



Frimley Health
NHS Foundation Trust

Annual Report and Accounts 2018 - 2019

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Statement from the Chairman



I am delighted to present our Annual Report for Frimley Health NHS Foundation Trust for the year ended 31 March 2019.

The year saw the celebration of the 70th birthday for the NHS, which was founded on 5 July 1948, from the ideal that good healthcare should be available to all regardless of wealth. The NHS was based on three core principles – that it met the needs of everyone, it was free at the point of delivery, and that it was based on clinical need. From the day it was created the NHS has done a brilliant job looking after all the healthcare needs of the people of this country. It is there from the day you are born to the day you die. We are all very proud of our NHS and so we had a number of events to honour and celebrate the occasion, culminating in a day for staff and their friends and family in Easthampstead Park.

2018-19 has been another demanding year for the Trust. The combination of increasing number of patients with more complex care needs and the delays in discharging patients who were medically fit due to lack of social care provision meant that all our hospitals were full throughout the year.

In spite of the huge pressures our colleagues were under, we continued to deliver all the national standards for cancer, referral to treatment and diagnostic waits. The only key area where we have more work to do is seeing 95% of the patients to our A&E department within four hours.

Our people are and always will be our greatest asset. I have nothing but praise and huge gratitude for all my colleagues who continue to give the best care possible to our patients in spite of all the challenges they face. The compassion, the commitment, the professionalism and the focus on always doing what's best for patients never ceases to amaze me.

As this report will show, the Trust has further grown its reputation as one of the best and most progressive foundation trusts in the country. It has been another successful year where we have delivered some good performance across the majority of the domains that matter for our patients, details of which are covered in the Chief Executive's report. Another major milestone in our improvement journey was our inspection by the Care Quality Commission (CQC) towards the end of 2018. It resulted in the first ever full Trust rating by the CQC and I was very pleased that we received a 'Good' rating overall with a number of examples of outstanding practice. Frimley Park Hospital retained its 'Outstanding' standard while Wexham Park and Heatherwood hospitals were classed as 'Good'. I was also overjoyed that community services in north east Hampshire, which Frimley Health has been running since 2017, were rated 'Good' in their first ever inspection. Very few multiple-site NHS trusts have such high ratings across all their portfolios. It was a just reward for the supreme effort of our people over the past few years and gives us a platform to build upon the future as we aim for outstanding services wherever we provide them.

I am delighted that as a Trust we continue to invest in our facilities. The year has seen the opening of the £49m investment in a brand new Emergency Care Centre at Wexham Park. This has brought our emergency department, ambulatory care, assessment units and other urgent care services under one roof for the first time. It has improved the experience for patients, created a better working environment

and enabled closer collaboration between clinicians. I look forward to seeing the positive results of this comprehensive redesign of emergency services over the coming year.

I am also delighted that the work to build a new hospital at Heatherwood has now started and we will look forward to opening it in the second half of 2021 which will give us a state-of-the-art planned surgery and diagnostic centre. In addition to these major projects, we continue to invest in essential upgrades so that all our facilities are fit for purpose.

The other area that has been really successful has been fundraising, where our colleagues and the residents we serve have helped us raise £1.2m for good causes.

The past year has also seen us working much more closely with our health colleagues in the NHS, Social and Community Care to develop new models of care so that we can provide all the care needs of our patients closer to their home. This excellent work has led to our Frimley Health and Care System being at the forefront of developing new models of care for the residents we serve. Great progress has been made and we plan to build on this in the coming year.

There were no changes to the Board during the year but we had a number of changes to the Council of Governors (CoG) as terms of office for some of the governors came to an end. We said farewell to elected governors Michael Maher, Michelle White, Denis Gotel, Shauna McMahon and Fran Campbell, along with stakeholder governors Roz Chadd, Paul Deach and Col Tracey Yates. I would like to thank these governors for the huge contribution they have made to the Trust and the help and support they have given both to the Board and to me.

Five governors were elected to the Trust's CoG following the elections in October 2018. We welcomed Brian Hambleton, Sasha Cummins, Rod Cooper, Donna Brown and Christine Ogarra along with stakeholder governor Rod Cooper.

As we look forward to 2019-20 there are a number of factors coming together that will make the next two years one of the toughest periods for both the NHS and the Trust. These factors present us with great challenges and also huge opportunities to continue working on our ambition to create three outstanding hospitals and community services. We are very lucky to have the NHS in this country and I know we are all very proud of it. I have always believed that together we are stronger, so I am sure that with the help of our colleagues, our partners in the system, all our members and governors we can continue to serve for all our residents.



Pradip Patel

Chairman

22 May 2019

PERFORMANCE REPORT

Statement from the Chief Executive



This is an exciting period for Frimley Health NHS Foundation Trust (FHFT) where we recognise our outstanding achievements of the past but also look to build a fantastic future where our staff and the communities we serve are a part of the transformation of our services. I am pleased to present the review of our work for the year ended 31 March 2019.

When I joined Frimley Health in March 2018 there was an opportunity for us to take stock of the remarkable progress achieved by the Trust in recent years and assess where our key challenges lie and where we needed to focus our strategy in order to continue our improvement journey and deliver excellence in our services for years to come. The fact that this coincided with the NHS70 celebrations, the publication of the NHS Long Term Plan in January 2019 and development of our partnership with Frimley Health and Care Integrated Care System (ICS) made our strategic reassessment all the more timely.

In my first 100 days I met more than 3,000 staff, foundation trust members, patients and volunteers, spent 120 hours visiting departments and took part in 425 meetings to develop relationships with local, regional and national partners. I saw first hand the fantastic care that our teams provide for our patients, the way our values truly shaped our behaviours and the high regard with which our patients and communities cherished the services provided by the local NHS. I also recognised some frustrations, concerns and ambitions for the future that helped us to identify strategic themes - outlined below - that we developed and used to define our work throughout the year.

| | | |
|---|--|--|
| 1. One Frimley Health Reduce variation and consistently deliver the best care for patients. <i>We will be:</i> Using national data to benchmark our services and explore new ways of improving care and services across the Trust | 3. Investing in leaders Support our leaders to be the best and enable them to support our great teams. <i>We will be:</i> Launching a new leadership network | 5. Our future #FutureFHFT Build on past successes and think ahead to what our services can be in 10 years' time. <i>We will be:</i> Developing our 5-10 year vision and organisational strategy |
| 2. A learning organisation Make sure we are always improving and putting patients at the centre of our service design. <i>We will be:</i> Agreeing a standard approach to learning and quality improvement, with the patient and staff voice at the centre | 4. Recognising our people Be the best employer, value and empower staff to share and celebrate successes. <i>We will be:</i> Introducing a new recognition and reward programme and developing long-term plans for our future workforce | 6. Joined up Work better with GPs, social care, providers and volunteers to join up care and develop services focused on wellbeing, and less on treating sickness. <i>We will be:</i> Aligning our work with the Frimley Health and Care Integrated Care System |

Strategic themes developed after CEO's first 100 days

This Annual Report outlines some of the major achievements during the year. These included a successful inspection by the Care Quality Commission that gave us our first ever trust-wide rating. Dr Nigel Acheson, the CQC's deputy chief inspector of hospitals for the south described a 'strong patient-centred culture with staff committed to keeping their patients safe, and encouraging them to be independent'. A number of areas for improvement were identified that aligned with what we had already recognised and have given us more clarity on how we can improve further.

Other milestones included the opening of our Emergency Assessment Centre (EAC) at Wexham Park Hospital, making good on a promise made to the community when FHFT was formed in 2014 to overhaul emergency services for the local community. This £49m construction has brought together the emergency department, ambulatory care and assessment wards and created a facility for our staff to provide the highest quality urgent care.

We are also delighted that work is now well underway in building a new £98m hospital at Heatherwood in Ascot. When it opens in 2021, it will be a state of the art planned surgery centre with six theatres, 40 beds, plus diagnostic and outpatient services. The plans have secured the future of hospital services at Heatherwood almost 100 years after the original hospital was first opened as a children's TB facility.

Since Frimley Health was formed in 2014 when Frimley Park, Heatherwood and Wexham Park came together, safety, quality and patient experience have been at the centre of our improvement journey. So our first ever trust-wide inspection by the Care Quality Commission in November and December 2018 was a significant milestone by which we could gauge our progress.

I am delighted that we not only achieved a 'good' rating overall but Wexham Park and Heatherwood retained their 'good' ratings and Frimley Park's rating also remained 'outstanding'. This was a remarkable achievement given the changes and incredible progress and investments we have made in recent years in one of the most challenging periods in the history of the NHS. I was also delighted that our inpatient community service based at Fleet Hospital, achieved a 'good' rating in what was effectively their first ever inspection as a service. This was a remarkable achievement in such an important part of our organisation for the future and reflects the progress that has been made in integrating community services into FHFT since the Trust took them over in 2017.

The Trust has performed well against the key national standards despite the increasing challenges. We can be especially proud of our cancer access for our patients, where we have consistently been among the very best in the NHS, topping the national tables in some months and ending the year as the second best trust nationally. We were one of the few trusts this year who managed to treat more than 92% of patients within 18 weeks of their referral from a GP and we managed a marked improvement in infection control with no MRSA cases and a 38% reduction in Clostridium difficile cases to 28. Serious incidents during the year were down 23%, from 124 to 96, and never events reduced from 13 to four – this is still too many so we have taken measures such as more user-friendly incident reporting system introduced in February and March to help lower risk. We improved our 25-day response rates for complaints from 39% at the start of the year to 87% by April 2019.

The four-hour target for treating or admitting patients attending our emergency departments remains the one key area where we did not achieve the standard, although our performance remained above the national average at 87.2%. During the year ahead we will continue to work with partners across the urgent care network to make improvements and will be assessing how our new care pathways in the EAC

at Wexham Park impact upon waiting and access times. Our performance in mixed sex accommodation was also not as good as it should have been in 2018-19, partly due to a number of ward refurbishments, so we are focusing on improvements this year. You can read much more detail about our quality achievements and strategy in the Quality Report, which is published as part of this report on page 91.

I have been struck by the pride, dedication and teamwork among staff during my first year at FHFT. We have worked hard to ensure that as an organisation we are doing all we can to show that we support and value everyone who works with us. We know that highly engaged and well supported staff who are able to lead change results in great patient care so that is why valuing and listening to our teams is a top priority for us.

To demonstrate our appreciation for their hard work and in celebration of NHS70, we gave all members of staff an extra day's annual leave on their birthday. This was part of a package of reward and recognition programmes that commenced in 2018. We began our chief executive's 'thank you' awards for teams or individuals who have gone the extra mile at the beginning of every public Board meeting. These were relaunched as our 'Values into Practice', or ViP, awards with colleagues and patients encouraged to put forward nominations. We want to continue this recognition programme with more long service awards, Face to Face Fridays for senior leaders to engage directly with staff and teams and peer recognition schemes.

The annual NHS staff survey for 2018 showed we have made significant progress in safety culture, staff engagement and quality of appraisals - some of the areas where we focused attention following 2017's results. Some 70% of respondents would recommend Frimley Health as a good place to work and 81% say they would be happy for a friend or relative to be treated at the Trust. However more of our staff said they worked extra unpaid hours than at most trusts and we are exploring how we can address this. You can see more detail on the staff survey results on pages 47 to 48. These help us to benchmark staff perceptions with other trusts and identify how we can be a better employer. Our staff survey results have once again compared very favourably in all areas and demonstrate a year-on-year improvement.

Staff turnover was at its lowest in March 2019 at 14%, compared with 15% the previous year, and recruitment in key areas also improved. We recruited 549 nurses, up 13.2%, many of them through successful international campaigns. Despite these significant improvements, helped by initiatives such as a 'Helping You to Stay' programme, streamlining internal transfers and enhanced support for new starters, we recognise that the national shortage of nursing and medical will continue to be a challenge. Therefore we will continue to develop new support roles to create the right skills mix for patients. A number of staff qualified from our band 4 nursing associates training with more than 100 more expected to qualify soon, and we are developing similar medical support roles. Costs for medical agency staff were higher than planned, especially in early 2019. Although medical and allied health professional vacancy rates have improved overall, we have identified specialties where they remain high and will be partnering with recruitment specialists to target these areas.

We want Frimley Health to be the employer of choice in the NHS where staff are valued, nurtured, rewarded and recognised. Building on our work this year, we will be defining roles, leadership and career development programmes to build a workforce programme that supports our ambition.

It is vitally important to ensure that we always aim to deliver value for money in everything we do. Not just so that we live within our means, but also to ensure that we are able to invest in the future to

provide our staff and our patients with latest in treatment and technology and the best facilities within which to provide care. So, despite the challenges that we have faced throughout 2018-19 I am very pleased to say that we managed to achieve all of our financial targets by the end of the year. In doing so the Trust secured a substantial allocation from the 'provider sustainability fund' which apportions centrally held finances to trusts that meet their targets. As a result the Trust reported a surplus of £44.7m before impairments.

Some £76m was invested in our estates and other capital projects during the year as we completed our maternity upgrade and developed our emergency assessment centre at Wexham Park while starting work on a new hospital at Heatherwood. We have retained a healthy £133m in cash reserves.

We managed to make efficiency savings through the year of £23.7m, or 3.4% of turnover, against a target of £31m, and the target for next year will challenge us even further. In 2019-20, the funding support that was first provided to the Trust in 2014 to help the process of bringing two foundation trusts into one organisation finally tapers off. In addition, the Trust needs to reshape the way our finances are structured in line with the NHS Long Term plan where we are part of an integrated care system locally and we work with partners to invest more in prevention and health and wellbeing whilst also ensuring the highest quality acute and community services for patients when they need them. More details on our financial position and outlook can be found on pages 15 to 16 and in our annual accounts 2018-19.

In addition to our major project to complete the emergency assessment centre at Wexham Park, we continued with many more service developments, such as expanding the lithotripsy service at Heatherwood, extending and improving the hyper-acute stroke service at Frimley Park and opening a plastics urgent treatment centre at Wexham Park so more patients can get quick treatment without needing to be admitted overnight.

Many of our service developments were achieved in partnership with colleagues in the ICS, improving what we can offer patients by working together to create a unified service across the Frimley Health system. These included better access to specialist nursing in neurology, better pathways and testing for patients with IBS (irritable bowel syndrome) and improved access to specialist nurses in respiratory medicine over winter. As part of the ICS we have also supported its strategy focussed on prevention, enabling people to be independent for longer and giving them better access to care locally. A flattening in demand upon many of our services, for example a growth in ED attendances of just half the national average, suggests this strategy is beginning to work.

Looking ahead - #FutureFHFT

We can be proud of all we have achieved as a trust since 2014. Having successfully delivered on a five year programme to bring the organisation together and deliver significant improvements, we are now developing a new strategy to meet the challenges of the future. This will need to address the big issues facing the NHS in 2019 and beyond, such as shortages of medical and healthcare professionals, funding increases below historic levels and working more closely with partners in the integrated care system to align resources better around prevention, independent living and delivering care where and when the patient needs it most. The strategy will need to reflect the NHS Long Term Plan, published in January, with a focus on partnership working, serious conditions, mental health, children and getting the best from digital technologies.

We have been developing this new strategy and vision throughout 2018-19 under the #FutureFHFT banner, and we aim to complete our work in the coming months. We have been very pleased the work we have done over 2018-19 to develop our strategy, including input from all staff, 400 further responses, clinical engagement and work with our ICS colleagues.

This year's excellent advances would not have been possible without the commitment of my fantastic colleagues, including of course our remarkable volunteers, who gave up an incredible 82,000 hours of their own time to help patients in 2018-19. I would like to take the opportunity to thank them for all they do. We are grateful for the excellent support we continue to receive from our foundation trust members and for the collaboration and co-operation we enjoy with our colleagues from the ICS and wider community. We have made outstanding progress over the year and I am confident that by working together we will continue to build better health services in the years ahead.

Neil Dardis
Chief Executive

Overview of performance

The following section outlines the Trust's purpose, core strategy and activities for the year ending 31 March 2019, along with associated future issues and risks.

The Trust, its purpose and activities



Wexham Park Hospital



Frimley Park Hospital



Heatherwood Hospital

Frimley Health NHS Foundation Trust delivers services from three main hospital sites: Wexham Park Hospital in Slough, Heatherwood Hospital in Ascot, and Frimley Park Hospital, near Camberley. Additionally, the Trust delivers outpatient and diagnostic services from Bracknell, Aldershot, Farnham, Fleet, Windsor, Maidenhead, and Chalfont St Peter, bringing a range of services closer to these communities. Since January 2017 the Trust has also been running community services in North East Hampshire and Farnham based out of Fleet Hospital.

