NHS

City Hospitals Sunderland
NHS Foundation Trust

Annual Report & Accounts
2018/19

CITY HOSPITALS SUNDERLAND NHS FOUNDATION TRUST

ANNUAL REPORT & ACCOUNTS

2018/2019

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

Contents

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OVERVIEW

Year at a glance

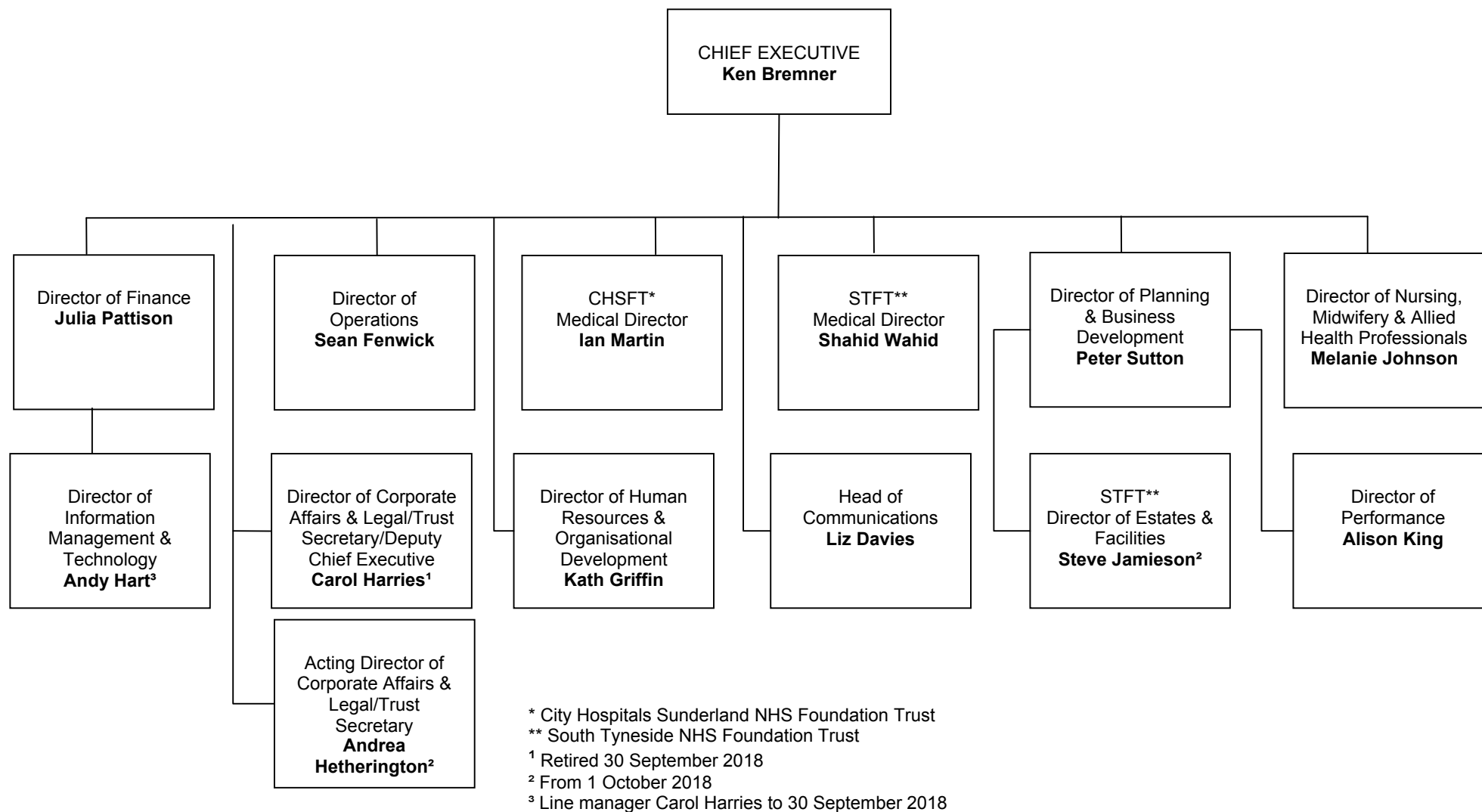|	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Inpatients	54,163	56,539	55,706	55,791	54,402	55,671
Day cases	62,978	65,223	71,527	59,539	60,330	60,051
Outpatients (Consultant led – New & Review)	330,965	344,014	373,429	393,316	378,325[1]	396,185[2]
Nurse Led/Allied Health Professional/ Midwife Activity	113,736	112,815	116,613	117,387	116,248	119,891[2]
A&E Attendances	127,226	136,513	144,001	152,162	159,413	165,389
Patient Contacts in the Community	230,251	248,753	242,736	234,854	233,712	231,617
Income	£324.32m	£336.37m	£343.36m	£362.76m	£363.13m	£364.20m
Surplus/(Deficit)	(£373k)	(£7.9m)	(£12.50m)	£2.82m	£1.435m	(£2.88m)
Average Staff Employed (Headcount)	4,923	5,119	5,140	4,961	4,809	4,898

Notes:

[1] Planned reduction in trauma and orthopaedic reviews and reclassification of outpatient reviews to day cases following implementation of the new oncology module.

[2] Increase due to change in recording of provision of ENT and ophthalmology services provided by the Trust to South Tyneside NHS Foundation Trust.

BOARD OF DIRECTORS 2018/19

CHAIRMAN
John Anderson

CHIEF EXECUTIVE
Ken Bremner

| Director of Corporate Affairs & Legal/Trust Secretary/Deputy Chief Executive **Carol Harries¹** | Executive Director of Nursing, Midwifery & Allied Health Professionals **Melanie Johnson** | Executive Director of Finance **Julia Pattison** | Executive Medical Director **Ian Martin** | Executive Director of Planning & Business Development **Peter Sutton** |

← Executive Directors →

| **David Barnes** Non Executive Director/ Senior Independent Director | **Stewart Hindmarsh** Vice Chairman/ Non Executive Director | **Paul McEldon** Non Executive Director | **Pat Taylor** Non Executive Director | **Alan Wright** Non Executive Director |

Mike Laker
Non-Executive Medical Adviser
(non-voting)

¹ Retired 30 September 2018

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SINGLE EXECUTIVE TEAM 2018/19

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                          │  CHIEF EXECUTIVE    │
                          │    Ken Bremner      │
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CHIEF EXECUTIVE
Ken Bremner

Director of Finance
Julia Pattison

Director of Operations
Sean Fenwick

CHSFT*
Medical Director
Ian Martin

STFT**
Medical Director
Shahid Wahid

Director of Planning & Business Development
Peter Sutton

Director of Nursing, Midwifery & Allied Health Professionals
Melanie Johnson

Director of Information Management & Technology
Andy Hart³

Director of Corporate Affairs & Legal/Trust Secretary/Deputy Chief Executive
Carol Harries¹

Director of Human Resources & Organisational Development
Kath Griffin

Head of Communications
Liz Davies

STFT**
Director of Estates & Facilities
Steve Jamieson²

Director of Performance
Alison King

Acting Director of Corporate Affairs & Legal/Trust Secretary
Andrea Hetherington²

* City Hospitals Sunderland NHS Foundation Trust
** South Tyneside NHS Foundation Trust
¹ Retired 30 September 2018
² From 1 October 2018
³ Line manager Carol Harries to 30 September 2018

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CHAIRMAN'S STATEMENT 2018/19

It is my privilege to present what is my final statement as Chairman of City Hospitals Sunderland NHS Foundation Trust as we move into a new chapter as an enlarged Foundation Trust following the merger with South Tyneside NHS Foundation Trust to form South Tyneside and Sunderland NHS Foundation Trust from 1 April 2019.

This annual report provides an opportunity to reflect on the past year. It gives us the chance to examine our performance against national and local targets; looks at how we have performed financially; demonstrates our commitment to patient safety and service quality and celebrates the achievements of our staff. I hope you will enjoy reading it.

As ever, our staff have had to cope with more and more people coming through our doors each day, many with complex and multiple health issues which add even further pressure. Our Emergency Department, which was built with 'added capacity' in mind is already seeing numbers that exceeded our expectations for the future. We did not achieve the national target for 95% of patients being seen within 4 hours however this is not a reflection on the dedication of the staff working in the unit, or those working elsewhere in the Trust, and is simply a reality that some patients, whose needs are less urgent, will unfortunately have to wait longer than those with more life-threatening and urgent needs. Our overall inpatient and outpatient numbers have also increased and I'm sure there is no part of the organisation which has not felt the impact of these rises – either those directly delivering patient care or our support services, without which many services simply would not function.

In July it was the 70th birthday of the NHS and the Trust celebrated this along with the whole of the country. Babies born in our Maternity Unit on 4 July received glass baubles specially commissioned by the Trust and any baby in the unit on the birthday received a bespoke baby-grow. In addition, members of staff who were also celebrating their own birthday received a personal card from the Chief Executive. Patients and visitors joined in by leaving messages of thanks not only for the NHS as a whole but for City Hospitals Sunderland staff on a special display and also through our social media channels. There was a real 'buzz' in the organisation – a clear pride of being part of something so special.

During 2018/19 we continued our close working relationship with colleagues from South Tyneside NHS Foundation Trust. The joint working under the Path to Excellence programme has continued and further details can be found within this Annual Report. We also made significant progress with regard to the application for merger and in March this was formally approved by the Boards of both Trusts, endorsed by the Councils of Governors and the licence granted by NHS Improvement.

It is difficult to put into words the tremendous amount of work that this required but I would like to thank in particular the Trust's Council of Governors during this process. As you know, our governors are elected from our membership, are unpaid and give up their time to support the Trust. During the merger application process the time commitment from our governors increased significantly and the reading material they were required to review was vast. Yet they did this diligently as they knew the importance of their role in the process. As a result of the merger, they have all stepped down from their roles however I do hope that as many as possible will consider putting themselves forward to be a governor again in the new Trust. As I write the election process is underway.

Sadly, during the year one of our governors, Danny Cassidy, passed away after a relatively short illness. Danny was elected to the Council of Governors in 2013 and he actively

supported our annual PLACE inspection and patient survey work. He loved his role as a governor and he is sadly missed.

On behalf of the Board of Directors, I would also like to thank our volunteers who give up their time freely to support the Trust and its services, many of whom have been doing so for a number of years. Their efforts are valued enormously.

My thanks as ever must go to the Board of Directors and in particular the Non-Executive Directors who provide constructive challenge to ensure that the Board is rigorous in its approach to scrutiny and decision making. I would also like to make special mention of Ken Bremner, the Trust's Chief Executive, who has once again led the organisation superbly, and to Carol Harries, Director of Corporate Affairs and Legal/Trust Secretary who retired at the end of September. Carol had worked in the Trust since 1996 and became the Director of Corporate Affairs and Legal/Trust Secretary in 1999 and during this time she has supported and guided the Board to ensure it fulfils its role effectively and that the Trust has operated within the conditions of its Licence.

Whilst the merger with South Tyneside NHS Foundation Trust is a new beginning, it has meant we have sadly had to say "goodbye" to two of our Non-Executive Directors. The terms of office for Alan Wright and Pat Taylor ended on 31 March and I would like to thank them for all they did for the Trust over their terms in office. Their contribution and challenge was always welcomed and I know they will continue to be supporters of the organisation. I wish them well for the future.

My final thanks must go to the staff of City Hospitals Sunderland. During my visits to wards and departments, I never fail to be humbled by the dedication and professionalism of our staff. I know that every day can bring further challenges however I remain amazed at your resilience and dedication. I have no doubt that the year ahead will once again be challenging but I am confident that we have the right people to continue to deliver the very highest quality of care to the people we serve. My thanks to you all.

JOHN N ANDERSON QAEP CBE
Chairman

CHIEF EXECUTIVE'S STATEMENT 2018/19

As I write this report, which will be my last as Chief Executive of City Hospitals Sunderland, we will now be part of a newly merged Foundation Trust with South Tyneside NHS Foundation Trust.

This merger will enable us to combine the strengths of both organisations to improve the offer to patients going forward, as well as the offer to staff, particularly in some of our hard to recruit areas. I will of course talk more about this next year in my first report as Chief Executive of South Tyneside and Sunderland NHS Foundation Trust. Suffice to say here – it's a great opportunity and one I'm proud to lead.

However, I want to look back now to 2018/19. Corporately it's been another demanding, busy but fruitful year – with many examples of public service at its best.

The year started with a double 'whammy'! A well-led inspection by the Care Quality Commission, and a Use of Resources Assessment by NHS Improvement – both being carried out at the same time. We were the first NHS Foundation Trust in the North East (and one of the first nationally as well I believe) to undergo this. I am pleased to report that both assessments rated City Hospitals Sunderland as 'Good'. We had the opportunity a little later on in the year to be visited by Ted Baker, Chief Inspector of Hospitals at the Care Quality Commission, and myself and Melanie Johnson (Director of Nursing, Midwifery and Allied Health Professionals) took the opportunity to discuss what it takes to be 'Outstanding'. His clear view back to us was that in his experience, outstanding organisations continually improve – and demonstrate this every day in everything they do. So Melanie and her team will have this at the forefront of their minds as we limber up for a full inspection of the new Trust in early 2020.

Alongside all this, our Path To Excellence programme of clinical service reviews continued, and itself has had a testing year. After the recommendations were agreed by the Clinical Commissioning Groups (CCGs) in early 2018 regarding Phase 1 services (stroke, maternity and urgent/emergency paediatrics), we heard that the Joint Scrutiny Committee (drawn from both our local authorities) had referred the process to the Secretary of State for Health and Social Care for review. That review was carried out by the Independent Review Panel (set up to advise the Secretary of State on issues such as this) and after some deliberation it concluded that the changes were based upon a robust consultation process and we thought we were now safe to proceed to implementation. However a local campaign group predominantly in South Tyneside decided, with legal input, to challenge the decisions made and the CCGs ended up in Court in December 2018. The verbal feedback concluded – once again – there had been a robust process and the changes proposed were in the interests of the residents/patients of South Tyneside and Sunderland. As I write this we still await the written judgement, but the CCGs were happy that we could now proceed. Frustrating though this was, and particularly for staff involved, I hope we can now get on with the implementation. Indeed some of the latest evidence from our stroke services would clearly suggest that all residents are now getting a much higher quality of care/service than they were in 2016 and it's very close to achieving the top rating nationally! Phase 2 is currently underway – and subject to securing capital funding in advance (which is not certain yet by any means) – then consultation will take place, provisionally in late summer/early autumn, again led by our CCGs.

Many of you will also know that we have been exploring, with all other health organisations in the North East and Cumbria, the idea of an Integrated Care System to cover the whole patch, with four Integrated Care Partnerships reflecting our geographies of Cumbria, North

(Newcastle, Northumbria and Gateshead), South (South Tees, North Tees and Darlington (part of County Durham and Darlington NHS Foundation Trust) and Central (Sunderland, South Tyneside and Durham). The NHS Long Term Plan reinforces this direction of travel going forward and now that our merger is complete and Phase 2 Path To Excellence well underway, we will increasingly be focusing our attention on, initially, acute services with Durham and in the longer term out of hospital services too. More on this next year.

I hope one thing I am not writing about next year is Brexit! During the year we have had to devote much time, energy and planning to considering the implications of a 'no deal' scenario, on the back of assurances from NHS England and NHS Improvement that nationally they had contingency plans in place to cover key issues such as medicines and devices, amongst others. We have prepared as diligently as we can, taking a risk based approach to testing local systems and processes and like the rest of the country await a resolution that will remove the current uncertainty.

Performance wise it was another busy and challenging year. The Director of Finance will say more in detail about our financial performance later on, however, suffice to say here, we improved considerably on the control totals set for us by NHS Improvement and as a consequence we ended the year with a small deficit of £2.8m. Our cash position ended the year strongly and well ahead of plan at £13.4m, although this was 'helped' by one or two issues with our creditor payment system (hosted by Northumbria NHS Foundation Trust).

Operational performance was generally strong – with all targets delivered except for A&E (4 hour target) and Cancer 62 Days. A&E in particular saw a 4.5% increase in attendances this year and on a regular basis attendances are now exceeding 540 per day. There's more we can still do to improve performance, but its focus now needs to move more out of hospital. I still find it puzzling that we regularly have more ambulance arrivals in a day than Newcastle Hospitals, who have a major trauma unit! I must, yet again, say a big thank you to all staff in the Emergency Department, who continue to do a magnificent job coping with the increasing numbers of patients, and their complexities, everyday of the year despite some acknowledged gaps in staffing. Our performance was delivered alongside keeping our Global Digital Exemplar programme running to time and budget and I'm pleased to report that remains on track, with our Emergency Department being one of the first nationally to be paper free at the point of delivery. I will talk more on this next year.

During the year we said goodbye to Carol Harries, who retired from her role as Director of Corporate Affairs after 22 years – we will miss her enormously but wish her well. At the end of the year we also said goodbye to Ian Martin, Medical Director, who also retired after a long and distinguished career as a Consultant in Oral and Maxillofacial Surgery and for the last seven years as our Medical Director. Again we thank Ian and wish him well for the future. Ian has now become a member of Sunderland University's Governing Body, which will be very helpful to them and South Tyneside and Sunderland NHS Foundation Trust with the impending opening of the new Medical School, scheduled for September 2019.

Thank you to our Chairman, John Anderson, who has led us superbly again this year as usual. He has a clear vision on the future and holds me to account for its delivery. To our Non-Executive Directors a big thank you for your support and challenge – I'm sorry that Alan Wright and Pat Taylor have stepped down at the end of 2018/19 but thank them personally for their efforts and commitment. They'll both be missed. Lastly, my Executive colleagues, who continue to do the 'hard yards' that makes my job that much easier – it's been a pleasure to have worked with you and delivered so much for our patients. It is also the end of term for our Governors too, who all stand down with the cessation of City Hospitals Sunderland. You've all given fantastic service over the years and it was fitting

that your support was critical in getting the merger approved. I hope that many of them will stand again as Governors in the new Trust.

My final word in this last review for City Hospitals Sunderland goes to our staff. You have yet again risen to the task and the challenges we have faced – no matter how testing – and demonstrated skill, empathy, integrity and high quality in everything you do. I've been proud to have led you these last 16 years or so and as we move into the next chapter of our life as a new Trust I will never forget the service you have given to the Trust and our patients. Thank you.

KEN BREMNER
Chief Executive

A BRIEF PROFILE OF THE ORGANISATION

City Hospitals Sunderland was established as an NHS Trust in April 1994 and under the Health and Social Care (Community Health and Standards) Act 2003 became an NHS Foundation Trust in July 2004.

Through our membership base and the Council of Governors the Trust plays an active part in our local community and, as a Foundation Trust, is accountable to the communities we serve. We also recognise that collaborative working with our strategic partners on the transformation of healthcare systems is essential for future sustainability and continued quality improvement.

The Trust provides a wide range of hospital services to a local community of around 340,000 residents along with an increasing range of more specialised services provided to patients outside this area, in some cases to a population as great as 860,000.

The Trust also provides a substantial range of community based services, particularly within Family Care and Therapy Services.

The Trust operates from:

- Sunderland Royal Hospital
- Sunderland Eye Infirmary
- The Children's Centre, Durham Road
- Durham Diagnostics and Treatment Centre

and provides outreach services at:

- Washington Galleries Health Centre
- Grindon Lane Primary Care Centre
- Bunny Hill Primary Care Centre
- Washington Primary Care Centre
- Houghton le Spring Primary Care Centre
- University Hospital of Hartlepool
- South Tyneside District Hospital
- Queen Elizabeth Hospital, Gateshead
- Bishop Auckland General Hospital
- University Hospital of North Durham
- Shotley Bridge Hospital

The Trust has around 780 acute beds, an annual income of £364.20m, non-current assets of £153.12m and employs 4,898 people.

KEY AIMS AND OBJECTIVES

During the latter part of 2017/18 the Trust, in collaboration with South Tyneside NHS Foundation Trust, looked to build on the alliance between the two organisations, and through the established Healthcare Group, developed one common vision and set of values.

The collective vision is:

> *"To deliver nationally recognised, high quality, cost effective, sustainable healthcare for the people we serve, with staff who are proud to recommend our services."*

To achieve our shared vision, we aspire to:

- provide a wide range of high quality, safe and accessible healthcare services;
- recruit, retain and motivate skilled and compassionate staff, who are proud to act as ambassadors of the service they provide;
- be the employer of choice in the North East of England;
- listen, learn and innovate; and
- ensure financial performance provides value for money.

This is supported by our values of:

- compassionate, dignified and high quality, safe patient care always the first priority;
- working together for the benefit of our patients and their families or carers;
- openness and honesty in everything we do;
- respect and encouragement for our staff; and
- continuous improvement through research and innovation.

Supporting the delivery of this vision and the objectives within, the Trust has a robust planning framework in place which describes the **objectives** of the Trust, the specific **goals** that need to be achieved, the **strategies** that will be adopted and the **measurements** that will be in place to track progress. The OGSM framework is now used across the Trust (and the wider Healthcare Group) to ensure all plans are aligned to deliver the Trusts key objectives.

Strategic Direction

Our strategy is founded on our continued commitment to the delivery of high quality services for patients.

The Trust's strategic aim in relation to service provision has been highlighted in previous annual reports and is captured in the concept of 'the 3rd Centre'. The Trust has always provided a range of services over and above a standard district general hospital – including bariatric surgery, urology, renal, ophthalmology, haematology, head and neck and other service lines. The Trust continues to build on these services and where clinically appropriate we will provide high quality care for a larger population, thereby becoming the 3rd Centre in the north east region. To achieve this goal we will align our investment in our workforce, technology, equipment and our capital plan to this strategic direction.

This direction of travel is aligned with local, regional and national strategies. Nationally, the ambition to develop major emergency centres across England, as outlined in the national review of urgent and emergency care conducted by Sir Bruce Keogh is closely aligned to the Trust's vision. More locally, the work between the Trust and South Tyneside NHS

Foundation Trust, the regional plans as outlined in the Sustainability and Transformation Plans (STPs), and more recently the Integrated Care Partnerships (ICPs) support our approach in taking this work forward, all of which should ensure the Trust delivers high quality, safe and sustainable care to our patients.

The Trust's investment strategy over recent years, including 2018/19, supports the delivery of this vision, with investments in a new Emergency Department and the opening of a diagnostic and treatment centre in Durham in the summer of 2018, two significant developments and recent examples of the Trust's estates strategy.

Centre of Excellence

The Trust already has a number of 3rd Centre services such as bariatric surgery, ear nose and throat, oral and maxillofacial surgery, urology, ophthalmology and nephrology which operate on a regional/sub regional basis and where part of the services are commissioned by the North of England Specialised Commissioning Group and part by the local CCGs. The Trust's direction of travel to be the 3rd Centre supports the local CCGs in demonstrating they are delivering a key element of their plan to have specialised services concentrated in centres of excellence relevant to the locality.

It is also important to note that such services operate on a hub and spoke model, which ensures local provision of services where possible (outpatients and daycases) and the advantage of Sunderland Royal Hospital as the hub is that, with the exception of ophthalmology, all the key services are delivered on one site, therefore ensuring that patients have the benefit of immediate input from specialist teams 24/7.

Following an independent strategic review of vascular services across the North East and the decision for the third vascular centre to be based at Sunderland Royal Hospital, the Trust has been working with colleagues from County Durham and Darlington NHS Foundation Trust with a view to implementing the sub-regional service early and this commenced in May 2019 .

South Tyneside and Sunderland Healthcare Group

The South Tyneside and Sunderland Healthcare Group (STSHG) is an alliance between City Hospitals Sunderland NHS Foundation Trust (CHSFT) and South Tyneside NHS Foundation Trust (STFT). The two organisations have formally committed to collaborating to transform services to ensure that the local communities they both serve will continue to receive high quality, safe and sustainable hospital and community health services in the future.

The Creation of South Tyneside and Sunderland NHS Foundation Trust

Building on the STSHG arrangements highlighted above, during 2018/19 the two Trusts explored various options and agreed a formal merger was required to ensure the Trusts could continue to deliver sustainable, high quality services that were financially viable for our local populations in the future.

The merger was approved during March 2019, by our regulators, NHS Improvement and following agreement from the individual Trust Boards and the respective Council of Governors for each Trust. The merger subsequently went ahead on 1 April 2019.

Our regulators, NHS Improvement, praised the detailed work the Trusts had undertaken during 2018/19 to prepare for the merger and agreed with the clear strategic rationale and

what they described as a 'compelling clinical case for the Trusts to continue their integration journey and build on patient benefits achieved to date'.

This is an exciting new chapter in our journey of working together and looking ahead into 2019/20 we will integrate our teams, bring our two cultures together and continue to push the boundaries of excellence in everything we do in the years ahead as one organisation – South Tyneside and Sunderland NHS Foundation Trust.

Clinical Services Review (Path to Excellence)

One of the priorities of the Trust, which will also continue into the new organisation, is a programme of jointly reviewing and planning services through a programme of clinical service reviews.

The review of clinical services is a large scale programme covering both CHSFT and STFT. The reviews continued during 2018/19 and it is expected that all clinical services will be reviewed as part of this programme and will complete during 2019/20. Any service changes will be subject to full public consultation. These reviews are clinically led and each team has been asked to address 4 key issues:

- clinical efficacy and sustainability;
- accessibility and choice;
- deliverability and capacity; and
- affordability and financial sustainability.

Clinical Service Reviews – Phase 1

The first phase of work covered stroke services, urgent and emergency paediatrics, and obstetrics and gynaecology. Changes to these services were subject to an extensive consultation exercise which completed in February 2018. After receiving and considering feedback from members of the public and other key stakeholders, NHS Sunderland and South Tyneside Clinical Commissioning Groups (CCGs) met in February 2018 to make their decisions on the future of these services.

For maternity (obstetrics) and women's healthcare (inpatient gynaecology) services both CCGs recommended the following to be taken forward for implementation:

- a new midwife-led Birthing Centre at South Tyneside District Hospital for low risk deliveries;
- consultant-led maternity care for high risk deliveries and co-located midwifery-led care at Sunderland Royal Hospital (including Special Care Baby Unit and Neonatal Intensive Care);
- outpatient antenatal and postnatal care to continue on both main hospital sites;
- community midwifery care delivered through a joined-up team across both South Tyneside and Sunderland; and
- gynaecology outpatients to continue on both main hospital sites (with the majority of day case surgery at South Tyneside District Hospital and inpatient surgery at Sunderland Royal Hospital).

For stroke services both CCGs recommended the following to be taken forward for implementation:

- to combine all hyper-acute and acute stroke care at Sunderland Royal Hospital; and
- all hospital-based acute rehabilitation to be delivered at Sunderland Royal Hospital.

The decision on urgent and emergency paediatrics was more complicated with both CCGs recommending the following to be taken forward for implementation:

- a day time nurse-led paediatric minor injury/illness service at South Tyneside District Hospital and 24/7 paediatric emergency department at Sunderland Royal Hospital as the most sustainable long-term model.

However, both CCGs recognised that it would take a period of time for work to be done to develop the nursing workforce to make this option deliverable. Both CCGs therefore also recommended as a transitionary step towards the above, that a day time medical-led paediatric emergency department and children's short stay assessment unit at South Tyneside District Hospital and 24/7 paediatric emergency department at Sunderland Royal Hospital, be implemented in the immediate short-term.

In addition as a result of feedback gained during the consultation, the CCGs agreed to amend the opening hours of the paediatric minor injuries unit at South Tyneside District Hospital to 8am until 10pm (rather than 8am until 8pm) with a two hour period after 10pm (internally) to allow children to be treated, discharged or transferred.

Outpatient and community-based paediatrics services would continue locally in both South Tyneside and Sunderland.

The original ambition was to work towards implementation by April 2019 and, in the case of paediatrics, to have the transitionary model in place by April 2019 and work towards full implementation of the nurse-led model by April 2021. However, this has not been possible as both CCGs were challenged on the process and decision-making.
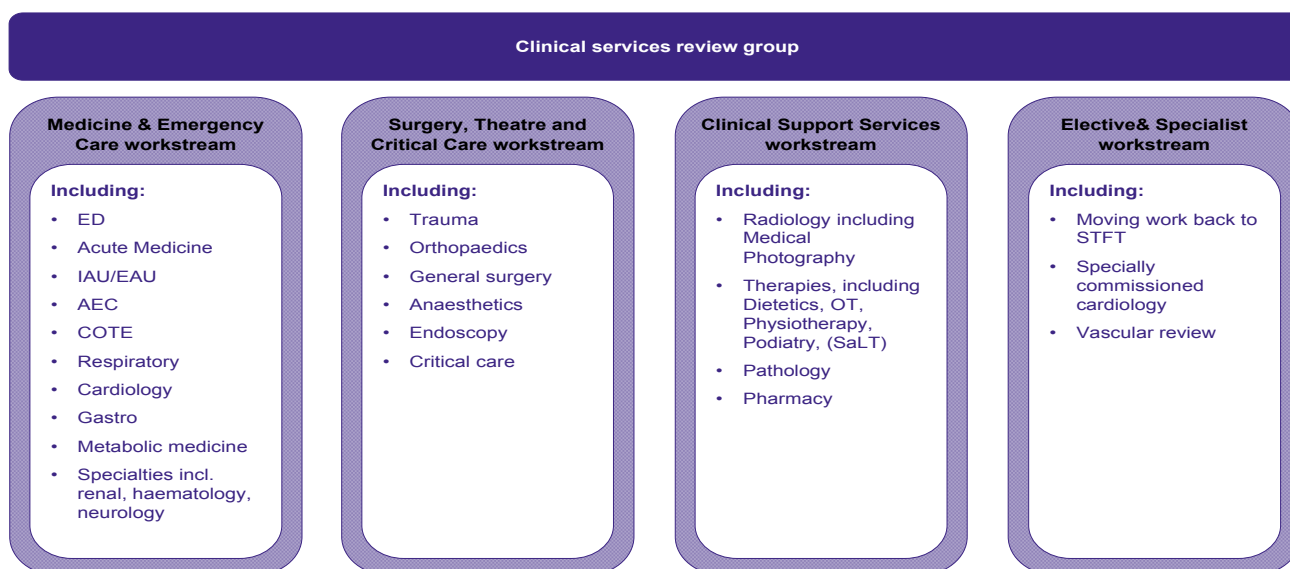
The case was heard in December 2018 and the judge ruled that the CCGs had carried out a fair and lawful public consultation process for the decisions made around the future of hospital-based stroke services, maternity and urgent paediatric care.

This judicial review outcome followed an independent expert view also received from the Independent Reconfiguration Panel (IRP) which concluded that the Phase One changes were in the interests of local health services.

These rulings provided the go ahead for implementation of Phase 1 service changes which are now planned for the summer of 2019.

Clinical Service Reviews – Phase 2

As highlighted previously Phase 2 of the clinical service reviews continued during 2018/19 and it is expected that this will conclude during 2019/20, including full public consultation. Services included in Phase 2 are grouped into four areas:

Clinical services review group

| Medicine & Emergency Care workstream	Surgery, Theatre and Critical Care workstream	Clinical Support Services workstream	Elective& Specialist workstream
Including: • ED • Acute Medicine • IAU/EAU • AEC • COTE • Respiratory • Cardiology • Gastro • Metabolic medicine • Specialties incl. renal, haematology, neurology	Including: • Trauma • Orthopaedics • General surgery • Anaesthetics • Endoscopy • Critical care	Including: • Radiology including Medical Photography • Therapies, including Dietetics, OT, Physiotherapy, Podiatry, (SaLT) • Pathology • Pharmacy	Including: • Moving work back to STFT • Specially commissioned cardiology • Vascular review

Significant staff and wider stakeholder engagement was undertaken during the last few months of 2018/19 to help shape the emerging ideas, which will then inform which models are taken forward to full consultation.

The Wider Health Economy – South Tyneside and Sunderland

It is recognised that communities within the South Tyneside and Sunderland areas have poor outcomes against multiple measures. This highlights the additional pressures of health services within the local communities. In addition, the local health economy (LHE) also faces a significant financial challenge.

During the 2018/19 clinical leaders across the South Tyneside and Sunderland came together and agreed to collaborate and work differently with the aim of improving the outcomes for our local populations. The chart below outlines at a high level the governance structure to oversee the development and delivery of this plan.
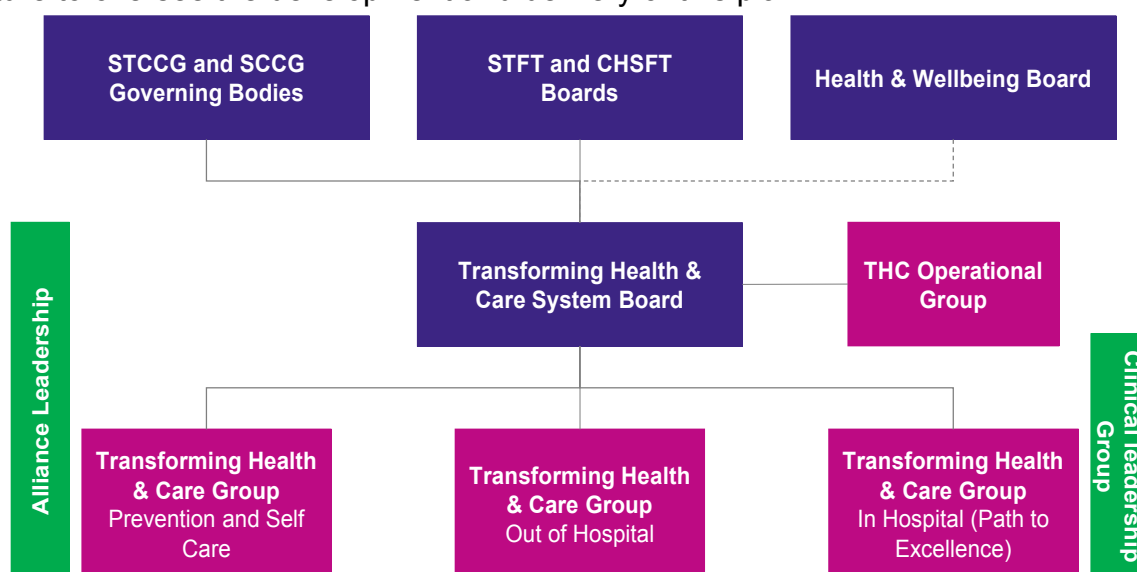
In developing the Local Health Economy (LHE) Plan three key work streams have emerged:

- Prevention and Self Care;
- Out of Hospital; and
- In Hospital

These broadly align to the approach each organisation has been using in terms of its own plans.

Prevention and Self Care – covering
- out of hospital prevention;
- in hospital prevention; and
- children and young people (future prevention).

Out of Hospital – covering
- reactive and proactive community-based approach to urgent care;
- ongoing care needs and enhanced primary and community care;
- interface with specialists;
- mental health, learning disabilities and autism;
- primary care prescribing; and
- packages of care.
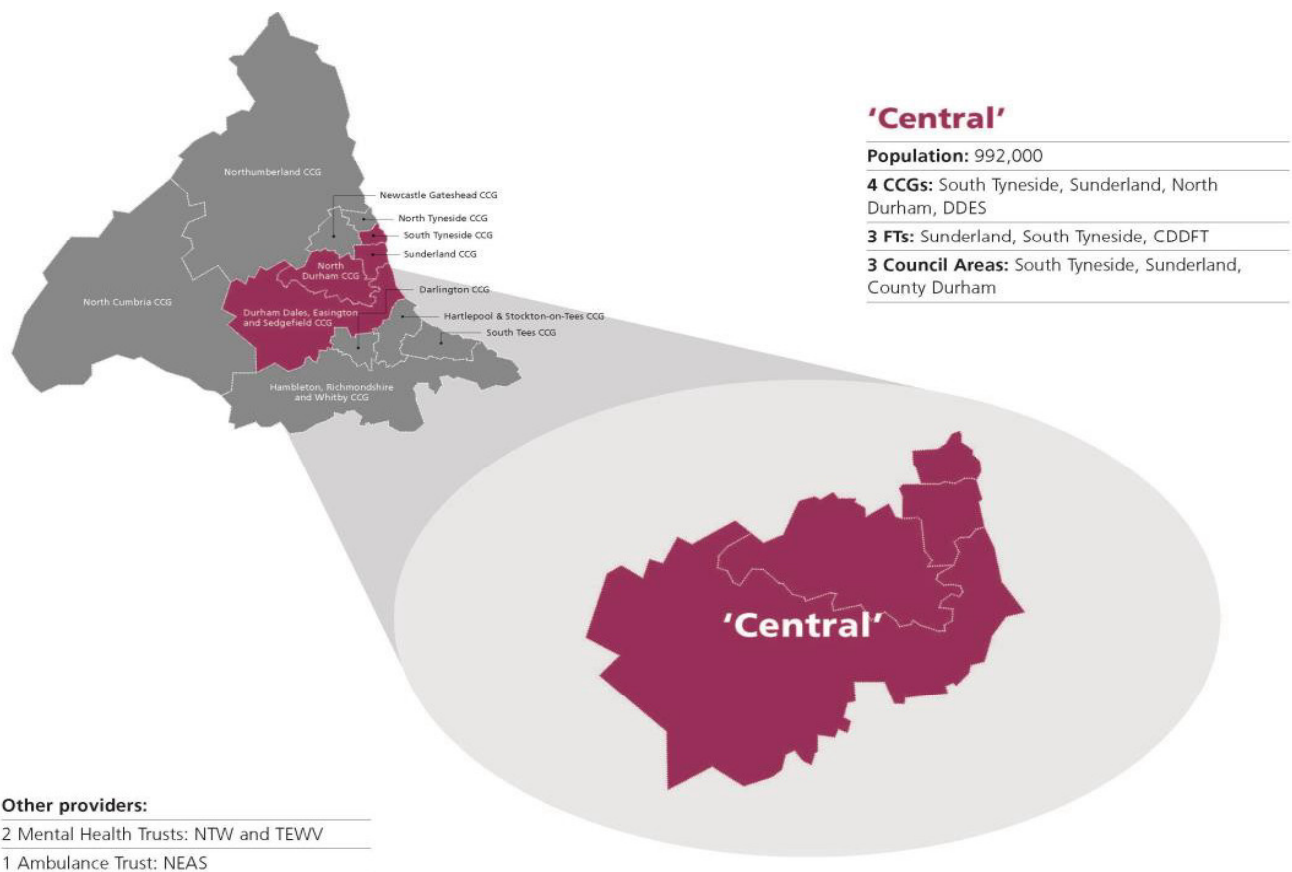
In Hospital – covering
- Path to Excellence clinical service reviews; and
- specialised service reviews.

The ultimate aim of the plan is to improve the health outcomes for our local populations and to improve the financial efficiency of the services provided across health and care.

The Wider Health Economy – The Central Integrated Care Partnership (ICP)

The 'Central' ICP is a partnership of commissioners and providers across the three constituent areas of County Durham, South Tyneside and Sunderland. During 2018/19 it was developed and overseen by an executive group comprising of:

- three acute Foundation Trusts – City Hospitals Sunderland, County Durham and Darlington, and South Tyneside (two acute FTs from 1 April 2019 when CHSFT and STFT merge);
- one mental health foundation Trust – Northumberland, Tyne and Wear NHSFT;
- one ambulance service – North East Ambulance Service NHS FT;
- four CCGs – Durham Dales, Easington and Sedgefield; North Durham, South Tyneside and Sunderland; and
- three local councils – Durham County Council, South Tyneside Council and Sunderland City Council.

'Central'
Population: 992,000
4 CCGs: South Tyneside, Sunderland, North Durham, DDES
3 FTs: Sunderland, South Tyneside, CDDFT
3 Council Areas: South Tyneside, Sunderland, County Durham

Other providers:
2 Mental Health Trusts: NTW and TEWV
1 Ambulance Trust: NEAS

In addition to this there are strong links with Tees, Esk and Wear Valleys NHS Foundation Trust as the provider of mental health and learning disability services in Durham.

ICP Priorities

During 2018/19 discussions took place and consensus reached between system leaders to identify the most urgent priorities for transformation for the ICP based on the views of all parties.

These key priorities included:

- continued development and delivery of out of hospital models;
- primary care network development /5 Year Forward View for General Practice;
- delivery of the new vascular service in conjunction with specialised services commissioners;
- continuing work between partners on the priorities for efficiency as referenced in the NHS Long Term Plan including prevention, outpatient redesign, frail and elderly care, same day emergency care etc;
- developing robust and sustainable breast cancer services based around breast screening centres;
- Path to Excellence phase 1 delivery in South Tyneside and Sunderland;
- Path to Excellence phase 2 including consideration across Durham, South Tyneside and Sunderland of agreed priorities which include:
  - accident and emergency
  - ophthalmology
  - cardiology
  - rheumatology

- o dermatology
- o cancer 62 day wait achievement
- o paediatrics
- Maintaining close links and alignment with the Tees Valley Health and Care Partnership priorities for acute transformation which include:
  - o maternity and paediatrics
  - o stroke services
  - o breast services
  - o spinal surgery
  - o frailty

These priority areas of work will continue into 2019/20 and beyond.

Continuous Improvement

The Trust has developed a Lean Continuous Improvement Strategy which outlines our approach to the implementation of a lean continuous improvement philosophy. The goals and objectives of the strategy are:

- to do things right, first time every time;
- to ensure continuous improvement programmes and projects are clearly linked and aligned to the Trust's vision and priorities identified within our annual planning cycle ensuring quality and performance measures are met;
- to utilise a programme management approach to ensure that new organisational capacity is delivered and benefits realised;
- to continue to build organisational capacity and capability in lean and programme management methodology across corporate and clinical services; and
- to support a culture where sharing of best practice and learning from each other is the norm.

During 2018/19 the Trust continued with a number of improvement initiatives and transformational programmes, including:

Radiology: A piece of work has been undertaken to review and streamline the ordering processes for diagnostic tests, specifically ultrasound and CT scans. With regard to ultrasound this was to allow booking of the scans directly from GP surgeries using the e-RS system (formerly Choose and Book) in order to create improved patient choice in terms of location and potentially reduce did not attend or unable to attend rates. Ultimately the patient will leave the GP practice with the date and time of the scan which has been agreed and booked directly.

Emergency Care: As part of the ongoing productivity and efficiency work in Sunderland's Emergency Department a review was undertaken of the 'See and Manage' process which resulted in an additional consultant being available at the early stage of the process to ensure the clinical pathway was appropriately reduced by having a senior clinical decision maker involved at the earliest stage. Additionally, a mapping exercise identified the need to reallocate the Emergency Ambulatory Care Unit/Integrated Assessment Unit consultants at certain times of day to increase the frequency of patient reviews and to increase patient flow.

No Bed like Home: In September 2018, CHSFT launched a new campaign in partnership with Sunderland Clinical Commissioning Group called #TheresNoBedLikeHome. This campaign aimed to help more patients get safely back to the comfort of their own bed. #TheresNoBedLikeHome supports staff in taking positive steps to reduce unnecessary lengthy hospital stays which can be detrimental to the health and wellbeing of some patients. By working together to improve patient flow, this also means that we can ensure there is capacity and beds readily available for new patients arriving at the hospital. Using the 'Red2Green' days concept to identify wasted time in a patient's care journey, allows all staff, both within and outside of the hospital, to support patients on their road to recovery and getting back home as quickly and safely as possible. Over 200 colleagues received training on our Red2Green concept leading up to the launch. During the launch week we also had a number of Red2Green champions who were out and about supporting clinical staff. A number of wards and departments were recognised for the work they have done to get patients into the discharge lounge before 10am) and for helping patients who are able to get up, get dressed and get moving. The work on #Theresnobedlikehome demonstrated excellent team work across the system, with everyone working together to get our patients home and back into their own beds. This has remained as we continue to embed the processes into everyday practice.

Prostate Cancer Pathways: An improvement initiative has been carried out to design and implement new prostate (faster diagnosis) pathways for urological cancer patients. A full suite of lean methodologies have been used to support the project such as process mapping, actions logs and project plans aimed at reducing the diagnostic pathway for patients. The main aim of the work is to achieve prostate cancer waiting time targets, improve the patient experience and to minimise invasive procedures for some patients.

RISK MANAGEMENT

Financial Risks

Key financial risks during 2018/19 included:

- delivering the challenging cost improvement target on top of maintaining the achievements from prior years;
- managing the financial cap process for agency workers;
- delivering against the quality (CQUIN) targets as agreed with the commissioners
- minimising actions that would have resulted in the application of penalties;
- achievement of the financial control total set by NHSI and the conditions associated with the 'Provider Sustainability Fund' (PSF);
- managing costs within a block income arrangement;
- managing cashflow within the context of a planned deficit; and
- managing the normal financial business of the Trust whilst preparing for merger.

Non-financial Risks

Non-financial risks for the year included:

- maintaining the relevant performance standards including the 18-week target for 95% of admitted patients in-year across all specialties and the maximum 4 hour A&E waits and the 62 day cancer targets. At the end of the year the Trust did not achieve the A&E target (88.65 %) and declared achievement of the cancer targets with the exception of the 62 day urgent referral to treatment wait (81.81 % against a target of 85 %);
- managing infection rate targets including the *C-difficile* position with 25 cases by the end of the year which is comparable to last year; and
- maintaining the standards required by the Care Quality Commission to maintain compliance with licence requirements.

Directors' Approach to Risk Management

- a cost reduction plan to reduce the Trust's operating costs during 2018/19 to meet the efficiency target inherent in the national tariffs;
- working with commissioners to plan service redesign and service capacity requirements including identifying all implications financial and non-financial; and
- managing the levels of actual activity and the costs associated in specialties with capacity constraints.

The Board of Directors is responsible for ensuring that the Trust's system of internal control and risk management is sound and for reviewing the effectiveness of those systems.

The Trust has processes for identifying, evaluating and managing the significant risks faced by the organisation. These processes cover all material controls, including financial, clinical, operational and compliance controls and risk management systems. These processes have been in place for the whole of 2018/19.

One of the key milestones in the Trust's Risk Management Strategy is to achieve progressive compliance with national, general and maternity NHS Resolution risk management standards. The Trust has updated the previously approved Risk Management Strategy with the aim of continuing to robustly mitigate and manage risks. At the same time the Trust has worked closely with the NHS Resolution to better understand the drivers for

the growth in referrals and put in place actions to minimise clinical risk which has culminated in reduced premiums in year.

The Board of Directors has approved an assurance framework that meets national guidance which is managed by the Governance Committee. The framework is subject to annual review and approval by the Board of Directors. The framework is based on the Trust's strategic objectives and contains an analysis of the principal risks to achieving those objectives. It is underpinned by the detailed risks and associated actions set out in the Trust's risk register. During 2018/19 the Trust continued to report the key risks to the Board of Directors. This maintains visibility for the whole Board on an ongoing basis.

Each of the key objectives has been assigned a Board lead and the framework is utilised to ensure that the necessary planning and risk management processes are in place to deliver the annual plan and provide assurance that all key risks to compliance with the Trust licence have been appropriately identified and addressed.

Year End Position

Excluding the impact of the consolidation of Charitable Funds, City Hospitals Sunderland NHS Foundation Trust has reported an operational deficit position of £2.88m for the financial year 2018/19. The Trust delivered cost improvements of £17.16m by the year end. The delivery of cost improvement targets was closely monitored in-year by the Finance and Performance Committee which is a sub-committee of the Board.

For 2018/19, the Trust signed legally binding contracts for its services provided to commissioners. These related to Payment by Results (PbR) activity and services subject to local prices where national tariffs had not been set.

The Trust's largest commissioners had set 2018/19 contract baselines predominantly based on the 2017/18 actual activity delivered with funding specifically relating to the maintenance of all of the relevant targets. For this year some of those contracts were on a 'block' basis to manage risk across the wider health system.

Going Concern

After making enquiries, the Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future, albeit as part of a newly merged NHS Foundation Trust. For this reason, they have continued to adopt the going concern basis in preparing the 2018/19 accounts.

Whilst recognising the significant financial challenges facing the new Trust, the Directors have considered the work undertaken as part of the Local Health Economy culminating in the development of a system wide Financial Recovery Plan (FRP) which has been approved by regulators, who have recognised the robustness of the plan by setting control totals in line with the information provided in the FRP. The annual plan for 2019/20 has been set at breakeven including a cost improvement plan for the year which is historically lower than prior years. The additional PSF funding received as part of the 2018/19 year end processes means that the new Trust is unlikely to need additional cash drawdown in-year.

KEN BREMNER
Chief Executive   **Date: 28 May 2019**

PERFORMANCE ANALYSIS

NON-FINANCIAL PERFORMANCE 2018/19

Performance Against Key Targets 2018/19

During 2018/19 the Trust has continued to achieve the majority of national operational and quality requirements across a number of key measures (as shown below), including waiting times for cancer, consultant-led treatment and diagnostic tests, despite some of these not being achieved at a national level.

Indicator	Last Year 2017/18	Target 2018/19	2018/19	Variance	Year
Operational Performance Measures					
A&E: Maximum waiting time of four hours from arrival to admission/transfer/discharge	91.25%	≥95.00%	88.65%	-6.35%	🔴
Referral to Treatment waits % incomplete pathways waiting less than 18 weeks[1]	94.21%	≥92.00%	93.33%	1.33%	🟢
All Cancer 62 day urgent referral to treatment wait	83.62%	≥85.00%	81.81%	-3.19%	🔴
Diagnostic Test waiting times[1]	1.32%	<1.00%	0.76%	-0.24%	🟢
National Operational Standards					
Cancelled operations not rescheduled within 28 days	58	0	47	47	🔴
All Cancer Two Week Wait	96.53%	≥93.00%	95.59%	2.59%	🟢
31 day standard for cancer diagnosis to first definitive treatment	98.32%	≥96.00%	98.91%	2.91%	🟢
31 day standard for subsequent cancer treatments - surgery	96.78%	≥94.00%	98.97%	4.97%	🟢
31 day standard for subsequent cancer treatments - anti cancer drug regimens	99.78%	≥98.00%	99.89%	1.89%	🟢
62 day wait for first treatment following referral from an NHS Cancer Screening Service	96.67%	≥90.00%	94.74%	4.74%	🟢
Mixed sex accommodation breach	0	0	0	0	🟢
National Quality Requirements					
RTT waits over 52 weeks for incomplete pathways	0	0	0	0	🟢
Ambulance Handover Delays 30-60 minutes	1190	0	1569	1569	🔴
Ambulance Handover Delays 60+ minutes	271	0	349	349	🔴
Trolley waits in A&E not longer than 12 hours	0	0	0	0	🟢
No urgent operation should be cancelled for a second time	0	0	0	0	🟢
VTE risk assessment for inpatient admissions	98.68%	≥95.00%	98.75%	3.75%	🟢

[1] Excludes non English commissioners as per NHS England published statistics

Accident and Emergency (A&E)

During 2018/19 the Trust has continued to receive an increasing number of patients through our A&E departments with a 4.5% increase in unplanned attendances compared to 2017/18. As a result we did not achieve the national standard of 95% of patients spending a maximum of 4 hours in the department. Despite this, performance was better than the national average of 88% and the Trust remained in the upper middle quartile nationally for the majority of the year, ranking 74th out of 159 Trusts. For 2018/19 national funding (provider sustainability funding – PSF) was available in order to support Trusts to improve their financial position as well as a proportion based on A&E performance. The Trust achieved £585,000 of the £1.95 million available linked to A&E performance.

Our ability to achieve the standard was impacted by increasing attendances year on year and increased operational pressures over the winter period. This winter we saw more in patients arriving by ambulance with a 9% increase compared to last winter and on average over 100 ambulance arrivals each day during January. Unfortunately this meant we did see an increase in ambulance handover delays of over 30 minutes compared to 2017/18.

The Trust continues to work with our local partners as part of the Local A&E Delivery Board (LAEDB) to provide leadership and focus to improve access to urgent and emergency care services. The reconfiguration of urgent care services out of hospital is planned for 2019/20 with patients with minor injury and illness being treated at extended access services and Urgent Treatment Centres. The LAEDB is committed to improving patient experience and over the coming months will put in place immediate interventions to support delivery of the 4 hour standard as well as understanding the long term changes required to consistently meet the national standard.

Referral to Treatment Time

The Trust continues to exceed the national standard of at least 92% of patients waiting less than 18 weeks for treatment from referral with no patients waiting over 52 weeks. We have seen a 3% increase in referrals in 2018/19 compared to 2017/18 which has meant the waiting list, ie patients who are still waiting for treatment, has slightly increased however the average wait has remained broadly the same. The Trust agreed a trajectory with NHS Improvement (NHSI) to reduce the waiting list by March 2019 and this was narrowly above plan.

Performance has remained broadly in line with 2017/18 despite a planned reduction in activity over the winter period to support the increase in beds required for patients requiring emergency admission. There were challenges in some specialties whereby the national standard was not achieved due to capacity challenges, ie. Orthopaedics and Thoracic Medicine.

Cancer Waiting Times

The Trust has continued to achieve the national waiting time standards for the majority of cancer targets. The only standard not met was for patients treated within 62 days after being referred from their GP. The Trust was slightly below this standard for the year however performance was above the national average for the majority of the year. The Trust saw a 10% increase in referrals for suspected cancer and subsequently treated 15% more patients with cancer than the previous year.

Work has been ongoing throughout the year to improve cancer pathways and ensure patients receive timely treatment, with the delays relating to clinical complexity and diagnostics. The biggest challenge is in the urology service, which accounts for approximately 50% of all cancers in the Trust. There have been capacity issues throughout 2018/19 however performance for this tumour group has remained above the national average for the year.

Achievement of this standard remains a challenge for 2019/20 due to patient case mix, clinical complexity and a change in the guidance around patients who transfer their care between providers.

Diagnostic Waiting Times

The Trust performed better than 2017/18 and was below the 1% maximum target for the majority of the year. There were only 3 months where the standard was not met due to an increase in demand for MRI scans in particular.

Approach to Measuring Performance – What and How We Measure

Performance against targets such as waiting times for consultant-led treatment, cancer, diagnostic procedures and time in A&E are taken into consideration by NHSI, the regulator of Trusts, as part of their regular assessment process, to determine any support required. NHS Improvement also reviews performance against other areas such as quality of care, finance and use of resources. Trusts are segmented into four categories based on the level of support required in order to meet required standards from 1 (maximum autonomy/no support) to 4 (special measures/mandated support). The Trust has remained in segment 2 during 2018/19 with some targeted support in place in order to improve performance against the A&E and cancer 62 day standards as well as improve the financial position of the Trust.

The Trust measures performance across a wide range of indicators including:

- national indicators, operational performance measures, national operational standards and national quality requirements – these are set by NHSI and the Department of Health;
- local quality requirements – agreed with commissioners and included in our contract; and
- internal indicators – these are agreed as part of our annual planning process and KPIs are developed to measure progress against delivery of our corporate objectives.

To support performance monitoring, management and improvement, a performance framework is in place to ensure issues are identified early and acted upon to prevent failure of key standards where possible. This includes:

- monthly reporting of key performance indicators by directorate and specialty to the Finance and Performance Committee, Executive Committee and Board of Directors;
- regular corporate and operational management reports to monitor progress against delivery of key standards;
- monthly meetings with directorate managers and representatives from the Contracting and Performance teams to identify trends and areas of concern in time to plan ahead and agree action plans; and
- quality and contracting review meetings with the Clinical Commissioning Group.

Environmental Performance

The Trust is acutely aware of the impact on the environment as a result of delivering the services provided to the local population. We place significant importance on reducing this impact as much as we can and have therefore developed both a Sustainable Development Strategy and a Sustainable Development Management Plan. More detailed information on environmental performance and sustainability can be found on page 208.

FINANCIAL PERFORMANCE

Context

This year has seen a period of inordinate change with the development of a system-wide, longer term Financial Recovery Plan, and preparation for the merger of the Trust with its alliance partner South Tyneside NHS Foundation Trust on the 1 April 2019. It is within this context that this financial overview is presented.

At the start of the year as part of the Annual Plan process, the Trust had been set by its regulators, NHS Improvement (NHSI), a 'control total' or financial limit, to hit a deficit target to be no worse than £11.2m. If this was achieved, the Trust would have access to additional sustainability funds of £12.99m. After careful consideration, and reflecting on the year end position in 2017/18, plus known pressures into 2018/19, the Board of Directors declined this control total, recognising this would result in a lost sustainability funding opportunity of £12.99m. Following discussion with, and detailed reviews by, NHSI revised the control total proposal to an £18.4m deficit, but reduced the sustainability funding opportunity by 50% to £6.5m. This would give a net planned deficit position of £11.9m. The Board of Directors subsequently accepted this revised control total.

Linked to this, and the continued wider local health economy (LHE) work started in the previous financial year, work was undertaken with clinical leads across the local health system focused on identifying opportunities where we could improve patient outcomes within a more financially sustainable system. The 'system' is predominantly comprised of the two commissioners in Sunderland and South Tyneside, plus the two Trusts of City Hospitals Sunderland and South Tyneside NHS Foundation Trusts, although other partners from health and social care are involved in some of the individual work programmes. This then led to the development of a Finance Recovery Plan (FRP) across all four partner organisations which took account of anticipated income and expenditure across all organisations over a three year period. The Boards and Governing Bodies of the respective organisations subsequently signed off the jointly authored FRP looking at longer term financial recovery. This was presented and accepted by the respective regulators in October 2018. This work formed the basis of all of the finances feeding into the merger preparation process and was robustly tested through the independent due diligence process required as part of the application process for the merged Trust.

Overview

Ahead of the start of the 2018/19 financial year, the Trust agreed block clinical income contracts with some of its major commissioners. The aim was to free capacity to focus on longer term financial recovery across a wider health system. It was recognised that many acute hospitals were facing financial pressures as a result of continued tariff reductions and shortfalls in commissioner allocations. Therefore in order to address the underlying system financial gap a different approach was required; this had proved successful in the prior year and has enhanced the closer working relationships with major commissioners.

During the year, NHSI introduced an additional scheme whereby those Trusts who were able to improve on their control total targets could access additional incentive funds which were on the basis of a £1 for £1 match for every £1 improvement on the plan. Other bonus schemes were also introduced linked to acceptance of the control total and delivery of recurrent cost improvement plans.

The control total for the year was £18.4m, offset by expected Provider Sustainability Funds (PSF) of £6.5million, giving a net planned deficit of £11.9m. To deliver this position, the Trust needed to deliver £16.7m worth of cost improvement plans (CIPs).

The Trust over achieved against its control total for the year by £2.8m and was therefore eligible for the core PSF funds and the additional PSF bonus and incentive funds. The additional PSF allocated to the Trust at year-end totalled £7.3m. However, the original or 'core' PSF funding of £6.5m was not fully achieved in-year due to non-achievement of the A&E target in quarters 1, 3 and 4, resulting in a loss of £1.36m. In total the Trust received £12.45m of PSF at the end of the year. The Trust overall deficit position was £2.8m, an improvement against plan of £9.1m.

As part of delivering the financial position, the Trust delivered cost improvements of £17.16m.

The Trust ended the year with a 'Use of Resources' risk rating of '3', in line with plan (see page 147)

	Group £000	Trust £000
Deficit before PSF	(15,594)	(18,470)
Less PSF – core and additional	(12,454)	(12,454)
Add back Impairments/donated assets/other adjustments	336	456
Deficit reported in financial statements	(2,803)	(5,560)

The deficit of £15.6m before PSF represents a favourable variance to the plan by £2.8m. The key reasons for this variance include:

- operating income (excluding PSF) was £11.8m higher than planned;
- operating expenses were £11m higher than plan; and
- PDC dividend and depreciation costs were £2m lower than plan

Operating income included £3.1m to fund the Agenda for Change pay-award, the costs of which are included in operating expenses.

The following sections will provide further information regarding the financial position for the year.

CHoICE Limited

From the end of 2016/17, City Hospitals Independent Commercial Enterprises Limited (CHoICE Ltd) took on responsibility for the management and operation of all estates services and the majority of facilities services previously managed directly by the Trust. CHoICE is a wholly owned subsidiary of City Hospitals Sunderland NHS Foundation Trust and has been operational since 2014, originally managing outpatient pharmacy services. From 1 February 2017, CHoICE took on this wider responsibility with over 300 staff being transferred to the company under the TUPE regulations and now provides a fully managed service to City Hospitals Sunderland. In December 2017, the procurement team within the Trust was also transferred to CHoICE under TUPE regulations and from the 1 April 2018, CHoICE took on the provision of services previously provided by G4S. This now enhances the offer and provides a more comprehensive managed service to the Trust. Given the material scale of the turnover of the company, the accounts are consolidated into the main NHS Foundation Trust's accounts as a wholly owned subsidiary of the Trust.

Income and Contracts Overview

The complexity of the clinical income funding system is now such that system-wide approaches to service change and transformation are difficult to implement, with transactional engagement from some commissioners hindering those conversations. This started to be recognised with a change in approach for 2016/17, focusing on a 'place' based approach and the development of wider system Sustainability and Transformation Plans (STPs) during the year.

Ahead of the start of the 2016/17 financial year, new national allocation formulas were released for the next 3 years, with indicative allocations for two further years beyond that. This puts increasing pressure on local CCGs who have seen at best a 'flat cash' position, but in real terms the allocations reflect a cut in funding. In addition to the allocation funding changes, additional funding was provided for a Sustainability and Transformation Fund (STF) of £1.8bn across the NHS. In 2017/18 and 2018/19, this has continued to be predominantly focused on sustainability, with the STF now being changed to the Provider Sustainability Fund (PSF). The Trust was notified that a share of the PSF was available to support its financial position for 2018/19 equating to £6.5m. There were conditions associated with the receipt of this funding linked to the delivery of a number of key performance indicators and the delivery of the financial control total, with 70% linked to the financial control total and the remaining funding linked to delivery of the A&E targets. As a result of this approach, penalties that commissioners could apply to Trusts under the normal PbR rules were removed to ensure Trusts did not suffer double penalties as a result of penalties from commissioners and loss of PSF funding.

The 2018/19 contracts with some of our main commissioners, NHS Sunderland Clinical Commissioning Group and NHS South Tyneside CCG, were on the basis of a 'block' arrangement with the intent to manage risk and focus on joint system-wide opportunities. Some commissioners were also on a standard 'payment by results' (PbR) contract. This was the second year of this approach and builds on the previous Local Health Economy (LHE) work. In addition the previously agreed Risk Share Agreement remained in place and the Trust benefited from the receipt of funding in-year as part of the risk share agreement.

Ahead of the contracting process for 2017/18 a new two year tariff was released; the 2018/19 financial year was the second year of this changed tariff. This saw some significant moves between specialties reflecting more up-to-date costs for certain procedures or central challenges to deliver efficiencies within some services. The PbR rules have remained predominantly consistent with prior years. This included the marginal rate for any emergency admissions seen over and above the 2008/09 level and no payment for any 'avoidable' readmissions within 30 days, both remaining unchanged. The principle is that NHS Trusts would be de-funded for any readmissions into the Trust within 30 days irrespective of the cause, subject to a small number of exclusions. The concept is to encourage appropriate support mechanisms for patients so where avoidable they do not return to hospital. With its commissioners, the Trust underwent a bidding process whereby commissioners agreed to invest in a series of schemes to target reductions in readmissions. In some cases this involved increased patient support arrangements in a community setting, whilst other investments supported developments undertaken within the Trust. To enable the Trust to forward plan and staff appropriately, main commissioners supported schemes over a number of years into 2018/19.

Within this environment, the Trust and commissioners agreed activity levels predominantly based on 2017/18 actual activity plus anticipated additional growth requirements to achieve the necessary targets as appropriate.

The national tariff assumed a net uplift of 0.1% which is the impact of assumed level of inflation funding to cover cost growth less assumed levels of cash releasing efficiency assumption for tariff services.

By the end of the financial year there was a mixture of some commissioners over performing against their contracts and some under-performing, with year-end financial agreements reached with most as part of the year end process. During the year there were challenges in the achievement of the A&E target due to a range of system wide pressures and significant increases in attendances. As a consequence the Trust did not achieve the A&E target in quarters 1, 2 and 4 and lost the 30% of the PSF income linked to A&E, which equated to £1.36m. However, additional 'incentive' and 'bonus' funding was received from the share of the balance of the national PSF funds and overall the Trust received £12.45m against the originally planned £6.495m, so a net improvement of £5.96m

Expenditure Overview

During the year the Trust continued to recruit to funded nursing vacancies however this proved difficult in some areas, with vacancies particularly on Care of the Elderly wards. The issue was one of ensuring the appointment of the right calibre of staff at the same time as many other local organisations were also recruiting or paying premium rates through agencies. Funding for the posts was not the issue as this had been agreed ahead of the start of the financial year and was amended in year to reflect the six monthly nurse staffing review process.

Agency staffing continued to be a pressure for the Trust, spending £4.1m, although this is a significant decrease on the £5.7m position in the previous year. It is a relatively small percentage of the overall pay bill at 1.8% (2.6% in 2017/18). Work had been undertaken to target those high spending areas and identify alternative options such as locum recruitment or alternative means of providing a specific service. In addition, the tightening of the agency 'caps' scheme to provide a consistent approach across the country for in- demand staff groups has continued to help stem what has been a steady price increase year on year. The Trust remained below the agency cap in-year.

The clinical negligence insurance costs saw a significant reduction in year from a previous year high of £14.26m to £12.07m, a reduction of £2.19m and a 15.3% reduction on the prior year. This is positive and reflects the hard work undertaken, particularly in maternity to try and mitigate risk.

Cost Reduction Plans

Divisional Plans for cost reductions were agreed at the start of the 2018/19 financial year. Included in the Annual Plan was a target of £16.7m. By the end of the year, the Trust had delivered £17.16m – an over achievement of the target. Considering the continuing difficulty around the delivery of CIPs year on year, this is an excellent achievement.

Capital Funding

Capital investment in 2018/19 was funded from internally generated funds and additional Public Dividend Capital (PDC) specifically for the Global Digital Exemplar (GDE) Scheme. The total spend for the year was £6.48m. This included information technology (IT) spend linked to the GDE programme equating to £3.19m, non-GDE IT expenditure of £0.45m, medical equipment of £1.74m and a variety of backlog maintenance and other build schemes totalling £0.39m

At the end of the year, the Trust had an outstanding balance on a number of Independent Trust Financing Facility (ITFF) loans of £49.8m.

Cash Flow Management

The cash balances at the year-end were £13.4m (excluding charitable funds), ahead of the plan of £9.2m by £4.2m. This is mainly due to higher than planned creditors which are expected to be settled during the first quarter of 2019/20. During the year the Trust was in receipt of cash support loans of £7.3m.

Looking Forward

The financial agenda remains challenging. Once again most Trusts with acute services were dependent upon PSF funds. Without these funds the majority who were able to declare a breakeven or surplus position, would have been in deficit, a continuing trend from prior years. Fundamentally this means that the current funding system for Trusts is not keeping pace with the costs they are incurring. As a result the NHS is at a crossroads in terms of making some critical decisions about the future and nature of service delivery nationally and locally.

The approach around joint working with partner organisations continued into 2018/19 and culminated in the merger of the two partner Trusts, City Hospitals Sunderland and South Tyneside NHS Foundation Trusts from 1 April. In addition the four organisations (City Hospitals Sunderland and South Tyneside NHS Foundation Trusts, NHS Sunderland CCG and NHS South Tyneside CCG) have developed a single strategic framework detailing how they are going to work together over the next few years to deliver system-wide financial sustainability. This has strengthened existing governance arrangements and a single transformation plan building on the Financial Recovery Plan work has been developed. The existing system work such as the Path to Excellence programme, has been incorporated into this plan. The key work moving into 2019/20 is the delivery of the Financial Recovery Plan including the impacts from phase 1 of Path to Excellence as well as the benefits of the merged organisation.   The FRP includes the 'normal' efficiency savings such as procurement as well as looking at improving patient pathways and removing unnecessary contacts through the improved use of technology and alternative means of provision.

