170,000 to £175,000</td>
<td>7.53</td>
</tr>
<tr>
<td>2013/14</td>
<td>£190,000 to £195,000</td>
<td>8.53</td>
</tr>
</tbody>
</table>

The calculation is based on the full time equivalent staff at the end of the financial year on an annualised basis, this ranged from £1,626 (2013/14 £2,350) to £149,512 (2013/14 £137,095).

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

The banded remuneration of the highest-paid director in the financial year 2014/15 was £170,000 to £175,000 (2013/14 £190,000 to 195,000). The highest paid director in 2014/15 was the Chief Executive and in 2013/14 it was the Medical Director. In both years the highest paid director has been based on permanent employees. The mid-point of this band, £172,500 was 7.53 times the median remuneration of the workforce, which was £22,903.
### Pension Benefits

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
<th>Real increase in pension and related lump sum at age 60</th>
<th>Total accrued pension and related lump sum at age 60 at 31 March 2015</th>
<th>Cash Equivalent Transfer Value at 1 April 2014 (to nearest £1,000)</th>
<th>Cash Equivalent Transfer Value at 31 March 2015 (to nearest £1,000)</th>
<th>Real Increase in Cash Equivalent Transfer Value (to nearest £1,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>J. Totterdell</td>
<td>Chief Executive and Acting Chief Nurse</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7.5 to 10</td>
<td>245 to 250</td>
<td>1,052</td>
<td>1,121</td>
<td>40</td>
</tr>
<tr>
<td>S. Hardy</td>
<td>Chief Executive</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>52.5 to 55</td>
<td>195 to 200</td>
<td>663</td>
<td>942</td>
<td>261</td>
</tr>
<tr>
<td>J. O’Sullivan</td>
<td>Financial Officer</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0 to 2.5</td>
<td>0 to 5</td>
<td>n/a</td>
<td>32</td>
<td>n/a</td>
</tr>
<tr>
<td>S. Le Blanc</td>
<td>Human Resources Director (from December 2012)</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7.5 to 10</td>
<td>65 to 70</td>
<td>248</td>
<td>300</td>
<td>19</td>
</tr>
<tr>
<td>N. Rothnie</td>
<td>Medical Director</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0 to 2.5</td>
<td>295 to 300</td>
<td>1,583</td>
<td>1,642</td>
<td>16</td>
</tr>
<tr>
<td>J. Findlay</td>
<td>Operating Officer</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>165 to 167.5</td>
<td>165 to 170</td>
<td>n/a</td>
<td>725</td>
<td>n/a</td>
</tr>
<tr>
<td>I. McMillan</td>
<td>Director (from July 2012)</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0 to 2.5</td>
<td>0 to 5</td>
<td>35</td>
<td>40</td>
<td>1</td>
</tr>
<tr>
<td>J. China</td>
<td>Director of Estates and Facilities Director</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>210 to 212.5</td>
<td>210 to 215</td>
<td>n/a</td>
<td>1,209</td>
<td>n/a</td>
</tr>
<tr>
<td>M. Foulkes OBE</td>
<td>Human Resources Director (from January 2015)</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0 to 2.5</td>
<td>30 to 35</td>
<td>n/a</td>
<td>147</td>
<td>n/a</td>
</tr>
<tr>
<td>K. Warrior*</td>
<td>Acting Director of Human Resources</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>32.5 to 35</td>
<td>145 to 150</td>
<td>n/a</td>
<td>754</td>
<td>n/a</td>
</tr>
<tr>
<td>C. Schwarz*</td>
<td>Acting Chief Nurse</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>37.5 to 40</td>
<td>140 to 145</td>
<td>n/a</td>
<td>625</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Note*: These staff were in acting director roles for part year. The figures shown include elements of the pensions related to their substantive post. The total value has been included as it has not been possible to separate the elements related to their acting directorships.

As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pension benefits for Non-Executive members.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member’s accrued benefits and any contingent spouse’s pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has
accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real Increase in CETV - This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses Government Actuary Department factors in the calculations.

Signed:

Sue Hardy
Chief executive
Date: 29 May 2015
Note 5.6 Early Retirements due to ill health

During 2014/15 there were 4 (2013/14 - 8) early retirements from the Trust agreed on the grounds of ill health.

The estimated additional pension liabilities of these ill-health retirements will be £382,000 (2013/14 - £449,000). The estimated additional pension liabilities of these ill-health retirements will be borne by the NHS Pension Agency.

Note 6 Finance Costs

Note 6.1 Finance income

<table>
<thead>
<tr>
<th></th>
<th>Group 2014/15</th>
<th>Foundation Trust 2014/15</th>
<th>Group 2013/14</th>
<th>Foundation Trust 2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on cash deposits</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Total</td>
<td>69</td>
<td>64</td>
<td>63</td>
<td>57</td>
</tr>
</tbody>
</table>

Note 6.2 Interest expense

<table>
<thead>
<tr>
<th></th>
<th>Group 2014/15</th>
<th>Foundation Trust 2014/15</th>
<th>Group 2013/14</th>
<th>Foundation Trust 2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance leases</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>351</td>
<td>351</td>
<td>357</td>
<td>357</td>
</tr>
</tbody>
</table>

Note 7 Intangible Assets

This note relates to the Foundation Trust only as the charity does not have any assets.

Note 7.1 Intangible assets 2014/15

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Software licences</th>
<th>Carbon Trading Allowances</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Gross cost at 1 April 2014</td>
<td>2,930</td>
<td>2,930</td>
<td>0</td>
</tr>
<tr>
<td>Additions - purchased</td>
<td>1,494</td>
<td>1,494</td>
<td>0</td>
</tr>
<tr>
<td>Additions - reclassifications</td>
<td>32</td>
<td>32</td>
<td>0</td>
</tr>
<tr>
<td>Disposals during the year</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Gross cost at 31 March 2015</td>
<td>4,456</td>
<td>4,456</td>
<td>0</td>
</tr>
<tr>
<td>Amortisation at 1 April 2014</td>
<td>1,997</td>
<td>1,997</td>
<td>0</td>
</tr>
<tr>
<td>Provided during the year</td>
<td>227</td>
<td>227</td>
<td>0</td>
</tr>
<tr>
<td>Amortisation at 31 March 2015</td>
<td>2,224</td>
<td>2,224</td>
<td>0</td>
</tr>
<tr>
<td>Net book value</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NBV - Purchased at 1 April 2014</td>
<td>933</td>
<td>933</td>
<td>0</td>
</tr>
<tr>
<td>NBV total at 1 April 2014</td>
<td>933</td>
<td>933</td>
<td>0</td>
</tr>
<tr>
<td>Net book value</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NBV - Purchased at 31 March 2015</td>
<td>2,232</td>
<td>2,232</td>
<td>0</td>
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<tr>
<td>NBV total at 31 March 2015</td>
<td>2,232</td>
<td>2,232</td>
<td>0</td>
</tr>
</tbody>
</table>
Note 7.2 Intangible assets 2013/14