With close to 9,000 employees across three principal sites, Frimley Health NHS Foundation Trust provides NHS hospital services for 900,000 people in Berkshire, Hampshire, Surrey and South Buckinghamshire. As well as delivering a full range of district general hospital services to its population, the Trust provides specialist acute consultant delivered services across a wider catchment in the following areas:

- Primary percutaneous coronary intervention (pPCI: heart attack treatment)
- Vascular
- Stroke
- Spinal
- Cystic fibrosis
- Plastic surgery

Wexham Park Hospital opened as a general hospital in 1965. Heatherwood Hospital began in 1922 as a tuberculosis and orthopaedic hospital for children before it was managed by the newly formed NHS in 1948. Heatherwood and Wexham Park Hospitals NHS Foundation Trust formed in June 2007.

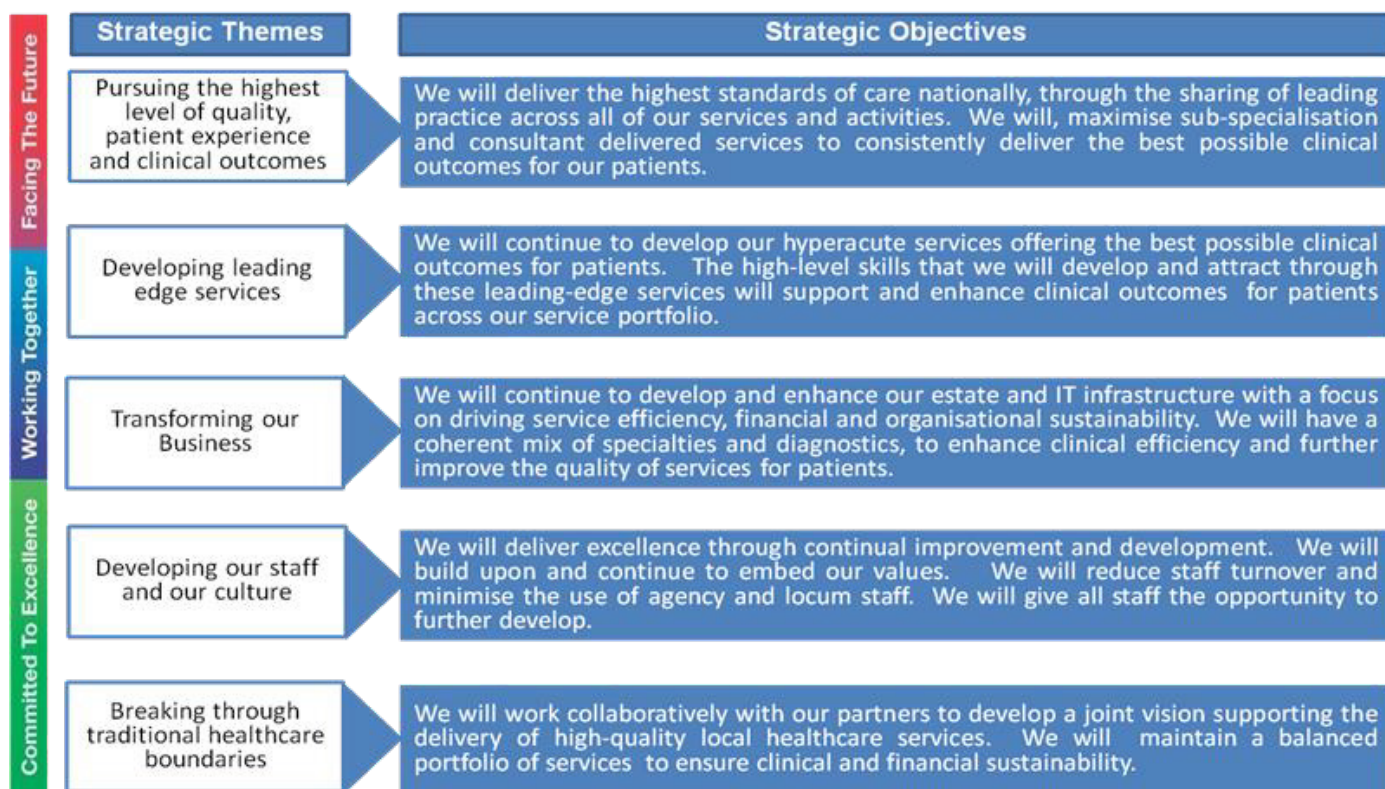
Frimley Park Hospital, built in 1974 to serve a much smaller population than its current catchment, was the first acute trust in the south of England to achieve foundation status in April 2005. Since then, its performance has ranked among the best in the country.

The Trust, formerly known as Frimley Park Hospital NHS Foundation Trust, is a statutory body which acquired Heatherwood and Wexham Park Hospitals NHS Foundation Trust on 1 October 2014, changing its name to Frimley Health NHS Foundation Trust. The transaction was the first ever successful foundation trust to foundation trust acquisition.

Frimley Health NHS Foundation Trust has 10 operational directorates in the following areas:

- Emergency Department
- General Surgery and Urology
- Maternity and Gynaecology
- Medicine
- Orthopaedics and Plastics
- Pathology
- Paediatrics
- Radiology
- Specialist Surgery
- Theatres, Critical Care and Anaesthetics

Frimley Health strategic themes and objectives



Perspective on performance

The Trust is focused on delivering clinical excellence for patients by sharing leading practice across all sites to consistently achieve the highest standards of care nationally, using leading-edge diagnostics and techniques to provide first-rate consultant-led services for patients.

While the Trust already has several specialist acute services, it continues to look to develop high quality new ones. The Trust continues to work in and with its communities to deliver quality care in a local setting and will face the future with a continued drive for efficiency and improved service delivery.

Activity data and review

Overall the Trust saw a steady, rather than dramatic, increase in activity during 2018-19. There were a total of just over 900,000 outpatient attendances which was a 1% increase on the previous year. This increase in activity was in response to a similar increase in GP referrals, which meant that we were able to maintain our waiting list at a level just below that of 12 months previously. Elective activity (day cases, overnight inpatients and births) totalled just over 110,000, an increase of 3% on the previous year. The trend towards more elective surgery being undertaken as day cases continued – in 2018/19 83% of our

elective patients went home on the day of their surgery. There were a total of nearly 250,000 emergency department attendances spread evenly across Wexham Park and Frimley Park hospitals. We also saw 115,000 non-elective (emergency) admissions which was a significant (5%) increase on the previous year. However, the most of the increase in admissions was to our short-stay ambulatory care units where patients do not stay overnight.

Outpatient activity

| 1 April 2018 – 31 March 2019 | Frimley Park Hospital | Wexham Park and Heatherwood Hospitals | Frimley Health NHS FT |
|---------------------------------|-----------------------|--|-----------------------|
| New attendances | 171,343 | 132,764 | 304,107 |
| Follow-up attendances | 333,491 | 263,390 | 596,881 |
| Total | 504,834 | 396,154 | 900,988 |

Elective activity

| 1 April 2018 – 31 March 2019 | Frimley Park Hospital | Wexham Park and Heatherwood Hospitals | Frimley Health NHS FT |
|---------------------------------|-----------------------|--|-----------------------|
| Day cases | 50,872 | 36,549 | 87,421 |
| Overnight | 7,983 | 5,959 | 13,942 |
| Births | 5,375 | 4,252 | 9,627 |
| Total | 64,230 | 46,760 | 110,990 |

Non-elective activity

| 1 April 2018 – 31 March 2019 | Frimley Park Hospital | Wexham Park and Heatherwood Hospitals | Frimley Health NHS FT |
|---------------------------------|-----------------------|--|-----------------------|
| Emergency Dept attendances | 122,232 | 126,217 | 248,449 |
| Non-elective admissions | 56,004 | 59,009 | 115,013 |

Patients on waiting lists at 31 March 2019

| | Frimley Park Hospital | Wexham Park and Heatherwood Hospitals | Frimley Health NHS FT |
|--------------|-----------------------|--|-----------------------|
| Outpatients | 6,388 | 3,268 | 9,656 |
| Inpatients | 12,374 | 13,308 | 25,682 |
| Total | 18,762 | 16,576 | 35,338 |

Trust future priorities for service development

We have identified the following development as priorities for the coming year (2019-20):

- **Deliver and report on key constitutional standards** – such as A&E, referral to treatment (RTT) and cancer. With cancer in particular we will continue to improve outcomes by developing self-managed pathways and effective recovery packages
- **Urgent and emergency care** – the new emergency assessment centre (EAC) at Wexham Park Hospital fully opened in April 2019. We will continue our work with system partners to ensure that the right patients are accessing the right services
- **Productivity and efficiency** – using benchmarking from ‘Get It Right First Time’ (GIRFT), we will continue to improve our productivity and efficiency while offering patients the highest quality services and improving their outcomes
- **Integration and partnerships** – building partnerships within and beyond the system to deliver key services such as community, vascular, renal, oral and maxillofacial, neurology, stroke, musculoskeletal and pain services
- **Moving to financial sustainability** – delivering a financial strategy aligned with the Trust and ICS strategies, including integrated efficiency and quality improvements
- **Digital transformation** – developing our digital strategy in early 2019 and beginning procurement for a new electronic patient record (EPR) and IT infrastructure that which will support the Connected Care programme to safely share patient details across NHS and social care organisations
- **Workforce** – developing a workforce plan to support our strategic priorities and ensure a sustainable workforce in the future

Key issues and risks

The Trust has an ambitious transformation plan to help reduce the underlying deficit position that has arisen as a result of acquiring Wexham Park and Heatherwood in 2014-15. From 2018-19 the Trust’s financial targets and transformation plans have been more formally aligned with those of our partners within the Frimley Health and Care ICS and this should make delivering transformation projects that improve the delivery of services over the entire patient journey across different health care boundaries much easier.

Achieving key targets for A&E waiting times is increasingly difficult. This pattern is replicated across the country. The Trust is playing a key role in projects with commissioners to remodel care so that our most vulnerable patients receive high quality hospital care when they need it but are supported to remain independent whenever they are able. This is what our patients have told us they want. We are proud to provide management of some community services based from Fleet Hospital and are working collaboratively to deal with A&E demand through alternative models such as home support and ambulatory care.

While the Trust has detailed plans to reach financial stability over time, it faces a challenge to reduce spending in key area of its cost base. The Trust has an ambitious cost improvement programme for 2019-20 of £30m and there are significant elements of work being undertaken with our system partners to bring care closer to the community and thus reduce the growth in demand for Trust services. While everyone is committed to delivering the plan there are significant risks, and we must ensure we operate at the best levels of efficiency for both clinical and non-clinical services.

For 2019-20 the Trust will receive Provider Sustainability Funds (PSF) of £22.5m to deliver a surplus of £26.2m, if it remains on financial plan and meets expectations on delivery of performance targets.

Uncertainty remains over the UK's exit from the European Union and the impact this is likely to have on health services. During 2018 and 2019 a Trust EU exit planning group was established, chaired by the Director of Operations (Wexham), to put contingencies in place for all scenarios, including a no deal exit. This focused on supply chain, including medical supplies, employment issues and reputational damage and updates were given to the Board on the group's work. Although the risk of a no-deal exit has diminished, it remains on the Board's risk assurance framework and the group's work could be reviewed as necessary once details of Britain's EU exit become clearer.

Going concern

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

Performance analysis

The Trust's performance against the key national standards is shown in the table below. Overall the Trust continued to perform strongly relative to its peers against a backdrop of a national deterioration against these standards.

It was a particularly challenging year for our emergency departments. In line with the national picture there was a drop in performance against the four-hour standard in the second half of the year. FHFT's performance remained better than the national average for each quarter and there were also no breaches of the 12-hour trolley wait standard.

The Trust's referral to treatment performance also dipped in the second half of the year but our full year performance of 92% compared favourably with the national average of 87% and meant that we remained in the top quartile of Trusts nationally. There was only one patient who waited more than 52 weeks during 2018-19 and the Trust also achieved the year-end waiting list target of having fewer patients on our waiting list in March 2019 compared with March 2018.

Our cancer performance was a real success story. During the third quarter (October to December) we were the number one performing Trust in England (against the 62-day wait standard) while our performance against the two-week rule standard was 97% compared to 94% the year before.

Key performance indicators

| | Target | Q1 | Q2 | Q3 | Q4 | Full year |
|---|--------|-------|-------|-------|-------|-----------|
| A&E clinical quality – total time in A&E under four hours | 95% | 88.6% | 90.2% | 87.4% | 82.4% | 87.2% |
| Referral to treatment time: % waiting less than 18 weeks | 92% | 92.3% | 92.1% | 91.9% | 91.6% | 92.0% |
| Cancer: | | | | | | |
| 62-day waits | | | | | | |
| For first treatment all cancers | 85% | 93.2% | 92.3% | 94.2% | 94.6% | 93.6% |
| For all cancers screening** | 90% | 99.1% | 99.2% | 98.5% | 96.3% | 97.8% |
| Cancer: 31-day wait | | | | | | |
| For second or subsequent treatment surgery | 94% | 100% | 99.2% | 99.1% | 100% | 99.5% |
| For second or subsequent treatment drug treatments | 98% | 100% | 100% | 100% | 100% | 100% |
| From diagnosis to first treatment | 96% | 99.8% | 99.6% | 99.9% | 99.6% | 99.7% |
| Cancer: two-week | | | | | | |
| All cancers | 93% | 96.8% | 97.2% | 97.0% | 97.2% | 97.1% |
| Breast symptoms | 93% | 97.6% | 95.1% | 95.3% | 97.3% | 96.0% |

Financial review

Before the start of each financial year the Trust has to submit a detailed financial plan to its regulator NHS Improvement (NHSI). This trust-level financial plan is incorporated into operational budgets for both operating and capital expenditure. The Trust's Board of Directors monitors performance against this financial plan at each of its monthly meetings.

Each year the Trust agrees a series of financial and operational targets with NHSI which attract a quarterly reward payment if achieved called Provider and Sustainability Funding (PSF). The PSF can also be topped up with a 'bonus' at the year end where national funds permit such a distribution. PSF can be restricted or removed for Trusts who do not achieve their targets.

For the 2018-19 financial year performance against key aspects of the Trust revenue plan were as follows:

| 2018-2019 | Plan £m | Actual £m | Variance £m |
|-----------------|-------------|-------------|-------------|
| Revenue Surplus | 6.6 | 6.6 | 0.0 |
| STF (base plan) | 26.2 | 26.2 | 0.0 |
| STF (bonus) | 0.0 | 12.4 | 12.4 |
| Total | 32.8 | 44.6 | 12.4 |

Delivering the financial plan together with key operational targets enabled the Trust to earn £26.2m of base PSF and £12.4m of PSF bonus. Taken together, the Trust delivered an overall surplus of £44.6m, £12.4m ahead of its plan of £6.6m surplus. In the final accounts, the surplus of £44.6m is reduced to £39.1m after adjusting for technical impairments (which do not count against agreed financial targets).

The Trust is in receipt of 'deficit support funding' that was allocated following the acquisition of Heatherwood and Wexham Park hospitals and is intended to offset the operating deficit of that legacy organisation. For 2018-19 the Trust received £13.8m of deficit support, as planned at the time of the 2014 transaction.

The Trust had a significant capital programme both in year and ongoing. Full year performance against the capital plan and cash plans are summarised in the table below:

| 2018-19 | Plan £m | Actual £m | Variance £m |
|-----------------------|---------|-----------|-------------|
| Capital expenditure | 76.3 | 75.2 | -1.1 |
| Cash at 31 March 2019 | 113.6 | 133.3 | 19.7 |

The Trust planned to spend £73.9m on capital and actually spent £75m. The underspend on capital of 1.7% was a net number due to some slippage on estate-related projects being offset by additional in-year IT projects related to the digital services strategy. Key areas of investment included the Wexham Park site estate (£14.2m), the Frimley Park estate (£8.9m) and medical equipment (£7.8m). The year also saw the completion of the emergency assessment centre (EAC) build at Wexham (£20.1m in-year expenditure) and progress on the Heatherwood Hospital rebuild (£12.7m in year).

The Trust cash position was ahead of plan at the year end, driven through the higher than planned revenue surplus bonus, a number of working capital movements and timing of receipts of PSF from previous years.

For 2019-20 the Trust plans to deliver a baseline surplus of £3.7m, which together with a planned PSF of £22.5m provides an overall planned surplus of £26.2m before any reductions for impairments.

| Operating income and expenditure | 2019-20 (£m) | 2018-19 (£m) | Increase (%) |
|----------------------------------|-----------------|-----------------|-----------------|
| Income | 720.3 | 695.6 | 3.6 |
| Expenditure | 695.9 | 682.1 | 2.0 |

Note: all figures exclude the impact of impairments but do include PSF payments

Together with the usual infrastructure upgrades and equipment replacement programmes, we have continued to invest in top-end technology while maintaining our general infrastructure.