The 2019/20 year is a refresh of the 2018/19 agreed contract and therefore the full impact of the NHS standard contract will apply. The Commissioning for Quality and Innovation (CQUIN) payment scheme, has been reduced from 2.5% to 1.25% of overall clinical income with the balance being incorporated into the tariff. In addition the previous marginal rate emergency tariff process has been removed and refunded as 'marginal rate emergency tariff' (MRET) where applicable, recognising that this has not had the benefits as originally envisaged nationally. The PSF scheme has also changed for 2019/20, with 50% being included into normal emergency tariff prices and the balance being paid upon the achievement of the control total, with the A&E achievement requirement now being

removed. A further change for the year is the introduction of a Financial Recovery Fund which is accessible for those organisations who are facing financial challenges once they have produced a longer term financial recovery plan and show evidence of system working. Given the good work to date, the new Trust is able to access this fund.

As a principle the Trust has set budgets for 2019/20 based upon anticipated activity for the year and the national funding uplift of 0.1%. The plan was submitted on 4 April for the year and starts with the prior year closing position, adjusted for non-recurrent items (such as PSF) and new costs, offset by cost improvement plans (CIPs) of £19m for the new combined Trust.

The control total for the enlarged Trust (South Tyneside and Sunderland NHS Foundation Trust) before assumed PSF is a £28.57m deficit compared to a comparable £33.5m (for the total of the two individual legacy Trusts) in 2018/19, therefore an expected improvement of £4.9m. The control total set by NHSI for 2019/20 was based upon the legacy Trusts' own projections as part of the FRP and was therefore accepted by the previous legacy Boards and the new Board of Directors. By accepting the control total, the new Trust will have access to additional funding of PSF £9.4m, Financial Recovery Fund £15.5m and Marginal Rate Emergency Tariff of £3.67m.

In total therefore the Trust is forecasting an overall breakeven position.

Financial Risks 2019/20

The key financial risks facing the newly merged organisation in 2019/20 are expected to be significant. City Hospitals Sunderland NHS Foundation Trust ended the 2018/19 financial year with an improved position against the control total but still in deficit. This position was heavily dependent upon the receipt of year-end PSF funds which may not be available in 2019/20.

The plan assumes a breakeven position. In order to achieve this, there is an assumption around the delivery of a £19m CIP some of which is predicated on significant pathway reform, reliance on partner organisations and management of demand. Historically the management of demand growth has not been particularly effective and both City Hospitals Sunderland and South Tyneside NHSFT have continued to see continued growth and associated cost pressures in almost all specialties and points of delivery. In a block contract environment with fixed income, it is critical that all parts of the local health system play their part to mitigate demand and minimise cost pressures in order to deliver against the challenging financial targets that the local system has set for itself.

If the Trust achieves this breakeven position, the need for further drawdown of working capital loans is negated, although there may be a small need dependent upon timing of income and expenditure on an individual month on month basis.

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 NHS Foundation Trust's normal purchase, sale or usage requirements, are recognised when, and to the extent to which, performance occurs, eg 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.

All other financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

Credit risk is the possibility that other parties might fail to pay amounts due to the Foundation Trust. Credit risk arises from deposits with banks as well as credit exposures to the Foundation Trust's commissioners and other debtors. Surplus operating cash is only invested with the National Loans Fund. The Foundation Trust's cash assets are held with Lloyds and the Government Banking Service (GBS) only. The Foundation Trust's net operating costs are incurred largely under annual contracts with local Clinical Commissioning Groups, which are financed from resources voted annually by Parliament.

The NHS Foundation Trust receives cash each month based on the agreed level of contract activity and there are quarterly payments/deductions made to adjust for the actual income due under the tariff system. This means that in periods of significant variance against contracts there can be a significant cash-flow impact.

Related Party Transactions

The Trust has a system in place to identify all new related party transactions. As NHS Foundation Trusts and NHS Trusts have common control through the Secretary of State, there is an assumption that Government Departments and agencies of Government Departments are related parties. The Department of Health is regarded as a related party. During the 2018/19 financial year the 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. In addition there are other transactions with other government bodies with the most material being the University of Newcastle for the funding of medical education. NHS bodies are summarised as:

Care Quality Commission
County Durham and Darlington NHS Foundation Trust
Gateshead Health NHS Foundation Trust
Health Education North East
NHS Blood and Transplant Service
NHS Business Services Authority
NHS Durham, Dales, Easington and Sedgefield Clinical Commissioning Group
NHS England
NHS Hartlepool and Stockton Clinical Care Commissioning Group
NHS Resolution
NHS Newcastle/Gateshead Clinical Commissioning Group
NHS North Durham Clinical Commissioning Group
NHS North of England Commissioning Support Unit
NHS Property Services
NHS South Tees Clinical Commissioning Group
NHS South Tyneside Clinical Commissioning Group
NHS Sunderland Clinical Commissioning Group
Northumberland Tyne and Wear NHS Foundation Trust
Northumbria Healthcare NHS Foundation Trust
Prescription Pricing Authority
South Tyneside NHS Foundation Trust
The Newcastle Upon Tyne Hospitals NHS Foundation Trust

Financial Performance

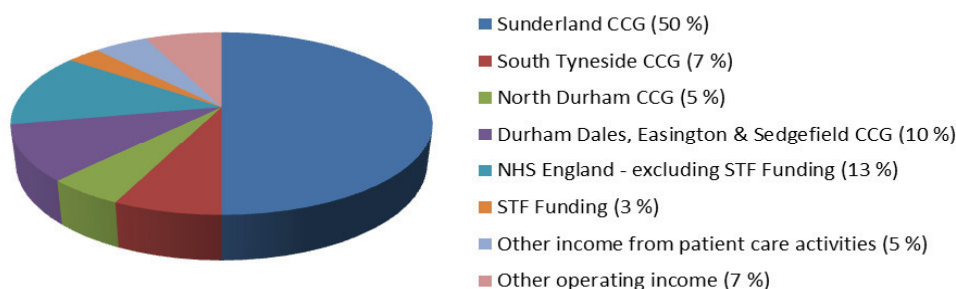For the financial year 2018/19 key headline financial indicators are as follows:

- the year ended with an operating deficit (excluding Charitable Funds surplus of £76k) of £2,879k;
- the year ended with cash balances (excluding Charitable Funds) of £13,407k;
- capital investment of £6,476k; and
- private patient income of £325k

Financial Headlines

2018/19	Operational £million	Charitable Funds £million	Total £million
Operating Income	363.94	0.26	364.20
Operating Expenses	(362.17)	(0.28)	(362.45)
Financing Costs – including Dividends paid	(4.65)	0.10	(4.55)
Deficit before Fixed Asset Revaluation	(2.88)	0.08	(2.80)
Capital Expenditure			6.48
Total Fixed Assets			149.58

All income totalled £364.2m. A breakdown of the key sources is shown:

Sources of Income 2018/19

- Sunderland CCG (50 %)
- South Tyneside CCG (7 %)
- North Durham CCG (5 %)
- Durham Dales, Easington & Sedgefield CCG (10 %)
- NHS England - excluding STF Funding (13 %)
- STF Funding (3 %)
- Other income from patient care activities (5 %)
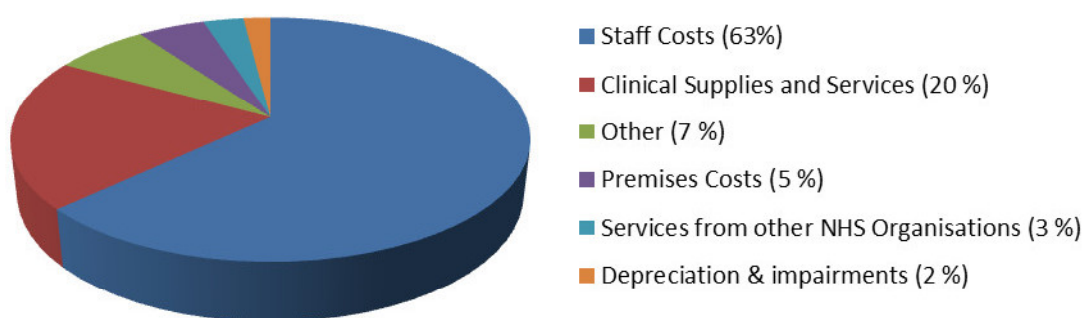- Other operating income (7 %)

Expenditure

All expenditure amounted to £362.45m a decrease of £26.09m on the prior year (or an increase of £6.89m excluding impairments).
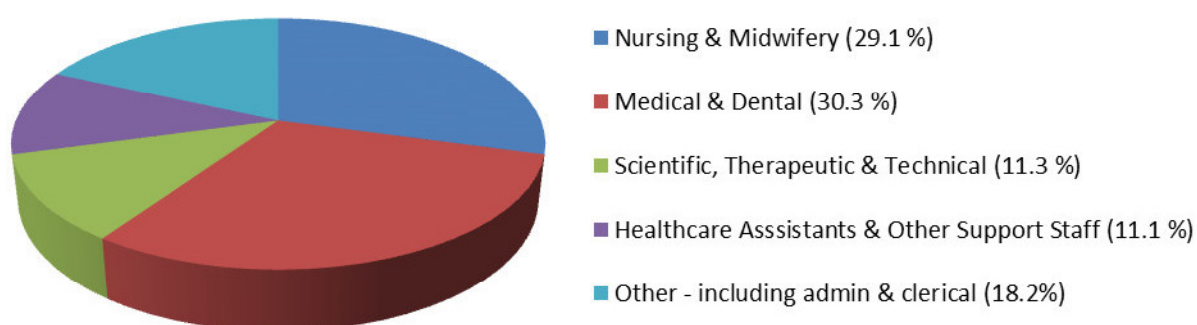
The majority of expenditure (63%) related to staff costs at £229.91m.

Full Details of Directors' remuneration are included in the Annual Report on page 172.

Expenditure 2018/19

- ■ Staff Costs (63%)
- ■ Clinical Supplies and Services (20 %)
- ■ Other (7 %)
- ■ Premises Costs (5 %)
- ■ Services from other NHS Organisations (3 %)
- ■ Depreciation & impairments (2 %)

Staff Analysis 2018/19

- ■ Nursing & Midwifery (29.1 %)
- ■ Medical & Dental (30.3 %)
- ■ Scientific, Therapeutic & Technical (11.3 %)
- ■ Healthcare Asssistants & Other Support Staff (11.1 %)
- ■ Other - including admin & clerical (18.2%)

Planned Investment Activity

Capital expenditure in 2018/19 totalled £6.48m with investment in premises, medical equipment and information technology.

	£ million
Premises (Inc. Backlog Maintenance)	1.44
IT Systems (of which £1.54m is hardware)	3.29
Medical Equipment	1.75

The value of the Trust's fixed assets, both tangible and intangible, at the end of 2018/19 was £149.58m.

Charitable Funds

City Hospitals Sunderland NHS Foundation Trust is the corporate trustee to the City Hospitals Sunderland NHS Foundation Trust Charitable Funds. The Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The Trust is required to consolidate any material charitable funds which it determines to be subsidiaries. Prior to 2016/17 the Trust did not consolidate the charitable funds as the value of the fund is not material. From 2016/17 the Trust elected to consolidate the charitable funds to be consistent with the consolidation of its other subsidiary.

The City Hospitals Sunderland NHS Foundation Trust Charitable Funds is registered with the Charity Commission (registered number 1052366). As at 31 March 2018, the value of the funds was £4,602k. As at 31 March 2019 the value of the funds is estimated as £4,678k. This represents an estimated net increase in value of £76k.

The Board of Directors acts as the Corporate Trustee for all 'Funds Held on Trust' which are registered with the Charities Commission as a single charity. The Trust continues to receive donations from a wide variety of benefactors for which it is extremely grateful, and continues to utilise these funds for the benefit of both patients and staff in accordance with the terms of the donation. The Charitable Funds Committee represents the Corporate Trustee in the day to day management of the funds.

JULIA PATTISON   **Date: 28 May 2019**
Director of Finance

Information Governance

Information governance relates to the way organisations process or handle information. It covers personal information, ie that relating to patients/service users and employees, as well as corporate information, eg financial and accounting records. Information governance provides a way for employees to deal consistently with the many different rules about how information is handled.

The four fundamental aims are:

- to support the provision of high quality care by promoting the effective and appropriate use of information;
- to encourage responsible staff to work closely together, preventing duplication of effort and enabling more efficient use of resources;
- to develop support arrangements and provide staff with appropriate tools and support to enable them to discharge their responsibilities to consistently high standards; and
- to enable organisations to understand their own performance and manage improvement in a systematic and effective way.

The Information Governance Toolkit was replaced by the Data Security and Protection (DSP) Toolkit in 2018/19. The DSP Toolkit is a Department of Health (DH) policy delivery vehicle that NHS Digital is commissioned to develop and maintain. The DSP Toolkit is based on the ten Data Security Standards identified by the 'National Data Guardian for Health and Care Review of Data Security, Consent and Opt-Outs'. Organisations in scope of this are required to carry out self-assessments of their compliance against the standard's requirements.

The Trust is required to carry out a self assessment of its compliance against the DSP Toolkit. This consists of a detailed review of compliance against 40 requirements (32 of which are mandatory), consisting of 148 evidence items across the 10 Data Security Standards.

In 2018/19 the Trust undertook a full review of performance against the new DSP Toolkit standards ready for the year-end submission to NHS Digital. This confirmed that all 32 of the mandatory DSP standards had been met, and on this basis a submission of 'Standards Met' was made to NHS Digital on 31 March 2019.

The Trust can confirm it has systems and processes in place to ensure information risks are reliably identified, prioritised and managed. A report demonstrating the DSP Toolkit outcome for 2018/19 was approved by Executive Committee and Board of Directors. AuditOne has also independently substantiated this assessment.

The Trust reported one information governance breach to the Information Commissioner's Office during 2018/19, a response from which is still awaited. This pertained to FAX correspondence containing person identifiable healthcare information being sent to an incorrect local authority department. Confirmation was received from the department that the information had been destroyed. As with other NHS organisations, the Trust has initiated a programme of removing FAX machines in line with the instruction from the Department of Health and Social Care.

Cyber Essentials Plus Accreditation

City Hospitals Sunderland, as a Global Digital Exemplar site, was one of the first wave of NHS Trusts which was invited to partake in an 'NHS Cyber Assurance Process' which was driven/hosted by NHS Digital. Cyber Essential Plus is a UK government information assurance scheme operated by the National Cyber Security Centre (NCSC) which encourages organisations to adopt good practice in information security.

The Trust's IT team has worked extensively in evaluating the requirement of Cyber Essentials Plus, and in implementing new solutions and working practices. It is pleasing to note that following extensive activities and external independent review, the Trust successfully achieved this standard on 20 March 2019, and is now Cyber Essential Plus accredited This is two years ahead of the deadline, one of only six acute Trusts nationally, and the first acute Trust in our region.

Social, Community, Anti-Bribery and Human Rights

Providing best value and ensuring that decisions are taken transparently and clearly are key principles in the NHS Constitution and as such the Trust recognises the importance of ensuring its services are delivered in an honest and ethical manner. The Trust's Counter Fraud and Corruption Policy provides a framework to staff in relation to the detection and investigation of fraud, bribery and corruption. It also provides advice and guidance whilst promoting a climate and environment of openness where staff feel able to raise concerns sensibly and responsibly. Information for staff from our Local Counter Fraud Specialists is regularly shared via the Trust's intranet.

We are committed to promoting human rights and providing equality of opportunity not only in our employment practices but also in the way we provide and deliver services. To ensure that this commitment is put into practice we adopt positive measures which will seek to remove barriers to equal opportunity and eliminate unfair and unlawful direct and indirect discrimination. All policies within the Trust are subject to an Equality Impact Assessment which ensures that as an organisation we give due regard and consideration of the effects that our policies will have on people who share a protected characteristic.

QUALITY REPORT

PART 1: STATEMENT ON QUALITY FROM THE CHIEF EXECUTIVE

The Quality Report remains an important declaration and demonstration to the public that our services are safe, effective, caring and responsive. It provides a welcome opportunity to share with our community, whether patients, the public or our staff, where we have done well and, just as important, those areas where we need to improve.

Along with much of the NHS, we have experienced an extremely busy year across most of our clinical services. From 'front of house' and our emergency care services through to wards and departments at 'back of house', there have been times when the demands on our staff have been relentless. Despite this, we have risen to these challenges in a spirited and professional manner and endeavoured to always put our patients first.

For Sunderland and our colleagues at South Tyneside, we have had the added background of the joint Path to Excellence review of clinical services and the work required to achieve our ambition of becoming a single Foundation Trust. As if this wasn't challenging enough, City Hospitals Sunderland was the first Trust in the North East to undergo a new combined inspection by the independent healthcare regulator, the Care Quality Commission (CQC) and NHS Improvement (NHSI), the national body responsible for overseeing NHS Foundation Trusts.

Of course nationally, we have the distraction of 'Brexit' and the mammoth behind-the-scenes contingency planning that has gone on to ensure that whatever the final scenario, the NHS and our local services in particular are ready and able to provide the full range of clinical services to our patients and their families.

Against this unprecedented background, I'm delighted that we received a combined overall rating of 'good' from the CQC and NHSI, which positions us well for our new future with South Tyneside. Patients using our hospital services in Sunderland, and of course at South Tyneside in the future, can be assured of the high quality of care they receive and the knowledge that we are using their NHS resources as effectively as possible.

As we begin our journey as South Tyneside and Sunderland NHS Foundation Trust it is important and only right that we take some time to reflect on the last 12 months at City Hospitals Sunderland and highlight some of the excellent work, but also acknowledge some of the improvements that we need to make in our new Trust.

In December, we were delighted to receive the positive verbal judgement from the Judicial Review legal hearing which was brought about by local campaigners. The legal process ruled that our local Clinical Commissioning Groups (CCGs) did carry out a fair and lawful public consultation process for the decisions made around the future of our hospital-based stroke, maternity and urgent paediatric care. Our aim now is to plan towards full implementation of the service changes in the months ahead so that patients benefit from these as soon as possible.

The positive outcome of the review also means that we can confidently continue with our joint review and consultation work within Phase 2, which began in 2018. To date, I have been impressed by the enthusiasm of staff who have been involved in discussing the challenges we face and how we might be able to best solve them. That work continues and we should be in a position to share our plans through formal public consultation sometime in the summer of 2019, subject to confirmation over capital funding.

This year we launched our new Quality Strategy (2018-2023) "Improving Quality Together", which provides our strategic framework and plan of action to improve quality across Sunderland and South Tyneside over the next five years. Patients and the public can therefore see very clearly what our priorities are, how we will achieve them and the progress we make. Even at this early stage, we are starting to see improvements in some key areas such as preventing serious injury from patient falls and improving aspects of our nutritional care. There has also been progress in how we identify and quickly manage sepsis, although it does remain a particularly challenging condition for the wider NHS. Other notable strategic ambitions that we have committed to during the year include how we intend to improve services for people living with dementia and how patient care can benefit from our involvement in research and innovation. More details about these strategic plans are included elsewhere in the report.

We continue to participate in relevant national clinical audits and registries ensuring patients receive care that meets national standards. Once again, for most of the time, the outcomes show we are providing services that meet or exceed national standards. Where we find any variations in care then we will do our best to make changes to our practices. Examples of the many audits we have participated in are included later in the report. However one important set of results to highlight are those from the national stroke audit. Our latest data shows that the quality of stroke services has risen significantly over the past two years with more patients across Sunderland and South Tyneside now getting access to high quality stroke care and life saving treatment. We are now in a position to achieve some of the highest performance levels in the region.

We have continued our strong legacy of participating in relevant national patient surveys. These are important in letting us know what patients really think about the services we provide. The results continue to show that patients are satisfied with the care they get at City Hospitals Sunderland and that we are meeting their expectations most of the time. For example, this year our Maternity Survey showed that Sunderland outperformed most other Trusts in the region when it comes to areas of women's care in hospital and interaction with staff. The challenge we face is to get even more impressive results next time! We also received many examples of positive feedback from patients who have used our cancer services and those who had an overnight stay in hospital.

In February 2019, the results from the annual NHS Staff Survey were published. Just under half of all City Hospitals Sunderland staff (48%) completed the survey which is an excellent achievement and provides us with plenty to reflect on from those working in the Trust. We are currently looking at the results in detail to see where we need to focus our improvement efforts in the new organisation.

We continue to closely monitor and review our mortality. We present quarterly reports on mortality at our Board meetings held in public and have produced a useful Infographic to help the public understand this complex area. Our mortality data continues to show that we are about the same as most other similar organisations, although with one particular measure (Hospital Standardised Mortality Ratio), we continue to have a slightly higher rate than we would like but we are comfortable once again in acknowledging that this is due to the nuances of our admission and recording systems rather than the corollary of poor care.

We remain, as always, grateful for the ongoing commitment and contribution of patients, staff, governors, members, commissioners and other stakeholders in supporting our quality improvement activities and providing the oversight, scrutiny and constructive challenge that are essential to improving the quality of our services.

The content of this report has been subject to internal review and, where appropriate, to external verification. I confirm, therefore, that to the best of my knowledge and belief, the information contained within this report reflects a true, accurate and balanced picture of our performance.

Looking forward to 2019/20 and a new chapter for both Sunderland and South Tyneside, I hope you will all continue to embrace the changes and challenges that this new beginning gives us with positivity, pride and professionalism. Our communities deserve nothing less and I know we will do all we can to put our patients at the very heart of everything we do.

KEN BREMNER
Chief Executive   **Date: 28 May 2019**

PART 2: QUALITY PRIORITIES AND STATEMENTS OF ASSURANCE FROM THE BOARD

OVERALL SUMMARY		Rating
Patient Safety	1. Reduce the incidence of category 2-4 pressure ulcers which have developed in our care	🟥 Red
	2. Reduce the incidence of severe harm from patient falls	🟩 Green
	3. Improve the recognition and management of deteriorating patients in hospital by:	(blank)
	• accurate and timely recording of Early Warning Scores,	🟩 Green
	• reducing the number of cardiac arrests, and	🟩 Green
	• ensuring high-quality timely communication, decision-making and recording in relation to decisions about Cardio Pulmonary Resuscitation	🟧 Amber
	4. Improve compliance with:	(blank)
	• nutritional screening on admission to hospital, and	🟥 Red
	• the recording of fluid input and output	🟩 Green
	5. Improve medicines management by:	(blank)
	• ensuring that medicines reconciliation is achieved for patients within 24 hours of admission to our hospital	🟧 Amber
	• reducing the incidence of missed doses of medicine	🟧 Amber
Clinical Effectiveness	• Implement the recommendations from the National Maternity Safety Strategy	🟩 Green
	• Improve the outcomes for patients with serious infection by ensuring timely identification and treatment of sepsis	🟧 Amber
	• Improve quality and efficiency and reduce variations in our services by implementing relevant recommendations from the Getting It Right First Time programme	🟩 Green
	• Learn and act on the results from participation in national clinical audits and the reviews of patient deaths	🟩 Green
	• Aspire to achieving the four priority standards for seven day working	🟩 Green
Patient Experience	1. Learn from patient feedback and aim to be in the top quartile in the national patient survey	🟩 Green
	2. Ensure that patients are involved as much as they want to be in decisions about their care and treatment by monitoring, audit and feed-back from Multi-Agency Partners	🟩 Green
	3. Provide a safe, secure, clean and comfortable environment for our patients and their carers/families by monitoring hand hygiene compliance and infection rates	🟩 Green
	4. Ensure that patients receive adequate information and support for safe discharge from hospital by monitoring and audit	🟩 Green
	5. Ensure that all patients and specifically those with physical, mental health and learning disabilities receive person-centred care based on their needs and preferences and that we work within the Mental Capacity Act (2005) and consult with others where appropriate	🟩 Green

🟩 Priority achieved
🟧 Priority partially / mostly achieved or significant improvement achieved
🟥 Priority not achieved

2.1   REVIEW OF PRIORITIES FOR IMPROVEMENT 2018/19

Each year, we work with our staff, healthcare partners and local stakeholders to agree a number of areas for improvement. These priorities provide our focus for raising standards and improving quality for the coming year and we have put plans in place to continually review and report the progress we are making. Each section summarises the priorities we set for 2018/19; this is followed by a detailed account of our progress and achievements.

> Patient Safety
> We aim to be recognised as one of the safest healthcare organisations both nationally and internationally. Our priority is to deliver safe, reliable and effective care to patients, but we recognise that harm does occur and that there is no single intervention which will improve patient safety. Our intention therefore is to focus on five salient areas of risk, to implement the recognised strategies to reduce the risk and to measure and monitor for reduction in avoidable harm.

1	Reduce the incidence of category 2-4 pressure ulcers which have developed in our care

Pressure ulcers (PUs) represent a major burden to the patient and to the NHS; they can have life threatening and devastating impact on patients and their families. PUs are associated with an increased risk of secondary infection and are a major cause of morbidity, especially in older people.

Recognising the severity of consequence to patients, the Trust aims to reduce the incidence of avoidable healthcare developed category (HDPU) 2-4 pressure ulcers by 25% over the next five years. Using the metric of 'PU rate per 1,000 occupied bed days', this will amount to a gradual reduction from the baseline of 1.43 (2017-2018 average) to 1.07 by 2023 (see table below).

Improvement Targets 2018-2023

Baseline (2017/18)	Target Year 1 (2019)	Target Year 2 (2020)	Target Year 3 (2021)	Target Year 4 (2022)	Target Year 5 (2023)
1.43	1.36	1.29	1.22	1.15	1.07

The Trust's Tissue Viability Steering Group (TVSG) has developed an improvement plan to support reduction of pressure ulcer incidence and to monitor progress.

Summary of performance 2018/19

A detailed breakdown of the categories of hospital acquired pressure ulcers (HAPUs) for 2018/19 from the Ward Dashboard data is shown overleaf:

HAPUs	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sept 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Total
No. HDPUs (Cat 2-4)	27	31	10	24	22	27	24	35	21	32	32	30	315
Category 2	25	30	10	24	22	26	23	35	19	32	27	29	302
Category 3	2	1	-	-	-	1	-	-	2	-	5	1	12
Category 4	-	-	-	-	-	-	1	-	-	-	-	-	1
Rate per 1,000 bed days	1.52	1.78	0.63	1.43	1.47	1.61	1.39	2.08	1.22	1.73	1.91	1.63	1.53 average
Target	1.425	1.42	1.415	1.41	1.405	1.4	1.395	1.39	1.385	1.38	1.37	1.36	
	Q1 average = 1.31			Q2 average = 1.50			Q3 average = 1.56			Q4 average = 1.76			

The figures presented above indicate a low rate of Category 3 and 4 pressure ulcers, however the overall incidence in 2018/19 has increased.

Additional work in accordance with the Pressure Ulcer Improvement Plan is listed below.

Key achievements 2018/19

- Implementation of new joint 'Pressure Ulcer Prevention and Care Policy' to align practices across Sunderland and South Tyneside in all aspects of pressure ulcer prevention and management.
- Development of a Data Launchpad report to monitor compliance with the "SSKIN" Bundle (an acronym for five aspects of preventative PU care: Skin, Surface, Keep moving, Incontinence and Nutrition).
- More in depth interrogation of the data to fully understand HDPU incidence, eg patient demographics and ward, themes and trends.
- Development of new Patient/Carer Pressure Ulcer Prevention Information Leaflet.
- Launch and roll out of new Regional Wound Care Formulary to standardise wound management and dressing choice.
- Participation in the North East Ambulance Service (NEAS) wrist band pilot to improve early identification and assessment of patients at risk of or with existing pressure ulcers.
- Review the referral process to Dietetics and Podiatry for patients with pressure damage.
- Review of tissue viability training programme with increased focus on ward-based practical 'on the job' training for staff.
- Dissemination of lessons learned via Pressure Ulcer Review Panels (PURP) at Trust learning event as well as matron and ward manager forums.

Plans for 2019/20

- Implementation of the new national recommendations associated with 'Pressure Ulcers: revised definition and measurement'.
- Alignment of pressure ulcer risk assessment tools across Sunderland and South Tyneside and development of a shortened assessment tool for use in the Emergency Departments.
- Review of pressure relieving aids or devices.
- Review of information provided when patients are transferred between wards or are discharged from acute care.
- To amend and refine the SSKIN bundle tool so that it is suitable for community use and to make care needs for PU prevention and management explicit to other care providers.
- Recruitment of Tissue Viability Nurse Consultant to provide highly specialised professional advice, expert clinical leadership and lead on research and innovation.

- Roll out of the joint Fracture Neck of Femur Pathway across both Sunderland and South Tyneside hospital sites.
- Standardise nutritional guidelines for the prevention and management of pressure damage.

2	Reduce the incidence of severe harm from patient falls

In-hospital falls are among the most common incidents reported in hospital and are a leading cause of death in people aged 65 or older. Patients of all ages can fall in hospital but the rate is likely to be higher in the elderly, particularly when they are acutely unwell. Of particular concern are those falls where actual harm occurs, such as fractures, since these may decrease the likelihood of a return to previous levels of independence.

Falls are classified according to the severity of injury sustained by the patient:
- No harm – where no injury has been sustained as a result of the fall;
- Minor harm - harm requiring first aid level treatment, or extra observation only;
- Moderate harm - harm requiring hospital treatment or a prolonged length of stay, but from which a full recovery is expected and no long term or permanent harm has been caused;
- Severe harm - harm causing long term incapacity or disability;
- Death - where someone dies as a direct result of a fall.

All in-hospital patient falls are reported as an incident in the Trust's Incident Reporting system.

Over the last 5 years the Trust has been consistently below the reported peer average for patients suffering harm from a fall in hospital, however falls reduction remains one of our patient safety priorities in our Quality Strategy.

The Trust's Hospital Falls Reduction Group has developed an improvement plan to guide actions required and to monitor progress and achievement.

Summary of performance 2018/19

Incidence of Patient Falls												
	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19
Total No. Falls	112	110	102	117	111	121	111	115	133	153	130	133
No Harm	71	80	67	76	69	86	85	89	86	106	80	74
Minor harm	38	30	34	41	41	34	24	25	46	44	50	57
Moderate Harm (no. resulting in fractures)	3 (3)	0	1 (0)	0	1 (1)	1 (1)	2 (2)	1 (1)	1 (1)	3 (3)	0	2 (2)
Severe Harm (no. resulting in fractures)	0	0	0	0	0	0	0	0	0	0	0	0
Death	0	0	0	0	0	0	0	0	0	0	0	0
Total No. of falls ≥ Moderate Harm	3	0	1	0	1	1	2	1	1	3	0	2

Incidence of Patient Falls												
	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19
Rate of falls ≥ Moderate Harm / 1000 bed days	0.17	0	0.06	0	0.06	0.06	0.12	0.06	0.06	0.16	0	0.11

Source – NHS Safety Thermometer

The average national rate for patient falls which result in ≥ moderate harm = 0.19 / 1,000 bed days. The figures presented above illustrate that the Trust has successfully maintained its position of being below the national average for patients suffering moderate harm from a fall in hospital each month over 2018/19 and that no patients suffered severe harm or death from falling in hospital. The average rate of falls resulting in moderate or above harm over 2018/19 is 0.07/1,000 bed days which is significantly below the national average.

Additional work in accordance with the Patient Falls Reduction Improvement Plan is listed below.

Key achievements 2018/19
- Development of a Falls Investigation Template to standardise the initial investigation for in-patient falls.
- Development of a "falls bundle" Launchpad Report to monitor compliance with falls prevention strategies.
- Implementation of a new joint "Prevention and Management of Hospital-Based Falls in Adult Inpatients Policy" to align practices across Sunderland and South Tyneside.
- Development of a Standard Operating Procedure for Enhanced Care/Observation of patients at risk of falls.
- Introduction of a process that ensures access to walking aids and to on-call Physiotherapy, Occupational Therapy and Interface teams seven days a week.
- Implemention of a more robust process to ensure that the presence or absence of delirium is documented for all non-elective patients aged ≥65yrs, as part of the falls risk assessment. Patients are screened in the Emergency Department and on admission to wards using the "4AT" scoring system (cognitive assessment incorporating potential delirium). The Dementia and Delirium Outreach Team (DDOT) review assessment compliance, address any deficits with ward teams and collate data regarding compliance with screening.

Plans for 2019/20
- The Trust's Hospital Falls Reduction Group will merge with the South Tyneside Group to review falls reporting and investigation and ensure alignment and consistency across both sites.
- Continue our participation in the Royal College of Physicians' Falls and Fragility Fracture Audit Programme.
- Review the incident reporting form in Datix, to ensure that key information is recorded to assist with rapid identification of any acts or omissions in falls management to inform learning and improvement.
- Undertake a review of equipment and falls technology available to clinical teams to support improvements in falls prevention and management within the Trust.
- The Hospital Falls Reduction Group will continue to monitor falls data to learn lessons and drive improvements in relation to falls prevention and management. The Group will also review all falls that result in moderate or above harm, where omissions in care have been identified.

3	Improve the recognition and management of deteriorating patients in hospital by:
	• accurate and timely recording of Early Warning Scores,
	• reducing the number of cardiac arrests, and
	• ensuring high-quality timely communication, decision-making and recording in relation to decisions about Cardio Pulmonary Resuscitation

Hospital staff are increasingly confronted with the challenge of providing acute care to an ageing population with multiple co-morbidities, who undergo complex medical and surgical interventions. Due to the higher acuity of these patients, they are at risk of deterioration, which may lead to cardiac arrest and death. We now know that antecedent signs of cardiac arrest are present long before the event. If these signs are identified and managed appropriately, these deaths may be preventable.

Summary of performance 2018/19

Early Warning Scores. Target: 100% of patients to have accurate and timely recording of Early Warning Scores (NEWS2)

The National Early Warning Score (NEWS) is used to help identify adult patients whose medical health may suddenly become worse. They are used to improve the recognition of severity of illness in unwell patients and trigger escalation of care to senior staff. It has been used widely and successfully across the NHS since 2012.

In December 2017, a revised NEWS2, was recommended by the Royal College of Physicians to be fully adopted for adult patients by 31 March 2019. NEWS2 was implemented throughout the Trust adult inpatient areas well in advance of 31 March 2019 and Trust policy revised accordingly.

When patients have a NEWS of 5 or more, there is a clear process for escalation and response times. Development of a sepsis dashboard has facilitated the audit of compliance with escalation and response with response rates recorded in 99% of in-patients (IPs) in January, February and March 2019.

	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19
ED	75.4%	68.6%	75.7%	81.2%	98.6%	96.5%	95.9%	96.4%	95.5%	95.0%	96.9%	97.6%
	Q1 = 73.2%			Q2 = 92.0%			Q3 = 95.92%			Q4 = 96.31%		
IPs	34.8%	38.0%	35.2%	38.6%	88.6%	87.3%	91.4%	99.2%	98.5%	98.9%	99.3%	99.3%
	Q1 =35.9%			Q2 = 71.8%			Q3 = 96.32%			Q4 = 99.14%		

Reducing Cardiac Arrests. Target: 5% reduction in the number of preventable cardiac arrests

When patients come into hospital and their clinical condition deteriorates, it is important that this unstable state is quickly detected and acted upon through rapid, appropriate escalation to senior medical staff.

The National Cardiac Arrest Audit (NCAA) data is used by the Trust to monitor performance and is a nationwide database of in-hospital cardiac arrest events which meet ALL the following criteria:

- the individual is an adult or child over 28 days;
- the resuscitation event commenced in-hospital;
- the patient received chest compressions(s) and/or defibrillation; and
- a 2222 cardiac arrest call was made and the individual was attended to by the hospital based resuscitation team.

Reported numbers of patient admissions to Sunderland, 2222 calls and cardiac arrests attended by the team are presented below:

Period	Total number of admissions to your hospital	Total number of 2222 calls solely for cardiac arrest	Total number of reported cardiac arrests attended by the team that met the scope of NCAA	Number of individuals
2018/19	102,879	128	128	122
2017/18	97,846	123	120	119
2016/17	98,283	136	136	134

The number (and rate per 1000 hospital admissions) of cardiac arrests appears to have increased from 2017/18 to 2018/19 at Sunderland. The total number of cardiac arrests reduced from 1.38% in the year 2016/17 to 1.22% in the year 2017/18 then a slight increase to 1.24% in 2018/19. Although there were more patients suffering cardiac arrest in 2018/19, the patient survival to hospital discharge was 19.7% (in comparison to 10.9% in 2016/17 and 17.6% in 2017/18).

The reasons for the decrease in 2017/18 are complex and probably multifactorial but may in part be due to the appropriate use of NEWS (as highlighted above) and earlier recognition and rapid response to deterioration. In addition, some wards and specialties have made progress in how they decide, document and communicate DNACPR decisions so patients are not subject to futile resuscitation attempts

Do Not Attempt Cardiopulmonary Resuscitation. Target: 5% improvement on the previous year

A Do Not Attempt Cardiopulmonary Resuscitation (DNACPR) order is a record of decision which is issued and signed by a doctor, informing the patient's medical team not to attempt cardiopulmonary resuscitation (CPR). The order is designed to prevent inappropriate, futile and/or unwanted attempts at CPR which may cause significant distress to patients and families. While some improvements in the documentation and communication of DNACPR orders has been achieved over the past few years, there is still further work required to be confident that we are getting this right all of the time.

The table below shows the results of audit undertaken in 2017/18 which provides an important baseline position for how we show future improvements.

Element of Audit	CHSFT
1. DNACPRs reported by Nurse-in-charge correlates with actual forms present in notes.	89.6%
2. Active DNACPR forms filed correctly.	74.8%
3. Communication with key people involved documented	76.1%
4. DNACPR form countersigned by consultant	65.1%
5. Evidence of discussion regarding DNACPR in patient record	54.8%

No additional audits have been conducted in the Trust during the year but there will be regular audits next year. The focus has been on creating and testing an electronic format for the DNACPR form, ie converting the previous paper form into an electronic version within the Meditech electronic patient record. This work has also involved colleagues from outside the Trust, including the ambulance service. It is anticipated this format will improve the completion, documentation and visibility of DNAPR orders in the future.

4	Improve compliance with:
	• nutritional screening on admission to hospital, and
	• the recording of fluid input and output

Providing patients with optimal nutrition and hydration is an integral part of their care, as provision of appropriate food and fluids to meet their needs is essential to support recovery and maximise individual health outcomes. However, there has been increasing concern over the high incidence of malnutrition and dehydration in patients in hospital. This has led to a growing interest in improving the overall nutrition and hydration care experience for patients together with delivery of appropriate care to promote health and improved clinical outcomes. Malnutrition and dehydration have the potential to affect the whole hospital population and can adversely affect clinical outcomes for patients. The most vulnerable are the very young and the elderly, patients with cognitive impairment or learning disabilities, patients with swallowing difficulties, patients with impaired mobility and those with multiple co-morbidities.

The Trust has identified nutritional screening and recording of fluid input and output as patient safety priorities in our Quality Strategy (2018-2023). The improvement goal is to achieve at least 90% compliance with:

a) nutritional screening on admission to hospital or at first home visit in the community setting
b) recording of fluid input and output for patients with an identified need

The Malnutrition Universal Screening Tool (MUST) is utilised for nutritional screening: this is a simple five step tool to help identify adults who are underweight and at risk of malnutrition. The Trust's Nutrition and Hydration Steering Group is supporting this quality priority and is working with a detailed improvement plan to help achieve these targets.

Summary of performance 2018/19

Nutritional Screening

The data for 2018/19 is shown overleaf and is sourced from the patient's electronic medical record. This electronic audit report was developed in August 2018, so information is only presented from that date.

% Patients with MUST completed within 24 hours of admission								
Baseline (2017-18)	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19
60.8% (manual audit)	82.1%	82.6%	81.4%	81.7%	78.9%	76.1%	81.7%	82.6%

The data illustrates that whilst there has been improvement from the 2017/18 audit additional improvement is required. Initiatives such as Nutrition and Hydration Week will help to promote sustained improvement in timely completion of the MUST screening.
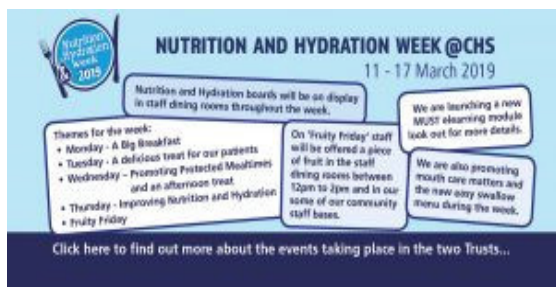
Nutrition and Hydration Week: 11th -17th March 2019

The National Patient Safety: Nutrition and Hydration week highlighted the importance of adequate nutrition and hydration for patients. Our joint Nutrition and Hydration Steering Group organised a series of themed events over the week, under the strapline "A Global Challenge: Making a Difference Every Day".

The planned events included meal observations, special "treats" for our patients provided by our Catering Team/CHoICE Facilities Services, promotion of a new Nutrition E-learning programme and national webinars and display stands to publicise IDDSI (International Dysphagia Diet Standardisation Initiative) and the "I-Hydrate" initiative.

Our Nutritional Link Nurses played a key role by championing the week's activities and also promoting protected mealtimes for our patients. Some of these activities included:

- 'Promoting a big Breakfast': all our wards will be encouraged to promote a good breakfast, which will be displayed in ward areas for patients, friends and the public to view.
- 'A delicious treat for our patients' – our catering department provided delicious Danish Pastries for our patients, to eat with their 9.30 beverages.
- 'Promoting Protected Mealtimes' and an Afternoon Treat. Meal time observations were undertaken on some wards to observe how meal times on our wards are being protected and patients supported to eat their meals.
- 'Fruity Friday' – the Trust was able to offer fruit to patients, either a choice of fresh fruit or fruit pots.

Recording of fluid input and output

To reduce the risk of dehydration, new Fluid Monitoring charts were piloted and implemented in the Trust in 2017. The chart was transferred to an electronic version within the Meditech Electronic Medical Record in 2019, following a pilot in 2018. The electronic version continues to be evaluated, revised and discussed at the Trust's Nutrition and Hydration Steering Group.

Following further evaluation of the Fluid Monitoring charts in 2019 the Fluid Monitoring Standard Operating Procedure (SOP) will be revised to provide more direction for staff with examples of well recorded Fluid Monitoring charts added to demonstrate the standard expected for both paper and electronic records. Compliance with the new documentation will be audited and the results reviewed by the Nutrition and Hydration Steering Group.

Achievements 2018/19

- The Trust was successful in participating in a National Nutrition Improvement Collaborative organised by NHS Improvement (NHSI). The aim was to improve the accuracy of nutrition screening and appropriateness of interventions. The collaborative provided an opportunity to learn about quality improvement tools and techniques and put these into practice. The collaborative provided an excellent opportunity to share good practice and raise the profile of the Trust nationally.
- A new MUST e-learning module was developed by the Nutrition and Hydration Steering Group, the aim being to increase training opportunities and raise staff awareness of how to complete MUST correctly.
- Introduction of monthly data collection via electronic records system for compliance is now on Launchpad. Reports are presented to the Nutrition and Hydration Steering Group and Matrons and Ward Manager Forums.
- Training and guidance was provided to all relevant staff to make them aware of the new international dysphagia and standard terminology to be used across the Trust. Updates will continue to be provided throughout 2019 and monitored by the Nutrition and Hydration Steering Group.

Plans for 2019/20

The Trust's Nutrition and Hydration Steering Group will continue to lead on the initiatives and strategies outlined in the improvement plan and monitor performance against this in order to achieve the 90% compliance target stipulated in the Quality Strategy.

- Launch of the Joint Food and Drink Strategy 2019-2023 and a new Nutrition and Hydration for Adult Patients policy.
- Launch of the new Transfer of Care Document which contains a prompt for MUST completion.
- Consolidate the role of the network of Nutrition champions, who will be supported by the Nutrition Link Matrons who are actively communicating with champions in their areas and encouraging all to undertake the e-learning training during 2019/20.
- E-learning training compliance will now be reportable: reports will be presented to the Nutrition and Hydration Steering Group.
- The Integrated Assessment Unit will actively review their compliance data for completion of MUST for appropriate patients and improve timely assessments.
- Ward managers to undertake a review of the measuring equipment on their wards and order correct equipment if not available.
- New data reports to be explored with the Information Services Team to enable analysis of the number of appropriate referrals to Dietitians.
- Protected meal time observation visits will be undertaken by Catering and Matron leads: the results will be reported to the Nutrition and Hydration Steering Group.
- Patient, staff and visitor menus will continue to be reviewed and improved where necessary by the Catering and Dietetics departments.

5	Improve medicines management by: • **ensuring that medicines reconciliation is achieved for patients within 24 hours of admission to our hospital** • **reducing the incidence of missed doses of medicine**

Medication use has become increasingly complex in recent times and medication error is a major cause of preventable patient harm. This priority highlights two areas in which staff can make medication use safe.

Summary of performance 2018/19

Medicines reconciliation. Target: Ensure that medicines reconciliation is achieved for 95% of patients within 24 hours of admission to our hospital

Medication reconciliation is the process of ensuring that a hospital patient's medication list is as up-to-date as possible. It is usually undertaken by a pharmacist, and may include consulting several sources such as the patient, their relatives or carers, or their GP. Best practice guidance states that medicines reconciliation should be carried out within 24 hours of admission to hospital. The Trust's current position is 85% and will continue to be monitored and improvements made in order to increase the rate of medicines reconciliation in accordance with NICE recommendations.

Missed doses of medicine. Target: Reduce the incidence of missed doses of medicine by 50%.

When a medicine is prescribed there is usually the understanding that the patient will have the medicine administered according to the prescription schedule. Failure to do so can lead to, or has the potential to lead to, patient harm. Missed doses of high-risk drugs are potentially a bigger risk to patients and may result in increased morbidity and mortality. We want to put in place a series of measures to reduce those occasions where medications are missed, for whatever reason. The baseline position for the Trust is 8% based on 2017/18 performance data.

Current performance shows:

	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19
Missed doses (%)	8.1	8.7	8.3	7.8	8.7	8.7	Data not yet available					

(Data source = Pharmacy Reports)

A quality improvement programme is being developed to target specific wards with high rates of missed doses of medicines.

> **Clinical Effectiveness**
>
> We aim to ensure that the care we give or the service we deliver is explicitly evidence based, with the goal of achieving better outcomes. We want every patient contact to be a clinically effective contact wherever possible. We also want patients to be aware of clinical recommendations and options in discussing and agreeing pathways of care.

1	**Implement the recommendations from the National Maternity Safety Strategy**

A new national Maternity Strategy was launched by the NHS in support of its ambition to halve the number of stillbirths, deaths and brain injuries by 2025. It is widely acknowledged that improvements need to be made in learning from mistakes to reduce the number of injuries and baby deaths in childbirth. The strategy is wide ranging and includes initiatives to provide better and safer maternity care, improve the quality of information reviews and investigations and enhance opportunities for learning.

As an incentive to implement the strategy there was an opportunity for the Trust to receive a 10% rebate in the NHS Resolution (CNST) maternity premium if they were able to demonstrate full compliance with 10 key criteria for safer maternity care and neonatal services.

Summary of performance 2018/19

City Hospitals Sunderland has reported full compliance with the 10 criteria as shown below and the self-certification and supporting evidence was signed off by the Board in May 2018. Subsequently, the Trust received notification from NHS Resolution that it would receive the incentive payments. Work continues to consolidate progress in these areas within the revised model of maternity services across Sunderland and South Tyneside.

	Criteria for safer maternity care	Compliance
1	Using the National Perinatal Mortality Review Tool to review perinatal deaths	
2	Submission of data to the Maternity Services Data Set	
3	Transitional care facilities in place and operational to support the implementation of the ATAIN Programme	
4	Effective systems of medical workforce planning	
5	Effective systems of midwifery workforce planning	
6	Compliance with all 4 elements of the Saving Babies' Lives care bundle	
7	Having a patient feedback mechanism in place for maternity services, such as the Maternity Voices Partnership Forum, and that you regularly act on feedback	
8	90% of each maternity unit staff group have attended an 'in-house' multi-professional maternity emergencies training session within the last training year	
9	Trust safety champions (obstetrician and midwife) are meeting bi-monthly with Board level champions to escalate locally identified issues	
10	Reporting 100% of qualifying 2017/18 incidents under NHS Resolution's Early Notification scheme	

2	Improve the outcomes for patients with serious infection by ensuring timely identification and treatment of sepsis

Evidence suggests that poor initial assessment and delays in treatment for sepsis can have a major negative impact on patient outcomes and can contribute to high mortality. Improvement in sepsis management forms part of the national CQUIN scheme with the requirement for hospitals to implement screening protocols for sepsis within emergency departments, medical and surgical admission units and in-patient wards. This includes adults and children where sepsis screening is deemed to be clinically appropriate. The focus is then to ensure that intravenous antibiotic treatment is initiated quickly in those with the most severe forms of sepsis and that these drug regimes are properly reviewed.

Over the past two years, we have set up processes that enable the Trust to meet the national standards of assessing patients for sepsis and, if clinically necessary, to initiate treatment in a timely way. Our Trust-wide Sepsis Group is responsible for setting out and coordinating actions that help the wards meet these standards and for reviewing and reporting performance.

Target: Sepsis assessment - 90% of patients 'at risk' are screened
Antibiotic Administration - 90% of patients with sepsis are treated within 1 hour
Antibiotic Review - perform an empiric review for at least 90% of cases in the sample

Summary of performance 2018/19

CQUIN Measures	Q1	Q2	Q3	Q4
Sepsis screening - % patients screened in ED (target 90%)	73.19%	92.03%	95.92%	96.30%
Sepsis screening - % inpatients screened (target 90%)	35.94%	71.81%	96.32%	99.14%
Antibiotics - % patients on arrival in ED and inpatients (target 90%)	59.39%	57.93%	58.99%	61.5%
Empiric review within 24-72 hours (incremental target, increasing to 90 % in Q4)	43.33%	66.67%	76.67%	76.67%

No payment	Partial payment	Full payment

Emergency Departments and Inpatients

% of patients (adults and children) screened in the Emergency Departments and Inpatient Wards 2018/19
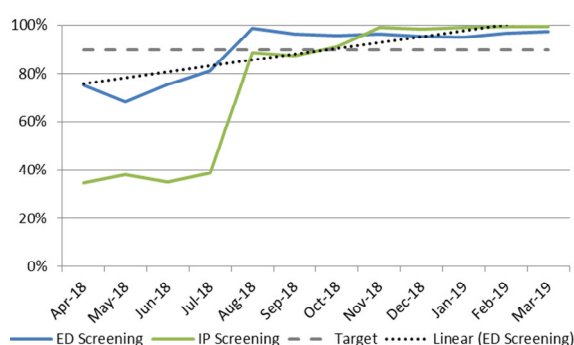
CQUIN recognises partial achievement as performance above 50% throughout the year and 90% and above as full achievement.

The Emergency Department achieved partial payment in Q1 and full payment for the rest of the year while in-patients was below the threshold for payment in Q1, achieved partial payment in Q2 and then full payment for the remaining quarters. Changes in IT systems and additional staff training were introduced in August 2018, which has now resulted in both areas achieving the required standard.

**% of patients (adults and children) given antibiotics in the Emergency Department and Inpatient Wards within 1 hour of arrival 2018/19**
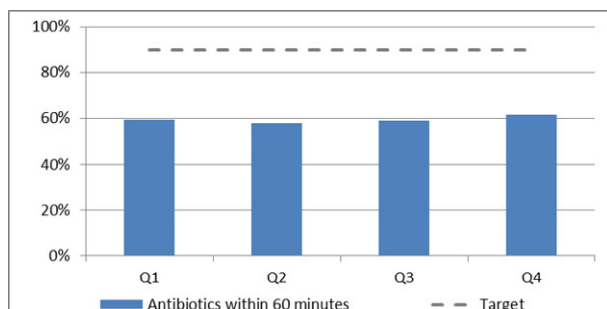
CQUIN recognises partial achievement as above 50% throughout the year and full achievement at 90%. We were able to meet the partial achievement threshold throughout the year.

We are continuing to work hard to try and achieve the 90% target with support of both senior and junior medical staff and the IT team.

% of patients (adults and children) with a senior antibiotic review in the Emergency Department and inpatient Wards within 72 hours
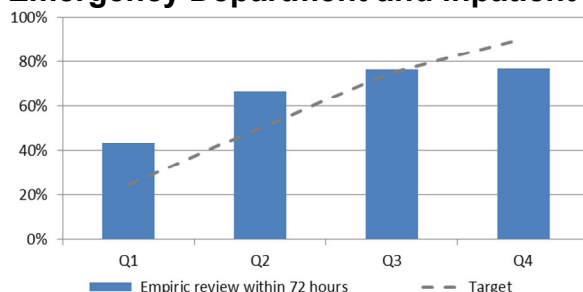
The chart shows that the Trust has consistently achieved higher than the threshold of performance throughout Q1 to Q3. Timely antibiotic review is important as it ensures that patients are on the right drugs, at the right dosage, and they are given at the most appropriate intervals.

What have we done this year?

City Hospitals Sunderland held a Trust wide event for World Sepsis Day 2018 (September 13th). A number of activities were held to mark the event including:

- a competition for junior doctors to encourage better documentation of sepsis using the appropriate Trust-wide templates;
- a Lessons Learned session on our approach to sepsis management fronted by the Deputy Medical Director and our Critical Care Outreach Lead;
- promotion of World Sepsis Day on various social media platforms; and
- Excellence reporting of wards and medical staff who have shown consistently exceptional performance around sepsis screening and treatment.

Plans for 2019/20

During 2019/20, the Trust will continue to consolidate and embed improvements around sepsis recognition and treatment with an emphasis on treatment and the administration of the 'Sepsis 6 bundle' of care being delivered within 1 hour. Clinical areas will continue to have access to creditable advice and expertise, particularly those wards that show variable performance. We will continue to raise the profile of sepsis in the Trust by refreshing and relaunching our Trust sepsis intranet page during 2019 and maintain our clinical networking through participation in the Regional Sepsis and Deteriorating Patient Groups. We intend to showcase our progress with sepsis assessment and management at the Annual Nursing and Midwifery Conference to be held in July 2019.

The Trust Sepsis Group will, from 2019/20, now include colleagues from South Tyneside and will provide an important mechanism for reviewing data on sepsis screening and antibiotic management, and advise on any changes to improve performance, and ultimately outcomes for patients.

3	**Improve quality and efficiency and reduce variations in our services by implementing relevant recommendations from the Getting It Right First Time programme**

Getting It Right First Time (GIRFT) is a national programme designed to improve medical care within the NHS by reducing unwarranted variations. Fundamentally it is about improving care and patient outcomes but by doing so it can also reduce costs. It is important to recognise that GIRFT is led by frontline clinicians who are experts in the areas they are reviewing. This means the data that underpins GIRFT is being reviewed by people who understand and manage those services on a daily basis. City Hospitals Sunderland has been part of the GIRFT Programme for some time now and is committed to using the intelligence within the process to raise quality and standards.

Target: Implement specialty-specific recommendations from GIRFT (according to agreed local action plans)

Summary of performance 2018/19

City Hospitals Sunderland has fully engaged in the national GIRFT Programme and has held a number of GIRFT Clinical Visits, including the specialties of diabetes, ENT, general surgery, obstetrics/gynaecology, oral and maxillofacial surgery, ophthalmology, paediatrics, spinal, urology and vascular. Given the scope of the Programme this update will focus on highlighting the process and outcomes from selected GIRFT reviews:

General Surgery
- General Surgery GIRFT review highlighted excellent elective outcomes but demonstrated only average outcomes compared to national peers for some aspects of emergency surgery.
- The clinical teams were tasked with improving outcomes and to implement changes enabling increased consultant input and a heightened team focus on Emergency Care. The Executive Committee agreed to additional funding to make the changes sustainable following a pilot of new working practices.
- Meaningful results are now being realised with mortality following emergency laparotomy now below the national average for the first time, as is length of stay for emergency admissions allowing better utilisation of beds within the Trust. At the same time the case volume has increased from 180 two years ago to 196.
- There have been improvements in acute biliary work, with emergency laparoscopic cholecystectomy up from 12 cases a year (4 years ago) to 120 last year and a decrease in 30 day readmissions. Electively this has allowed day case rates to go from 40% 4 years ago to 79% now and length of stay has fallen from 1.4 to 0.5 days.

Paediatric General Surgery

The GIRFT review of paediatric general surgery services demonstrated that we continue to provide a high quality service to a significant volume of patients from areas all over the North of England including Cumbria (being in the top 50 providers of such surgery nationally).

Of particular note:

- Waiting times to be seen electively in clinic are below national average being 6 weeks, rather than over 7 weeks as seen nationally.
- Day case surgery in healthy patients with less complex surgical problems remains the mainstay of our practice, with low levels of unexpected overnight admissions, and low re-admission rates.
- The low number of diagnosis codes reflects our selection of healthy patients for surgery, as agreed with our local clinical network.
- Circumcision and umbilical hernia surgery rates in the under 5s continue to be low, as would be the expectation of GIRFT and is a marker of sensible surgical practice.
- Litigation rates are significantly lower than national average.
- Deprivation and the need to link with primary care shows in our emergency appendicectomy data, where nearly 50% of appendicitis is complicated by peritonitis or abscess by the time of surgery. Earlier referral and therefore surgery is the best chance for improvement, as the average time to theatre is only 1 day pre-operatively. Despite this challenging case mix, laparoscopic surgery rates far outstrip those nationally, and complication/re-admission rates are relatively low. Length of stay also remains near national average.
- Challenges continue in the older average age we see for elective orchidopexy (surgery to move a testicle that has not descended) in the unit, though this has come down from 9 years old to 7 years old since the last GIRFT review.

Adult Diabetes

- We have created a dedicated in-patient diabetes team led by Diabetes Specialist Nurses who address the clinical concerns of patients with diabetes across the Trust, ensuring safe care and preventing excessive length of stay due to sub-optimal glucose control.
- The length of stay is very good overall. For patients with diabetes, it is 6.34 days, which is less than the national average of 6.88 days. With respect to our surgical wards, the length of stay for patients with diabetes is 6.38 days which is well below the national average of 9.41 days and this performance is one of the best in the country.
- We have shown a consistent decline in insulin related errors, episodes of severe hypoglycaemia (very low blood glucose levels) and diabetes management errors through our trust wide THINK GLUCOSE campaign which is supported by the Chief Executive on an annual basis.
- Collaborative working has been a notable area of excellence with a dedicated type 1 diabetes service consisting of consultants, diabetes specialist nurses, diabetes specialist dietitians and a clinical psychologist. This is reflected in a lower than national level of re-admission rates with people with Diabetic Ketoacidosis.
- With the Trust's support we can accredit our newly refreshed restructured education programme for people with type 1 diabetes as recommended by the GIRFT review, promoting effective self-management and increased use of supportive technology in order that they can manage their diabetes long term.

- Additional collaborative work exists with a specialist podiatrist, vascular surgeons and the diabetes team to ensure rapid review of all patients with an acute diabetes foot ulcer within 24 hours of admission. The percentage of inpatients with active foot disease seen by a member of the Multidisciplinary Foot Team within 24 hours is 74.55% which is above the national average of 56.69%.

Vascular Surgery

- The Vascular Surgery GIRFT was overall very positive regarding outcomes of vascular surgical procedures at City Hospitals Sunderland in comparison to the rest of England. Areas in which we performed less favourably included length of stay following open aneurysm repair and major amputation.
- The report showed that we have a poor response rate to the Family and Friends test (13% compared to 25% nationally) but have slightly higher satisfaction rates and much lower litigation rates and costs.
- Our mortality rate for ruptured aneurysms is higher than the national average (45.2% vs 38.6%) but our elective mortality rate was zero as was our cancellation rate for elective aneurysm surgery.
- We refer fewer patients to limb fitting after below knee amputation (66.7% vs 73%) and above knee amputation (19.2% vs. 58.4%) than the rest of England. This may be partly due to our deprivation scores but is something we are reviewing, particularly in regard to the above knee amputations.
- There is some ongoing work on patients' length of stay and why the Trust refers fewer patients with above knee amputations to the limb centre.

Trauma and Orthopaedics

- The Sunderland Trauma and Orthopaedics (T&O) team were able to demonstrate high quality performance in almost all of the areas covered in the GIRFT report. Particular areas that were notable for high quality performance are revision rates and outcomes data in primary hip replacement in which Sunderland Royal has been named as a positive outlier in the National Joint Registry (NJR) with better than expected performance. Revision rates and outcomes in knee replacement surgery are almost as good, only just missing the statistical boundary for better than expected performance.
- We participate in regional clinical networks aimed at consolidating low volume specialist cases into select units to concentrate experience and improve outcomes for patients, for example in complex shoulder and elbow arthroplasty.
- Litigation costs in the department were reviewed and show a significantly lower cost than national average for acute T&O departments, especially in the area of spinal surgery.
- An area that has been identified as requiring further work is the cost of arthroplasty implants. The NJR and GIRFT processes have been very helpful in bringing clarity to implant costs across the country and have given us a clear steer for the Trust to maximise cost efficiencies in this area.

While the clinical teams have always worked to improve outcomes across the board, it is unlikely that such impressive and rapid improvements would have been made without the data highlighted in GIRFT reviews and senior acceptance of the improvement process by the clinical teams and Executive Committee.

4	**Learn and act on the results from reviews of patients deaths**

Nationally it is recognised there are major limitations to hospital mortality statistics and how these can be interpreted. In response, the main method of assessing the safety and quality of care received by deceased patients is to undertake retrospective case note review. For some time, the Trust has undertaken systematic mortality reviews to better understand and learn from hospital deaths. Last year, we published the outcomes of this information in the form of 'Learning from Deaths Dashboard' which included evidence of learning and action as a result of any problems in care. We will continue to develop our processes and methods of sharing this important information with the public which will be overseen by the Trust Mortality Review Group.

Target: Review all deaths that meet national criteria for stage 2 independent review

Summary of performance 2018/19

The Trust publishes its Learning from Deaths Dashboard each quarter for discussion at Board of Directors meetings held in public. The report includes data on the outcomes of in-depth mortality reviews (called Stage 2 reviews) and highlights any deaths that, in some way, could have been avoided, including actions for learning. A user-friendly format is summarised for the public as an infographic. An example is shown below for all deaths reviewed, to date, in 2018/19.
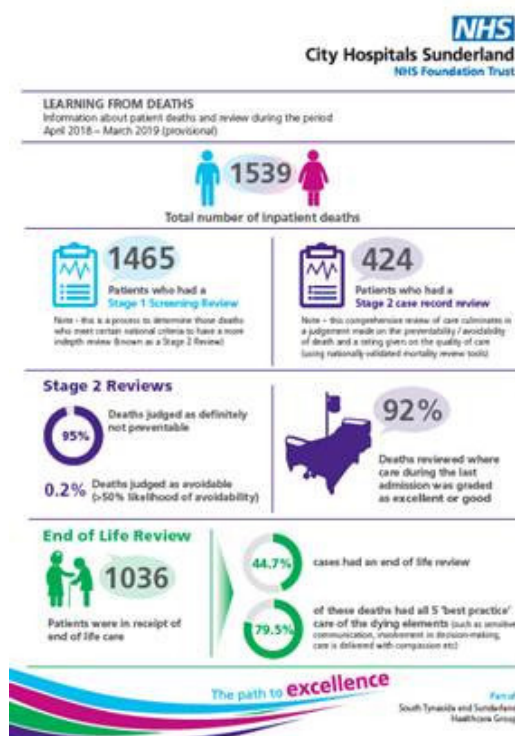
Last year, Trusts were asked to include specific information related to learning from deaths, including the number of patient deaths subject to case record review and whether any of these were more likely than not to have been due to problems in care. In addition, there was a narrative requirement to state what we had learnt from our mortality review process. The sections below meet these requirements in full.

	Q1	Q2	Q3	Q4
During 2018/19, 1,539 of City Hospitals Sunderland patients died. This comprised the following number of deaths which occurred in each quarter of that reporting period	352	353	402	432
During 2018/19, 422 case record reviews and 0 investigations* had been carried out in relation to 1,539 of the deaths. In 0 cases a death was subjected to both a case record review and an investigation. The number of deaths in each quarter for which a case record review or an investigation was carried out was: *investigations – deaths reported and investigated as a 'Serious Incident'	105	82	121	114
≤ 5, representing 0.3%, of the patient deaths during the reporting period are judged to be more likely than not to have been due to problems in the care provided to the patient. In relation to each quarter, this consisted of:	0.8%	0%	0.8%	0%

These numbers have been estimated using an adaptation of Preventable Incidents, Survival and Mortality (PRISM) methodology (Hogan and colleagues) for undertaking mortality reviews. This clinician-led approach helps to identify 'problems in care' and informs judgements on avoidability of death. The method also allows clinicians to provide an overall quality of care rating and our Trust Mortality Dashboard presented at Board meetings in public captures those deaths whose care during the last admission was graded as excellent or good.

What we have learnt from case record reviews and investigations conducted in relation to the deaths.

The Trust's mortality review process identified ≤5 deaths that were judged to be more likely than not to have been due to problems in the care provided to the patient. A fundamental part of the mortality review process is escalation to relevant clinical departments where issues regarding compliance with standards of care are identified. This gives clinical teams the opportunity to comment on individual cases where it was deemed sub-optimal in the opinion of the reviewer. This exchange and feedback of views has been welcomed by those involved in the process.

An overview of actions taken

The Trust has worked with colleagues in the region on a robust mortality review process over the last five years. The impact of this, in comparison to other Trusts with less mature mortality review processes, is that we have previously identified and taken action on simple impact measures. As a result of our well-established and embedded process our focus for learning is now mainly based on more long term, multidisciplinary and multiorganisational issues. Some of these types of issues are highlighted below, which describes actions that have been completed during the year or are underway:

- Do Not Attempt Cardiopulmonary Resuscitation (DNACPR) orders are now used electronically on our Meditech Electronic Patient Records removing the need to review physical case-notes during the day-to-day review of patients;
- the quality and accuracy of death certification has improved with senior Consultant oversight now an integral part of the process; and

- a thematic review found a number of issues concerning patients who were in the process of dying soon after their admission to hospital. These scenarios have prompted the need for closer working between the hospital and Care Homes for those patients who are deteriorating and entering the final stages of life.

An assessment of the impact of these actions

- We continue to have external reviewer involvement in the Mortality Review Panel. There is also a targeted review of End of Life care to identify those deaths that had all 5 'best practice' care of the dying elements. The wards continue to receive monthly reports to support areas for training and improvement.
- 0 case record reviews and 0 investigations completed after 31.03.2019 which related to deaths which took place before the start of the reporting period.
- 0 representing 0% of the patient deaths before the reporting period, are judged to be more likely than not to have been due to problems in the care provided to the patient. This number has been estimated using an adaptation of PRISM methodology (Hogan and colleagues) for undertaking mortality reviews.
- 0 representing 0% of the patient deaths during April 18 – March 19 are judged to be more likely than not to have been due to problems in the care provided to the patient.