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Software licences</th>
<th>Carbon Trading Allowances</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross cost at 1 April 2013</strong></td>
<td>£2,242</td>
<td>£2,220</td>
<td>£22</td>
</tr>
<tr>
<td><strong>Additions - purchased</strong></td>
<td>410</td>
<td>410</td>
<td>0</td>
</tr>
<tr>
<td><strong>Additions - reclassifications</strong></td>
<td>300</td>
<td>300</td>
<td>0</td>
</tr>
<tr>
<td><strong>Disposals during the year</strong></td>
<td>(22)</td>
<td>0</td>
<td>(22)</td>
</tr>
<tr>
<td><strong>Gross cost at 31 March 2014</strong></td>
<td>2,930</td>
<td>2,930</td>
<td>0</td>
</tr>
<tr>
<td><strong>Amortisation at 1 April 2013</strong></td>
<td>1,842</td>
<td>1,842</td>
<td>0</td>
</tr>
<tr>
<td>Provided during the year</td>
<td>155</td>
<td>155</td>
<td>0</td>
</tr>
<tr>
<td><strong>Amortisation at 31 March 2014</strong></td>
<td>1,997</td>
<td>1,997</td>
<td>0</td>
</tr>
<tr>
<td><strong>Net book value</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NBV - Purchased at 1 April 2013</td>
<td>400</td>
<td>378</td>
<td>22</td>
</tr>
<tr>
<td>NBV total at 1 April 2013</td>
<td>400</td>
<td>378</td>
<td>22</td>
</tr>
<tr>
<td><strong>Net book value</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NBV - Purchased at 31 March 2014</td>
<td>933</td>
<td>933</td>
<td>0</td>
</tr>
<tr>
<td>NBV total at 31 March 2014</td>
<td>933</td>
<td>933</td>
<td>0</td>
</tr>
</tbody>
</table>

Note 7.3 Economic life of intangible assets

<table>
<thead>
<tr>
<th>Intangible assets – purchased</th>
<th>Min Life</th>
<th>Max Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>
Note 8 Property, plant and Equipment
This note relates to the Foundation Trust only as the charity does not have any assets.

<table>
<thead>
<tr>
<th>Note 8.1 Property, plant and equipment</th>
<th>Total</th>
<th>Land</th>
<th>Buildings excluding dwellings</th>
<th>Dwellings</th>
<th>Assets under Construction</th>
<th>Plant &amp; Machinery</th>
<th>Transport Equipment</th>
<th>Information Technology</th>
<th>Furniture &amp; Fittings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014/15</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Cost or valuation at 1 April 2014</td>
<td>221,313</td>
<td>27,769</td>
<td>89,425</td>
<td>5,396</td>
<td>188</td>
<td>64,932</td>
<td>159</td>
<td>29,123</td>
<td>4,321</td>
</tr>
<tr>
<td>Additions - purchased</td>
<td>8,273</td>
<td>0</td>
<td>4,986</td>
<td>50</td>
<td>0</td>
<td>2,117</td>
<td>0</td>
<td>1,019</td>
<td>100</td>
</tr>
<tr>
<td>Additions - donated</td>
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<td>83</td>
<td>0</td>
<td>0</td>
<td>33</td>
<td>0</td>
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<tr>
<td>Additions – government granted</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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</tr>
<tr>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Reclassifications</td>
<td>(32)</td>
<td>1</td>
<td>(60)</td>
<td>(188)</td>
<td>137</td>
<td>0</td>
<td>16</td>
<td>62</td>
<td>0</td>
</tr>
<tr>
<td>Disposals</td>
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<td>0</td>
<td>(1,322)</td>
<td>0</td>
<td>(1,180)</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Cost or valuation at 31 March 2015</td>
<td>227,168</td>
<td>27,770</td>
<td>94,434</td>
<td>5,446</td>
<td>0</td>
<td>65,898</td>
<td>159</td>
<td>28,978</td>
<td>4,484</td>
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<tr>
<td>Accumulated depreciation at 1 April 2014</td>
<td>67,549</td>
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<td>0</td>
<td>42,991</td>
<td>159</td>
<td>21,964</td>
<td>2,435</td>
</tr>
<tr>
<td>Provided during the year</td>
<td>9,536</td>
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<td>3,343</td>
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<td>0</td>
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<td>Reversal of Impairments</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<td>0</td>
<td>0</td>
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<td>Reclassifications</td>
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<td>0</td>
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<td>(1,284)</td>
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<td>(1,180)</td>
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<td>170</td>
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<td>45,390</td>
<td>159</td>
<td>23,001</td>
<td>2,557</td>
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</table>

Net Book Value

| NBV - Owned at 1 April 2014            | 144,750 | 27,769 | 88,416 | 976 | 188 | 18,548 | 0 | 7,013 | 1,840 |
| NBV - Finance Lease at 1 April 2014   | 4,634    | 0     | 214    | 4,420 | 0   | 0     | 0 | 0     | 0     |
| NBV – Government granted at 1 April 2014 | 0    | 0    | 0     | 0   | 0   | 0     | 0 | 0     | 0     |
| NBV - Donated at 1 April 2014         | 4,380    | 0     | 795    | 0   | 0   | 3,393 | 0 | 146   | 46    |
| NBV total at 1 April 2014             | 153,764  | 27,769 | 89,425 | 5,396 | 188 | 21,941 | 0 | 7,159 | 1,886 |