A number of key service developments are planned for the coming year and beyond, including:

- Progress a full business case for a new three storey building on the Frimley Park site to provide extended MRI imaging, breast clinic and inpatient capacity.
- Continue building work on a £98m new hospital at Heatherwood with elective treatment and diagnostic centre to replace ageing facilities.
- Progress with development of our enhanced digital infrastructure programme. This will incorporate an electronic patient record system to bring together multiple systems and enable the Trust to transform the way we deliver care, and an electronic observation system to allow clinicians to monitor sick patients more closely and intervene sooner when their condition deteriorates.

Fundraising

Frimley Health's charity aims to raise money for the extra facilities, equipment and services that NHS funds alone cannot provide. We continue to receive tremendous support from the local community and this has built closer relationships between staff and the public.

A new fundraising team was put in place in 2017 and in 2018-19 a revised fundraising strategy was signed off with targets set for the coming four years. Significant growth is forecast from 2019-23 based on an expanded fundraising team and new income streams. At Frimley Park Hospital the Stroke Appeal was launched in February 2017 for £1.1m and by March 2019 we had raised £810,000 (including a £320,000 pledge from Frimley Health NHS Foundation Trust).

At Wexham Park Hospital we continued to raise funds for the Children's Critical Care Appeal and by the end of year we had exceeded the £230,000 target with over £250,000 raised.

A key development for the charity was the launch of a community lottery in August 2018. After eight months of operation we now have more than 3,500 tickets being played each week. This has introduced a new and very stable income stream for the charity that will considerably increase general funds to use on the highest priority projects once the set up costs are covered.

In May 2018 we recruited a communications and creative health officer who has transformed our charity engagement and has helped develop numerous projects around the Trust.

The income for 2018-19 was £1.2, which was boosted through some very generous donations from major donors and trusts. This will make a significant impact on the work that we will be able to fund. We would like to thank everyone who has made donations in support of our work at Frimley Health. These gifts have an impact on many thousands of local people when they are facing the challenge of ill health.

In 2018 a new brand was introduced for the charity which has helped to raise its profile with the community. We have also started to redesign and rebuild our website.

Environmental sustainability

Introduction

As an NHS organisation and spender of public funds, we work in a way that has a positive effect on the communities we serve. Sustainability means spending public money well, making smart and efficient use of natural resources and building healthy, resilient communities. By making the most of social, environmental and economic assets, we can improve health in the immediate and long term even in the context of rising natural resources costs.

The unprecedented scale of on-going capital building and upgrades, alongside revenue cost reduction



programmes and increasing patient numbers has made the changes required to fully deliver against the ambitions set out in the Frimley Health Sustainable Development Management Plan (SDMP), challenging. Against the four strategic priorities in the 2015-2020 plan there has been good progress in delivering low carbon and efficient operations. However we recognise there is a lot more work to be done in embedding the low carbon care vision, delivering sustainable healthcare, and engaging with our community.

In 2019 this strategic plan will be reviewed and distilled into a set of specific programmes and projects for delivery over the next five years to go before the Board for approval by the end of the year. These projects and programmes will be focused on embedding carbon reduction and resource efficiency in all the Trust's decision making and operations, as well as those of our workforce and the wider community. Delivery against this plan is essential if the Trust is to help achieve the significant reductions in carbon emissions required by 2025, to meet our responsibilities under the 2008 Climate Change Act, and to play our role in creating the healthiest future environment possible for the next generation.

Vision

By putting sustainability at the heart of our organisation, we will deliver healthcare that meets the needs of our patients now and in the future.

Leadership

Governance plays a central role in the effectiveness of sustainability initiatives by keeping strategies on track and ensuring that accountability is clear. The Trust's sustainability lead at Board level is Janet King, Director of HR & Corporate Services.

Projects and case studies

In the past year we have installed and commissioned a new 1.56 Megawatt combined heat and power (CHP) engine, boilers and heat network at Wexham Park Hospital. This has replaced the old steam network and numerous small boilers and is delivering heat and power around the site, including the new emergency assessment centre. The new infrastructure is on track to deliver annual savings of over 1,600 tCO₂e (tonnes of carbon dioxide emissions) and £700,000. The £5.6m project was mostly financed by a Salix loan. Salix loan funding was also used to convert lighting in the extensive undercroft at Wexham Park to occupancy controlled LED lighting, avoiding a further 58 tCO₂e annually.

We have also installed nine new electric vehicle charging points for our fully electric fleet of nine pool cars based at Wexham Park and Frimley Park. This project will avoid 12.8 tCO₂e and save over £10,000 in business miles. Just as importantly, the Frimley Health branded cars demonstrate our commitment to improving air quality and health in the communities we serve. We were grateful for a Slough Borough Council grant to support this project.

From 2019-20, an 18 month programme of LED lighting upgrades is due to start at Wexham Park Hospital, forecast to save 380 tCO₂e and over £200,000 in energy and maintenance costs annually. A feasibility study could also provide the assurance required for installing up to 250kW of solar panels at Frimley Park Hospital.

Further recycling has been made possible this year through use of the 'Warp It' portal, with over three tonnes of bulky non-clinical waste being re-used to date rather than being sent to landfill. We will be promoting the platform during the year and expect wider use. On the clinical side, recycling of used PVC

medical devices including intravenous solution bags, nasal cannulas, oxygen tubes, anaesthetic and oxygen masks has been extended to all our main sites through the Recomed scheme.

Work continues to ensure the two upcoming major developments, the new Heatherwood Hospital and the new diagnostics building at Frimley Park Hospital, achieve very good sustainability under the BREEAM (Building Research Establishment Environment Assessment Method) ratings.

Stakeholder engagement

We have been meeting ward clerks across our main sites to encourage them to register on Warp It, which is having a positive impact on growth. Engagement and support in embedding sustainability will be re-established at a senior level in 2019-20 through refreshing our SDMP. We are partnering with the Centre for Sustainable Healthcare to deliver a 'Green Wards' competition in 2019-20, which we expect to produce six to eight money and carbon saving projects that can be rolled out across the Trust.

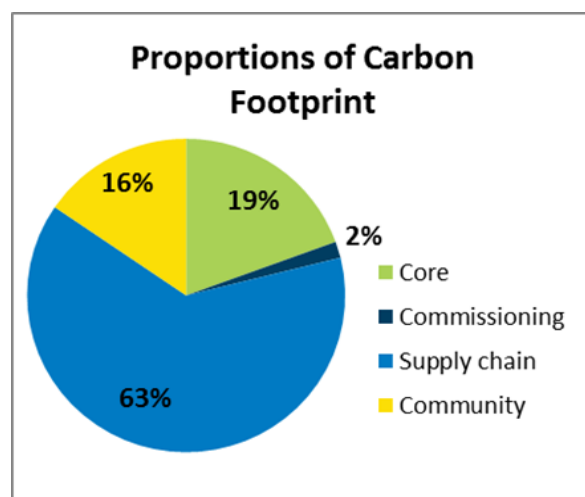
Sustainability strategy

The projects outlined above demonstrate progress in delivering the action plan. The significant challenge of promoting carbon reduction initiatives while service and cost pressures rise is being addressed through the 2019-20 programmes outlined above. The Trust aspires to meet government CO₂ targets and where feasible will use the Sustainable Development Unit (SDU) modules to help us implement the strategy.

Resource impact (direct)

Direct greenhouse gas (GHG) emissions (Scope 1) are emissions from sources owned or controlled by the organisation. Indirect GHG emissions (Scope 2 and 3) are emissions that are a consequence of the activities of the Trust but that occur at sources owned or controlled by other entities.

2018-19 Carbon emissions



| 2018-19 carbon emissions (tCO ₂ e) | | | |
|---|---------|--|--------------------|
| HM Treasury | Scope | | tCO ₂ e |
| | Scope 1 | Gas, oil, Trust owned vehicles & anaesthetic gases | 13,104 |
| | Scope 2 | Imported steam and electricity | 6,348 |
| | Scope 3 | Procurement, travel, waste, water & energy well-to-tank and transmission | 105,524 |
| Total Frimley Health emissions (tCO ₂ e) | | | 124,967 |

Note 1: Procurement figures are modelled on non-pay spend.

Travel and transport

We recognise that long term exposure to traffic based pollution causes about 50,000 excess deaths each year. We have site-specific travel plans that promote sustainable transport for staff, patients and visitors. A travel transformation group in the Trust identifies further efficiencies and carbon reductions. Business travel should also start to decrease with more use of call and video conferencing in 2019-20.

Procurement

The procurement of goods and services represents 72% of the NHS, public health and social care carbon footprint. Frimley Health emissions have been identified under scope 3 HM Treasury emissions in the above table. We use the SDU model to calculate our procurement emissions.

Social, community and human rights issues

The Trust actively engages with the local community in many ways. For example, our regular constituency events across our catchment area are well attended and feature presentations from senior clinician about the services we provide and give members of the public the chance to meet and question governors, directors and senior managers directly.

We have run popular public engagement events as part of our planning of major projects at Wexham and Heatherwood to ensure the public are well informed and feel involved in the future of their local hospital services. In addition we run 'Taste of Frimley' and 'Taste of Wexham' careers events for local colleges and we engage strongly with the community through our charity's fundraising activities.

Our membership events are open to all and offer the local community the chance to get involved, and also to find out more about how we work through newsletters, events and public engagement work. Our public membership totals over 16,000. Where appropriate our policies have an equality impact assessment to gauge their effect on service users and staff. We also work in partnership with other parts of the NHS and local organisations on community-wide health issues. All staff are subject to training in relation to adult and child safeguarding at a level appropriate to their role.

A full environmental impact assessment is included in the Sustainability Report on pages 19 to 22.

We remain aware of changes to legislation in relation to human right issues, such as the Modern Slavery Act, and consider our responsibilities connected to legislation in matters such as safeguarding and procurement. We take measures to ensure that suppliers comply with relevant law, guidance and industry good practice to satisfy themselves that slavery or human trafficking does not occur within their supply chains. These expectations are articulated in the NHS terms and conditions for procurement.

Research and Development

Participation in clinical research demonstrates Frimley Health NHS Foundation Trust's commitment to the quality of care we offer and to making our contribution to wider health improvement. In recent years we have focused on involving more clinicians and patients in vital research.

Our target for the year was to recruit 1,649 patients to research projects. We exceeded this with 2,024 recruited, the most we have recruited to clinical trials in recent years.

Frimley Health NHS Foundation Trust was involved in conducting 256 clinical research studies in 26 medical specialties during 2018-19 and we have increased research activity across all sites. This year we have opened trials in new research specialties including renal, diabetes, lung cancer and immunology.

In February 2019, Frimley Health was the Kent, Surrey & Sussex Local Clinical Research Network partner award winner for best contribution to commercial research. This award recognises the work the Trust does with Industry partners in bringing cutting edge, innovative research to our patients.

In the coming year, we will continue to increase research activity at the Trust exploring new opportunities to introduce exciting and innovative treatment through clinical research.

Well-led framework

Monitor's Risk Assessment Framework, published in October 2013, included a requirement for foundation trusts to carry out an external review of their governance every three years. The Trust completed its assessment by the end of the 2016-17 financial year and signed off the action plan in May 2017, which was submitted to NHS Improvement.

The next external well-led assessment of this nature will be required in 2020, although as part of the CQC inspection in December 2018 the Board of Directors was subject to a well-led assessment, the results of which are outlined in this report.

The Trust uses the well-led framework to inform its governance processes, which are outlined in the Annual Governance Statement that starts on page 69.

Better Payment Practice Code BPPC

The aim of the BPPC is to pay all non-NHS trade creditors within 30 days of receipt of goods or a valid invoice (whichever is the later) unless other payment terms have been agreed. The Trust reports compliance with this code on page 33 of the Annual Accounts.

Significant events post 1 April 2019

There have been no significant events since 1 April 2018 affecting the Trust's strategy and key objectives.

Overseas operations

The Trust did not have any overseas operations during the financial year.



Neil Dardis
Chief Executive
22 May 2019

ACCOUNTABILITY REPORT

Directors' Report

The directors are responsible for preparing the Annual Report and Accounts and consider the Annual Report and Accounts taken as a whole are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the Frimley Health NHS Foundation Trust's performance, business model and strategy. The notice period for all non-executive directors listed below is three months and for all executive directors the notice period is six months.

Our Board of Directors

Biographies for individuals who served as directors on the Board at any time during the year ended 31 March 2019 are detailed below. As can be seen from the directors' biographies and from the Trust's compliance with the requirements of the Monitor NHS Foundation Trust Code of Governance (updated in July 2014), the Board of Directors has an appropriate composition and balance of skills and depth of experience to lead the Trust.

Non-executive directors



Pradip Patel B.Pharm (Hons.), MBA, CDiAF, CBAdmin, FCMI,
MRPharmS

Chairman

Appointed: 1 April 2016
End of tenure: 31 March 2022¹

Appointed to the Trust as Chairman of the Board and Council of Governors April 2016.

Pradip is an accomplished senior executive with a wealth of experience in complex and regulated organisations. He started his career as a pharmacist in 1977 and went on to hold senior roles in marketing, property and planning, sales and operations, HR and strategy. Before he joined Frimley Health, Pradip was a non-executive director at Hillingdon Hospital NHS Foundation Trust in London from 2011, serving as senior independent director and deputy chairman. He was also director of healthcare strategy at Walgreens Boots Alliance from 2012. Between and 1999 and 2010 Pradip held various director roles with Boots on a regional and national level, including managing director for Boots Opticians and executive chairman for that business following its merger with D&A.

He is a fellow of the Chartered Management Institute and a member of the Royal Pharmaceutical Society of Great Britain.

¹ In May 2018, following a recommendation from the Non-Executive Performance and Remuneration Committee, the Council of Governors approved the extension of Pradip Patel's term in office by a second term to 31 March 2022.



Mark Escolme BA Hons

Independent non-executive director; Deputy Chairman (from 1 April 2013)

Appointed: 1 April 2009

End of tenure: 31 March 2020²

Mark has over 25 years of experience of working in large branded consumer companies in the UK, US, Australia and New Zealand. He has been involved in setting up businesses in emerging markets such as Russia, China, India and Africa, developing high profile brands within household and food categories. He has managed joint ventures and NGO and government partnerships. Working at board level, Mark chaired the SC Johnson East Africa board and currently sits as a non-executive director on the Standard Brands board. Most recently Mark built GÜ into a multinational brand leader in chilled foods. He is also a trustee for UK charity Gumboots Foundation, which raises money for social uplift initiatives in Southern Africa. Over the past 15 years Mark has had significant M&A experience in the UK and many international markets across multiple private, private equity-backed and public manufacturing businesses in executive and non-executive director roles. This includes Dow products (the Mr Muscle brand) in the UK and Bayer Pest Control (Baygon and Autan brands) in Africa.



Rob Pike ACIB

Independent non-executive director

Appointed: 1 April 2011

End of tenure: 31 March 2020³

Rob retired in 2009 after a 40 year career in financial services which culminated in a role as director of operations for Europe and Middle East for the Royal Bank of Scotland Group. He was previously director of operations in the UK where he had responsibility for more than 5,000 employees, running a network of operations centres. He was a senior executive at NatWest at the time of its acquisition by the Royal Bank of Scotland and subsequently led the successful integration of the two networks of operations centres. He was directly responsible for managing the IT and transformation integration activity of those operations and was heavily involved in the post-acquisition HR and systems integration. Having successfully undertaken several senior customer facing roles he was invited to join the board of the Customer Contact Association (CCA) in 2004. He chaired its Industry Council from 2006-2008 and was Chair of the CCA Global Standards Council until 2016.

² In November 2017, following a recommendation from the Non-Executive Performance and Remuneration Committee, the Council of Governors approved the extension of Mark Escolme's term in office by a further year to 31 March 2020.

³ In October 2017, following a recommendation from the Non-Executive Performance and Remuneration Committee, the Council of Governors approved the extension of Rob Pike's term in office by a further year to 31 March 2019.



Mike O'Donovan

Independent non-executive director

Appointed: 14 October 2014

End of tenure: 31 March 2020⁴

Mike spent 30 years in the consumer healthcare industry holding managing director positions in the UK and overseas as well as global corporate roles. In 2002 he left industry to become chief executive of the Multiple Sclerosis Society, a position he held until 2006. Since then he has held several non-executive director and trustee positions including co-chair of National Voices, the leading patient service user advocacy group, member of the management board of the European Medicines Agency and chair of Central London Community Healthcare NHS Trust. In October 2012 he was appointed chairman of Heatherwood and Wexham Park Hospitals NHS Foundation Trust and played a key role in its successful acquisition by neighbouring Frimley Park Hospital NHS Foundation Trust to form Frimley Health NHS Foundation Trust. Mike is a member of the board of trustees of the South Hill Park Arts Centre.