5	Aspire to achieving the four priority standards for seven day working

The Seven Day Services (7DS) national programme is designed to ensure patients admitted as an emergency receive safe, high quality, consistent care, irrespective of the day they present to hospital. In 2013 the NHS Seven Days a Week Forum developed ten clinical standards describing the minimum level of service that patients admitted through urgent and emergency hospital routes should expect to receive, on every day of the week.   Four of the ten clinical standards were identified as priorities on the basis of their potential to positively affect patient outcomes. The Trust`s performance against the 4 priority standards has been monitored through national 7DS audits since 2016. The priority standards are:
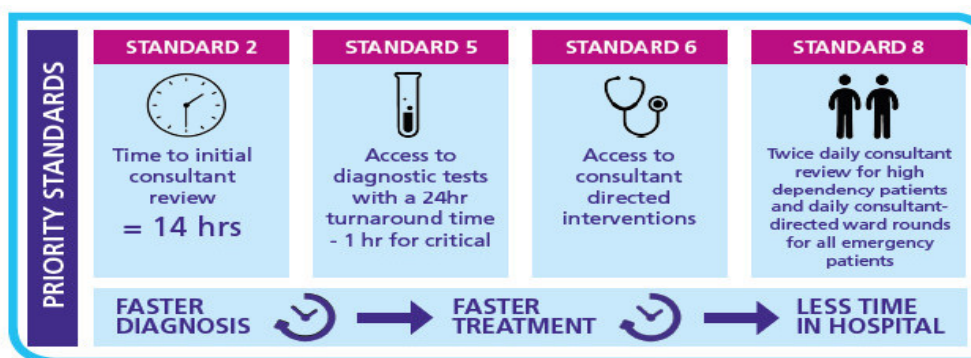
Target: The four priority standards to be implemented by 2020

Summary of performance 2018/19

To support quality improvement and measure progress in the achievement of 7DS hospital services, the Trust participated in the spring 2018 national 7DS self-assessment survey. This survey was undertaken with support from a number of our junior doctors, which helped in raising awareness of the four priority standards. With their commitment we were able to undertake the audit in a proficient and timely manner.

City Hospitals Sunderland - Results against 4 priority standards

		Sept 2016	March 2017	Sept 2017	Spring 2018	Target
Standard 2 First consultant review within 14 hours of admission	Weekday	74%	70%	66%	78%	90%
	Weekend	69%	59%	58%	61%	
	Overall	72%	67%	64%	74%	
Standard 5 Diagnostics	Weekday		100%	NOT Measured	100%	90%
	Weekend		100%		100%	
	Overall		100%		100%	
Standard 6 Interventions	Weekday		100%	NOT Measured	100%	90%
	Weekend		89%		89%	
	Overall		94%		94%	
Standard 8 – Ongoing daily reviews						
Once daily reviews*	Weekday	99%	99%	NOT Measured National focus on Standard 2	98%	90%
	Weekend	74%	91%		86%	
	Overall	93%	97%		96%	
TWICE daily reviews*	Weekday	100%	100%		100%	90%
	Weekend	100%	100%		100%	
	Overall	100%	100%		100%	

*A clinical judgement is used to determine the frequency of consultant review required for each patient in the survey. All patients with high dependency needs should be seen and reviewed by a consultant TWICE DAILY (including all acutely ill patients directly transferred and others who deteriorate). Once a clear pathway of care has been established, patients should be reviewed by a consultant at least ONCE EVERY 24 HOURS, seven days a week, unless it has been determined that this would not affect the patient's care pathway.

- Results from the latest spring 2018 survey demonstrate that the Trust continues to meet three out of the four priority standards. There has been a steady improvement in our performance for clinical standard 2 but further improvements are required in order to achieve the 90% target. This standard also demonstrates variation between weekday and weekend.
- Challenges to achieving standard 2 are linked to financial and resource implications. Capacity of consultants and availability of medical workforce to either manage volume/demand or to carry out consultant reviews within timescales across 7 days. Ongoing operational level patient flow improvement work front of house to support improvements to clinical standard 2 and patient experience continues to take place. This work is aligned with improvement work from the ED Performance Sustainability group.

Focus is on providing consistent **high quality care** every day of the week

patient safety

patient experience

clinical effectiveness

- Summary reports have been shared with Clinical Directors to highlight local analysis of survey results and areas for ongoing action and improvements.
  - We have been engaging with clinical teams to establish exemption pathways within key specialties to support clinical standard 2.
  - Priority standards have been included in our Path to Excellence Clinical Service reviews.
- We have attended and participated in national and regional events chaired by NHS England/NHS Improvement to share learning and peer support on 7DS improvements.

National changes during late 2018/19 to the way 7DS is measured

Changes to the way 7DS is measured for all providers of acute services are being introduced for 2019. Previously, providers of acute services have completed a bi-annual self-assessment survey. This measured progress against the four priority standards through a combination of case note reviews and self-assessment. This is now being replaced with a self-assessed board assurance framework to evidence delivery of the 7DS standards.

This process has been implemented gradually, beginning with a trial board assurance process in February 2019, followed by full implementation by the end of June 2019. We have successfully submitted our trial run and are currently planning for June 2019.

Plans for 2019/20

- On-going operational level patient flow improvement work front of house continues which will support clinical standard 2.
- Further data quality cleansing to taking place to allow a report to extract first consultant assessment to support clinical standard 2 and for the trust to monitor assurance.
- Undertake further local audit with Junior Doctors to measure improvements against clinical standard 2 and 8.
- Continue work with clinical teams to develop exemption pathways to support clinical standard 2.
- Continue to align our 7DS standards within our Path to Excellence Clinical Service Reviews to ensure we are improving quality to meet clinical standards. By working together and functioning as bigger teams across two sites our ambition is to provide better access to 24/7 consultant-led emergency care seven days a week.

Patient Experience

Whilst safe, high quality clinical care must always be the first priority in the NHS, this isn't enough by itself. Patients want and deserve to be treated with compassion, dignity and respect in a safe and caring environment, with staff putting their needs first to ensure a consistent positive patient experience. Our aim is to improve the patient and carer/family experience, from their very first contact with us right through to their safe discharge from our care.

1	Learn from patient feedback

The thoughts, opinions and observations of patients and relatives who use our hospital services are very important to us. Our aim is that every patient's experience is a positive one and understanding what matters most for them and their families is a key factor in achieving this. We collect patient feedback in many different ways, including local patient surveys, which include the Friends and Family Test, patient complaints and social and online media postings. Alongside these, we also take part in the annual National Patient Survey Programme. These mandatory surveys allow us to compare our performance with other Organisations and, equally as important, it allows us to see whether any actions we have taken in response to previous surveys have actually improved our services.

Target: To be in the top quartile of results for the most recent national Adult Inpatient Survey

Summary of performance

The Adult Inpatient Survey gives patients the opportunity to give their views about their most recent stay in hospital. The questionnaire asks for feedback on a number of topics such as admission, contact with doctors and nurses, privacy and dignity, cleanliness, hospital food and their involvement in discharge planning. The survey includes patients who were aged 16 years or over, who had spent at least one night in hospital during July 2017 and were not admitted to maternity or psychiatric units.

The Trust had a higher than average participation in the survey with the vast majority of section scores 'about the same' as other Trusts who took part but one section was graded 'better'. This section was completed by patients referred to hospital and shows fewer delays on waiting lists and reductions in cancelled admission dates. Over 89% of the questions were in the amber 'as expected' category with 11% rated green (best performing) and none rated in the red, worst category.

When comparing to last year, 47/53 (89%) questions that could be compared had improved with a further 5 scores remaining unchanged. In only 1 question did the Trust score less than last year. Most of these improvements are related to interpersonal aspects of care and staff communication with patients, i.e. information about the patient's condition, treatment and medications side effects, as well as the provision of emotional support and practical help with meals. Communication around the operations and procedures patients undergo is another area that has improved. Patients also felt staff work well together as a team and were given enough privacy and emotional support during their stay. These are areas where the Trust has not always been able to show sustained improvements over time. Further analysis shows that many of these are genuine improvements and unlikely to have occurred by chance.

The table below shows where the Trust has achieved the largest increase in individual scores compared to last year:

Survey questions – comparison of 2016 and 2017 results		2016	2017
The Trust has improved on the following questions (in order of greatest gain of scores):			
Q46	Were you told how you could expect to feel after you had the operation or procedure?	6.8	8.1
Q21	Did you get enough help from staff to eat your meals?	6.3	7.3
Q38	Do you feel you got enough emotional support from hospital staff during your stay?	6.5	7.5
Q58	Did a member of staff tell you about medication side effects to watch for when you went home?	4.2	5.2
Q37	Did you find someone on the hospital staff to talk to about your worries and fears?	5.1	6.0
Q23	When you had important questions to ask a doctor, did you get answers that you could understand?	8.0	8.8
Q3	While you were in the A&E Department, how much information about your condition or treatment was given to you?	8.0	8.7
Q61	Did a member of staff tell you about any danger signals you should watch for after you went home?	5.1	5.8
Q70	Did you see, or were you given, any information explaining how to complain to the hospital about the care you received?	1.8	2.5

The following selected results show scores that are significantly better than those achieved in the previous year, ie it is very unlikely to have occurred by chance. Under the main themes, areas for further improvements are noted.

Nurses		
8.5/10 Patients got answers from nurses to important questions in ways that they could understand	**9.1/10** Patients had confidence and trust in the nurses treating them	**7.9/10** Patients felt there were enough nurses on duty to care for them
Area to improve ✓ Patients want to know which nurse is in charge of looking after them		
Your Care & Treatment		
8.9/10 Patients felt that the staff caring for them worked well together	**8.4/10** Patients felt they were given enough privacy when discussing their condition or treatment	**7.7/10** Patients felt they got enough emotional support from hospital staff
Areas to improve ✓ Patients want to be involved in decisions about their care ✓ Improvements around patients pain management		
Leaving Hospital		
8.5/10 Staff explained the purpose of medicines in ways patients could understand	**8.5/10** Patients were given clear written or printed information about their medicines	**7.3/10** Patients were told what would happen next to their care
Area to improve ✓ Reducing delays in discharge ✓ Staff to discuss with patients whether they may need further health or social care services		

The results of the Inpatient Survey will, together with other sources of feedback, support our ongoing strategic work to bring about improvements right across the whole patient experience, as outlined in more detail in our Trust Quality Strategy. The network of improvement work is overseen by the Patient, Carer and Public Experience Committee.

Some of our developments include the introduction in January 2019 of our new "Your Experience Matters to Us" survey for both Sunderland and South Tyneside, additional self-reported questionnaires for all specialty services, and improving our processes for sharing, displaying and learning from patient experience and other feedback.

| 2	**Ensure that patients are involved as much as they want to be in decisions about their care and treatment**

Evidence tells us that supporting patients to be actively involved in their own care and treatment can improve outcomes and experience for patients. There is a growing body of literature which shows that people benefit from being involved in making decisions about their care and in how that care is delivered to meet their needs and wishes. The impacts include:

- improved knowledge of their condition and treatment options;
- increased confidence to self-manage aspects of their own care;
- increasing the likelihood of keeping to a chosen course of treatment and participating in monitoring and prevention programmes;
- improved satisfaction with their care and chosen treatment;
- more accurate risk perceptions; and
- reduced length of hospital stay and readmission rates.

The national surveys of patients and people using services provide some indication of the extent to which people feel involved in their care and in decisions about their support and treatment. Trends in national surveys of patients and people using services over the last five to 10 years highlight there has been little change in people's perceptions of how well they are involved in their health or social care, despite the national drive for person-centred care.

Summary of performance 2018/19

The table below highlights the results across a range of recent national patient surveys which asks those using hospital services whether they were involved as much as they wanted to be in decisions about their care and treatment.
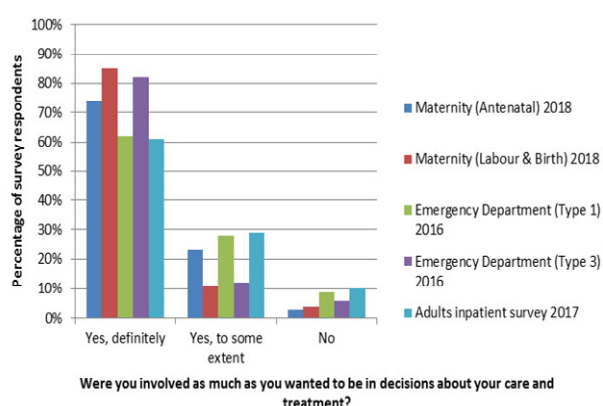
Maternity Survey respondents were asked if they were involved enough in decisions about their care during labour and birth. They responded the most favourably, with 77% of respondents saying that they were definitely involved enough in decisions, and 5% saying that they were not.

One in 10 Adult Inpatient Survey respondents and Emergency Department Survey respondents said that they were not involved as much as they wanted to be.
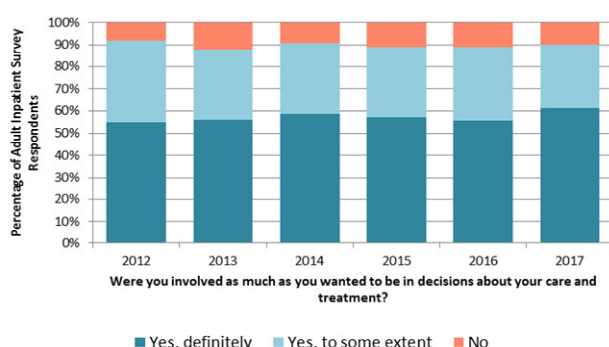
The percentage of Adult Inpatient Survey respondents who were 'definitely' or 'to some extent' involved as much as they wanted to be in decisions about their care and treatment remained stable at around 89% between 2012 and 2017.

Those who were 'definitely' involved as much as they wanted to be has increased over time, from 53% in 2012 to 56% in 2017, and this has been offset by a decrease in the proportion of respondents who said that they were involved 'to some extent'. There was almost no change over time in the percentage of respondents who said that they were not involved as much as they wanted to be.

Similar high levels of performance can be found after asking the question as part of the in-house patient survey which is used in our in-patient wards. When reported quarterly, the aggregated score shows more than 90% of patients surveyed felt involved as much as they wanted to be in their decisions about care and treatment.

Were you involved as much as you wanted to be in decisions about your care and treatment?			
Q1	Q2	Q3	Q4
90%	93%	91%	90%

3	Provide a safe, secure, clean and comfortable environment for our patients and their carers/families by monitoring hand hygiene compliance and infection rates

We know that one of our patients' top priorities is to be treated in clean and safe hospitals. Coming into hospital can be a daunting experience, and it's important that our patients can be confident, not only in the clinical care they receive but in the environment in which they receive it. This is why infection control is a key objective for us.

Infections are caused by bacteria or viruses (bugs) that occur naturally all around us, in the air, on surfaces and all over our bodies. It is important to remember that most of them will not do us any harm. When we are not well or following an operation, our body's natural defences (immune system) are weaker which can make us more susceptible to infections. Every disease, condition, procedure and sometimes medication can reduce the body's natural defences against infection. Most people will not develop a healthcare associated infection (HCAI) while they are being treated, but it is not possible to completely remove all the risk during healthcare.

Summary of performance 2018/19

Hand Hygiene (target >98%)
We have a zero tolerance approach to poor hand hygiene for all staff who work in clinical areas. Our infection control staff actively monitor clinical teams to ensure they are complying with our policy through regular audits. We also actively encourage members of the public to maintain good hand hygiene when visiting our hospitals to ensure that we continue to drive down the rate of infection. Our current performance against the target is 99%.

Bare Below The Elbow
All staff at City Hospitals Sunderland who have contact with patients or who work within clinical areas follow a 'Bare Below the Elbows' code. It is thought that long-sleeved clothing prevents thorough hand and wrist washing, which is vital to prevent the spread of infections such as MRSA and *clostridium Difficile* (C-diff). Bare Below the Elbows means that all staff in contact with patients will be able to effectively wash their hands and wrists between each patient.

Bare below the elbows compliance is monitored monthly and scores are consistently over 99% (99.5%) across all clinical staff groups. Good hand hygiene still remains the most important tool to reduce transmission of micro-organisms and to reduce avoidable HCAI.

MRSA bacteraemia

These bacteria are commonly carried on the skin and cause a number of infections. Some of these can be serious such as bloodstream infections (bacteraemia). MRSA bacteraemia can increase patients' length of stay in hospital, the likelihood of complications and reduce the chances of a successful recovery. The yearly target for the Trust is zero cases of avoidable hospital acquired infection against which we have reported none in 2018/19.

C difficile infection

Clostridium difficile, also known as *C difficile* or *C diff* (CDI), is bacteria that can infect the bowel and cause diarrhoea. The infection most commonly affects people who have recently been treated with antibiotics. It can spread easily to others. *C difficile* infections are unpleasant and can sometimes cause serious bowel problems, but they can usually be treated with another course of antibiotics. The target for CDI was 33 Trust apportioned cases. The total number of positive toxin tests reported externally for City Hospitals Sunderland in 2018/19 was 38. Following detailed examination of each case we have agreed via the appeals process with NHS Sunderland CCG that 13 cases were not genuine infection or infections developing in hospital. Therefore, Trust apportioned cases is confirmed at 25 against the target of 33 which is comparable to last year.

E coli bacteraemia

Escherichia coli (E coli) bacteria are frequently found in the intestines of humans and animals. There are many different types of E. coli, and while some live in the intestine quite harmlessly, others may cause a variety of diseases, including urinary tract infection, cystitis (infection of the bladder), and intestinal infection. The target for City Hospitals Sunderland was 56 and we have reported 61 cases for the year.

See section on Reducing Healthcare Associated Infection which gives more information about infection control achievements for the year. This can be found in Part 3 of the Quality Report.

Patient-Led Assessment of the Care Environment (PLACE)

PLACE provides an annual snapshot to organisations of how their environment is seen by those using it, and provides insight into areas for improvement. The assessments focus on how the environment supports service provision and patient care, looking at non-clinical aspects such as cleanliness, food and maintenance, as well as the extent to which the environment supports privacy and dignity and compliance with dementia standards.

The emphasis of the annual PLACE inspection is on improvement, with hospitals required to report publicly, and say how they plan to improve. It is seen as complementing the work undertaken by the many other groups which are active on a regular basis in the hospital, ie City Hospitals Sunderland Infection Prevention Control Group, National Standards of Cleanliness Group, Matron and infection prevention and control (IPC) inspections, and Facilities Services contract monitoring. The organisation continues to value the huge contribution made by patient representatives including volunteers, Trust Governors and Sunderland Healthwatch members who join the PLACE inspection teams

This round of assessments took place at the Sunderland Royal Hospital (SRH) and Sunderland Eye Infirmary (SEI) between the 10 and 11 April 2018. National results were published in August 2018 for both the Sunderland Royal Hospital and Eye Infirmary as follows:

PLACE Inspection Scores (%)	Cleanliness	Food	Organisation Food	Ward Food	Privacy, Dignity and Wellbeing	Condition, Appearance and Maintenance	Dementia	Disability
National Average - 2018	98.5	90.2	90	90.5	84.2	94.3	78.9	84.2
Sunderland Royal Hospital - 2018	99.45	93.52	98.41	92.55	85.35	97.36	81.24	89.30
Sunderland Royal Hospital - 2017	99.81	95.83	99.19	95.06	86.57	94.83	75.19	83.86
Sunderland Eye Infirmary - 2018	99.12	99.28	100	98.34	83.02	93.58	79.40	85.20
Sunderland Eye Infirmary - 2017	98.86	99.33	100	98.59	82.20	93.23	80.97	84.98

There were many examples of improvements noted across all the domains assessed and sustained high standards were evident in most areas. In addition, as would be expected from a very busy working environment, the detailed and rigorous process identified a number of issues to be addressed, although none of them presented any immediate impact to the quality of the patient experience. Many of these were temporary incidents, due to daily routine activity, with arrangements already in place to resolve. Indeed the majority of patients questioned during the inspection were full of praise for the care they were receiving.

The dementia scoring improved again from last year, with both SRH and SEI now above the national average and further improvements to the environment are planned for this year. This increase was mainly due to additional "large faced clocks" Ward Information boards, decoration and toilet facilities. However further input into signage and information boards is required in outpatients' areas where dementia patients are likely to attend. The introduction of hearing loops at Outpatients reception desks will also improve the patient experience for those with hearing problems. For some further improvements, including flooring to meet Dementia standards, increased 'social spaces' and development of day room facilities this will require substantial investment from the Trust.

Some of the results from the Food Domain were disappointing this year with a drop in scores at SRH. The findings from the individual ward observations show that, on occasion, there was insufficient preparation of patients for their mealtimes and support for those who require some assistance. Further work is now underway with the Nursing team to address these issues.

The report has also been discussed with the CHoICE Facilities team and a follow up action plan has been developed, focusing on cleaning and environmental issues. Action is already underway on those areas of particular urgency, with follow-up visits by Infection Prevention and Control staff and Domestic Monitoring Teams, who will be working with the ward team to address the issues identified. The action plan will be measured for effectiveness against National Standards of Cleanliness and progress will be shared via the National Standards of Cleanliness with Matrons and Infection Control. Any food related issues will be addressed through the Nutritional and Hydration Steering Group.

4	**Ensure that patients receive adequate information and support for safe discharge from hospital by monitoring and audit**

Once people no longer need hospital care, being at home or in a community setting (such as a care home) is the best place to continue recovery; but unnecessary delay in discharging older patients from hospital is a systemic problem with a rising trend. For older people in particular, we know that longer stays in hospital can lead to worse health outcomes and can increase their long-term care needs.

Summary of performance 2018/19

National Adult Inpatient Survey 2017 – selected questions related to information and support on leaving hospital

The questions below and responses from patients are extracts from the "Leaving Hospital" section of the most recent national inpatient surveys. They show gradual improvements in a number of areas related to patient and family information and support on leaving hospital. Full details about how patients responded to the other elements of discharge can be found using the following link:
http://nhssurveys.org/Filestore/IP17_BMK_Reports/IP17_RLN.pdf

After leaving hospital, did you get enough support from health or social care professionals to help you recover and manage your condition?
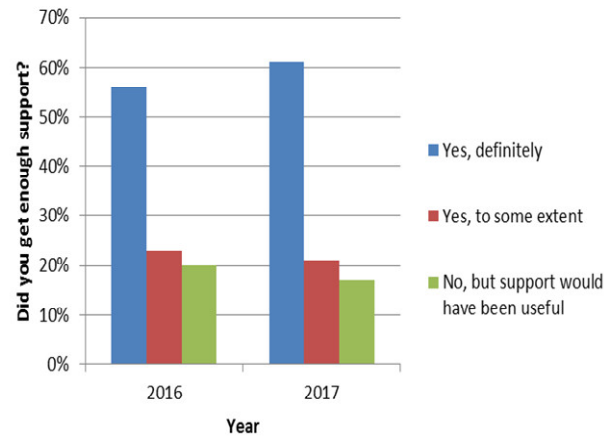
Before you left hospital, were you given any written or printed information about what you should or should not do after leaving hospital?
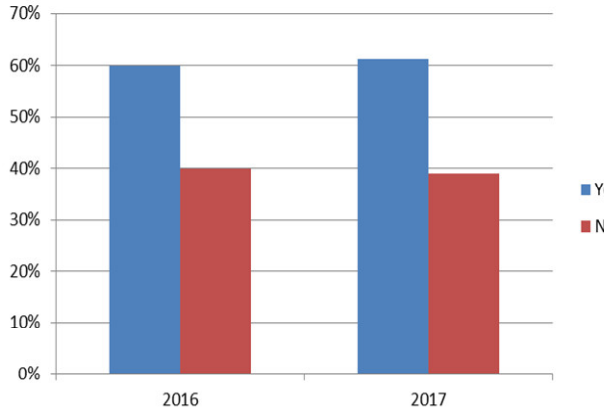
Were you told how to take your medication in a way you could understand?
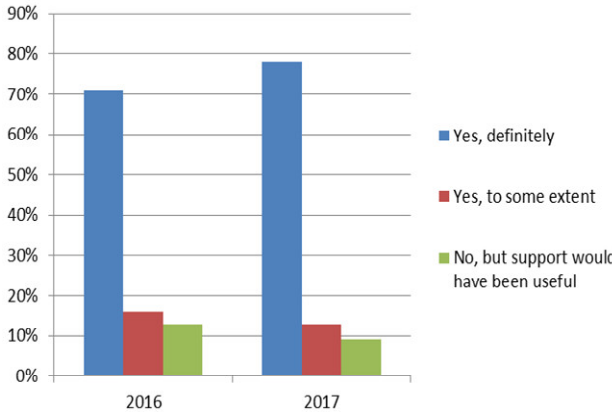
Did the doctors or nurses give your family, friends or carers all the information they needed to help care for you?

74
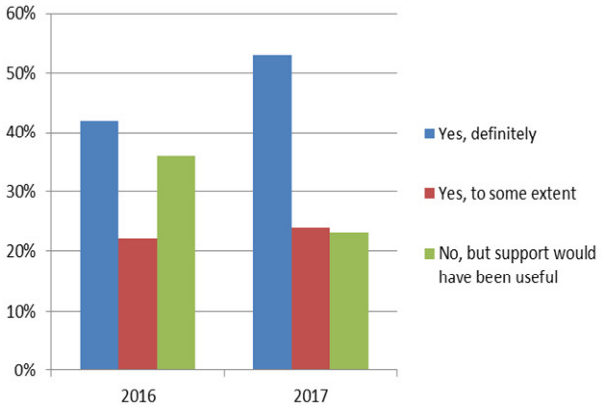
Red2Green Campaign

In September 2018, the Trust launched a new campaign in partnership with NHS Sunderland Clinical Commissioning Group called #TheresNoBedLikeHome. The aim of the campaign is to support hospital staff in taking positive steps to reduce unnecessary lengthy hospital stays, which can be detrimental to patients. Prolonged time in hospital can put patients at more risk of falls, fractures, infection and loss of muscle strength.

The campaign looks at how everyone involved in the patient's care can play a role in their recovery and making sure that they can go home as quickly and safely as possible.

The campaign is based around the Red2Green day concept which helps to identify wasted time in a patient's care journey. A red day is when a patient is waiting for something to progress their care, such as a planned therapy or care home assessment. A green day is where the patient receives active clinical treatment that takes them a step closer to being able to go home.

We have already seen the huge benefits of using the Red2Green approach to help identify wasted time in a patient's journey, so that more patients return home and minimise unnecessary stays in hospital.

5	Ensure that all patients and specifically those with physical, mental health and learning disabilities receive person-centred care based on their needs and preferences and that we work within the Mental Capacity Act (2005) and consult with others where appropriate.

Summary of performance 2018/19

Alexandra Centre at Sunderland Royal Hospital

The Alexandra Centre is a multidisciplinary specialist centre operated by the Delirium and Dementia Outreach Team (DDOT) to support patients with or at risk of cognitive difficulties such as Delirium and Dementia. The centre also supports carers and staff within the trust by providing information, education and specialist input to the wards. People with Dementia can be admitted to hospital due to many reasons e.g., infections, heart failure, falls, social issues.

These patients have complex needs requiring specialist input. There is good evidence to show that therapeutic, meaningful, person centred activity and good basic care improves outcomes for this group of patients. The Alexandra Centre aims to act as a centre of excellence to provide this care and raise standards across the Trust by using an in reach/outreach service.

This DDOT service consists of the following:
- Therapeutic, meaningful, person centred activities in the Alexandra sessions.
- One to one support and activities for patients on the wards.
- Education both within the Alexandra centre and on the wards for staff and carers.
- Drop in information and a volunteer area on cognitive problems such as dementia and delirium

Launch of Dementia Strategy

Dementia has become one of the most important and challenging healthcare issues we face as our population ages.

Across Sunderland and South Tyneside, we place great value on providing compassionate, dignified and safe, high quality care to everyone using our services. We are fully committed to improving dementia care for our patients, providing tailored support to relatives and carers and developing our own staff to equip them with the skills and training they need to care for people living with dementia. Everyone working in our organisation, regardless of role or position, has a duty to understand the issues faced by patients living with dementia so that we can all provide exceptional care and support.

In 2018 we launched our dementia strategy. It sets out our strategic ambitions for continuously improving services and the care of people living with dementia and their families.

It has been developed with the support of nurses, doctors and managers in both Sunderland and South Tyneside and will rely on continued partnership working across the health and care sector in the area to ensure success in the years ahead. In order to succeed in being recognised locally, regionally and nationally as a centre of excellence in providing integrated dementia care, we have developed six ambitious strategic aims and objectives to deliver:

- a person centred care;
- a competent and compassionate workforce;
- evidence based pathways of care and assessment;
- strong partnerships and engagement;
- dementia friendly environments; and
- clear accountability and governance.

Veterans

The Veterans Covenant Hospital Alliance (VCHA), has awarded 24 acute hospital trusts across the country with Veteran Aware accreditation, this includes City Hospitals Sunderland. The VCHA is a group of NHS acute hospitals that have volunteered to be exemplars of the best care for veterans and help to drive improvements in NHS care for people who serve or have served in the UK armed forces and their families. These Trusts are identified as leading the way in improving NHS care for veterans and members of the armed forces community by:

- providing training to staff to be aware of veterans' specific needs;
- making past and present servicemen and women aware of appropriate charities or NHS services beneficial to them, such as mental health services or support with financial and/or benefit claims; and
- ensuring that the armed forces community is never disadvantaged compared to other patients, in line with the NHS' commitment to the Armed Forces Covenant.

It is proposed nationally that every NHS hospital will be invited to join the Veterans Covenant Hospital Alliance and become Veteran Aware and the hope is to have tripled the total number of accredited hospitals by the end of 2019. In addition, City Hospitals Sunderland has signed the Government's Armed Forces Covenant, which represents a promise that those who serve or have served, and their families, are treated fairly. The Armed Forces Covenant has two key principles:

- the Armed Forces community should not face disadvantage compared to other citizens in the provision of public and commercial services; and
- special consideration is appropriate in some cases, especially for those who have given most such as the injured and the bereaved.

Veterans and their families should not be disadvantaged from accessing appropriate health services, for example, if they are on a waiting list and are moving. The NHS always prioritises people with the most urgent clinical need first, but after that should ensure that armed forces service related injuries receive timely treatment.

The Trust has referenced these principles in the Waiting List Management and Patient Access Policy. In Sunderland, the CCG has undertaken significant work with GP practices to identify these patients, and make the information known at the point of referral. An action plan is currently being developed and this includes:

- identifying veterans on admission to hospital (including Emergency Department attendance;
- developing an information leaflet for veterans advising where they can seek support;
- exploring the use of the Northern Hub App (an App developed to provide information for veterans);
- reviewing how we identify staff who are veterans and what our offer is to them; and
- raising staff awareness of veterans and services available to them.

The Trust is also the holder of the Employer Recognition Scheme Gold award – the Ministry of Defence's prestigious badge of honour for organisations which have demonstrated outstanding support for the armed forces community.

Learning Disabilities

During 2018, City Hospitals Sunderland took part in the Learning Disability Improvement Standards review, which is a national data collection, commissioned by NHSI and run by the NHS Benchmarking Network (NHSBN). The data collection was designed to assess the extent of Trust compliance with the recently published NHSI Learning Disability Improvement Standards and to identify opportunities for improvements that Trusts may want to prioritise.

The improvement standards reflect the strategic objectives and priorities described in national policies, in particular those arising from Transforming Care for People with Learning Disabilities Programme and the Learning Disabilities Mortality Review (LeDeR) programme. Compliance with these standards requires Trusts to assure themselves that they have the necessary structures, processes, workforce and skills to deliver the outcomes that people with learning disabilities, their families and carers, expect and deserve. Information from the exercise will be used to prioritise the development of services and pathways for people with learning disabilities.

Carers

An overview of how we have involved carers and volunteers can be found in Part 3 under the section on 'Focus on Patient Experience'.

Priorities for quality improvement 2019/20

We have chosen a different approach in setting out our ambition for improving quality across the organisation. We will still focus our priorities for improvement on the key elements of quality; patient safety, clinical effectiveness and patient experience, but we will do this in a more comprehensive, proactive and strategic way. During 2018 we agreed our new Quality Strategy 2018-2023 "Improving Quality Together", which provides an overview of our quality objectives and plan of action to improve care and services across Sunderland and South Tyneside over the next five years. This differs from the annual cycle of setting short-term, reactive objectives that have not always led to sustainable improvements.

Our Quality Strategy, and the plans which underpin it, mark an important step forward for the Trust. They have been drawn up with input from our staff, patients, carers and other key stakeholders and reflect some of the things which matter most to those important groups.

Our vision within "Improving Quality Together" is to be an outstanding provider of healthcare for everyone who comes into contact with our services, whether they are delivered in hospital or the community.

We want to be recognised as a learning, responsive and innovative organisation and in agreeing key enablers necessary to achieve this strategic plan we will develop, support and provide our staff with the skills and resources necessary for success.

Whether you are a patient, carer, member of staff or anyone else with an interest in the quality and safety of local health care, we believe that our Quality Strategy will deliver safe and effective care for every patient whilst at the same time ensuring that they are treated with compassion, dignity and respect.

The next section restates our quality priorities within each dimension of quality. There is an outline of the planned governance arrangements in terms of how each priority will be measured, monitored and reported. Each priority has an overall named senior lead responsible for setting progressive targets and for coordinating and evaluating the actions required through individuals or groups. Progress will be reviewed and reported to key internal governance/assurance groups and included in the monthly Quality Report. An overarching summary of achievement will be presented to the Governance Committee, which is a formal sub-committee of the Board of Directors.

Patient Safety

Aims:

We aim to be recognised as one of the safest healthcare organisations both nationally and internationally. Our priority is to deliver safe, reliable and effective care to patients, but we recognise that harm does occur and that there is no single intervention which will improve patient safety. Our intention therefore is to focus on five salient areas of risk, to implement the recognised strategies to reduce the risk and to measure and monitor for reduction in avoidable harm.

"Our priority is to deliver safe, reliable and effective care to patients"

Priority work streams:

1. Reduce the incidence of category 2-4 pressure ulcers which have developed in our care by 25%

2. Reduce the incidence of severe of harm from patient falls, such that we are in the lower quartile of reporting Trusts nationally

3. Improve the recognition and management of deteriorating patients in hospital by:
   - accurate and timely recording of Early Warning Scores for all (100%) patients
   - 5% reduction in the number of cardiac arrests
   - ensuring high-quality timely communication, decision-making and recording in relation to decisions about Cardio Pulmonary Resuscitation

4. Achieve at least 90% compliance with:
   - nutritional screening on admission to hospital
   - compliance with recording of fluid input and output

5. Improve medicines management by:
   - ensuring that medicines reconciliation is achieved for 95% of patients within 24 hours of admission to our hospitals
   - reducing the incidence of missed doses of medicine by 50%

	Patient safety	Measured by	Monitored by	Reporting to
1	Reduce the number of hospital acquired pressure ulcers	Ward Dashboard data	Tissue Viability Steering Group	Clinical Governance Steering Group
2	Reduce the incidence of severe harm from patient falls	Datix Incident reporting system	Falls Reduction Group	Clinical Governance Steering Group
3	Improve the recognition and management of deteriorating patients	Local and national audit data	a) Matrons Group b) Resuscitation Group	Clinical Governance Steering Group
4	Improve the standards of clinical documentation	Local assurance audits	Nutrition and Hydration Steering Group	Clinical Governance Steering Group
5	Improve medication management	Internal report and audit	Medicines Safety Group	Clinical Governance Steering Group

Patient Experience

Aims:

Whilst safe, high quality clinical care must always be guaranteed in the NHS, this isn't enough by itself. Patients want and deserve to be treated with compassion, dignity and respect in a safe and caring environment, with staff putting their needs first to ensure a consistent positive patient experience. Our aim is to improve the patient and carer/family experience, from their very first contact with us right through to their safe discharge from our care.

"Our aim is to improve the patient and carer/family experience."

Priority work streams:

1. Learn from patient feedback and aim to be in the top quartile in the national patient survey

2. Ensure that patients are involved as much as they want to be in decisions about their care and treatment by monitoring, audit and feed-back from Multi-Agency Partners

3. Provide a safe, secure, clean and comfortable environment for our patients and their carers/families by monitoring hand hygiene compliance and infection rates

4. Ensure that patients receive adequate information and support for safe discharge from hospital by monitoring and audit

5. Ensure that all patients and specifically those with physical, mental health and learning disabilities receive person-centred care based on their needs and preferences and that we work within the Mental Capacity Act (2005) and consult with others where appropriate

	Patient Experience	Measured by	Monitored by	Reporting to
1	Learn from patient feedback	National and local surveys, NHS Friends and Family Test, complaints, compliments and online sources (e.g. NHS Choices)	Patient Experience Team	Patient, Carer and Public Experience Committee
2	Ensure that patients are involved as much as they want to be in decisions about their care and treatment	National and local surveys, NHS Friends and Family Test, complaints, compliments and online sources (e.g. NHS Choices)	Patient Experience Team	Patient, Carer and Public Experience Committee
3	Provide a safe, secure, clean and comfortable environment for patients and their carers/families	Audit of compliance and annual PLACE inspection results	National Standards of Cleanliness Group	Patient, Carer and Public Experience Committee
4	Ensure that patients receive adequate information and support for safe discharge from hospital	National patient surveys and local real time feedback	Operational Management Group	Patient, Carer and Public Experience Committee
5	Ensure that all patients and specifically those with physical, mental health and learning disabilities receive person-centred care based on their needs and preferences	Local Dementia Group Action Plan	Dementia Strategy Group	Patient, Carer and Public Experience Committee

Clinical Effectiveness

Aims:

We aim to ensure that the care we give or the service we deliver is explicitly evidence based, with the goal of achieving better outcomes. We want every patient contact to be a clinically effective contact wherever possible. We also want patients to be aware of clinical recommendations and options in discussing and agreeing pathways of care.

"Our goal to achieving better outcomes."

Priority work streams:

1. Implement the recommendations from the National Maternity Safety Strategy
2. Improve the outcomes for patients with serious infection by ensuring timely identification and treatment of sepsis
3. Improve quality and efficiency and reduce variations in our services by implementing relevant recommendations from the Getting It Right First Time programme
4. Learn and act on the results from participation in national clinical audits and the reviews of patient deaths
5. Aspire to achieving the four priority standards for seven day working

	Clinical Effectiveness	Measured by	Monitored by	Reporting to
1	Implement the recommendations from the National Maternity Safety Strategy	Maternity Indicators and Action Plan	Obstetrics and Gynaecology Clinical Governance Group	Clinical Governance Steering Group
2	Improve the outcomes for patients with serious infection by ensuring timely identification and treatment of sepsis	NHS Digital	Sepsis Group	Clinical Governance Steering Group
3	Improve quality, efficiency and reduce variations in our services by implementing recommendations from the GIRFT programme	Specialty Specific Action Plans	Operational Management Group	Clinical Governance Steering Group
4	Learn and act on the results from reviews of patient deaths	Mortality Review Outcomes	Mortality Review Group	Clinical Governance Steering Group
5	Integrate the four priority standards for seven day working.	Action Plan Updates	Operational Management Group	Clinical Governance Steering Group

PART 2.2   STATEMENTS OF ASSURANCE FROM THE BOARD OF DIRECTORS

Review of services

During 2018/19 City Hospitals Sunderland provided and/or sub-contracted 40 relevant health services.

City Hospitals Sunderland has reviewed all the data available to them on the quality of care in 40 of these relevant health services.

The income generated by the relevant health services reviewed in 2018/19 represents 100% of the total income generated from the provision of relevant health services by City Hospitals Sunderland for 2018/19.

The Trust routinely analyses organisational performance on key quality indicators, benchmarked against national comparisons, leading to the identification of priorities for quality improvement.

The Board of Directors and the Executive Committee review the Performance Report and dashboards monthly. There is a Quality, Risk and Assurance Report presented monthly to the Board of Directors from the Governance Committee to provide further assurance from external sources such as the Care Quality Commission's Intelligent Monitoring Report, nationally reported mortality and outcomes data; information from our Methods Analytics clinical benchmarking system; the results of national audits and external inspections; data from the National Reporting Learning System, complaints; inquests and information from the Parliamentary and Health Service Ombudsman; the Trust Assurance Programme; and patient experience data such as the Friends and Family Test and the Patient Experience Survey, etc. The Governance Committee therefore provides assurance on the adequacy and effectiveness of risk management and integrated governance within the organisation.

Participation in Clinical Audit and the National Confidential Enquiries

Clinical audit is an important and useful way to help improve standards of clinical care. The process involves evaluating patient care against expected standards and where necessary, making changes to improve outcomes for patients. A re-audit can then be used to confirm improvements have been effective. Clinical audits can look at care at a national level and compare practice with other hospitals or be more focused on what takes place in wards and departments in local hospitals and GP practices or indeed anywhere healthcare is provided.

Participation in relevant national clinical audits (in a programme called the National Clinical Audit and Patient Outcomes Programme or NCAPOP) and national confidential enquiries (a form of national audit) is a mandatory requirement. The NCAPOP comprises more than 30 national audits related to some of the most commonly-occurring conditions. It involves the collection and analysis of data supplied by local clinicians to provide a comparative picture of performance against peers. NCAPOP also encompasses the national confidential enquiries. These are now known as Clinical Outcome Review Programmes (for consistency and clarity these will continue to be called national confidential enquiries in this report).

During 2018/19, 51 national clinical audits and 5 national confidential enquiries covered relevant health services that City Hospitals Sunderland provides.

During that period City Hospitals Sunderland participated in 94% of the national clinical audits and 100% of the national confidential enquiries which it was eligible to participate in.

The national clinical audits and national confidential enquiries that City Hospitals Sunderland participated in, and for which data collection was completed during 2018/19, 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.

National Clinical Audits and National Confidential Enquiries 2018/19

National Clinical Audits 2018-2019	Eligible	Participation	Comments
Older People			
Falls and Fragility Fractures Audit Programme (FFFAP) (Royal College of Physicians) including:			
- National Audit of Inpatient Falls (NAIF)	✓	✓	3 cases Jan – Feb 2019
- Fracture Liaison Service Database (FLS-DB)	✓	✓	1284 cases (100%) Jan – Dec 2018
- National Hip Fracture Database (NHFD)	✓	✓	390 cases Jan – Dec 2018
National Audit of Breast Cancer in Older People (Royal College of Surgeons)	N/A	N/A	
National Audit of Dementia (Royal College of Psychiatrists)	✓	✓	1 organisational questionnaire 80 clinical cases submitted (100%) Carer survey Staff survey
Sentinel Stroke National Audit Programme (SSNAP) (Royal College of Physicians)	✓	✓	767 cases (100%)
Women and Children's Health			
National Maternity and Perinatal Audit (NMPA) (Royal College of Obstetricians and Gynaecologists)	✓	✓	Continuous data collection
National Neonatal Audit Programme (NNAP) (Royal College of Paediatrics and Child Health)	✓	✓	351 cases Jan – Dec 2018
National Paediatric Diabetes Audit (NPDA) (Royal College of paediatrics and Child Health)	✓	✓	189 cases included in report
National Pregnancy in Diabetes Audit (NPID)	✓	✓	33 cases (100%)
Paediatric Intensive Care (PICANeT) (University of Leeds)	N/A	N/A	
Acute care			
Adult Community Acquired Pneumonia (British Thoracic Society)	✓	✓	338 cases Dec 2018 – Jan 2019
BAUS Urology Audit - Cystectomy (British Association of Urological Surgeons)	✓	✓	23 cases Jan to Dec 2018
BAUS Urology Audit - Female Stress Urinary Incontinence (SUI) (British Association of Urological Surgeons)	✓	✓	13 cases Jan to Dec 2018
BAUS Urology Audit - Nephrectomy (British Association of Urological Surgeons)	✓	✓	72 cases Jan to Dec 2018
BAUS Urology Audit - Percutaneous Nephrolithotomy (PCNL) (British Association of Urological Surgeons)	✓	✓	38 cases Jan to Dec 2018
BAUS Urology Audit - Radical Prostatectomy (British Association of Urological Surgeons)	✓	✓	0 cases Jan to Dec 2018
Case Mix Programme (CMP) (intensive Care National Audit Research Centre)	✓	✓	1027 cases (100%) Feb 2018 to Feb 2019
Feverish Children (care in emergency departments) (Royal College of Emergency	✓	✓	100 cases (100%)

National Clinical Audits 2018-2019	Eligible	Participation	Comments
Medicine)			
Major Trauma Audit – The Trauma Audit and Research Network (TARN)	✓	✓	399 cases eligible (100%)
National Asthma and COPD Audit Programme (Royal College of Physicians)	✓	✓	Asthma audit in progress
National Audit of Seizures and Epilepsies in Children and Young People (Royal College of Paediatrics and Child Health)	✓	✓	52 patients July 18 – January 19
National Bariatric Surgery Registry (NBSR) British Obesity and Metabolic Surgery Society)	✓	✓	342 cases (100%) Jan – Dec 2018
National Emergency Laparotomy Audit (NELA) (Royal College of Anaesthetics)	✓	✓	158 cases (100%) Jan – Dec 2018
National Joint Registry (NJR) (Healthcare Quality Improvement Partnership)	✓	✓	1014 cases (100%) April 2017 - March 2018
Non-Invasive Ventilation – Adults (British Thoracic Society)	✓	✓	Audit currently being undertaken (audit period: February 2019 – 31 March 2019)
Vital Signs in Adults (care in emergency departments) (Royal College of Emergency Medicine)	✓	✓	100 cases (100%)
VTE risk in lower limb immobilisation (care in emergency departments) (Royal College of Emergency Medicine)	✓	✗	None of the patients who we apply casts on in ED are started on low molecular weight heparin in response to the request from orthopaedic clinicians.
Cancer			
National Bowel Cancer Audit (NBOCA) (NHS Digital)	✓	✓	199 cases (not able to determine percentage; audit submission deadlines not reached yet)
National Lung Cancer Audit (NLCA) (Royal College of Physicians)	✓	✓	353 cases (not able to determine percentage; audit submission deadlines not reached yet)
National Oesophago-gastric Cancer (NAOGC) (NHS Digital)	✓	✓	15 cases (not able to determine percentage; audit submission deadlines not reached yet)
National Prostate Cancer Audit (Royal College of Surgeons of England)	✓	✓	519 cases (not able to determine percentage; audit submission deadlines not reached yet)
Long term conditions			
Inflammatory Bowel Disease Programme / IBD Registry – Inflammatory Bowel Disease Registry	✓	✗	Not able to participate due to resource issues
Learning Disability Mortality Review Programme (LeDeR) University of Bristol Norah Fry Centre for Disability Studies)	✓	✓	14 patients eligible for LeDeR review, all reviews are awaiting allocation for audit from the CCG
National Clinical Audit for Rheumatoid and Early Inflammatory Arthritis (NCAREIA) British Society for Rheumatology	✓	✓	316 cases (100%)
National Diabetes Audit - Adults (NHS Digital)	✓	✓	2605 patients submitted June 2018 for the period January 2017 – March 2018
National Ophthalmology Audit (Royal College of Ophthalmologists)	✓	✗	No data submitted to site - not IT compatible. Developing V6 solution as

National Clinical Audits 2018-2019	Eligible	Participation	Comments
			part of the GDE project
UK Cystic Fibrosis Registry (Cystic Fibrosis Trust)	N/A	N/A	The Trust does not provide Cystic Fibrosis Services.
Heart			
Adult Cardiac Surgery – National Institute for Cardiovascular Outcomes Research	N/A	N/A	
Cardiac Rhythm Management (National Institute for Cardiovascular Outcomes Research)	✓	✓	186 cases April 2018 – January 2019
Myocardial Ischaemia National Audit Project (MINAP) National Institute for Cardiovascular Outcomes Research)	✓	✓	384 cases April 2018 - January 2019
National Audit of Cardiac Rehabilitation (University of York)	N/A	N/A	Trust does not commission rehabilitation services
National Audit of Percutaneous Coronary Intervention (PCI) (National Institute for Cardiovascular Outcomes Research)	✓	✓	834 cases April 2018 – February 2019
National Audit of Pulmonary Hypertension (NHS Digital)	N/A	N/A	
National Cardiac Arrest Audit (NCAA) (Intensive Care National Audit and Research Centre)	✓	✓	122 cases (100 %) April 2018 – March 2019
National Congenital Heart Disease (CHD) (National Institute for Cardiovascular Outcomes Research)	N/A	N/A	
National Heart Failure Audit (National Institute for Cardiovascular Outcomes Research)	✓	✓	262 cases (67.7%) April 18 – February 2019
National Vascular Registry (Royal College of Surgeons of England)	✓	✓	219 (100%)
Mental health			
National Audit of Anxiety and Depression (Royal College of Psychiatrists)	N/A	N/A	
National Clinical Audit of Psychosis (Royal College of Psychiatrists)	N/A	N/A	
Prescribing Observatory for Mental Health (POMH-UK) (Royal College of Psychiatrists' Centre for Quality Improvement UK)	N/A	N/A	
Blood and transplant			
Mandatory Surveillance of Bloodstream Infections and *Clostridium Difficile* Infection (Public Health England)	✓	✓	
National Comparative Audit of Blood Transfusion programme (NHS Blood and Transplant)			
- Use of Fresh Frozen Plasma and Cryoprecipitate in neonates and children	✓	✓	No cases identified. Transfusion of these products is rare in Sunderland and no children received these products in the audit period
- Management of massive haemorrhage	✓	✓	One case submitted
Serious Hazards of Transfusion (SHOT): UK National Haemovigilance (Serious Hazards of Transfusion)	✓	✓	13 reports submitted (Jan – Dec 2018)
Other			
Elective Surgery (National PROMs Programme) (NHS Digital)			April 17- March 18 (finalised figures). There were 944 eligible hospital episodes and 840 pre-operative
- Hip	✓	✓	
- Knee	✓	✓	

National Clinical Audits 2018-2019	Eligible	Participation	Comments
			questionnaires returned (participation rate 89%). 526/835 (63%) post-op questionnaires were returned
National Audit of Care at the End of Life (NACEL) - (NHS Benchmarking Network)	✓	✓	80 cases (100%) 1 organisational questionnaire
National Audit of Intermediate Care (NHS Benchmarking Network)	N/A	N/A	
National Clinical Audit of Specialist Rehabilitation for Patients with Complex Needs following Major Injury (NCASRI) (King's College London/London North West Healthcare NHS Trust	N/A	N/A	SRH is not a Major Trauma Unit
Neurosurgical National Audit Programme (Society of British Neurological Surgeons)	N/A	N/A	
Reducing the impact of serious infections (Antimicrobial Resistance and Sepsis) (Public Health England)	✓	✓	Antimicrobial Resistance: Sample of 10 each month. 2018/19 total = 120 (100%). Sepsis screening and antibiotic administration – all eligible patients (100%)
Seven Day Hospital Services (NHS England)	✓	✓	Trust participated in the Spring 2018 national seven day service self-assessment survey
Surgical Site Infection Surveillance Service	✓	✓	Participated in the orthopaedic surgical site surveillance for many years

Source: Quality Accounts Resource 2010-2018 (Healthcare Quality Improvement Partnership)

National Confidential Enquiries (Clinical Outcome Review Programmes)

As has been stated earlier these are collectively known as Clinical Outcome Review Programmes. These enquiries or types of audit are designed to help assess the quality of healthcare by reviewing the care provided to patients for specific conditions. City Hospitals Sunderland continues to take part in all relevant enquiries.

The full list of current Clinical Outcome Review Programmes are noted below:

Enquiry title	Organisation	Acronym
Child health clinical outcome review programme • Chronic neurodisability • Adolescent mental health	National Confidential Enquiry into Patient Outcome and Death	NCEPOD
Learning disability mortality review programme	NHS England, the Healthcare Quality Improvement Partnership (HQIP) and the University of Bristol	LeDeR
Maternal, newborn and infant clinical outcome review programme	National Perinatal Epidemiology Unit and the Department of Public Health	MBRRACE-UK
Medical and surgical programme: National Confidential Enquiry into Patient Outcome and Death	National Confidential Enquiry into Patient Outcome and Death	NCEPOD

Enquiry title	Organisation	Acronym
Mental health outcome review programme: National Confidential Inquiry into Suicide and Homicide by people with Mental Illness	Centre for Suicide Prevention, University of Manchester	NCISH
National child mortality database	NHS England, the Healthcare Quality Improvement Partnership (HQIP) and the University of Bristol	NCMD
National mortality case record review programme	Royal College of Physicians in partnership with Yorkshire and Humber Academic Health Science Network's Improvement Academy and Datix	NMCRR

A detailed overview of our specific contribution to the medical and surgical programme known as the National Confidential Enquiry into Patient Outcome and Death is highlighted below.

National Confidential Enquiry into Patient Outcome and Death

The National Confidential Enquiry into Patient Outcome and Death (NCEPOD) is concerned with maintaining and improving standards of medical and surgical care. During 2018/19 City Hospitals Sunderland was eligible to enter data into 5 NCEPOD studies. The tables below and overleaf provide a summary of our participation:

Cancer in Children, Teens and Young Adults – review of the process of care of children, teens and young adults under the age of 25 years who died/ or had an unplanned admission to critical care within 30 days of receiving systemic anti-cancer therapy							
Cases included	Cases excluded	Clinical Q returned *	Excl. Clinical Q returned *	Case notes returned *	Excl. Case notes returned *	Sites participating	Org. Q. returned*
Intensive Care Unit (ICU) Cases							
0	0	0	0	0	0	1	1
Systemic anti-cancer therapy (SACT) Cases							
0	0	0	0	0	0	Not applicable	Not applicable

Perioperative Diabetes – identify and explore remediable factors in the process of care in the peri-operative management of surgical patients with diabetes across the whole patient pathway							
Cases included	Cases excluded	Clinical Q returned *	Excl. Clinical Q returned *	Case notes returned *	Excl. Case notes returned *	Sites participating	Org. Q. returned*
5	1	Surgical Qs. 5	1	5	1	1	1
		Anaesth. Qs 5	0				

Pulmonary Embolism – is a blocked blood vessel in the lungs. It can be life-threatening if not treated quickly							
Cases included	Cases excluded	Clinical Q returned *	Excl. Clinical Q returned *	Case notes returned *	Excl. Case notes returned *	Sites participating	Org. Q. returned*
5	1	5	0	5	0	1	1

(Please note this study is still open and the figures have not been finalised)

Acute Bowel Obstruction - identify remedial factors in process of care of patients with both large and small intestinal obstruction.

Cases included	Cases excluded	Clinical Q returned *	Excl. Clinical Q returned *	Case notes returned *	Excl. Case notes returned *	Sites participating	Org. Q. returned*
9	0	5	0	2	0	1	0

Case notes have been limited up to 2 per hospital site.

(Please note this study is still open and the figures have not been finalised)

Long Term Ventilation – review of the care of patients before their 25th Birthday who are receiving, or have received, long-term ventilation (those with life threatening or life limiting conditions)

Cases included	Cases excluded	Clinical Q returned *	Excl. Clinical Q returned *	Case notes returned *	Excl. Case notes returned *	Sites participating	Org. Q. returned*
Acute Admission Questionnaire							
2	4	2	4	4	2	1	To be sent out
Lead Admission Questionnaire							
2	0	0	NA	NA	0	NA	NA

(Please note this study is still open and the figures have not been finalised)

*Number of questionnaires / case notes returned including blank returns with a valid reason, questionnaires marked "not applicable", and case notes missing with a valid reason

National clinical audits

The reports of 10 national clinical audits were reviewed by the provider in 2018/19 and City Hospitals Sunderland intends to take the following actions to improve the quality of healthcare provided. These have been presented to Clinical Governance Steering Group although the reports of all national audits are reviewed through local clinical governance arrangements.

Audit title	Good outcomes / Actions taken
National Emergency Laparotomy Audit (NELA)	• The audit aims to improve the quality of care for patients undergoing emergency laparotomy (exploratory opening of the abdomen) • City Hospitals Sunderland continues to perform well both in case ascertainment and the majority of quality of the care indicators, for example, timely arrival in theatre, preoperative review and attendance of senior surgeon and anaesthetist during the operation • Mortality is slightly above the national average (Trust 11.5% v 10.6% national average) although this has improved year on year since the start of the audit • Unplanned returns to theatres are high (20% v 8.3%). Work has already been done to address this outcome. In addition, NELA has amended the question which now differentiates between 'unplanned' and 'planned' returns to theatre • We continue to be an outlier with regard to post-operative input from care of the elderly physicians which is an area we need to work on for the future
National Neonatal Audit Programme	• The National Neonatal Audit Programme identified that the Trust rate of bronchopulmonary dysplasia, a respiratory complication in preterm babies, was 42% and above the national average of 31% • To reduce the rates the following measures have been introduced into the Neonatal Services; using less oxygen in the stabilisation of preterm babies in the Delivery Room, revision of fluid volume guidelines, extubation at the earliest opportunity, start nutrition within 6 hours of

Audit title	Good outcomes / Actions taken
	admission to the Neonatal Unit and starting steroids at the end of the 2nd week if the babies are still ventilated
Patient Reported Outcome Measures (PROMS)	• Patients undergoing elective inpatient surgery for hip and knee replacement are asked to complete questionnaires before and after their operations to assess improvement in health as perceived by the patients themselves • The procedure-specific 'Oxford Scores' for hip and knee replacement have been used as they have been proven to be more accurate in determining 'health gain' status • Primary hip replacement – 97.1% of patients at City Hospitals reported an improvement in health gain status with only 4 (2.4%) patients reporting worse outcomes. Despite this, these values are still below the England national averages • Primary knee replacement – For City Hospitals Sunderland, 91.8% of patients reported health improvement, although again, the scale of improvement is still less than the England average
Intensive Care National Audit and Research Centre (ICNARC)	• ICNARC is a national comparative audit that reviews risk-adjusted mortality and key quality indicators for those working in critical care. City Hospitals Sunderland has participated in the audit since its inception • Data completeness percentages are excellent – collected by dedicated admin staff in the directorate with senior clinical oversight • Quality indicator dashboard (spectrum charts) shows no indicators in the red (worse than expected) • Selected key achievements; low high-risk admissions from wards, low acquired blood infections, out-of-hours discharges are low (no delays), unplanned readmissions within 48 hours are low and length of stay is below peers • Appropriate early discussion with families regarding end-of-life • Risk-adjusted mortality Q1-Q3 for City Hospitals Sunderland is 0.92 (anything below 1.0 is less deaths than expected) • There are no major concerns about clinical performance for the Trust. The Trust continues to participate in local ICNARC network meetings

Local clinical audit

The reports of 210 local clinical audits were reviewed by the provider in 2018/19 and City Hospitals Sunderland intends to take the following actions to improve the quality of healthcare provided.

Audit title	Good outcomes / Actions taken
Rheumatology - immunisation in rheumatology patients who have an impaired or weakened immune system	• Re-audit of practice against NICE guidance • Best practice guidance recommends vaccination with pneumococcal (pneumonia) and flu vaccine in all patients • Questionnaire of patients on DMARDs (disease-modifying antirheumatic drugs - a group of medications commonly used in patients with rheumatoid arthritis)/ biologics (drugs derived from biological sources) • Flu vaccination uptake was 76% (previous 2015 audit 70%) • Pneumococcal vaccination uptake was 54 % (38% achieved in 2015) • Significant increase in uptake since we have added this to patient letters, however still room for improvement in pneumococcal vaccine uptake • Plan to check pneumococcal uptake with GPs within the next audit

Audit title	Good outcomes / Actions taken
Metabolic Medicine - management of patients who have Primary Hyperparathyroidism (PHPT) (overactive parathyroid glands that control the body's calcium levels)	• The audit was undertaken to determine whether PHPT management is compliant with standards within the Trust PHPT • Data was retrospectively collected for 34 patients diagnosed with PHPT in 2017; a questionnaire based on the pathway standards was designed • Compliance was found to be extremely good with the pathway standards • Since developing the pathway, the approach to the management of PHPT has been further streamlined. Surgical colleagues appreciate the uniformity in approach by the Endocrine team. This has resulted in fewer unnecessary scans and a more cost-effective approach, without compromising on quality • Outcomes have been presented as a poster at a national endocrine meeting in 2018
Care of the Elderly - an audit of older patients with neck of femur fractures (#NOF) not receiving bone health medication on admission	• Re-audit of practice following the development of the fracture liaison service • Audit captured data on 50 consecutive #NOF's patients, over the age of 65, who were admitted to ward D43 (Orthopaedic inpatient ward) • 69% of new hip fractures with a previous fragility fracture were on bone health medication treatment compared to 16% on the previous audit • This shows an improvement in prescribing this medication which prevents osteoporosis; a condition that weakens bones, making them fragile and more likely to break
Ears, Nose and Throat (ENT) - malignant otitis media audit	• Malignant otitis media is a life threatening ear infection, with roughly 10 cases per year presenting to the ENT department. The incidence is rising. • On completion of the audit, development of a new operational protocol with a new grading system was undertaken and a new database set up.
Integrated Critical Care Unit (ICCU)	• Re-audit of performance in co-ordination and delivery of end of life care demonstrated continued high standards of care for patients and relatives. In response to previous findings the most recent audit has shown more families are approached regarding the preferred place of death. • Re-audit of documentation showed that initiatives to improve documentation of twice daily ward rounds were unchanged. Reasons for this include the limitations of snapshot audits and the ongoing transition of ICCU to paper light working. This will be re audited in 2020 once the implementation of V6 ICCU initiatives are established.

Participation in Clinical Research

Clinical Research is core NHS business. City Hospitals Sunderland is committed to providing quality healthcare by ensuring world class clinical services are seamlessly integrated with research and innovation in line with the Government agenda. The Research and Innovation Department are encouraging, enabling and extending research and innovation activity throughout the Trust as evidence confirms that patients who participate in research have better clinical outcomes. Therefore we will continue to offer more opportunities for patients to be part of clinical research. We also work closely with the National Institute for Health Research, Clinical Research Network Northeast and North Cumbria (NIHR CRN NENC) and Academic Health Sciences Network (AHSN) to ensure research and innovation is supported and expanded across the Trust.

Research Delivery

2018/19 has been a very successful year for the Research and Innovation Department , delivering the National Institute for Health Research (NIHR) 'Portfolio' of research trials (i.e. clinical research trials *with direct benefit to NHS patients*). This is our main workload; the majority of these trials are based in other centres in the UK (or indeed abroad) with an appointed Principal Investigator (PI). This is the clinician at the Trust with overall responsibility for running the trial locally. Historically, these have usually been medical consultants, but this year we have encouraged and supported research development in nursing, midwifery and allied health professionals (NMAHPs) resulting in an increase of PI's in this cohort.

We continue to expand the number of Chief Investigators (CI) in the Trust, where City Hospitals Sunderland is the trial centre leading our own research studies. We endeavour to ensure that wherever possible, these are adopted as NIHR NHS 'portfolio' trials. We have non-medical CIs including Dr Jo Patterson in Speech and Language Therapy, who also holds a prestigious NIHR Academic Lecturer position. We continue to support student based research and non-portfolio trial work, working closely with universities and other external bodies to develop joint research projects and secure external funding for research in the Trust.

We have a balanced portfolio of studies, recruiting across 23 specialties. The number of patients receiving relevant health services provided or sub-contracted by City Hospitals Sunderland in 2018/19 who were recruited during that period to participate in research approved by a Research Ethics Committee was 2,521.There are 229 active studies, 211 of these are portfolio and 18 are non-portfolio. There are 130 studies open to recruitment and the remaining 99 have participants in follow up. We have 38 commercial studies open.

Ms Melanie Johnson is Executive lead for Research and Mr Kim Hinshaw is Clinical Strategic Theme Lead for financial resources for the NIHR CRN NENC. He is also is a member of the NIHR CRN NENC Executive Committee. A number of Trust consultants are also appointed to Specialty Group Lead (or Deputy Lead) roles for some of the 30 clinical specialties. Mrs Deepali Varma is Specialty Group Lead for Ophthalmology, Mrs Amna Ahmed is Deputy Specialty Group Lead for Reproductive Health, Dr Nimantha De-Alwis is Specialty Group Lead for Diabetes, Dr David Coady is Specialty Group Deputy Lead for Musculoskeletal diseases, Dr Sean Cope Speciality Group Lead for Anaesthetics and Dr Yitka Graham has the role of Specialty Group Lead for Health Services and Delivery Research.

Steve Dodds (Research Nurse Sunderland Eye Infirmary) and Eileen Walton (Research Midwife) were awarded competitive 'Greenshoot' research session to support them in PI roles.

Patient Research Ambassadors

This year we have increased the number of Patient Research Ambassadors and now have a team of four, Mr Steve Hogg, Mrs Valerie Bryant, Mrs Dorothy Peacock and Mrs Mary Peel. They have been actively involved in the delivery of our Research and Innovation Strategy as well as attending events held across Sunderland and South Tyneside to raise awareness of research to staff and patients and/or carers. We aim to appoint further Patient Research Ambassadors to work across South Tyneside and Sunderland NHS Foundation Trust.

Key Achievements

- We have developed an integrated five year Research and Innovation Strategy, with an agreed vision and implementation plan, 'To improve patient health and experience through high quality research and innovation'.
- The Ophthalmology Team at Sunderland Eye Infirmary were recently selected by global biopharmaceutical solutions organisation Syneos Health as a recipient of the Site Appreciation Award, which recognises clinical research sites as partners in the clinical research process.
- The Ophthalmology Research Team won the Judges' Special Award in the Bayer Ophthalmology Honours 2017 for high quality clinical research using a collaborative team approach. They were also approached in 2018 to be part of the European Catalyst Site Network which enables them to be approached first for research studies and provides the opportunity to have some influence on study design.
- The Obstetrics and Gynaecology Research Team has been recognised for being highest recruiters nationally to several studies including ANODE, a trial of prophylactic antibiotics to investigate the prevention of infection following operative vaginal delivery.

Innovation

The Innovation Team continues to grow, develop, and embed innovation activity in the Trust. A continuation of the close engagement with the AHSN NENC has seen an expansion to three contracted programmes of work:

- Technology Transfer activity at City Hospitals Sunderland;
- Technology Transfer activity at South Tyneside; and
- Innovation Pathway Partner.

The Innovation team has been contracted by the Innovation Super Network North East (ISN NE) to deliver the health strand of their "Catalysing Innovation in the North East" Project, which is funded by the European Regional Development Fund. The ISN NE is a "network of networks" and gives the innovation team access to a wide range of technical partners to aid in addressing the unmet needs identified by Sunderland and South Tyneside. In 2018/19 the Research and Innovation Team promoted a number of innovation activities through a number of events sponsored by the NENC AHSN, including:

- May 2018   Innovation Showcase: Digital
- July 2018   Innovation Showcase: Patient Experience
- November 2018 Innovation Showcase: Infection
- March 2019   Innovation Launch: "It all starts with a Bright Idea"

A brochure promoting and disseminating innovation activity "Your Ideas Matter" has been produced by the Innovation team supported by the AHSN NENC.

The profile of the innovation activity has also been raised through entries into local and national awards. The Innovation Team at City Hospitals Sunderland was shortlisted in the category of "Innovation Champion" in both the AHSN NENC Bright Ideas and the Innovation SuperNetwork Innovation awards. The SNOMED paediatric project was a runner up at the Medilink North East awards.

The Innovation Team continues to encourage the submission of Bright Ideas and unmet needs from all staff, and to be open to collaborations with companies, universities and other partners. For example:

- two unmet need problems have been progressed as undergraduate student projects with the Physics Department at Durham University and one as a project for undergraduate design students at Teesside University; and
- the Paediatric e-Resuscitation Tool (PeT) Project was driven by a need identified by Paediatric Emergency Department clinicians. Proof of Concept funding has been secured from the AHSN NENC to develop this project in collaboration with Komodo (a Small and Medium-sized Enterprise) and the University of Teesside.