Net book value

| NBV – Owned at 31 March 2015          | 142,939  | 27,770 | 90,032 | 957  | 0   | 16,414 | 0 | 5,878 | 1,887 |
| NBV - Finance Lease at 31 March 2015 | 5,821    | 0     | 211    | 4,319 | 0   | 1,291 | 0 | 0     | 0     |
| NBV – Government granted at 31 March 2015 | 44    | 0     | 0     | 0   | 0   | 44     | 0 | 0     | 0     |
| NBV - Donated at 31 March 2015        | 3,743    | 0     | 847    | 0   | 0   | 2,757 | 0 | 99    | 40    |
| NBV total at 31 March 2015            | 152,547  | 27,770 | 91,090 | 5,277 | 0   | 20,506 | 0 | 5,997 | 1,927 |
Note 8.2 Analysis of property, plant and equipment at 31 March 2015

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Land</th>
<th>Buildings excluding dwellings</th>
<th>Dwellings</th>
<th>Assets under Construction</th>
<th>Plant &amp; Machinery</th>
<th>Transport Equipment</th>
<th>Information Technology</th>
<th>Furniture &amp; Fittings</th>
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<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>NBV - Protected assets at 31 March 2015</td>
<td>124,137</td>
<td>27,770</td>
<td>91,090</td>
<td>5,277</td>
<td>0</td>
<td>0</td>
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<tr>
<td>NBV - Unprotected assets at 31 March 2015</td>
<td>28,415</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>20,506</td>
<td>0</td>
<td>5,977</td>
<td>1,927</td>
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<tr>
<td>Total at 31 March 2015</td>
<td>152,547</td>
<td>27,770</td>
<td>91,090</td>
<td>5,277</td>
<td>20,506</td>
<td>0</td>
<td>5,977</td>
<td>1,927</td>
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### Note 8.3 Property, plant and equipment 2013/14

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<th>Land</th>
<th>£000</th>
<th>Buildings excluding dwellings</th>
<th>£000</th>
<th>Dwellings excluding dwellings</th>
<th>£000</th>
<th>Assets under Construction</th>
<th>£000</th>
<th>Plant &amp; Machinery</th>
<th>£000</th>
<th>Transport Equipment</th>
<th>£000</th>
<th>Information Technology</th>
<th>£000</th>
<th>Furniture &amp; Fittings</th>
<th>£000</th>
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<tr>
<td><strong>Cost or valuation at 1 April 2013</strong></td>
<td>210,193</td>
<td>25,641</td>
<td>85,396</td>
<td>5,366</td>
<td>1,839</td>
<td>62,127</td>
<td>159</td>
<td>25,400</td>
<td>4,265</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Additions - purchased</td>
<td>13,365</td>
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<td>7,728</td>
<td>43</td>
<td>718</td>
<td>3,170</td>
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<td>0</td>
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<td>717</td>
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<td>0</td>
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<tr>
<td>Additions – government granted</td>
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<td></td>
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<tr>
<td>Impairments</td>
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<td>(428)</td>
<td>(22)</td>
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<tr>
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<td>(3,894)</td>
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<td>0</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Cost or valuation at 31 March 2014</strong></td>
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<td>89,425</td>
<td>5,396</td>
<td>188</td>
<td>64,932</td>
<td>159</td>
<td>29,123</td>
<td>4,321</td>
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</tr>
</tbody>
</table>

| **Accumulated depreciation at 1 April 2013** | 62,340 | 0 | 0 | 0 | 0 | 40,388 | 159 | 19,497 | 2,296 |
| Provided during the year | 9,658 | 0 | 3,237 | 165 | 0 | 3,650 | 0 | 2,467 | 139 |
| Impairments          | 2,210 | 3 | 2,207 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reversal of Impairments | (684) | 0 | (684) | 0 | 0 | 0 | 0 | 0 | 0 |
| Revaluations         | (4,928) | (3) | (4,760) | (165) | 0 | 0 | 0 | 0 | 0 |
| Reclassifications    | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals            | (1,047) | 0 | 0 | 0 | 0 | (1,047) | 0 | 0 | 0 |
| **Accumulated depreciation at 31 March 2014** | 67,549 | 0 | 0 | 0 | 0 | 42,991 | 159 | 21,964 | 2,435 |

### Net Book Value

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<tr>
<th></th>
<th>Total</th>
<th>£000</th>
<th>Land</th>
<th>£000</th>
<th>Buildings excluding dwellings</th>
<th>£000</th>
<th>Dwellings excluding dwellings</th>
<th>£000</th>
<th>Assets under Construction</th>
<th>£000</th>
<th>Plant &amp; Machinery</th>
<th>£000</th>
<th>Transport Equipment</th>
<th>£000</th>
<th>Information Technology</th>
<th>£000</th>
<th>Furniture &amp; Fittings</th>
<th>£000</th>
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<td>0</td>
<td>442</td>
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<td>1,969</td>
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<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>£000</th>
<th>Land</th>
<th>£000</th>
<th>Buildings excluding dwellings</th>
<th>£000</th>
<th>Dwellings excluding dwellings</th>
<th>£000</th>
<th>Assets under Construction</th>
<th>£000</th>
<th>Plant &amp; Machinery</th>
<th>£000</th>
<th>Transport Equipment</th>
<th>£000</th>
<th>Information Technology</th>
<th>£000</th>
<th>Furniture &amp; Fittings</th>
<th>£000</th>
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<td>NBV – Owned at 31 March 2014</td>
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<td>88,416</td>
<td>976</td>
<td>188</td>
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</tr>
<tr>
<td>NBV – Government granted at 31 March 2014</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td><strong>NBV total at 31 March 2014</strong></td>
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<td>27,769</td>
<td>89,425</td>
<td>5,396</td>
<td>188</td>
<td>21,941</td>
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<td>7,159</td>
<td>1,886</td>
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</table>
Note 8.4 Analysis of property, plant and equipment at 31 March 2014

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<th>Buildings excluding dwellings</th>
<th>Dwellings (excluding land)</th>
<th>Assets under Construction</th>
<th>Plant &amp; Machinery</th>
<th>Transport Equipment</th>
<th>Information Technology</th>
<th>Furniture &amp; Fittings</th>
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<td>£000</td>
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<td>Net book value</td>
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<td>89,425</td>
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<td>0</td>
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<td>0</td>
<td>7,159</td>
<td>1,886</td>
<td></td>
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<tr>
<td>Total at 31 March 2014</td>
<td>153,764</td>
<td>27,769</td>
<td>89,425</td>
<td>5,396</td>
<td>188</td>
<td>21,941</td>
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<td>7,159</td>
<td>1,886</td>
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Note 8.5 Economic life of property, plant and equipment