Thoreya Swage MA (Oxon), MB BS (Lond)

Independent non-executive director

Appointed: 1 June 2015

End of tenure: 31 March 2021⁵

Thoreya has several years' experience in the NHS both as a clinician in psychiatry and a senior manager in various NHS purchasing organisations covering the acute sector as well as primary care development. Her latest NHS post was executive director of a health authority with a remit to develop primary care services including GP commissioning and GP fundholding. Since 1997 Thoreya has run a successful management consultancy business, developing particular expertise in the field of service reviews and redesign, strategic and leadership development, clinical governance, commissioning and procurement with the NHS and independent sector, and education and training. During 2006-07 she was deputy medical director at the Commercial Directorate at the Department of Health with responsibility to set up the clinical governance processes for the National Independent Sector Treatment Programme. She has had various teaching roles at King's College, London, Queen Mary, University of London and Reading University and has researched and written a number of published articles. Thoreya is a non-executive director at Barts Health NHS Trust.

⁴ In October 2017, following a recommendation from the Non-Executive Performance and Remuneration Committee, the Council of Governors approved the extension of Mike's term in office for a second term to 31 March 2020.

⁵ In October 2017, following a recommendation from the Non-Executive Performance and Remuneration Committee, the Council of Governors approved the extension of Thoreya's term in office for a second term to 31 March 2021.



Dawn Kenson BSc Hons, ACII, Dip PFS

Senior independent non-executive director

Appointed: 1 June 2015

End of tenure: 31 March 2021⁶

Dawn spent over 20 years in financial advisory services predominantly with The Woolwich and then, following its takeover, with Barclays Bank.

She was managing director of Woolwich Independent Financial Advisory Services before becoming director of independent financial advice operations for Barclays where she had responsibility for the bank's combined regulated advisory forces.

She left Barclays in 2005 to concentrate on non-executive work in, and supporting, the public sector and currently holds positions with the Northern Ireland Office and Raven Housing Trust.



Ray Long CB, BA, MSc, FAPM, CEng, CITP, FBCS, FCMI, FIET, CDir, FloD, FRSA

Independent non-executive director

Appointed: April 2017

End of tenure: 31 March 2020

Ray Long left the Civil Service in 2017 after a 40-year career which included roles as Director of Business Tax Change and Corporate Services Change in HMRC, Senior Responsible Owner of DWP's Infrastructure Modernisation Programme, and CEO of Benefits & Pensions Digital Technology Services Limited (DWP's Government-owned private company which provides IT services to the department).

Ray previously served as Major Projects Director in the Cabinet Office, Programme Director for the nationwide NHS 'Choose and Book' service, and CEO of the Northern Ireland Business Development Service. A past-president of the British Computer Society, he has also been an associate lecturer with the Open University since 1993, presenting courses on leadership, strategy, finance, marketing and technological innovation and now enjoys a portfolio career based around short-term consultancy roles, teaching and voluntary work. Ray was appointed as a Companion of the Order of the Bath in the 2018 New Year's Honours List.

⁶ In October 2017, following a recommendation from the Non-Executive Performance and Remuneration Committee, the Council of Governors approved the extension of Dawn's term in office for a second term to 31 March 2021.



John Weaver

Independent non-executive director

Appointed: April 2017

End of tenure: 31 March 2020

John worked for BT plc from 1984 until retiring in March 2019; a career which included such roles as Director of Wholesale Managed Services, Transformation Director for Global Networks and, most recently, Vice President for Contract Design, leading the technical design team within BT's Global Services business. John also spent two years on secondment to the Board of J-Phone, a leading Japanese mobile phone operator, where he was responsible for the development of all non-voice services. Since 2008 John has also had other roles including helping set up and being an executive director on the Thames Valley Local Enterprise Partnership, a member of the CBI South East, and a non-executive director for Hastings Academies Trust. John has also recently become a non-executive director for ThirdSpace – an award winning UK based technology solutions provider.

Executive Directors



Neil Dardis

Chief Executive

Appointed: March 2018

Neil has worked in the NHS for over 20 years, with extensive Board and senior management experience. He was formerly chief executive at Buckinghamshire Healthcare NHS Trust since April 2015, having joined as deputy chief executive and chief operating officer in 2013 and prior to this he was director of operations at East and North Hertfordshire NHS Trust.

Neil graduated from Durham University with a degree in history, has a diploma in health service management and has studied at the London Business School and Cambridge University Judge Business School. He has also been a member of the NHS Top Leaders Programme and worked with the Kings Fund on system leadership.

Neil chairs the Oxford Academic Health Science Network's clinical innovation and adoption group, and was formerly the Buckinghamshire SRO for the Buckinghamshire, Oxfordshire and Berkshire West's STP. He also sits as part of the NHS Improvement Chief Executive Advisory Panel.



Nigel Foster BA, CPFA

Director of Finance and Information Management and Technology

Appointed: August 2017

Nigel was previously director of finance and performance for three clinical commissioning groups (CCGs) in East Berkshire and has been working for the NHS since 2002, originally with Wokingham PCT and then NHS Berkshire West, where he held a variety of senior finance roles. From March 2012 he led the formation of Central Southern Commissioning Support Unit and became its chief finance officer. He joined the CCGs in East Berkshire in November 2013.

Nigel also has responsibility for contracting and information, procurement, and business development functions within the Trust and, as Senior Information Risk Officer (SIRO), leads on information governance matters on behalf of the Board. He is involved in working with colleagues across the Frimley Health and Care ICS area and leads the 'Connected Care' IT interoperability project across the ICS which is enabling the sharing of patient records between primary, secondary and social care. In addition to his Trust role he holds an honorary contract with the East Berkshire CCG to continue as its director of finance.



Helen Coe MBE, MBA, RGN

Director of Operations, Frimley Park Hospital

Appointed: July 2013

Helen has significant NHS expertise gained during 30 years' experience in a number of senior clinical and managerial roles. She has a strong operational background, has held several senior nursing positions across specialties in both surgery and medicine and has been awarded an MBE for her outstanding contribution to nursing and quality. Helen is passionate about ensuring patients receive the highest quality services and that their experience at Frimley Park Hospital is first class. Helen has also worked at the Department of Health as part of the Cabinet Office team assessing public organisations for the Charter Mark Award. Before taking up the position of Director of Operations, Helen was the associate director for urgent care services focusing on delivering the Trust's hyper-acute strategy in cardiology and stroke. She has been responsible for leading innovation and change and led the Trust's successful transformation project reducing patients' length of stay at Frimley Park.



Lisa Glynn

Director of Operations, Heatherwood and Wexham Park

Appointed: October 2014

Lisa joined the NHS in 1994, after a period of time working in the private health sector, and has held a number of senior operational roles in the acute sector since that time, including director of operations at the Royal Berkshire NHS Foundation Trust. Lisa joined Heatherwood and Wexham Park Hospital NHS Foundation Trust in February 2013 as chief operating officer from Royal Berkshire NHS Foundation Trust where she was the director of operations for urgent care. She was appointed to her current role when Frimley Health came into being on 1 October 2014.



Janet King MA Law, FIPD, CPP

Director of HR and Corporate Services / Deputy Chief Executive

Appointed: 1991

Starting her career in the civil service, Janet joined Frimley Park Hospital in 1987 working for West Surrey and North East Hants Health Authority as personnel manager. She became a director of Frimley Park Hospital NHS Trust in 1991. Her portfolio includes human resources management, all non-clinical support services, estate and capital planning and company secretary. Janet is project director for a number of large capital projects including Heatherwood Hospital. She is a lay panel member for employment tribunals. Janet was appointed Deputy Chief Executive in October 2017.



Duncan Burton RN BN (Hons) MSc

Director of Nursing and Quality

Appointed: September 2017

Duncan has been the director of nursing and patient experience and director of infection prevention and control at Kingston Hospital NHS Foundation Trust since February 2013. During his time at Kingston he has led a number of areas of improvement including dementia care, nurse technology, and has significantly reduced turnover and vacancies.

Before joining Kingston, Duncan was deputy chief nurse at University College London Hospitals (UCLH) and was responsible for a number of corporate and clinical services on behalf of the chief nurse. This included responsibility for nursing and midwifery across seven hospital sites.



Dr Timothy Ho MB, BS, PhD, DIC, FRCP

Medical Director

Appointed: December 2013

Tim graduated in medicine from St. George's, University of London, and went on to undertake specialist training in respiratory and intensive care medicine in London. He carried out a period of basic science research in molecular microbiology at Imperial College, culminating in the award of a PhD. He has been a consultant chest physician at Frimley Park Hospital since 2004. During this time, he has developed a number of key services including a regional diagnostic service for lung cancer (EBUS), the medical acute dependency unit and a large obstructive sleep apnoea service. Most recently he has served as the clinical director for medicine and care of the elderly and as the centre director for the Frimley Park adult cystic fibrosis service. He is the professional lead for the doctors and is responsible for the Trust's quality and clinical governance framework.

Changes to the Board of Directors

The executive and non-executive directors comprised:

- Eight non-executive directors (including the Chairman)
- Seven executive directors (including the Chief Executive)

Changes in relation to non-executive directors during 2018-19:

- Pradip Patel was appointed to the Board in April 2016 as the Chairman of the trust. His term of office was extended by a second term by the Council of Governors in 2018 until 31 March 2022.
- Mark Escolme was appointed to the Board in April 2009 as a non-executive director. His term of office was further extended by the Council of Governors in 2018 until 31 March 2020.
- Rob Pike was appointed to the Board in April 2011 as a non-executive director. His term of office was further extended by the Council of Governors in 2018 until 31 March 2020.

As at 31 March 2019, the Trust had seven voting executive directors and eight voting non-executive directors. The Trust Board met the requirement of having a majority of non-executive directors in terms of voting directors on the Board.

Board of Directors' register of interests

The register of interests for the executive and non-executive directors that served as members of the Board during the year ended 31 March 2019 is detailed below:

| | Name | Declared Interests |
|-------------------------|----------------|--|
| Non-executive directors | Pradip Patel | Advisory Board member for GSI UK Healthcare (resigned from October 2019) |
| | Mark Escolme | Mallow & Marsh Limited OPPO Brothers Limited Escolme Limited Bromsgrove School Foundation Standard Brands Pet Food UK Limited Trustee to Gumboots Foundation (UK charity) |
| | Dawn Kenson | Northern Ireland Office, non-executive director Raven Housing Trust, non-executive director |
| | Ray Long | The Worshipful Company of Information Technologists, warden and court member Ray Long Consulting Limited, director and owner QI Consulting, associate consultant Doherty Stobbs, associate consultant The Open University, associate lecturer Dods Training, associate trainer Parity, Civil Service Fast-Stream assessor Gresham College, council member |
| | Mike O'Donovan | MS Society member and volunteer Trustee of the South Hill Park Arts Centre |
| | Rob Pike | Rob Pike Associates Limited, director |
| | Thoreya Swage | Thoreya Swage, sole trader Barts Health NHS Trust, non-executive director Employer member of the North East London Clinical Excellence Awards Advisory Committee |
| | John Weaver | VP of contract design at BT Global (not declared for Q4) ThirdSpace Ltd, non-executive director |
| | | |
| Executive Directors | Neil Dardis | None |
| | Janet King | HR services provided to Surrey Heath CCG CBI representative Employment Tribunals CQC – specialist advisor (not declared for Q4) |
| | Nigel Foster | Director of finance for Bracknell & Ascot CCG, Slough CCG and Windsor & Maidenhead CCG (secondment 18 days per annum plus line management of CCG associate director of finance) |
| | Duncan Burton | Honorary senior lecturer at Kingston University |
| | Helen Coe | Independent inspection chair for the Care Quality Commission |
| | Lisa Glynn | None |
| | Tim Ho | Independent inspection chair for CQC (since August 2015) UK Advisory Board of Uptodate - part of Wolters Kluwer health publishers (since June 2016) Responsible officer for Thames Hospice |

Register of governors' interests

A register of governors' interests is maintained by the Trust. A copy of the latest version submitted to the Council of Governors is available on the Trust's website* via <https://www.fhft.nhs.uk/about-us/council-of-governors/> or may be inspected during normal office hours at the Chief Executive's office.

Other disclosures by directors

So far as each of the directors is aware, there is no relevant audit information of which the NHS Foundation Trust's auditor is unaware. Each director has taken all the steps they ought to in their role in order to make themselves aware of any relevant audit information and to establish that Frimley Health NHS FT's auditor is aware of that information.

The directors are satisfied that under the requirement of Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) the income from the provision of goods and services for the purpose of the health service in England by Frimley Health NHS FT is greater than its income from the provision of goods and services for any other purposes. This other income is shown in note 2.1 of the Annual Accounts. Most is used to cover associated costs and any surplus is reinvested in the provision of NHS health services.

Frimley Health NHS Foundation Trust has complied with the cost allocation and charging guidance issued by HM Treasury.

None of the Board of Directors has made any political donation during the course of the year.

Board members' attendance record for Board of Director meetings and board-level committees for the year ended 31 March 2019

| | Name | Position | Private | Public | Audit | Noms | PR C | Total |
|-------------------------|----------------|-------------------------------------|---------|--------|-------|------|---------|-------|
| Non-executive directors | Pradip Patel | Chairman | 12/12 | 10/10 | 1/1 | 3/3 | 4/4 | 30/30 |
| | Mark Escolme | Non-executive director | 9/12 | 8/10 | 0/1 | n/a | n/a | 17/23 |
| | Dawn Kenson | Non-executive director | 12/12 | 10/10 | 5/5 | 3/3 | 4/4 | 34/34 |
| | Ray Long | Non-executive director | 9/12 | 9/10 | 3/5 | 2/3 | 4/4 | 27/34 |
| | Mike O'Donovan | Non-executive director | 12/12 | 10/10 | 4/5 | n/a | n/a | 26/27 |
| | Rob Pike | Non-executive director | 11/12 | 9/10 | 1/1 | n/a | n/a | 21/23 |
| | Thoreya Swage | Non-executive director | 11/12 | 10/10 | 1/1 | 3/3 | 4/4 | 29/30 |
| | John Weaver | Non-executive director | 11/12 | 9/10 | 1/1 | n/a | n/a | 21/23 |
| Executive Directors | Neil Dardis | Chief Executive | 12/12 | 10/10 | 2/2 | 3/3 | 3/4 | 30/31 |
| | Janet King | Director of HR & Corporate Services | 10/12 | 9/10 | 0/1 | n/a | 2/2 | 21/25 |
| | Nigel Foster | Director of Finance and IM&T | 10/12 | 9/10 | 4/5 | n/a | n/a | 23/27 |

| | | | | | | | | |
|--------------|---------------|---------------------------------|---------|---------|-------|-------|-------|---------|
| | Duncan Burton | Director of Nursing and Quality | 11/12 | 10/10 | 0/1 | n/a | n/a | 21/23 |
| | Helen Coe | Director of Operations (FPH) | 12/12 | 10/10 | 2/4 | n/a | n/a | 24/26 |
| | Lisa Glynn | Director of Operations (HWPH) | 8/12 | 7/10 | 3/4 | n/a | n/a | 18/26 |
| | Tim Ho | Medical Director | 11/12 | 9/10 | 1/2 | n/a | n/a | 21/24 |
| Total | | | 161/180 | 139/150 | 28/39 | 14/15 | 21/22 | 363/406 |

Enhanced quality governance reporting

Arrangements for governing service quality are outlined in the Annual Governance Statement (starting on page 69) and the Quality Report, which is presented as part of this Annual Report.

The priorities for improving quality during 2018-19, and how the improvements will be delivered are set out in the table below:

Quality improvement priorities:

| Quality priority | Actions to be taken |
|---|---|
| Priority 1: Identification and management of the deteriorating patient | <ul style="list-style-type: none"> • Monitor compliance with NEWS • Monitor training effectiveness • Design and influence training programme with learning from |
| Priority 2: Good discharge planning involving patients and their families / carers | <ul style="list-style-type: none"> • Establish baseline for Safer Discharge Bundle • Monitor and improve compliance with specific elements of the bundle • Monitor uptake of all wards that have been given access to the upgraded version of ADT • Increase training and education in discharge planning, including master classes for NIC (focusing on EDD, effective ward round, pre-op improvements, patient awareness) |
| Priority 3: Mental health within the non-specialist ward setting | <ul style="list-style-type: none"> • Continue working with colleagues from across STP footprint, focusing on the four areas of mental health • Monitor the number of incidents relating to challenging behaviour in patients with either MH concerns or who are experiencing periods of confusion • Ensure all relevant staff in high-risk areas receive appropriate training |

NHSI regulatory ratings

The Trust is regulated by NHS Improvement (NHSI), to whom it submits its annual plan. On the basis of the information contained in the annual plan and in-year submissions, NHSI will assess and assign a risk rating for the Trust in accordance with the 'single oversight framework', which provides a single overall metric for the Trust.