All "Bright Ideas" are reviewed by members of the Innovation Review Group at quarterly meetings.

Information on the use of the Commissioning for Quality and Innovation (CQUIN) framework

The Commissioning for Quality and Innovation (CQUIN) framework enables commissioners to reward excellence by linking a proportion of the organisation's income to the achievement of local quality improvement goals.

A proportion of City Hospitals Sunderland's income in 2018/19 was conditional on achieving quality improvement and innovation goals agreed between City Hospitals Sunderland and any person or body they 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 2018/19 and for the following 12 month period are available electronically at www.stsft.nhs.uk.

For 2018/19, £6.5m of income (£6.4m in 2017/18) was conditional upon achieving quality improvement and innovation goals through the CQUIN framework. The Trust achieved the majority of these quality goals and has received a monetary total of approximately £6.5 m (100 %) subject to reconciliation at the end of quarter 1 2019/20 (£6.07m in 2017/18) for the associated payment in 2018/19 relating to delivery of these schemes.

The full CQUIN scheme 2018/19 and where we have achieved our targets are highlighted below:

No	Topic	Indicator	Priority	Achievement*
1	Improving the health and wellbeing of NHS staff	Improvement of health and wellbeing of NHS staff	National	🟩
		Healthy food for NHS staff, visitors and patients		🟩
		Improving the uptake of flu vaccinations for frontline clinical staff		🟩
2a	Reducing the impact of serious infections	i) Timely identification of patients with sepsis in the emergency department	National	🟩
		ii) Timely identification of patients with sepsis who are inpatients		🟧
2b		Timely treatment of sepsis in emergency departments and acute inpatient settings		🟧
2c		Assessment of clinical antibiotic review between 24-72 hours of patients with sepsis who are still inpatients at 72 hours		🟥
2d	Reduction in antibiotic consumption	i) % of antibiotics by DDD** per 1,000 admissions	National	🟩
		ii) % of carbepanem by DDD per 1,000 admissions		🟩
		iii) % of piperacillin-tazobactam by DDD per 1,000 admissions		🟩
3	Improving services for people with mental health needs who present to A&E	Improving services for people with mental health needs who present to A&E	National	🟩
4a	Advice and guidance	Proportion of services available	National	🟩
4b		Proportion of responses within 2 days		🟩
4c		Proportion of responses within 5 days		🟩
5	e-Referral	e-referrals	National	🟩
6	Supporting proactive and safe discharge	Supporting proactive and safe discharge	National	🟩

* based on indicative position (yet) to be agreed with Sunderland Clinical Commissioning Group
**DDD defined daily dose

Key

🟩 Full achievement
🟧 Partial achievement or further work on-going
🟥 Not achieved

Information relating to registration with the Care Quality Commission

The Care Quality Commission (CQC) is the independent regulator of health and adult social care services in England. From April 2010, all NHS trusts have been legally obligated to register with the CQC. Registration is the licence to operate and to be registered and providers must, by law, demonstrate compliance with the regulatory requirements of the

CQC (Registration) Regulations 2009. From April 2015 all providers had to meet the new Health and Social Care Act 2008 (Regulated Activities) Regulations 2014 (Part 3).

City Hospitals Sunderland is required to register with the Care Quality Commission and its registration status as at 31 March 2019 is without conditions for all services provided.

Activities that the Trust is registered to carry out	Status	Conditions apply
Assessment or medical treatment for persons detained under the Mental Health Act 1983	✓	No conditions apply
Diagnostic and screening procedures	✓	No conditions apply
Family planning	✓	No conditions apply
Maternity and midwifery services	✓	No conditions apply
Surgical procedures	✓	No conditions apply
Termination of pregnancies	✓	No conditions apply
Treatment of disease, disorder or injury	✓	No conditions apply

The Care Quality Commission has not taken enforcement action against City Hospitals Sunderland during 2018/19.

City Hospitals Sunderland has not participated in any special reviews or investigations by the Care Quality Commission during the reporting period.

City Hospitals Sunderland NHS Foundation Trust became the first Trust in the North East to undergo a new combined inspection by the independent healthcare regulator the CQC and NHSI, the national body responsible for overseeing NHS Foundation Trusts.

Receiving a combined overall rating of 'good', patients using hospital services in Sunderland can be assured of the high quality of care on offer and the effective use of NHS resources by the Trust.

Following a visit to Sunderland Royal Hospital in Spring 2018, teams from NHSI and the CQC spoke to the senior leadership team, as well as staff and patients within urgent and emergency care, medical care, older people's care, surgery and maternity services.

The full inspection report was published in Aug 2018 and can be found using the following link;
https://www.cqc.org.uk/sites/default/files/new_reports/AAAH2914.pdf

Some of the most significant quality improvements were seen in medical and older people's care and in the overall responsiveness of services. CQC inspectors praised several areas of outstanding practice including:

- an innovative new technique in the Emergency Department (ED) to replace shoulder dislocation which has improved recovery times for patients;
- robust processes within children's ED for safeguarding cases and support for staff;
- the 'delirium and dementia outreach team' and dementia-friendly unit, the Alexandra Centre, at Sunderland Royal Hospital providing dedicated specialist dementia care;
- a hospital 'elder-life' programme which provides cognitively stimulating activities at the bedside for older people;
- robust safety processes in place to assess all frail older patients admitted to hospital to ensure timely and appropriate decision making;
- consultant-led assessment unit to ensure rapid diagnosis of chest pain;
- introduction of home haemodialysis for renal medicine patients in response to growth in the number of patients needing specialist kidney care;
- development of a discharge hub, working with the local authority and introduction of emergency healthcare plans for the older population;
- the Louis bereavement suite to support parents suffering the pain of having a stillborn child; and
- the day of surgery admissions unit which has speeded up care for patients using urology and ear, nose and throat (ENT) services.

CQC inspectors witnessed *"staff going the extra mile on several occasions"* and described *"commendable examples of compassionate care"* as well as a *"strong, visible, person-centred culture"* across the Trust.

Despite many positive examples of good quality care and outstanding practice, the CQC also advised where further quality improvements are needed as the Trust aspires to become rated 'outstanding' in future. Although there has been overall improvement in staff vacancy rates, more work is needed to improve nurse staffing levels on hospital wards and this is something the Trust is already actively addressing. Senior leaders at the Trust are also taking steps to remind all staff about the importance of following infection control procedures at all times.

As well as a 'good' rating from the CQC for the quality of care, the Trust also received a 'good' rating from NHSI for its positive use of resources to provide high quality and sustainable care for patients. Several areas of 'outstanding' practice were again noted, as well as some areas for further improvement.

NHS Number and General Medical Practice Validity

City Hospitals Sunderland submitted records during 2018/19 to the Secondary Uses Service (SUS) 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:		Which included the patient's valid General Medical Practice Code was:	
Percentage for admitted patient care	99.9%	Percentage for admitted patient care	100%
Percentage for outpatient care	100%	Percentage for outpatient care	100%
Percentage for accident and emergency care	99.6%	Percentage for accident and emergency care	100%

Actions taken to improve documenting the NHS number and General Medical Practice codes were:

- introduction of the Patient Demographic Service (PDS) within the Emergency Department (ED) registrations and Master Patient Index. The PDS provides a direct link to the National Summary Care Record to trace and verify patients demographic details live;
- introduction of feedback slips at ED registration if the Summary Care Records details are incorrect; the slip advises patients what demographic details need to be amended with GP Surgeries;
- exception reports from the PDS link is managed daily by the Data Assurance Department;
- daily NHS Number batch trace process in place with manual validation of daily exceptions;
- all staff who register new patients now have access to the National Spine and are trained how to search for the NHS Number. This is monitored closely by the Data Assurance Department;
- the Data Assurance Department continue to run weekly Master Patient Index reports and manually search and populate any records with blank NHS Numbers; and
- prior to SUS transmission, all activity is verified against Summary Care Record for General Medical Practice codes and all exceptions are reported on an internal error log and amended accordingly.

Quality of Data – Information Governance

For the last 15 years, all NHS organisations have been required to undertake a rigorous self-assessment process against Information Governance (IG) requirements. These were designed to safeguard patient information and confidentiality. This has now been replaced by the new 'Data Security and Protection Toolkit' (DSPT) which focuses on organisational compliance with the National Data Guardian's 10 Data Security Standards, compliance with the General Data Protection Regulation (GDPR) and ensuring Cyber Security within the organisation.

We have undertaken a full review of IG performance and are pleased to report the Trust has met all of the required standards for the end of year submission on 31 March 2019. One of the critical requirements was to ensure at least 95% of our workforce had successfully completed their annual mandatory IG training and this was achieved at 95.49%.

Quality of Data - Clinical coding error rate

From 2016/17 the clinical coding assurance audit programme has applied a new methodology and there is no longer a stand-alone 'coding audit' with error rates as envisaged by the regulations. Therefore, City Hospitals Sunderland was not subject to the Payment by Results clinical coding audit during 2018/19.

However, the Trust is subject to independent review of its clinical coding as part of the Data Security and Protection Toolkit (DSP) requirement set by the Health and Social Care Information Centre. The audit involved a review of 100 patient records from both Ear, Nose and Throat and Trauma and Orthopaedics specialties from the period July to September 2018. The results of the audits against four indicators are shown overleaf.

	Primary diagnosis correct	Secondary diagnosis correct	Primary procedure correct	Secondary procedure correct
Ear, Nose and Throat - DSP requirement	>=95.0%	>=90.0%	>=95.0%	>=90.0%
City Hospitals Sunderland	97%	88.1%	93.9%	91.8%
Trauma & Orthopaedics - DSP requirement	>=95.0%	>=90.0%	>=95.0%	>=90.0%
City Hospitals Sunderland	96%	93.7%	100%	90%

The Trust's overall coding accuracy was reported to be excellent with only minor actions required. The audits provide satisfactory assurance that the Clinical Coding Service at the Trust is meeting national information standards.

Statement on how staff have been supported in raising concerns about quality and patient safety

The Trust is committed to the delivery of high quality and safe patient care. It is therefore vital that staff feel empowered and able to speak up if they have concerns over quality of care, patient safety or bullying and harassment within the Trust. Staff also need to feel confident in the knowledge that the organisation has a culture of openness and transparency in the best interests of patient safety. In support of this, the Trust has a Raising Concerns (Whistleblowing) Policy to reassure staff that it is safe and acceptable to speak up. In addition there is a network of Freedom To Speak Up Ambassadors whose role it is to listen and take forward staff concerns.

There are a number of different ways in which staff can speak up if they have concerns over quality of care or patient safety:

- first staff can raise the matter with their line manager, lead clinician or tutor. This can be done verbally or in writing. At this point, we ask for information or the circumstances that have given rise to the concern to help the Trust investigate further;
- if staff feel unable to raise it with their line manager or lead clinician for whatever reason, then they may raise the matter with the Freedom to Speak Up Guardian (the Director of HR and OD) or any of the Freedom to Speak Up Ambassadors (details are on the Trust intranet). In addition for nursing, midwifery and AHP related matters, and for medical matters, the Director of Nursing and Patient Experience and the Trust Medical Director can be contacted;
- if these channels have been followed and staff still have concerns, then they can raise it formally with external bodies.

Freedom to Speak Up Ambassadors have been given special responsibility and training in dealing with whistleblowing concerns. They will treat any concern confidentially, unless otherwise agreed, and ensure that the staff member receives timely personal support to progress the concern. Staff are also welcome to contact the Trust's Employee Assistance Programme, provided by Carefirst, if they would like additional support. This a free and confidential service that offers all staff access to a 24/7 telephone help line providing confidential support.

The above individuals will also intervene if staff are subjected to detriment for raising the concern and remind the organisation of the need to give timely feedback on how the concern is being dealt with. In most circumstances, we are able to say how long the investigation is likely to take and report back as soon as possible, and with as much information as possible. However, there may be occasions when not all of the precise details can be shared with those raising the concern if it involves, for example, a breach of duty of confidence, data protection or information governance.

Good progress has been made to date with regard to getting the overarching framework in place across the Trust with regard to the Freedom To Speak Up Guardian and trained Ambassadors. The next stage is to make sure staff are aware of the new working policy with South Tyneside, to increase the visibility of the Guardian and Ambassadors across the new Trust and to embed a Freedom to Speak Up Culture across all hospital and community sites.

PART 2.3   REPORTING AGAINST CORE INDICATORS

The Trust's performance against the national set of quality indicators is shown in the tables below using data made available by NHS Digital. Information for each indicator is presented for at least the last two reporting periods and national comparisons are shown where publicly available.

Mortality - Summary hospital-level mortality indicator (SHMI)

SHMI is a hospital-level indicator which measures whether mortality associated with a stay in hospital was in line with expectations. SHMI is the ratio of observed deaths in a Trust over a period of time, divided by the expected number given the characteristics of patients treated. A score above 1 indicates a Trust has a higher than average mortality rate, whilst a score below 1 indicates a below average mortality rate, which is associated with good standards of care and positive outcomes. Each SHMI score reported is accompanied by a banding decision, either Band 1 (mortality rate is 'higher than expected'), Band 2 (mortality rate is 'as expected') or Band 3 (mortality rate is 'lower than expected').

This indicator is divided into two parts:

- (a) SHMI values and banding for the reporting period; and
- (b) percentage (%) of patient deaths with palliative care coded at either diagnosis or specialty level for the reporting period.

(a)   SHMI values and banding

Indicator	Oct 16–Sep 17	Jan 17–Dec 17	Apr 17–Mar 18	Jul 17–Jun 18	Oct 17–Sep 18
Month of release	**Mar 18**	**July 18**	**Sept 18**	**Nov 18**	**Feb 19**
Trust SHMI	0.98	0.96	0.99	0.98	0.99
SHMI banding	Band 2	Band 2	Band 2	Band 2	Band 2
National average	1.00	1.00	1.00	1.00	1.00
Highest SHMI value – national (*high is worse*)	1.25	1.22	1.23	1.26	1.27
Lowest SHMI value – national (*low is better*)	0.73	0.72	0.70	0.70	0.69

Data Source – NHS Digital http://content.digital.nhs.uk/qualityaccounts

(b)   Percentage (%) of patients whose treatment included palliative care

The coding of palliative care in a patient record has a potential impact on hospital mortality. The SHMI however makes no adjustments for palliative care coding (unlike some other measures of mortality). This is because there is considerable variation between Trusts in the coding of palliative care. Therefore all patients who die are included in the SHMI measure, not just those expected to die.

Indicator	% of provider spells with palliative care coding (at diagnosis level)					% of deaths with palliative care coding				
	Oct 16 – Sep 17	Jan 17 – Dec 17	Apr 17 – Mar 18	Jul 17 – Jun 18	Oct 17 – Sep 18	Oct 16 – Sep 17	Jan 17 – Dec 17	Apr 17 – Mar 18	Jul 17 – Jun 18	Oct 17 – Sep 18
Trust	1.2	1.2	1.3	1.4	1.4	15.5	15.8	17.1	18.5	19.6
National average	1.7	1.7	1.7	1.8	1.8	31.5	32.0	32.3	32.9	33.6
Highest national	3.3	3.4	3.4	3.3	3.4	59.5	60.3	59.0	58.7	59.5
Lowest national	0.7	0.7	0.8	0.8	0.8	11.5	11.7	12.6	13.4	14.3

Data Source – NHS Digital http://content.digital.nhs.uk/qualityaccounts

City Hospitals Sunderland considers that this data is as described for the following reason:

- SHMI is calculated by NHS Digital from information provided by the Trust. It is formally signed off by the Medical Director; and
- to date, the SHMI for the Trust has remained consistent and not subject to any significant variation.

City Hospitals Sunderland has taken / intends to take the following actions to improve the indicator and percentages in a) and b), and so the quality of its services, by:

- reviewing all published SHMI values and their contextual factors at the Trust Mortality Review Group; and
- continuing to undertake mortality case reviews in line with the national Learning from Deaths programme, enabling the Trust to identify any cases of potentially avoidable mortality, formulate action plans and disseminate learning across the organisation.

Patient Reported Outcome Measures (PROMS)

Information about our PROMS performance across the four elective procedures is highlighted below.

PROMS measure (EQ-5D index) Patients reporting improvement following:	2015/16 Adjusted average health gain (final)	2016/17 Adjusted average health gain (final)	2017/18 Adjusted average health gain (provisional)	2018/19 Adjusted average health gain (provisional)	National England average 2018/19
Hip replacement	0.407	0.411	0.428	Data not yet available	
Knee replacement	0.304	0.322	0.329		
Varicose vein procedures	0.076	0.044			
Groin hernia procedures	0.047	0.063			

Data source – NHS Digital – Dataset 18: PROMS

Note - PROMS data on groin and varicose veins surgery ceased to be collected from 1st October 2017 following the consultation on the future of PROMS by ENS England.

City Hospitals Sunderland considers this data is as described for the following reason:

- the Trust follows nationally determined PROMS methodology and the administration of the process is undertaken internally working with Quality Health as our external provider. PROMS data shows that the measurement of health gain is sometimes below the

national averages although patients are still reporting health benefits and improvements from their surgery.

City Hospitals Sunderland intends to take the following actions to improve these outcomes, and so the quality of its services, by:

- continuing to monitor and maximise patient participation for each elective procedure;
- actively reviewing published PROMS outcomes and supporting clinical teams in their interpretation for the local service; and
- investigating outlier PROMS performance to establish whether changes in the patient pathway are required.

Emergency Readmissions to Hospital Within 28 Days of Discharge

Emergency readmission indicators help the NHS monitor success in avoiding (or reducing to a minimum) readmission following discharge from hospital. Not all emergency readmissions are likely to be related to the original treatment and admission, and some may be avoidable. To prevent avoidable readmissions it may help to compare figures with, and learn lessons from, organisations with low readmission rates.

This indicator looks at the percentage of patients aged (i) 0 to 15 and (ii) 16 and over readmitted to hospital within 28 days of being discharged.

% of patients readmitted to hospital within 28 days of being discharged from hospital (Large acute or multi service)	City Hospitals Sunderland	National average	Highest national	Lowest national
2018/19				
0-15 years	12.27%	17%	43%	0%
16 and over	23.26%	26%	67%	17%
2017/18				
0-15 years	6.42%	10%	19%	0%
16 and over	17.14%	17%	21%	10%
2016/17				
0-15 years	7.66%	12%	22%	0%
16 and over	25.25%	23%	32%	0%

Please note that this indicator on the NHS Digital Indicator Portal was last updated in December 2013 and future releases have been temporarily suspended pending methodology review. Therefore, in the absence of national data, information has been provided from our Methods Analytics 'Stethoscope' benchmarking system. This uses different inclusion and exclusion criteria for the indicator which explains the marked increases in values compared to previous years.

City Hospitals Sunderland considers this data is as described for the following reason:

- the figures presented are from the Trust's electronic performance monitoring system in the absence of datasets from NHS Digital which have not been updated since December 2013.

City Hospitals Sunderland intends to take the following actions to improve this data, and so the quality of its services, by:

- continuing to review readmission data to identify emerging trends, i.e. the rate rising in a particular specialty, for a particular procedure or for a particular consultant. Where a

trend occurs, we will undertake an audit of practice to see if we could have done anything differently to prevent the readmission;

- using our Methods 'Stethoscope' clinical benchmarking system to drill down to patient level data so individual cases can be reviewed in detail, if required; and
- discussing readmission activity data and plans to reduce unnecessary readmissions at quarterly performance reviews with relevant directorates.

Responsiveness to Patients' Personal Needs

The measure is based on a composite score calculated on the average from five individual survey questions from the National Adult Inpatient Survey (Care Quality Commission). A high responsiveness rate suggests that a Trust is meeting the needs of its patients and acting effectively on their feedback.

| Were you involved as much as you wanted to be in decisions about your care and treatment? | Did you find someone on the hospital staff to talk to about your worries and fears? | Were you given enough privacy when discussing your condition or treatment? | Did a member of staff tell you about medication side effects to watch out for when you went home? | Did hospital staff tell you who to contact if you were worried about your condition or treatment after you left hospital? |

The results are shown in the table below; the higher the score out of 100 the better the patient experience.

Composite score	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
City Hospitals Sunderland	64.4	68.8	68.1	63.9	70.3	Data not yet available
National average	68.7	68.9	69.6	68.1	68.6	
Highest national	84.2	86.1	86.2	85.2	85.0	
Lowest national	54.4	59.1	58.9	60.0	60.5	

Data source - National Adult Inpatient Survey (Care Quality Commission)

City Hospitals Sunderland considers that this data is as described for the following reason:

- the Trust sample varies from year to year and therefore differences in reported patient experiences are to be expected.

City Hospitals Sunderland intends to take the following actions to improve this data, and so the quality of its services, by:

- continuing to work on the patient experience priorities set out in the Trust Quality Strategy with the aim of improving the patient and carer/ family experience from their very first contact with our services and staff; and
- reviewing and reflecting on our local and national patient survey results by the Trust's Patient, Carer and Public Experience Committee.

Staff Who Would Recommend the Trust as a Provider of Care to Their Family or Friends

How members of staff rate the standard of care in their local hospital is recognised as a meaningful indication of the quality of care and a helpful measure of improvement over time. One of the questions asked in the annual NHS Staff Survey includes the following

statement: "If a friend or relative needed treatment, I would be happy with the standard of care provided by this Trust".

Indicator (Acute Trusts only)	2014	2015	2016	2017	2018	National average	Highest national	Lowest national
"If a friend or relative needed treatment, I would be happy with the standard of care provided by this Trust"*	66 %	71 %	69 %	70 %	72 %	71 %	87 %	39 %

Source – NHS Staff Survey 2018 (Picker Institute)
* Percentage calculated by adding together the staff who agree and who strongly agree with this statement

City Hospitals Sunderland considers that this data is as described for the following reasons:

- the data published by the Picker Institute is consistent with the staff survey results received by the Trust for the 2018 staff survey.

City Hospitals Sunderland intends to take the following actions to improve this percentage, and so the quality of its services, by:

-
- maximising staff participation in the Staff Friends and Family Test and the NHS Staff Survey and using the additional information obtained to make changes to the work environment for all staff when possible;
- continuing to develop and monitor the Trust's action plan in response to the findings of the staff survey with updates for staff available on the Trust Intranet and communicated through staff briefing sessions;
- improving the quality of leadership and line management through targeted learning and support;
- improving staff health and well-being through a range of health-promoting initiatives;
- improving the quality of staff appraisals and non-mandatory training and education;
- involving staff in the implementation of the Trust Quality Strategy and its associated work streams; and
- embedding our Trust vision, values and behaviours in key people processes such as staff recruitment, appraisal, learning and development.

Last year, additional indicators from the NHS Staff Survey were required to be included in Quality Reports. We have provided the scoring for these specific indicators again which show very little change:

Indicator (Acute Trusts only)	2015	2016	2017	2018
Q14 Percentage of staff believing that the Trust provides equal opportunities for career progression or promotion *(higher score is better)*	89%	87%	87%	87%
Q13b Percentage of staff experiencing harassment, bullying or abuse from managers *(lower score is better)*	8.9%	10.3%	10.1%	10.8%
Q13c Percentage of staff experiencing harassment, bullying or abuse from colleagues *(lower score is better)*	15.6%	14.8%	16.6%	17.2%

Venous Thromboembolism (VTE) Risk Assessment

National guidance has advised healthcare professionals, that all adults (older than 18 years of age) who are admitted to hospital should have a risk assessment completed to identify

those patients most at risk of developing a blood clot. A high level of VTE risk assessments show that a Trust is doing all it can to identify and address the factors that increase a patient's risk.

Percentage of patients who were admitted to hospital and who were risk assessed for Venous Thromboembolism (VTE)				
	Reporting period	Trust	National Average	National Acute Range
	Q1 2018/19	98.73%	95.63%	75.84 – 100%
	Q2 2018/19	98.61%	95.49%	68.67 – 100%
	Q3 2018/19	98.79%	95.65%	54.86 - 100%
	Q4 2018/19	99.10%	95.74%	74.03 - 100%
	2015/16 (98.28%)	2016/17 (98.50%)		2017/18 (98.68%)
	Data source NHS Improvement – venous thromboembolism risk assessment data 2018/19			

City Hospitals Sunderland considers that this percentage is as described for the following reasons:

- the Trust has exceeded compliance with the 95% NHS Standard Contract threshold ever since it was a national reporting requirement. This indicates that clinicians are completing VTE risk assessments in a timely way which helps to direct appropriate VTE prophylactic measures for patients who need it.

City Hospitals Sunderland intends to take the following actions to improve this percentage, and so the quality of its services, by:

- strengthening the process of clinical review of all confirmed cases of hospital acquired thrombosis to see if any changes to VTE practice are needed; and
- agreeing with colleagues from South Tyneside a consistent approach to VTE risk assessment, prophylaxis and management practices which will be covered within a single overarching policy.

Clostridium difficile infection

Clostridium difficile, also known as *C difficile* or *C diff*, is a bacterium that can infect the bowel and cause diarrhoea. The infection most commonly affects people who have recently been treated with antibiotics, but can spread easily to others. *C difficile* infections are unpleasant and can sometimes cause serious bowel problems, but they can usually be treated with another course of antibiotics.

This measure looks at the rate per 100,000 bed days of cases of *C difficile* infection reported within the Trust among patients aged 2 or over.

Rate per 100,000 bed days for specimens taken from patients aged 2 or over (Trust apportioned cases)*					
	2014/15	2015/16	2016/17	2017/18	2018/19
Trust	18.7	29.2	12.8	11.3	Data not yet available
National average	15.0	14.9	13.2	13.7	
Highest national	62.2	66.0	82.7	91.0	
Lowest national	0.00	0.00	0.00	0.00	

Source – NHS Digital Indicator Portal

* Some of the data values have changed following final publication of the data and therefore may be different to those previously published

City Hospitals Sunderland considers that this data is as described for the following reasons:

- the Trust has continued to work hard to reduce the numbers of *C difficile* infection. Performance on this measure is highlighted later in the report.

City Hospitals Sunderland intends to take the following actions to improve this rate, and so the quality of its services, by:

- continuing with our initiatives to reduce *C difficile* infection, monitoring of infection prevention practices, and continuing with our antimicrobial stewardship programme;
- promoting high standards of staff and patient hand hygiene, environmental cleanliness and the continued vigilance and awareness of staff; and
- undertaking root cause analysis of all hospital acquired cases in order to ensure opportunities to improve practice are identified and acted upon.

Patient Safety Incidents

Patient safety incidents are any unintended or unexpected incident which could have, or did, lead to harm for patients receiving healthcare. Reporting this type of information supports the NHS in learning from mistakes and taking action to keep patients safe. The data below is based on incidents that occurred from 1 April to 30 September 2018 and were submitted to the National Reporting and Learning System.

CHS reporting	Rate*	National average	Highest national	Lowest national
1 April 2018 – 30 September 2018	46.5	44.5	107.4	13.1
1 October 2017 - 31 March 2018	44.8	45.3	124.0	24.2
1 April 2017 – 30 September 2017	49.8	42.8	111.7	23.5
1 October 2016 - 31 March 2017	50.0	42.8	88.2	11.2

Source – Organisation Patient Safety Incident Reports (acute – non specialist) via NHS Improvement
* Incidents reported per 1,000 bed days

Incidents reported by degree of		City Hospitals	National average	Highest national	Lowest national
1 April 2018 – 30 September 2018	Severe Harm	10 (0.2%)	0.2%	0.9%	0.0%
	Death	2 (0%)	0.1%	0.6%	0.0%
1 October 2017 - 31 March 2018	Severe Harm	3 (0.1%)	0.2%	1.2%	0.0%
	Death	1 (0%)	0.1%	0.5%	0.0%
1 April 2017 – 30 September 2017	Severe Harm	4 (0.1%)	0.3%	1.5%	0.0%
	Death	0 (0%)	0.1%	0.5%	0.0%
1 October 2016 - 31 March 2017	Severe Harm	6 (0.1%)	0.3%	2.1%	0.0%
	Death	0 (0%)	0.1%	0.5%	0.0%

Source – Organisation Patient Safety Incident Reports (acute – non specialist) via NHS Improvement

City Hospitals Sunderland considers this number and rate is as described for the following reason:

- consistent level of reporting of all patient safety incidents to the National Reporting and Learning System.

City Hospitals Sunderland intends to take/has taken the following actions to improve this number and rate, and so the quality of its services, by:

- continuing to develop our programme of patient safety initiatives and frequent 'Lessons Learnt' seminars accessible to all hospital staff;
- maintaining and further improving our reporting culture, one which encourages all healthcare staff to report all adverse events and near misses; and
- embedding the Freedom to Speak Up Guardian role within the Trust, together with a network of Ambassadors to provide confidential, independent advice and support to staff in relation to concerns they may raise about patient safety, care and treatment.

PART 3: OTHER INFORMATION – REVIEW OF QUALITY 2018/19

3.1   Indicators for Improvement

	Focusing on Patient Safety

Like most healthcare systems over the world there are times when unintended mistakes are made and patients experience unexpected harm. Improving safety is about understanding what has happened in these predominately uncommon events and putting systems in place to further reduce risk and minimise these mistakes. The NHS has embarked on a journey to become one of the safest healthcare systems in the world and we have worked hard to share in that ambition so that all our patients are treated in a safe environment and protected from avoidable harm.

Patient Safety Alerts

Patient safety alerts are issued by NHS Improvement to warn the healthcare system of risks as rapidly as possible. They provide guidance on preventing potential incidents that may lead to patient harm or even death. They are issued periodically via the Central Alerting System, which is a web-based cascading system which provides critical safety information and guidance to the NHS. The expectation is that Trusts will work towards meeting the alert recommendations in the timescales dictated.

The table below shows those alerts that have either been issued during 2018/19 or where the Trust has declared compliance with alert recommendations in line with deadlines stated within 2018/19 or is taking action to achieve compliance.

Title of alert	Published	Deadline	Compliant
Confirming the removal or flushing of lines and cannulae after procedures – asks Trusts to implement ways to ensure patients do not return to wards or units with cannulae or IV lines in place that may contain residual drugs.	Nov 2017	Aug 2018	
Resources to support the safe adoption of the revised National Early Warning Score (NEWS2) - highlights the resources available to support adoption of NEWS2 across acute hospitals.	April 2018	June 2018	
Resources to support safer modification of food and drink - provides links to a range of resources to assist with the transition to a new standard terminology to describe texture modification for food and drink for patients with swallowing difficulties.	June 2018	April 2019	
Resources to support safer bowel care for patients at risk of autonomic dysreflexia - provides links to a range of resources to support safer bowel care for patients at risk of autonomic dysreflexia (patients with spinal cord injury who have problems with bowel evacuation).	July 2018	Jan 2019	
Resources to support safe and timely management of hyperkalaemia (high level of potassium in the blood) - signposts to resources that can help organisations ensure their clinical staff have easily accessible information to guide prompt investigation, treatment and monitoring options.	August 2018	May 2019	

Title of alert	Published	Deadline	Compliant
Management of life threatening bleeds from arteriovenous fistulae and grafts - resources designed to help staff, carers and patients recognise the warning signs of potential life threatening bleeds from grafts used in the patients receiving Haemodialysis.	Nov 2018	May 2019	On track
Safer temporary identification criteria for unknown or unidentified patients – asks Trusts to develop a system for the unique temporary identification of unknown patients (who present to the Emergency Department).	Dec 2018	June 2019	On track
Risk of harm from inappropriate placement of pulse oximeter probes – asks for a series of actions to reduce the risk of inappropriate probe placement (used as part of routine or emergency monitoring of patients)	Dec 2018	June 2019	On track
Wrong selection of orthopaedic fracture fixation plates - a directive alert, issued jointly with the British Orthopaedic Association on the risk of harm from the wrong selection of plates used for fixation of fractures	Feb 2019	May 2019	

Duty of Candour

Occasionally patients are involved in a safety incident when in our care. A small number of these incidents cause harm. When things do go wrong, we have a duty to inform our patients about what has happened and, where necessary, learn to prevent them from occurring again in the future. This is in essence what we mean by duty of candour and is very much part of our culture in the Trust.

The duty of candour applies when the confirmed harm to a patient, as the result of a patient safety incident, is moderate or worse. In 2018/19 there were 30 such identified cases. Duty of candour requirements are initiated (ie interested parties are informed, receive an apology, given advice and support and are offered written feedback following completion of the investigation) once the level of harm has been confirmed by the Rapid Review Group (RRG) which is also responsible for monitoring compliance with the process. Overall compliance with the statutory requirements in 2018/19 was 93%.

	Q1	Q2	Q3	Q4
Incidents which require duty of candour 2018/19	9	4	10	7
Incidents which require duty of candour 2017/18	8	8	10	2
Incidents which require duty of candour 2016/17	60	42	10	6

Quarter	Compliance with Statutory Requirement (Stage 1)	Comments
Q1	100%	Training and awareness sessions were provided to all key individuals involved in the incident investigation process in order to ensure they were fully aware of what was expected and their roles and responsibilities in ensuring duty of candour was appropriately and consistently applied
Q2	100%	A programme of regular updates was devised and introduced to help promote and maintain awareness
Q3	100%	Lessons learned session delivered which included practical examples of duty of candour taken from real case studies to reinforce the importance and benefits of the requirements when carried out correctly
Q4	72%	There were two cases where compliance was not achieved within

Quarter	Compliance with Statutory Requirement (Stage 1)	Comments
		the required timeframe. Both cases were pressure ulcer cases and had been reviewed and investigated via the Pressure Ulcer Review Panel (PURP). Whilst the Being Open discussion had taken place, the required written acknowledgement had not been provided. Once identified, steps were taken to ensure that the letters were issued and apologies provided for the delay. A review of the way in which duty of candour requirements are notified and managed in conjunction with the PURP process has been initiated to address this.

Never Events

Never events are serious and largely preventable. An updated list of never events is published by the Department of Health each year. This list includes a number of safety related incidents that should not occur if best practice guidance is followed. Each never event has the potential to cause serious patient harm or death. However, serious harm or death is not required to have happened as a result of a specific incident for that incident to be categorised as a never event. When a never event occurs it is essential to ensure learning takes place to mitigate any risk of a similar event occurring again. It is also important for the patient and/ or family affected to be kept fully informed and supported, in line with Duty of Candour.

The Trust declared 4 never events during 2018/19, but none of the patients came to serious harm or death. A brief description of what happened in each case is provided below:

- foreign body in situ – A patient with a skull base infection had a mastoid exploration. Three pieces of packing were placed in the ear. The patient was followed up for removal of packing but there was no record of the packing being removed. The patient subsequently attended the hospital with ear pain and one piece of packing was found to have been retained;
- wrong site surgery – A patient was referred to Oral and Maxillofacial Surgery Department for removal of a basal cell carcinoma. The patient had the incorrect lesion removed and had to return for a further procedure to remove the correct lesion;
- wrong site surgery – A patient was placed on an outpatient operating list for excision of a lesion on the right side of the neck. Local anaesthetic was injected and the lesion excised, then closed with the specimen sent to Pathology. The patient returned to clinic and stated that the wrong lesion had been removed. The correct lesion was subsequently removed; and
- wrong site surgery – A patent was listed for removal of vascular lesion from their upper left lip under local anaesthetic. The wrong vascular lesion was initially removed before the correct one was identified and excised.

A further 'potential' never event (wrong site surgery within Trauma and Orthopaedics) has been reported with the investigation into this incident currently being undertaken to understand the detail of the case and also confirm whether it is a never event.

Serious Incidents

Serious Incidents (SIs) in healthcare are adverse events, where the consequences to patients, families and carers, staff or organisations are so significant or the potential for learning is so great, that a heightened level of response is justified. The Trust is committed to identifying, reporting and investigating SIs, and ensuring that learning is shared across the organisation and actions taken to reduce the risk of recurrence.

SIs are reported via the Strategic Executive Information System (StEIS) and monitored through the North East Commissioning Support Unit (NECSU). Each incident is subject to a full root-cause analysis and the deadline for completing SI investigations is 60 working days from the date reported to StEIS. There are occasions when the Trust has not been able to meet this reporting standard and complete its investigations. The Risk Teams work closely with directorates to assist in completing all overdue SI investigations. NHS Sunderland Clinical Commissioning Group has an established Serious Incident Panel in place to review all completed root-cause analysis reports, consider requests for 'downgrading' incidents and for closing investigations.

In total, 44 Serious Incidents have been declared by City Hospitals Sunderland in 2018/19, including the four Never Events highlighted previously. The tables below show the number of incidents logged by cause group and directorate:

Cause Group	Number
Falls	11
Delay in treatment	7
Tissue Viability	4
Maternity related	3
Adverse media coverage	3
Wrong site surgery (Never Event)	4*
Failure of follow up arrangements	2
Injury – Unintended trauma during procedure	1
Transfer delay / Failure	1
Diagnosis incorrect	1
Consent, Communication and Confidentiality	1
Equipment user error – medical device	1
Clinical care – ongoing and review	1
Foreign body in situ (Never Event)	1
Failure of handover (clinical)	1
Failure to act on observations/NEWS	1
Sub-optimal care of the deteriorating patient meeting SI criteria	1

Directorate	Number
General Internal Medicine	8
Head & Neck	6
Emergency Medicine	6
T&O	6
Medical Specialties	5
Rehabilitation & Elderly Medicine	4
Obstetrics & Gynaecology	4
Theatres	2
Ophthalmology	1
Urology	1
General Surgery	1

*To be confirmed

Reducing Healthcare Associated Infection

The Infection Prevention and Control Team (IPCT) have continued throughout the year to drive strategies which promote a zero tolerance for preventable infection.

For a further year the target set by the Department of Health for 2018/19 remained zero avoidable cases for MRSA bacteraemia. This was a significant challenge for the organisation nonetheless we can report attainment of the target.

MRSA bacteraemia against external trajectory from 2014/15 to 2018/19
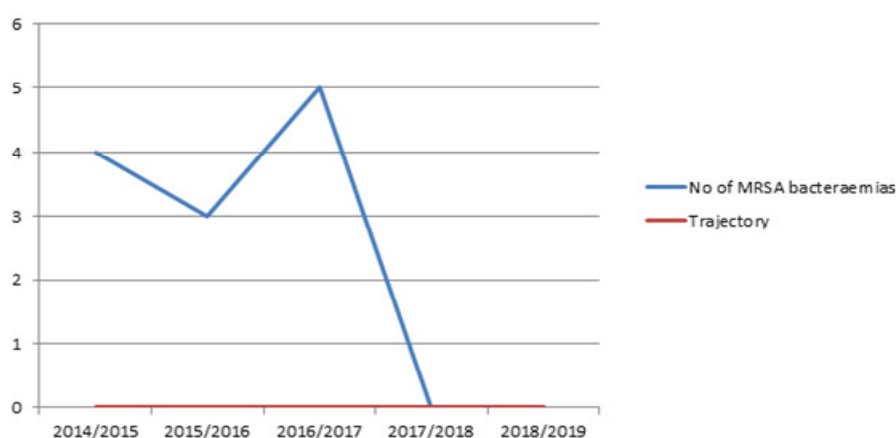
The IPCT continue to work closely with directorate teams to complete a detailed root cause analysis following each case of MRSA and Methicillin-susceptible Staphylococcus Aureus (MSSA) bacteraemia. There is currently no target for MSSA bacteraemia however we can report a reduction of Trust apportioned cases from 28 in 2017/18 to 18 in 2018/19 and again this represents an important achievement. Where lessons were learned, these were shared throughout the organisation via clinical review and governance meetings and through targeted education and training. Key messages were delivered including; consistent completion of intravenous device assessments and documentation and avoidance of contaminated blood culture samples through aseptic non-touch techniques. We will continue to drive improvement in these areas via the Healthcare Associated Infection (HCAI) Plan, with particular emphasis on best practice in the management of intravenous devices.

The target for *Clostridium difficile* infection (CDI) set by the Department of Health and Social Care was 33 Trust apportioned cases. The total number of positive toxin tests reported externally for City Hospitals Sunderland in 2018/19 was 38. Following detailed examination of each case we have agreed via the appeals process with Sunderland CCG that 13 cases were not genuine infection or infections developing in hospital. Therefore, Trust apportioned cases is confirmed at 25 against the target of 33 which is comparable to last year. Despite this achievement we continue to identify some recurrent themes, for example; delays in submission of samples, delays in isolation of patients with suspected infection and failure to consistently complete the Bristol stool chart. These areas continue to form part of our HCAI Plan so that the organisation is focused on the appropriate infection prevention and control measures.

Clostridium difficile infections against external trajectory from 2014/15 to 2018/19
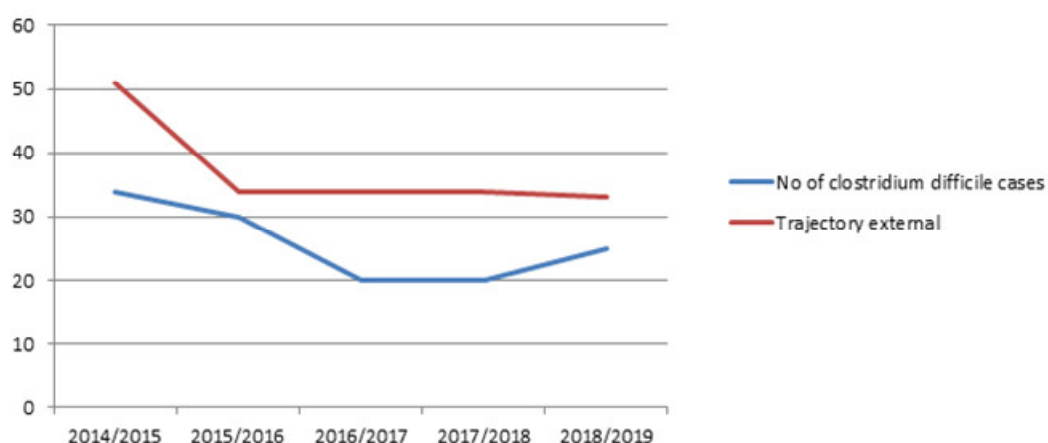
The Department of Health and Social Care introduced a new target for reduction of gram negative bacteraemia; Klebsiella, Pseudomonas and E.coli. The target is a 10% reduction per annum from the baseline year of 2016/17. In 2017/18 we attained an 8.6% reduction reporting 64 cases. However in 2018/19 we reported 66 cases against a target of 56. The strategy to reduce E.coli bacteraemia was informed by case review and root-cause analysis of cases where the cause was determined by Microbiology to be device related. To further drive down device related cases the IPCT has agreed a robust plan which includes:

- monthly compliance monitoring through audit of urinary catheter management;
- targeted staff education and training to reduce inappropriate use of urinary dipsticks;
- launch of a national hydration programme to improve hydration Trust wide. This is being supported through a multi-disciplinary group with representation from dietetics, speech and language, nursing, facilities and Commissioners; and
- collaboration with South Tyneside NHFT and NHS Sunderland CCG to drive a combined action plan for reduction of gram negative bacteraemia.

The IPCT can report a number of additional achievements during 2018/19, which includes:

- the continued use of total room decontamination with hydrogen peroxide vapour or ultraviolet light which is known to be effective at reducing healthcare acquired infection;
- extended screening of high risk patients who may have *C difficile* colonisation;
- continued review and analysis of antimicrobial prescribing with particular reference to the 2018/19 antimicrobial stewardship CQUIN targets;
- increased engagement by IPCT staff with wards, departments and directorates including nightshift provision;
- significant extended contribution to the Trust flu vaccination programme including vaccination for nightshift workers;
- launch of an e-learning mandatory programme for clinical and non-clinical staff;
- use of creative, interactive events to sustain engagement with Trust staff, i.e. hand hygiene song competition celebrating the winning entry at the annual Nursing and Midwifery Conference.

The IPCT remain committed to driving the strategies which promote safe, effective infection prevention and control practices across the Trust; working closely with clinical and non-clinical staff to inform and deliver a robust plan for the management of outbreaks and serious infections.

Stroke Care - Sentinel Stroke National Audit Programme

The Sentinel Stroke National Audit Programme (SSNAP) is a programme of work which aims to improve the quality of stroke care by auditing stroke services against evidence based standards. It uses a number of key measures which are known to prevent serious, long-term disabilities and give patients the very best chance of surviving a stroke and returning to as normal a life as possible following a stroke.

MAJOR IMPROVEMENTS IN STROKE CARE FOR SOUTH TYNESIDE AND SUNDERLAND

	Before change	After change
Patients scanned within 1 hour	South Tyneside 22% / Sunderland 41%	70%
Average time to a scan	South Tyneside 2hrs / Sunderland 1hr 12mins	35 mins
Patients directly admitted to a stroke unit within 4 hours	South Tyneside 6% / Sunderland 72%	74%
Patients who spent at least 90% of their stay on stroke unit	South Tyneside 69% / Sunderland 96%	98%
Eligible patients given thrombolysis (clot busting drugs)	South Tyneside 9% / Sunderland 63%	85%
Average time to be assessed by a consultant stroke specialist	South Tyneside 13hrs / Sunderland 8hrs	5 hrs 47 mins

Latest available data from the Sentinel Stroke National Audit Programme (SSNAP)

Our latest data from SSNAP shows the quality of stroke services has risen significantly over the past two years with more patients now getting access to high quality stroke care and life saving treatment.

Since changes were made in December 2016 to centralise all acute inpatient stroke care at Sunderland Royal Hospital, there have been major improvements in clinical outcomes for patients in both areas.

Overall, the new specialist acute stroke inpatient service across South Tyneside and Sunderland is now rated at level B and is only one point off level A – the very highest level available in the NHS. Prior to the changes, stroke services in South Tyneside were rated at level E and in Sunderland level D.

Care of the dying

People are tending to live longer, often with a number of potentially life-shortening or debilitating conditions, and despite offering people the chance to die in the place of their choice a large proportion will continue to die in hospital. Around half of all deaths in England occur in hospitals. For this reason, a core responsibility of hospitals is to deliver high-quality care for patients in their final days of life and give appropriate support to their families, carers and those close to them.

Once again the Trust has participated in the National Audit of Care at the End of Life (NACEL), the aim of which is to improve the quality of care of people at the end of life. The audit monitors progress against, among others, the five priorities for care ie 'recognise' (the possibility that a person may die within the next few days or hours), 'communication', 'involvement', 'support', and 'plan and do' (that an individual plan of care is agreed, coordinated and delivered with compassion).

	National Summary Score	City Hospitals
Recognising the possibility of imminent death	9.1	9.6
Communication with the dying person	6.9	8.6
Communication with families and others	6.6	8.9
Involvement in decision making	8.4	9.2
Needs of families and others	6.1	6.8
Individual plan of care	6.7	8.4
Families and others experience of care	7.1	-
Governance	9.5	10.0
Workforce/specialist palliative care	7.4	5.0

The individual hospital results have recently been published and the graphic opposite shows the Trust scores for the audit themes against the national averages. In the majority of participating sections, City Hospital Sunderland's performance has exceeded the national scores.

The results are now being carefully reviewed by the End of Life Steering Group and an action plan will help prioritise improvements to be made. That work will be overseen by the Patient, Carer and Public Experience Committee. The annual nature of the audit will also provide a mechanism to see how we are progressing in this important area of care.

Dying Matters

Dying Matters Awareness Week
14th–20th May 2018

www.dyingmatters.org

f www.facebook.com/DyingMatters

twitter.com/DyingMatters

City Hospitals Sunderland marked Dying Matters Awareness Week (14-20 May 2018) by arranging a series of public information events about dying, death, funeral planning, and advanced care plan decisions.

The theme for the week was '*What can you do……in your community?*' and information stands were held at Sunderland Royal Hospital and in the Bridges Shopping Centre, Sunderland. The emphasis was on encouraging people not to be frightened of talking about dying and death, and reassuring them that they need to have these conversations with healthcare professionals and their family now so that everyone is aware of what plans they want to have in place at the end of their life.

During the year, the Trust has introduced two new initiatives to help and support relatives and carers whose loved ones are receiving end of life care in hospital. The 'comfort care' packs are offered to family members who may be staying in hospital overnight with their loved one and provide a very practical way of support by including items not usually supplied by the NHS, such as a small pillow, a blanket, toothpaste and toothbrush, biscuits, tea and coffee, hand wipes, and pen and paper to aid communication with the patient. The pack also includes a brief survey for feedback on the usefulness of the contents and suggestions for other items. The packs are being paid for through the Trust's charitable funds.

In addition, two of our staff working in the Emergency Department have been involved in the development and design of an end of life care room within the department. The room provides a calm, dignified and quiet environment for both patients and their families. The adjoining rooms allow family members to have a break and relax with access to facilities to make refreshments. The art work for the room has also been provided by a staff member working in the department. Another two staff members have also produced 'support packs' to be given to bereaved families which includes; a printed card with 'forget me not' seeds for family members to plant, a box for personal items, a candle with a short poem attached and the booklet "What to do after a death in the Emergency Department". They have been well received by both staff and bereaved families and their friends.

Focusing on Patient Experience

The thoughts, opinions and observations of patients and relatives who use our hospital services are very important to us. Our aim is that every patient's experience is a positive one and understanding what matters most to them and their families is a key factor in achieving this. We collect patient feedback in many different ways, including national and local patient surveys, the Friends and Family Test, patient interviews and focus groups, as well as any formal complaints received. Each approach provides a valuable source of information that we use to direct and drive improvements across the organisation.

National Patient Surveys

The NHS Patient Survey Programme systematically gathers the views of patients about the care they have recently received. Feedback is normally collected via a series of postal questionnaires and reminders although options are being looked at to make this available to patients online. The programme provides valuable comparative feedback and a useful way to see whether actions taken have led to improvements in reported patient experience.

For 2018/19 City Hospitals Sunderland participated in the following national patient surveys:

Type of survey	Field work period	Survey report published
Adult Inpatients 2017	Sep 2017 – Jan 2018	June 2018
Cancer Patient Experience 2017	Oct 2017 – Feb 2018	Sept 2018
Maternity 2018	April – Aug 2018	Jan 2019
Adult Inpatients 2018	Sep 2018 – Jan 2019	To be confirmed
Cancer Patient Experience 2018	Oct 2018 – Feb 2019	To be confirmed
Urgent and Emergency Care 2018	Oct 2018 – Mar 2019	To be confirmed
Children's and Young People's Patient Experience 2018	Jan – May 2019	To be confirmed

Cancer Patient Experience 2017

The National Cancer Patient Experience Survey 2017 is the seventh iteration of the survey first undertaken in 2010. It has been designed to monitor national progress on cancer care and to provide information to drive local quality improvements in hospitals that provide cancer services.

The sample for the survey included all adult (aged 16 and over) NHS patients, with a confirmed primary diagnosis of cancer, discharged after an inpatient episode or day case attendance for cancer related treatment in the months of April, May and June 2017. The fieldwork was undertaken between October 2017 and March 2018. In Sunderland 877 eligible patients were sent a questionnaire and 516 were returned completed giving a response rate of 64%, which was just above the 63% national average, and an

improvement from last year. The survey includes 52 questions broken down into 12 sections covering the cancer journey. The table below lists those questions which are scored outside the 'expected range'; the range of scores that would be expected for Trusts of the same size. All of the questions show scores higher than expected (which is good). The table also shows the upper and lower limits as well as the national average scores.

		Number of respondents	2017 Score	Lower limit of expected range	Upper limit of expected range	National Average Score
Finding out what was wrong with you						
Q9	Patient felt they were told sensitively that they had cancer	488	88%	82%	88%	85%
Deciding the best treatment for you						
Q12	Patient felt that treatment options were completely explained.	448	87%	79%	86%	83%
Q13	Possible side effects explained in an understandable way.	480	78%	69%	77%	73%
Q14	Patient given practical advice and support in dealing with side effects of treatment.	477	72%	63%	71%	67%
Q15	Patient definitely told about side effects that could affect them in the future.	444	61%	51%	60%	56%
Q16	Patient definitely involved in decisions about care and treatment.	484	80%	75%	82%	79%
Clinical Nurse Specialist						
Q17	Patient given the name of the CNS who would support them through their treatment.	487	95%	88%	95%	91%
Q18	Patient found it easy to contact their GP	402	91%	82%	91%	86%
Hospital care as an inpatient						
Q28	Groups of doctors or nurses did not talk in front of patients as though they were not there.	274	88%	76%	87%	82%
Q29	Patient had confidence and trust in all doctors treating them.	276	92%	81%	89%	85%
Hospital care as a day patient/ outpatient						
Q47	Beforehand patient had all information needed about chemotherapy treatment.	232	93%	79%	89%	84%
Home care and support						
Q51	Patient definitely given enough support from health or social services after treatment.	181	58%	37%	53%	45%
Care from your general practice						
Q52	GP given enough information about patient's condition and treatment.	429	97%	93%	97%	95%
Your overall NHS care						
Q57	Length of time for attending clinics and appointments was right.	499	79%	60%	78%	69%

Patients are asked to rate their care on a scale of zero (very poor) to 10 (very good); respondents gave City Hospitals Sunderland an average rating of 8.8%, which is the same as the national average score. The findings from the survey have been presented to the Patient Carer and Public Experience Committee. The Cancer Management Team has also shared the results with clinical leads and cancer multidisciplinary teams so that they can review their own site specific data for local action and improvements.

National Maternity Survey 2018

The Care Quality Commission's (CQC) 2018 national survey of women's experiences of maternity care show that City Hospitals Sunderland is maintaining its high standard of patient care, showing year on year improvements in several areas and outperforming other trusts in ten areas, including mums having confidence and trust in staff caring for them during labour, feeling that any concerns were taken seriously and being treated with kindness and understanding.

The survey was sent to all women who gave birth during February 2018 to find out about the experiences of people who receive care and treatment in maternity units across the country. For City Hospitals Sunderland NHS Foundation Trust 113 patients responded.

High-scoring categories included 97.27% of patients being able to have a partner or someone else close to them to be involved as much as they wished during labour and birth and 96.26% said that they felt they were involved enough in decisions about their care during labour and birth.

The table below and overleaf shows where we have performed 'about the same' or 'better' than other Trusts:

	Patient Response	Compared to other trusts
LABOUR AND BIRTH	8.7/10	About the same
Receiving appropriate advice and support	8.6/10	About the same
Being able to move around and choose the most comfortable position during labour	8.1/10	About the same
Having skin to skin contact with the baby shortly after birth	8.4/10	About the same
Partners being involved as much as they wanted	9.8/10	About the same
STAFF	9.4/10	Better
Staff introducing themselves before examination or treatment.	9.8/10	Better
Not being left alone by midwives or doctors at a time when it worried them	8.9/10	Better
Concerns being taken seriously once raised	9.1/10	Better
If attention was needed during labour and birth, a member of staff helped them within a reasonable amount of time	9.4/10	Better
Being spoken to during labour and birth, in a way they could understand	9.7/10	Better
Being involved enough in decisions about their care during labour and birth	9.1/10	About the same

	Patient Response	Compared to other trusts
Being treated with respect and dignity during labour and birth	9.4/10	About the same
Having confidence and trust in the staff caring for them during labour and birth	9.4/10	Better
CARE IN HOSPITAL AFTER THE BIRTH	8.4/10	Better
Feeling the stay in hospital after the birth was the right amount of time	7.7/10	About the same
Discharge from hospital being delayed	7.0/10	Better
If attention was needed after the birth, a member of staff helped within a reasonable amount of time	8.2/10	About the same
Receiving the information and explanations they needed after the birth	8.3/10	About the same
Being treated with kindness and understanding by staff after the birth	9.1/10	Better
Partner who was involved in care being able to stay with them as much as they wanted	9.4/10	About the same
Thinking the hospital room or ward was clean	8.9/10	About the same

Melanie Johnson, Director of Nursing, Midwifery and AHPs for the Trust, said: "Surveys such as this, which collect information by asking people directly about their experiences, are very important to us. We can use the knowledge that we gain through understanding how people perceive their care and treatment to improve our services and make sure that we provide high quality and safe care to all mums and babies who choose to have their care with us.   We will be looking very closely at the survey information for our trust to see how we can further improve maternity care but these latest results are very reassuring as they demonstrate that we are offering pregnant women in Sunderland and the wider area, the right care and a positive experience."

Patient Experience Survey

The Trust has implemented a local collection of patient feedback for some time now and over the years we have reported many examples of how this information has changed some of our practices. The survey design has been refreshed during the year and now includes wards at South Tyneside hospital. The format remains largely the same and continues to offer all adult in-patients the opportunity to complete a short patient experience survey on discharge, which includes the Friends and Family Test (FFT) question.

Most patients are able to complete the survey independently but family members and carers are able to help and support, if required. Completed surveys are posted in a collection box on the ward and analysed in-house by the Patient Experience Team.

All participating wards receive Individual reports, including trend analysis and transcriptions of any free text comments. Trust-wide thematic analysis of comments is also undertaken. The expectation for wards is to review, reflect and act on the feedback provided in the report and share it as widely as possible within their teams.

The breakdown of completed surveys received and analysed for each quarter is highlighted below:

Quarter 1 2018/19			Quarter 2 2018/19			Quarter 3 2018/19			Quarter 4 2018/19	
April	516	Total 1596	July	530	Total 1503	Oct	486	Total 1182	Jan	Data not yet available
May	608		August	586		Nov	376		Feb	
June	472		Sept	387		Dec	320		March	

What patients told us was good about their care	What patients told us about areas to improve
• All staff were kind, compassionate and caring to me at all times yet again. An outstanding service provided by staff/nurses. • Very caring nurses, nothing was a problem for them. • Attention to detail, caring attitude of all the staff, doing more than what is required. • Very friendly, informative, knowledgeable, the staff always kept me and my family informed with my treatment. Wonderful members of staff • Couldn't have been cared for any better if I was in the Hilton • My care was very caring and very professional at all times.	• Confusion at times around what I was told would be happening next.....didn't seem sure what I had been told • Food - I'm vegetarian and dairy free, no alternative milk such as soya or almond milk • Noise levels and light saturation • Communication from the medical team - often didn't know why I was going for scan(s) or what was wrong with me

Friends and Family Test

The NHS Friends and Family Test (FFT) is a simple question that patients are asked about the care they have received. Patients are asked: "How likely are you to recommend our service to friends and family if they needed similar care or treatment?", and the choice of responses ranges from 'extremely likely' to 'extremely unlikely'. The test aims to encourage patient feedback, show patients that their views and experiences matter and improve patient experience. The question is asked as part of our in-patient "Your Experience Matters to Us" self-reported survey, and as a single question in other areas. In Maternity the FFT is 4 individual questions asked at various points of the maternity pathway.

Summary of aggregated scores for the Trust in 2018/19 are:

- Inpatients – the recommendation score for City Hospitals Sunderland is 97% which equals the local average (97%) but slightly above the national average (96%), for patients who would recommend our services to friends and family if they needed similar care or treatment;
- Emergency Department - the recommended score continues to remain above the local (91%) and national (88%) averages at 94%;
- Maternity (Labour Ward) – 99% of women would recommend the labour ward, which is above local (98%) and national (97%) averages;
- Outpatient – the recommended score for City Hospitals Sunderland (96%) and is equal to local (96%) and national averages (96%).

Complaints and the Help and Advice Service

The Trust welcomes both positive and negative feedback from our patients as a contribution towards improving the services we deliver. There is a robust complaint handling system in place to allow patients (or their nominated representative) the opportunity to have their concerns formally investigated and to receive a comprehensive written response from the Chief Executive.

To ensure that the Trust is learning from experience, a Complaints Report is submitted each month to the Patient, Carer and Public Experience Committee regarding complaints activity. This data is also included in the Trust's Quality Report which is presented to the Governance Committee. Themed complaints are considered by the relevant organisational group, for example, end of life, dementia, etc. and this enables the Trust to identify and monitor trends and themes, and to ensure action is taken to reduce the risk of recurrence.

The City Hospitals Sunderland Help and Advice Service is an easily accessible service for families, providing support to resolve both informal and formal concerns in a timely way and hopefully reduce the number of complaints. The service is supported by volunteers who are able to assist the public with general enquiries, including signposting them to wards/departments, offering relevant information leaflets or escalating any concerns to the Help and Advice Service Assistants. If a concern is not able to be resolved then the situation will be managed as a formal complaint by the Help and Advice Service Co-ordinators.

The Trust received 518 formal complaints in 2018/19, an increase of 91 from last year. The chart overleaf shows a breakdown of patient feedback in terms of compliments recorded and formal and informal complaints received.

	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
Compliments	10	15	7	8	10	11	4	14	10	11	10	10
Formal	40	45	38	46	49	42	42	42	38	38	47	51
Informal	155	172	185	159	153	161	161	146	120	139	151	162
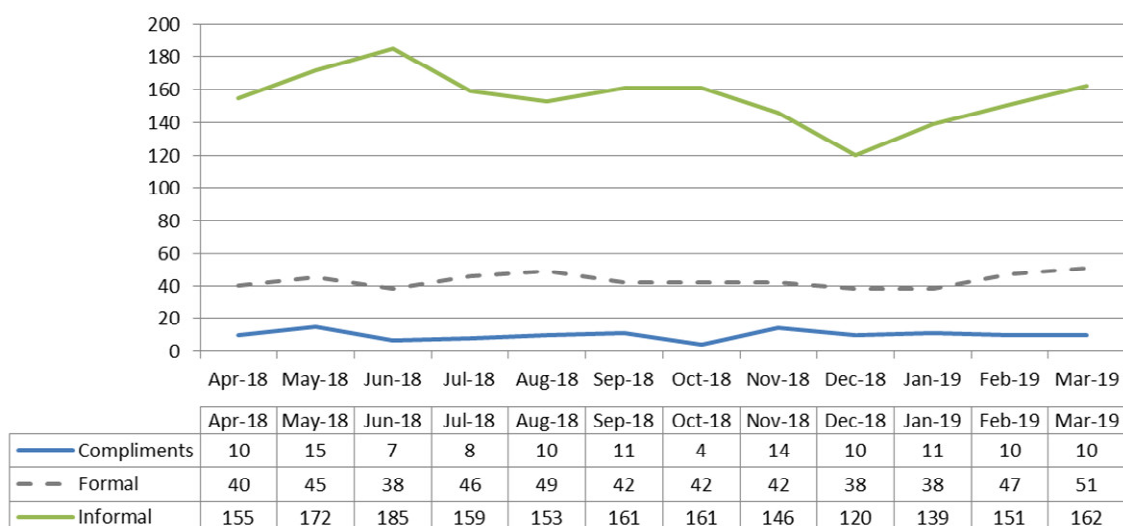
Carers

City Hospitals Sunderland is committed to giving carers the recognition, involvement opportunities and support necessary to improve the experience of the many patients and carers who have access to our services. A carer is someone who, without payment, provides help and support to a friend, neighbour or relative who could not manage otherwise because of frailty, illness or disability.

Sunderland Patient and Carer Cancer Group representatives Mary Peel and Linda Bose with Deputy Director of Nursing Louise Burn

Carers' Week (11– 17 June 2018) provided an opportunity to raise awareness of caring, the unique contribution carers make to families and communities and the real challenges they are likely to face.

During this special week, the Trust held a series of information events that were open to both the general public and staff. There were contributions from a number of external agencies who also support carers.

South Tyneside and Sunderland Healthcare Group Care Co-ordinator Susan Matheson and Occupational Health Physiotherapist Stephen Edmondson

The Trust took the opportunity to promote John's Campaign and the Carer's Passport to help staff recognise the importance of working with family carers in the care and support of patients with dementia. This can include extending visiting hours, staying overnight if necessary and being actively involved in care delivery. Both events were very well attended.

There was also a series of awareness events for staff to talk about the importance of working in partnership with carers and utilising their knowledge and relationship with the patient to provide high quality, individual care.
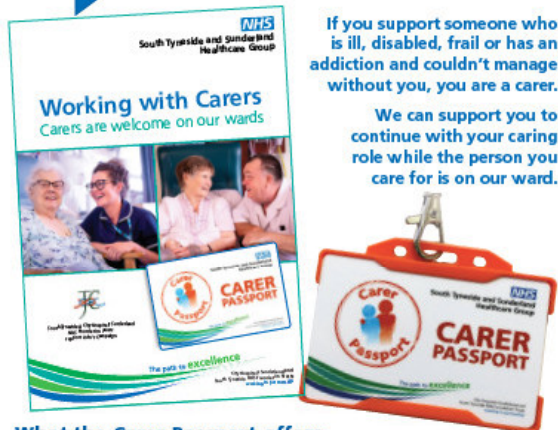
City Hospitals Sunderland is piloting an initiative to give carers even more support to enable them to get involved in all aspects of their loved one's treatment and care, with the introduction of a Carer Passport.

The credit card-sized passport, worn on a lanyard, identifies carers to staff and enables them to:

- visit outside normal hours, including overnight, with the agreement of the ward manager;
- help the patient with eating and drinking; and
- be actively involved in the patient's care and planning for discharge

To accompany their passport 'badge', carers are given a special folder in which to keep useful leaflets with information relevant to the patient's care and a guide to the various support and advice organisations available locally, as well as nationally. Also included is a 'This is me' document containing details such as the patient's likes and dislikes and the name by which they like to be called. This can be shown to staff to help them to respond to patients' individual needs and provide more personalised care.

The initiative follows on from other pledges of support for the national John's Campaign, a movement to help NHS staff recognise the importance of working with carers as equal partners in the care and support of people with a dementia who are in hospital.

Volunteers

Volunteers play an important role in helping the Trust deliver services and we know their hard work and friendliness enhance the patient and family/carer experience at City Hospitals Sunderland. Our volunteers are not directly involved in patient care but help provide extra support to patients and staff and we are extremely grateful for all the support we receive.

The Trust has a team of around 200 people who volunteer their time to support patients at Sunderland Royal Hospital and Sunderland Eye Infirmary. Roles include working in the Trust's Help and Advice Service, navigating patients to the right department, assisting patients to complete patient satisfaction surveys and helping out in wards. In addition, volunteers also make a significant contribution in the hospital's Macmillan Cancer Support Centre, RVS café, shops and trolley service, Chaplaincy and local hospital radio. Volunteers have also participated in patient experience data collection for the Path to Excellence engagement work as well as volunteering to help with the PLACE inspections.

One of the highlights of the year is Volunteers' Week (1st – 7th June 2018), where there is collective appreciation of the work and support provided by volunteers to the NHS, which extends up and down the country. City Hospitals Sunderland was no different in wanting to offer our thanks and pay tribute to our volunteers by throwing them a celebratory afternoon tea to mark Volunteers' Week.

To celebrate this, and in partnership with South Tyneside, we held a "thank you" tea, and used social media to express the work that they do and how they make a difference.

The volunteers were treated to sandwiches and cakes as well as a celebration cake made by the catering team. They also received thanks from the Trust's Director of Nursing, Midwifery and AHPs, Melanie Johnson. Melanie said: "Our volunteers make a significant contribution to the Trust. Their hard work and friendliness really does help to enhance the experience that our patients families and carers have whilst at the Trust. Whilst they are not involved directly in patient care, they provide amazing support to our team and we are extremely grateful for everything that they do. Many of our volunteers have given over 20 years of service to the Trust. However, no matter if they have been here 20 years, 2 years or 2 weeks, they are equally valued as part of the City Hospitals Sunderland Team and I genuinely don't know what we would do without them."