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<th>Max Life</th>
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<td>Years</td>
<td>Years</td>
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<td>50</td>
</tr>
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<td>Assets under Construction &amp; POA</td>
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<td>0</td>
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<td>Plant &amp; Machinery</td>
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<td>7</td>
</tr>
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<td>Furniture &amp; Fittings</td>
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Note 8.6 Impairment of assets

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<th>2013/14 £000</th>
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<td>Changes in market price:</td>
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<td>Impairments taken to revaluation reserve</td>
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Note 9 Inventories

This note relates to the Foundation Trust only as the charity does not have any inventories

Note 9.1 Inventories

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<th>31-Mar-14 £000</th>
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Note 9.2 Inventories recognised in expenses

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<th>2013/14 £000</th>
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</thead>
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### Note 10.1 Trade receivables and other receivables

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<th>Foundation Trust Total 31-Mar-15 £000</th>
<th>Group Total 31-Mar-14 £000</th>
<th>Foundation Trust Total 31-Mar-14 £000</th>
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<tbody>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NHS Receivables</td>
<td>15,521</td>
<td>15,521</td>
<td>15,466</td>
<td>15,466</td>
</tr>
<tr>
<td>Provision for impaired receivables</td>
<td>(400)</td>
<td>(400)</td>
<td>(711)</td>
<td>(711)</td>
</tr>
<tr>
<td>Prepayments</td>
<td>2,132</td>
<td>2,132</td>
<td>1,126</td>
<td>1,126</td>
</tr>
<tr>
<td>PDC receivable</td>
<td>103</td>
<td>103</td>
<td>58</td>
<td>58</td>
</tr>
<tr>
<td>VAT receivable</td>
<td>762</td>
<td>762</td>
<td>348</td>
<td>348</td>
</tr>
<tr>
<td>Other receivables</td>
<td>1,526</td>
<td>1,612</td>
<td>4,204</td>
<td>4,403</td>
</tr>
<tr>
<td>Charitable Funds</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Current Trade and Other Receivables</strong></td>
<td><strong>19,644</strong></td>
<td><strong>19,730</strong></td>
<td><strong>20,495</strong></td>
<td><strong>20,690</strong></td>
</tr>
<tr>
<td><strong>Non-Current</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NHS Receivables</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other Receivables</td>
<td>2,240</td>
<td>2,240</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Non-Current Trade and Other Receivables</strong></td>
<td><strong>2,240</strong></td>
<td><strong>2,240</strong></td>
<td><strong>0</strong></td>
<td><strong>0</strong></td>
</tr>
</tbody>
</table>

### Note 10.2 Provision for impairment of receivables

<table>
<thead>
<tr>
<th></th>
<th>Group 2014/15 £000</th>
<th>Foundation Trust 2014/15 £000</th>
<th>Group 2013/14 £000</th>
<th>Foundation Trust 2013/14 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At 1 April 2014</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in provision</td>
<td>38</td>
<td>38</td>
<td>409</td>
<td>409</td>
</tr>
<tr>
<td>Amounts utilised</td>
<td>(106)</td>
<td>(106)</td>
<td>(149)</td>
<td>(149)</td>
</tr>
<tr>
<td>Unused amounts reversed</td>
<td>(243)</td>
<td>(243)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>At 31 March 2015</strong></td>
<td><strong>400</strong></td>
<td><strong>400</strong></td>
<td><strong>711</strong></td>
<td><strong>711</strong></td>
</tr>
</tbody>
</table>
### Note 10.3 Analysis of impaired Receivables

<table>
<thead>
<tr>
<th></th>
<th>2014/15</th>
<th>2014/15</th>
<th>2013/14</th>
<th>2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td></td>
<td>Trade Receivables</td>
<td>Other Receivables</td>
<td>Trade Receivables</td>
<td>Other Receivables</td>
</tr>
<tr>
<td>Ageing of impaired receivables</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0-30 days</td>
<td>34</td>
<td>0</td>
<td>225</td>
<td>0</td>
</tr>
<tr>
<td>30-60 days</td>
<td>16</td>
<td>0</td>
<td>118</td>
<td>0</td>
</tr>
<tr>
<td>60-90 days</td>
<td>2</td>
<td>0</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>90-180 days</td>
<td>24</td>
<td>0</td>
<td>72</td>
<td>0</td>
</tr>
<tr>
<td>Over 180 days</td>
<td>0</td>
<td>324</td>
<td>0</td>
<td>286</td>
</tr>
<tr>
<td>Total</td>
<td>76</td>
<td>324</td>
<td>425</td>
<td>286</td>
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</tbody>
</table>

### Ageing of non-impaired receivables past their due date

<table>
<thead>
<tr>
<th></th>
<th>31-Mar-15</th>
<th>31-Mar-15</th>
<th>31-Mar-14</th>
<th>31-Mar-14</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Current</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NHS payables</td>
<td>2,754</td>
<td>2,754</td>
<td>4,099</td>
<td>4,099</td>
</tr>
<tr>
<td>Trade payables - capital</td>
<td>3,956</td>
<td>3,956</td>
<td>5,689</td>
<td>5,689</td>
</tr>
<tr>
<td>Trade payables – revenue</td>
<td>8,505</td>
<td>8,505</td>
<td>11,573</td>
<td>11,573</td>
</tr>
<tr>
<td>Other payables</td>
<td>6,927</td>
<td>6,927</td>
<td>6,482</td>
<td>6,482</td>
</tr>
<tr>
<td>Accruals</td>
<td>11,748</td>
<td>11,748</td>
<td>9,053</td>
<td>9,053</td>
</tr>
<tr>
<td>NHS Charitable funds: Trade and other payables</td>
<td>5</td>
<td>0</td>
<td>423</td>
<td>0</td>
</tr>
<tr>
<td>Total Current Trade and Other Payables</td>
<td>32,907</td>
<td>32,902</td>
<td>37,319</td>
<td>36,896</td>
</tr>
</tbody>
</table>