A&E performance in the final quarter resulted in a segment 2 rating. This means that NHSI does not require further intervention nor has it mandated support for the trust although it will supply targeted support for improvement to this metric.

There is no acute trust which currently meets segment 1 criteria and an improvement to the trust's A&E performance, all other things being equal, would result in a return to a segment 1 classification.

Frimley Health NHS Foundation Trust regulatory rating 2018-19

| | Q1 | Q2 | Q3 | Q4 |
|-----------------------------------|----|----|----|----|
| Single Oversight Framework | 2 | 2 | 2 | 2 |

The Trust's regulatory ratings throughout the previous year (2017-18) were as follows:

| | Q1 | Q2 | Q3 | Q4 |
|-----------------------------------|----|----|----|----|
| Single Oversight Framework | 2 | 2 | 2 | 2 |

1. Annual plan review and in-year reporting and monitoring
NHSI uses the information provided in the annual plan primarily to assess the risk that an NHS foundation trust may breach its licence in relation to finance and governance and assigns risk ratings. Every quarter, NHS foundation trust boards are required to submit details of performance in the most recent quarter and year-to-date against their annual plan, and self-certify that all healthcare targets and indicators have been met. Each trust is assigned an overall financial and governance risk rating for the quarter based on the declarations they make to Monitor.
2. Financial risk rating (FRR) / Continuity of Service (COS) rating
Risk ratings are assigned using a scorecard which compares key financial metrics consistently across all foundation trusts. The risk rating reflects the likelihood of a financial breach of an NHS foundation trust's provider licence. The highest rating under the COS rating is four.
3. Governance risk rating
NHSI rates governance risk using a graduated system of green, amber-green, amber-red and red, where green indicates low risk and red indicates high risk.

There were no formal interventions by the regulator during the year 2018-19.

There were no material inconsistencies between the Trust's assessment of key risks and either subsequent NHSI ratings or Care Quality Commissions assessments.

The Trust Annual Governance Statement on page 69 details how the Trust has reviewed and assessed the effectiveness of the Trust's systems of internal control.



Neil Dardis
Chief Executive
22 May 2019

Remuneration Report

Annual statement on remuneration

The Performance and Remuneration Committee (PRC) comprises four non-executive directors of the Trust. It is a subcommittee of the Board and operates under terms of reference set by the Board. Part of the PRC remit is to determine appropriate remuneration in accordance with the terms of reference as follows:

- In accordance with Clause D.2.2 of the NHSI NHS Foundation Trust Code of Governance, the Performance and Remuneration Committee has delegated responsibility from the Board of Directors for setting remuneration for all executive directors including pension rights. The Performance and Remuneration Committee should also recommend and monitor the level and structure of remuneration for senior management. The definition of senior management should normally include the first layer of management below Board level (tier 2 staff).
- Seek external advice from time to time (every three years) on the remuneration packages of the Chief Executive and other executive directors.
- Review the overall pay and performance framework for the Trust with particular regard to the executive directors' proposals for the remuneration of the Trust's tier 2 staff (those reporting directly to executive directors).

For the financial year 2018-19, the PRC noted the staggered uplift awarded to all NHS staff on Agenda for Change contracts. Under its delegated responsibility, and after receiving the NHSI recommendation on Very Senior Managers (VSM) annual pay increases for 2018-19, the PRC decided to award all executive directors total increases equivalent to the recommended consolidated flat rate uplift of £2,075 per annum, backdated to 1 April 2018. This increase did not apply to the Chief Executive whose salary was agreed for 2018-19 on joining the Trust in March 2018. There are also 22 senior members of staff (tier 2) on local trust rather than Agenda for Change terms and conditions. Consolidated flat rate increases of approximately £2,000 were applied to these posts unless the post holder had received a significant pay amendment during the year due to a role change (including those new to role) in which case no further award was made. For those at the top of their job structure scale, increases were not consolidated.

There are three executive directors, including the Chief Executive, who received salaries in excess of the £150,000 threshold for reporting to NHSI. The changes to executive director and Tier 2 staff salaries were supported by all non-executive directors of the Trust.

The PRC has kept the Executive Directors Remuneration Policy under review and approved changes to this policy at its meetings on 14 September 2018 and 17 January 2019.



Dawn Kenson
Senior Independent Director
22 May 2019

Senior managers' remuneration policy

Salary entitlements of senior managers 2018-19 (information subject to audit)

| | | Salary and fees (bands of £5000) £000 | Taxable benefits nearest £100 | Annual performance related bonus (bands of £5000) £000 | Long-term performance related bonus (bands of £5000) £000 | ⁷ Pension related benefits (bands of £2500) £000 | ⁸ Total remuneratio n (bands of £5000) £000 | Expenses £ |
|--------------------------------|---|--|--|---|--|--|--|---------------|
| Executive Directors | | | | | | | | |
| Neil Dardis | Chief Executive | 200 - 205 | 0 | 0 | 0 | 30 – 32.5 | 235 - 240 | 714.35 |
| Janet King | Director of HR & Corporate Services | 165 - 170 | 0 | 0 | 0 | 20 – 22.5 | 185 – 190 | 1,886.45 |
| Nigel Foster | Director of Finance & IM&T | 145 - 150 | 0 | 0 | 0 | 57.5 – 60 | 205 - 210 | 2,431.98 |
| Duncan Burton | Director of Nursing & Quality | 140 - 145 | 0 | 0 | 0 | 40 – 42.5 | 180 - 185 | 929.35 |
| Helen Coe | Director of Operations FPH | 135 - 140 | 0 | 0 | 0 | 12.5 – 15 | 145 - 150 | 1,166.35 |
| Lisa Glynn | Director of Operations HWPB | 135 - 140 | 0 | 0 | 0 | 0 | 135 – 140 | 899.15 |
| Tim Ho | Medical Director | ⁹ 235 - 240 | 0 | 0 | 0 | 50 – 52.5 | 285 – 290 | 923.90 |
| Non-Executive Directors | | | | | | | | |
| Pradip Patel | Chairman | 60 - 65 | 0 | 0 | 0 | 0 | 60 - 65 | 0.00 |
| Mark Escolme | Non-Executive Director | 15 - 20 | 0 | 0 | 0 | 0 | 15 - 20 | 0.00 |
| Dawn Kenson | Non-Executive Director | 15 - 20 | 0 | 0 | 0 | 0 | 15 - 20 | 0.00 |
| Ray Long | Non-Executive Director | 15 - 20 | 0 | 0 | 0 | 0 | 15 - 20 | 0.00 |
| Mike O'Donovan | Non-Executive Director | 15 - 20 | 0 | 0 | 0 | 0 | 15 - 20 | 532.45 |
| Rob Pike | Non-Executive Director | 15 - 20 | 0 | 0 | 0 | 0 | 15 - 20 | 0.00 |
| Thoreya Swage | Non-Executive Director | 15 - 20 | 0 | 0 | 0 | 0 | 15 - 20 | 445.05 |
| John Weaver | Non-Executive Director | 15 - 20 | 0 | 0 | 0 | 0 | 15 -20 | 492.55 |

⁷ This represents 20 times the year on year increase in pension plus the cash lump sum payable to the director should they have become entitled to it at 31 March 2019. The calculation complies with the regulator's reporting requirement and is not cash remuneration.

⁸ Total remuneration in this column includes non-salary benefits relating to pension entitlements, as stated at 1 above

⁹ The figure represents total remuneration from the Trust. £160.4k of this relates to the Medical Director's clinical role.

Salary entitlement of senior managers 2017-18

The following table was first published in the Frimley Health NHS Foundation Trust's Annual Report and Accounts 2017-18 and is used here for comparative purposes.

| | | Salary and fees (bands of £5000) £000 | Taxable benefits nearest £100 | Annual performance related bonus (bands of £5000) £000 | Long-term performance related bonus (bands of £5000) £000 | ¹⁰ Pension related benefits (bands of £2500) £000 | ¹¹ Total remuneratio n (bands of £5000) £000 | Expenses £ |
|-----------------------------------|---|--|--|---|--|---|---|---------------|
| Executive Directors | | | | | | | | |
| Neil Dardis¹² | Chief Executive | 5 – 10 | 0 | 0 | 0 | 0 | 5-10 | 0 |
| Sir Andrew Morris | Chief Executive | 210 - 215 | 0 | 0 | 0 | 0 | 210-215 | 2,625.45 |
| Janet King | Director of HR & Corporate Services | 160 - 165 | 0 | 0 | 0 | 85-87.5 | 245-250 | 1,784.55 |
| Nigel Foster¹³ | Director of Finance & IM&T | 90 – 95 | 0 | 0 | 0 | 95-97.5 | 185-190 | 1,279.05 |
| Duncan Burton¹⁴ | Director of Nursing & Quality | 75 – 80 | 0 | 0 | 0 | 57.5-60 | 130-135 | 322.14 |
| Helen Coe | Director of Operations FPH | 130 - 135 | 0 | 0 | 0 | 90-92.5 | 225-230 | 1,258.10 |
| Lisa Glynn | Director of Operations HWPB | 130 - 135 | 0 | 0 | 0 | 0 | 130-135 | 1,053.50 |
| Tim Ho | Medical Director | 235-240 ¹⁵ | 0 | 0 | 0 | 87.5-90 | 320-325 | 816.04 |
| Martin Sykes¹⁶ | <i>Director of Finance & Strategy</i> | <i>45 - 50</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>72.5-75</i> | <i>120-125</i> | <i>110.25</i> |
| Nicola Ranger¹⁷ | <i>Director of Nursing & Quality</i> | <i>10 - 15</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>200-202.5</i> | <i>210-215</i> | <i>362.50</i> |
| Non-Executive Directors | | | | | | | | |
| Pradip Patel | Chairman | 60-65 | 0 | 0 | 0 | 0 | 60-65 | 0 |
| Mark Escolme | Non-Executive Director | 15-20 | 0 | 0 | 0 | 0 | 15-20 | 0 |
| Dawn Kenson | Non-Executive Director | 15-20 | 0 | 0 | 0 | 0 | 15-20 | 0 |
| Ray Long | Non-Executive Director | 0-5 | 0 | 0 | 0 | 0 | 0-5 | 0 |
| Mike O'Donovan | Non-Executive Director | 15-20 | 0 | 0 | 0 | 0 | 15-20 | 526.61 |
| Rob Pike | Non-Executive Director | 15-20 | 0 | 0 | 0 | 0 | 15-20 | 0 |
| Thoreya Swage | Non-Executive Director | 15-20 | 0 | 0 | 0 | 0 | 15-20 | 549.54 |
| John Weaver | Non-Executive Director | 15-20 | 0 | 0 | 0 | 0 | 15-20 | 0 |

¹⁰ This represents 20 times the year on year increase in pension plus the cash lump sum payable to the director should they have become entitled to it at 31 March 2018. The calculation complies with the regulator's reporting requirement and is not cash remuneration.

¹¹ Total remuneration in this column includes non-salary benefits relating to pension entitlements, as stated at 1 above

¹² Due to Neil joining the Trust 19 March 2018, pension benefits for this employment were not significant

¹³ Nigel Foster joined in August 2017

¹⁴ Duncan Burton joined in September 2017

¹⁵ The figure represents total remuneration from the Trust. £159.5k of this relates to the Medical Director's clinical role.

¹⁶ Martin Sykes resigned in July 2017

¹⁷ Nicola Ranger resigned in April 2017

Pension benefits of senior managers 2018-19 (information subject to audit)

| Name | Title | Real increase in pension and related lump sum at age 60 (bands of £2,500) £000 | Total accrued pension and related lump sum at age 60 at 31 March 2017 (bands of £5,000) £000 | Cash equivalent transfer value at 31 March 2019 £000 | Cash equivalent transfer value at 31 March 2018 £000 | Real increase in cash equivalent transfer value £000 |
|---------------------------------|-------------------------------------|--|--|--|--|--|
| Neil Dardis¹⁸ | Chief Executive | 2.5 – 5 | 160 – 165 | 789 | 643 | 114 |
| Janet King | Director of HR & Corporate Services | 7.5 – 10 | 260 – 265 | 1,584 | 1,365 | 153 |
| Nigel Foster | Director of Finance & IM&T | 5 – 7.5 | 100 – 105 | 623 | 488 | 100 |
| Duncan Burton | Director of Nursing & Quality | 2.5 – 5 | 125 – 130 | 594 | 467 | 92 |
| Helen Coe | Director of Operations, FPH | 0 – 2.5 | 230 – 235 | 1,316 | 1,134 | 128 |
| Lisa Glynn¹⁹ | Director of Operations, HWPB | - | - | - | - | - |
| Tim Ho | Medical Director | 5 – 7.5 | 235 – 240 | 1,308 | 1,077 | 161 |

Notes to table above:

Non-executive directors are not listed because they do not receive pensionable remuneration.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which 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

On 16 March 2016, the Chancellor of the Exchequer announced a change in the Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate from 3.0% to 2.8%. This rate affects the calculation of CETV figures in this report. Due to the lead time required to perform calculations and prepare annual reports, the CETV figures quoted in this report for members of the NHS Pension scheme are based on the previous discount rate and have not been recalculated.

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 and uses common market valuation factors for the start and end of the period.

There were no service contract obligations affecting senior manager contracts. The Trust does not have a specific policy regarding payment for loss of office for senior managers. There have been no payments for loss of office within the period of this report. If circumstances require, the Trust will arrange payment on an individual basis with a view to best practice and other relevant policies.

¹⁹ Lisa Glynn opted out of the pension scheme with effect from 1 April 2015.

Annual report on remuneration

The narrative elements of the Remuneration Report are not subject to audit. The salary and pension information contained on pages 38 to 40 has been audited along with details on the median salary as a ratio of the highest paid director's remuneration on page 43. The Remuneration Report includes details of the remuneration paid to the Chairman and directors of the Trust (the 'senior managers'²⁰ who influence the decisions of the Trust as a whole).

There are two committees within the Trust's governance arrangements with responsibility for remuneration of the Board of Directors:

- Non-Executive Remuneration Committee, or NERC (a committee of the Council of Governors)
- Performance and Remuneration Committee, or PRC (a committee of the Board of Directors)

It has been the policy of the finance department to ensure that all off-payroll engagements are identified. A sample check has been conducted by contacting the employee directly via email or phone to ensure that tax arrangements are sufficient for any engagement.

Performance and Remuneration Committee (PRC)

Acts on behalf of the Board of Directors to:

- Make decisions upon the performance and remuneration and terms of service for the chief executive and other executive directors. This includes all aspects of salary, termination, and other major contractual terms.
- Recommend and monitor the level and structure of remuneration for senior management.
- Operate in accordance with the principles outlined in 'The NHS Foundation Trust Code of Governance' produced by Monitor.

The Chief Executive attends meetings of the PRC by invitation, but will not attend during any discussions on matters where there may be a conflict of interest. Other directors may attend by invitation on a similar basis. The company secretary will assist in preparing agendas, papers and minutes for the PRC. Full attendance for individual members of the PRC during the year appears in the Board members attendance table, page 33.

Expenses

Information on the expenses claimed by directors and non-executive directors is included in the table Salary entitlements of senior managers 2018-19 on page 38. In the year ended 31 March 2019, three governors claimed a total of £402.55 in expenses.

Executive directors' remuneration 2018-19

Full details of the salaries and pension entitlements of the executive and non-executive directors of the Trust are detailed in the remuneration report which has been audited. Details of the Trust's staff costs are set out in note 4 of the notes to the accounts.

²⁰ "those persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS foundation trust"

Non-Executive Remuneration Committee (NERC)

The NERC is a committee of governors. Its purpose is to:

- Satisfy itself that proper procedures are in place for the appraisal of non-executive directors (including the chairman) in accordance with NHSI's NHS Foundation Trust Code of Governance and current best practice.
- Participate in the recruitment of non-executive directors (including the Chairman) with the Board of Directors' Nominations Committee.
- Recommend to the Council of Governors:
 - a) The appointment of the chairman and non-executive directors.
 - b) The terms of appointment and appropriate remuneration of the chairman and non-executive directors.