At City Hospitals Sunderland a Young Persons' Group has also been formed to ensure that the voice of the child or young person is heard when designing and delivering hospital services. The group is made up of young people in schools and colleges aged 11-20 years who get together with Trust staff to provide opinions, feedback and share ideas on how local hospital services can be approved.

Some of the members of the Young Persons' Group have been patients at the hospital themselves so are well placed to advise the Trust on what matters to young people.

The group has already had input into some of the paediatric rooms within the Paediatric Emergency Department and is focusing on other wards around the hospital to make sure that they are welcoming and friendly for young people. In addition, the group advises on patient information for young people to make sure the tone and language is right and easy to understand.

Future ambitions of the group would be to include the voices of children and young people from South Tyneside District Hospital.

The volunteer service has also been working closely with the Works Experience and Apprenticeship Manager to develop a pathway to enable work experience students to become young volunteers. The young volunteers will be 2nd year health and social care students with City of Sunderland College who want to pursue a career in the health service. Recruitment began in September and the students will take on the role of hospital navigator's patient support. This will be a pilot running for 9 months and, if successful, will also be introduced at South Tyneside.

For those interested in volunteering, no previous experience of the NHS is needed. All you need are good communications skills and the ability to work well as a team. All volunteers must be over 17 years of age. To find out more about volunteering at City Hospitals Sunderland visit the website at www.stsft.nhs.uk.

3.2 Performance Against Key National Priorities 2018/19

Performance Against Key Targets 2018/19

During 2018/19 the Trust has continued to achieve the majority of national operational and quality requirements across a number of key measures (as shown below), including waiting times for cancer, consultant-led treatment and diagnostic tests, despite some of these not being achieved at a national level.

Indicator	Last Year 2017/18	Target 2018/19	2018/19	Variance	Year
Operational Performance Measures					
A&E: Maximum waiting time of four hours from arrival to admission/transfer/discharge	91.25%	≥95.00%	88.65%	-6.35%	🔴
Referral to Treatment waits % incomplete pathways waiting less than 18 weeks[1]	94.21%	≥92.00%	93.33%	1.33%	🟢
All Cancer 62 day urgent referral to treatment wait	83.62%	≥85.00%	81.81%	-3.19%	🔴
Diagnostic Test waiting times[1]	1.32%	<1.00%	0.76%	-0.24%	🟢
National Operational Standards					
Cancelled operations not rescheduled within 28 days	58	0	47	47	🔴
All Cancer Two Week Wait	96.53%	≥93.00%	95.59%	2.59%	🟢
31 day standard for cancer diagnosis to first definitive treatment	98.32%	≥96.00%	98.91%	2.91%	🟢
31 day standard for subsequent cancer treatments - surgery	96.78%	≥94.00%	98.97%	4.97%	🟢
31 day standard for subsequent cancer treatments - anti cancer drug regimens	99.78%	≥98.00%	99.89%	1.89%	🟢
62 day wait for first treatment following referral from an NHS Cancer Screening Service	96.67%	≥90.00%	94.74%	4.74%	🟢
Mixed sex accommodation breach	0	0	0	0	🟢
National Quality Requirements					
RTT waits over 52 weeks for incomplete pathways	0	0	0	0	🟢
Ambulance Handover Delays 30-60 minutes	1190	0	1569	1569	🔴
Ambulance Handover Delays 60+ minutes	271	0	349	349	🔴
Trolley waits in A&E not longer than 12 hours	0	0	0	0	🟢
No urgent operation should be cancelled for a second time	0	0	0	0	🟢
VTE risk assessment for inpatient admissions	98.68%	≥95.00%	98.75%	3.75%	🟢

[1] Excludes non English commissioners as per NHS England published statistics

Accident and Emergency (A&E)

During 2018/19 the Trust has continued to receive an increasing number of patients through our A&E departments with a 4.5% increase in unplanned attendances compared to 2017/18. As a result we did not achieve the national standard of 95% of patients spending a maximum of 4 hours in the department. Despite this, performance was better than the national average and the Trust remained in the upper middle quartile nationally for the majority of the year, ranking 74th out of 159 Trusts. For 2018/19 national funding (provider sustainability funding – PSF) was available in order to support Trusts to improve their financial position as well as a proportion based on A&E performance. The Trust achieved £585,000 of the £1.95 million available linked to A&E performance.

Our ability to achieve the standard was impacted by increasing attendances year on year and increased operational pressures over the winter period. This winter we saw more in patients arriving by ambulance with a 9% increase compared to last winter and on average over 100 ambulance arrivals each day during January. Unfortunately this meant we did see an increase in ambulance handover delays of over 30 minutes compared to 2017/18.

The Trust continues to work with our local partners as part of the Local A&E Delivery Board (LAEDB) to provide leadership and focus to improve access to urgent and emergency care services. The reconfiguration of urgent care services out of hospital is planned for 2019/20 with patients with minor injury and illness being treated at extended access services and Urgent Treatment Centres. The LAEDB is committed to improving patient experience and over the coming months will put in place immediate interventions to support delivery of the 4 hour standard as well as understanding the long term changes required to consistently meet the national standard.

Referral to Treatment Time

The Trust continues to exceed the national standard of at least 92% of patients waiting less than 18 weeks for treatment from referral with no patients waiting over 52 weeks. We have seen a 3% increase in referrals in 2018/19 compared to 2017/18 which has meant the waiting list, ie patients who are still waiting for treatment, has slightly increased however the average wait has remained broadly the same. The Trust agreed a trajectory with NHS Improvement (NHSI) to reduce the waiting list by March 2019 and this was narrowly above plan.

Performance has remained broadly in line with 2017/18 despite a planned reduction in activity over the winter period to support the increase in beds required for patients requiring emergency admission. There were challenges in some specialties whereby the national standard was not achieved due to capacity challenges, ie. Orthopaedics and Thoracic Medicine.

Cancer Waiting Times

The Trust has continued to achieve the national waiting time standards for the majority of cancer targets. The only standard not met was for patients treated within 62 days after being referred from their GP. The Trust was slightly below this standard for the year however performance was above the national average for the majority of the year. The Trust saw a 10% increase in referrals for suspected cancer and subsequently treated 15% more patients with cancer than the previous year.

Work has been ongoing throughout the year to improve cancer pathways and ensure patients receive timely treatment, with the delays relating to clinical complexity and diagnostics.   The biggest challenge is in the urology service, which accounts for approximately 50% of all cancers in the Trust. There have been capacity issues throughout 2018/19 however performance for this tumour group has remained above the national average for the year.

Achievement of this standard remains a challenge for 2019/20 due to patient case mix, clinical complexity and a change in the guidance around patients who transfer their care between providers.

Diagnostic Waiting Times

The Trust performed better than 2017/18 and was below the 1% maximum target for the majority of the year. There were only 3 months where the standard was not met due to an increase in demand for MRI scans in particular.

Approach to Measuring Performance – What and How We Measure

Performance against targets such as waiting times for consultant-led treatment, cancer, diagnostic procedures and time in A&E are taken into consideration by NHSI, the regulator of Trusts, as part of their regular assessment process, to determine any support required. NHS Improvement also reviews performance against other areas such as quality of care, finance and use of resources. Trusts are segmented into four categories based on the level of support required in order to meet required standards from 1 (maximum autonomy/no support) to 4 (special measures/mandated support). The Trust has remained in segment 2 during 2018/19 with some targeted support in place in order to improve performance against the A&E and cancer 62 day standards as well as improve the financial position of the Trust.

The Trust measures performance across a wide range of indicators including:

- national indicators, operational performance measures, national operational standards and national quality requirements – these are set by NHSI and the Department of Health;
- local quality requirements – agreed with commissioners and included in our contract; and
- internal indicators – these are agreed as part of our annual planning process and KPIs are developed to measure progress against delivery of our corporate objectives.

To support performance monitoring, management and improvement, a performance framework is in place to ensure issues are identified early and acted upon to prevent failure of key standards where possible. This includes:

- monthly reporting of key performance indicators by directorate and specialty to the Finance and Performance Committee, Executive Committee and Board of Directors;
- regular corporate and operational management reports to monitor progress against delivery of key standards;
- monthly meetings with directorate managers and representatives from the Contracting and Performance teams to identify trends and areas of concern in time to plan ahead and agree action plans; and
- quality and contracting review meetings with the Clinical Commissioning Group.

Sunderland, Durham Dales, Easington and Sedgefield, North Durham and South Tyneside Clinical Commissioning Groups (CCGs) aim to commission safe and effective services that provide a positive experience for patients and carers. Commissioners of health services have a duty to ensure that the services commissioned are of high quality. This responsibility is taken seriously and considered an essential component of the commissioning function. SCCG coordinates commissioning with City Hospitals Sunderland NHS Foundation Trust (CHSFT) on behalf of the other commissioners.

The CCGs would like to thank the Trust for sharing the 2018/19 Quality Report and for the opportunity to comment upon it. We would like to acknowledge the openness and transparency in the work the Trust has achieved, in the delivery of the 2018/19 priorities and in the on-going delivery of the quality measures.

Throughout 2018/19 Quality Review Group (QRG) meetings with the CCGs have taken place with the Trust on a bi-monthly basis. These are a well-established mechanism to monitor the quality of the services provided by the Trust and aim to encourage continuous quality improvement. The QRG has remained sighted on the Trust's priorities throughout the year for improving the quality of its services for its patients, and have continued to provide robust challenge and scrutiny at the QRG meetings with the Trust.

A programme of joint assurance visits between Sunderland CCG and South Tyneside CCG across the South Tyneside and Sunderland Healthcare Group took place during 2018/19. The purpose of these visits was to gain further insight into the quality of care provided and this will be further enhanced with the partnership approach being taken by the CCG and the Trust with a collaborative visit programme in 2019/20.

There are a number of areas where the Trust has made quality improvements in 2018/19 and we would like to congratulate the Trust on the implementation of measures to reduce the incidence of severe harm from in-hospital falls and support the continuation of the falls reduction work as a quality priority for 2019/20.

The CCGs would like to acknowledge the pressure ulcer improvement plan and prevention work undertaken by the Trust during 2018/19 and note the low rate of Category 3 and 4 pressure ulcers. The CCGs agree that this continues to be a priority for improvement for 2019/20 and look forward to the Trust achieving their five year improvement targets. We will continue to monitor the Trusts position on this through the Quality Review Group (QRG) alongside the Trust's position documented on the Safety Thermometer.

The CCGs wish to thank the Trust for their openness regarding the issue of mortality and commend the Trust on their continued commitment to Regional Mortality Group. The CCGs are assured by the mortality review processes implemented by the Trust, and this continues to be monitored by the QRG.

We would like to commend the strategic ambitions and continued work carried out by the Trust in improving the hospital experience of patients with dementia. The CCGs agree that this continues to be a priority for improvement for 2019/20 and look forward to receiving updates at QRG.

The CCGs wish to recognise the work of the Trust on the continued participation in regional and national research projects and the focus given to innovation during 2018/19.

We would like to congratulate the Trust on again being below their trajectory for Clostridium Difficile following the appeals process agreed with Sunderland CCG and achieving the zero tolerance target for MRSA bacteraemia with no confirmed cases recorded during 2018/19. The Joint Health Care Associated Infection Improvement (HCAI) group will continue its positive contribution to this agenda and remain sighted on the issues.

The CCGs acknowledge the Trust's ongoing work in respect of Duty of Candour and the reporting of patient safety incidents to the National Reporting & Learning System. The Trust reported a four Never Events in 2018/19; which is disappointing as these are serious, largely preventable incidents however, we are assured to see that following the Trust's root cause analysis investigations, there is no theme to the incidents and identification of learning has taken place.

The CCGs welcome the Trust's specific quality priorities for 2019/20 and consider that these are appropriate areas to target for continued improvements, which align to the CCG's commissioning priorities and that each priority has a dedicated group with responsibility for taking forward the changes. We recognise the value of all of the priorities identified and appreciate the continuation of targets from 2018/19.

In the coming year, the CCGs will be working with the newly formed South Tyneside and Sunderland NHS Foundation Trust to implement transformation whilst ensuring the goal of ensuring that quality and safety of care remain at the heart of the partnership.

Much of the information contained within this Quality Report forms part of the routine quality monitoring processes of the commissioners. Therefore, as required by the NHS Quality Reports regulations, the CCGs have taken reasonable steps to check the accuracy of the information provided within this report and can confirm that it is believed to be correct. It is felt that overall the report is well presented and is reflective of quality activity and aspirations across the organisation for the forthcoming year.

To conclude, the CCGs remain committed to working closely with the Trust, in an open and transparent way, to ensure that the care provided for patients is effective and maintained at the highest possible quality standards.

ANN FOX
Director of Nursing, Quality and Safety
NHS Sunderland CCG

CLAIRE BRADFORD
Medical Director
NHS Sunderland CCG

Date: 24 May 2019

Statement from Sunderland City Council's Health and Wellbeing Scrutiny Committee

Sunderland City Council's Health and Wellbeing Scrutiny Committee are pleased to be given the opportunity to provide comments on City Hospital's Quality Report 2018/19. The report provides an overview on the progress and achievements of the Trust against the priorities set in the previous year as well as looking at the key priorities for next year. Scrutiny Committee Members have maintained a productive relationship with the NHS Foundation Trust while at the same time providing that element of challenge and highlighting public concerns against a backdrop of increasing change and service reconfiguration.

It is reassuring to be able to acknowledge performance improvements in relation to the 2018/19 priorities, in particular the reduction in the number of cardiac arrests. The Committee are also encouraged by the work that is being undertaken to learn and act on patient feedback and from national clinical audits of patient deaths. It is creditable that the hospital is receptive to learning and acting on feedback as this can only result in improved services and outcomes for patients and staff alike.

The Committee also noted that the priority around improving compliance in the nutritional screening on admission to hospital had not been achieved, with a drop in compliance through December 18-January 19. It is hoped that the additional implemented measures will see the requisite 10% rise required to meet the 90% target. It is vital that patients are both nourished and hydrated when in hospital to ensure a full recovery.

In looking forward to the priorities for quality improvement in 2019/20, the Health and Wellbeing Scrutiny Committee acknowledges the continued drive for improvement around patient safety, clinical effectiveness and the patient experience. The Committee is also interested in the new approach to setting out these priorities through the development and publication of a Quality Strategy which sets out the 5-year improvement plan for Sunderland and South Tyneside and is something we would welcome progress updates on when practicable.

The Health and Wellbeing Scrutiny Committee acknowledges the Trust's continued strong performance against national CQUIN targets. Although the committee does recognise that work is ongoing to improve those areas of performance that are identified as not achieving the target, in particular the target around reducing the impact of serious infections. It is something the Committee would hope to see evidence of improvement on in the next Quality Report.

It is also reassuring for the Committee that following a CQC inspection of City Hospitals it has achieved an overall rating of Good, and it is certainly commendable that CQC inspectors witnessed staff 'going that extra mile on several occasions'. There are still areas for improvement, highlighted by the inspection, and it will be for the Trust to focus on these areas for improvement in the future.

The Joint Health Scrutiny Committee established between Sunderland and South Tyneside Local Authorities continues to work with the Trust and health partners on its ambitious programme of service reform 'The Path to Excellence'. The programme is about to embark on Phase 2 and the Joint Health Scrutiny Committee will maintain its focus on ensuring it provides a critical friend challenge and voices the concerns of the public throughout. Sunderland City Council's Scrutiny function continues to maintain a robust relationship with the Trust and City Hospitals and continues to develop this relationship following the merging of Sunderland and South Tyneside Trusts and the continued engagement with the Path to

Excellence programme of change. The Health and Wellbeing Scrutiny Committee is assured that City Hospitals is committed to ensuring the delivery of safe, sustainable and high-level quality of care for patients and residents throughout Sunderland and therefore is satisfied to endorse the Quality Report for 2018/19.

CLLR DARRYL DIXON
Chair of the Health and Wellbeing Scrutiny Committee

Date: 13 May 2019

Annex 2: Statement of directors' responsibilities for the Quality Report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare quality accounts for each financial year.

NHS Improvement has issued guidance to NHS Foundation Trust Boards on the form and content of annual Quality Reports (which incorporate the above legal requirements) and on the arrangements that NHS Foundation Trust Boards should put in place to support data quality for the preparation of the Quality Report.

In preparing the Quality Report, directors are required to take steps to satisfy themselves that:

- the content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2018/19 and supporting guidance;

- the content of the Quality Report is not inconsistent with internal and external sources of information including:

  - board minutes and papers for the period April 2018 to March 2019;
  - papers relating to quality reported to the Board over the period April 2018 to March 2019;
  - feedback from commissioners dated 24 May 2019;
  - feedback from Overview and Scrutiny Committee dated 13 May 2019;
  - the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 28 May 2019;
  - the 2017 national patient survey dated 13 June 2018;
  - the 2018 national staff survey dated 26 February 2019;
  - the Head of Internal Audit's annual opinion over the Trust's control environment dated 21 May 2019; and
  - CQC inspection report dated 23 August 2018.

- 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 NHS Improvement's annual reporting manual and supporting guidance (which incorporates the Quality Accounts Regulations) as well as the standards to support data quality for the preparation of the Quality Report.

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

By order of the Board

JOHN ANDERSON   **Date: 28 May 2019**
Chairman

KEN BREMNER
Chief Executive   **Date: 28 May 2019**

Independent auditor's report to the Council of Governors of City Hospitals Sunderland NHS Foundation Trust on the Quality Report

We have been engaged by the Council of Governors of City Hospitals Sunderland NHS Foundation Trust ('the Trust') to perform an independent assurance engagement in respect of the Trust's Quality Report for the year ended 31 March 2019 ('the Quality Report') and certain performance indicators contained therein.

This report is made solely to the Trust's Council of Governors, as a body, in accordance with our engagement letter dated 14 May 2019. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2019 to enable the Council of Governors to demonstrate that 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 Trust and the Trust's Council of Governors as a body, for our examination, for this report, or for the conclusions we have formed.

Our work has been undertaken so that we might report to the Council of Governors those matters that we have agreed to state to them in this report and for no other purpose. Our report must not be recited or referred to in whole or in part in any other document nor made available, copied or recited to any other party, in any circumstances, without our express prior written permission. This engagement is separate to, and distinct from, our appointment as the auditors to the Trust.

Scope and subject matter
The indicators for the year ended 31 March 2019 subject to limited assurance consist of the national priority indicators as mandated by NHS Improvement:

- A&E: Maximum waiting time of four hours from arrival to admission/transfer/discharge (page 127); and
- All Cancer 62 day urgent referral to treatment wait (page 127).

We refer to these national priority indicators collectively as 'the indicators'.

Respective responsibilities of the directors and Ernst & Young LLP
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 2018/19' issued by NHS Improvement.

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 2018/19' (published on 6 November 2018), which is supported by the 'Detailed requirements for quality reports 2018/19' (published on 17 December 2018) issued by NHS Improvement;
- the Quality Report is not consistent in all material respects with the sources specified in Section 2.1 of the 'Detailed guidance for external assurance on quality reports 2018/19'; 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 2018/19' and supporting guidance and the six dimensions of data quality set out in the 'Detailed guidance for external assurance on quality reports 2018/19'.

We read the Quality Report and consider whether it addresses the content requirements of the 'NHS Foundation Trust Annual Reporting Manual 2018/19' and supporting guidance, 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 the other information sources detailed in Section 2.1 of the 'Detailed guidance for external assurance on quality reports 2018/19'. These are:

- Minutes of the Board of Directors for the period April 2018 to April 2019;
- Papers relating to quality reported to the Board over the period April 2018 to April 2019;
- Feedback from commissioners received in May 2019;
- Feedback from Sunderland City Council Health and Wellbeing Scrutiny Committee received in May 2019;
- the Trust's annual complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009 for 2018/19;
- Patient Survey Report 2017;
- 2018 NHS Staff Survey – City Hospitals Sunderland NHS Foundation Trust;
- The Head of Internal Audit's annual opinion over the Trust's control environment, dated 21 May 2019; and
- The Care Quality Commission inspection report dated 23 August 2018.

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 City Hospitals Sunderland NHS Foundation Trust as a body, to assist the Council of Governors in reporting City Hospitals Sunderland 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 2019, 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 City Hospitals Sunderland NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

Assurance work performed
We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included, but were not limited to:

- 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 2018/19' to the categories reported in the Quality Report; and
- reading the documents.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on the Quality Report. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent 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 2018/19' and supporting guidance. The scope of our assurance work has not included governance over quality or non-mandated indicators, which have been determined locally by City Hospitals Sunderland NHS Foundation Trust.

The scope of our assurance work has not included governance over quality or non-mandated indicators, which have been determined locally by City Hospitals Sunderland NHS Foundation Trust.

Basis for qualified conclusion
Urgent & Emergency care 4 hours maximum waiting time
The discharge time input recorded in to the Trust's records for the indicator is often not input into the system immediately at the time of discharge. We are therefore unable to confirm that the discharge time input into the system is accurate.

Qualified conclusion
Based on the results of our procedures, with the exception of the matter reported in the basis for qualified conclusion paragraph above, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2019:

- 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 2018/19' (published on 6 November 2018) and the 'Detailed requirements for quality reports 2018/19' (published on 17 December 2018) issued by NHS Improvement;
- the Quality Report is not consistent in all material respects with the sources specified in Section 2.1 of the 'Detailed guidance for external assurance on quality reports 2018/19'; 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 2018/19' (published on 6 November 2018) and the 'Detailed requirements for quality reports 2018/19' (published on 17 December 2018) issued by NHS Improvement.

Ernst & Young LLP

Ernst & Young LLP
Newcastle upon Tyne
29 May 2019

Notes:
1. The maintenance and integrity of the City Hospitals Sunderland NHS Foundation Trust web site is the responsibility of the directors; the work carried out by Ernst & Young LLP does not involve consideration of these matters and, accordingly, Ernst & Young LLP accept no responsibility for any changes that may have occurred to the Quality Report since it was initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

ACCOUNTABILITY REPORT

DIRECTORS' REPORT

The Companies Act 2006 requires the organisation to set out in this report a fair review of the business of the Trust during the financial year ended 31 March 2019 including an analysis of the position of the Trust at the end of the financial year and a description of the principal risks and uncertainties facing the Trust.

Business Review

The information which fulfils the business review requirements can be found in the following sections of the Annual Report which are incorporated into this report by reference:

- Chairman's Statement on page 9
- Chief Executive's Statement on page 11
- Board of Directors on pages 149 to 157
- Financial Performance on page 31
- Register of Interests on page 153

Quality Governance

It is vitally important the Board ensures that governance arrangements remain fit for purpose. Good governance is essential in addressing the challenges the Trust faces and the Board must ensure it has oversight of care quality, operational matters and finance. The Board achieves this through detailed discussion at its various formal sub committees of the Board of Directors.

The Trust has an independent assurance function which reports directly to the Governance Committee.

Details of how the Board ensures arrangements are in place are identified within the:

- performance report;
- quality report;
- annual governance statement; and
- assurance report.

The Trust has complied with the cost allocation and charging guidance issued by HM Treasury. There has been no interest paid under the Late Payment of Commercial Debts (Interest) Act 1998.

Better Payment Practice Code

The Government's better payment practice code requires public sector bodies to pay all trade creditors within 30 days. The performance of the Trust in 2018/19 against the target of 95% of invoices by value and number is shown overleaf.

The Trust is an approved signatory of the prompt payment code, which is hosted by the Institute of Credit Management on behalf of the Department of Business Innovation and Skills. Signatories to the Code commit to:-

- Pay suppliers within agreed terms
- Ensure suppliers know how to invoice them
- Encourage good practice

Better Payment Practice Code - measure of compliance	Number	Value £000
Total bills paid in the year	56,837	69,131
Total bills paid within target	39,103	64,893
Percentage of bills paid within target	68.8%	93.9%
The Better Payment Practice Code requires the Trust to aim to pay all valid non-NHS invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.		

During 2018/19 no interest was payable under the Late Payments of Commercial Debts (Interest) Act 1998.

The Late Payment of Commercial Debts (Interest Act) 1988	Year Ended 31.03.2019 £000	Year Ended 31.03.2018 £000
Amounts included within other interest payable arising from claims made under this legislation	0	0
Compensation paid to cover debt recovery costs under this legislation	0	0

The Trust can confirm that it has made no political donations during 2018/19.

The Trust has complied with all relevant guidance relating to the better payment practice code, calculation of management costs and declaration of the number and average pension liabilities for individuals who have retired early on ill health grounds during the year. The relevant declarations are detailed in the Annual Accounts.

In addition the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view in accordance with the NHS Foundation Trust Annual Reporting Manual 2018/19.

So far as each Director is aware there is no relevant audit information of which the NHS Foundation Trust's auditor is unaware. All Directors have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the NHS Foundation Trust's auditor is aware of that information.

This section, together with the sections of the Annual Report incorporated by reference constitutes the Directors' report that has been drawn up and presented in accordance with the guidance in the Foundation Trust Annual Reporting Manual (FT ARM).

Key Constraints on Trust Activities

Neither NHS Improvement, the Care Quality Commission, nor any other regulatory body has placed any restrictions on the activities of the Trust.

The Directors consider that this Annual Report and Accounts, taken as a whole, is fair, balanced and understandable. It also provides the information necessary for patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy.

Arrangements for Monitoring Improvements

Care Quality Commission Inspection

City Hospitals Sunderland NHS Foundation Trust (CHSFT) is required to register with the CQC and its current registration status is registration in full, with no conditions. Activities that the Trust is registered to carry out are:

- Diagnostic and screening procedures
- Family planning services
- Maternity and midwifery services
- Surgical procedures
- Termination of pregnancies
- Treatment of disease, disorder or injury
- Accommodation for persons who require nursing or personal care
- Assessment and care of patients under the Mental Health Act

Following an inspection by the CQC in 2018 where the Trust received an overall rating of 'Good', an action plan was developed to address the areas of concern and the recommendations outlined in the CQC's inspection report and this has been, and continues to be monitored through the Trust's the Governance Committee.

Assurance Programme

The Assurance function within CHSFT provides an independent test of the organisation's compliance against regulatory and evidence based standards through a structured and responsive programme.

As agreed by the Governance Committee the assurance format has changed during 2018/19 into an Assurance Dashboard. This broadens the scope of the original Assurance Programme and improves the oversight of the current position of the Trust particularly in relation to CQC standards.

The Assurance Dashboard is an overview of compliance against each of the five CQC key questions and key lines of enquiry, ie is the organisation safe, effective, caring, responsive and well-led as well. Under each of the key lines of enquiry are a number of prompts and each of these have been populated and rated (red, amber or green) based on evidence available.

The Assurance Dashboard therefore provides a visual representation of the overall current Trust compliance and highlights areas of concern where action and improvement is required.

Complaints Handling

The Trust strives to provide the highest level of service to our patient, however, we recognise there may be occasions when things go wrong and patients/relatives/carers may not be entirely satisfied with the level of service they have received.

The Trust has an established complaints handling policy in line with the Department of Health's NHS and Social Care Complaints Regulations. This policy confirms the Trust has a robust system in place to allow patients (or their nominated representative) the opportunity to have their concerns formally investigated and to receive a comprehensive written response from the Chief Executive.

The Concerns and Complaints policy is based on the principles of Good Complaints Handling published by the Parliamentary and Health Service Ombudsman.   The key principles are as follows:

- getting it right;
- being customer focused;
- being open and accountable;
- acting fairly and proportionately;
- putting things right; and
- seeking continuous improvement.

Whilst the current regulations stipulate a maximum timescale of six months to respond to a complaint, the Trust aims to respond to complaints wherever possible within 20 days but not more than 40 working days of receipt of a complaint.   If the Trust is unable to respond within 40 working days it will contact the complainant to agree a revised response time.

The aim is that all complainants receive early contact by telephone to agree the issues, expected outcome, response time and response format. We do recognise however, that this does not always happen and work is ongoing to improve the new process. If a complaint is complex, additional time can be negotiated to allow a thorough and comprehensive investigation to be undertaken.

Complainants are also given information about the Independent Complaints Advocacy (ICA), who can support them in making a complaint if that were necessary.

From 1 April 2018 to 31 March 2019 the Trust received 518 formal complaints from patients or their representatives, an increase of 21 % on the 427 received in 2017/18.

Categories of Complaints

Most complaints have more than one theme and during 2018/19 the chart overleaf identifies the main themes:
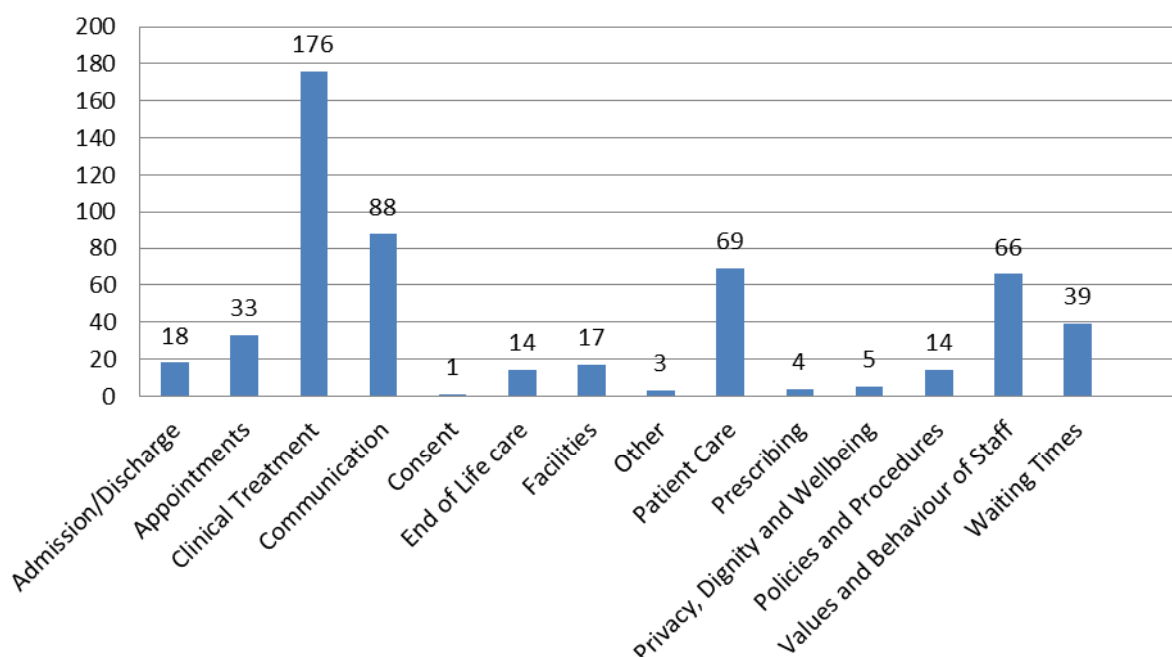
It is a requirement that the Trust reports the number of complaints that are 'well founded'. In 2018/19 we have attempted to make a judgement, following investigation, as to whether complaints were justified. Of the complaints responded to:

- 102 were upheld;
- 252 were partially upheld; and
- 155 were not upheld.

Complaints Investigation

Formal complaints are allocated to an Investigating Officer within a Directorate, usually the directorate manager, who has responsibility for ensuring that a comprehensive investigation is undertaken, a key role being carried out by our Quality Risk facilitators. The Directorate Manager, in conjunction with his/her colleagues is, however, responsible for highlighting areas for improvement and ensuring appropriate action is taken.

The Chief Executive provides a formal written response to the complainant who is given the opportunity should they wish to contact the Investigating Officer to discuss any outstanding concerns. If complainants remain dissatisfied following this conversation, they are offered the opportunity to attend a formal meeting with appropriate staff members to allow a more personal and open discussion in an attempt to provide further clarification and resolve any outstanding concerns.

Parliamentary and Health Service Ombudsman

Where complainants remain dissatisfied after conclusion of the meeting, and the Investigating Officer feels we have provided the complainant with as much information as possible then local resolution has been exhausted. In such cases, we would suggest the complainant contacts the Parliamentary and Health Service Ombudsman who may agree to undertake an independent review of their complaint.

During 2018/19, the Ombudsman requested information from the Trust in relation to 17 complaints (9 in 2017/18).

Learning from Complaints

To ensure that the Trust is learning from experience, a complaints report is submitted to the Patient, Carer and Public Experience Committee, a formal sub-committee of the Board regarding complaints activity and outcomes.

Complaints data is also included in the Trust's Quality Report which is presented to the Governance Committee and the Board of Directors to triangulate with the patient safety data enabling it to identify and monitor trends and themes, and ensure organisational action is taken to reduce the risk of recurrence.

Help and Advice Service

The Trust's Help and Advice Service (HAAS) provides advice, support and signposts patients, relatives and/or carers on a wide range of issues. HAAS is responsible for dealing with enquiries which can be resolved by liaising with staff to reach a quick and effective resolution. During 2018/19, HAAS received 1,865 contacts compared to 1,755 in 2017/18 (an increase of 5 %).

We continue to encourage feedback either positive or negative so that we can ensure that when things go wrong, or are not as they should be, lessons can be learned.

Consultation and Involvement

Patient, Carer and Public Experience Committee

The Trust continues to develop the work of the Patient, Carer and Public Experience Committee, a formal sub-committee of the Board of Directors. The committee is chaired by one of the Non-Executive directors and has governor, Healthwatch and carer representation. Its key responsibilities are to ensure patient, carer and public involvement is integral to the Trust's overall strategy and to ensure the Trust takes account of the NHS Constitution in its decisions and actions – in particular the rights and pledges to which patients, carers, the public and staff are entitled.

The committee also monitors the outcomes and resulting actions from national surveys such as the inpatient survey, maternity services survey, and the cancer patient experience survey. These provide valuable feedback from patients on how services are being delivered but more importantly how they can be improved.

Path to Excellence Phase Two

Path to Excellence is a five-year transformation of healthcare services across Sunderland and South Tyneside. It has been set up to secure the future of local NHS services and to identify new and innovative ways of delivering safe, high quality, joined up, sustainable care that will benefit the populations of both Sunderland and South Tyneside for many years to come.

During 2018/19 extensive work has taken place to engage and involve staff, patients, members of the public and key stakeholders in Phase Two of the Path to Excellence programme which is looking at the following areas of hospital care:

- **emergency care and acute medicine** - the care provided when patients arrive at the Emergency Department or need emergency admission to hospital;

- **emergency surgery** - the care provided when patients are admitted to hospital as an emergency and require an immediate operation;
- **planned care (including surgery and outpatients)** - the care provided when patients are referred to hospital by their GP for a test, scan, treatment or operation; and
- **clinical support services** – these services provide vital care such as therapy services, diagnostics and radiology (imaging) and pharmacy.

Over 9,000 views from all stakeholders have been collected as part of our engagement process and this has helped inform the development of draft evaluation criteria that will be used to help determine which scenarios move forward to formal public consultation and, ultimately, by our local Clinical Commissioning Groups (CCGs) in their final decision making process.

Work undertaken throughout 2018/19 has been led by clinical service review design teams which include a variety of frontline staff from Sunderland and South Tyneside. A Draft Case for Change document was published in July 2018 to help explain the challenges being faced by local hospital services and in March 2019 an updated Draft Case for Change was published which also included the 'working ideas' for change developed by the clinical service review design teams.

Our robust engagement process is being assured by the Consultation Institute in line with best practice as we work towards a formal public consultation on future service models which is expected later in 2019/20.

Proposed Merger

Between 30 July and 28 September 2018, a nine week period of widespread engagement activity took place to proactively gather views from staff, patients, the public and key stakeholders about the proposed merger of City Hospitals Sunderland and South Tyneside NHS Foundation Trusts. Engagement activity was aimed at improving understanding and support for the proposed merger amongst all key stakeholders with the following objectives to:

- clearly articulate the strategic business case and strengths of coming together as one organisation in the future;
- clearly outline the benefits that one organisation would bring for both staff and patients, as well as the drawbacks of 'doing nothing';
- reinforce the achievements and successes so far through the Healthcare Group;
- allay any fears, myths or rumours about what one Trust might mean;
- give a clear and consistent message about the collective future vision and firm reassurance about a secure positive future for both local hospitals; and
- actively seek views and feedback from staff, stakeholders and the public about the two Trusts becoming one.

Throughout the engagement period, over 1000 pieces of feedback, comments and questions were received and a number of key themes emerged which were included as part of the full business case and post-transaction implementation plan. The majority of staff across both Trusts (69%) understood the benefits of the proposed merger compared to 55% of patients and the public who struggled to see the proposed merger as a separate process to the Path to Excellence clinical transformation programme. There was strong support for the proposed merger from a range of key stakeholders who supported the strategic rationale for joining the two Trusts together as one statutory NHS organisation.

Meetings Held in Public

Meetings of the Board of Directors and the Council of Governors are all held in public and members of the public are very welcome to attend. The meetings are advertised through the Trust's website, in members' newsletters and within the organisation. A number of regular attendees are mailed papers in advance of any meeting. Governors and directors are available at the end of every meeting to discuss any issues or concerns.

Communication and consultation with employees has been detailed in the staffing report.

Significant Partnerships

The Trust has worked hard to develop strong and effective partnerships not only within the health and social care economy in Sunderland but also across NHS North East.

In particular the Trust has continued to work in an alliance with South Tyneside NHS Foundation Trust and during the year the decision was made to explore the possibility of a merger of the two organisations. Following an extensive and thorough process the application for merger was granted by NHS Improvement with the new organisation, South Tyneside and Sunderland NHS Foundation Trust, being formed with effect from 1 April 2019.

As has already been detailed within the report, the Trust has worked with local health economy partners extensively throughout the past year to identify opportunities where the system can be improved to enhance patient outcomes as well as financial sustainability.

We continue to have a strong relationship with our main commissioner, NHS Sunderland Clinical Commissioning Group, and now NHS South Tyneside Clinical Commissioning Group, who like ourselves want to achieve better health for the people of Sunderland and South Tyneside. Our challenge will be to do that by not only improving the integration of services across health and social care but also by underpinning any developments with more effective clinical decision making.

The Trust has also continued to work closely with the Sunderland City Council and is an active member of a number of city-wide groups.

REGULATORY RATING PERFORMANCE

The Trust is required to submit performance information to the Foundation Trust regulatory body, NHS Improvement (NHSI), on a monthly basis in line with their requirements. At the start of each financial year, the Trust is required to submit an annual plan identifying the expected performance against financial targets and a range of national targets set by the Department of Health and Social Care and other regulatory bodies.

The financial performance is assessed over a range of metrics including liquidity and in-year income and expenditure performance. The Use of Resources risk rating ranges from 1 to 4 with 1 being the best.

The Trust submits actual performance information compared to the plan and NHSI assesses this performance with formal feedback provided each quarter on the rating of the Trust. The planned versus actual performance for 2018/19 is detailed in the table below. The quarter 4 position detailed in the table is based on submitted information and is subject to confirmation by NHS Improvement.

A&E and Cancer 62 day performance has been challenging this year and subject to close scrutiny within the Trust, with Commissioners and with NHSI. An A&E trajectory was submitted as part of the Annual Plan process and this was monitored every quarter as part of the STF requirements.

In terms of financial reporting, the Trust had planned to deliver an overall deficit of £11,909k and a planned Use of Resources metric of 3. However the actual position improved to £2,803k deficit. This did not change the overall Use of Resources risk rating which remained at a 3 throughout the year.

2018/19				
	Q1	Q2	Q3	Q4
Use of Resources	3	3	3	3

Notes:
'Use of Resources' - a score of 1 is the best, with 4 being the poorest.

NHS IMPROVEMENT SINGLE OVERSIGHT FRAMEWORK

The Single Oversight Framework (SOF) came into effect on 1st October 2016 and outlines the approach of NHS Improvement to regulate and support NHS providers. It is designed to help NHS providers attain, and maintain, Care Quality Commission ratings of 'Good' or 'Outstanding', with providers segmented, based on the level of support each Provider requires across the five themes of: quality of care; finance and use of resources; operational performance; strategic change; and leadership and improvement capability. The Trust has remained in segment 2 for the full year. The definitions of the support required for each segment is:

- Segment 1 – Providers with maximum autonomy: no potential support needs identified. Lowest level of oversight; segmentation decisions taken quarterly in the absence of any significant deterioration in performance
- Segment 2 – Providers offered targeted support: there are concerns in relation to one or more of the themes. We've identified targeted support that the provider can access to address these concerns, but which they are not obliged to take up. For some providers in segment 2, more evidence may need to be gathered to identify appropriate support
- Segment 3 – Providers receiving mandated support for significant concerns: there is actual or suspected breach of licence, and a Regional Support Group has agreed to seek formal undertakings from the provider or the Provider Regulation Committee has agreed to impose regulatory requirements
- Segment 4 – Providers in special measures: there is actual or suspected breach of licence with very serious and/or complex issues. The Provider Regulation Committee has agreed it meets the criteria to go into special measures

In addition to this, the financial performance of Trusts will be assessed using the use of resources score (scoring providers from 1 (best) to 4 (worst)) and metrics relating to: capital service capacity; liquidity; I&E margin; variance from financial plan; and agency spend. As at 31 March 2019, the Trust's use of resources rating is 3.

Area	Metric	2018/19 Q3 score	2018/19 Q4 score
Financial Sustainability	Capital service capacity	4	4
	Liquidity	4	2
Financial Efficiency	I&E margin	4	3
Financial Controls	Distance from financial plan	1	1
	Agency spend	1	1
Overall Scoring		**3**	**3**

STATEMENT OF COMPLIANCE WITH THE NHS FOUNDATION TRUST CODE OF GOVERNANCE

The Board of Directors and the Council of Governors of the Trust are committed to the principles of good corporate governance as detailed in the NHS Foundation Trust Code of Governance.

City Hospitals Sunderland 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 area where the Trust this year has not complied with the Code is section B.7.1 and the reasons are explained on page 154.

Board of Directors 2018/19

John Anderson QAEP CBE, Chairman
Initial Appointment: *October 2008*
Reappointed: *September 2011 (3 years)*
Reappointed: *September 2014 (3 years but renewable on an annual basis)*
Reappointed: *September 2017 (1 year)*
Reappointed: *September 2018 (6 months)*

Mr Anderson sold his main business (Mill Garage Group) in 1993 and has since devoted his time to Public/Private Partnerships. He is Executive Chairman of Milltech Training Ltd, a company that assists young people into work through apprenticeships and also Chairman of the North East Business and Innovation Centre.

Committee Member:
Board of Directors; General Purposes Committee.

David Barnes, Non-Executive Director & Senior Independent Director
Initial Appointment: *January 2012 (9 months) Shadow Appointment*
Substantive Appointment: *September 2012 (3 years)*
Reappointed: *September 2015 (3 years)*
Reappointed: *September 2018 (6 months)*

Mr Barnes is a Chartered Accountant and retired Non-Executive Chairman of TTR Barnes Ltd based in Sunderland. He was a Trustee and Audit Chair of United Learning, a national group of schools and academies until his retirement on 31 March 2013. He was a Non-Executive Director of Sunderland Teaching Primary Care Trust and also held its appointed Governor position to the Trust's Council of Governors until December 2011. He is Chair of AuditOne who provide internal audit, counter fraud and advisory services to the public sector in the North of England (to April 2019). Mr Barnes was appointed Senior Independent Director in August 2017.

Committee Member:
Board of Directors; General Purposes Committee; Finance and Performance Committee; Charitable Funds Committee; Audit Committee. *Counter Fraud Champion, Security Champion*

Stewart Hindmarsh, Vice-Chairman, Non-Executive Director

Initial Appointment:	*January 2012 (2 years and 9 months)*
Reappointed:	*September 2014 (3 years)*
Reappointed:	*September 2017 (1 year)*
Reappointed:	*September 2018 (6 months)*

Mr Hindmarsh is Chairman and Managing Director of SHA Advertising and Marketing in Sunderland. He is also Chairman and Managing Director of The Cedars Nursery Ltd, Chairman and Managing Director of A and R Healthy Living and Grainger CD, Chairman and Director of JG Windows, the music store and Managing Director of Cedar Grove Developments. Mr Hindmarsh was appointed Vice Chairman in August 2017.

Committee Member:
Board of Directors; General Purposes Committee; Finance and Performance Committee; Joint Remuneration Committee; Joint Strategy Committee; Joint Workforce Committee.
Safeguarding Champion, Control of Infection Champion.

Paul McEldon, Non-Executive Director

Initial Appointment	*August 2017 (3 years)*

Mr McEldon is a Chartered Accountant and Chief Executive of the North East of England BIC Ltd since 2001. He was previously a Non-Executive Director for Northumberland, Tyne and Wear NHS Foundation Trust until July 2017. Mr McEldon is a member of the North East LEP Business Support Board and Sunderland Economic Leadership Board. He is Vice Chair and a Governor at Sunderland College since 2013.

Committee Member:
Board of Directors; General Purposes Committee; Audit Committee; Finance and Performance Committee; Governance Committee.
IM&T Champion, Mortality Champion, Revalidation Champion.

Pat Taylor, Non–Executive Director

Initial Appointment	*April 2017 (3 years)*

Mrs Taylor is a qualified Accountant and was a Director of Finance within the NHS, most recently being Joint Director of Finance at County Durham PCT and Darlington PCT Cluster until PCTs were abolished in 2013. She went on to become a lay member of Sunderland CCG with responsibilities for audit, risk and governance as well as being Vice Chair of the Governing Body. She also held its appointed Governor position to the Trust's Council of Governors until March 2017.

Committee Member:
Board of Directors; General Purposes Committee; Audit Committee; Joint Governance Committee; Joint Policy Committee; and Tendering Committee.
Health and Safety Champion; Equality and Diversity Champion; Research and Innovation Champion.

Alan Wright, Non-Executive Director

Initial Appointment: *June 2012 Shadow Appointment*
Substantive Appointment: *September 2012 (3 years)*
Reappointed: *September 2015 (3 years)*
Reappointed: *September 2018 (6 months)*

Mr Wright is chair of Soundswright Ltd which has built a national reputation for its work on media training and consultancy. He was previously Chief Executive of Durham County Cricket Club and a founder member of the Advisory Committee for England for Ofcom. He is Chairman of UK Regions and Nations for the leading children's charity the Lord's Taverners.

Committee Member:
Board of Directors; General Purposes Committee; Joint Patient, Carer and Public Experience Committee; Tendering Committee.
Emergency Planning Champion.

Mike Laker, Medical Adviser (Non-Executive)

Initial Appointment   *November 2014*
Reappointed: *November 2015 (1 year)*
Reappointed: *November 2016 (1 year)*
Reappointed: *November 2017 (1 year)*
Reappointed: *November 2018 (4 months)*

Dr Laker was Medical Director at Newcastle Hospitals NHS Foundation Trust from 1998 until 2006. He was also an adviser in Patient Safety for the North East Strategic Health Authority until 2010. He was lead clinician in the Independent Case Note Reviews at the Mid-Staffordshire NHS Trust.

Committee Member:
Board of Directors; General Purposes Committee.

Ken Bremner   Chief Executive
                       From February 2004
                       Chief Executive of City Hospitals Sunderland NHS Foundation Trust (CHSFT) and South Tyneside NHS Foundation Trust (STFT)
                       From September 2016

Mr Bremner is a qualified accountant and joined the Trust in 1988 becoming the Finance Director in 1994. He became Deputy Chief Executive in 1998 and Chief Executive in 2004. Mr Bremner chairs the Sunderland Partnership Board and is a member of the SAFC Foundation of Light Audit Committee and the North East and North Cumbria Academic Health Sciences Network. He was awarded an MBE in 2018 for services to NHS Leadership and is also an Honorary Fellow of the University of Sunderland.
Committee Member:
Board of Directors; General Purposes Committee; Joint Remuneration Committee (for Executive Directors only); Finance and Performance Committee.

Melanie Johnson   Director of Nursing and AHPs and Patient Experience
                       From January 2016
                       Director of Nursing, Midwifery and Allied Health Professionals– CHSFT and STFT
                       From November 2016

Ms Johnson is a registered nurse who has worked in the NHS since 1985 and joined the Trust in January 2016. She has held a variety of clinical and management posts in London, Leeds and was Director of Nursing in Newcastle and Edinburgh. Ms Johnson recently

became a Visiting Professor at the University of Sunderland. She is also Chair of the RCN UK Professional Nursing Committee.

Committee Member:
Board of Directors; General Purposes Committee; Joint Governance Committee; Joint Policy Committee; Joint Patient, Carer and Public Experience Committee; Joint Workforce Committee.

Ian Martin   Medical Director (CHSFT only)
                  From January 2013

Mr Martin joined City Hospitals Sunderland in 1993 as a Consultant Oral Maxillofacial surgeon and was appointed Medical Director in 2013. He has previously held the posts of Deputy Medical Director and Clinical Director for Head and Neck within the Trust. Mr Martin was Lead Clinical Co-ordinator for NCEPOD and is now a Trustee. He is President of the British Association of Oral and Maxillofacial Surgeons and Council Member of the Royal College of Surgeons of England. He is past President of the Federation of Surgical Specialty Associations, the European Association for Cranio-Maxillofacial Surgery and the British Association of Head and Neck Oncologists. He is also Civilian Consultant Advisor to the Royal Air Force.

Committee Member:
Board of Directors; General Purposes Committee; Joint Governance Committee.

Julia Pattison   Director of Finance
                  From July 2008
                  Director of Finance – CHSFT and STFT
                  From November 2016

Mrs Pattison is a qualified accountant and has worked in the NHS since 1989. She joined the Trust in May 2006 as Head of Finance and Contracting previously working as Head of Finance and Service Level Agreements at North of Tyne Commissioning Consortium. Mrs Pattison became Director of Finance in July 2008.

Committee Member:
Board of Directors; General Purposes Committee; Joint Governance Committee; Tendering Committee; Finance and Performance Committee; Workforce Committee; Charitable Funds Committee.

Peter Sutton   Director of Strategy and Business Development
                  From September 2013
                  Director of Planning and Business Development – CHSFT and STFT
                  From November 2016

Mr Sutton has worked in the NHS since 1995. He joined the Trust in 1999 and previously held the post of Director of Service Transformation working on behalf of NHS South of Tyne and Wear, South Tyneside NHSFT, Gateshead NHSFT and City Hospitals Sunderland NHSFT. Mr Sutton became Director of Strategy and Business Development in September 2013.

Committee Member:
Board of Directors; General Purposes Committee; Finance and Performance Committee; Joint Strategy Committee.

Carol Harries   Trust Secretary, Director of Corporate Affairs
From 1999
Director of Corporate Affairs & Legal (CHSFT & STFT)/Trust Secretary (CHSFT)
From November 2016
Deputy Chief Executive from November 2017
Retired 30 September 2018

Mrs Harries has worked in the NHS since 1971 and joined the Trust in 1996 from the post of Unit General Manager at South Durham Healthcare Trust. Mrs Harries became Trust Secretary in 1999. She is a Trustee of Age UK Sunderland. Mrs Harries was appointed Deputy Chief Executive in November 2017. Mrs Harries retired from the Trust at the end of September 2018.

Register of Interests

A Register of Interests for the Board of Directors is maintained by the Trust Secretary. The format of this register was agreed by the then Board of Governors in August 2004. The register is available for inspection by members of the public via application to the Trust Secretary and the Trust's website.

Appointment of the Chairman and Non-Executive Directors

It is for the Council of Governors at a general meeting to appoint or remove the Chairman and other Non-Executive Directors. Removal of a Non-Executive Director requires the approval of three-quarters of the members of the Council of Governors.

The Chairman, John Anderson, was appointed to the Trust on 1 October 2008 for an initial three year term. The Council of Governors extended Mr Anderson's appointment in September 2011 for a further three years. His appointment was extended for a further three years (renewable on an annual basis) in September 2014 and again for one year until the end of September 2018. The Council of Governors approved a further 6 month appointment until the end of March 2019.

Mr David Barnes, Non-Executive Director, was appointed in a 'shadow' capacity from 18 January 2012 and then took up the substantive appointment from 1 October 2012 for an initial period of 3 years. His appointment was extended for a further 3 years in September 2015. His appointment was subsequently extended by the Council of Governors for a further 6 months until the end of March 2019.

Mr Stewart Hindmarsh, Non-Executive Director, was appointed in January 2012 for an initial period of two years and nine months. He was reappointed by the Council of Governors for a further three year period until September 2017. His appointment was extended for a further year until September 2018 and subsequently extended by the Council of Governors for a further 6 months until the end of March 2019.

Dr Mike Laker, Medical Adviser (*Non-Executive*), was appointed in November 2014 for an initial period of one year. He was reappointed for a further year until November 2016. Dr Laker was re-appointed for a further year until November 2017, a further year until November 2018 and extended until the end of March 2019. This is a non-voting position to provide challenge and assurance alongside the Medical Director's role.

Mr Paul McEldon, Non-Executive Director, was appointed in August 2017 for an initial period of 3 years.

Mrs Pat Taylor, Non-Executive Director, was appointed in April 2017 for an initial period of 3 years.

Mr Alan Wright, Non-Executive Director, was appointed in a 'shadow' capacity from June 2012 and then took up the substantive appointment from 1 October 2012 for an initial period of 3 years. He was reappointed by the Council of Governors for a further three year period until September 2018. His appointment was subsequently extended by the Council of Governors for a further 6 months until the end of March 2019.

The extensions to terms of office for John Anderson, David Barnes, Stewart Hindmarsh and Alan Wright are not in line with the NHS Foundation Trust Code of Governance, which suggests that any term beyond two three year terms should be subject to particularly rigorous review and should take into account the need for progressive refreshing of the Board. The Council of Governors considered this element of the Code and felt continuity in Board leadership was important as the Trust was pursuing a merger with South Tyneside NHS Foundation Trust and therefore approved the extensions to terms of office until the end of the financial year.

All appointments are made for a period of office in accordance with the terms and conditions of office decided by the Council of Governors.

The Board has a balance of skills and experience for the business of the Trust. The Board, excluding the Chairman, has a 50/50 split of Executive and Non-Executive Directors.

The Non-Executive Directors bring an independent judgement on issues of strategy, performance, risk, quality and people through their contribution at Board and workshop meetings.

The Board has concluded that each of the Non-Executive Directors is independent in accordance with the criteria set out in the NHS Foundation Trust Code of Governance. At the time of his appointment, the Chairman, Mr John Anderson, was considered independent in accordance with the Code of Governance.

The Chairman and the Non-Executive Directors meet regularly without the Executive Directors being present.

The roles of the Chairman and the Chief Executive are separate.

All Directors, both Executive and Non-Executive, meet the "fit and proper" persons test as described in the provider licence.

Board Evaluation

Individual evaluation of both the Executive and Non-Executive Directors was undertaken in 2018/19. As part of this process the Chairman undertook one-to-one sessions with the Non-Executive Directors and Chief Executive.

The Chief Executive carried out formal appraisals of each of the Executive Directors during the year. The Vice Chairman undertook an appraisal of the performance of the Chairman.

Following this evaluation, the Directors have concluded that the Board and its Committees operate effectively and also consider that each Director is contributing to the overall effectiveness and success of the Trust and demonstrates commitment to the role.

Board Purpose

The Board of Directors provides entrepreneurial leadership of the Trust within a framework of prudent and effective controls, which enables risk to be assessed and managed. It determines the strategic direction of the Trust and reviews and monitors operating, financial and risk performance.

A formal schedule of matters reserved to the Board includes:

* approval of the Trust's Annual Plan;
* adoption of policies and standards on financial and non-financial risks;
* approval of significant transactions above defined limits; and
* the scope of delegations to Board Committees and the senior management of the Trust.

The Executive Committee of the Trust is responsible to the Board for:

* developing strategy;
* overall performance of the Trust, and managing the day to day business of the Trust.

The matters reserved to the Council of Governors are:

* to appoint, or remove the Chairman and the other Non-Executive Directors of the Trust;
* to decide the remuneration and allowances of the Chairman and Non-Executive Directors;
* to appoint or remove the Trust's auditor;
* to be presented with the annual accounts and annual report;
* to approve an appointment by the Chairman and Non-Executive Directors of the Chief Executive;
* to give the views of the Council of Governors to Directors for the purpose of preparing by the Directors, the Trust's Annual Plan;
* to hold the Non-Executive Directors, individually and collectively, to account for the performance of the Board of Directors;
* to represent the interests of the members of the Trust as a whole;
* to approve "significant transactions";
* to approve an application by the Trust to enter into a merger, acquisition, separation or dissolution;
* to decide whether the Trust's non-NHS work would significantly interfere with its principal purpose; and
* to approve amendments to the Trust's constitution.

Meetings of the Board of Directors

Board of Directors		Number of Meetings	Actual Attendance
John Anderson	Chairman	6	4
David Barnes	Non-Executive Director	6	6
Ken Bremner	Chief Executive	6	5
Stewart Hindmarsh	Non-Executive Director	6	6
Melanie Johnson	Executive Director of Nursing, Midwifery and AHPs	6	5
Ian Martin	Executive Medical Director	6	5
Paul McEldon	Non-Executive Director	6	6
Julia Pattison	Executive Director of Finance	6	6
Peter Sutton	Executive Director of Planning & Business Development	6	4
Pat Taylor	Non-Executive Director	6	5
Alan Wright	Non-Executive Director	6	5
Mike Laker	Medical Adviser (Non-Executive Director)	6	5
General Purposes Committee		**Number of Meetings**	**Actual Attendance**
John Anderson	Chairman	5	5
David Barnes	Non-Executive Director	5	5
Ken Bremner	Chief Executive	5	4
Stewart Hindmarsh	Non-Executive Director	5	3
Melanie Johnson	Executive Director of Nursing, Midwifery & AHPs	5	4
Ian Martin	Executive Medical Director	5	3
Paul McEldon	Non-Executive Director	5	4
Julia Pattison	Executive Director of Finance	5	5
Peter Sutton	Executive Director of Planning & Business Development	5	3
Pat Taylor	Non-Executive Director	5	5
Alan Wright	Non-Executive Director	5	4
Mike Laker	Medical Adviser (Non-Executive Director)	5	4
Audit Committee		**Number of Meetings**	**Actual Attendance**
David Barnes	Non-Executive Director (Chair)	5	5
Paul McEldon	Non-Executive Director	5	4
Pat Taylor	Non-Executive Director	5	5
Charitable Funds Committee		**Number of Meetings**	**Actual Attendance**
David Barnes	Non-Executive Director (Chair)	5	5
Julia Pattison	Executive Director of Finance	5	5
Alan Wright	Non-Executive Director	5	1
Finance and Performance Committee*		**Number of Meetings**	**Actual Attendance**
David Barnes	Non-Executive Director (Chair)	11	11
Ken Bremner	Chief Executive	11	6
Stewart Hindmarsh	Non-Executive Director	11	9
Paul McEldon	Non-Executive Director	3	3
Julia Pattison	Executive Director of Finance	11	11
Peter Sutton	Executive Director of Planning & Business Development	11	7
Governance Committee*		**Number of Meetings**	**Actual Attendance**
Melanie Johnson	Executive Director of Nursing, Midwifery and AHPs	11	6
Ian Martin	Executive Medical Director	11	8
Paul McEldon	Non-Executive Director (Chair)	11	11
Julia Pattison	Executive Director of Finance	11	4
Pat Taylor	Non-Executive Director	11	9
Nominations Committee		**Number of Meetings**	**Actual Attendance**
John Anderson	Chairman	0	0
Ken Bremner	Chief Executive	0	0
Chris Colley	Governor	0	0
Michael McNulty	Lead Governor	0	0
Susan Pinder	Governor	0	0

Patient, Carer and Public Experience Committee*		Number of Meetings	Actual Attendance
Melanie Johnson	Executive Director of Nursing, Midwifery & AHPs	3	2
Alan Wright	Non-Executive Director (Chair)`	3	2
Policy Committee*		**Number of Meetings**	**Actual Attendance**
Melanie Johnson	Executive Director of Nursing, Midwifery & AHPs	10	2
Pat Taylor	Non-Executive Director	10	9
Remuneration Committee*		**Number of Meetings**	**Actual Attendance**
Stewart Hindmarsh	Non-Executive Director	2	2
Paul McEldon	Non-Executive Director	2	1
Ken Bremner	Chief Executive (for Executive Directors only)	2	2
Strategy Committee*		**Number of Meetings**	**Actual Attendance**
Stewart Hindmarsh	Non-Executive Director (Chair)	4	3
Ken Bremner	Chief Executive	4	3
Julia Pattison	Executive Director of Finance	4	2
Peter Sutton	Executive Director of Planning & Business Development	4	4
Tendering Committee		**Number of Meetings**	**Actual Attendance**
Pat Taylor	Non-Executive Director (Chair)	2	2
Julia Pattison	Executive Director of Finance	2	2
Alan Wright	Non-Executive Director	2	1
Workforce Committee*		**Number of Meetings**	**Actual Attendance**
Stewart Hindmarsh	Non-Executive Director (Chair)	4	4
Melanie Johnson	Executive Director of Nursing, Midwifery & AHPs	4	0
Julia Pattison	Executive Director of Finance	4	0

* Joint Committee with South Tyneside NHS Foundation Trust

AUDIT

Audit Committee

The Audit Committee has reviewed and commented upon the internal and external audit plans and the Local Counter Fraud plan. With regard to internal audit and Local Counter Fraud Service (LCFS) reports it has reviewed their reports and updates on the basis of the report recommendations, and on a sample basis, the complete report.

The Committee has reviewed in detail the Annual Accounts of the organisation.

For the 2018/19 financial year, the external auditors of the Trust are Ernst and Young (EY) who were appointed in April 2016 for a period of three years, with a possible extension for a further two years at a value of £42.5k per annum for the financial and quality audits.

Internal audit services are provided by 'AuditOne' as part of Northumberland, Tyne and Wear NHS Foundation Trust. The arrangements are run as a consortium contract with all members having formal voting rights in relation to the running of the service.

The Audit Committee works with the Finance and Performance Committee to ensure overall probity around financial resources within the Trust. The Finance and Performance Committee includes some members of the Audit Committee. The Chair of the Audit Committee, the Finance and Performance Committee and the Governance Committee discuss areas of joint work and ensure a common understanding and overview by Board members in the management of risk. The membership of the Audit Committee and the Finance and Performance Committee includes the Chair of the Governance Committee which strengthens the assurance process around risk management throughout the organisation.

The Board of Directors has reviewed the Annual Governance Statement and the Governance Committee, Audit Committee and Board of Directors have reviewed the Assurance Framework, both of which are part of the framework for managing and mitigating risk for the organisation as a whole, on the basis of systems of internal control being put in place, but also regarding the identification of potential risks, so that action can be taken proactively to address them.

The Audit committee considered the risks highlighted in the external audit plan and concluded that these risks were in line with the committee's understanding of the organisation. The risks considered were:

- risk of fraud in revenue and expenditure recognition;
- misstatements due to fraud or error;
- valuation of land and buildings;
- Oracle system upgrade; and
- implementation of new accounting standards.

Charitable Funds Committee

The Committee has reviewed in detail the Charitable Accounts relating to funds held on Trust for the 2017/18 financial year. The Committee will consider the 2018/19 Charitable Funds accounts ahead of the formal submission to the Charities Commission.

External Audit

There were no non-audit services purchased during 2018/19.

The Audit Committee reviews the independence of the external auditors and considers any material non-audit services to ensure that independence is maintained.

Fraud

The Trust has an active internal audit programme which includes counter fraud as a key element. It participates in national counter fraud initiatives/checks and employs counter fraud specialists to follow up any potential issues identified. In addition, during the year, AuditOne has provided a number of events for Audit Committees, Directors or Finance and other key staff including an event specifically on cyber security.

Other Income

The accounts provide detailed disclosures in relation to "other income" where "other income" in the notes to the Accounts is significant. (Significant items are listed in Note 3 to the Accounts).

Audit Information

The directors confirm that so far as they are aware, there is no relevant audit information of which the Trust's auditors are unaware and that each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

KEN BREMNER
Chef Executive   **Date: 28 May 2019**

STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE ACCOUNTABLE OFFICER OF CITY HOSPITALS SUNDERLAND 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 NHS Improvement.

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require City Hospitals Sunderland NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of City Hospitals Sunderland 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 Department of Health and Social Care Group Accounting Manual and in particular to:

- observe the Accounts Direction issued by NHS Improvement, 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* (and the *Department of Health and Social Care Group Accounting 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;
- confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS foundation trust's performance, business model and strategy; and
- prepare the financial statements on a going concern basis.

The Accounting Officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS Foundation Trust and to enable him to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS Foundation Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in the NHS Foundation Trust Accounting Officer Memorandum.

KEN BREMNER
Chief Executive

Date: 28 May 2019

ANNUAL GOVERNANCE STATEMENT

Scope of responsibility

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

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 City Hospitals Sunderland 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 City Hospitals Sunderland NHS Foundation Trust for the year ended 31 March 2019 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Trust is committed to a risk management strategy, which minimises risks to patients, staff, the public and other stakeholders through a common framework of internal control, based on an ongoing risk management process.

The strategy identifies the key principles, milestones and operational policies governing the management of all types of risk faced by the organisation. This strategy is subject to regular review.

The Audit Committee meets regularly and is well represented by Non Executive Directors and the Trust's External Auditors with the Director of Finance and Director of Corporate Affairs and Legal also in attendance. The committee ensures scrutiny, monitoring, discussion and input. The Finance and Performance Committee reports to the Board and includes reporting on internal Cost Improvement Programmes. Finance Reports are presented in a format consistent with those submitted to NHS Improvement. The Governance Committee leads the work of the Clinical Governance Steering Group and Corporate Governance Steering Group. The Board receives appropriate, timely information and reports from the Governance Committee via a monthly 'Quality and Risk Assurance' (QRA) report enabling adequate and appropriate assessment of risk and management of performance. During the year both Committees became joint, receiving reports for both City Hospitals Sunderland and South Tyneside NHS Foundation Trusts.

As part of the ongoing process of review, the Trust's top risks (previously adopted by the Board) were scrutinised to ensure that they properly reflected the risks which were identified in the departmental Risk Registers. During the year, the Board formally signed off the Board Assurance Framework (BAF) including risk assessments against each area on the

framework. In addition the Group Board (comprising the Chair, Vice Chairs of City Hospitals Sunderland and South Tyneside NHS Foundation Trusts, plus the joint Chief Executive) signed off a Group Risk Register, recognising that some risks were wider than an individual Trust and were related to the process of working more closely together. The Trust has reviewed with its partner, South Tyneside NHS Foundation Trust, the risk management arrangements and has adapted its approach in year. This has culminated in the development of a new Datix system

The Trust's risk management programme comprises:

- a single incident reporting process for all risks and hazards identified by systematic risk assessment, risk management review and adverse incidents reporting. The system has been upgraded and improved with training provided to managers who use the system;
- the system allows for real time assessment of all risks and mitigating actions;
- common grading framework and risk register/risk action planning process applied to all types of risk across the organisation;
- comprehensive programme of multi-level risk management training for all new and existing staff;
- ongoing monitoring and review of both internal and external risk management performance indicators at all levels across the organisation; and
- a communication strategy which ensures appropriate levels of communication and consultation with both internal and external stakeholders.

The risk and control framework

The Trust's Board Assurance Framework (BAF):

- identifies the principal objectives of the Trust and the principal risks to achieving them;
- sets out the controls to manage these risks;
- documents assurances about the effectiveness of the operation of the controls; and
- identifies to the Board where there are significant control weaknesses and/or lack of assurance.

These high level objectives and the principal risks to achieving them are underpinned by the detailed risks and associated actions set out in the Trust's risk register. Responsibility for the overall Framework lies with the Board of Directors. The Board uses the framework to ensure that the necessary planning and risk management processes are in place to provide assurance that all key risks to compliance with licence requirements have been appropriately identified and addressed. The Trust introduced risk ratings onto the Board Assurance Framework for the first time in year and this will evolve to reflect risk appetite in future years.