### Note 11 Trade payables and other payables

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Current</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NHS payables</td>
<td>2,754</td>
<td>2,754</td>
<td>4,099</td>
<td>4,099</td>
</tr>
<tr>
<td>Trade payables - capital</td>
<td>3,956</td>
<td>3,956</td>
<td>5,689</td>
<td>5,689</td>
</tr>
<tr>
<td>Trade payables – revenue</td>
<td>8,505</td>
<td>8,505</td>
<td>11,573</td>
<td>11,573</td>
</tr>
<tr>
<td>Other payables</td>
<td>6,927</td>
<td>6,927</td>
<td>6,482</td>
<td>6,482</td>
</tr>
<tr>
<td>Accruals</td>
<td>11,748</td>
<td>11,748</td>
<td>9,053</td>
<td>9,053</td>
</tr>
<tr>
<td>NHS Charitable funds: Trade and other payables</td>
<td>5</td>
<td>0</td>
<td>423</td>
<td>0</td>
</tr>
<tr>
<td>Total Current Trade and Other Payables</td>
<td>32,907</td>
<td>32,902</td>
<td>37,319</td>
<td>36,896</td>
</tr>
</tbody>
</table>

### Note 12 Other liabilities

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Current</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred Income</td>
<td>2,163</td>
<td>2,163</td>
<td>1,619</td>
<td>1,619</td>
</tr>
<tr>
<td>Total Other Current Liabilities</td>
<td>2,163</td>
<td>2,163</td>
<td>1,619</td>
<td>1,619</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Non-current</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred Income</td>
<td>1,230</td>
<td>1,230</td>
<td>1,288</td>
<td>1,288</td>
</tr>
<tr>
<td>Total Other Non-current Liabilities</td>
<td>1,230</td>
<td>1,230</td>
<td>1,288</td>
<td>1,288</td>
</tr>
</tbody>
</table>
Notes 13 Borrowings

The prudential borrowing code requirements in section 41 of the NHS Act 2006 have been repealed with effect from 1 April 2013 by the Health and Social Care Act 2012. The previous disclosures in relation to the prudential borrowing limit are no longer required.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Obligations under finance leases</td>
<td>379</td>
<td>379</td>
<td>364</td>
<td>364</td>
</tr>
<tr>
<td><strong>Total Current Borrowings</strong></td>
<td>379</td>
<td>379</td>
<td>364</td>
<td>364</td>
</tr>
<tr>
<td><strong>Non-current</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Obligations under finance leases</td>
<td>3,099</td>
<td>3,099</td>
<td>3,447</td>
<td>3,447</td>
</tr>
<tr>
<td>Other loans</td>
<td>2</td>
<td>2</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td><strong>Total Other Non-current Borrowings</strong></td>
<td>3,101</td>
<td>3,101</td>
<td>3,459</td>
<td>3,459</td>
</tr>
</tbody>
</table>

Note 14 Finance lease obligations

The finance lease liability relates to buildings that are used for staff accommodation and clinic space. During the financial year, the Foundation Trust entered into a new lease for plant and equipment in relation to gas sterilisation of medical equipment.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross lease liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>of which liabilities are due:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- not later than one year;</td>
<td>716</td>
<td>716</td>
<td>716</td>
<td>716</td>
</tr>
<tr>
<td>- later than one year and not later than five years;</td>
<td>2,282</td>
<td>2,282</td>
<td>2,670</td>
<td>2,670</td>
</tr>
<tr>
<td>- later than five years.</td>
<td>3,159</td>
<td>3,159</td>
<td>3,717</td>
<td>3,717</td>
</tr>
<tr>
<td>Finance charges allocated to future periods</td>
<td>(2,680)</td>
<td>(2,680)</td>
<td>(3,292)</td>
<td>(3,292)</td>
</tr>
<tr>
<td><strong>Net lease liabilities</strong></td>
<td>3,380</td>
<td>3,380</td>
<td>3,811</td>
<td>3,811</td>
</tr>
<tr>
<td>- not later than one year;</td>
<td>379</td>
<td>379</td>
<td>365</td>
<td>365</td>
</tr>
<tr>
<td>- later than one year and not later than five years;</td>
<td>1,145</td>
<td>1,145</td>
<td>1,380</td>
<td>1,380</td>
</tr>
<tr>
<td>- later than five years.</td>
<td>1,953</td>
<td>1,953</td>
<td>2,066</td>
<td>2,066</td>
</tr>
</tbody>
</table>

Note 15 Provisions for liabilities and charges

<table>
<thead>
<tr>
<th></th>
<th>Current 31-Mar-15</th>
<th>Non-CURRENT 31-Mar-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pensions relating to staff (excluding former directors)</td>
<td>163</td>
<td>471</td>
</tr>
<tr>
<td>Other legal claims</td>
<td>485</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>40</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>688</td>
<td>630</td>
</tr>
</tbody>
</table>

Total  Pensions  Other  Other
Other Staff  Legal  Provisions

195
Claims

<table>
<thead>
<tr>
<th></th>
<th>£000</th>
<th>£000</th>
<th>£000</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 April 2014</td>
<td>1,380</td>
<td>794</td>
<td>403</td>
<td>183</td>
</tr>
<tr>
<td>Arising during the year</td>
<td>195</td>
<td>22</td>
<td>151</td>
<td>22</td>
</tr>
<tr>
<td>Utilised during the year</td>
<td>(254)</td>
<td>(185)</td>
<td>(69)</td>
<td>(165)</td>
</tr>
<tr>
<td>Reversed unused</td>
<td>(168)</td>
<td>(3)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Unwinding of discount</td>
<td>6</td>
<td>6</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>At 31 March 2015</td>
<td>1,159</td>
<td>634</td>
<td>485</td>
<td>40</td>
</tr>
</tbody>
</table>

Expected timing of cashflows:
- not later than one year; 688 163 485 40
- later than one year and not later than five years; 471 471 0 0
- later than five years. 0 6 0 0
Total 1,159 634 485 40

The Foundation Trust considers that there is no significant uncertainty in the calculation or expected timing of the pension provision. Other legal claims are calculated on a claim by claim basis according to a formula which includes a factor for the probability that the claim will succeed and its anticipated date of settlement, the excess of the amount provided and the full potential liability is shown as a contingent liability.

Other legal claims refer to cases regarding employer and public liability. The NHS Litigation Authority acts as an insurance company in such cases limiting the financial impact to the Foundation Trust to set limits. A provision has also been established for pay arrears claims.

Other provisions include a provision for the Gainshare entitlement for staff on local terms and conditions when payable, a provision is also established for disputed invoices and any other uncertain issues that the Trust wishes to take a prudent approach.