In addition, the NERC leads and reports on an annual assessment of the Board by all members of the Council of Governors (CoG). This is carried out by questionnaire, the results of which are reviewed by the CoG and the Board and an annual meeting with the non-executive directors at which it examines how individually and collectively the non-executive directors conduct their business and fulfil their role.

Robert Bown, elected as a Trust governor on 1 April 2014 for the Surrey Heath & Runnymede constituency, was elected as Lead Governor with effect from 1 November 2015. He stood for election in 2018 and was re-elected for the same constituency. Lead governor elections were held shortly after the constituency elections and he was re-elected as Lead governor. Both of these terms will end on 31 October 2020.

The NERC comprised:

- Seven public governors
- One staff governor

The Chairman, Senior Independent Director, Chief Executive, Director of HR and Corporate Services and other advisors may be invited to attend all or part of the NERC meeting. In the year ended 31 March 2019, the NERC met three times.

| Governor name | Constituency | Total |
|---|---|--------------|
| Robert Bown (re-elected as Lead Governor 6 Nov 2018) | Public: Surrey Heath & Runnymede | 3/3 |
| Jill Walker | Public: Hart and East Hampshire | 1/3 |
| Michele White | Public: Rushmoor | 2/2 |
| Graham Leaver | Public: Slough | 1/3 |
| Paul Henry | Public: Chiltern, South Bucks & Wycombe | 1/3 |
| John Lindsay | Public: Bracknell Forest & Wokingham | 2/3 |
| Rod Broad | Public: Windsor & Maidenhead | 2/3 |
| Bob Soin | Staff: Wexham Park | 1/3 |
| Total | | 13/23 |

Non-executive directors' remuneration 2018-19

An increase to the fees payable to the Chairman and non-executive directors was approved by the Council of Governors in May 2014, effective from February 2015. The same rates were held for 2015-16 and 2016-17. For 2017-18, a 1% increase was agreed and applied to all non-executive directors.

The Hay group were commissioned during 2018-19 to undertake a benchmarking review of the fees paid to non-executive directors who held special responsibilities. This review recommended a flat fee of £3,000 per annum be awarded to each of the four chairs of substantive Board sub-committees: Audit Committee, Commercial Development and Investment Committee (CDIC), Finance Assurance Committee (FAC) and the Quality Assurance Committee (QAC) – this additional award applying only for the duration of occupancy of the chair roles. The NERC subsequently recommended this proposal to the Council of Governors and this was approved, effective from 1 April 2018.

The final NERC meeting for the year was held in March 2019 and considered the 2018-19 basic pay awards to the non-executive directors, including the Chairman, and also the award of £3,000 to the chair of the newly created People sub-committee of the Board. The committee agreed to recommend to the Council of Governors (to be considered at their meeting in May 2019), that a 1% increase be applied to the basic non-executive directors' salaries, effective 1 April 2018. The additional fee of £3,000 to be awarded to the People Committee chair was also agreed, effective from 1 May 2019 at which time the equivalent fee in payment to the chair of the CDIC would cease due to this committee amalgamating with the FAC to form one overriding Finance Investment Committee.

Median salary / highest paid director (information subject to audit)

The HM Treasury Financial Reporting Manual 2011-2012 (FReM) introduced the requirement to disclose the median remuneration of all staff employed by the reporting entity and the ratio between this figure and the mid-point of the banded remuneration of the highest paid director. The calculation is based on full time equivalent staff of the reporting entity at the reporting period end date on an annualised basis.

The following data represent the ratio of median annual salary to the highest paid director's remuneration.

| | 31 March 2019 | 31 March 2018 |
|---|---------------|---------------|
| Highest paid director's remuneration | £237,500 | £232,500 |
| Median salary: | | |
| Annualised WTE basis | £24,915 | £24,547 |
| Represented as a ratio | 9.5 | 9.5 |

Explanatory note for above:

- The median pay calculation is based on the salary paid to staff in post on 31 March 2019.
- The reported salary used to estimate the median pay is the gross cost to the Trust, less employer's pension and employer's Social Security costs.
- The reported annual salary for each whole time equivalent has been calculated using the appropriate spine point on the contractual pay scale or actual annual salary as at 31 March 2019 where no pay scale is used.
- Payments made in March 2019 to staff who were part-time were pro-rated to a whole time equivalent salary.
- The highest paid director is excluded from the median pay calculation.
- The highest paid director's remuneration is based on their total remuneration which includes all salaries and allowances (including fees), bonus payments and other remuneration.

- *The salary of the highest paid director has been taken as the midpoint of their £5,000 total remuneration banding.*
- *The Trust performs all of its services in house, with the exception of laundry, on all sites. This may contribute to a higher ratio than in other organisations where significant support services are outsourced and therefore the median salary may be higher.*



Neil Dardis
Chief Executive
22 May 2019

Staff report

Recruiting and retaining good staff remains a strategic focus and will be central to continually improving quality of care and reducing agency costs.

We have continued to focus on recruiting and keeping staff to bring down the Trust's costly reliance on locum and agency staff. While recruitment remains a key challenge and risk, we did make inroads during the year, the key success was reducing our nursing and midwifery vacancy rate from 12% to 7.5%. Over the last 12 months we have recruited 377 nurses, with 99 of these nurses (26%) recruited from India or the Philippines.

Statistics of substantive staff

| | Total number (March 2019) | Percentage | Total number (March 2018) | Percentage |
|----------------------------------|------------------------------|------------|------------------------------|------------|
| Total number of employees | 9,490 | | 9,361 | |
| Male | 2,099 | 22.1% | 2,032 | 21.7% |
| Female | 7,391 | 77.9% | 7,329 | 78.3% |
| Directors | 7 | | 7 | |
| Male | 4 | 57% | 4 | 57% |
| Female | 3 | 43% | 3 | 43% |
| Other senior managers | 34 | | 33 | |
| Male | 14 | 41% | 15 | 45% |
| Female | 20 | 59% | 18 | 55% |

| | Total number (March 2019) | Percentage | Total number (March 2018) | Percentage |
|---|------------------------------|------------|------------------------------|------------|
| Staff in post – full-time equivalent (FTE) | 8,440 | | 8,189.2 | |
| Staff in post - headcount | 9,443 | | 9,361 | |
| Sickness absence rate | | 2.5% | | 3.2% |
| Vacancy rate | | 10.6% | | 11.8% |
| Turnover rate | | 14% | | 15% |
| Appraisal rate | | 75% | | 62% |

| Average number of employees by group (whole time equivalent) | Total | Permanent |
|--|--------------|--------------|
| Medical and dental | 1,066 | 1,059 |
| Administration and estates | 1,717 | 1,717 |
| Healthcare assistants and other support staff | 1,702 | 1,695 |
| Nursing, midwifery and health visiting staff | 2,408 | 2,393 |
| Scientific, therapeutic and technical staff | 1,199 | 1,196 |
| Agency and contract staff | 273 | |
| Bank staff | 753 | |
| Total average numbers | 9,119 | 8,060 |

Staff engagement

As a major employer in the area, Frimley Health is committed to the principles of partnership working and staff engagement. The Trust strongly believes that involving staff in decision making processes draws upon their knowledge and experience from their work environment to generate ideas that will help develop and modernise NHS services.

The Trust has a range of standing and project groups and committees that seek to involve staff in making decisions about future developments. For example, a Staff Council which meets regularly provides an effective method of regular consultation between managers and staff representatives and forms the basis of a constructive and co-operative approach towards achieving corporate goals. The Staff Council also reviews and approves staff bids for funds from the Improving Working Lives lottery fund. This fund uses the proceeds of a monthly staff lottery to pay for a range of items to improve the working environment, from a new kettle for a staff rest room to funding for a new cycle pathway for staff.

The Trust also has other consultative bodies to discuss specific areas of joint interest with staff representatives such as the local communications networks, the Health, Safety and Environment Committee, Health and Wellbeing Committee and the Equality and Diversity Steering Group. In the last year, a Social Activities Committee has been very active in organising events and trips for staff as part of the staff engagement and wellbeing agenda.

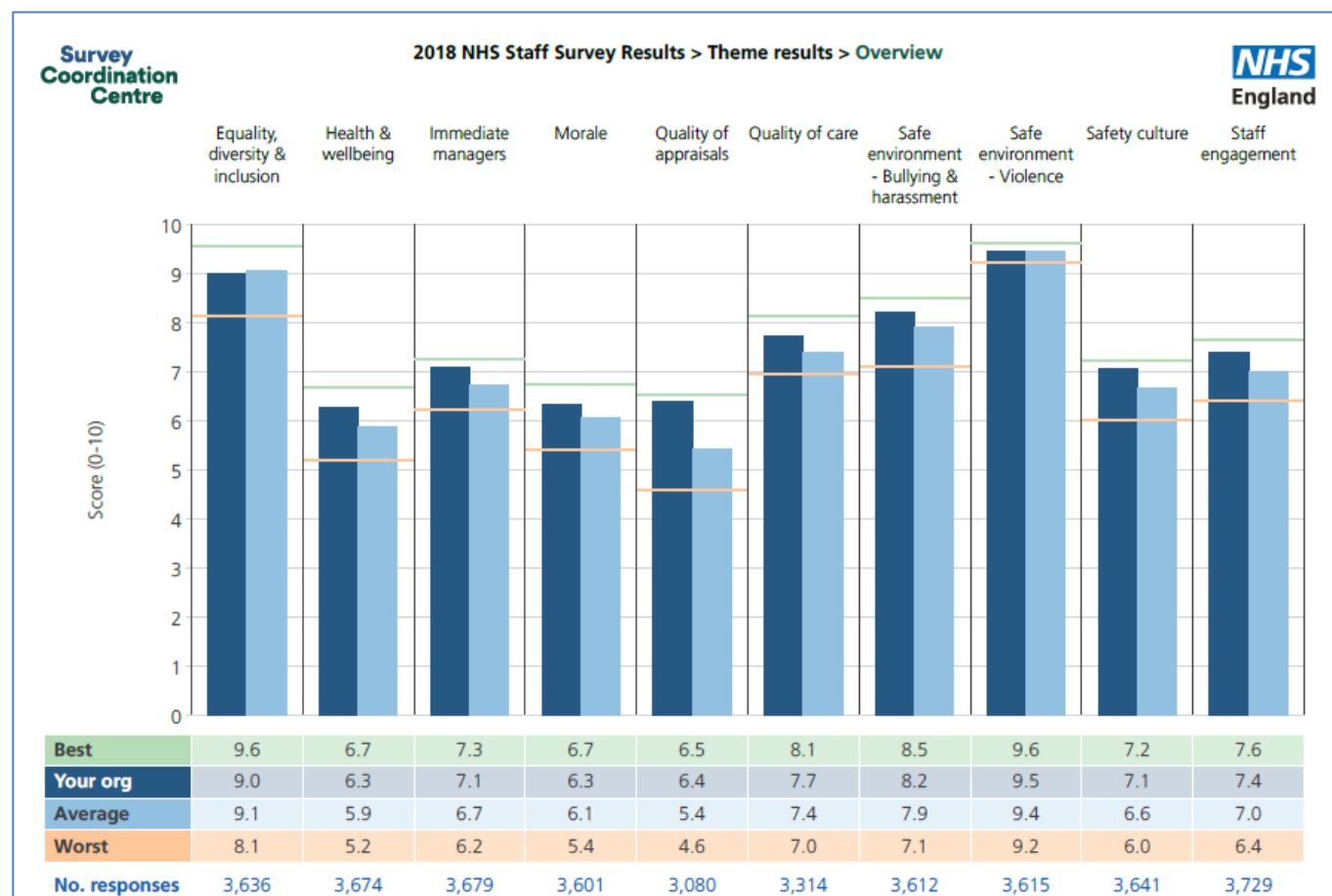
Mechanisms in place to monitor and learn from staff feedback include:

- Business planning within directorates, involving managers and staff
- The clinical governance infrastructure, which enables multidisciplinary discussion of clinical issues and service improvement
- Regular face-to-face update briefings from the Chief Executive from which key points are cascaded to teams and departments, with the opportunity for staff to ask questions and raise concerns
- A fortnightly newsletter to which all staff are encouraged to contribute
- A trust intranet which includes real time staff news updates
- Staff following the Trust on its official Facebook and Twitter sites and contributing to exchanges as appropriate
- The annual NHS Staff Survey and action planning and the staff Friends and Family Test
- Investors in People reviews
- Annual appraisal for all staff
- A single integrated intranet for all staff. Ourplace includes personalisation and engagement tools.

National Staff Survey

The survey is carried out annually across the NHS on behalf of the Care Quality Commission. Staff in NHS trusts were questioned anonymously from October to December 2018 and the results published in February 2019. The Trust undertook a census survey (all staff rather than a representative sample) in 2018 and had a 43% response rate. With 3,764 out of 8,807 staff responding, this represented a 5% improvement since 2016 and brings us close to the average response rate for acute trusts of 44%.

An overview of the 10 key themes and how the Trust compares with all 89 acute trusts across the country is shown here:



Trust Performance on 10 National Staff Survey Themes

These results demonstrate Frimley Health's consistent and improving performance with respect to staff experience. There are statistically significant improvements against four of the themes – staff engagement, immediate managers, quality of appraisals and safety culture – as shown below:

The table below presents the results of significance testing conducted on this year's theme scores and those from last year*. It details the organisation's theme scores for both years and the number of responses each of these are based on.

The final column contains the outcome of the significance testing: ↑ indicates that the 2018 score is significantly higher than last year's, whereas ↓ indicates that the 2018 score is significantly lower. If there is no statistically significant difference, you will see 'Not significant'. When there is no comparable data from the past survey year, you will see 'N/A'.

| Theme | 2017 score | 2017 respondents | 2018 score | 2018 respondents | Statistically significant change? |
|--|------------|------------------|------------|------------------|-----------------------------------|
| Equality, diversity & inclusion | 9.0 | 3332 | 9.0 | 3636 | Not significant |
| Health & wellbeing | 6.2 | 3378 | 6.3 | 3674 | Not significant |
| Immediate managers | 6.8 | 3347 | 7.1 | 3679 | ↑ |
| Morale | | 0 | 6.3 | 3601 | N/A |
| Quality of appraisals | 6.2 | 2658 | 6.4 | 3080 | ↑ |
| Quality of care | 7.7 | 3002 | 7.7 | 3314 | Not significant |
| Safe environment - Bullying & harassment | 8.2 | 3302 | 8.2 | 3612 | Not significant |
| Safe environment - Violence | 9.5 | 3283 | 9.5 | 3615 | Not significant |
| Safety culture | 6.9 | 3357 | 7.1 | 3641 | ↑ |
| Staff engagement | 7.2 | 3444 | 7.4 | 3729 | ↑ |

* Statistical significance is tested using a two-tailed t-test with a 95% level of confidence.

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Future priorities and targets

Overall the results were encouraging and show continued improvement since 2017, which were themselves a good set of results.

Last year's action plan in response to the staff survey results included a drive to improve the quality of appraisals (which have improved according to the 2018 results). This year's corporate action plan will incorporate actions to continue to drive up quality and quantity of appraisals and to encourage leaders to use their local results to make improvements in their areas, as well as to target areas where the Trust has scored lower on average than similar trusts.

Staff absence rate

The rate of absence for Frimley Health for 2018–19 decreased to 2.5% from the previous year's 3.2%.

Equality and diversity

Frimley Health has published annual employment and service information, thereby demonstrating compliance with the Public Sector Equality Duty. Reports about equality and diversity can be found on the Trust's website describing the progress being made against agreed four year Equality Objectives. Frimley Health's Equality Objectives are now being reviewed and the review will ensure continued alignment with statutory requirements including the upcoming Workforce Disability Equality Standard. Revised objectives will be published on the Trust's website in April 2019.

Disabled staff

Frimley Health is meeting requirements of the Disability Confident Kitemark. The Trust continues to:

- Actively look to attract and recruit disabled people
- Provide a fully inclusive and accessible recruitment process
- Offer an interview to disabled people who meet the minimum criteria for the job
- Exercise flexibility when assessing people so disabled job applicants have the best opportunity to demonstrate that they can do the job
- Proactively offer and make reasonable adjustments as required
- Encourage our suppliers and partner firms to be 'Disability Confident'
- Ensure employees have appropriate disability equality awareness

In the period April 2018 to March 2019, Frimley Health received 986 applications for jobs from disabled applicants. Of these, 537 disabled applicants were shortlisted and 57 disabled interviewees were appointed.

To encourage disabled applicants to apply for jobs, Frimley Health will continue to take positive action to target disabled applicants through Job Centre Plus and other bodies who support placements for disabled staff in the workplace.