The use of a common grading structure for incidents and risks ensures that relative risks and priorities are assessed consistently across all directorates. No risk is treated as acceptable unless the existing situation complies with relevant guidance and legislation (eg control of infection, health and safety, Standing Financial Instructions).

The establishment of a dedicated risk management team and programme of risk management training, including use of the intranet, ensures that the strategy is co-ordinated across the whole organisation and progress is reported effectively to the Board and its Governance Committee and other relevant sub committees.

The Trust's assurance framework incorporates the need to achieve compliance with the Care Quality Commission's requirements. This is assessed in year by the Clinical Governance Steering Group and the Corporate Governance Steering Group reviewing in detail compliance against the relevant standards.

The assurance framework is based on the Trust's strategic objectives and an analysis of the principal risks to the Trust achieving those objectives. The key controls, which have been put in place to manage the risks, have been documented and the sources of assurance for individual controls have been identified. The main sources of assurance are those relating to internal management controls, the work of internal audit, clinical audit and external audit, and external assessments by outside bodies such as the Care Quality Commission, NHS Resolution and the Health and Safety Executive.

The involvement of external stakeholders in the Trust's risk management programme is a key element of the Trust's Risk Management Strategy. This involves timely communication and consultation with external stakeholders in respect of all relevant issues as they arise.

This process applies in particular to the involvement of external stakeholders in patient safety and the need to co-ordinate how risks are managed across all agencies, including the Medicines and Healthcare Products Regulatory Agency, Local Authority Adult and Children's Services, the Coroner, the emergency services, representative patient groups and local Clinical Commissioning Groups.

Key risks facing the Trust during 2018/19 included:

- development and approval of a Financial Recovery Plan during 2018/19 to address underlying financial pressures over a longer time period, both within the Trust and other partners within the Sunderland and South Tyneside local health economy;
- delivering the challenging Cost Improvement Target on top of maintaining the achievements from prior years;
- managing the spend level for agency workers within the financial 'cap' set by NHS Improvement;
- managing the delivery of the financial Control Total;
- managing the delivery of the Provider Sustainability Fund (PSF) including the financial and performance requirements in year;
- managing the cash requirements of the Trust, requiring the use of working capital loans in year;
- managing the capacity challenges of a 'Single Management Team' across City Hospitals Sunderland and South Tyneside NHS Foundation Trusts during the year;
- planning for the merger of the two Trusts from 1 April 2019;
- maintaining the relevant performance standards including the 18-week target for 95% of admitted patients in year across all specialties and the maximum 4 hour wait for A&E waits and the 62 day cancer targets;
- managing infection rate targets including the MRSA and C-Diff targets; and
- maintaining the standards required by the Care Quality Commission to maintain compliance with licence requirements.

The Trust has considered the requirements of FT condition 4 relating to governance arrangements and in particular the principal risks of complying with the condition. These risks may include lack of clarity and effectiveness of governance structures; unclear reporting lines/accountabilities between the Board, its sub-committees and the Executive Leadership team; delay and ineffective scrutiny and oversight by the Board as a result of

inaccurate and delayed information for the Board and sub-committee decision-making; and insufficient capability at Board level to provide effective leadership and challenge.

The following paragraphs outline how these risk are mitigated in the organisation.

The Trust has a robust process in place to ensure all Executive and Non-Executive Directors are able to discharge their functions effectively with clear governance structures. In addition all committees have Terms of Reference which are reviewed regularly to ensure they remain effective.

The Board sub-committees include the Governance Committee, Audit Committee, Finance and Performance Committee, Patient Carer Public Experience Committee (PCPEC), Strategy Committee and Workforce Committee. Each has a distinct role around governance or performance management and provides opportunities for Board members at Executive and Non-Executive level to review in detail the key risks for the organisation and actions being taken to mitigate these risks. The PCPEC includes governor representative membership to support better understanding of these risks from a patient perspective. Minutes from all Committees are presented to the Board during the year. The Board receives monthly information relating to progress on performance, finance and quality metrics, and a quarterly workforce report, with actions to address any areas of concern.

A 'Quality Report' (QA) has continued to be developed and provides a visual approach to the management of quality metrics. The report is a standing monthly report at the Executive Committee, Governance Committee and Board of Directors and also includes a 'patient story' demonstrating Trust performance at individual patient level. The report also includes the work of the Mortality Review Panel which undertakes a review of deaths to better analyse the quality of care prior to expected death and whether there are any improvements required in clinical or organisational care. The process is consistent across the Northern region and has been recognised as good practice. In addition, the Board receives a quarterly 'Learning from Deaths (Mortality)' dashboard which is also published on the Trust website.

The QA report is the first formal item on the Board of Directors agenda recognising the importance placed on quality governance. The report focuses on clinical effectiveness, patient experience, patient safety, risk management and assurance, drawing upon the work of relevant Committees and Groups including the Governance Committee, the Patient, Carer and Public Experience Committee, Clinical Governance Steering Group and the Mortality Review Panel, and includes feedback from independent external benchmarking, audit or other sources of information about the Trust's performance.

The Executive Committee, Finance and Performance Committee and the Board of Directors receive a monthly performance report detailing the performance against national, local and CQUIN indicators. The report identifies areas of concern and the lead Director highlights action undertaken to manage the area of concern.

The Trust has in place a system for performance and objective setting as well as personal development planning to ensure individuals are equipped to carry out their role within the organisation effectively. The Executive Management structure was reviewed in preparation for the Trust's merger with South Tyneside NHS Foundation Trust to ensure the Board was confident that the senior leadership team had sufficient capability and capacity.

The Trust has focused on a number of short, medium and long term workforce measures to ensure that the workforce numbers and skills are at the right level required and has taken

account of the requirements detailed within the NHS Improvement document 'Developing Workforce Safeguards'.

Working closely with its partner South Tyneside NHS Foundation Trust, the Trust has:

- supported the University of Sunderland in its aim of developing healthcare related degrees, which has resulted in the opening of the Sunderland based School of Nursing in 2016, and the commencement of students at their new Medical School in September 2019. The Trust has also worked closely with the University to develop allied profession programmes and with Occupational Therapy and Physiotherapy degree students, also commencing in September 2019;
- visited the Philippines to continue the ongoing successful recruitment programme for skilled nurses;
- introduced new roles into the workforce to support patient needs, including physicians associates, assistant practitioners and advanced clinical practitioners;
- commenced Apprenticeships in Registered Nursing for existing nursing support staff in January 2019;
- utilised apprenticeships, in order to train new staff in clinical support roles, and develop existing staff towards registered and associate professional roles.

Workforce Development initiatives are discussed and agreed at the Trust's Workforce Committee, which includes Non-Executive Director membership. New roles are formally evaluated to ensure that they are beneficial to patient experience and safety.

The Trust has a system of 6 monthly workforce reviews with all of its nursing teams to ensure that staffing establishments remain adequate for the levels of patient activity which are being delivered, and provide assurance to the Executive Director of Nursing, Midwifery and Allied Health Professionals, and the wider Trust Board of safe staffing. The staffing reviews consider staffing numbers versus planned establishment, alongside other information such as patient acuity levels, patient experience feedback, bank usage, and reported incidents, to ensure staffing is at a safe level for the patient activity levels for the area. Where changes are required, funded staffing establishments are changed to reflect revised patient care needs.

The Trust uses e-rostering systems to ensure it deploys available staff effectively in each clinical area. The rostering systems plan shifts for all clinical staff to match patient needs, ensuring that staff working patterns are aligned with patient activity requirements. The use of 'NHS Professionals' has strengthened the Trust's ability to fill rota gaps by service or area and target resource accordingly. The Trust has reviewed payment rates in year to minimise nursing gaps.

The Trust has a group consisting of Executive Director Membership, which makes decisions as to which training should be mandated for all staff, and which should be compulsory for staff in certain roles. This is then measured through the electronic staff record (ESR) system, with quarterly reports to the Trust's Board on compliance.

Longer term, the Trust has been working with partners to consider changes to clinical service configurations to improve quality of care and patient outcomes whilst utilising the skills of staff to best support this. The programme, "Path to Excellence", is led by the local Clinical Commissioning Groups in South Tyneside and Sunderland, where service leaders, in consultation with staff and service users, have reviewed groups of clinical services across South Tyneside and Sunderland to identify better ways of working together to achieve improved patient outcomes.

The first phase of Path to Excellence concentrated on three services, stroke services, maternity and women's health, and emergency and urgent paediatric services. This identified ways of configuring services across South Tyneside and Sunderland and will be implemented during 2019/20, following a delay caused by a formal judicial review process. The subsequent outcome of the process ruled in the Clinical Commissioning Groups' favour, although the formal transcript has not yet been received and there remains a risk around a potential appeal.

A second phase of Path to Excellence is now underway covering acute medicine and emergency care, acute surgery, theatres and critical care, elective (planned) care and specialist services plus clinical support services. Options for service models in these areas are being explored and consultation will take place in summer 2019 subject to demonstrating capital availability. Quality Impact Assessments have and will continue to be undertaken throughout the service review process.

The annual planning process involves all corporate functions including Human Resources, Finance, Nursing and Medical Directors. The workforce figures are aligned between financial and ESR information and reflect current and projected workforce numbers across the Trust, linked to current and projected service changes. The plan is signed off by the Trust's Board.

The role of Freedom to Speak up Guardian is undertaken by the Director of Human Resources and Organisational Development and a quarterly update on activities is provided to the Board of Directors.

Work to develop a longer term workforce plan will be informed by the 'Path to Excellence' service reconfiguration work and the completion of the merger process with South Tyneside NHS Foundation Trust. This will be a focus of work during 2019/20.

The Corporate Governance Statement is presented to the Board of Directors for formal sign-off each year and is published on the Trust's website. The Board considers the proposed submission and associated evidence ahead of submission to NHS Improvement including work undertaken in year to improve compliance with relevant standards.

The 2018/19 financial year was the second full year of a single Executive Team working across City Hospitals Sunderland and South Tyneside NHS Foundation Trusts as part of the 'South Tyneside and Sunderland Healthcare Group'. A Memorandum of Understanding and Terms of Reference with membership from the Chief Executive, Chairs from both Trusts and Non-Executive Directors from both Trusts was previously developed for the Group. A joint Strategy Committee is working across both Trusts to oversee the development of a joint strategic vision. The appointment of a Communications lead has seen the approval of a communications strategy and improved engagement throughout the year with staff, Governors and other stakeholders across both organisations.

The Foundation Trust is fully compliant with the registration requirements of the Care Quality Commission.

The Foundation Trust has published an up to date register of interests for decision making staff within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance.

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

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

The Foundation Trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP18). The Trust ensures that its obligations under the Climate Change Act and the Adaption Reporting requirements are complied with.

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

The Trust's strategic planning and performance management arrangements ensure that all directorates are fully engaged in the continuous review of business objectives and performance.

The Trust uses an Objectives, Goals, Strategies and Measures (OGSM) framework as its strategic planning tool to provide a cascade process for the Trust's priorities and ensure optimal alignment of Trust resources to deliver its priorities.

Key elements of the Trust's arrangements for ensuring value for money in the delivery of its services are:

- an Annual OGSM planning process, which sets out priorities for the coming business year and reflects the requirements of and feedback from, our major Commissioners and stakeholders;
- performance management through regular reporting against the key deliverables set out in the corporate, directorate and departmental OGSMs and against national and local targets; and
- the achievement of efficiency savings through the Trust's cost improvement programmes with regular review by the Trust's Finance and Performance Committee.

Given the continuing financial pressures on the public sector, this year continued to be a difficult one for all public sector organisations with the focus on delivering the financial Control Total, reducing costs, coping with peaks in demand and improving the quality of patient care. The Trust worked with local health economy partners to develop a medium term financial recovery plan, plus prepare for a merger from the 1 April 2019. Therefore this year the OGSM was not revisited in detail as the longer term goal of merger will gradually align key strategic objectives.

The focus on cost reduction has been led by the Finance and Performance Committee which ensures detailed scrutiny of Cost Improvement Programmes as well as gaining an in depth knowledge of the underlying financial position of the Trust. The continuation and development of the 'Programme Management Group' to support the Finance and Performance Committee in its review of detailed programmes and individual projects has been welcomed by the Committee.

The Executive Committee, the Board of Directors and Council of Governors are actively involved in the business planning and performance management processes established by the Trust and in maintaining strong links with stakeholders.

During 2018/19 the Trust has:

- embedded the work of the Programme Management Office (PMO);
- updated the Trust standing financial instructions to ensure the control framework continued to be robust and fit for purpose;
- delivered a financial position better than the planned 'Control Total' resulting in access to incentive and bonus funds from the national 'Provider Sustainability Fund' (PSF);
- contributed to the development of a region wide 'Sustainability and Transformation Plan'; and
- worked closely with partners South Tyneside NHS Foundation Trust, NHS Sunderland Clinical Commissioning Group and NHS South Tyneside Clinical Commissioning Group and clinical leaders to develop an approach to manage the financial risk across the 'local health economy' culminating in the production of a medium term financial recovery plan.

Additional assurance in respect of the Trust's arrangements for ensuring economy, efficiency and effectiveness in the use of resources is provided to the Board of Directors through the conduct of regular reviews undertaken by Internal Audit and by External Audit work undertaken in accordance with the Audit Code.

As part of reviewing the financial sustainability of the organisation, the Trust has worked more closely with partners within the local health economy (Sunderland and South Tyneside) but also across the wider STP area, to assess joint opportunities to reduce cost but maintain quality of services that we provide. To facilitate these discussions the Trust agreed 'block' contracts with its major commissioners to minimise financial risk across the system. Provider sustainability funding and additional resources from the financial recovery fund will be received in 2019/20 linked to the achievement of the financial control total. This is a risk for 2019/20 which has been recognised by the Board of Directors in the Annual Plan submission to NHS Improvement.

Information Governance

The risk to data security is being managed and controlled through the monthly Information Governance Group, with quarterly updates to Corporate Governance Steering Group. During the year the Trust received 'Cyber Essentials Plus' recognition by NHS Digital. The Data Security and Protection Toolkit assessments are conducted as required, and an annual report is produced confirming the outcome in readiness for the submission by 31 March. This report is presented to Executive Committee, Board of Directors and Council of Governors for approval. For the submission on 31 March 2019, there were 32 mandatory assertions and the Trust met all mandatory requirements. Internal audit has independently substantiated this assessment. During the year there was one reportable information governance breach which was reported to the Information Commissioner.

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. NHS Improvement (in exercise of the powers conferred on 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.

Over the past year, the Clinical Governance Steering Group has reviewed progress against a range of 'quality' issues on a regular basis. This group, the data previously reported and external reports (eg national clinical audits, peer reviews etc) have shaped our clinical quality improvement plans. The group has also reviewed trends and themes in relation to incidents, complaints and litigation and used the data to inform quality improvement of services.

The Clinical Governance Steering Group as our key group for the monitoring of clinical quality, provides reports to the Governance Committee which in turn is a sub committee of the Board. The Governance Committee receives these reports which provide assurance or highlight any risks to quality. The Corporate Governance Steering Group in parallel to the Clinical Governance Steering Group reports to the Governance Committee on any non-clinical risks or quality issues eg in facilities. In turn, risks to quality identified through these mechanisms, are escalated through to the Board.

Quality Report metrics are also regularly reported throughout the year to the Board of Directors and Executive Committee. These indicators are all reported (along with a number of other metrics) as part of the Trust's Quality Report.

Most of the data used for these metrics is extracted directly from the Trust medical information system (Meditech). Where applicable, the system has been designed to conform to national data standards so that when the data is extracted it is already in a format consistent with national requirements and coding standards. The data is coded according to the NHS Data Model and Dictionary, which means that any performance indicators based upon this data can be easily prescribed and that the Trust is able to provide data that is both consistent nationally, and fit for purpose.

Internally, standard operating procedures are used consistently by staff involved in the production of the Trust's performance against national, local and internal indicators. This ensures that the process meets the required quality standards and that everyone uses a consistent method to produce an output. Wherever possible, our processes are fully or at least partially automated to make certain that the relevant criteria are used without fail. This also minimises the inherent risk of human error.

Data quality and completeness checks are built into processes to flag any erroneous data items or any other causes for concern, usually as part of the automated process. In addition, further quality assurance checks are performed on the final process outputs to confirm that the performance or activity levels are comparable with previous activity or expected positions. Where applicable, our performance against key indicators is also evaluated against available benchmarking data or peer group information to help understand at the earliest opportunity whether or not the Trust is likely to be an outlier, which in itself may prompt further investigation.

A rolling programme of data quality audits is in place in relation to Referral to Treatment Time indicators to ensure reporting is in line with national guidance and data quality issues are highlighted and acted upon. This is in addition to an annual training programme on waiting list and pathway management with key staff groups and regular data quality reports which are already in place. Acknowledging prior year issues flagged in the external report and in relation to the cancer 62 day waiting time standard the following actions were in place ahead of the year:

- implemented data quality audits around cancer waiting time standards in our rolling programme of data assurance audits; and
- implemented further sample quality assurance checks at the final stage of the process before performance is reported.

For most of the data, specific criteria and standards have to be used to calculate performance which is based on national data definitions where appropriate. To further ensure accuracy the report has been reviewed by two separate internal departments, Clinical Governance and Performance Management, both of which are satisfied with the accuracy of the information reported.

In summary, a substantial proportion of the data used as part of this Quality Report has been previously reported to Board of Directors, Governance Committee, Clinical Governance Steering Group and Executive Committee throughout 2018/19 and feedback from these forums has been used to set future priorities. These arrangements have ensured that a balanced view on quality can be provided through the Quality Report for 2018/19.

With respect to setting the priorities for 2019/20 a consultation exercise has been undertaken. Consultation has taken place with the Clinical Governance Steering Group, Executive Committee, Council of Governors, Board of Directors and local commissioners, to ensure that the Quality Report includes views from key stakeholders.

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 review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and Governance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Board and its committees have a key role in maintaining and reviewing the effectiveness of the system of internal control.

The Executive Committee and Board of Directors have received regular reports on the development of the Trust's risk management framework, in particular through the work of the Governance Committee. The Governance Committee receives reports from the Clinical Governance Steering Group and Corporate Governance Steering Group and coordinates the implementation of action plans through the Trust's risk register mechanism.

The Governance Committee has received regular reports on sources of external assurance including evidence from the CQC, national reviews and other independent evidence.

The Finance and Performance Committee have played an important scrutiny role and helped to ensure that efficiency plans are maximised by robust challenge and escalation of key issues to the Board.

The outcome of internal audit reviews has been considered throughout the year through regular reports to the Audit Committee. The Board of Directors receives and considers the minutes of the Audit Committee where necessary. The Head of Internal Audit provides a separate update to me as Accounting Officer of the work undertaken during the year.

Conclusion

My review confirms that no significant internal control issues have been identified.

KEN BREMNER
Chief Executive   **Date: 28 May 2019**

REMUNERATION REPORT

The Joint Remuneration Committee is chaired by the Vice Chairman of South Tyneside NHS Foundation Trust and other members include the Vice Chairman of City Hospitals Sunderland and two further Non-Executive Directors. The committee agrees the remuneration, allowances and other terms and conditions of office of the Chief Executive, Executive Directors and other designated Directors/Senior Managers, ensuring they are fairly rewarded for their individual and collective contribution to the organisation, having proper regard to the organisation's circumstances and performance and to the provisions of any national arrangements or guidance where appropriate. Membership of the committee and attendance at the meetings is identified on page 157 of the report. The Chief Executive is not part of the deliberation in relation to his performance or remuneration but joins the committee after this has taken place. The Director of Human Resources attends in an advisory capacity. Recommendations of the Committee are formally ratified by the remaining Non-Executive Directors and the Chairman of the Trust.

Senior Managers' Remuneration Policy

The following table sets out the senior managers' remuneration policy of the Trust:

Component	Specific to:	Strategic link	Maximum possible	Description
Salary	Directors/Very Senior Managers	To attract and retain suitably qualified individuals to lead and direct the Trust's activities.	Dependent on salary scale, mindful of the need to attract and retain suitable individuals, subject to periodic benchmarking.	Locally determined salary, benchmarked against peers.
Performance bonus	Directors/Very Senior Managers	To attract and retain suitably qualified individuals to lead and direct the Trust's activities.	5 % for Chief Executive and Director of Finance. 2.5 % for remaining Directors/Very Senior Managers.	Potential to attract a performance bonus subject to the achievement of key outcomes and the approval of Remuneration Committee.
Lease car scheme	Directors/Very Senior Managers	To attract and retain suitably qualified individuals to lead and direct the Trust's activities.	Determined by role/ contract.	Provision of lease car or cash equivalent, up to the maximum amount determined by role/contract.
Pension	All staff	To attract and retain suitably qualified individuals to lead and direct the Trust's activities.	In line with available pension scheme, ie NHS Pension Scheme and NEST.	Pension schemes with set contribution rates.

In determining the remuneration levels a range of benchmarking evidence is used including:

- NHS-wide governance ie Pay and Contractual Arrangements for NHS Chief Executives and Directors;
- local comparisons from other Trusts (where information is shared);
- posts advertised; and
- salary survey for NHS Chief Executives and Executive Directors.

City Hospitals Sunderland's information is benchmarked against the salary for the relevant individuals and recommendations based thereon. To enable the Trust to recruit and retain staff of the highest calibre, salaries are normally linked to the upper quartile of the benchmarks.

There are three directors whose salary is above the £142,500 threshold used in the Civil Service. These reflect:

- a clinical PA and a national clinical excellence award; and
- salaries being competitive compared to peers in similar sized Trusts.

The Chief Executive and Executive Directors are on permanent contracts with notice periods that range from 3-6 months.

Each Executive Director and the Chief Executive have annual performance plans against which they are assessed on a mid-year and then end-of-year basis. Whilst their salary is not strictly performance related, the Remuneration Committee will discuss performance when considering any changes to remuneration levels.

The Chairman appraises the performance of the Chief Executive on a mid-year and then end of year basis.

Senior Managers' remuneration and pension benefits are detailed in the table on page 175. Accounting policies for pensions and other retirement benefits are set out in Note 1.4 to the accounts. No compensation for loss of office paid or receivable has been made under the terms of an approved Compensation Scheme. This is the only audited part of the remuneration report.

The key components of the remuneration package for senior managers include:

- salary and fees;
- all taxable benefits; and
- annual performance based bonuses where applicable.

Some terms are specific to individual senior managers, which are assessed on a case by case basis such as:

- lease cars; and
- on-call arrangements.

Salaries are determined in line with the Agenda for Change scheme. Notice periods are standard within the Trust depending on the level of the role:

Agenda for Change Band	Notice Period
Bands 1 – 4	1 month
Bands 5 – 7	2 months
Bands 8+	3 months

Executive Director Remuneration – Statement of Chair of Remuneration Committee

During 2018/19 the Nominations and Remuneration Committee met twice and considered the following:

- the performance of the Chief Executive and Executive Directors and potential performance related bonuses;
- national guidance on Very Senior Managers' Pay;
- the recommendation of NHS Improvement to implement a 'flat rate uplift of £2075 per annum;
- terms and conditions of the Chief Executive and Executive Directors; and
- succession planning for the Director of Corporate Affairs and Legal/Trust Secretary and the Medical Director.

The Council of Governors decides on the remuneration and terms and conditions of the office of the Non-Executive Directors. The Council of Governors, in line with best practice and NHSI guidance, will market test the pay levels and other terms and conditions.

The Chairman agrees objectives with each Non Executive Director and a formal appraisal is undertaken annually.

The Lead Governor and Senior Independent Director have a role in the assessment and appraisal of the Chairman on an annual basis.

KEN BREMNER
Chief Executive   **Date: 28 May 2019**

Salary and Pension Entitlements of Senior Managers – Total Single Figure 2018/2019 (AUDITED)

	Salary (bands of £5,000)	Taxable Benefits (nearest £100) Note 1	Annual Performance Related Bonus (bands of £5,000)	Long Term Performance Related Bonus (bands of £5,000)	All Pension Related Benefits (bands of £2,500) Note 2	Total Remuneration (bands of £5,000)	Recharges salary (bands of £5,000)	Recharge Taxable Benefits (nearest £100)	Recharge Pension Related Benefits (bands of £2,500)	Remuneration Net of Recharges (bands of £5,000) Note 3
MR K W BREMNER Chief Executive	260-265	11.0	10-15	0	12.5-15	295-300	(125-130)	(5.5)	(5-7.5)	160-165
MRS C HARRIES Deputy Chief Executive (Retired 30 Sep 2018)	55-60	3.5	0-5	0	0	65-70	(10-15)	(1.0)	0	45-50
MRS J PATTISON Director of Finance	155-160	7.0	5-10	0	0	170-175	(80-85)	(3.5)	0	85-90
MRS M JOHNSON Director of Nursing, Midwifery & AHPs	145-150	7.0	0-5	0	0	155-160	(70-75)	(3.5)	0	80-85
MR P SUTTON Director of Planning & Business Development	140-145	7.0	0-5	0	0	150-155	(70-75)	(3.5)	0	75-80
MR I C MARTIN[4] Medical Director	150-155	7.0	0-5	0	0	160-165	0	0	0	160-165
MR J N ANDERSON Chairman	50-55	0	0	0	0	50-55	0	0	0	50-55
MR D C BARNES Non-Executive Director	15-20	0	0	0	0	15-20	0	0	0	15-20
MR S HINDMARSH Non-Executive Director	15-20	0	0	0	0	15-20	0	0	0	15-20
MR P MCELDON Non-Executive Director	15-20	0	0	0	0	15-20	0	0	0	15-20
MRS P TAYLOR Non Executive Director	15-20	0	0	0	0	15-20	0	0	0	15-20
MR G A WRIGHT Non-Executive Director	15-20	0	0	0	0	15-20	0	0	0	15-20
DR M F LAKER Medical Adviser (Non-Executive)	5-10	0	0	0	0	5-10	0	0	0	5-10

For notes see overleaf

Notes

1   All benefits in kind relate to either lease cars provided under the Trust's Lease Car Scheme or car allowances.

2   Pension related benefits represent the annual increase in pension entitlement determined in accordance with the 'HMRC method', they do not represent payments made to senior managers in the year. The annual increase will vary from manager to manager depending upon the number of years accrued pension they have, any pensionable pay increases received in the year and the rate of inflation. Where there is a decrease in the benefits in the year this is recorded as "Nil" in the previous table. In accordance with guidance received from NHS Pensions the inflation figures used over the two years were 3% (2018/19) and 1% (2017/18).

3   Joint Executive Team in place during year with South Tyneside NHS Foundation Trust

4   Remuneration details for Mr I C Martin, Medical Director include payment for clinical work between £135k and £140k per annum

Performance related elements of remuneration were awarded to the Chief Executive and Director of Finance and were set at a maximum of 5% of salary. The performance targets reflect the strategic objectives of the organisation.

The performance targets and relevant weighting (where applicable) together with actual performance are identified in the table below:

Chief Executive

Objectives 2017/18	Weighting %	RAG
Achievement of Control Totals • STFT (revised)	10	
• CHSFT	20	
Produce a cash plan for South Tyneside 2018/19	10	
Demonstrate improvements(at least 2 areas) and in CQC Well Led Review domains/scores at South Tyneside	10	
Performance - A&E, cancer, RTT, diagnostics	20	
Clinical Services Reviews – ensure Phase 1 services proceed to consultation	10	
Produce and ensure acceptance from NHS Digital of Business Case for GDE Fast Follower status for STFT	10	
Improve sickness level towards 5% at STFT	5	
Improve scores for staff engagement in 2017 staff survey • STFT (2.5) • CHSFT (2.5)	5	

The Committee agreed to award 4.62 % on the basis of objectives achieved above.

Director of Finance

Objectives 2017/18	Weighting %	RAG
Manage 2017/18 Clinical Income contracts to ensure maximisation of income	5	🟩
Deliver the 2018/19 contracting round, maximising organisational engagement to increase income opportunities		🟩
Deliver a financial position and overall risk rating no lower than plan		
• CHSFT	15	🟩
• STFT	15	🟧🟩
• Risk Rating	5	🟩
Develop a long term financial recovery plan across Sunderland and South Tyneside Group	25	🟩
Work with the PMO to ensure delivery of the Trust wide CIP requirements	5	🟩🟧
Deliver capital schemes within approved plan	5	🟩
Maximise the opportunity afforded by CHoICE.	5	🟩
Review the requirements of the National Procurement Strategy and deliver the internal requirements for the Trust.	5	🟩
Deliver mandatory departmental requirements • CIP targets • Mandatory training • Annual appraisals	5	🟩🟧
Alignment of the finance function across both Trusts to deliver efficiencies and consistency of processes: • Annual appraisals • Review and implement new structures to support both organisations • Review and implement revised, consistent reporting arrangements for both organisations and the Group as a whole • Implement a recharging arrangement for corporate services between Trusts • Ensure robust cash management processes and ensure a robust drawdown arrangement following DH procedures.	10	🟩

The Committee agreed to award 4.375 % on the basis of objectives achieved above.

Performance related elements of remuneration were awarded to the Medical Director, Director of Nursing, Midwifery and AHPs, Director of Planning and Business Development and the Deputy Chief Executive/Director of Corporate Affairs and Legal/Trust Secretary, and were set at a maximum of 2.5% of salary. The performance targets reflect the strategic objectives of the organisation.

The performance targets and relevant weighting (where applicable) together with actual performance are identified in the tables below and overleaf:

Medical Director

Objectives 2017/18	Weighting %	RAG
Increase alignment of consultant medical workforce with service delivery • Standardise Job Planning • Monitor and assure • Closer scrutiny of pre-employment checks	10	Green
Promote closer alignment with STFT • Align clinical policies, pathways and procedures, and medical job plans. • Engage in consultation process	10	Green/Amber
Provide Medical Revalidation • Maintain scrutiny over robust system of tracking all Trust employed doctors • Maintain linkage between Appraisal and Revalidation • Maintain high quality medical appraisal	15	Green
Reduce unnecessary harm by Enhancing Clinical Governance • Refine mortality indices and consider introduction of VLAD • Harmonise mortality review across T&W • Introduce Consultant level CHKS data • Comply with new National Mortality reporting	15	Green
Reduce unnecessary harm by reducing HAIs • Strengthen Escalation process for RCAs • Rationalise reporting across Region	10	Green
Improve quality of Medical Training • Continue process of reviewing training grades and rationalise service and training grades by directorates • Collaborate with University to train physicians assistants • Complete rollout Allocate rota management system phase 1	10	Green
Improve CD engagement and accountability • More efficient alignment of human resources with service demand. • Better control of control and coordination of leave • Better grip on clinical quality.	5	Green/Amber
Reduce unnecessary bureaucracy • Reduce frequency of FFT and Safety Thermometer to appropriate levels	5	Green
Increase involvement in clinical research • Increase recruitment to clinical trials by promoting medical engagement	5	Green
Ensure Safe and sustainable Acute Care • Medical engagement in the Acute Hospital Programme • Work with Regional MDs to develop sustainable viable clinical services across a wider geographic area	10	Amber/Green

Objectives 2017/18	Weighting %	RAG
Increase effectiveness and efficiency of Medical Directorate • Clearly define roles and responsibilities of Heads within Directorate through job planning and appraisal • Continue rationalise clinical policies, guidelines and protocols to reduce duplication • Introduce Medical Directorate "Cabinet"	5	Green / Amber

The Committee agreed to award 2.25 % on the basis of objectives achieved above.

Director of Nursing, Midwifery and AHPs

Objectives 2017/18	Weighting %	RAG
Ensure we provide safe nurse/AHP staffing to deliver sage and effective person centred care	30	Green
Improve the Quality and Safety of Patient Care	30	Green / Amber
Ensure robust CHS /STFT Safeguarding Children and Adults systems and processes are in place and lead development of the service with multiagency partners	25	Green
Lead and manage own team in line with the Healthcare Group Vision, Values and Objectives	15	Green / Amber

The Committee agreed to award 2.19 % on the basis of objectives achieved above.

Director of Planning and Business Development

Objectives 2017/18	Weighting %	RAG
Further integrate clinical services	25	Green
• Clinical Services Review programme • Engage, shape and respond to CCG MCP prospectus	10	Green
To develop a sustainable health economy wide plan	10	Green
• LHE group to develop sustainable plan	20	Green
• Consider and evaluate potential merger – objective added toward end of 17/18 • Respond to relevant CCG or LA tenders	5	Red
Ensure delivery of the Monitor risk assessment framework indicators – A&E, Cancer, *C difficile* and RTT	-	Amber
Ensure delivery of all agreed CQUIN targets and ensure no contractual penalties	-	Green
Robust Trust-wide capacity and demand planning	-	Amber
All service lines to achieve their agreed financial target.	5	Green
• Lead the PMO function, with associated structures, governance, planning and reporting.	5	Amber / Red
	5	Green
• Lead the PMO and support/challenge directors to deliver the Trust's CRP programme. • Review of back office functions	5	Green
Provide high quality clinical accommodation for relevant services operating in Durham	5	Green
CHS to be commissioned to provide primary PCI 24/7	5	Red

The Committee agreed to award 2.18 % on the basis of objectives achieved above.

Deputy Chief Executive/Director of Corporate Affairs & Legal/Trust Secretary

Objectives:	Weighting %	RAG
Deliver mandatory departmental requirements: • CIP targets • Mandatory training • Annual appraisal • Sickness absence	5	Green
Submit all statutory reports in line with mandated guidance • Annual Report • Self-certifications • Annual General Meeting	15	Green
Develop business continuity plans across directorates/ departments to inform Trust wide business continuity/resilience plan	10	Amber/Green
Ensure committee/group structures in place before CQC inspection	5	Green
Support Director of Planning and Business Development in the merger development process	10	Amber/Green
Deliver PLACE inspection process for the organisation	10	Green
Further develop role of Charitable Fundraiser and implement fundraising strategy	5	Green
Support AJH with Trust approach to cyber security following 'WannaCry' attack	10	Green/Amber
Support Director of Nursing, Midwifery and AHPs in the preparation/delivery of CQC inspection	10	Green
Deliver Reward & Recognition Event within time and budget	10	Green
Continue to support the Company Secretary at STFT ensuring consistency of approach etc in relation to Board of Directors and Council of Governors	5	Green
Support Chief Executive in capacity as Deputy Chief Executive	5	Green

The Committee agreed to award 2.13 % on the basis of objectives achieved above.

Remuneration of Senior Managers - 2017/2018

	Salary (bands of £5,000)	Taxable Benefits (nearest £100) Note 1	Annual Performance Related Bonus (bands of £5,000)	Long Term Performance Related Bonus (bands of £5,000)	All Pension Related Benefits (bands of £2,500) Note 2	Total Remuneration (bands of £5,000)	Recharges salary (bands of £5,000)	Recharge Taxable Benefits (nearest £100)	Recharge Pension Related Benefits (bands of £2,500)	Remuneration Net of Recharges (bands of £5,000) Note 3
MR KW BREMNER Chief Executive	255-260	12.0	10-15	0	0	280-285	(125-130)	(5.5)	0	145-150
MRS C HARRIES Deputy Chief Executive (From 08 11 17)	45-50	7.0	0	0	30-32.5	80-85	(20-25)	(3.5)	(15-17.5)	40-45
MRS J PATTISON Director of Finance	155-160	7.0	5-10	0	37.5-40	210-215	(75-80)	(3.5)	(17.5-20)	105-110
MRS M JOHNSON Director of Nursing & Patient Experience	140-145	7.0	0-5	0	62.5-65	210-215	(70-75)	(3.5)	(30-32.5)	105-110
MR P SUTTON Director of Planning & Business Development	135-140	7.0	0-5	0	102.5-105	245-250	(65-70)	(3.5)	(50-52.5)	125-130
MR I C MARTIN[4] Medical Director	140-145	7.0	25-30	0	0	180-185	0	0	0	180-185
MR J N ANDERSON Chairman	50-55	0	0	0	0	50-55	0	0	0	50-55
MR M DAVISON Non-Executive Director (To 25 07 17)	0-5	0	0	0	0	0-5	0	0	0	0-5
MR D C BARNES Non-Executive Director	15-20	0	0	0	0	15-20	0	0	0	15-20
MR S HINDMARSH Non-Executive Director	15-20	0	0	0	0	15-20	0	0	0	15-20
MR P MCELDON Non-Executive Director (From 01 08 17)	10-15	0	0	0	0	10-15	0	0	0	10-15
MRS P TAYLOR Non-Executive Director (From 01 04 17)	15-20	0	0	0	0	15-20	0	0	0	15-20
MR G A WRIGHT Non-Executive Director	15-20	0	0	0	0	15-20	0	0	0	15-20
DR M F LAKER Medical Adviser (Non-Executive)	5-10	0	0	0	0	5-10	0	0	0	5-10

Directors Remuneration Review (Audited)

	2018/19	2017/18
Band of highest paid director's total remuneration (£'000)*	160 - 165	180 – 185
Median total remuneration (£)	28,615	27,707
Ratio	5.68	6.59

* A proportion of the remuneration was recharged to South Tyneside NHS Foundation Trust

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in City Hospitals Sunderland NHS Foundation Trust in the financial year 2018/19 was £160-165k (2017/18 was £180-£185k). This was 5.68 times (2017/18 was 6.59 times) the median remuneration of the workforce, which was £28,615 (2017/18 £27,707).

In 2018/19, 45 employees (2017/18, 11) received remuneration in excess of the highest paid director. Remuneration ranged from £7k-£204k (2017/18 £5k -£215k).

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

The ratio has decreased due to decrease in the band remuneration of the highest paid director and increase in median remuneration of 3%. The increase in the median remuneration is in line with the inflationary uplift applied to salaries paid at the top of the pay band as part of the three year pay deal implemented from 1 April 2018

Directors' and Governors' Expenses

	2018/2019			2017/2018		
	Headcount	Number receiving expenses	£'00	Headcount	Number receiving expenses	£'00
Executive and Non-Executive Directors	13	6	31	12	7	55
Governors	15*	2	16.9	16	1	0.24

 *Sadly one governor passed way mid-year and the number above reflects the number of governors in post at the end of the financial year.

Expenses claimed include mileage, parking fees and course and conference fees where they have been booked and paid for personally by the director or governor.

Pension Entitlements of Senior Managers – 2018/19 (Audited)

	Real Increase in Pension at Pension Age	Real Increase in Pension Lump Sum at Pension Age	Total Accrued Pension at Pension Age at 31 March 2019	Lump Sum at Pension Age related to accrued pension as at 31 March 2019	Cash Equivalent Transfer Value at 1 April 2018	Real Increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2019	Employer's contribution to stakeholder pension
	(bands of £2500) £000	(bands of £2500) £000	(bands of £5000) £000	(bands of £5000) £000	(Nearest £1000) £000	(Nearest £1000) £000	(Nearest £1000) £000	Nearest £1000) £000
MR KW BREMNER Chief Executive*	0-2.5	5-7.5	90-95	280-285	1,961	202	2,252	0
MRS C HARRIES Deputy Chief Executive (Retired 30 Sep 2018)*	0	0	50-55	155-160	0	0	0	0
MR I C MARTIN Medical Director	0	0	0	0	0	0	0	0
MRS J PATTISON Director of Finance*	0	0	0	0	1,016	0	0	0
MRS M JOHNSON Director of Nursing, Midwifery & AHPs*	0-2.5	0-2.5	50-55	160-165	1,154	92	1,302	0
MR P SUTTON Director of Planning & Business Development*	0	0	35-40	95-100	549	55	643	0

Notes

* Posts are shared between South Tyneside NHS Foundation Trust and City Hospitals Sunderland NHS Foundation Trust. Full pension figures attributed to the employee have been disclosed in the table above pro-rated for the period in post rather than the amount chargeable to the Trust.

As Non Executive members do not receive pensionable remuneration, there are no entries in respect of pensions for Non Executive members.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised 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 the 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 pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

CETV calculation is not applicable for C Harries as over NRA in existing scheme.

Pension figures as at March 2019 not applicable for J Pattison and I C Martin as left the scheme in previous year.

NHS Pensions are still assessing the impact of the McCloud judgement in relation to changes to benefits in 2015. The benefits and related CETVs disclosed do not allow for any potential future adjustments that may arise from this judgement.

COUNCIL OF GOVERNORS

Composition of the Council of Governors

The Council of Governors of City Hospitals Sunderland NHS Foundation Trust comprises seven public Governors for Sunderland and two public Governors for the North East, two patient Governors and five staff Governors. It also includes a stakeholder representative from the City of Sunderland and the Council of Governors agreed that a further stakeholder representative would be sought from the Sunderland Clinical Commissioning Group. The Council of Governors is chaired by Mr J N Anderson, Chairman of the Trust.

Council of Governors	
Patients Constituency: Sue Cooper Gillian Pringle	Staff Constituency – Clinical Class: Lindsey Downey Tom Harris
Public Constituency – North East: Danny Cassidy* Ruth Richardson	Staff Constituency – Medical: Shahid Junejo
Public Constituency – Sunderland: Chris Colley John Dean Margaret Dobson Liz Highmore Michael McNulty Susan Pinder Pauline Taylor	Staff Constituency – Other: Jackie Jardine Kay Hodgson Appointed Governors: City of Sunderland Councillor Graeme Miller (to July 2018) Councillor Geoffrey Walker (from July 2018) (Cabinet Members with Portfolio for Health and Social Care) Sunderland Clinical Commissioning Group Vacant

* Sadly passed away August 2018.

Details of the constituencies are given in the Membership section.

Meetings of the Council of Governors - 1 April 2018 – 31 March 2019

Governor	Constituencies	Meetings in Public	Actual Attendance
Sue Cooper	Patient	5	4
Gillian Pringle	Patient	5	4
Chris Colley	Public - Sunderland	5	4
John Dean	Public – Sunderland	5	4
Margaret Dobson	Public – Sunderland	5	4
Liz Highmore	Public - Sunderland	5	5
Michael McNulty	Public – Sunderland	5	5
Susan Pinder	Public – Sunderland	5	5
Pauline Taylor	Public – Sunderland	5	5
Danny Cassidy[1]	Public – North East	1	0
Ruth Richardson	Public – North East	5	4
Jackie Jardine	Staff - Other	5	3
Kay Hodgson	Staff – Other	5	4
Lindsey Downey	Staff – Clinical	5	2
Tom Harris	Staff - Clinical	5	3
Shahid Junejo	Staff – Medical & Dental	5	3
Cllr Graeme Miller[2]	Appointed – City of Sunderland	1	3
Cllr Geoffrey Walker[3]	Appointed – City of Sunderland	4	3
Vacant	Appointed – Sunderland CCG	-	-
John N Anderson	Chairman	5	4
Carol Harries[4]	Trust Secretary	1	1

The following Directors have attended a number of Governor meetings:	
Ken Bremner	Chief Executive
Julia Pattison	Director
Peter Sutton	Director
Stewart Hindmarsh	Non-Executive Director
Paul McEldon	Non-Executive Director
Pat Taylor	Non-Executive Director

[1] Sadly passed away August 2018
[2] To July 2018
[3] From July 2018
[4] Retired September 2018

Governor Involvement

Key areas where the Council of Governors have been involved during 2018/19 have included:

- input into our Annual Plan;
- involvement in our PLACE inspections;
- ensuring arrangements are in place for the 'day to day' control and management of charitable funds;
- assuring themselves of the Trust's overall approach to reducing the level of hospital acquired infection;
- contributing to the Trust's approach to clinical and corporate governance;
- assuring themselves of the Trust's approach to information governance;
- giving their views on the Trust's approach to patient experience;
- involvement in the city-wide Maternity Services Liaison Committee;
- involvement in the Trust's approach to end of life care;
- involvement in the Trust's approach to nutrition;
- involvement in the Trust's approach to disability;
- involvement in the Path to Excellence Stakeholder Reference Group; and
- involvement in the judging panel of the Trust's Recognition Awards.

Throughout the year a number of joint meetings were held with the Council of Governors of South Tyneside NHS Foundation Trust where progress with the application for merger of the two organisations was discussed. In addition two governor sub-groups (jointly with colleagues from South Tyneside) were formed. One group (the Constitution Sub-Group) focused on drafting the key elements of a new constitution for the proposed merged Trust and the other (the Criteria Sub-Group) focused on developing the criteria to be used by governors to receive assurance that the Board had been thorough and comprehensive in reaching its proposal to merge and had obtained and considered the interests of Trust members, the public and stakeholders as part of the decision-making process.

Register of Interests

A Register of Interests for the Council of Governors is maintained by the Trust Secretary. The format of this register was agreed by the Council of Governors in August 2004. The register is available for inspection by members of the public via application to the Trust Secretary or the Trust's website.

MEMBERSHIP

The Foundation Membership Community

The Trust's Membership Community is made up of local residents, patients, carers and staff. Its Membership Community structure comprises four constituencies. Members may join the appropriate constituency depending on the eligibility criteria as outlined below. People who are eligible to become a member of the Community as a whole are:

- over 16; or
- a member of City Hospitals Sunderland staff; or
- living in the electoral wards of Sunderland or the North East of England; or
- a registered patient of the Trust since 1 January 2003 (or carer of such patient).

Public Constituencies

Any member of the public living in Sunderland or the North East electoral wards may become a member of the Public Constituency (Sunderland) or the Public Constituency (North East). Staff living in these areas will remain in the Staff Constituency.

Patients' Constituency

The Patients' Constituency consists of patients registered with the Trust on or after 1 January 2003 (or carer of such patient). They may have completed a membership application form or may have been added to the membership by the Trust without an application being made. Members who are randomly chosen by the Trust to become members are informed of their membership by letter and are provided with an opt out form which can be completed and returned at no cost to themselves should they not wish to be a member. Staff who are patients and live outside Sunderland and the North East will remain in the staff constituency.

Staff Constituency

There are three classes within this constituency, namely Medical and Dental, Clinical and Other. Staff who are patients and live outside Sunderland and the North East will remain in the Staff Constituency. Staff who have worked for the Trust for 12 months automatically become members of the Staff Constituency with the provision that they may choose to opt out. Members of the Staff Constituency can also include workers who are not directly employed by the Trust but who exercise functions for the purpose of the Trust. These members need to opt in. Staff are removed from the Staff Constituency when they leave the Trust but are invited to transfer their membership to another constituency provided they meet the eligibility criteria.

Assessment of the Membership

The membership figures for each of the constituencies and classes are given in the table overleaf:

Class/Constituency	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Patients	4,508	4,687	4,889	4,369	4,310	4,091
Public - Sunderland ¹	5,019	5,031	4,952	3,968	3,939	3,683
Public - North East²	1,151	1,253	1,342	1,097	1,098	1,021
Staff:						
Medical & Dental	330	334	338	351	334	340
Clinical	1,883	1,993	2,063	2,082	2,047	2,155
Other	2,224	2,159	2,155	1,870	1,849	1,895
Total	15,115	15,457	15,739	13,737	13,577	13,185

¹ Residents of the electoral wards of Sunderland Council.
² Residents of the electoral wards of the North East of England (excluding Sunderland).
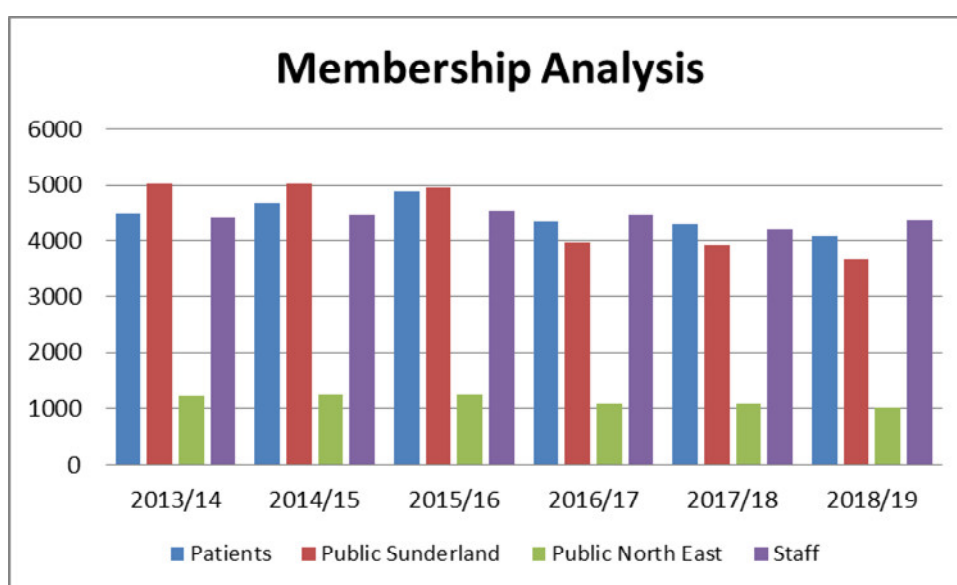
The Trust's public and patient membership has decreased slightly during 2018/19, largely as a result of improved and more frequent data cleansing actions undertaken by the Trust's membership database provider. In addition, in preparation for the proposed merger, the Trust contacted all members to ask if they wished to remain members in the enlarged organisation. This resulted in a number of people opting out of membership.

The following information illustrates the composition of the public membership in terms of gender, ethnicity and age.

Public constituency	Number of members
Age (years):	
0-16	0
17-21	7
22+	3,213
Ethnicity:	
White	3,575
Mixed	15
Asian or Asian British	63
Black or Black British	25
Other	37
Socio-economic groupings*:	
AB	928
C1	1,255
C2	1,096
DE	1,421
Gender analysis	
Male	1,565
Female	2,840
Patient constituency	Number of members
Age (years):	
0-16	0
17-21	1
22+	3,926

The analysis section of this report excludes:
- 1483 public members with no dates of birth, 988 members with no stated ethnicity and 298 members with no gender
- 164 patient members with no dates of birth

Definitions
AB-Higher managerial, administrative, professional intermediate managerial, administrative, professional
C1-Supervisory, clerical, junior managerial
C2-Skilled manual workers
DE-Semi-skilled and unskilled manual workers, casual labourers, pensioners, unemployed

Membership Strategy Summary

The Trust's membership database has been cleansed on a number of occasions throughout the year which ensures information held is as accurate as it can be. The database also allows the Trust to target individual age groups and geographical areas where membership is low by giving generic addresses so that we may write to households identifying the benefits of membership.

The Trust did not set specific targets for membership recruitment over the last year as we were conscious of the potential merger and felt it was important to retain as many existing members prior to launching a new member recruitment strategy in the merged Trust.

Mechanisms continue to exist for members of the public to join the Trust voluntarily and these include:

- active recruitment of members by our Governors;
- membership forms located in GP surgeries, City Libraries, AgeUK and the Carers' Centre as well as Trust premises.
- members of staff who leave the Trust are invited to become a public or patient member;
- social media;
- electronic membership form on the Trust website; and
- a membership form is included with:
  - "Your Stay in Hospital" booklet
  - The Sunderland Partnership's document, "Your Community…..Your say".

In 2018/19 members received information about the Trust's intention to merge with South Tyneside NHS Foundation Trust and were invited to public engagement events to learn more about the reasons for merger and the anticipated benefits.

Ensuring a Representative Membership

The Trust has a local population of around 340,000 with a relatively small, although increasing ethnic population (the Office of National Statistics identifies a population of 4.1%). Generally our membership continues to broadly mirror the demographic of the City which has an ageing profile from which it has always been possible to attract members. Whilst we recognise that it is important to grow the membership and to encourage diversity the Trust believes it is more important to ensure that members feel engaged and involved thereby making a real difference within the overall governance arrangements of the Trust.

Communicating with the Membership

If members of the public or patients wish to contact a Governor or Director they can do so in a number of ways:

- In person at the end of meetings held in public;
- by contacting the Trust Secretary;
- by writing to Governors at the following freepost address:
  City Hospitals Sunderland NHS Foundation Trust
  FREEPOST NAT 21669
  Sunderland
  SR4 7BR
- by emailing corporate.affairs@chsft.nhs.uk

STAFFING REPORT

Workforce Numbers and Staffing Costs as at 31 March 2019 (AUDITED)

GROUP						
	FTE			**Cost (£000s)**		
Staff Group	**Fixed Term/Temp**	**Permanent**	**Total**	**Fixed Term/Temp**	**Permanent**	**Total**
Medical and Dental[1]	168	415	583	4,910	64,829	69,739
Administration and Estates[2]	0	1,336	1,336	147	41,788	41,935
Healthcare Assistants and other support staff[2]	0	974	974	3,155	22,205	25,360
Nursing, Midwifery and health visiting staff	80	1,519	1,599	2,672	64,834	67,506
Scientific, therapeutic and technical staff[2]	0	597	597	329	25,589	25,918
Total	**248**	**4,841**	**5,089**	**11,213**	**219,245**	**230,458**
FOUNDATION TRUST						
	FTE			**Cost (£000s)**		
Staff Group	**Fixed Term/Temp**	**Permanent**	**Total**	**Fixed Term/Temp**	**Permanent**	**Total**
Medical and Dental[1]	168	415	583	4,910	64,829	69,739
Administration and Estates[3]	0	848	848	0	28,555	28,555
Healthcare Assistants and other support staff[2]	0	974	974	3,155	22,205	25,360
Nursing, Midwifery and health visiting staff	80	1,518	1,598	2,672	64,249	66,921
Scientific, therapeutic and technical staff[2]	0	597	597	381	25,581	25,962
Total	**248**	**4,352**	**4,600**	**11,118**	**205,419**	**216,537**

[1] Includes junior doctors employed by the Lead Employer Trust (LET).

[2] Temporary staff FTE data is only recorded for the medical & dental and nursing staff groups.

[3] Includes Estates and Facilities staff, support staff and scientific staff who are employed by CHoICE Facilities Services.

* Group includes City Hospitals Sunderland Commercial Enterprises Ltd (CHoICE Ltd) and City Hospitals Sunderland NHS Foundation Trust.

Costs are broken down in to salaries and wages, social security costs and pension costs within note 5 of the accounts.

Staff Group	Female	Male	Total
Add Prof Scientific and Technical	170	60	230
Additional Clinical Services	944	148	1092
Administrative and Clerical	860	128	988
Allied Health Professionals	297	59	356
Estates and Ancillary	44	11	55
Healthcare Scientists	41	26	67
Medical and Dental	155	270	425
Nursing and Midwifery Registered	1545	139	1684
Students	1	0	1
Total (headcount)	**4057**	**841**	**4898**

Staff Group	Permanent	Other	Total
Add Prof Scientific and Technical	223	7	230
Additional Clinical Services	1013	79	1092
Administrative and Clerical	936	52	988
Allied Health Professionals	342	14	356
Estates and Ancillary	54	1	55
Healthcare Scientists	60	7	67
Medical and Dental	294	131	425
Nursing and Midwifery Registered	1575	109	1684
Students	0	1	1
Total (headcount)	**4497**	**401**	**4898**

The total headcount including directors is as follows:

Staff Group	Female	Male	Total
Directors	4	5	9
Senior Managers	23	10	33
Employees	4028	828	4856
Total	**4055**	**843**	**4898**

*This reflects the number of Executive Directors employed directly by City Hospitals Sunderland NHS Foundation Trust. The Trust has a single Executive leadership team in conjunction with South Tyneside NHS Foundation where the remaining directors are contractually employed.

**The above figure is taken in accordance with occupation code guidance – includes as senior managers those staff at executive level and also includes those who report directly to the members of the executive team (band 8c and above)

Staffing numbers exclude non-executive directors

The Trust is organised into six main divisions and the departments of Trust Headquarters. Within the six main divisions are a series of clinical directorates and departments.

Division of Clinical Support
- Therapy Services (including Physiotherapy, Occupational Therapy, Speech and Language Therapy, Podiatry and Dietetics)
- Pharmacy
- Diagnostic Imaging (including Radiology, Medical Physics and Medical Photography)

Division of Family Care
- Obstetrics and Gynaecology (including Genito Urinary Medicine)
- Paediatrics and Child Health

Division of Medicine
- Emergency Medicine (including Emergency Department, Cardiology and Acute Medical Unit)
- General Internal Medicine (including Gastroenterology, Metabolic Medicine and Thoracic Medicine)
- Medical Specialties (including Renal Medicine, Clinical Haematology and Rheumatology)

- Rehabilitation and Elderly Medicine (including Care of the Elderly, Neurology, Neuro-Rehabilitation and Neurophysiology)

Division of Surgery
- General Surgery
- Urology
- Head and Neck Surgery (including Ear, Nose and Throat, Oral and Maxillofacial Surgery and Orthodontics)
- Ophthalmology
- Trauma and Orthopaedics

Division of Theatres
- ICCU
- Anaesthetics
- Day Case Unit
- Theatre Sterile Supplies
- Clinical Sterile Services Department

Division of Trust Headquarters
- Chairman and Chief Executive
- Clinical Governance
- Corporate Affairs
- Finance & Information Services
- Human Resources
- Information Technology & Information Governance
- Medical Director
- Nursing and Quality
- Performance
- Planning and Business Development

Developing our future workforce

Apprenticeships

Approximately 100 staff started apprenticeships in 2018/19, with the apprenticeships being in different fields and at different levels, including the Trust's first apprentices studying to be registered nurses.

This is an increase on the numbers of apprenticeship starts in 2017/18, and reflects the Trust's efforts to develop its future workforce. The apprentices were of a wide age range and a mixture of individuals recruited into jobs as apprentices, and existing staff who were already in post.

Apprenticeships are being utilised to develop staff as clinical support workers, registered nurses, administration staff, IT support staff and leaders and managers at different levels of the organisation.

Careers

The Trust's annual Healthcare Careers Fair is now well established, and is held at the University of Sunderland. This successful careers fair provides staff with the opportunity to showcase different healthcare careers to a range of school and college students in Sunderland and South Tyneside. By working with the university it has been possible to extend this to paramedic careers also.

The annual fair provides a broad outline of different health careers but this is now supplemented by a series of "Discover" events which showcase a specific career to those who have a definite interest in the field. In 2018/19 the Trust held "Discover Medicine", "Discover Nursing" and "Discover Healthcare Science" events. These generated interest from potential applicants for pre-registration programmes for health careers and encouraged pupils to study for future roles in the Trust at their local university.

Pre Registration programmes

During the past year, the Trust has worked with the University of Sunderland to:

- expand its student numbers from the university's adult nursing degree;
- start work to plan for placements for the first students from the university's new Medical School which opens in September 2019; and
- support the university in establishing degree programmes for both Occupational Therapy and Physiotherapy, which also commence in September 2019.

The first student nurses from the university graduate in April 2019, and the Trust's first adult nursing apprentices also commenced in January 2019, studying with the University of Sunderland.

All of the above work is in support of the Trust's strategic work with the University of Sunderland to train more health professionals locally, and retain as many as possible as employees to provide a future workforce.

Safeguards

The Trust has an approved mandatory training needs analysis. This is training which is deemed essential by the organisation for the safe and efficient delivery of services. It helps reduce risks to patients and staff and ensures the organisation complies with health and safety legislation and national directives.

There is a robust process for the approval, monitoring and compliance reporting of mandatory training. Competences are attached to roles within the electronic staff record (ESR) so staff are fully aware of their mandatory training responsibilities. Compliance is monitored and reported to the Board via the quarterly workforce report. The Trust throughout the year has often exceeded its own internal target of 90% for individual core mandatory training topics (applicable to all staff), achieving an overall rate of 94% for core mandatory training and 91.5% overall rate for core and role specific mandatory training.

To minimise risk and ensure completion of mandatory training prior to starting work, the Trust operates standardised start dates for new starters. Clinical support workers complete both corporate induction and the Care Certificate training programme before starting work.

The latter was introduced in 2016 and extended as a requirement for all clinical support workers. Completion is measured by attendance at the programme and achievement of clinical competency based assessments.

Library Services

Our library has continued to develop over the last 12 months and much work has been done to integrate the services at Sunderland and South Tyneside in order that staff can access resources at each site.

The library was successful in securing funding from Health Education England which has allowed us to develop a silent study area in response to feedback from library members.

We will be adding self-issue/return facilities in the library in the near future as well as enhanced PC study desks in the group study room.

As well as group teaching on Nurse Preceptorship and Foundation Doctor programmes the Trust offers a range of group or 1:1 information literacy and literature searching sessions for any member of staff.

Staff Engagement and Involvement

We know the importance of staff being kept informed and involved in the developments of the Trust and we are committed to engaging with all staff to achieve a common awareness of issues and matters affecting the organisation and involving employees in decision making where appropriate.

We have a trade union recognition agreement with a wide range of organisations including the Royal College of Nursing, the British Medical Association, Unison and Unite with mechanisms for consultation and negotiation with trade union representatives through regular Joint Consultative Group (JCG) meetings. During the year the JCG has been involved in regular discussions surrounding a number of key human resource policies and workforce initiatives. Information relating to Trade Union Facility Time disclosures can be found on page 200.

Formal mechanisms to ensure staff are informed and involved include:

- induction for new members of staff;
- staff newsletters;
- a weekly e-bulletin circulated to all staff and published on the Trust's intranet;
- regular updating of the Trust's intranet and internet sites, providing information on a range of subjects including Trust policies, procedures and guidelines and the latest news on key Trust issues, local directorate/departmental news and the wider NHS news;
- formal monthly team briefing following Executive Committee meetings to cascade key strategic messages including regular updates on finance, performance and quality issues across the Trust but more importantly to encourage feedback;
- the Chief Executive holding a number of regular forums with clinical directors, senior managers, consultants, key nursing staff and allied health professional staff;

- clinicians contributing to policy and clinical practice guidelines by actively engaging in various national and local clinical networks across a range of specialities;
- staff focus groups following the results of the annual staff survey;
- quarterly briefing sessions led by the Executive Management Team informing and updating staff on key issues such as the clinical service review programme and financial matters;
- six monthly Chief Executive roadshows which give staff the opportunity to hear directly from the Chief Executive on issues affecting the Trust and the wider NHS;
- patient safety walkabouts;
- Freedom to Speak Up walkabouts;
- regular visits by Board members to wards and departments; and
- opportunities for staff working in the services being reviewed as part of the Phase 2 Path to Excellence programme to be involved and informed.

We have continued to undertake significant work this year in order to achieve a common awareness on the part of all staff on the financial and economic factors affecting the Trust's performance including staff roadshows and special briefings. Employee engagement remains absolutely critical for us and this has been demonstrated over the year by the Trust's financial recovery programme and Programme Management Office which has put staff at the heart of decision making and service improvement.

Role of the Trust as a Local Employer

City Hospitals Sunderland is one of the largest employers in the city of Sunderland offering excellent employment opportunities to new and existing staff.

We aim to be a model employer and are constantly working hard to further develop links with local strategic partners, educational and voluntary organisations across Sunderland, South Tyneside and surrounding areas, looking for ways to engage with communities and improve the working lives of our staff. We pride ourselves in offering good working conditions, job security, life-long learning, fair pay, an excellent range of benefits, staff involvement and a balance between work and personal life.

Equality and Diversity

The Trust is committed to promoting human rights and providing equality of opportunity not only in our employment practices but also in the way we provide and deliver services. To ensure this commitment is put into practice we adopt positive measures which will seek to remove barriers to equal opportunity and eliminate unfair and unlawful direct and indirect discrimination.

The Trust is a Disability Confident Employer which demonstrates our commitment to ensuring that people with disabilities have full and fair consideration of all vacancies. If employees become disabled during their employment we will endeavour to adjust their workplace environment wherever possible to allow them to maximise their potential and return and remain in employment with us. We support disabled employees in terms of access to training and career development to ensure they are not discriminated against in relation to career progression.

All policies within the Trust are subject to an Equality Impact Assessment which ensures that as an organisation we give due regard and consideration of the effects that our policies will have on people who share a protected characteristic.

In November 2018 City Hospitals Sunderland NHS Foundation Trust was one of 25 acute hospital Trusts accredited by the Veterans Covenant Hospital Alliance (VCHA) to lead the way in improving NHS care for veterans and members of the armed forces community by:

- providing training to staff to be aware of veterans' specific needs;
- making past and present service men and women aware of appropriate charities or NHS services beneficial to them, such as mental health services or support with financial and/or benefit claims; and
- ensuring that the armed forces community is never disadvantaged when receiving services compared to other patients, in line with the NHS' commitment to the Armed Forces Covenant.

The Trust was amongst the first to sign-up to the Stepping Into Health initiative, aimed at encouraging people from a military background, or their dependents, to embark on new careers in the NHS. We have facilitated a number of placements which subsequently resulted in individuals being employed. Photograph shows Tony McKenna, who undertook training with the Trust as part of his transition from the Army, receiving his care certificate from Carol Harries, Deputy Chief Executive/Director of Corporate Affairs and Legal. Tony is now employed as a healthcare assistant in the Division of Surgery.

City Hospitals Sunderland was a finalist at the Chartered Institute of Personnel and Development (CIPD) awards for Excellence in Supporting Armed Forces Talent. This was a new award which recognised organisations that engage with and support the armed forces community and their families through employment opportunities, development, volunteering or fundraising. The photograph shows Gemma Taylor, the Trust's Step into Health Lead and Employee Reservist Alex Cairns.

Representatives from City Hospitals Sunderland NHS Foundation Trust participated in Exercise Medical Challenge – an event hosted by the local field hospital involving medical themed team building scenarios in and round the Newcastle area. Photographed above is the team from the Sunderland Sexual Health who took part in the exercise.

Trade Union Facility Time Disclosures

Trade Union Facility Time is the provision of paid and unpaid time off from an employee's normal job role to undertake trade union duties and activities as a trade union representative. There is a statutory entitlement to reasonable paid time off for undertaking union duties.

Total number of employees who were relevant union officials during 2018/19	
Number of employees who were relevant union officials during 2018/19	Full-time equivalent employee number
45	41.41
Percentage of time spent on trade union facility time by employees who were relevant union officials during 2018/19	Number of employees
0%	9
1 – 50%	34
51% - 99%	1
100%	1
Pay bill spent on paying employees who were relevant union officials for facility time during 2018/19	
Total cost of facility time	£58,757
Total pay bill	£229,913,000
Percentage of the total pay bill spent on facility time	0.02%
Hours spent (as a percentage of total paid facility hours) by employees who were relevant union officials during 2018/19 on paid trade union activities	
Time spent on trade union activities as a percentage of total paid facility time hours	100%

Exit Packages

There were 31 staff exit packages agreed in 2018/19 that were subject to external audit amounting to £153,000 as follows:

Exit package cost band	Number of compulsory redundancies	Number of other departures	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures	Total number of exit packages by cost band
	2018/19			2017/18		
<£10,000	0	28	28	0	20	20
£10,000 - £25,000	0	2	2	0	0	0
£25,001 - £50,000	0	0	0	3	0	3
£50,001 - £100,000	0	1	1	0	0	0
£100,001 - £150,000	0	0	0	0	0	0
Total by type	0	31	31	3	20	23
Total resource cost	£0	£153,000	£153,000	£113,000	£40,000	£153,000

Non-Compulsory Departure Payments

	2018/19		2017/18	
	Agreements Number	Total Value of Agreements	Agreements Number	Total Value of Agreements
	2018/19		2017/18	
Voluntary redundancies including early retirement contractual costs	0	0	0	0
Contractual payments in lieu of notice	31	£153,000	20	£40,000
Non-contractual payments requiring HMT approval	0	0	0	0
Total	31	£153,000	20	£40,000

High Paid Off-Payroll Arrangements

The Trust has issued guidance to all staff to ensure that payments are not made gross to any individuals who should be classed as employees. This note provides details of the criteria used by HMRC to determine employment status. Any proposal to make gross payments to an individual, on the basis of self-employment, must be assessed against this checklist and then submitted to the Director of Finance and Director of Human Resources and Organisational Development for approval before reaching any agreement with an individual. As a result of this process there were no high off-payroll arrangements made directly by the Trust.