Clinical negligence Liabilities

Amount Included in provisions of the NHSLA in respect of clinical negligence liabilities of Southend University Hospital NHS Foundation Trust:

<table>
<thead>
<tr>
<th></th>
<th>31 March 2015</th>
<th>31 March 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
<td></td>
</tr>
<tr>
<td>51,503</td>
<td>37,672</td>
<td></td>
</tr>
</tbody>
</table>

Note 16 Revaluation Reserve

<table>
<thead>
<tr>
<th></th>
<th>Revaluation Reserve</th>
<th>Revaluation Reserve - property, plant and equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Revaluation reserve at 1 April 2014</td>
<td>28,588</td>
<td>28,588</td>
</tr>
<tr>
<td>Impairments</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Revaluations</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other Movements</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Revaluation reserve at 31 March 2015</td>
<td>28,588</td>
<td>28,588</td>
</tr>
<tr>
<td>Revaluation reserve at 1 April 2013</td>
<td>28,096</td>
<td>28,096</td>
</tr>
</tbody>
</table>
Impairments (450) (450)
Revaluations 3,171 3,171
Other Movements (2,229) (2,229)
Revaluation reserve at 31 March 2014 28,588 28,588

Note 17 Charity Reserves

Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified as a restricted fund. There are no endowment funds at this time. All other funds are classified as unrestricted and include designated funds which are not legally restricted but which the Trustee has chosen to earmark for set purposes. The Trustee chose to establish designated funds to ensure that the Charity’s resources are allocated in advance to the most appropriate area in furtherance of overall objects.

<table>
<thead>
<tr>
<th></th>
<th>31-Mar-15</th>
<th>31-Mar-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted Funds</td>
<td>811</td>
<td>859</td>
</tr>
<tr>
<td>Unrestricted Funds</td>
<td>751</td>
<td>680</td>
</tr>
<tr>
<td>Total Reserves</td>
<td>1,562</td>
<td>1,539</td>
</tr>
</tbody>
</table>

Note 18 Cash and cash equivalents

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 April</td>
<td>18,170</td>
<td>16,013</td>
<td>17,125</td>
<td>14,974</td>
</tr>
<tr>
<td>Net change in year</td>
<td>(14,188)</td>
<td>(13,684)</td>
<td>1,045</td>
<td>1,039</td>
</tr>
<tr>
<td>At 31 March</td>
<td>3,982</td>
<td>2,329</td>
<td>18,170</td>
<td>16,013</td>
</tr>
</tbody>
</table>

- **Cash at commercial banks and in hand**: 1,328 | 532 | 2,458 | 301
- **Cash with the Government Banking Service**: 2,654 | 1,797 | 15,712 | 15,712
- **Cash and cash equivalents as in SoFP**: 3,982 | 2,329 | 18,170 | 16,013
- **Cash and cash equivalents as in SoCF**: 3,982 | 2,329 | 18,170 | 16,013

In addition to the funds stated here, the foundation trust holds money on behalf of patients to the value of £ nil (2013/14 £ nil).

Note 19 Contractual Capital Commitments

<table>
<thead>
<tr>
<th></th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, Plant and Equipment</td>
<td>541</td>
</tr>
<tr>
<td><strong>Total as at 31 March 2015</strong></td>
<td>541</td>
</tr>
<tr>
<td>Property, Plant and Equipment</td>
<td>4,315</td>
</tr>
<tr>
<td><strong>Total as at 31 March 2014</strong></td>
<td>4,315</td>
</tr>
</tbody>
</table>
Note 20 Contingent (liabilities)/assets

<table>
<thead>
<tr>
<th></th>
<th>31-Mar-15</th>
<th>31-Mar-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross value of contingent liabilities</td>
<td>(31)</td>
<td>(36)</td>
</tr>
<tr>
<td>Amounts recoverable against liabilities</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Net value of contingent liabilities</strong></td>
<td><strong>(31)</strong></td>
<td><strong>(36)</strong></td>
</tr>
</tbody>
</table>

The contingent liability relates to the excess of full provision for employer and public liability cases compared to the provision made for other legal claims in note 15. No contingent liability is provided for any additional amounts that may be payable by the NHS litigation Authority.

Note 21 Related party transactions

Southend University Hospital NHS Foundation Trust is a body corporate established by order of the Secretary of State for Health.

During the year none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with Southend University Hospital NHS Foundation Trust.

The Department of Health is regarded as a related party and the trust takes advantage of reduced disclosure under IAS 24 as all parties are under the same government control. During the year Southend University Hospital NHS Foundation Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are listed below:

- Southend CCG
- Castle Point and Rochford CCG
- Health Education England
- NHS England
- NHS Litigation Authority

All transactions with these related parties have been carried out on normal trading terms and there are no securities or guarantees with any related party.

In addition, the Foundation Trust has had a number of material transactions with other Government Departments and other central and local Government bodies. Most of these transactions have been with Southend Borough Council in respect of rates for the Hospital Sites. Transactions with HM Treasury in respect of Social Security costs and NHS Pension Agency in respect of employer’s pension costs have been disclosed in the staff costs note 5.

The Foundation Trust has also received revenue and capital payments from a number of charitable funds, including Southend Hospital NHS Trust Charity for which Southend University Hospital NHS Foundation Trust is the Corporate Trustee. The audited accounts of Southend Hospital NHS Trust Charity are available from: Finance Department, Britannia House, Comet Way, Southend-on-Sea, Essex, SS2 6GE. The Charity has been consolidated into the results of the Foundation Trust as per note 1.1. There are no cross guarantees between the NHS Charity and the Foundation Trust. Whilst the consolidation of the Charity is for accounting purposes, the Corporate Trustee is free to act independently of hospital management. Although recommendations of management are taken into account by the Corporate Trustee, it is not bound to accept them and may choose to use the charitable funds in a different way but always in accordance with the charity’s objectives.
Note 22 Financial Instruments

IFRS 7, Financial Instruments, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the continuing service provider relationship that the Foundation Trust has with local Primary Care Trusts and the way those Primary Care Trusts are financed, the Foundation Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IAS 32, 39 and IFRS7 mainly applies. The Foundation 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 Foundation Trust in undertaking its activities.

Liquidity Risk
The Foundation Trust's net operating costs are incurred under annual service contracts with local Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The Foundation Trust also largely finances its capital expenditure from funds made available from Government under an agreed borrowing limit. Southend Hospital Foundation Trust is not, therefore, exposed to significant liquidity risks.