The Trust is committed to retaining existing employees who become disabled during their employment if at all possible. The occupational health team advises managers on reasonable adjustments to enable people to stay in their roles. Adjustments may include changing working times or patterns, or providing equipment or support. If reasonable adjustments are not possible within the person's role, the Trust reviews whether an alternative role can be found for them.

Medical

The number of medical staff since 1 April 2018 throughout the year is shown in the table below:

| | Medical staffing: whole time equivalent posts | Medical staffing: headcount |
|------------|--|--------------------------------|
| April 2018 | 1,055 | 1,143 |
| May 2018 | 1,046 | 1,146 |
| Jun 2018 | 1,067 | 1,144 |
| Jul 2018 | 1,051 | 1,140 |
| Aug 2018 | 1,019 | 1,106 |
| Sep 2018 | 1,034 | 1,121 |
| Oct 2018 | 1,057 | 1,150 |
| Nov 2018 | 1,073 | 1,155 |
| Dec 2018 | 1,080 | 1,159 |
| Jan 2019 | 1,081 | 1,154 |
| Feb 2019 | 1,067 | 1,149 |
| Mar 2019 | 1,074 | 1,157 |

Occupational health and safety

The department, which incorporates fire safety and local security management, was involved in a number of projects over the year. These included:

- Helping develop the staff health and wellbeing programme.
- Upgrading the fire alarm systems. Much of Wexham Park Hospital is now compliant with the highest standard and work on the remaining areas of the system continues.
- Advising on the workstations and equipment for the new Greenwood offices at Heatherwood, and ensuring the fire safety and security of the refurbished building.
- Developing an online portal to handle management referrals and speed up the resolution of work related staff health enquiries.
- Championing the purchase of equipment to help comfortably and safely raise and move a patient with mobility issues. This included new 'Hovermats' and Hoverjacks' and replacing and upgrading a number of patient hoists.
- Several of the department's staff have been trained to deliver the Make Every Contact Count (MECC) initiative. The MECC initiative enhances staff communication skills so they can support colleagues to make positive lifestyle changes

This year a lot of focus was placed on staff wellbeing, for example working with colleagues in Health Improvement to promote a comprehensive new programme of staff mental health and psychological training. In addition, smoking cessation clinics were launched in January 2019 and have been very popular.

It has been established that good patient care is linked with staff health and wellbeing, and therefore it was reassuring for the Trust to be rated once again, (in the national NHS annual staff survey), as being in the best 20% of trusts for the incidence of stress at work.

This year's annual flu vaccination programme for staff saw resulted in 53.7% of frontline colleagues being immunised. Despite a big effort in an attempt to build upon the success of last year's campaign the result was disappointing and reflected a trend experienced at a number of other trusts. Several reasons have been suggested, including the warm weather before Christmas and in February 2019.

Expenditure on consultancy and exit packages

Between 1 April 2018 and 31 March 2019 the Trust spent £1.7m on consultancy costs. For exit packages, see section 4.2 of the Trust's Annual Accounts 2018-19.

Off payroll engagements

For all off-payroll engagements as of 31 March 2019 for more than £245 per day and that last for longer than six months

| Number of existing engagements as of 31 March 2019 | 2018-19 number of engagements |
|--|-------------------------------|
| Number that have existed for less than one year at the time of reporting | 2 |
| Number that have existed for between one and two years at the time of reporting | 0 |
| Number that have existed for between two and three years at the time of reporting | 0 |
| Number that have existed for between three and four years at the time of reporting | 0 |
| Number that have existed for four or more years at the time of reporting | 0 |

For all off-payroll engagements as of 31 March 2018 for more than £245 per day and that last for longer than six months

| Number of existing engagements as of 31 March 2018 | 2017-18 number of engagements |
|--|-------------------------------|
| Number that have existed for less than one year at the time of reporting | 0 |
| Number that have existed for between one and two years at the time of reporting | 0 |
| Number that have existed for between two and three years at the time of reporting | 1 |
| Number that have existed for between three and four years at the time of reporting | 0 |
| Number that have existed for four or more years e of reporting | 0 |

There were no off-payroll engagements of Board members or senior officials with significant financial responsibility between 1 April 2017 and 31 March 2018.

Code of Governance

Board committees, membership and roles

Frimley Health 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.

Membership of Board Committees

| | Audit Committee | Nominations Committee | Performance and Remuneration Committee |
|---|---|---|--|
| Chairperson of committee: | Dawn Kenson | Pradip Patel | Dawn Kenson |
| Non-executive director members: | Mike O'Donovan Ray Long | Thoreya Swage Dawn Kenson Ray Long | Pradip Patel Thoreya Swage Ray Long |
| Executive directors in attendance: | Nigel Foster Helen Coe Lisa Glynn | Neil Dardis* Janet King | Neil Dardis |
| Total number of executive and non-executive directors (including Chairman) | 6 (3 non-executive directors; 3 executive directors in attendance) | 6 (4 non-executive directors and CEO; plus 1 executive director in attendance) | 5 (4 non-executive directors; 1 executive director in attendance) |

*Chief Executive is a full member for all appointments other than CEO

Council of Governors

The Trust has a Council of Governors which comprises elected and appointed governors of the Trust.

The Board of Directors reports to the Council of Governors on the performance of the Trust and its progress against agreed strategic and corporate objectives, and consults on its future direction. Governors report matters of concern raised at their local health event constituency meetings to their counterparts and to the directors. Members of the public are given the opportunity to ask questions addressed to the governors, directors or any other staff members in attendance at the local health events or Council of Governors' meetings.

All Board Members (executive directors and non-executive directors) are invited to attend the Council of Governors' meetings in order to gain an understanding of the views of the Trust's governors and members. Furthermore, others may attend for the purpose of providing assurance or to report on progress of any key matters of interest.

Governors are encouraged to canvass opinions and concerns of the members they represent at a series of well-attended public constituency meetings (promoted as 'health events'), particularly on the Trust's plans, priorities and strategies. They may also canvass opinion at other Trust events, both formal and informal, and via their own initiatives and networks. Members' views are fed back to the

Board at quarterly Board of Directors/Council of Governors workshop events (known as BODCOGs), at other meetings with directors, or directly via the Chief Executive's office if appropriate.

Additionally, the BODCOG workshops serve to develop the relationship between the groups and brief/update the governors on key issues, developments or other matters requiring the attention of the Council of Governors. This informal setting allows governors to discuss and challenge performance and the priorities for the organisation. The workshops include reference to the key risks the Trust faces and an explanation as to how they are being managed.

The Board of Directors receives feedback on the views of governors by:

- Attending the Council of Governors meetings, which meets quarterly
- An executive and non-executive director attending each of the local health event meetings
- The Board of Directors meeting informally with the Council of Governors at private workshops, which encourage more interaction and feedback between executive and non-executive directors and governors
- The Chairman and Chief Executive host private 'drop-in' sessions for governors.

Role of the governors

The Council of Governors' role is to influence the strategic direction of the Trust so that it takes account of the needs and views of the members, the local community and key stakeholders, to hold the Board to account on the performance of the Trust, to help develop a representative, diverse and well-involved membership, and to help make a noticeable improvement to patient experience. It meets at BODCOG workshops and committees to discuss business. The Council of Governors also meets to carry out other statutory and formal duties, including the appointment of the Chairman and non-executive directors of the Trust and the appointment of the external auditor.

In the event of a dispute or disagreement between the Council of Governors and Board of Directors, in the first instance the Chairman would endeavour to resolve this. Should a resolution not be reached, the Chairman may ask the company secretary, Senior Independent Director and/or the deputy chairman to review the matter further. If a final decision is not reached, the matter would be referred back to the Chairman for a final decision.

If a dispute arose regarding the interpretation of the standing orders and the procedure to be followed at meetings of the Council of Governors, the Trust and the parties to the dispute would use all reasonable endeavours to resolve the dispute as quickly as possible.

If a dispute arose which involves the Chairman, the dispute would be referred to the Senior Independent Director, who would use all reasonable efforts to mediate a settlement to the dispute.

In addition to their duty to hold the non-executive directors, individually and collectively, to account for the performance of the Board of Directors, the Council of Governors is responsible for:

- appointing or removing the Chairman and the other non-executive directors
- approving an appointment (by the non-executive directors) of the Chief Executive
- deciding on the remuneration and allowances, and the other terms and conditions of office, of the Chairman and the other non-executive directors

- appointing or removing the Trust's auditor
- appointing or removing any auditor appointed to review and publish a report on any other
- aspect of the Trust's affairs
- approving significant transactions
- approving any changes to the Trust's Constitution.

To allow the governors to exercise their statutory duties, the Board of Directors is responsible, among other things, for ensuring the Council of Governors:

- receives the Annual Report and Accounts
- is consulted on the content of the Quality Accounts
- is presented with other management reports detailing Trust performance in all areas: clinical, operational and financial
- is able to provide its views to the Board of Directors when the Board of Directors is preparing the document containing information about the Trust's forward planning
- is able to engage with each governor's specific member constituents or, in the case of an appointed governor, to do so with members of the representing organisation.

During 2018-19 the Council of Governors made no new appointments but agreed to extend the contract of the trust's external auditors by two years.

For a schedule of types of decisions reserved for each of the boards and those that are delegated to the executive management of the Board of Directors, refer to the Frimley Health NHS FT Constitution on the Trust website www.fhft.nhs.uk (under 'About us' – 'Publications').

Membership of the Council of Governors

In 2018-19 the membership of the Council of Governors comprised 22 governors.

Eight non-executive directors (including the Chairman) and seven executive directors (including the Chief Executive) also attended the Council of Governors meetings by invitation.

Lead Governor

The publicly-elected governors select one public governor from their group to be the Lead Governor of the Council of Governors. The Lead Governor coordinates any communication that might, in extreme circumstances, be necessary between NHSI formerly Monitor (the independent regulator) and the other governors and acts as a main point of contact for the Chairman and the Senior Independent Director. From October 2015 Robert Bown, public governor for Surrey Heath & Runnymede, had been the Lead Governor. Robert Bown was re-elected in 2018 as a public governor and was also successfully re-elected as Lead Governor for the remainder of his term until October 2020.

Composition of the Council of Governors

As required under the NHS Act 2006, the majority of the Trust's governors are publicly elected. Public governors nominate themselves for election within their local constituencies which are based on local authority ward boundaries. As at 31 March 2019, there were 15 elected public governors.

Staff governors are elected by way of self-nomination and constituency voting. As at 31 March 2019, there were three staff governors in post.

Stakeholder governors are appointed by partnership or stakeholder organisations. As at 31 March 2019, there were three stakeholder governors in post.

The number of governor positions within the various constituencies for Frimley Health NHS Foundation Trust as at 31 March 2019 is detailed below.

Governor positions

| Constituency | Number of governors |
|---|---------------------|
| Bracknell Forest & Wokingham | 2 |
| Chiltern, South Buckinghamshire & Wycombe | 1 |
| Hart & East Hampshire | 2 |
| Outer Catchment Area (Rest of England) | 1 |
| Rushmoor | 2 |
| Slough | 2 |
| Surrey Heath & Runnymede | 2 |
| Guildford, Waverley & Woking | 1 |
| Windsor, Ascot & Maidenhead | 2 |
| Staff: Frimley Park | 1 |
| Staff: Wexham Park | 1 |
| Staff: Heatherwood & Community Hospital | 1 |
| Hampshire County Council | 1 |
| Surrey County Council | 1 |
| Berkshire Councils (agreed rotating appointment by Slough, Windsor & Maidenhead, Bracknell Forest and Wokingham Borough Councils) | 1 |
| Ministry of Defence | 1 |
| Total | 22 |

Governor Elections

Throughout September and October 2018, Frimley Health NHS Foundation Trust held elections for public governors in four public constituencies (Hart and East Hampshire, Rushmoor, Guildford, Waverley and Woking and Surrey Heath and Runnymede) in accordance with its Constitution.

Nominations for elections opened between 4 August and 5 September 2018. Elections ran from 25 September to 18 October 2018 and results were declared the following day.

Further elections were held to fill the staff vacancy for Heatherwood and the community hospitals and for Rushmoor. Elections opened on 20 February and closed on 12 March 2019 with the results declared on the following day.

Frimley Health's elected public governors as at 31 March 2019

| Constituency | Governor | Date first elected ²¹ | End of tenure | Term of office |
|---|----------------------|----------------------------------|------------------|----------------|
| Bracknell Forest and Wokingham | Jan Burnett | 1 Jan 15 | 31 Oct 19 | 2nd |
| Bracknell Forest and Wokingham | John Lindsay | 1 Apr 14 | 31 Oct 19 | 2nd |
| Chiltern, South Buckinghamshire & Wycombe | Paul Henry | 1 Jan 15 | 31 Oct 20 | 2nd |
| Guildford, Waverley & Woking | Sylvia Thomson | 1 Nov 18 | 31 Oct 21 | 1st |
| Hart & East Hampshire | Donna Brown | 1 Nov 18 | 31 Oct 21 | 1st |
| Hart & East Hampshire | Jill Walker | 29 Oct 15 | 31 Oct 18 | 1st |
| Outer Catchment Area (Rest of England) | Paul Sahota | 1 Nov 17 | 31 Oct 20 | 1st |
| Rushmoor | Kevin Watts | 29 Oct 15 | 31 Oct 21 | 2nd |
| Rushmoor | Brian Hambleton | 13 Mar 19 | 31 Oct 21 | 1st |
| Slough | Graham Leaver | 1 Jan 15 | 31 Oct 19 | 2nd |
| Slough | Robert Miles | 1 Nov 16 | 31 Oct 19 | 1st |
| Surrey Heath & Runnymede | Mary Probert | 1 Apr 14 | 31 Oct 21 | 3rd |
| Surrey Heath & Runnymede | Robert Bown | 1 Apr 11 | 31 Oct 20 | 3rd |
| Windsor and Maidenhead | Robin Maiden | 1 Nov 16 | 31 Oct 19 | 1st |
| Windsor and Maidenhead | Rod Broad | 1 Jan 15 | 31 Oct 19 | 2nd |
| <i>Guildford, Waverley & Woking</i> | <i>Michael Maher</i> | <i>1 April 13</i> | <i>31 Oct 18</i> | <i>2nd</i> |
| <i>Hart & East Hampshire</i> | <i>Denis Gotel</i> | <i>29 Oct 15</i> | <i>31 Oct 18</i> | <i>1st</i> |
| <i>Rushmoor</i> | <i>Michele White</i> | <i>1 Apr 14</i> | <i>31 Oct 18</i> | <i>2nd</i> |

Following the merger of Frimley Park Hospital with Wexham Park and Heatherwood Hospitals forming Frimley Health NHS Foundation Trust in October 2014 the terms of office have been calculated from 1 November 2014.

In total there are 15 public governors including one governor from the Rest of England category (Outer Catchment Area). These 15 governors are elected across nine constituencies.

Frimley Health's elected staff governors as at 31 March 2019

| Constituency | Governor | Date elected | End of tenure | Term of office |
|--|-----------------------|-----------------|------------------|----------------|
| Frimley Park Hospital | Christina Ogarra | 1 Jul 18 | 31 Oct 20 | 1st |
| Wexham Park Hospital | Bob Soin | 1 Jan 15 | 31 Oct 20 | 2nd |
| Heatherwood & the Community Hospitals | Sasha Cummins | 13 Mar 19 | 31 Oct 20 | 1st |
| <i>Frimley Park</i> | <i>Shauna McMahon</i> | <i>1 Apr 17</i> | <i>31 Aug 18</i> | <i>NA</i> |
| <i>Heatherwood & the Community Hospitals</i> | <i>Fran Campbell</i> | <i>1 Nov 17</i> | <i>1 Aug 18</i> | <i>NA</i> |

²¹ Where a governor has been re-elected, this column will show the date of the original appointment.

Stakeholder governors appointed as at 31 March 2019

| Constituency | Governor | Date appointed | End of tenure | Term of office |
|---|-----------------------------|----------------|---------------|----------------|
| Ministry of Defence | Lt. Col Helen Winder | Jul 18 | - | 1st |
| Hampshire County Council | Rod Cooper | Sep 18 | - | 1st |
| Surrey County Council | VACANCY | | | |
| Berkshire Councils (comprising Slough Borough, Bracknell Forest, Wokingham and Windsor & Maidenhead Councils) | Natasa Pantelic | Jan 2018 | Oct 2019 | 1st |
| <i>Surrey County Council</i> | <i>Paul Deach</i> | <i>Jul 17</i> | <i>Jan 18</i> | <i>-</i> |
| <i>Ministry of Defence</i> | <i>Colonel Tracey Yates</i> | <i>Jul 17</i> | <i>Jul 18</i> | <i>1st</i> |
| <i>Hampshire County Council</i> | <i>Roz Chadd</i> | <i>May 17</i> | <i>Sep 18</i> | <i>1st</i> |

In accordance with the Frimley Health Constitution, the appointed governors from Hampshire County Council, Surrey County Council, the Berkshire Councils and the Ministry of Defence will continue until their term in office ceases.