The Trust uses NHS Professionals to administer the recruitment, through agencies, of temporary medical staff and process a payroll on behalf of the Trust to make payments to them, making the necessary checks as required. National shortages in medical staff have resulted in difficulties recruiting in the year which has led to temporary staff being required for longer periods of time. No temporary medical staff were paid through a Personal Service Company for more than six months of the year.

HM Revenue and Customs (HMRC) has issued updated legislation with effect from 1st April 2017 on making off-payroll payments which is known as IR35 – Intermediaries Legislation. The legislation has been issued as HMRC believe that there is evidence of widespread non-compliance with the legislation and the Government believes public sector bodies have a duty to ensure people working for them are paying the correct tax.

As a result of this, the Trust has reviewed its processes and documented the changes it has made to ensure compliance. NHS Improvement has assessed the Trust's application for permission to engage workers through personal service companies from 1st April 2017 and has confirmed that they are content that as long as the Trust follows the processes in the application, compliance with HMRC's requirements will be maintained.

Consultancy

During 2018/19, the Trust incurred £652k in consultancy fees. The main items within this were as follows:

- legal and financial due diligence consultancy on the merger with South Tyneside NHS Foundation Trust;
- data warehouse; and
- procurement within CHoICE.

Employee Health and Wellbeing

City Hospitals Sunderland NHS Foundation Trust places significant emphasis on the health and wellbeing of its staff.

In April 2018, the Wellbeing team launched 'Be Less Carrot' and 'Team Carrot' sessions, which help to provide staff with coping mechanisms to deal with pressure and stress.

In July 2018, in partnership with our employee assistance provider, we launched the free interactive 'Zest' app, which is a tool to help staff to make changes to impact positively on their wellbeing, including physical activity, weight, stress, smoking, alcohol and sleep.

In 2018, the Trust signed up to the 'Better Health at Work Awards'. As a result of this, the Trust introduced wellbeing events across the hospital site, which provided opportunities for staff to improve their health. Throughout the year more than 750 staff attended the various health and wellbeing events, which included, 'Be Less Carrot', 'A Moment on the Lips', 'Move More', 'Are you faking it?' and 'New Broom'. In addition, 110 staff across the Trust chose to have a mini health MOT undertaken.

In 2018/19 over 75% of front line health care workers who work in a hospital or community setting were vaccinated against flu. This ensured increased protection for staff, patients, families and carers.

The childcare voucher scheme is still currently running for staff members who were part of the scheme pre October 2018 – all new starters to the Trust are now given information on the Government tax free childcare scheme. We currently have 253 staff at the Trust using childcare vouchers.

Enquiries regarding childcare come in on a daily basis with one to one meetings set up if staff would rather meet face to face to discuss these issues. Numbers of enquiries differ from month to month with an increase in calls being received around holiday periods or if there is an influx of staff returning from maternity leave. In addition, monthly drop in sessions over a two hour period are also held with numbers attending ranging from 5 to 15 staff.

The carer coordinator continues to meet face to face with staff who are carers. Referrals are received from managers, the Occupational Health team and the Help and Advice team. Numbers of carers seen over the year again differ from month to month and the level of support required varies depending upon the circumstance. Support can be by telephone, email or face to face. This year, 45 carers were met on a face to face basis some with more than one follow up meeting needed. There is also a monthly drop-in session for carers to attend.

Our sickness absence rate during 2018/19 was an average of 4.21 % which is a slight rise on the previous year (4.13%). Detailed figures for the year can be seen in the graph and table overleaf
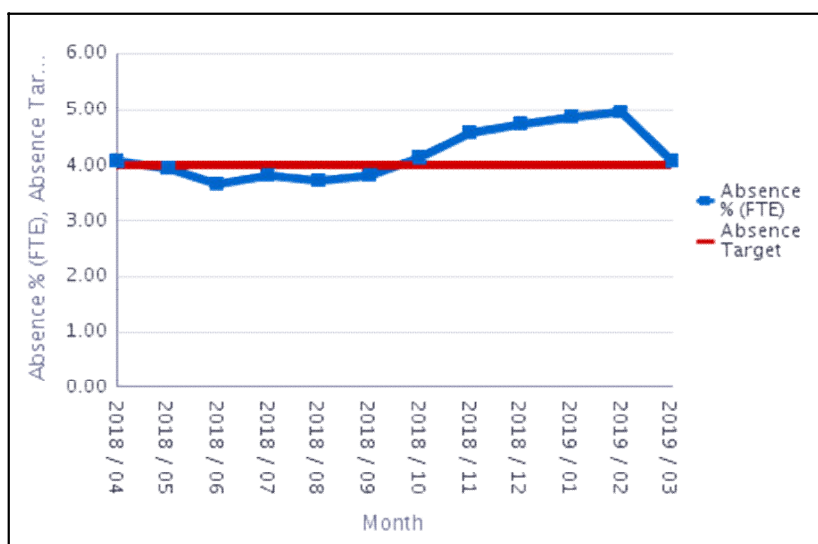
Month	Absence % (FTE)	Days Absence (FTE)	Days Available (FTE)
April 2018	4.07%	5,223.34	128,382.57
May 2018	3.95%	5,229.78	132,511.55
June 2018	3.67%	4,697.78	128,004.86
July 2018	3.81%	5,045.83	132,402.62
August 2018	3.72%	4,917.19	132,202.89
September 2018	3.82%	4,901.28	128,362.33
October 2018	4.14%	5,513.06	133,252.74
November 2018	4.59%	5,939.55	129,528.45
December 2018	4.73%	6,355.82	134,248.81
January 2019	4.87%	6,535.83	134,201.56
February 2019	4.97%	6,049.03	121,609.93
March 2019	4.12%	5,577.84	135,374.03

Staff Recognition

Once again the Trust held its annual Reward and Recognition event. This event recognises those members of staff who have reached a milestone of 30 or 40 years of working within the NHS as well as recognising staff who have demonstrated dedication, innovation and commitment to excellence in patient care. The response in terms of numbers of entries was overwhelming and the judging panel had an extremely difficult job in coming up with a short-list and eventual winners. The winners in each category can be found in the table below and overleaf:

Category	Winner
Customer Service Award – Individual	Michelle McCormack, Directorate Manager Support – Trauma and Orthopaedics
Customer Service Award – Team	Cataract Treatment Centre
Service Improvement and Innovation Award	Prostate Pathway Improvement Team
Care and Compassion Award	Neil Jennings, Consultant Surgeon
Excellence Award	David Kilner, Portering and Security Supervisor
Leadership Award	Steve Bell, Theatre Manager
Clinical Team of the Year Award	Diabetes Wound Care Team
Non Clinical Team of the Year Award	Practice Education Team

Category	Winner
Outstanding Contribution Award	Geoff Lawson, Clinical Director/Consultant Paediatrician
Council of Governors' Award	Maria Groark and Jacqueline Lay - The Phoenix Unit
Chief Executive's Award	Ruth Rayner, Head of Adult Speech and Language Therapy

NHS Staff Survey

Staff Engagement

The Trust's vision and values recognise that meaningful, two way dialogue with staff at all levels in the Trust is key to ensuring we deliver the highest quality of care for patients and improve the work experience for all of our staff.

By engaging and communicating clearly and regularly with staff, the Trust aims to improve and maintain staff morale, especially during periods of change.

Engagement happens when our staff feel their work is meaningful and valued and when they are engaged in activities that support a common purpose, one which demonstrates care and quality for patients and colleagues alike.

We do this in a number of ways, including involving them in decision making, giving staff freedom to voice ideas and encouraging them to perform well through regular feedback, all culminating in an annual appraisal which supports their personal and professional development.

The NHS Staff Survey provides an opportunity for us to survey staff in a consistent and systematic way, making it possible to build up a picture of staff experience and to compare and monitor change over time. Feedback from our staff is a vital part of staff engagement and is crucial in being able to understand and improve their experience of working for the Trust enabling us to help and support them in providing the best patient care for our patients.

The 2018 survey results have been released and feedback has been shared with staff via the weekly e-bulletin, team brief, intranet and with staff side colleagues via JCG meetings.

Locality reports for directorates will also be shared with relevant operational managers. These include an overview of the results by survey theme, local benchmarks, and comparison of results with other localities in the organisation and a detailed breakdown of the results.

Staff engagement events led by the Organisational and Leadership Development Team have been arranged so staff can hear more about the results. These events will focus on listening to staff experience and developing ideas for taking action to address the key issues identified.

NHS Staff Survey Results

The NHS staff survey is conducted annually. From 2018 onwards, the results from questions are grouped to give scores in ten indicators. The indicator scores are based on a score out of 10 for certain questions with the indicator score being the average of those.

The overall response rate to the 2018 survey was 48 % (2017: 42 %) which was marginally higher than the average response rate for similar Trusts (47 %). Scores for each indicator together with that of the survey benchmarking group are presented below.

	2018/19		2017/18		2016/17	
	Trust	**Benchmarking Group**	**Trust**	**Benchmarking Group**	**Trust**	**Benchmarking Group**
Equality, diversity and inclusion	9.1	9.1	9.2	9.1	9.3	9.2
Health and Wellbeing	6.0	5.9	6.2	6.0	6.2	6.1
Immediate managers	6.7	6.7	6.7	6.7	6.8	6.7
Morale	6.2	6.1	-	-	-	-
Quality of appraisals	5.2	5.4	5.2	5.3	5.2	5.3
Quality of care	7.6	7.4	7.7	7.5	7.8	7.6
Safe environment – bullying and harassment	8.1	7.9	8.2	8.0	8.2	8.0
Safe environment – violence	9.4	9.4	9.4	9.4	9.5	9.4
Safety culture	6.9	6.6	6.9	6.6	6.8	6.6
Staff engagement	7.0	7.0	7.0	7.0	7.0	7.0

There has been no change in the Trust's overall staff engagement score since last year and it is average when compared with all other acute trusts in the NHS.

Compared to 2017 results, City Hospitals Sunderland NHS Foundation Trust was significantly better in 8 questions, significantly worse in 6 questions, with remaining questions showing no significant change. Overall, and compared to the rest of the acute sector, most of the Trust's scores are around or above average, with very little movement since the previous year.

Future Focus

The results from both the 2017 and 2018 surveys will continue to feed into our Human Resources and Organisational Development plans in 2019/20. Plans include further engagement with staff to understand more about their experience of working for the Trust and how we can support them further to ensure they have a long and successful career with the organisation whilst also providing the best possible care for patients. This will involve work around 'Talent Management' and a review of the processes supporting it including appraisal.

KEN BREMNER
Chief Executive   **Date: 28 May 2019**

PUBLIC INTEREST DISCLOSURES

Health and Safety

The effective management of health and safety remains a key priority within the Trust. Health and safety initiatives within the Trust continue to focus on key health and safety risk areas as identified by the Trust health and safety risk profile:

- COSHH;
- sharps;
- violence against staff;
- slips, trips and falls;
- asbestos management;
- manual handling; and
- training.

The Trust's health and safety work plan includes:

- the implementation of identified initiatives to manage and reduce the risk of sharps incidents to staff by the continued use of safer sharp devices, staff training and post-incident investigation resulting in action to prevent a recurrence;
- continued provision of health and safety management training for nominated Workplace and COSHH risk assessors;
- reviewing the arrangements and measures in place to mitigate and reduce incidents of reported violence against staff; and
- the continued monitoring and review of key health and safety standards and initiatives in order to attain achievement and assurance of organisation wide compliance.

2018/19 staff accident data has unfortunately shown a significant increase (18%) in violent incidents which reinforces the importance of continuing to review and improve the arrangements and measures in place to manage violence against staff. The Trust has introduced the use of body worn video cameras for security officers which are proving to be both a good deterrent and also provide evidence to support a successful criminal prosecution. Going forward the Trust is planning to trial the use of body worn video cameras on key staff within the Emergency Department which is an area where staff are more likely to be the subject of verbal or physical abuse. A focus group with staff members was established in 2018 following an increase in reported violence and concerns raised by staff and an action plan was developed which included further training, support for staff, communication and process issues.

The initiatives put in place to reduce sharps incidents has resulted in an encouraging reduction (26%) in reported sharps/inoculation incidents. The Sharps Focus Group has initiated a formal sharps investigation process and a formal review of sharps risk assessments for the use of non-safe sharps devices. This has resulted in the removal of non-safe sharps where suitable safer sharps are available and are fit for purpose; as well as confirmation that the use of any non-safe sharp devices is justified and subject to a safe system of work.

All reportable incidents to patients, visitors, staff and contractors are reported to the Health and Safety Executive (HSE) as a requirement by the Reporting of Injuries, Diseases and Dangerous Occurrence Regulations 2013 (RIDDOR) and we are pleased to report that the Trust had no HSE interventions or inspections in 2018/19 as a result of any reportable incidents.

Fire Safety

The fire safety legislation for NHS Trusts is contained in the Regulatory Reform (Fire Safety Order) 2005 and detailed in the appropriate Hospital Technical Memorandums (HTM) which covers all aspects of healthcare fire safety.

In 2018/19 the Trust has continued to work in partnership with both our internal and external stakeholders to seek assurance that fire safety within the organisation is both properly managed and remains a high priority.   The responsibility for the management and upkeep of all the Trust's building stock is looked after by the Trust's wholly owned subsidiary (CHoICE Facilities Services) whose working relationship with the Trust is proving to be both professional and productive.

In addition to the Trust's extensive fire risk assessment review programme, the Fire and Safety Team also work closely with Tyne and Wear Fire and Rescue Service (TWFRS) who carry out at least 10 fire safety audit visits per year. These proactive and constructive liaison visits continue to support the Trust in meeting its fire safety responsibilities and duties and we are pleased to report that these visits have not identified any major issues in 2018/19. The minor fire safety concerns identified by TWFRS have all been rectified as a matter of priority.

It is pleasing that the Trust has seen a 10 % reduction in the total number of false alarm fire calls from the previous year giving an overall reduction of 33 % over the last 5 years. TWFRS has commended the Trust for the work carried out to reduce and manage its false alarm fire calls.

Unfortunately, real fires can and do happen in hospitals and our fire safety strategy focuses on the prevention of fires in the first instance. However, if a real fire does occur we expect it to be detected early by staff and/or by an auto fire detector, contained and extinguished without causing any harm to our patients, staff, contractors and visitors and/or disruption to healthcare services. Our fire strategy is reinforced to all staff during their annual fire safety update.

Sustainability/Climate Change

As an NHS organisation City Hospitals Sunderland NHS Foundation Trust has an obligation to operate in a way that has a positive effect on the communities to which it provides services. Sustainability means spending public money effectively, efficient use of natural resources and building healthy, resilient communities. By making the most of social, environmental and economic assets the Trust can improve health, both in the immediate and long term even in the context of rising cost of natural resources. Demonstrating that the Trust considers the social and environmental impacts ensures that the legal requirements in the Public Services (Social Value) Act (2012) are met. The Trust acknowledges this responsibility to our patients, local communities and the environment by working hard to minimise our carbon footprint.

Being part of the NHS, public health and social care system, the Trust looked to contribute by achieving the target set in 2014 of reducing the carbon footprint of the NHS, public health and social care system by 34% (from a 1990 baseline) equivalent to a 28% reduction from a 2013 baseline by 2020.

The Trust produced a Carbon Reduction Strategy in 2009, and direction provided by recent Sustainable Development Unit (SDU) and NHS England guidance, has now seen this become the Sustainable Development Strategy which sets out how carbon reduction will be measured, monitored and reported. This has also been updated to reflect changes in legislation. Alongside this there is a detailed Sustainable Development Management Plan documenting the actions required to deliver a sustained reduction in emissions which focuses on the following ten key areas:

- energy and carbon management;
- procurement and food;
- travel and transport;
- waste;
- water;
- designing the built environment;
- organisational and workforce development;
- partnerships and networks;
- governance; and
- finance.

Carbon Footprint

The latest NHS England carbon footprint published by the SDU in 2016 for the Trust is estimated at 22.8 million tonnes of carbon dioxide equivalent (MtC0$_2$e) and includes emissions from four main areas:

- energy use 18%;
- travel 13%;
- procurement of goods and services 57%; and
- commissioned services 11%.

The Trust's carbon footprint has been calculated based on measured energy data and by using the accepted split between these four activities.
The Trust has already successfully met the 2015 NHS target of a 10% reduction and the next potential target set for the Trust is to reduce its emissions, based on a 2013 baseline, by 28% by 2020. This target has been set by NHS England and although it does not have any financial penalties, the next target is to look towards an 80% reduction required by 2050.

The graph below represents direct energy carbon (which is the basis of the carbon footprint) from data for Sunderland Royal Hospital, Sunderland Eye Infirmary, Children's Centre and Durham Diagnostic and Treatment Centre. The graph shows the performance of the Trust since 2007 in the steady reduction in energy carbon output. The graph also shows the targets and reductions required for us to meet the NHS England targets imposed in 2014.

City Hospitals Sunderland Energy Carbon 2007 - 2050
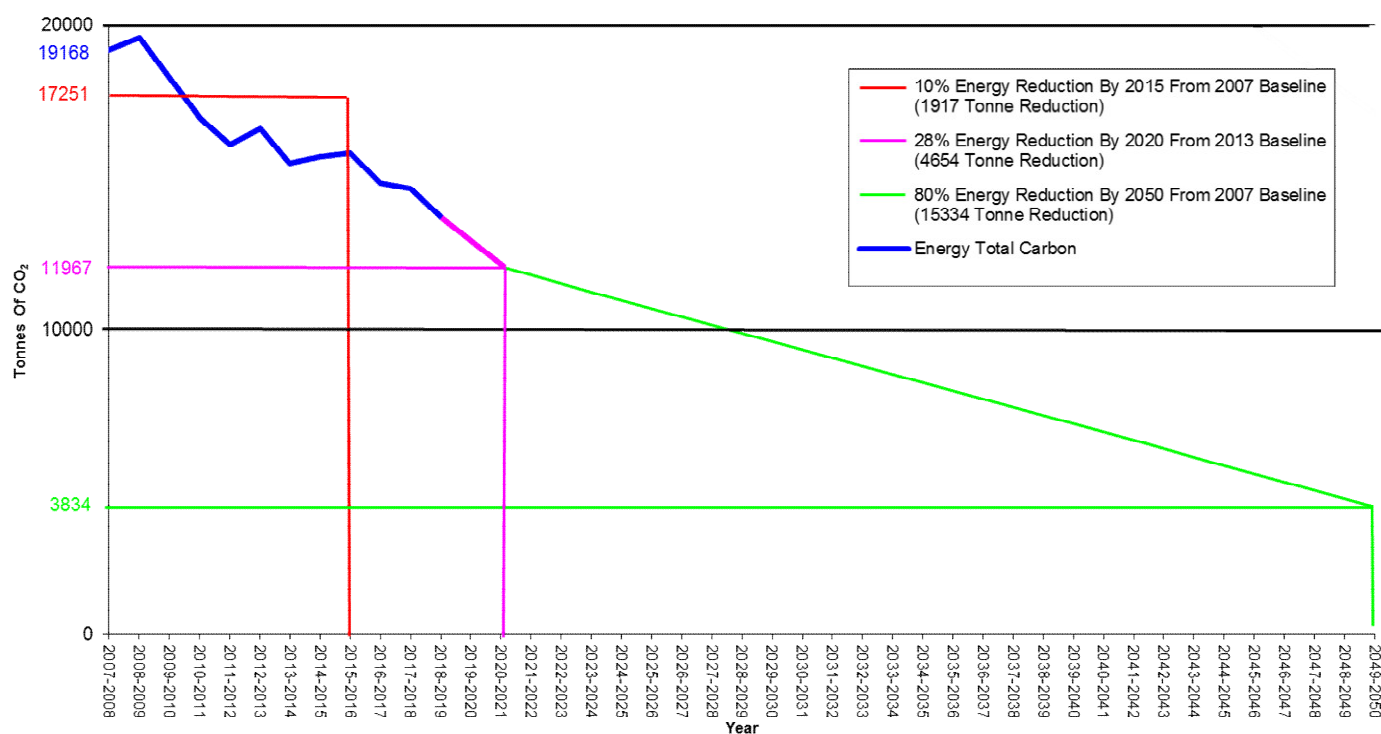
The table on the next page represents the use of finite resources that the Trust consumes. It indicates the direct carbon emissions due to the combustion of gas and oil and the indirect carbon emissions due to the use of grid electricity. The Trust also uses electricity from its own combined heat and power unit which this year produced 10,824,315 kWh of electricity, saving 1550 tonnes of carbon compared to consuming grid supply electricity

Energy

CITY HOSPITALS SUNDERLAND NHS FOUNDATION TRUST has spent £0 on energy in 2018-19 , which is a 0% increase on energy spend from last year.

Energy used

Energy consumption in kWh

	2015-16	2016-17	2017-18	2018-19
Electricity Consumed	8,987,515	8,533,014	6,726,546	6,312,055
Gas Consumed	50,003,399	45,862,899	53,004,787	54,586,929
Oil Consumed	543,076	1,131,704	158,102	176,422
Coal Consumed	0	0	0	0
Steam Consumed	0	0	0	0
Hot Water Consumed	0	0	0	0
Green electricity	0	0	0	0
Total	59,533,990	55,527,617	59,889,435	61,075,406

↗ Share � Copy

Carbon emissions resulting
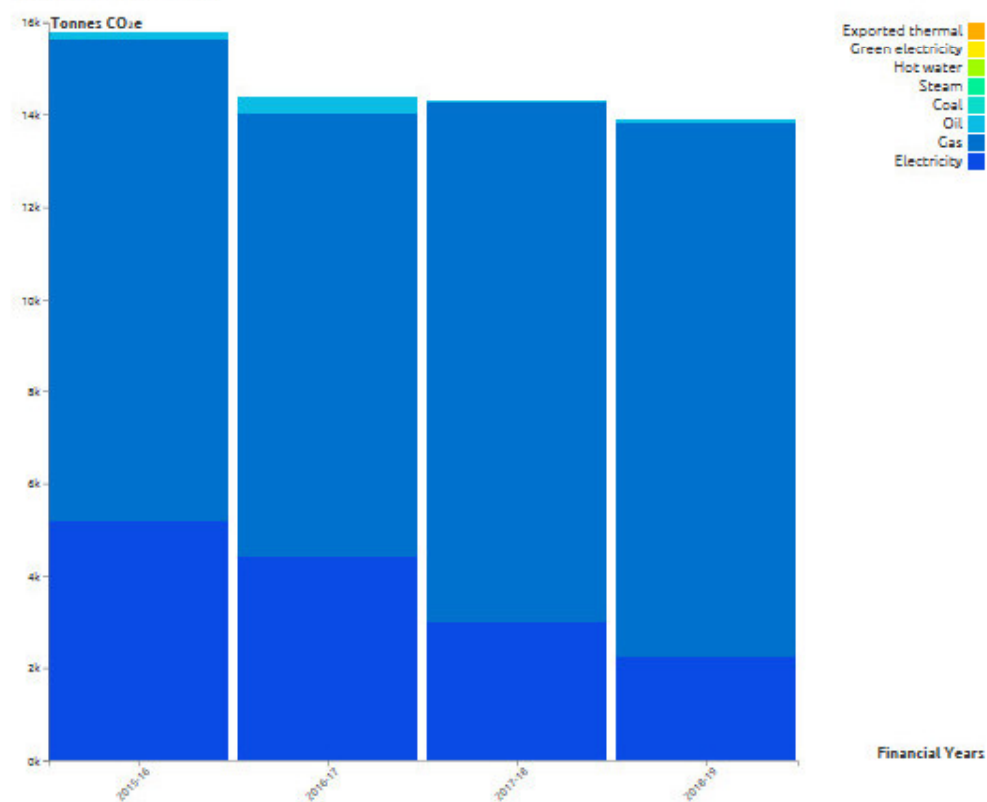
CO₂ Emissions (tCO₂e)

	2015-16	2016-17	2017-18	2018-19
Electricity	5,167	4,410	2,998	2,227
Gas	10,465	9,585	11,238	11,594
Oil	173	359	51.7	56.3
Coal	0	0	0	0
Steam	0	0	0	0
Hot water	0	0	0	0
Green electricity	0	0	0	0
Exported thermal	0	0	0	0
Total	15,805	14,353	14,288	13,877

This year, overall energy usage has increased, mirroring last year's data. However, there was mixed performance comparing the individual utilities. Figures show that overall gas usage has increased by 3% and electricity usage has fallen by 1.2%. Also, the 2018/19 figures include additional usage from the Durham Diagnostic and Treatment Centre which opened in May last year. This has contributed an extra 943,595kWhrs.

Comparing last year's overall energy consumption to this year's, including electricity produced from the Trust's own combined heat and power (CHP) unit, consumption has risen again from 70,509 MWh to 71,900 MWh. However, with the additional floor space added for the Durham Diagnostic and Treatment Centre, overall energy consumption based on floor area has fallen to 0.502 MWh/m^2 from 0.571 MWh/m^2 last year. This reduction indicates the efficiency of the new building has helped reduce the overall energy indicator across all sites. We have generated 63.2% of our total electricity from our CHP unit up from 62.3% in 2017/18. This generated electricity is higher than the previous year due to the increase in rating of the CHP being in place for a full year.

Despite the fact the Trust has increased its energy usage this year it can take positives from the carbon figures reported. It can be seen that the Trust has reduced its carbon emissions by 575 tonnes this year. This is mainly down to the Department for Food, Environment and Rural Affairs/Business Energy and Industrial Strategy carbon factors in electricity reducing but is also due to the reduction in electricity consumption and a 1.9% increase in CHP electricity production. There has been a continued replacement of large pumping sets with more energy efficient units and we have continued our LED lighting replacement programme

Gas usage has risen to a higher level than last year. This is down to two main factors. Firstly, the opening of our new Durham Diagnostic and Treatment Centre and also the CHP operating at full capacity for the full year compared to 8 months the previous year.

In the past year the Trust has again undertaken the following carbon saving projects many of which are ongoing;

- replacement of ageing constant temperature pumps with more energy efficient units and controls;
- installation of stand-alone domestic hot water boilers to reduce inefficient use of combined boiler plant;
- replacement of conventional lighting with LED lighting;
- an intensive housekeeping exercise targeting all areas within the hospital to ensure effective environmental controls (ongoing);
- complete recalibration of temperature sensors, enabling accurate measurement of heating levels in all clinical and non-clinical areas (ongoing);
- checking of timetables to make sure heating and cooling match occupancy times (ongoing);
- continued replacement of obsolete plant controls (ongoing);
- a reduction in occupied temperatures where appropriate (ongoing); and
- further installation of automated meter readings (AMR) at Sunderland Royal Hospital, Sunderland Eye Infirmary and the Children's Centre complete with software analysis system (ongoing).

Short and Long Term Goals

Short term goals (for 2019) in relation to sustainability within The trust are set to include;

- installation of LED fittings using £1.77 m successfully secured from NHSI to further reduce carbon emissions;
- participating in sustainability events to raise staff awareness of the Trust's commitment to sustainability; and
- better recording and reporting of carbon indicators including reporting carbon for scope 3 emissions (those emissions not directly controlled by the Trust ie from contractors and suppliers). CHoICE Procurement Services and Finance will play a significant role via the Sustainability Management Group.

Long term goals (over the coming 5 years) for sustainability within the trust are set to include:

- validation of environmental management with recognised British standards. (Not a legal requirement but considered best practice to be working towards raising our green profile. The implementation of the actions and targets set out in the SDMP would go a long way to fulfilling many of the criteria for an Environmental Management System which could then be achieved more easily and be externally verified);
- using the Health Outcomes of Travel Tool (HOTT) to evaluate the success of past/current travel and transport initiatives;
- greater engagement with stakeholders to promote and use the Sustainable Development Assessment Tool (SDAT – formerly the Good Corporate Citizen scheme);
- establishment of an ongoing rolling programme of detailed energy audits and implementation of recommended improvements to actively engage staff in recognising and achieving carbon goals;
- Spend to Save Schemes;
- increased use of renewable technologies (where viable);
- BREEAM (Building Research Establishment Environmental Assessment Method) to be considered on all new commissioned buildings;
- replacement of boilers and de-steam at Sunderland Eye Infirmary; and
- de-steaming of Sunderland Sterile Services, Pharmacy and Cardiology.

European Emission Trading System (EUETS)

The Trust is legally bound to report carbon emissions from fossil fuel usage in the form of participation in the EUETS. The Trust must meet specified targets within the system to avoid penalties and to prove that carbon is being managed effectively.

Last year we recorded a decrease in emissions regarding the scheme and this reporting year, 2018, has submitted a slightly higher total of 9,506 tonnes of carbon in comparison to 8,840 tonnes in 2017. It should be noted that the increase has been directly attributable to the increased gas used for the production of electricity from the CHP. Oil usage has reduced slightly in comparison to the previous year with 21.2 tonnes used against 22.26 tonnes last year. Despite the increase in overall emissions, the Trust is still comfortably under the allowance of carbon for this reporting year and in the scheme overall, achieving compliance for this reporting year.

Water

Water usage has seen an increase in 2018/19. Following a decrease in water usage last year, there has been an overall increase in the use of water at Sunderland Royal Hospital with small decreases at Sunderland Eye Infirmary and the Children's Centre. The main increase on the Sunderland Royal Hospital site is the new Renal Unit water treatment system which has increased in size due to additional capacity for renal dialysis.

Automatic meter reading and remote alarm trigger points continue to be used to alert maintenance staff to leaks and other potential problems.

In response to statutory guidance we have an extensive regular flushing regime that contributes to an above average water consumption. Despite this it is recognised that further work still needs to be done to ensure that water levels are reduced and the Trust continues to improve in its usage.

Finite resource use - Water

	2015-16	2016-17	2017-18	2018-19
Water volume (m³)	207,168	238,296	185,034	202,408
Waste water volume (m³)	165,734	190,637	148,027	161,926
Water and sewage cost (£)	0	0	0	0

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Carbon emissions resulting

Water treatment related emissions
Water related emissions
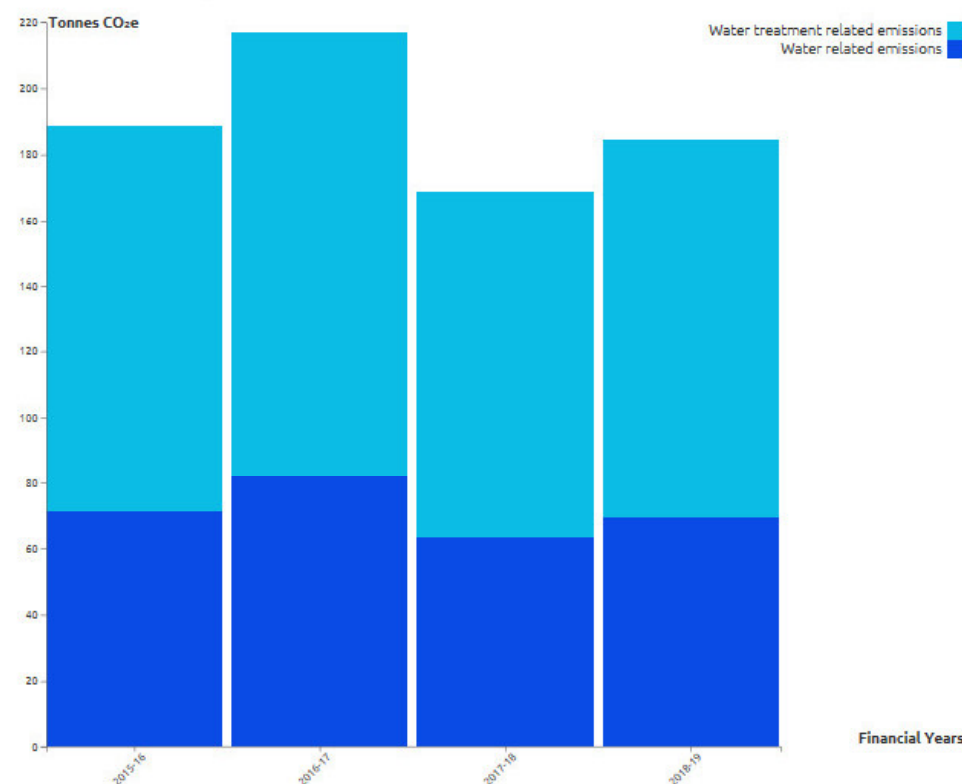
CO₂ Emissions (tCO₂e)

	2015-16	2016-17	2017-18	2018-19
Water related emissions	71.3	82	63.7	69.6
Water treatment related emissions	117	135	105	115
Total	189	217	168	184

Waste

One of the Trust's main environmental objectives is to reduce our clinical waste and consequently carbon emissions whilst also promoting sustainability within the Trust. The Trust was concerned it was incinerating significantly more waste than necessary and wanted to ensure it was fully compliant on all fronts.

In 2005, the Trust was the first UK hospital to fully install the Sharpsmart and the first hospital to use a reusable sharps collector. Over the past 14 years, the Trust has prevented more than 270 tonnes of plastic waste being sent for incineration and seen a reduction in CO_{2e} emissions of more than 1,500 tonnes

Municipal waste segregation continues to improve within all waste streams allowing recycling to improve. All municipal waste which is unable to be recycled on site is transferred to a materials recycling facility and an energy from waste plant ensuring waste is diverted from unsustainable landfill.

The Trust's total mixed recycling rate now stands at 100% (an average of 81% recycled on site, a further 17% off site at the contractor's facility and the remaining 2% diverted from landfill and sent to an energy from waste plant in Teesside).

Recycling continues to be boosted by the use of an equipment/furniture reuse system which enables equipment to be redistributed throughout the organisation rather than the Trust buying new furniture and equipment unnecessarily, saving both on carbon and cost.

Offensive waste stream is sent to an energy from waste plant for disposal, increasing the volumes of waste now recycled.

Confidential waste (after shredding) is recycled, as is non clinical glass cardboard and batteries alongside the majority of Waste Electronic and Electrical Equipment (WEEE) waste. Scrap metal is also recycled.

During the year the Trust, in line with many other in the country, had to respond to a national issue in relation to clinical waste collection due to an issue with the main contractor. Working together with the Local Authority, one of our other contractors and with South Tyneside NHS Foundation Trust, we were able to quickly put in place alternative provision in order to avoid any impact on service provision.

Waste produced

Waste in tonnes

	2015-16	2016-17	2017-18	2018-19
Waste recycling weight	921	990	1,015	1,204
Other recovery weight	0	0	8	2
Incineration disposal weight	0	0	43	79
Landfill disposal weight	204	0	0	0
Total	1,125	990	1,066	1,285

Carbon emissions resulting
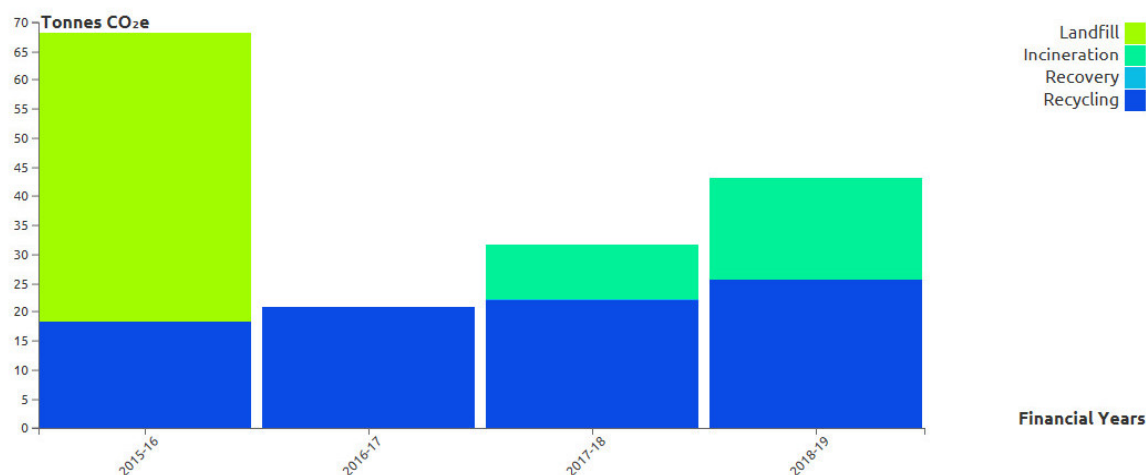
CO$_2$ Emissions (tCO$_2$e)

	2015-16	2016-17	2017-18	2018-19
Recycling	18.4	20.8	22.1	25.8
Recovery	0	0	0.17	0.04
Incineration	0	0	9.46	17.4
Landfill	49.9	0	0	0
Total	68.3	20.8	31.7	43.2

Travel

Green travel has long been a priority for the Trust with the car share and cycle scheme running successfully for many years. We have changed our transport fleet this year which now includes 10 electric and low carbon emissions vehicles. We also continue to encourage staff to walk to and from work, cycle use and public transport where feasible.

Hospital transport and associated supplementary taxis also run an internal share initiative where journeys to other sites and addresses will be combined into one trip to reduce emissions from eliminating multiple vehicles going to the same place at the same time. There is also a plan for a shuttle bus to run between Sunderland Royal Hospital and South Tyneside District Hospital in the very near future to support staff who may be required to work across both locations.

Home working and the use of webinars are on the increase and serve to promote lower levels of non-essential travel and discounted bus fares are available to staff via Go North East and Nexus transport services. Facilities are available on site to encourage the use of electric vehicles with a total of 22 charging points available. These points have provided 5,679 charging sessions using 24619kWh of electricity which has saved approximately 14 tonnes of carbon as opposed to the miles being driven in a normal diesel car.

Procurement

The largest section in the NHS carbon footprint is procurement and this is at present the area where most work needs to be done. Although environmental concerns and sustainability should be key to any purchasing decisions made, the principle of whole life cycle costing for all supplies should be adopted. CHoICE Procurement Services and the National Procurement Organisations and their suppliers, who work on our behalf, have a major part to play in embedding carbon improvement measures into all Trust/CHoICE contracts and procurement processes.

We will endeavour to follow government guidance and avoid unsustainable substances, products and product types at all costs where value for money can be demonstrated. Procurement of goods and services by CHoICE Procurement Services is based on value for money, having due regard to current legislation governing EU procurement law as well as reducing our impact on the environment. Value for money in procurement is defined as the optimum combination of whole life cycle cost and quality (or fit for purpose) to meet the customer's requirements.

CHoICE Procurement Services will:

- ensure that where government's environmental policies apply (where applicable in collaboration with its partners ie NHS Supply Chain), they are taken into account and followed appropriately in framing the specification, in selecting tenders through the evaluation criteria and in awarding contracts;
- ensure that the NHS Standard Terms and Conditions (and associated particulars) of contract (which includes specific reference to environmental issues) are incorporated in all procurement of goods and/or services;
- ensure that the tendering process includes environmental policies and compliance questions for the supplier and evidences their environmental audit throughout the supply chain and other suppliers. For example our tendering portal has standard capability and capacity questions which include environmental questions (where appropriate). This ensures suppliers are assessed during the tendering process and meet environmental policies and compliance (including government legislation) before any contracts are awarded. All suppliers are required to accept the NHS standard terms and conditions with every tender advertised on the tendering portal;
- ensure that the carbon footprint and CO_2 emissions are minimised through consolidation of orders and delivery to the Trust through NHS supply chain;
- stimulate and support innovation which provides more sustainable solutions and reduce the impact on the environment;
- use the most energy efficient, and where applicable water efficient electrical domestic appliances (energy efficiency rated 'A' or above);
- have regard to efficiency in use – items which consume less or have a lower environmental impact during their 'in use' life and their disposal and recycling;
- substitute and innovate – understand the environmental and social impact of goods, look into appropriate alternative products, materials or approaches that can be used with less impact. For example, one of the requirements within our electrical Consumables contract is that the supplier of goods to the Trust must not only be CE marked but should be A+ rated. This ensures the Trust uses products that have a low carbon footprint. Our current laryngoscopes are modular and the battery pack can be separated from the single use blade and handle. This makes it easier for the Trust to recycle the materials and minimise sending potentially harmful materials to landfill. The

Trust has a compare and save work stream that continually analyses products bought through the NHS supplies chain. This programme seeks to introduce alternative, innovative products into the Trust, which are economically advantageous;

- minimise pollution and adverse impacts on the environment resulting directly and indirectly from procurement decisions;
- reduce demand – question the life expectancy of products and ascertain if there are alternatives that are currently used in the Trust which are not fully utilised to its potential within the relevant wards/departments; and
- ensure Procurement adopts a whole lifestyle approach by assessing the environmental impact of the provider from its production to its disposal. End of life products are disposed of correctly, eg IT disposal through authorised third party disposal companies. When we decommission equipment some of the options that we consider include: for all capital equipment and medical devices, we consider the lifespan of the equipment and look at the cost over this lifespan including maintenance costs. Trade in old equipment and offset the revenue against the cost of new capital equipment. Auction the equipment which allows other organisations, particularly in the third world, to still benefit from the product and prolong the useful life of the asset rather than disposing to waste/landfill.

Summary

The Trust considers sustainability an areas of focus. Our Sustainable Development Management Plan (SDMP) sets out a plan for the Trust to work towards greater sustainability with goals and milestones to be achieved both in the long and short term. Aside from the environmental and longer term financial benefits of promoting sustainability, increasing pressure from NHS legislative bodies are making more sustainability issues mandatory such as having a Board approved SDMP, being in line with meeting NHS specific targets by 2020 and the UK binding 2050 carbon reduction target of an 80% reduction in emissions from a 1990 baseline. Moving forward, we will look to further improve the healthcare environment and meet the targets which have been set for the NHS as a whole.

We continue to actively encourage staff at all levels to contribute positively and take responsibility for their part in improving the environment and sustainability credentials of the Trust. In reporting our sustainability the Trust was awarded a certificate of "Excellence in Sustainability Reporting" from the NHS Sustainable Development Unit in recognition of production of this section of the Trust's annual report in 2017/18.

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF CITY HOSPITALS SUNDERLAND NHS FOUNDATION TRUST

Opinion

We have audited the financial statements of City Hospitals Sunderland NHS Foundation Trust for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows, and the related notes 1 to 30, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and HM Treasury's Financial Reporting Manual (FReM) to the extent that they are meaningful and appropriate to NHS foundation trusts.

In our opinion, the financial statements:

- ▸ give a true and fair view of the state of City Hospitals Sunderland NHS Foundation Trust and Group's affairs as at 31 March 2019 and of its income and expenditure and cash flows for the year then ended; and
- ▸ have been prepared in accordance with the Department of Health and Social Care's Group Accounting Manual 2018/19 and the directions under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Foundation Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's (C&AG) AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ▸ the Accountable Officer's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ▸ the Accountable Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Emphasis of matter – merger of City Hospitals Sunderland NHS Foundation Trust and South Tyneside NHS Foundation Trust

We draw attention to note 30 to the financial statements, which explains that City Hospitals Sunderland NHS Foundation Trust formally merged with South Tyneside NHS Foundation Trust on 1 April 2019 and as a result a new organisation, South Tyneside and Sunderland NHS Foundation Trust, was formed.

In accordance with the Department of Health and Social Care's Group Accounting Manual 2018/19, the financial statements have been prepared on a going concern basis as described in note 30. Our opinion is not modified in this respect.

Overview of our audit approach

Key audit matters	▸ Risk of fraud in revenue and expenditure recognition
Materiality	▸ Overall materiality of £7.2m which represents 2% of Group Operating Expenditure.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Risk of fraud in revenue and expenditure recognition **Group operating revenue: £364.1m (2017/18 - £363.1m)** **Group operating expenditure: £362.4m (2017/18 - £388.5m)** *Refer to the Audit Committee Report (pages 158 and 159); Accounting policies (1.4 and 1.6); and Notes 2 to 4 of the Consolidated Financial Statements* The Foundation Trust was set a control total of an £11.2m deficit for the year by NHS Improvement. The pressure of meeting this financial target, as well as the significant financial pressures that are prevalent in clinical commissioning groups ('CCGs') as the Foundation Trust's main commissioners of services, lead to a risk of inappropriate revenue and expenditure recognition. We evaluated the income and expenditure streams of the Foundation Trust and identified that those areas where management are more likely to	We obtained the NHS Agreement of Balances mismatch report for debtors and creditors from the National Audit Office ('NAO') to identify any receivables recognised by the Trust at the year-end that were not agreed by the counterparty. We identified no material mismatches between the Trust and other bodies. We reconciled income recognised from CCGs to contracts and agreed year-end contract accruals to supporting evidence. We tested a sample of accruals included in the Statement of Financial Position and challenged the assumptions used, with reference to external evidence wherever possible. We selected a sample of invoices received, and payments made, in the month of April 2019 and checked back to supporting documentation to confirm that the expenditure was recognised in the correct period.	There were no findings arising from our work to report to the Audit Committee.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
be able to override existing controls is where the risk of inappropriate revenue and expenditure recognition lies, specifically: ▸ contract variation income with commissioners, where management are required to use their judgement around the amount recognised; ▸ manually input year-end income accruals; ▸ manually input year-end expenditure accruals; and ▸ omission of expenditure from the accounts. We included this risk as a key audit matter in our Independent Auditor's Report for the year ended 31 March 2018.		

In the prior year, our auditor's report included a key audit matter in relation to valuation of land and buildings, specifically focussing on the revisions made by the Foundation Trust to their Modern Equivalent Asset valuation model. In the current year, we have not identified this is a key audit matter as a key audit matter as no significant changes have been made to this model.

An overview of the scope of our audit

Tailoring the scope
Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Foundation Trust. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Foundation Trust and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Materiality
The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £7.2 million (2017/18: £7.6 million), which is 2% (2017/18: 2%) of operating expenditure. We believe that operating expenditure provides us with an appropriate basis for materiality as it is the key driver of the Group's financial position.

During the course of our audit, we reassessed initial materiality and recalculated it based on the draft accounts submitted for audit.

Performance materiality
The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2017/18: 75%) of our planning materiality, namely £5.4 million (2017/18: £5.7 million). We have set performance materiality at this percentage based on our experience as your external auditor of the adjustments identified in the year ended 31 March 2018.

Reporting threshold
An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.3 million (2017/18: £0.3 million), which is set at the NAO reporting threshold, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on pages 1 to 218, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 have nothing to report in this regard.

Opinion on other matters prescribed by the Code of Audit Practice issued by the NAO

In our opinion:

- ▸ the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ▸ the parts of the Remuneration and Staff report identified as subject to audit has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2018/19.

Matters on which we report by exception

The Code of Audit Practice requires us to report to you if:

- ▸ we issue a report in the public interest under schedule 10(3) of the National Health Service Act 2006;
- ▸ we refer the matter to the regulator under schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the Trust, or a director or officer of the Trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency;

- we are not satisfied that the Trust has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources as required by schedule 10(1)(d) of the National Health Service Act 2006;
- we have been unable to satisfy ourselves that the Annual Governance Statement, and other information published with the financial statements meets the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2018/19 and is not misleading or inconsistent with other information forthcoming from the audit; or
- we have been unable to satisfy ourselves that proper practices have been observed in the compilation of the financial statements.

We have nothing to report in respect of these matters.

The NHS Foundation Trust Annual Reporting Manual 2018/19 requires us 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 NHS Foundation Trust acquired in the course of performing our audit; or
- otherwise misleading.

We have nothing to report in respect of these matters.

Responsibilities of the Accounting Officer

As explained more fully in the Statement of the Chief Executive's responsibilities as Accountable Officer of City Hospitals Sunderland NHS Foundation Trust set out on page 160, the Accountable Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer is responsible for assessing the Foundation Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council of Governors intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditor's responsibilities with respect to value for money arrangements

We are required to consider whether the Foundation Trust has put in place 'proper arrangements' to secure economy, efficiency and effectiveness in its use of resources. This is based on the overall criterion that 'in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people'.

Proper arrangements are defined by statutory guidance issued by the National Audit Office and comprise the arrangements to:

- Take informed decisions;
- Deploy resources in a sustainable manner; and
- Work with partners and other third parties.

In considering your proper arrangements, we draw on the requirements of the guidance issued by NHS Improvement to ensure that our assessment is made against a framework that you are already

required to have in place and to report on through documents such as your Annual Governance Statement.

We are only required to determine whether there are any risks that we consider significant within the Code of Audit Practice which defines as:

"A matter is significant if, in the auditor's professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public. Significance has both qualitative and quantitative aspects".
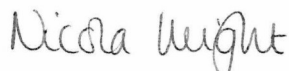
Our risk assessment supports the planning of sufficient work to enable us to deliver a safe conclusion on arrangements to secure value for money and enables us to determine the nature and extent of further work that may be required. If we do not identify any significant risk there is no requirement to carry out further work. Our risk assessment considers both the potential financial impact of the issues we have identified, and also the likelihood that the issue will be of interest to local taxpayers, the Government and other stakeholders.

Certificate

We certify that we have completed the audit of the financial statements of City Hospitals Sunderland NHS Foundation Trust in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice issued by the National Audit Office on behalf of the Comptroller and Auditor General (C&AG).

Use of our report

This report is made solely to the Council of Governors of City Hospitals Sunderland NHS Foundation Trust in accordance with paragraph 24(5) of Schedule 7 of the National Health Service Act 2006 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.

Nicola Wright

Nicola Wright
for and on behalf of Ernst & Young LLP
Newcastle upon Tyne
29 May 2019

The maintenance and integrity of the City Hospitals Sunderland NHS Foundation Trust web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

FOREWORD TO THE ACCOUNTS

City Hospitals Sunderland NHS Foundation Trust

These financial statements for the year ended 31 March 2019 have been prepared by City Hospitals Sunderland NHS Foundation Trust under Schedule 7 of the National Health Service Act 2006, paragraphs 24 and 25 and in accordance with directions given by NHS Improvement, the sector regulator for health services in England.

K W Bremner   Date: 28 May 2019
Chief Executive

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED
31 March 2019

	NOTE	Group 2018/19 £000	Foundation Trust 2018/19 £000	Group 2017/18 £000	Foundation Trust 2017/18 £000
Revenue					
Operating income from patient care activities	2 - 3	**325,548**	**325,548**	318,982	318,982
Other operating income	3	**38,648**	**41,482**	44,144	47,229
Operating expenses	4 - 6	**(362,452)**	**(369,412)**	(388,543)	(394,796)
Operating surplus/(deficit)		**1,744**	**(2,382)**	(25,417)	(28,585)
Finance Costs					
Finance income	8	**121**	**1,296**	102	1,482
Finance expenses - financial liabilities	9	**(1,812)**	**(2,028)**	(1,822)	(2,042)
Finance expenses - unwinding of discount on provisions	20	**1**	**1**	(3)	(3)
PDC dividends payable	28	**(2,408)**	**(2,408)**	(3,599)	(3,599)
Net finance costs		**(4,098)**	**(3,139)**	(5,322)	(4,162)
Losses on disposal of assets	7	**(29)**	**(39)**	(16)	(34)
Movement in fair value of other investments	14.2	**29**	**0**	8	0
Corporation tax expense	10	**(449)**	**0**	(318)	0
Deficit		**(2,803)**	**(5,560)**	(31,065)	(32,781)
Impairments		**(2,951)**	**(2,881)**		
Revaluation gain/(loss) - property		**4,185**	**4,099**	(25,117)	(25,117)
Total Comprehensive Expense for the year		**(1,569)**	**(4,342)**	(56,182)	(57,898)

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STATEMENT OF FINANCIAL POSITION AS AT
31 March 2019

	NOTE	Group 31 March 2019 £000	Foundation Trust 31 March 2019 £000	Group 31 March 2018 £000	Foundation Trust 31 March 2018 £000
Non-current assets					
Intangible assets	11	**6,191**	**6,189**	5,348	5,344
Property, plant and equipment	12	**143,391**	**142,774**	142,892	142,889
Investment in subsidiary	13	**0**	**11,893**	0	11,893
Long term debt with subsidiary	13	**0**	**15,037**	0	18,998
Loan to subsidiary	13	**0**	**500**	0	600
Other investments	14.1	**2,369**	**0**	2,329	0
Trade and other receivables	15.1	**1,169**	**1,169**	969	969
Total non-current assets		153,120	177,562	151,538	180,693
Current assets					
Current debt with subsidiary	13	**0**	**4,029**	0	4,198
Loan to subsidiary	13	**0**	**100**	0	100
Non-current assets for sale	12.5	**350**	**280**	0	0
Inventories	16.1	**6,030**	**3,903**	6,407	4,569
Trade and other receivables	15.1	**31,237**	**31,285**	23,641	23,500
Cash and cash equivalents	17	**15,929**	**11,213**	9,689	2,812
Total current assets		53,546	50,810	39,737	35,179
Current liabilities					
Finance lease	19.3	**0**	**(740)**	0	(720)
Trade and other payables	18	**(44,370)**	**(43,804)**	(33,799)	(29,460)
Borrowings	19	**(3,723)**	**(3,723)**	(3,707)	(3,707)
Provisions	20	**(239)**	**(239)**	(244)	(244)
Other liabilities	21	**(1,921)**	**(5,093)**	(1,664)	(4,836)
Total current liabilities		**(50,253)**	**(53,599)**	(39,414)	(38,967)
Total assets less current liabilities		156,413	174,773	151,861	176,905
Non-current liabilities					
Finance lease	19.3	**0**	**(5,652)**	0	(6,392)
Borrowings	19	**(53,843)**	**(53,843)**	(49,812)	(49,812)
Provisions	20	**(579)**	**(579)**	(701)	(701)
Other liabilities	21	**0**	**(21,673)**	0	(24,844)
Total non-current liabilities		**(54,422)**	**(81,747)**	(50,513)	(81,749)
Total assets employed		101,991	93,026	101,348	95,156

STATEMENT OF FINANCIAL POSITION AS AT
31 March 2019

	Group 31 March 2019	Foundation Trust 31 March 2019	Group 31 March 2018	Foundation Trust 31 March 2018
	£000	£000	£000	£000
Financed by taxpayers' equity				
Public Dividend Capital	**106,501**	**106,501**	104,289	104,289
Revaluation reserve	**36,352**	**34,291**	35,359	33,918
Income and expenditure reserve	**(45,540)**	**(47,766)**	(42,902)	(43,051)
Others' equity				
Charitable Fund reserve	**4,678**	**0**	4,602	0
Total taxpayers' equity	**101,991**	**93,026**	101,348	95,156

The financial statements on pages 226 to 280 were approved by the Board on 28 May 2019 and signed on its behalf by:

K W Bremner   Date: 28 May 2019
Chief Executive

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

	Group					Foundation Trust			
	Total Taxpayers' Equity £000	Public Dividend Capital £000	Revaluation Reserve £000	Charitable Fund Reserve £000	Income and Expenditure Reserve £000	Total Taxpayers' Equity £000	Public Dividend Capital £000	Revaluation Reserve £000	Income and Expenditure Reserve £000
Taxpayers' Equity at 1 April 2018	101,348	104,289	35,359	4,602	(42,902)	95,156	104,289	33,918	(43,051)
Changes in taxpayers' equity for 2018/19									
Total Comprehensive Income / (Expense) for the year:									
Net impairments	(2,951)	0	(2,951)	0	0	(2,881)	0	(2,881)	0
Revaluations - property, plant & equipment	4,185	0	4,185	0	0	4,099	0	4,099	0
Transfers between reserves	0	0	0	(143)	143	0	0	(845)	845
Transfer to retained earnings on disposal of assets	0	0	(241)	0	241	0	0	0	0
Public Dividend Capital received	2,212	2,212	0	0	0	2,212	2,212	0	0
(Deficit) / Surplus for the year	(2,803)	0	0	219	(3,022)	(5,560)	0	0	(5,560)
Taxpayers' Equity at 31 March 2019	101,991	106,501	36,352	4,678	(45,540)	93,026	106,501	34,291	(47,766)
	Total Taxpayers' Equity £000	Public Dividend Capital £000	Revaluation Reserve £000	Charitable Fund Reserve £000	Income and Expenditure Reserve £000	Total Taxpayers' Equity £000	Public Dividend Capital £000	Revaluation Reserve £000	Income and Expenditure Reserve £000
Taxpayers' Equity at 1 April 2017	152,783	99,542	60,796	4,176	(11,731)	148,307	99,542	59,355	(10,590)
Changes in taxpayers' equity for 2017/18									
Total Comprehensive Income / (Expense) for the year:									
Revaluations - property, plant & equipment	(25,117)	0	(25,117)	0	0	(25,117)	0	(25,117)	0
Transfers between reserves	0	0	(320)	(427)	747	0	0	(320)	320
Public Dividend Capital received	4,747	4,747	0	0	0	4,747	4,747	0	0
(Deficit) / Surplus for the year	(31,065)	0	0	853	(31,918)	(32,781)	0	0	(32,781)
Taxpayers' Equity at 31 March 2018	101,348	104,289	35,359	4,602	(42,902)	95,156	104,289	33,918	(43,051)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED
31 March 2019

	NOTE	**Foundation** **Group** **2018/19** **£000**	**Trust** **2018/19** **£000**	Group 2017/18 £000	Foundation Trust 2017/18 £000
Cash flows from operating activities					
Operating surplus / (deficit)		**1,744**	**(2,382)**	(25,417)	(28,585)
Non-cash income and expense:					
Depreciation and amortisation		**5,628**	**5,624**	6,510	6,508
Net impairments		**(54)**	**(54)**	32,926	32,926
Non cash donations		**0**	**(443)**	(747)	(747)
(Increase) / decrease in trade and other receivables		**(7,874)**	**(8,172)**	(2,549)	2,772
Decrease / (increase) in inventories		**377**	**666**	(298)	686
Increase / (decrease) in trade and other payables		**9,332**	**13,070**	2,331	(4,318)
Increase in other liabilities		**257**	**257**	26	26
Decrease in provisions		**(126)**	**(126)**	(92)	(92)
Tax paid		**(448)**	**0**	(76)	0
NHS Charitable Funds - working capital adjustments		**(145)**	**0**	183	0
Other movements in operating cash flows		**0**	**0**	(242)	0
Net cash generated from operating activities		**8,691**	**8,440**	12,555	9,176
Cash flows from investing activities					
Interest received		**63**	**1,296**	41	1,482
Purchase of intangible assets		**(1,864)**	**(1,864)**	(1,749)	(1,749)
Purchase of property, plant and equipment		**(3,338)**	**(3,508)**	(4,962)	(5,072)
Sales of property, plant and equipment		**404**	**1,244**	310	310
Receipt of cash donations to purchase capital assets		**0**	**443**	747	747
NHS Charitable Funds - net cash flow from investing		**58**	**0**	132	0
Net cash used in investing activities		**(4,677)**	**(2,389)**	(5,481)	(4,282)
Net cash inflows / (outflows) before financing		**4,014**	**6,051**	7,074	4,894
Cash flows from financing activities					
Loans received		**8,166**	**8,166**	0	0
Loans repaid		**(4,135)**	**(4,135)**	(3,273)	(3,273)
Interest paid		**(1,796)**	**(2,009)**	(1,845)	(2,064)
Loan paid by subsidiary		**0**	**4,230**	0	4,298
Loan repaid to subsidiary		**0**	**(721)**	0	(701)
PDC dividend received		**2,212**	**2,212**	4,747	4,747
PDC dividend paid		**(2,221)**	**(2,221)**	(3,995)	(3,995)
Cash flows used in other financing activities		**0**	**(3,172)**	0	(3,175)
Net cash used in financing activities		**2,226**	**2,350**	(4,366)	(4,163)
Increase in cash and cash equivalents		**6,240**	**8,401**	2,708	731
Cash and cash equivalents at 1 April	17	**9,689**	**2,812**	6,981	2,081
Cash and cash equivalents at 31 March	17	**15,929**	**11,213**	9,689	2,812

NOTES TO THE ACCOUNTS

1. Basis of Preparation
NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the Foundation Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2018/19 issued by the Department of Health and Social Care (DHSC). The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Foundation Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Estimation Techniques
These are methods adopted by the Group to arrive at monetary amounts, corresponding to the measurement basis selected for assets, liabilities, gains, losses and charges to the Reserves. Where the basis of measurement for the amount to be recognised under accounting policies is uncertain, an estimation technique is applied.

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

1.2 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.

1.3 Critical judgements in applying accounting policies
The following are the critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the annual report and accounts.

The day to day operations of the Group are funded from agreed fixed term contracts with Clinical Commissioning Groups (CCGs). These payments provide a reliable stream of funding minimising the Foundation Trust's exposure to

liquidity and financing problems. The Group's budgets and expenditure plans are based on the agreed level of commissioned service and indicate that it has sufficient resource to meet ongoing commitments.

Trade receivables mainly arise from transactions with CCGs under contractual terms that require settlement of the obligation within a time frame established by the DHSC.

During 2017/18 a revaluation was conducted by Cushman and Wakefield (a member of RICS) to revalue the Group's land and buildings property. As part of the revaluation the Modern Equivalent Asset model used was refreshed and there has been a revision to how the Group defines a property asset and the components that make up the asset. This is described further in section 1.7.

1.4 Income

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS). As directed by the GAM, the transition to IFRS 15 in 2018/19 has been completed in accordance with paragraph C3 (b) of the Standard: applying the Standard retrospectively but recognising the cumulative effects at the date of initial application (1 April 2018).

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Foundation Trust accrues income relating to performance obligations satisfied in that year. Where the Foundation Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

The Foundation Trust accounts for income due on partly completed spells of patient care. Income is accrued based on length of stay using an average bed day rate for the appropriate specialty. Differences between these accruals and the actual income due when the spell is completed are accounted for in the year of completion.

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. If it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract then in these cases it is assessed that the Foundation Trust's interim performance does not create an asset with alternative use for the Foundation Trust, and the Foundation Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Foundation Trust recognises revenue each year over the course of the contract.

The Foundation Trust records and accounts for Clinical Work in Progress. Clinical Work in Progress represents partially completed spells of patient treatment that remain un-invoiced at the end of the financial year. The value of Clinical Work in Progress for 2018/19 amounted to £3,289k compared to £2,689k in 2017/18.

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 sum due under the sale contract.

The Foundation Trust receives income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Foundation Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

1.5 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 annual report and accounts 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. The Scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. It is not possible for the NHS Foundation Trust to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme.

Employer's pension cost contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the Foundation Trust commits itself to the retirement, regardless of the method of payment.

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions.

Both schemes are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are 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, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the accounts 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 scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) 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 is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 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 report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. 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 schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019. The DHSC have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% of pensionable pay from this date.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

Estimated employer contributions for 2019/20 are £19,587k, this is based upon the contribution rate of 14.38%.

c) Scheme provisions

The NHS Pension Scheme provides 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 1995 and 2008 Schemes are "final salary" schemes. 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).

With effect from 1 April 2015 a pension scheme was introduced based on career average revalued earning (CARE) with benefits based on a proportion of pensionable earnings during an employee's career. There is a build-up rate of 1/54 of each year's pensionable earnings. The annual increase in this scheme is based on CPI plus 1.5%.

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 AVCs run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

National Employment Savings Trust (NEST)
The Pensions Act 2008 (the Act) introduced a new requirement for employers to automatically enrol any eligible job holders working for them into a workplace pension scheme that meets certain requirements and provide a minimum employer contribution. The Foundation Trust implemented auto-enrolment on 1 May 2013.

Where an employee is eligible to join the NHS Pension Scheme then they will be automatically enrolled into this scheme, even if they have previously opted out. However, where an employee is not eligible to join the NHS Pension Scheme (e.g. flexible retiree employees) then an alternative scheme must be made available by the Group.

The Group has chosen NEST as an alternative scheme for the Foundation Trust and as the main scheme for CHoICE (as new CHoICE employees are not eligible to join the NHS Pension Scheme). NEST is a defined contribution pension scheme that was created as part of the Government's workplace pensions reforms under the Pensions Act 2008.

Employers' pension cost contributions for both schemes are charged to operating expenses as and when they become due.

1.6 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.

1.7 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 Group;
• it is expected to be used for more than one financial year;
• the cost of the item can be measured reliably;
• individually they have a cost of at least £5,000; or
• they form a group of assets which individually have a cost of more than £250, collectively have a cost of at least £5,000, 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
• they form part of the initial setting-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example the Sunderland Royal Hospital site, includes a number of components with significantly different asset lives i.e. the individual building on the site, then these components are treated as separate assets and depreciated over their own useful economic lives.

Measurement
All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. The carrying values of property, plant and equipment are reviewed for impairment in years if events, or changes in circumstances, indicate the carrying value may not be recoverable. The costs arising from financing the construction of the property, plant and equipment asset are not capitalised but are charged to the Statement of Comprehensive Income in the year to which they relate.

An item of property, plant and equipment which is surplus to the Group's requirements with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

All assets are measured subsequently at fair value.

All land and buildings are restated to current value using professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. Valuations are carried out every 5 years with an interim review every 3 years. These valuations may be carried out annually where economic conditions cause fluctuations in building cost indices. During 2018/19 a

revaluation was conducted by Cushman and Wakefield (a member of RICS) to revalue the Group's land and buildings property.

Overall the valuation resulted in a net upward revaluation of £1,234k (2017/18 downward revaluation of £25,117k) being taken to the revaluation reserve and a net impairment of £54k (2017/18 £32,926k) being charged to operating expenses.

Land and buildings used for the Group's services or for administrative purposes are stated in the Statement of Financial Position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:

● Land and non-specialised buildings – market value for existing use
● Specialised buildings – depreciated replacement cost

Assets in the course of construction are valued at cost and are valued by professional valuers when they are brought into use as part of the subsequent annual revaluation exercise.

Plant and equipment is valued at net current replacement cost. 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 de-recognised. 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 on a straight line basis over their remaining useful economic lives. No depreciation is provided on freehold land. 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 or reverts to the Group.

Buildings, installations and fitting are depreciated based on their current value over the estimated remaining life of the asset as assessed by the Group's professional valuers. Leaseholds are depreciated over the primary lease term.

Equipment is depreciated based on current cost over the estimated life*.*

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 DHSC GAM, 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 expenses 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 disposal are reclassified as 'Held for Sale' once all of the following criteria are met:
• the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
• the sale must be highly probable i.e.:

- management are committed to a plan to sell the asset;
- an active programme has begun to find a buyer and complete the sale;
- the asset is being actively marketed at a reasonable price;
- the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
- the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met. Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'Held for Sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

Donated assets

Donated property, plant and equipment assets are capitalised at their current value on receipt. The donation 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 funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

1.8 Intangible assets

Recognition
Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Group'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 be provided to, the Group and where the cost of the asset can be measured reliably.

Internally generated intangible assets
Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets. Expenditure on research is not capitalised. 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 Group intends to complete the asset and sell or use it;
• the Group 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 Group to complete the development and sell or use the asset; and
• the Group 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.

Purchased computer software licences are capitalised as intangible fixed assets where expenditure of at least £5,000 is incurred and amortised over the shorter of the terms of the licences and their useful economic lives.

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 historic cost. 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.

1.9 Inventories

Inventories are valued at the lower of cost and net realisable value. Pharmacy Stocks are valued at weighted average cost, all other stocks are valued on a 'First In First Out' basis.

1.10 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Foundation Trust's cash management.

1.11 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 Group'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 below. All other financial assets and financial liabilities are recognised when the Group 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 Foundation 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 'Loans and receivables'. Financial liabilities are classified as 'Financial liabilities at amortised cost'.