Interest-Rate Risk
100% of the Foundation Trust's financial assets and 100% of its financial liabilities carry nil or fixed rates of interest. Southend Hospital Foundation Trust is not, therefore, exposed to significant interest-rate risk.
**Note 22.1 Financial assets by category**

<table>
<thead>
<tr>
<th></th>
<th>Group Loans and receivables £000</th>
<th>Foundation Trust Loans and receivables £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets as per SoFP</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables excluding non financial assets (at 31 Mar 2015)</td>
<td>19,707</td>
<td>19,707</td>
</tr>
<tr>
<td>Cash and cash equivalents (at bank and in hand (at 31 Mar 2015)</td>
<td>3,982</td>
<td>2,329</td>
</tr>
<tr>
<td><strong>Total at 31 March 2015</strong></td>
<td><strong>23,689</strong></td>
<td><strong>22,036</strong></td>
</tr>
<tr>
<td>Trade and other receivables excluding non financial assets (at 31 Mar 2014)</td>
<td>16,383</td>
<td>16,383</td>
</tr>
<tr>
<td>Cash and cash equivalents (at bank and in hand (at 31 Mar 2014)</td>
<td>18,170</td>
<td>16,013</td>
</tr>
<tr>
<td><strong>Total at 31 March 2014</strong></td>
<td><strong>34,553</strong></td>
<td><strong>32,396</strong></td>
</tr>
</tbody>
</table>

**Note 22.2 Financial liabilities by category**

<table>
<thead>
<tr>
<th></th>
<th>Group Other financial liabilities £000</th>
<th>Foundation Trust Other financial liabilities £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities as per SoFP</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings excluding finance leases (at 31 March 2015)</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Obligations under finance leases (at 31 Mar 2015)</td>
<td>3,477</td>
<td>3,477</td>
</tr>
<tr>
<td>Trade and other payables excluding non financial assets (31 Mar 2015)</td>
<td>32,902</td>
<td>32,843</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>3,393</td>
<td>3,393</td>
</tr>
<tr>
<td>Provisions under contract (at 31 Mar 2015)</td>
<td>1,159</td>
<td>1,159</td>
</tr>
<tr>
<td>NHS Charitable funds: financial liabilities (at 31 March 2015)</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total at 31 March 2015</strong></td>
<td><strong>40,938</strong></td>
<td><strong>40,933</strong></td>
</tr>
<tr>
<td>Borrowings excluding finance leases (at 31 March 2014)</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Obligations under finance leases (at 31 Mar 2014)</td>
<td>3,811</td>
<td>3,811</td>
</tr>
<tr>
<td>Trade and other payables excluding non financial assets (31 Mar 2014)</td>
<td>24,866</td>
<td>24,866</td>
</tr>
<tr>
<td>Provisions under contract (at 31 Mar 2014)</td>
<td>1,380</td>
<td>1,380</td>
</tr>
<tr>
<td>NHS Charitable funds: financial liabilities (at 31 March 2014)</td>
<td>423</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total at 31 March 2014</strong></td>
<td><strong>30,492</strong></td>
<td><strong>30,069</strong></td>
</tr>
</tbody>
</table>
### Note 22.3 Fair values of financial assets at 31 March 2015

<table>
<thead>
<tr>
<th>Description</th>
<th>Book Value £000</th>
<th>Fair value £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current trade and other receivables excluding non-financial assets</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>19,712</td>
<td>19,712</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>19,712</strong></td>
<td><strong>19,712</strong></td>
</tr>
</tbody>
</table>

### Note 22.4 Fair values of financial liabilities at 31 March 2015

<table>
<thead>
<tr>
<th>Description</th>
<th>Book Value £000</th>
<th>Fair value £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provisions under contract</td>
<td>1,159</td>
<td>1,159</td>
</tr>
<tr>
<td>Loans</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>39,777</td>
<td>39,777</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40,938</strong></td>
<td><strong>40,938</strong></td>
</tr>
</tbody>
</table>

### Note 22.5 Maturity of financial liabilities

<table>
<thead>
<tr>
<th>Period</th>
<th>31-Mar-15 £000</th>
<th>31-Mar-14 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>In one year or less</td>
<td>36,136</td>
<td>25,174</td>
</tr>
<tr>
<td>In more than one year but not more than two years</td>
<td>608</td>
<td>1,191</td>
</tr>
<tr>
<td>In more than two years but not more than five years</td>
<td>1,300</td>
<td>1,058</td>
</tr>
<tr>
<td>In more than five years</td>
<td>2,894</td>
<td>3,069</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40,938</strong></td>
<td><strong>30,492</strong></td>
</tr>
</tbody>
</table>
Note 23 Losses and special payments

<table>
<thead>
<tr>
<th>2014/15</th>
<th>2014/15</th>
<th>2013/14</th>
<th>2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of cases</td>
<td>Total value of cases</td>
<td>Total number of cases</td>
<td>Total value of cases</td>
</tr>
<tr>
<td>Number</td>
<td>£000's</td>
<td>Number</td>
<td>£000's</td>
</tr>
</tbody>
</table>

**Losses:**

1. Losses of cash due to:
   a. theft, fraud etc. 0 0 0 0
   b. overpayment of salaries etc. 0 0 0 0
   c. other causes 0 0 0 0
2. Fruitless payments 0 0 0 0
3. Bad debts and claims abandoned in relation to:
   a. private patients 12 1 5 1
   b. overseas visitors 32 38 94 90
   c. other 20 19 22 4
4. Damage to buildings, property etc. due to:
   a. theft, fraud etc. 0 0 0 0
   b. other 1,697 131 437 25
**Total Losses** 1,761 189 558 120

**Special Payments:**

5. Compensation under legal obligation 6 86 0 0
6. Extra contractual to contractors 0 0 0 0
7. Ex gratia payments in respect of:
   a. loss of personal effects 38 5 52 14
   b. clinical negligence with advice 9 19 5 5
   c. personal injury with advice 0 0 0 0
   d. other negligence and injury 0 0 0 0
   e. severance payments on termination of Employment 0 0 0 0
   f. Other employment payments 0 0 0 0
   g. Patient referrals outside the UK and EEA Guidelines 0 0 0 0
   h. other 0 0 0 0
   i. maladministration, no financial loss 0 0 0 0
8. Extra statutory and regulatory 0 0 0 0
**Total Special Payments** 53 110 57 19
**Total Losses and Special Payments** 1,814 299 615 139

The above amounts are calculated on an accruals basis but exclude provisions for future losses.