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 Group's loans and receivables comprise: current investments, cash and cash equivalents, NHS receivables, accrued income and 'other receivables'. 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.

Financial liabilities at amortised cost

All financial liabilities at amortised cost 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 Statement of Financial Position date, which are classified as long-term liabilities. Interest on financial liabilities carried at amortised cost is calculated using the effective interest 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.

Impairment of financial assets

At the Statement of Financial Position date, the Group assesses whether any financial assets 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 through the use of a bad debt provision.

1.12 Leases

The Foundation Trust as lessee

Operating leases

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.

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Group, 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 by apportioning each rental payment between a finance charge and a reduction

of the lease obligation using the sum of digits method. 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.

The Foundation Trust as lessor

Rental income from operating leases is recognised on a straight line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are charged to income and expenditure as incurred.

1.13 Provisions

The 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 HM Treasury's discount rate which varies from -0.76% to -1.99% in nominal terms, inflation is then applied. Prior to 2018/19 real terms discount rates were used and for 2017/18 these ranged from -2.42% to -1.56%. The only exception to this is early retirement provisions and injury benefit provisions which both use the HM Treasury's pension discount rate of 0.29% (2017/18 - 0.10%) in real terms.

Clinical negligence costs
NHS Resolution operates a risk pooling scheme under which the Foundation Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. NHS Resolution is financially responsible for all clinical negligence cases and the liability for all potential and outstanding claims is provided in their Accounts. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Foundation Trust is disclosed at Note 20 but is not recognised in the Foundation Trust's accounts.

Non-clinical risk pooling
The Foundation Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Foundation Trust pays an annual contribution to NHS Resolution 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.

1.14 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 Group's control) are not recognised as assets, but are disclosed in Note 24 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in Note 24, 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 Group'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.

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1.15 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.

An annual charge, reflecting the cost of capital utilised by the 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 Group during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) average daily cash balances held with the Government Banking Services (GBS), excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and (ii) donated assets (including lottery funded assets), and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the DHSC (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 of the audit of the annual accounts.

1.16 Value Added Tax

Most of the activities of the 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.

1.17 Corporation Tax

City Hospitals Independent Commercial Enterprises Limited (CHoICE) is a wholly owned subsidiary of City Hospitals Sunderland NHS Foundation Trust and is subject to corporation tax on profits. Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the individual profit and loss accounts of the two organisations except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the Statement of Financial Position date, and any adjustment to tax payable in respect of previous years. Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities, for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted on the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

The main rate of UK Corporation Tax changed from 20% to 19% with effect from 1 April 2017.

1.18 Foreign exchange

The functional and presentational currencies of the Group 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 Group 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 expenditure 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.

1.19 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Group has no beneficial interest in them. However, they are disclosed separately in Note 27 to the accounts in accordance with the requirements of HM Treasury's Financial Reporting Manual.

1.20 Losses and Special Payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way 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, Note 29 on losses and special payments is compiled directly from the losses and compensations register which reports amounts on an accruals basis with the exception of provisions for future losses.

1.21 Accounting standards that have been issued but have not yet been adopted

The following table presents a list of recently issued accounting standards and amendments which have not yet been adopted within the FReM, and are therefore not applicable to DHSC group accounts in 2018-19.

Standard	Change Published	Impact on Group
IFRS 14 Regulatory Deferral Accounts	Not EU-endorsed.* Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable to DHSC group bodies.	Not applicable
IFRS 16 Leases	Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted.	All leases will be brought on to the SoFP. The main change will be the Group's lease cars which are currently recognised in revenue.
IFRS 17 Insurance Contracts	Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.	Minimal - the Group does not act as an insurer
IFRIC 23 Uncertainty over Income Tax Treatments	Application required for accounting periods beginning on or after 1 January 2019.	Limited - the Group's tax arrangements include few uncertainties

1.22 Consolidation of Charitable Fund and Subsidiary Companies

NHS Charitable Fund
City Hospitals Sunderland NHS Foundation Trust is the corporate trustee to The City Hospitals Sunderland NHS Foundation Trust Charitable Fund. The Foundation Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The Foundation Trust is required to consolidate any material charitable funds which it determines to be subsidiaries. Prior to 2016/17 the Foundation Trust did not consolidate the charitable fund as the value of the fund was not material. From 2016/17 the Foundation Trust elected to consolidate the charitable funds to be consistent with the consolidation of its other subsidiary.

The City Hospitals Sunderland NHS Foundation Trust Charitable Fund is registered with the Charity Commission (registered number 1052366). As at the 31 March 2018, the value of the funds was £4,602k. As at 31 March 2019 the value of the funds is estimated as £4,678k. This represents an estimated net increase in value of £76k.

City Hospitals Sunderland NHS Foundation Trust Charitable Funds principal office is based at Trust Head Quarters, Kayll Road, Sunderland, SR4 7TP.

Other Subsidiaries
Subsidiary entities are those over which the Foundation Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to minority interests are included as a separate item in the Statement of Financial Position.

The amounts consolidated are drawn from the published financial statements of the subsidiaries for the year. Where subsidiaries' accounting policies are not aligned with those of the Foundation Trust (including where they report under UK GAAP) then amounts are adjusted during consolidation where the differences are material. Inter-entity balances, transactions and gains/losses are eliminated in full on consolidation.

City Hospitals Sunderland NHS Foundation Trust is the sole shareholder of City Hospitals Independent Commercial Enterprises Limited (CHoICE). The financial statements of CHoICE have been consolidated into these group financial statements.

It should be noted that the 'Group' figures in the financial statements include City Hospitals Sunderland NHS Foundation Trust, CHoICE and the City Hospitals NHS Foundation Trust Charitable Fund. The 'Foundation Trust' figures in the financial statements include only the figures for City Hospitals Sunderland NHS Foundation Trust.

1.23 Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors who make strategic decisions.

1.24 Going Concern

The Directors have prepared these financial statements on a going concern basis. The Foundation Trust formally merged with South Tyneside NHS FT on 1 April 2019 to form South Tyneside and Sunderland NHS FT. The newly merged organisation has been through a robust financial review as part of the merger process and has submitted a balanced plan for 2019/20, supported by Provider Sustainability Funding (PSF) and Financial Recovery Funding (FRF). The newly formed Foundation Trust is planning to maintain positive cash balances throughout 2019/20.

2. Segmental Analysis

The Foundation Trust operates within a single reportable segment i.e. healthcare. This primarily covers the provision of a wide range of healthcare related services to the community of the City of Sunderland and additionally, the provision of an increasing range of more specialised services to patients outside of the area.

The Board of Directors act as the Chief Operating Decision Maker for the Foundation Trust and the monthly financial position of the Foundation Trust is presented/reported to them as a single segment.

	Group	Foundation Trust	Group	Foundation Trust
	2018/19 Healthcare £000	2018/19 Healthcare £000	2017/18 Healthcare £000	2017/18 Healthcare £000
Income				
Income from activities	**325,548**	**325,548**	318,982	318,982
Other operating income	**38,648**	**41,482**	44,144	47,229
Total Income as per Statement of Comprehensive Income	**364,196**	**367,030**	363,126	366,211
Charitable Funds income	**(1,002)**	**0**	(427)	0
Total income as reported to the Board of Directors	**363,194**	**367,030**	362,699	366,211
Deficit by segment				
Operating deficit as reported to the Board of Directors	**(2,879)**	**(5,560)**	(31,065)	(32,781)
Charitable Funds surplus	**76**	**0**	426	0
Deficit per Statement of Comprehensive Income	**(2,803)**	**(5,560)**	(30,639)	(32,781)
Segment net assets	**101,991**	**93,026**	101,348	95,156

The underlying deficit reported to the Board of Directors was £(15,593k). This is after adjusting for Provider Sustainability Funding (PSF) of £12,454k, impairments of £54k, donations not included within the control total of £207k and removal of the charity surplus £76k.

The majority of the Foundation Trust's total operating income is received from NHS England and CCGs. Of the £364,196k total operating income reported in 2018/19, an amount of £332,588k (91%) was attributable to NHS England and CCGs (£332,013k (91%) 2017/18).

Customers generating more than 10% of the Foundation Trust's income for both 2018/19 and 2017/18 were as follows:

	2018/19 £000	2017/18 £000
NHS Sunderland CCG	**181,403**	183,721
NHS England	**60,020**	60,914
NHS Durham Dales, Easington and Sedgefield CCG	**36,863**	35,990

There was £74k income in 2018/19 (£nil 2017/18) generated by external customers outside of England.

3. Operating income

3.1 Income from activities by classification

	Group £000 2018/19	Foundation Trust £000 2018/19	Group £000 2017/18	Foundation Trust £000 2017/18
Elective income	69,695	69,695	69,155	69,155
Non elective income	104,795	104,795	89,318	89,318
First outpatient income	18,054	18,054	16,753	16,753
Follow up outpatient income	34,212	34,212	33,515	33,515
A & E income	18,462	18,462	17,048	17,048
High cost drugs income from commissioners	33,767	33,767	31,241	31,241
Other income from activities	42,224	42,224	61,113	61,113
Total income from patient care activities *	321,209	321,209	318,143	318,143
NHS Injury Benefit Scheme **	930	930	513	513
Agenda for Change pay award central funding	3,084	3,084	0	0
Private patient income	325	325	326	326
Total income from activities	325,548	325,548	318,982	318,982
Other income from contracts with customers				
Provider Sustainability Fund income	12,454	12,454	13,890	13,890
Research and Development	1,427	1,427	1,492	1,492
Education and training ***	11,230	11,230	11,815	11,815
Non-patient care services to other bodies	0	0	458	458
Other non contract operating income				
Charitable and other contributions to expenditure	0	443	747	747
NHS Charitable Funds incoming resources excluding	702	0	1,180	0
investment income	0	0	0	0
Other income	12,835	15,928	14,562	18,827
Total other operating income	38,648	41,482	44,144	47,229
Total operating income	364,196	367,030	363,126	366,211

2017/18 has been restated to allow comparable figures for high cost drugs income from commissioners previously shown as part of other income.

 *The Terms of Authorisation set out the mandatory goods and services that the Foundation Trust is required to provide (protected services).

** Injury cost recovery income is subject to a provision for impairment of receivables of 21.89% (2017/18: 22.84%) to reflect expected rates of collection.

***The Terms of Authorisation set out the mandatory education and training that the Foundation Trust is required to provide (protected education and training). All of the income from education and training shown above is derived from the provision of protected education and training. All other categories of operating income are un-protected.

3.2 Income from activities by source - Group & Foundation Trust

	2018/19 £000	2017/18 £000
NHS:		
Commissioner requested services		
- CCGs	318,292	315,049
Non Commissioner requested services		
- Local Authorities	2,405	2,976
- Other	3,157	16
- NHS Trusts	439	102
	324,293	318,143
Non NHS:		
- NHS Injury Benefit Scheme **	930	513
- Private Patients	325	326
Total income from activities	325,548	318,982

3.2 Income from activities by source (continued)

The main components of 'Other Income' within note 3.1 include:

	Group	**Foundation Trust**	Group	Foundation Trust
	2018/19	**2018/19**	2017/18	2017/18
	£000	**£000**	£000	£000
SLAs with other Trusts	**3,929**	**3,929**	3,145	3,145
Car parking	**1,969**	**1,969**	2,080	2,080
Consultant work offsite	**1,717**	**1,717**	1,864	1,864
Catering income	**435**	**435**	395	395
Clinical Excellence Awards	**399**	**399**	435	435
Premises lease income from Sunderland CCG	**252**	**252**	0	0
Mortuary	**189**	**189**	220	220
Trauma Network funding	**185**	**185**	185	185
Rental of hospital premises	**72**	**72**	108	108
Service Level Agreement (SLA) with CHoICE	**0**	**5,245**	0	4,140
Vanguard Funding from Sunderland CCG	**0**	**0**	1,500	1,500
Offender Health funding	**0**	**0**	136	136
	9,147	**14,392**	10,068	14,208
Other	**3,688**	**1,536**	4,494	4,619
	12,835	**15,928**	14,562	18,827

3.3 Income generation activities

The Foundation Trust undertakes a number of income generation activities with the aim of achieving profit which is then used in patient care.

4. Operating expenses

4.1/1 Operating expenses comprise:

	Group	**Foundation Trust**	Group	Foundation Trust
	2018/19	**2018/19**	2017/18	2017/18
	£000	**£000**	£000	£000
Purchase of healthcare from NHS and DHSC bodies	**12,772**	**12,772**	13,163	13,163
Purchase of healthcare from non-NHS and non-DHSC bodies	**2,105**	**2,355**	3,195	3,195
Staff and executive directors costs	**229,913**	**215,992**	216,175	208,316
Non-executive directors	**160**	**148**	155	143
Supplies and services – clinical (excluding drugs costs)	**28,889**	**13,982**	29,579	26,409
Supplies and services - general	**3,736**	**97**	8,683	935
Drugs costs (drugs inventory consumed and purchase of non-inventory drugs)	**41,064**	**42,439**	40,084	41,326
Inventories written down (net including drugs)	**46**	**46**	212	212
Consultancy	**652**	**619**	234	192
Establishment	**3,395**	**2,209**	2,752	1,970
Premises - business rates collected by local authorities	**2,321**	**0**	1,842	0
Premises - other	**12,306**	**51,780**	11,435	35,022
Transport - (including patient travel)	**293**	**105**	294	99
Depreciation	**4,720**	**4,718**	5,108	5,105
Amortisation	**908**	**906**	1,402	1,402
Impairments net of (reversals)	**(54)**	**(54)**	32,926	32,926
Movement in credit loss allowance: contract receivables	**218**	**218**	(73)	(73)
Change in provisions discount rate	**(1)**	**(1)**	10	10
Audit services - statutory audit	**53**	**43**	53	43
Charitable fund audit	**4**	**0**	4	0
Internal audit - non-staff	**179**	**179**	180	180
Clinical negligence - amounts payable to NHS Resolution (premium)	**12,073**	**12,073**	14,257	14,257
Legal fees	**351**	**351**	195	195
Insurance	**170**	**170**	405	223
Research and development	**15**	**15**	0	0
Education and training	**519**	**485**	566	499
Operating lease expenditure (net)	**5,043**	**7,764**	4,079	7,251
Early retirements - staff costs	**0**	**0**	7	0
Redundancy costs - staff costs	**0**	**0**	18	18
Redundancy costs - non-staff	**0**	**0**	266	266
NHS charitable fund resources expended	**576**	**0**	410	0
Other	**26**	**1**	927	1,512
	362,452	**369,412**	388,543	394,796

4.1/2 Limitation of auditor's liability

On 10th May 2017, the Foundation Trust approved the principal terms of engagement with its auditor's, Ernst & Young LLP, covering the period of Ernst & Young LLP engagement as auditors. The terms include a limitation on their liability to pay damages for losses arising as a direct result of breach of contract or negligence, of £2m (2017/18 £2m).

4.2 Operating leases - as a lessee

4.2/1 Analysis of operating lease expenditure

	Group 2018/19 £000	Foundation Trust 2018/19 £000	Group 2017/18 £000	Foundation Trust 2017/18 £000
Land and buildings	2,111	4,832	0	3,172
Hire of plant and machinery	2,932	2,932	4,079	4,079
Total Minimum Lease Payments	5,043	7,764	4,079	7,251

Foundation Trust - Land and buildings : Includes the fully managed operational facilities costs with CHoICE and property rental costs with NHS Property Services.

Group - Land and buildings : Relates to property rental costs with NHS Property Services (£1,660k) and Durham Treatment Centre (£451k).

Group - Hire of plant and machinery includes:

Staff leased vehicles;
Staff vehicles are leased for a minimum period of 3 years with an option to extend if required. Vehicles returned to the lessor prior to the end of the 3 year lease are subject to an early termination penalty, which is borne by the employee.

4.2/2 Arrangements containing an operating lease

	Group 2018/19 £000	Foundation Trust 2018/19 £000	Group 2017/18 £000	Foundation Trust 2017/18 £000
Future minimum lease payments due:				
- Within 1 year	3,803	6,435	1,957	5,129
- Between 1 and 5 years	6,617	17,142	4,407	17,095
- After five years	10,364	8,985	0	15,351
	20,784	32,562	6,364	37,575

4.3 Operating leases - as a lessor

4.3/1 Analysis of operating lease income

	Group 2018/19 £000	Foundation Trust 2018/19 £000	Group 2017/18 £000	Foundation Trust 2017/18 £000
Land and buildings	0	3,172	0	3,172

5. Employee expenses and numbers

5.1 Employee expenses (excluding Non-Executive Directors' costs)

	Group			**Foundation Trust**		
	2018/19 Total	**Permanently Employed**	**Other**	**2018/19 Total**	**Permanently Employed**	**Other**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Salaries and wages	**187,274**	**177,541**	**9,733**	**174,996**	**165,263**	**9,733**
Social Security Costs	**17,441**	**16,098**	**1,343**	**16,545**	**15,202**	**1,343**
Apprenticeship levy	**759**	**759**	**0**	**759**	**759**	**0**
Pension costs - employers contribution to NHS pension scheme	**20,979**	**19,587**	**1,392**	**20,232**	**18,840**	**1,392**
Agency/contract staff	**4,005**	**0**	**4,005**	**4,005**	**0**	**4,005**
Employee benefits expense	**230,458**	**213,985**	**16,473**	**216,537**	**200,064**	**16,473**
Amounts included within above charged to capital schemes	**545**			**545**		

	Group			Foundation Trust		
	2017/18 Total	Permanently Employed	Other	2017/18 Total	Permanently Employed	Other
	£000	£000	£000	£000	£000	£000
Salaries and wages	174,296	164,733	9,563	167,836	158,273	9,563
Social Security Costs	15,693	14,373	1,320	15,035	13,715	1,320
Apprenticeship levy	779	779	0	748	748	0
Pension costs - employers contribution to NHS pension scheme	20,435	19,068	1,367	19,718	18,351	1,367
Agency/contract staff	5,711	0	5,711	5,711	0	5,711
Employee benefits expense	216,914	198,953	17,961	209,048	191,087	17,961
Amounts included within above charged to capital schemes	714			714		

5. Employee expenses and numbers (continued)

5.2 Number of persons employed at the 31st March
(The figures shown represent the Whole Time Equivalent (WTE) as opposed to the number of employees)

	Group			Foundation Trust		
	2018/19	**Permanently Employed**	**Other**	**2018/19**	**Permanently Employed**	**Other**
	WTE Number	**WTE Number**	**WTE Number**	**WTE Number**	**WTE Number**	**WTE Number**
Medical and dental	**583**	**415**	**168**	**583**	**415**	**168**
Administration and estates	**1,336**	**1,336**	**0**	**848**	**848**	**0**
Healthcare assistants and other support staff	**974**	**974**	**0**	**974**	**974**	**0**
Nursing, midwifery and health visiting staff	**1,599**	**1,519**	**80**	**1,598**	**1,518**	**80**
Scientific, therapeutic and technical staff	**597**	**597**	**0**	**597**	**597**	**0**
Total	**5,089**	**4,841**	**248**	**4,600**	**4,352**	**248**

	Group			Foundation Trust		
	2017/18	Permanently Employed	Other	2017/18	Permanently Employed	Other
	WTE Number	WTE Number	WTE Number	WTE Number	WTE Number	WTE Number
Medical and dental	555	394	161	555	394	161
Administration and estates	1,153	1,153	0	895	895	0
Healthcare assistants and other support staff	917	917	0	913	913	0
Nursing, midwifery and health visiting staff	1,685	1,487	198	1,684	1,486	198
Scientific, therapeutic and technical staff	608	608	0	597	597	0
Total	4,918	4,559	359	4,644	4,285	359

Bank and agency staff were previously shown separately but are now combined within the above headings.

5.3 Retirements due to ill-health

During 2018/19 (prior year 2017/18) there were 3 (1) early retirements from the Foundation Trust agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £199,917 (2017/18 £35,306). Their cost will be borne by the NHS Business Services Authority - Pensions Division.

5. Employee expenses and numbers (continued)

5.4a: Exit Packages : Group and Foundation Trust

Exit Package Cost Band	Number of Compulsory Redundancies		Number of Other Departures Agreed		Total Number of Packages by Cost Band	
	2018/19	2017/18	**2018/19**	2017/18	**2018/19**	2017/18
					£000	£000
<£10,000	**0**	0	**28**	20	**74**	40
£10,001 - 25,000	**0**	0	**2**	0	**28**	0
£25,001 - 50,000	**0**	3	**0**	0	**0**	113
£50,001 - 100,000	**0**	0	**1**	0	**51**	0
Total Number of Exit Packages by Type	**0**	3	**31**	20	**153**	153

Note 5.4b: Exit Packages: Non-compulsory Departure Payments

	Agreements		Total Value of Agreements	
	2018/19 Number	2017/18 Number	**2018/19 £000**	2017/18 £000
Contractual payments in lieu of notice	**31**	20	**153**	40
Total	**31**	20	**153**	40
Of which:				
non-contractual payments requiring HM Treasury approval made to individuals where the payment value was more than 12 months of their annual salary	**0**	0	**0**	0

The Remuneration Report provides the detail of any exit payments payable to the individuals named in that report.

6. The Late Payment of Commercial Debts (Interest) Act 1998 - Group and Foundation Trust

	2018/19 £000	2017/18 £000
Amounts included within Interest Payable (Note 9) arising from claims made under this legislation	0	0
Compensation paid to cover debt recovery costs under this legislation	0	0

7. (Losses) / gains on disposal of assets

	Group 2018/19 £000	Foundation Trust 2018/19 £000	Group 2017/18 £000	Foundation Trust 2017/18 £000
Loss on disposal of other property, plant and equipment	(39)	(39)	(34)	(34)
Gain on disposal of charitable fund investments	10	0	18	0
	(29)	(39)	(16)	(34)

8. Finance income

	Group 2018/19 £000	Foundation Trust 2018/19 £000	Group 2017/18 £000	Foundation Trust 2017/18 £000
Interest received on commercial bank accounts	63	64	41	41
NHS Charitable Funds Investment income	58	0	61	0
Loan interest received from subsidiary	0	1,232	0	1,441
	121	1,296	102	1,482

9. Finance expenses - financial liabilities

	Group 2018/19 £000	Foundation Trust 2018/19 £000	Group 2017/18 £000	Foundation Trust 2017/18 £000
Interest on loans from the Foundation Trust Financing Facility :				
Tranches A-B - Day case theatres and new Mortuary	111	111	120	120
Tranches C-E - C Block extension	787	787	834	834
Tranches F-G - Multi Storey Car Park	140	140	153	153
Tranches H-J - Emergency Department rebuild	495	495	519	519
Tranches K-L - Endoscopy Scheme - refurbishment	29	29	33	33
Tranches M-N - ABP Pathology Integration	155	155	163	163
Revenue support loans from Department of Health & Social Care	95	95	0	0
	1,812	1,812	1,822	1,822
Finance Leases - Intra group	0	216	0	220
	1,812	2,028	1,822	2,042

Further detail in respect of loans can be found at Note 19.2.

10. Corporation Tax

The UK Corporation Tax relates to the Foundation Trust's subsidiary CHoICE. The Foundation Trust has no Corporation Tax expense (2017/18 £nil).

	Group 2018/19 £000	Group 2017/18 £000
UK Corporation Tax expense	449	318
Adjustments in respect of prior years	0	0
Current tax expense	449	318
Origination and reversal of temporary differences	0	0
Deferred tax expense	0	0
Effective tax charge percentage	19%	19%

11. Intangible assets

11.1 Intangible assets

	Group	Foundation Trust
	Software licences £000	Software licences £000
Cost at 1 April 2018	13,942	13,936
Additions purchased	1,751	1,751
Cost at 31 March 2019	**15,693**	**15,687**
Accumulated amortisation at 1 April 2018	8,594	8,592
Provided during the year	908	906
Accumulated amortisation at 31 March 2019	**9,502**	**9,498**
Net book value		
- Purchased at 1 April 2018	5,348	5,344
- Donated at 1 April 2018	0	0
- Total at 1 April 2018	**5,348**	**5,344**
- Purchased at 31 March 2019	6,191	6,189
- Donated at 31 March 2019	0	0
- Total at 31 March 2019	**6,191**	**6,189**

	Software licences £000	Software licences £000
Cost at 1 April 2017	12,144	12,138
Additions purchased	1,798	1,798
Cost at 31 March 2018	**13,942**	**13,936**
Accumulated amortisation at 1 April 2017	7,192	7,190
Provided during the year	1,402	1,402
Accumulated amortisation at 31 March 2018	**8,594**	**8,592**
Net book value		
- Purchased at 1 April 2017	4,952	4,948
- Donated at 1 April 2017	0	0
- Total at 1 April 2017	**4,952**	**4,948**
- Purchased at 31 March 2018	5,348	5,344
- Donated at 31 March 2018	0	0
- Total at 31 March 2018	**5,348**	**5,344**

11.2 Economic life of intangible assets - Group & Foundation Trust

	Min life Years	Max life Years
Intangible assets - purchased		
Software licences	1	8

12. Property, plant and equipment - Group

12.1 Property, plant and equipment comprise the following elements:

2018/19	Total £000	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture and fittings £000
Cost or valuation at 1 April 2018	182,511	2,624	125,937	1,011	2,761	28,642	456	19,125	1,955
Additions purchased	4,282	0	0	0	2,683	1,396	0	203	0
Additions - assets purchased from cash donations	443	0	0	0	83	356	0	4	0
Impairments charged to operating expenses	(5,005)	(8)	(4,997)	0	0	0	0	0	0
Impairments charged to the revaluation reserve	(2,951)	0	(2,738)	(213)	0	0	0	0	0
Reversal of impairments credited to operating expenses	3,985	0	3,985	0	0	0	0	0	0
Revaluations	3,179	23	2,950	206	0	0	0	0	0
Reclassifications	0	0	2,078	0	(5,491)	302	0	3,111	0
Transfers to/from assets held for sale and assets in disposal groups	(350)	(105)	0	(245)	0	0	0	0	0
Disposals	(1,352)	(81)	0	(144)	0	(1,042)	(42)	(43)	0
At 31 March 2019	**184,742**	**2,453**	**127,215**	**615**	**36**	**29,654**	**414**	**22,400**	**1,955**
Accumulated depreciation at 1 April 2018	39,619	0	0	0	0	20,680	430	16,701	1,808
Provided during the year	4,720	0	2,062	18	0	1,736	12	869	23
Reversal of impairments credited to operating expenses	(1,074)	0	(1,074)	0	0	0	0	0	0
Revaluations	(1,006)	0	(988)	(18)	0	0	0	0	0
Disposals	(908)	0	0	0	0	(823)	(42)	(43)	0
Accumulated depreciation at 31 March 2019	**41,351**	**0**	**0**	**0**	**0**	**21,593**	**400**	**17,527**	**1,831**
Net book value									
- Purchased at 1 April 2018	141,298	2,624	125,265	1,011	2,761	7,084	26	2,411	116
- Donated at 1 April 2018	1,594	0	672	0	0	878	0	13	31
Total at 1 April 2018	**142,892**	**2,624**	**125,937**	**1,011**	**2,761**	**7,962**	**26**	**2,424**	**147**
- Purchased at 31 March 2019	141,743	2,453	126,619	615	36	7,048	14	4,862	96
- Donated at 31 March 2019	1,648	0	596	0	0	1,013	0	11	28
Total at 31 March 2019	**143,391**	**2,453**	**127,215**	**615**	**36**	**8,061**	**14**	**4,873**	**124**

* There were no restrictions or conditions placed upon the donated assets received by the Foundation Trust from Charitable Funds.

12. Property, plant and equipment - Foundation Trust

12.1 Property, plant and equipment comprise the following elements:

2018/19	Total £000	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture and fittings £000
Cost or valuation at 1 April 2018	173,070	2,624	125,937	1,011	2,761	19,201	456	19,125	1,955
Additions - purchased	4,452	0	0	0	2,719	1,529	0	204	0
Additions - assets purchased from cash donations	443	0	0	0	83	356	0	4	0
Impairments charged to operating expenses	(5,005)	(8)	(4,997)	0	0	0	0	0	0
Impairments charged to the revaluation reserve	(2,881)	0	(2,738)	(143)	0	0	0	0	0
Reversal of impairments credited to operating expenses	3,985	0	3,985	0	0	0	0	0	0
Revaluations	3,093	23	2,949	121	0	0	0	0	0
Reclassifications	0	0	2,111	0	(5,524)	302	0	3,111	0
Transfers to/from assets held for sale and assets in disposal groups	(280)	(84)	0	(196)	0	0	0	0	0
Disposals	(2,192)	(337)	0	(728)	0	(1,042)	(42)	(43)	0
At 31 March 2019	**174,685**	**2,218**	**127,247**	**65**	**39**	**20,346**	**414**	**22,401**	**1,955**
Accumulated depreciation at 1 April 2018	30,181	0	0	0	0	11,242	430	16,701	1,808
Provided during the year	4,718	0	2,062	18	0	1,734	12	869	23
Reversal of impairments credited to operating expenses	(1,074)	0	(1,074)	0	0	0	0	0	0
Revaluations	(1,006)	0	(988)	(18)	0	0	0	0	0
Disposals	(908)	0	0	0	0	(823)	(42)	(43)	0
Accumulated depreciation at 31 March 2019	**31,911**	**0**	**0**	**0**	**0**	**12,153**	**400**	**17,527**	**1,831**
Net book value									
- Purchased at 1 April 2018	141,295	2,624	125,265	1,011	2,761	7,081	26	2,411	116
- Donated at 1 April 2018	1,594	0	672	0	0	878	0	13	31
Total at 1 April 2018	**142,889**	**2,624**	**125,937**	**1,011**	**2,761**	**7,959**	**26**	**2,424**	**147**
- Purchased at 31 March 2019	141,126	2,218	126,651	65	39	7,180	14	4,863	96
- Donated at 31 March 2019	1,648	0	596	0	0	1,013	0	11	28
Total at 31 March 2019	**142,774**	**2,218**	**127,247**	**65**	**39**	**8,193**	**14**	**4,874**	**124**

* There were no restrictions or conditions placed upon the donated assets received by the Foundation Trust from Charitable Funds.

12. Property, plant and equipment - Group

12.2 Property, plant and equipment comprise the following elements:

2017/18	Total £000	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture and fittings £000
Cost or valuation at 1 April 2017	238,243	6,594	162,300	1,234	19,471	27,676	456	18,642	1,870
Additions purchased	4,207	0	0	0	4,207	0	0	0	0
Additions donated *	747	0	38	0	0	675	0	0	34
Impairments charged to operating expenses	(33,970)	(2,537)	(31,433)	0	0	0	0	0	0
Reclassifications	0	0	19,808	0	(20,917)	554	0	504	51
Revaluations	(26,110)	(1,323)	(24,776)	(11)	0	0	0	0	0
Disposals	(606)	(110)	0	(212)	0	(263)	0	(21)	0
At 31 March 2018	**182,511**	**2,624**	**125,937**	**1,011**	**2,761**	**28,642**	**456**	**19,125**	**1,955**
Accumulated depreciation at 1 April 2017	36,810	0	0	0	0	19,103	412	15,508	1,787
Provided during the year	5,108	0	2,010	30	0	1,815	18	1,214	21
Impairments charged to operating expenses	(1,044)	0	(1,044)	0	0	0	0	0	0
Revaluations	(993)	0	(966)	(27)	0	0	0	0	0
Disposals	(262)	0	0	(3)	0	(238)	0	(21)	0
Accumulated depreciation at 31 March 2018	**39,619**	**0**	**0**	**0**	**0**	**20,680**	**430**	**16,701**	**1,808**
Net book value									
- Purchased at 1 April 2017	200,441	6,594	161,659	1,234	19,471	8,241	44	3,115	83
- Donated at 1 April 2017	992	0	641	0	0	332	0	19	0
Total at 1 April 2017	**201,433**	**6,594**	**162,300**	**1,234**	**19,471**	**8,573**	**44**	**3,134**	**83**
- Purchased at 31 March 2018	141,298	2,624	125,265	1,011	2,761	7,084	26	2,411	116
- Donated at 31 March 2018	1,594	0	672	0	0	878	0	13	31
Total at 31 March 2018	**142,892**	**2,624**	**125,937**	**1,011**	**2,761**	**7,962**	**26**	**2,424**	**147**

* There were no restrictions or conditions placed upon the donated assets received by the Foundation Trust from Charitable Funds.

12. Property, plant and equipment - Foundation Trust

12.1 Property, plant and equipment comprise the following elements:

2017/18	Total £000	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture and fittings £000
Cost or valuation at 1 April 2017	228,802	6,594	162,300	1,234	19,471	18,235	456	18,642	1,870
Additions purchased	4,207	0	0	0	4,207	0	0	0	0
Additions donated *	747	0	38	0	0	675	0	0	34
Impairments charged to operating expenses	(33,970)	(2,537)	(31,433)	0	0	0	0	0	0
Reclassifications	0	0	19,808	0	(20,917)	554	0	504	51
Revaluations	(26,110)	(1,323)	(24,776)	(11)	0	0	0	0	0
Disposals	(606)	(110)	0	(212)	0	(263)	0	(21)	0
At 31 March 2018	**173,070**	**2,624**	**125,937**	**1,011**	**2,761**	**19,201**	**456**	**19,125**	**1,955**
Accumulated depreciation at 1 April 2017	27,374	0	0	0	0	9,667	412	15,508	1,787
Provided during the year	5,106	0	2,010	30	0	1,813	18	1,214	21
Impairments charged to operating expenses	(1,044)	0	(1,044)	0	0	0	0	0	0
Reversal of Impairments credited to operating income	0	0	0	0	0	0	0	0	0
Revaluations	(993)	0	(966)	(27)	0	0	0	0	0
Disposals	(262)	0	0	(3)	0	(238)	0	(21)	0
Accumulated depreciation at 31 March 2018	**30,181**	**0**	**0**	**0**	**0**	**11,242**	**430**	**16,701**	**1,808**
Net book value									
- Purchased at 1 April 2017	200,436	6,594	161,659	1,234	19,471	8,236	44	3,115	83
- Donated at 1 April 2017	992	0	641	0	0	332	0	19	0
Total at 1 April 2017	**201,428**	**6,594**	**162,300**	**1,234**	**19,471**	**8,568**	**44**	**3,134**	**83**
- Purchased at 31 March 2018	141,295	2,624	125,265	1,011	2,761	7,081	26	2,411	116
- Donated at 31 March 2018	1,594	0	672	0	0	878	0	13	31
Total at 31 March 2018	**142,889**	**2,624**	**125,937**	**1,011**	**2,761**	**7,959**	**26**	**2,424**	**147**

* There were no restrictions or conditions placed upon the donated assets received by the Foundation Trust from Charitable Funds.

12.3 Economic life of property, plant and equipment - Group & Foundation Trust

	Min Life Years	Max Life Years
Buildings excluding dwellings	1	88
Dwellings	15	90
Plant and machinery	5	15
Transport equipment	7	7
Information technology	5	8
Furniture and fittings	5	10

12.4 Property, plant and equipment

The Foundation Trust held assets under finance leases with CHoICE to the value of £6,392k (£7,112k 2017/18) at the Statement of Financial Position date. These are classified as plant and machinery £6,299k (£7,009k 2017/18), furniture and fittings £59k (£66k 2017/18), information technology £6k (£6k 201718) and transport equipment £28k (31k 2017/18).

12.5 Assets held for sale

The Group held two assets (Dwellings and land) for sale at 31 March 2019 totalling £350k (nil 2018).

The Foundation Trust held two assets (Dwellings and land) for sale at 31 March 2019 totalling £280k (nil 2018).

13. Investment in Subsidiary Undertakings - Foundation Trust

	31 March 2019 £000	31 March 2018 £000
Investment in subsidiary undertakings	11,893	11,893
Long term debt in subsidiary >1yr	15,037	18,998
Loans to subsidiary undertakings > 1yr	500	600
	27,430	31,491
Long term debt in subsidiary <1yr	4,029	4,198
Loans to subsidiary undertakings < 1yr	100	100
	31,559	35,789

The shares in the subsidiary company CHoICE Ltd comprises a 100% holding in the share capital consisting of 11,893,000 ordinary £1 shares.

The principal activity of CHoICE Ltd is to provide estate management and facility services.

14. Other Investments

14.1 Other Investments - Market Value

The investment portfolio of the Charitable Fund is managed by Rathbone Investment Management Ltd. Cash funds are held outside the portfolio by the Fund to deal with short term cash flow issues that may arise.

	Group 31 March 2019 £000	Group 31 March 2018 £000
Market value brought forward	2,329	2,374
Acquisitions at cost	430	403
Disposals at carrying value	(419)	(456)
Net gain on revaluation	29	8
Market value at 31 March	2,369	2,329

	31 March 2019 £000	31 March 2018 £000
Investments held:		
Investments listed on a recognised Stock Exchange:		
In the UK	1,023	907
Outside the UK	0	0
Unlisted securities:		
In the UK	1,061	1,062
Outside the UK	285	360
Market value at 31 March	2,369	2,329

14.2 Other Investments - Movement in fair value

	31 March 2019 £000	31 March 2018 £000
Net gain on revaluation	29	8

15. Trade and other receivables

15.1 Trade and other receivables

| | -----Group----- | | | -----Foundation Trust----- | | |
	Total 31 March 2019 £000	Financial assets £000	Non-financial assets £000	Total 31 March 2019 £000	Financial assets £000	Non-financial assets £000
Current						
Contract receivables invoiced	10,537	10,537	0	8,670	8,670	0
Contract receivables not yet invoiced	17,005	17,005	0	18,035	18,035	0
Provision for impaired receivables	(597)	(597)	0	(597)	(597)	0
Prepayments	2,506	0	2,506	2,217	0	2,217
PDC dividend receivable	460	0	460	460	0	460
VAT receivable	1,060	0	1,060	2,353	0	2,353
Other receivables	157	0	157	147	0	147
NHS charitable funds: receivables	109	0	109	0	0	0
Total current trade and other receivables	**31,237**	**26,945**	**4,292**	**31,285**	**26,108**	**5,177**
Non-Current						
Contract receivables (IFRS 15): not yet invoiced	1,497	1,497	0	1,497	1,497	0
Provision for impaired receivables	(328)	(328)	0	(328)	(328)	0
Total non current trade and other receivables	**1,169**	**1,169**	**0**	**1,169**	**1,169**	**0**

| | -----Group----- | | | -----Foundation Trust----- | | |
	Total 31 March 2018 £000	Financial assets £000	Non-financial assets £000	Total 31 March 2018 £000	Financial assets £000	Non-financial assets £000
Current						
NHS receivables *	16,213	16,213	0	16,213	16,213	0
Other receivables with related parties	0	0	0	1,018	1,018	0
Provision for impaired receivables	(420)	(220)	(200)	(420)	(220)	(200)
Prepayments	3,202	0	3,202	3,020	0	3,020
PDC dividend receivable	647	0	647	647	0	647
Other receivables	3,011	3,011	0	1,917	1,917	0
VAT receivable	988	988	0	1,105	1,105	0
NHS charitable funds: trade and other receivables	0	0	0	0	0	0
Total current trade and other receivables	23,641	19,992	3,649	23,500	20,033	3,467
Non-Current - Group						
Provision for impaired receivables	(287)	0	(287)	(287)	0	(287)
Other receivables	1,256	0	1,256	1,256	0	1,256
Total non current trade and other receivables	969	0	969	969	0	969

* The majority of NHS receivables are with Clinical Commissioning Groups, as commissioners for NHS patient care services. NHS receivables that are neither past due nor impaired are expected to be paid within their agreed terms.

15 Trade and other receivables (continued)

15.2 Allowances for credit losses - 2018/19 (Post implementation of IFRS 9)

	Group & Foundation Trust 31 Mar 2019 £000
Allowances as at 1 April 2018	**707**
Change in existing allowances	**218**
Allowances as at 31 March 2019	**925**

15.3 Provision for impairment of receivables - 2017/18 (Pre Implementation of IFRS 9)

	Group & Foundation Trust £000
At 1 April 2017	780
Unused amounts reversed	(73)
At 31 March 2018	707

16.1 Inventories

	Group 31 March 2019 £000	Foundation Trust 31 March 2019 £000	Group 31 March 2018 £000	Foundation Trust 31 March 2018 £000
Raw materials and consumables	6,030	3,903	6,407	4,569

16.2 Inventories recognised in expenses

	31 March 2019 £000	31 March 2019 £000	31 March 2018 £000	31 March 2018 £000
Inventories recognised in expenses	46,182	39,972	45,822	40,443
Write-down of inventories recognised as an expense	46	46	212	212
Inventories recognised in expenses	**46,228**	**40,018**	46,034	40,655

17. Cash and cash equivalents

	Group 2018/19 £000	Foundation Trust 2018/19 £000	Group 2017/18 £000	Foundation Trust 2017/18 £000
At 1 April	**9,689**	**2,812**	6,981	2,081
Net change in year	**6,240**	**8,401**	2,708	731
At 31 March	**15,929**	**11,213**	9,689	2,812
Broken down into:				
Cash at commercial banks and in hand	**3,391**	**1,197**	5,374	805
Cash with Government Banking Service	**10,016**	**10,016**	2,007	2,007
NHS charitable funds: cash and cash equivalents	**2,522**	**0**	2,308	0
Cash and cash equivalents as in Statement of Financial Position and Statement of Cash Flows	**15,929**	**11,213**	9,689	2,812

18. Trade and other payables

Current	------------------Group------------------			--------------Foundation Trust-------------		
	Total 31 March 2019 £000	Financial liabilities £000	Non-financial liabilities £000	Total 31 March 2019 £000	Financial liabilities £000	Non-financial liabilities £000
Trade payables	17,999	17,999	0	22,175	22,175	0
Capital payables (including capital accruals)	3,308	3,308	0	3,308	3,308	0
Accruals (revenue costs only)	13,277	13,277	0	9,415	9,415	0
Social security costs	2,579	0	2,579	2,436	0	2,436
Other taxes payable	1,955	0	1,955	2,091	0	2,091
Other payables	5,252	2,519	2,733	4,379	1,739	2,640
NHS charitable funds: trade and other payables	0	0	0	0	0	0
Total current trade and other payables	**44,370**	**37,103**	**7,267**	**43,804**	**36,637**	**7,167**

Current	Total 31 March 2018 £000	Financial liabilities £000	Non-financial liabilities £000	Total 31 March 2018 £000	Financial liabilities £000	Non-financial liabilities £000
Trade payables	16,987	16,987	0	14,475	14,475	0
Capital payables (including capital accruals)	2,034	2,034	0	2,034	2,034	0
Accruals (revenue costs only)	6,599	6,599	0	4,925	4,925	0
Social security costs	2,252	0	2,252	2,159	0	2,159
Other taxes payable	1,979	0	1,979	1,917	0	1,917
Other payables	3,913	1,247	2,666	3,950	1,370	2,580
NHS charitable funds: trade and other payables	35	35	0	0	0	0
Total current trade and other payables	**33,799**	**26,902**	**6,897**	**29,460**	**22,804**	**6,656**

19 Borrowings

19.1 Long term loans

	Group 2018/19 £000	Foundation Trust 2018/19 £000	Group 2017/18 £000	Foundation Trust 2017/18 £000
Current				
Capital loans from Department of Health & Social Care *	3,686	3,686	3,707	3,707
Revenue support loans from Department of Health & Social Care **	37	37	0	0
Obligations under finance lease ***	0	740	0	720
Total current borrowing	**3,723**	**4,463**	3,707	4,427
Non-current				
Capital loans from Department of Health & Social Care	46,539	46,539	49,812	49,812
Revenue support loans from Department of Health & Social Care	7,304	7,304	0	0
Obligations under finance lease ***	0	5,652	0	6,392
TOTAL	**53,843**	**59,495**	49,812	56,204

Other Loans - No other loans are held by either the Foundation Trust or its subsidiary.

*   Interest amounting to £413k (£434k, 31 March 2018) is included within the above.

**   Interest amounting to £37k (£0k, 31 March 2018) is included within the above.

*** The £6,392k obligation under finance leases in the Trust arises from the arrangement between the Trust and its subsidiary undertaking, CHoICE Ltd, for the supply of operational healthcare facilities. This liability and the associated property have both been recognised in the Statement of Financial Position of the Trust following a detailed consideration of the lease terms and the risks and rewards of the arrangement.

19.2 Loans - payment of loan principal falling due - Independent Trust Financing Facility

Group & Foundation Trust

	31 March 2019 £000	31 March 2018 £000
Amounts falling due:		
Within one year	3,273	3,273
Between one to two years	3,273	3,273
Between two to five years	17,124	9,821
After five years	33,446	36,718
TOTAL	**57,116**	53,085

Independent Trust Financing Facility Loan

	Interest rate %	£000
Tranche A : Repayable by instalments of £104,000 every 6 months commenced 31 July 2007	4.25	5,000
Tranches C-E : Repayable by instalments of £593,600 every 6 months commenced 17 October 2011	4.05	28,000
Tranches F-G : Repayable by instalments of £259,000 every 6 months commencing 18 September 2015	2.64	7,000
Tranches H-J : Repayable by instalments of £364,100 every 6 months commencing 18 September 2015	3.36	17,000
Tranches K-L : Repayable by instalments of £255,600 every 6 months commencing 18 February 2016	1.36	3,000
Tranches M-N : Repayable by instalments of £166,000 every 6 months commencing 18 February 2016	2.11	8,300

19 Borrowings (continued)

19.3 Finance Lease Obligations

	Group 31 March 2019 £000	Foundation Trust 31 March 2019 £000	Group 31 March 2018 £000	Foundation Trust 31 March 2018 £000
Gross Lease Liabilities	0	7,205	0	8,125
Of which liabilities are due:-				
- Not later than one year	0	920	0	920
- Later than one year and not later than five years	0	3,676	0	3,676
- Later than five year	0	2,609	0	3,512
Finance charges allocated to future periods	0	(813)	0	(996)
Net Lease Liabilities	**0**	**6,392**	**0**	**7,112**
- Not later than one year	0	740	0	720
- Later than one year and not later than five years	0	3,174	0	3,088
- Later than five year	0	2,478	0	3,304
	0	6,392	0	7,112

The £6,392k obligation under finance leases in the Trust arises from the arrangement between the Trust and its subsidiary undertaking, CHoICE Ltd, for the supply of operational healthcare facilities. This liability and the associated property have both been recognised in the Statement of Financial Position of the Trust following a detailed consideration of the lease terms and the risks and rewards of the arrangement.

20. Provisions for liabilities and charges - Group and Foundation Trust

	Current			Non Current	
	31 March 2019 £000	31 March 2018 £000		**31 March 2019 £000**	31 March 2018 £000
Pensions relating to other staff	49	58		124	176
Legal claims	153	150		0	0
Injury Benefits	37	36		455	525
	239	244		579	701

	Pensions relating to other staff £000	Legal claims £000	Injury benefits £000	Total £000
At 1 April 2017	307	144	583	**1,034**
Change in discount rate	3	0	7	**10**
Arising during the year	0	6	4	**10**
Utilised during the year	(57)	0	(35)	**(92)**
Reversed unused	(20)	0	0	**(20)**
Unwinding of discount*	1	0	2	**3**
At 1 April 2018	234	150	561	**945**
Change in discount rate**	(1)	0	0	**(1)**
Arising during the year	0	3	0	**3**
Utilised during the year	(58)	0	(36)	**(94)**
Reversed unused	(2)	0	(32)	**(34)**
Unwinding of discount*	0	0	(1)	**(1)**
At 31 March 2019	**173**	**153**	**492**	**818**

Expected timing of cash flows:

In the remainder of the spending review period to 31 March 2020:-	49	153	37	**239**
Between 1 April 2020 and 31 March 2025	115	0	135	**250**
From 1 April 2025 and thereafter	9	0	320	**329**
	173	153	492	818

'Pensions Relating to Other Staff' include;
Provisions amounting to £173k in respect of Early Retirement Pensions. The provision relates to the latest information as provided by the NHS Pensions Agency and applies to 28 ex-employees (29 ex-employees 2017/18).

'Legal' claims include;
Provisions amounting to £153k relating to Public Liability and Employer Liability claims. The information supporting each claim within this provision has been supplied by either the Foundation Trust's or NHS Resolution's solicitors.

Injury Benefits' claims include;
A provision of £492k in respect of Permanent Injury Benefits. The provision is based upon the latest information as supplied by the NHS Pensions Agency.

Clinical Negligence
The Foundation Trust is a member of the Clinical Negligence Scheme for Trusts (CNST) and pays an annual premium to NHS Resolution. Under the terms of the agreement, financial responsibility for claims arising from clinical negligence is transferred to NHS Resolution and the liability for all potential and outstanding claims is provided in their Accounts. At the 31 March 2019, an amount of £239,686,918 was provided by NHS Resolution in respect of clinical liabilities of the Foundation Trust (£246,670,779 as at 31 March 2018).

The Foundation Trust does not consider there to be any uncertainties relating to either the amounts or timing of its provisions.

*Unwinding of discount relates to the inflation effect on existing provisions of their payment in the future.

** The discount rate for Early Retirements and Injury Benefits was changed from 0.10% to 0.29% to reflect HM Treasury policy.

21. Other liabilities

Current	Group 31 March 2019 £000	Foundation Trust 31 March 2019 £000	Group 31 March 2018 £000	Foundation Trust 31 March 2018 £000
NHS Sunderland CCG - Maternity Pathways funding	1,114	1,114	627	627
Commercial R&D income - various companies	487	487	530	530
Metabolic, Oncology & Haematology research funding	52	52	112	112
ENT / Urology / General Surgery Research Funding	120	120	59	59
Rental operating lease income with subsidiary - CHoICE	0	3,172	0	3,172
Other	148	148	336	336
Total other current liabilities	**1,921**	**5,093**	1,664	4,836

Non Current	£000	£000	£000	£000
Rental operating lease income with subsidiary - CHoICE	**0**	**21,673**	0	24,844
Total other non current liabilities	**0**	**21,673**	0	24,844

Analysis of deferred rental operating lease income with subsidiary - Foundation Trust

	Foundation Trust 31 March 2019 £000	Foundation Trust 31 March 2018 £000
- Not later than one year	**3,172**	3,172
- Later than one year and not later than five years	**12,688**	12,688
- Later than five years	**8,985**	12,156
Total deferred rental income with subsidiary	**24,845**	28,016

The rental income detailed above relates to the operating lease, which the subsidiary has entered into for the provision of a fully managed healthcare facility to the Foundation Trust. The lease covers the 3 main sites of the Hospital and the lease premium was paid in full by the subsidiary at the commencement date of 1 February 2017. The Foundation Trust is deferring the income it has received over the 10 year period of the lease.

22. Contractual capital commitments - Group and Foundation Trust

Contracted capital commitments at 31 March not otherwise included in these financial statements:

	31 March 2019	31 March 2018
	£000	£000
Intangible assets	845	0
Property, plant and equipment	5,002	989
	5,847	989

Capital commitments relate to the following schemes;

	£000	£000
Global Digital Exemplar IT Equipment and Meditech Development	4,432	624
Replacement medical equipment	1,415	0
Global Digital Exemplar Data Centre	0	365
	5,847	989

The above are on-going schemes that have a contractual commitment as at 31 March. The uncommitted expenditure will fall into subsequent years accounts.

23. Events after the reporting year - Group and Foundation Trust

There were no events after the year end that have had a material effect on the accounts (£nil 2017/2018).

On 1 April 2019 City Hospitals Sunderland NHS Foundation Trust formally merged with South Tyneside NHS Foundation Trust and a new organisation was formed; South Tyneside and Sunderland NHS Foundation Trust.

The merger was a statutory merger under section 56 of the National Health Service Act 2006 and will be accounted for as a transfer by absorption in 2019/20.

24. Contingent liabilities / (assets) - Group and Foundation Trust

	31 March 2019	31 March 2018
	£000	£000
Gross estimated value of Non-Clinical Liabilities	154	397
Expected recoverable amount	(96)	(309)
Net value contingent liabilities	58	88

A provision relating to claims in respect of the above contingencies is contained within Note 20 'Provisions for liabilities and charges' under the heading "Legal claims". The net value of contingent liabilities relates to that element of the outstanding claims for which the Foundation Trust has not made provision.

25 Related Parties

25.1 Related party transactions - Group and Foundation Trust

	Income £000	Expenditure £000
Value of transactions with Board Members in 2018/19	0	0
Value of transactions with other related parties in 2018/19 :		
Foundation Trusts, Trusts, Health Education England, NHS England & CCGs	355,481	24,206
NHS WGA bodies	3	2,232
HMRC	0	17,306
Other WGA Bodies	970	1,611
NHS Pension Scheme	0	19,587
Local Government including Sunderland City Council	2,901	0
	359,355	**64,942**
Value of transactions with Board Members in 2017/18	0	0
Value of transactions with other related parties in 2017/18 :		
Foundation Trusts, Trusts, Health Education England, NHS England & CCGs	352,474	27,602
NHS WGA bodies	0	5,736
HMRC	0	16,011
Other WGA Bodies	0	1,680
NHS Pension Scheme	0	20,435
Local Government including Sunderland City Council	2,976	0
	355,450	71,464

25.2 Related party balances - Group and Foundation Trust

	Receivables £000	Payables £000
Value of balances (other than salary) with related parties in relation to doubtful debts at 31 March 2019	0	0
Value of balances with other related parties at 31 March 2019 :		
Foundation Trusts, Trusts, Health Education England, NHS England & CCGs	22,258	7,139
Public Health England	0	0
NHS WGA bodies	5	1,709
HMRC	1,060	4,534
Other WGA Bodies	0	1,302
NHS Pension Scheme	0	2,757
Local Government including Sunderland City Council	535	0
	23,858	**17,441**
Value of balances (other than salary) with related parties in relation to doubtful debts at 31 March 2018	0	0
Value of balances with other related parties at 31 March 2018 :		
Foundation Trusts, Trusts, Health Education England, NHS England & CCGs	16,171	4,158
Public Health England	0	0
NHS WGA bodies	0	838
HMRC	1,060	4,231
Other WGA Bodies	0	1,450
NHS Pension Scheme	0	2,675
	17,231	13,352

25 Related Parties (continued)

25.3 Related party transactions :

City Hospitals Sunderland NHS Foundation Trust is a Public Benefit Corporation established by the Health and Social Care (Community Health and Standards) 2003 Act.

The Foundation Trust has a system in place which allows for the identification of all new Related Party Transactions.

As NHS Foundation Trusts and NHS Trusts have common control through the Secretary of State, there is an assumption that Government departments and agencies of Government departments are related parties.

The Department of Health and Social Care is regarded as a related party. During the year April 2018 - March 2019 the 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:

Care Quality Commission
County Durham and Darlington NHS Foundation Trust
NHS Durham, Dales, Easington and Sedgefield Clinical Commissioning Group
Gateshead Health NHS Foundation Trust
NHS Gateshead/Newcastle Clinical Commissioning Group
NHS Hartlepool and Stockton on Tees Clinical Commissioning Group
Health Education North East
National Blood Service
NHS Business Services Authority
NHS England
NHS Resolution
NHS North of England Commissioning Support Unit
NHS Property Services
NHS North Durham Clinical Commissioning Group
Northumberland Tyne and Wear NHS Foundation Trust
Northumbria Healthcare Foundation Trust
NHS Prescription Services
NHS South Tees Clinical Care Commissioning Group
NHS South Tyneside Clinical Commissioning Group
South Tyneside NHS Foundation Trust
NHS Sunderland Clinical Commissioning Group
The Newcastle Upon Tyne Hospitals NHS Foundation Trust

In addition, the Foundation Trust has had a number of transactions with other Government Departments and other central and local Government bodies and material transactions received via the University of Newcastle in relation to the funding of medical education.

The Trust has also received revenue and capital payments from a number of charitable funds, the Trustee of which is City Hospitals Sunderland NHS Foundation Trust, approved by members of its Trust Board.

25 Related Parties (continued)

25.4 Related party transactions : Subsidiary Company

City Hospitals Independent Commercial Enterprises Ltd (CHoICE) operates in the same way as a 'High Street Pharmacy', providing Outpatient Dispensing services at both Sunderland Royal Hospital and Sunderland Eye Infirmary. CHoICE invoices the Foundation Trust for the value of the drugs that it has dispensed, charging a fee for dispensing based on a fixed percentage of overheads which is contractually agreed in advance with the Foundation Trust.

During 2017/18 the Foundation Trust contracted out the management of its whole estate, including Hard and Soft Facilities Management Services, to CHoICE. Under formal contractual, legally binding, arrangements CHoICE then provides to the Trust a fully operational healthcare facility. These arrangements allow for VAT to be recovered on goods and services where previously the Foundation Trust was unable to make a recovery. This tax efficiency allows for funds to be reinvested in healthcare services with the ultimate aim of improving the patient experience.

On 10 May 2018, Durham Treatment Centre building work was completed and handed over to the Trust. As with all other Hard and Soft Facilities Management, CHoICE provide to the Trust a fully operational Healthcare facility in respect of this facility. This is reflected in a separate contractual, legally binding arrangement .

The significant transactions that are included within the Foundation Trust accounts are as follows;

	2018/19		2017/18	
	Income £000	**Expenditure £000**	Income £000	Expenditure £000
Invoices from CHoICE relating to the cost of drugs dispensed	0	5,314	0	4,168
Dispensing Fee	0	1,227	0	1,153
Fully operational healthcare facility unitary charge	0	52,734	0	34,715
Service Level Agreement	5,245	0	4,140	0

The following balances are also included in the Foundation Trust accounts;

	Receivables £000	**Payables £000**	Receivables £000	Payables £000
CHoICE Ltd	34,882	41,940	35,844	37,324

25.5 Related party transactions - Alliance with South Tyneside NHS Foundation Trust

In 2016/17 the Trust entered into an Alliance with South Tyneside NHSFT. As a result of this a single Executive/Management team has been implemented. The Trust had expenditure in the year with South Tyneside NHSFT of £3,007,403 (2017/18 £1,192,666), largely related to Service Level Agreements for Urology, Oral Surgery and Vascular services and recharges for the Executive team and other senior staff. Income in the year from South Tyneside NHSFT was £4,450,179 (2017/18 £2,960,637) and mainly related to recharges for the Executive team and other senior staff, charges for MSK, Medical Physics, ENT, Community Dental and Ophthalmology services.

25 Related Parties (continued)

25.5 Related party transactions : Charitable Funds

The Trust is the corporate trustee to City Hospitals Sunderland NHS Foundation Trust Charitable Fund. The Foundation Trust assessed its relationship to the Charitable Fund and determined it to be a subsidiary in accordance with IAS 27, as the Trust has the power to govern the financial and operating policies of the Charitable Fund so as to obtain benefits from its activities for itself, its patients or its staff. Charitable Funds has been incorporated within the group accounts since 2016/17.

The main financial statements disclose the Foundation Trust's financial position alongside that of the group (which comprises the Foundation Trust, subsidiary (CHoICE Ltd) and the Charitable Fund).

City Hospitals Sunderland NHS Foundation Charitable Funds - Summary Statement of Financial Activities

	Year Ended 31 March 2019 £000	Intra-group eliminations £000	Year Ended 31 March 2018 £000	Intra-group eliminations £000
Donated income	910	(300)	1,400	(300)
Income from charitable activities	70	0	80	(26)
Income from other trading activities	22	0	26	0
Investment income	58	0	61	0
Total income and endowments	1,060	(300)	1,567	(326)
Raising Funds	42	0	59	0
Charitable Activities	981	(443)	1,108	(753)
Total expenditure	1,023	(443)	1,167	(753)
Net gain on investments	39	0	26	0
Net movement in funds	76	143	426	427

City Hospitals Sunderland NHS Foundation Charitable Funds - Summary Statement of Financial Position

	Year Ended 31 March 2019 £000	Intra-group eliminations £000	Year Ended 31 March 2018 £000	Intra-group eliminations £000
Investments	2,369	0	2,329	0
Trade and other receivables	109	0	75	0
Cash and Cash equivalents	2,522	0	2,308	0
Trade and other payables	(322)	(322)	(110)	(75)
Total net assets	4,678	(322)	4,602	(75)
Represented by:				
Endowment funds	159	0	159	0
Restricted Income Funds	178	0	171	0
Unrestricted Income Funds	4,341	0	4,272	0
	4,678	0	4,602	0

The total funds are represented in the Group accounts as the Charitable Funds Reserve.

Restricted funds are funds donated for a specific purpose. Unrestricted funds may be designated for a particular area but are not restricted on the purpose of expenditure. Endowment funds relate to capital funds where the Charity does not hold the power to convert capital into income. The capital must generally be held indefinitely; the income generated by the investment of the funds can be used for charitable purposes at the discretion of the Trustees.

26   Financial Instruments

26.1 Carrying values of financial assets

Carrying values of financial assets as at 31 March 2019 under IFRS 9	Group	Foundation Trust
	£000	£000
Trade and other receivables excluding non financial assets	28,114	27,277
Cash and cash equivalents	13,407	11,213
Consolidated NHS Charitable fund financial assets	5,000	0
Total at 31 March 2019	46,521	38,490

Carrying values of financial assets as at 31 March 2018 under IAS 39	Group	Foundation Trust
	£000	£000
Trade and other receivables excluding non financial assets	21,151	21,192
Cash and cash equivalents	7,381	2,812
Consolidated NHS Charitable fund financial assets	4,637	0
Total at 31 March 2018	33,169	24,004

26 **Financial Instruments (continued)**

26.2 **Carrying values of financial liabilities**

IFRS 9 Financial Instruments is applied restrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

	Group £000	Foundation Trust £000
Carrying values of financial liabilities as at 31 March 2019 under IFRS 9		
Loans from the Department of Health and Social Care	**57,566**	**57,566**
Obligations under finance leases	**0**	**6,392**
Trade and other payables excluding non financial liabilities	**37,103**	**36,636**
Total at 31 March 2019	**94,669**	**100,594**

	Group £000	Foundation Trust £000
Carrying values of financial liabilities as at 31 March 2018 under IAS 39		
Loans from the Department of Health and Social Care	53,085	53,085
Obligations under finance leases	0	7,112
Trade and other payables excluding non financial liabilities	26,867	26,867
Provisions under contract	795	795
Consolidated NHS charitable fund financial liabilities	35	0
Total at 31 March 2018	80,782	87,859

26.3 **Maturity of financial liabilities as at 31 March 2019**

	Group £000	Foundation Trust £000
In one year or less	**40,826**	**41,100**
In more than one year but not more than two years	**3,273**	**4,034**
In more than two years but not more than five years	**17,124**	**19,537**
In more than five years	**33,446**	**35,923**
Total	**94,669**	**100,594**

26. Financial Instruments (continued)

26.4 Financial risk management

Liquidity Risk

Financial reporting standard IFRS 7 requires the disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. The Group's main net operating costs are incurred under annual service contracts with local Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The Group receives such contract income in accordance with Payment by Results (PBR) and block contract income, which is intended to match the income received in year to the activity delivered in that year by reference to the National Tariff procedure cost. The Group receives cash each month based on the agreed level of contract activity and there are quarterly payments/deductions made to adjust for the actual income due under PBR.

The Group presently finances its capital expenditure from internally generated funds. In addition, the Foundation Trust can borrow, both from the Independent Trust Financing Facility and commercially to finance capital schemes. Financing is drawn down to match the capital spend profile of the scheme concerned and the Group is not, therefore, exposed to significant liquidity risks in this area.

During the year, the Foundation Trust received interim cash support in the form of revenue support loans from the Department of Health and Social Care. The newly formed South Tyneside and Sunderland NHS Foundation Trust is planning to deliver a balanced financial position for 2019/20 and is not currently planning to apply for any further interim cash support.

Interest Rate Risk

All of the Group's financial assets and financial liabilities carry nil or fixed rates of interest. The Group is not, therefore, exposed to significant interest-rate risk. The only risk is therefore regarding the level of interest generated on the Group's surplus cash balances and investments which may be higher or lower than planned at the start of the year due to fluctuating interest rates. The value of interest generated in 2018/19 was £121k (£102k 2017/18) and the exposure is therefore limited.

Finance Lease arrangements are subject to a fixed rate of interest.

Foreign Currency Exchange Rate Risk

The Group has negligible foreign currency income or expenditure.

Credit Risk

Credit risk is the possibility that other parties might fail to pay amounts due to the Group. Credit risk arises from deposits with banks as well as credit exposures to the Group's commissioners and other debtors. Surplus operating cash is only invested with the National Loans Fund. The Group's cash assets are held only with Lloyds Banking Group and NatWest, the latter of which forms part of the Government Banking Service. The majority of the Group's net operating costs are incurred in the delivery of annual service agreements with local clinical commissioning groups, which are financed from resources voted annually by Parliament. An analysis of the ageing of receivables and provision for impairment can be found at Note 15.

27. Third party assets

The Foundation Trust held £851 cash and cash equivalents at 31 March 2019 (£961 at 31 March 2018) which relates to monies held by the Foundation Trust on behalf of patients. This has been excluded from the cash and cash equivalents figure reported in the accounts.

28. Public Dividend Capital Dividend

The Foundation Trust is required to absorb the cost of capital at a rate of 3.5% of average relevant net assets. The dividend of £2,408,000 is calculated by applying the 3.5% Treasury rate to the average relevant net assets of £68,800,000.

Dividend payable on Public Dividend Capital is based on the actual (rather than forecast) average relevant net assets and therefore the actual capital cost absorption rate is automatically 3.5%.

29. Losses and special payments - Group and Foundation Trust

NHS Foundation Trusts are required to follow the guidance issued by the Department of Health and Social Care in accounting for losses and special payments:

· These 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 divided into different categories, which govern the way each individual case is handled.

The number and value of losses and special payment cases:

Ref.	Category of loss / special payment	1 April 2018 - 31 March 2019		1 April 2017 - 31 March 2018	
		Number of cases	**Value of cases (£000's)**	Number of cases	Value of cases (£000's)
3a	Bad debts and claims abandoned – private patients	**0**	**0**	10	1
3b	Bad debts and claims abandoned – overseas visitors	**1**	**1**	23	110
3c	Bad debts and claims abandoned – other	**50**	**4**	84	6
4a	Damage to buildings, loss of equipment and property due to theft, fraud etc	**0**	**0**	0	0
4b	Damage to buildings, loss of equipment and property - stores losses	**12**	**46**	12	212
4c	Damage to buildings, loss of equipment and property due to other causes	**2**	**1**	16	3
7a	Ex-gratia payments for loss of personal effects	**25**	**6**	22	2
7c	Ex-gratia payments for personal injury with advice	**12**	**25**	16	49
7d	Other negligence and injury	**2**	**1**	2	9
7e	Ex-gratia payments for other employment payments	**1**	**16**	1	8
7g	Other	**0**	**0**	15	2
	Total Losses and Special Payments	**105**	**100**	201	402

The above values have been calculated on an accruals basis but excluding provisions for future losses, whereby expenditure is recognised in the year in which the associated liability was incurred.

30. Going Concern

The Directors have prepared these financial statements on a going concern basis. The Trust formally merged with South Tyneside NHS FT on 1 April 2019 to form South Tyneside and Sunderland NHS FT. The newly merged organisation has been through a robust financial review as part of the merger process and has submitted a balanced plan for 2019/20, supported by Provider Sustainability Funding (PSF) and Financial Recovery Funding (FRF). The newly formed Trust is planning to maintain positive cash balances throughout 2019/20.

The merger is also referenced to within Note 24.