Note 24 Events after the reporting period.
There were no events after the reporting period that require disclosure or adjustment to the financial statements.
10. Glossary

The list below highlights the essential services which form part of the Trust’s contracts.
General surgery
Urology
Trauma and orthopaedics
Ear, nose and throat (ENT)
Oral surgery
Orthodontics
Accident and emergency (A&E)
ITU
HDU
General medicine
Gastroenterology
Endocrinology
Clinical haematology
Pathology
Palliative medicine
Cardiology
Dermatology
Neurology
Clinical neuro-physiology
Rheumatology
Paediatrics/SCBU
Geriatric medicine
Obstetrics
Gynaecology
Clinical oncology (previously radiology)
Radiology
Histopathology
Pain management
Clinical microbiology
Neonatology
Diabetic medicine
Elderly medicine
Oncology
Ophthalmology
Respiratory medicine
Sleep studies
GU medicine
Paediatrics
Paediatric cardiology
Paediatric endocrinology
Paediatric gastroenterology
Paediatric respiratory Medicine
Neurosurgery
Level 1, 2 and 3 neo-natal intensive care (three separate services)
Radiotherapy
Chronic fatigue syndrome/ myalgic encephalopathy (ME)
Staff nursery
Sexual health clinics
Neuchal screening
Step down for discharge
HDU for respiratory medicine
Private patients
Rehabilitation

**BAF** – Board assurance framework

**CAC** – Clinical assurance committee

**Care bundle** – check list with a number of points to be monitored on a regular basis

**CAS** - Central Alerting System

**C-diff** – Clostridium difficile

**CEMACE** – Centre for Maternal and Child Enquiries

**CEMACH** – Confidential Enquiry into Maternal and Child Health

**CETV** – Cash equivalent transfer value

**CIP** – Cost improvement programme

**CLRN** – Comprehensive local research network

**CNS** - Clinical nurse specialist

**CNST** – Clinical Negligence Scheme for Trusts

**COPD** – Chronic obstructive pulmonary disease

**Core brief** – Monthly meeting designed to cascade important information throughout the organisation

**CQC** – Care Quality Commission

**CQUIN** – Commissioning for quality and innovation – a financial reward framework which encourages quality improvement and innovation to bring health gains for patients, eg achieving reduced levels of infection

**DAHNO** - Data for head and neck oncology

**Dashboard** – Dashboard reports are high level, easy to read reports giving a ‘snapshot’ of the overall performance of an organisation, department or chosen area
DIPC – Director of infection prevention and control

DVT – Deep vein thrombosis

EBITDA – Earnings before interest, taxes, depreciation and amortisation

EBUS – Endobronchial Ultrasound

EDS – Equality delivery system

EoE SHA – East of England Strategic Health Authority

EPP – Emergency patient pathway

Executive team – The Trust’s chief executive, director of nursing, director of finance, medical director, director of strategic development, director of operations and director of human resources

FRR – Financial risk rating

FT – Foundation Trust

GDH – Glutamate Dehydrogenase

Grade 3 pressure ulcer – Full thickness skin loss

Grade 4 pressure ulcer – Extensive destruction with possible damage to muscle, bone or supporting tissues

GRR – Governance risk rating

HCA – Healthcare assistant

HCAI – Healthcare associated infection

HMSR – Hospital standardised mortality ratio (relative risk of death)

HROD – Human resources organisational development

ICNARC – Intensive Care National Audit and Research Centre

IOSH – Institute of Occupational Safety and Health

IP – Intellectual property

IPR – Inetegrated performance review

IST – Intensive Support Team
KPI – Key performance indicator
LD – Learning disabilities
MHRA – Medicines and Healthcare products Regulatory Agency
Monitor – The organisation which authorises and regulates NHS Foundation Trusts
MRI – Magnetic resonance imaging (a type of scan)
MRSA – Meticillin-resistant staphylococcus aureus
MSSA – Meticillin-sensitive staphylococcus aureus
NAS – Neonatal abstinence syndrome
NHSLA – NHS Litigation Authority
NICE – National Institute for Health and Care Excellence
NIHR – National Institute for Health Research
NIV – Non-invasive ventilation
NPEU – National Perinatal Epidemiology Unit.
NPSA – National Patient Safety Agency
O&G – Obstetrics and gynaecology
OH – Occupational health
OPD – Outpatients department
PALS – Patient advice and liaison service
PDSA – Plan, do, study, assess
PET – Positron emission tomography, or patient experience tracker
PMO – Project management office
PPH – Post-partum haemorrhage
PROMS – Patient reported outcome measures
QAC – Quality assurance committee
QIA – Quality impact assessment
QIPP – Quality, Innovation, Productivity and Prevention (now called System Reform)

QRP – Quality and risk profile

RCA – Root cause analysis

RCOG – Royal College of Obstetricians and Gynaecologists

SEPT – South Essex Partnership University NHS Foundation Trust

SFI – Standing financial instruction

SHMI – Summary hospital-level mortality indicators report mortality at trust level across the NHS in England using standard and transparent methodology

SHOT – Serious hazards of transfusion

TDM – Therapeutic drug monitoring

TIA – Transient ischaemic attack
11. Acknowledgements

Thanks to everyone who provided the information for this report, who gave their consent to be photographed, who gave permission for their comments to be included, and to everyone who assisted in ensuring clarity throughout this publication.

Comments and further information

Thank you for your interest in the work of Southend University Hospital NHS Foundation Trust. We hope you have found this annual report informative.

It would be most helpful to us if you would take the time to complete the cut off slip below and return it to us.

If you would like this document in a larger print version, or if you require any further information about the hospital please contact Claire Hankey, head of communications and engagement, The Lodge, Prittlewell Chase, Westcliff-on-Sea, Essex, SS0 0RY, Tel: 01702 386134, email claire.hankey@southend.nhs.uk

Did you find SUHFT’s annual report:

Very informative
Quite informative
Not very informative

Did you find its presentation:

Very good
Quite good
Poor

Was it written in language which was:

Easy to understand
Difficult to understand

Is there any aspect of the hospital and its work which you would have liked to have seen included in this report but was not there?