Attendance at Council of Governors meetings

Individual attendance at the Council of Governors' meetings, which are held in public, are detailed in the table below. There were four meetings held in 2018-19.

Governors' attendance at the Council of Governors meetings in the year ended 31 March 2019

| Constituency | Governor | Total |
|---|-----------------|-------|
| Public: Bracknell Forest & Wokingham | Jan Burnett | 4/4 |
| Public: Bracknell Forest & Wokingham | John Lindsay | 4/4 |
| Public: Chiltern, South Buckinghamshire & Wycombe | Paul Henry | 2/4 |
| Public: Guildford, Waverley & Woking (term ended 31/10/18) | Michael Maher | 2/2 |
| Public: Guildford, Waverley & Woking | Sylvia Thompson | 2/2 |
| Public: Hart & East Hampshire | Denis Gotel | 1/2 |
| Public: Hart & East Hampshire | Jill Walker | 2/4 |
| Public: Hart & East Hampshire | Donna Brown | 1/2 |
| Public: Outer Catchment Area (Rest of England) | Paul Sahota | 2/4 |
| Public: Rushmoor | Kevin Watts | 2/4 |
| Public: Rushmoor | Brian Hambleton | 1/1 |
| Public: Rushmoor | Michelle White | 1/2 |
| Public: Slough | Rob Miles | 4/4 |
| Public: Slough | Graham Leaver | 1/4 |
| Public: Surrey Heath & Runnymede | Mary Probert | 4/4 |
| Public: Surrey Heath & Runnymede (Lead Governor from Oct 2015) | Robert Bown | 2/4 |
| Public: Windsor & Maidenhead | Rod Broad | 4/4 |
| Public: Windsor & Maidenhead | Robin Maiden | 2/4 |
| Stakeholder: Hampshire County Council (appointed from May 2017- Sep 2018) | Roz Chad | 1/2 |

| | | |
|--|-----------------------|-----|
| Stakeholder: Ministry of Defence (appointment commenced July 2018) | Lt. Col. Helen Winder | 1/2 |
| Stakeholder: Ministry of Defence (appointed from July 2017- July 2018) | Col. Tracey Yates | 0/2 |
| Staff: Frimley Park (1 April 2017 -31 Aug 2018) | Shauna McMahon | 1/2 |
| Staff: Frimley Park | Christina O'Garra | 3/3 |
| Staff: Wexham Park | Bob Soin | 1/4 |
| Staff: Heatherwood & Community Hospitals (1 Nov 2017- 1 Aug 2018) | Fran Campbell | 0/2 |
| Staff: Heatherwood & Community Hospitals | Sasha Cummins | 0/1 |

Attendance by executive and non-executive directors at the Council of Governors meetings for the year

| Name | Position | Total |
|----------------|---|-------|
| Pradip Patel | Chairman; Chair of Council of Governors | 4/4 |
| Mark Escolme | Independent non-executive director; Deputy Chairman | 2/4 |
| Dawn Kenson | Independent non-executive director; Senior Independent Director | 3/4 |
| Ray Long | Independent non-executive director | 1/4 |
| Mike O'Donovan | Independent non-executive director | 3/4 |
| Rob Pike | Independent non-executive director | 2/4 |
| Thoreya Swage | Independent non-executive director | 4/4 |
| John Weaver | Independent non-executive director | 4/4 |
| Neil Dardis | Chief Executive | 3/4 |
| Nigel Foster | Director of Finance and IM&T | 4/4 |
| Janet King | Director of HR and Corporate Services | 3/4 |
| Duncan Burton | Director of Nursing and Quality | 3/4 |
| Helen Coe | Director of Operations, Frimley Park Hospital | 3/4 |
| Lisa Glynn | Director of Operations, Heatherwood and Wexham Park Hospitals | 2/4 |
| Dr Timothy Ho | Medical Director | 2/4 |

NB Board members attend by invitation and are not required to attend.

Training

New and prospective governors receive induction training from the Chairman and company secretary. Additional training opportunities arise from NHS Providers and other network providers such as GovernWell.

The Council of Governors regularly received updates from the Board of Directors on the performance of the organisation and actively participated in the refresh of the strategy during BODCOG sessions.

Non-Executive Remuneration Committee

The role of this committee is described in the Remuneration Report.

Nominations Committee: appointment and re-election

Role of the Nominations Committee

The Nominations Committee is responsible for identifying and nominating members of the Board for approval by the Council of Governors, and advising upon and overseeing their contractual arrangements, working closely with the Trust's Performance and Remuneration Committee. This is broken down further and involves:

- liaison with the Trust's Performance and Remuneration Committee to identify skills gaps on the Board of Directors.
- recommending job descriptions and person specifications for vacancies on the Board of Directors.
- recommending arrangements for the recruitment and selection of executive directors.¹⁰
- liaison with the Non-Executive Performance and Remuneration Committee concerning the Chairman and non-executive director appointments and terms of office.¹¹
- agreeing any appointment panels¹² for director vacancies.

The executive and non-executive directors are responsible for assessing the size, structure and skill requirements of the Board of Directors and for considering any changes or new appointments as necessary. If a need is identified, the Nominations Committee¹³ will produce a job description and person specification, decide if external recruitment consultants are required to assist in the process and if so instruct the selected agency, shortlist and interview the candidates. If the vacancy is for a non-executive director, the Nominations Committee is extraordinarily enlarged to include some of the governors serving on the Non-Executive Performance and Remuneration Committee in the process. At the conclusion of the selection process, the Non-Executive Performance and Remuneration Committee then recommends the selected candidate to the Council of Governors for appointment.

Non-executive directors are appointed for a three-year term in office. A non-executive director can be re-elected for a second three-year term in office on an uncontested basis, subject to the recommendation of the Chairman on behalf of the Nominations Committee and the Board, followed by the approval of the Council of Governors. A non-executive director's term in office can be extended beyond the second term on an annual case-by-case basis by the Council of Governors, subject to a formal recommendation from the Chairman, satisfactory performance and consideration of the needs of the Board, without having to go through an open process. The removal of the Chairman or a non-executive director requires the approval of three-quarters of the members of the Council of Governors.

The Chairman, other non-executive directors and the Chief Executive are responsible for the appointment of executive directors. The Chairman and the other non-executive directors are responsible for the appointment and removal of the Chief Executive, whose appointment requires the approval of the Council of Governors.

The Nominations Committee met several times during the year ended 31 March 2019 to consider proposed changes to board level positions and roles.

Performance evaluation of the Board, its committees and directors, including the Chairman

These functions are carried out by the Performance and Remuneration Committee (PRC) and the Non-Executive Remuneration Committee (NERC). The roles of these committees are fully detailed in the Remuneration Report earlier in this Annual Report.

Audit Committee

Role of the Audit Committee

The Audit Committee is responsible to the Board of Directors for reviewing the adequacy of the governance, risk management and internal control processes within the Trust. In carrying out this work, the Audit Committee primarily utilises the work of internal and external audit. The Audit Committee also obtains assurance from other external agencies about the Trust's procedures, such as from the Care Quality Commission (CQC). More specifically, the Audit Committee:

- reviews and discusses the Annual Report and Accounts with the external auditor before the Board of Directors approves and signs off the financial statements.
- ensures there is an effective internal audit function established by management that meets the mandatory NHS internal audit standards produced by the Department of Health, and reviews the work and findings of the internal auditor.
- agrees the schedule of internal audit reviews, receives the relevant reports and follows up on issues raised.
- receives and monitors policies and procedures associated with countering fraud and corruption. An independent local counter-fraud service was provided by RSM who produce a regular counter-fraud progress report.
- reviews arrangements by which staff may raise confidential concerns about possible improprieties in matters of financial reporting and control, clinical quality, patient safety and other matters.
- provides an annual overview of the Trust's systems for ensuring compliance with CQC standards.

Membership

In order to maintain independent channels of communication, the members of the Audit Committee meet in private at least once a year with the internal and external auditors (both individually and collectively). This provides the internal and external auditors with an opportunity to raise any issues which may arise without the presence of management.

External auditor – KPMG

The Council of Governors together with the Audit Committee agree the criteria for appointing, re-appointing and removing external auditors.

KPMG was appointed by the Council of Governors to be the Trust's external auditors for a three-year period commencing 1 April 2016.

The Council of Governors was asked to consider extending the contract for an additional two years in May 2019 and agreed to do so taking the contract end to 31 March 2021.

Internal auditor

During the year ended 31 March 2019, the Trust's internal audit function was carried out by BDO LLP, an independent business assurance provider delivering services to the public and private sectors.

Auditor independence and non-audit services

As a minimum, the Audit Committee reviews and monitors the external auditor's independence and objectivity. The Audit Committee has a policy by which non-audit services and fees provided by the external auditor are approved. However, in the financial year 2018-19 the Trust did not engage KPMG to provide any additional services over and above the undertaking of external audit of financial statements and assurance work on the Quality Report.

KPMG is also the external auditor of Frimley Park Hospital Charitable Funds of which the Trust Board of Directors is the corporate trustee. The fees in respect of this engagement in 2017-18 were £4,924 (excluding VAT).

The Chair of the Audit Committee confirms the independence of the external auditors to the Council of Governors at its meeting where the Annual Report and Accounts are presented and also reports any exceptional issues to the governors during the course of the year.

Main activities of the Audit Committee during the year ended 31 March 2019

The Audit Committee met on five occasions during the year ended 31 March 2019. At its meeting in May 2018, the Audit Committee received the annual audit report from the Trust's external auditors KPMG and recommended the Annual Report and Accounts 2017-18 and Quality Report to the Board of Directors for final approval. Later in the year, the Audit Committee reviewed and recommended the Charitable Funds Annual Report and Accounts 2017-18 for approval to the Board of Directors.

During the course of the year the Audit Committee received a number of audit reports from the internal auditors, BDO LLP. These ranged from financial control audits (Key Financial Systems) to audits on aspects directly relating to patient care (Duty of Candour and Mental Health Compliance). Some other audits included Workforce Planning, Recruitment and Retention, ICS Governance and Risk Maturity Assessment.

Following the year end, the Audit Committee considered the draft Annual Report and Accounts 2018-2019 and received the ISA 260 Report from KPMG.

During the year the Audit Committee considered the following risks identified by external audit:

- Valuation of land and buildings and accounting for lifecycle costs
- Revenue recognition
- Management override and control
- Expenditure recognition

During 2018-19, in addition to the executive and non-executive directors, the Trust's internal and external auditors attended Audit Committee meetings. Additionally, other relevant managers and senior managers from the Trust attended meetings to provide a deeper level of insight in certain key issues and development within their respective areas of expertise.

Policies on fraud and corruption

The Trust has a suite of policies available to all staff on the intranet. During the year the Trust commissioned Grant Thornton to provide regular fraud awareness training and staff communication tools and support investigation and policy reviews.

Our members

During the year the Trust continued to develop its community engagement strategy to promote good relationships, communication, and collaboration with the wider community. It focused on engaging people through foundation trust membership, fundraising, and volunteering.

Membership comprises individuals who satisfy at least one of the following:

- Any resident of England over the age of 16, living either in one of our constituencies within our core catchment or from the 'Rest of England' constituency
- Staff: any member of staff who has a permanent contract of employment, or has worked at the Trust for 12 months or worked on a series of short-term contracts amounting to more than 12 months.

Members are represented on the Council of Governors by the public, patients and carers, staff and other stakeholder groups. Public and staff governors are elected from and by the Trust's membership, which means that members have the opportunity to significantly influence the organisation's future strategy. Moreover, in this way the Trust is directly accountable to its local community. The Trust is constantly exploring with our governors, through the Community Engagement Group, the potential for wider stakeholder engagement.

The Trust initiated a new forum to further improve engagement between governors and members, which was well attended on the 26 February. We are holding a second forum on the 24 June.

Members were also invited to contribute into the #FutureFHFT strategy engagement initiative to help develop the new Trust strategy.

The members' feedback for our Trust magazine inTouch still remains very positive and it is an effective way of keeping our members up to date with the latest developments.

Major targets and actions to develop membership

The Trust's aim was to continue to recruit a membership representative of the communities we care for and to find better ways of engaging with them. Membership recruitment events are targeted at specific geographical areas, or under-represented groups within our communities.

The Trust set a target of 25,000 members for the year, with 15,500 being public members.

Various recruitment events have taken place in under-represented areas.

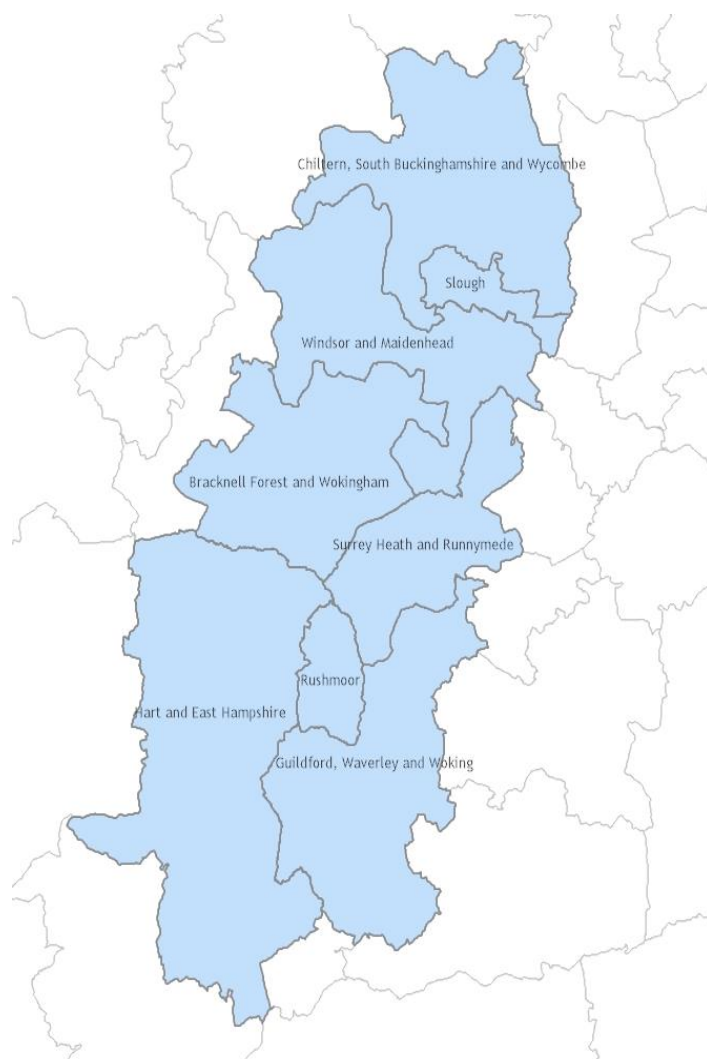
At year end the Trust had 16,395 public and 9,464 staff members, making a total of 25,859 members.

Constituency meetings (local health events)

Local constituency meetings offer members an opportunity to meet with their local governors, to hear updates on the work of the Trust and to ask any questions they may have. This sits alongside a presentation by a clinical member of staff on a particular condition or treatment. These meetings are held across all constituencies during the year and have proven extremely popular, with an average 100 members attending each event.

The meetings are publicised through our regular membership magazine which is distributed direct to members via email and post, and accessible to others across our sites, through our website and social media.

Membership catchment map for Frimley Health NHS Foundation Trust as at 31 March 2019



**Members can contact
governors or directors via:**
Foundation Trust Office
Frimley Health
Freepost G1/2587
Portsmouth Road Frimley
Surrey
GU16 5BR
Tel: 01276 526801
Email:
Sarah.waldron@nhs.net

Membership per local authority public constituency at March 2019 (not including staff)

| Constituency | ¹ Population per constituency aged over 16* | *Number of members March 2019 | % who are members March 2019 |
|--------------------------------|--|-------------------------------|------------------------------|
| Bracknell Forest and Wokingham | 179,509 | 1,292 | 0.72% |
| South Buckinghamshire | 128,228 | 350 | 0.49% |
| Guildford, Waverley and Woking | 169,771 | 1,412 | 0.84% |
| Hart and East Hampshire | 123,829 | 2,153 | 1.74% |
| Rushmoor | 94,710 | 2,838 | 3.00% |
| Slough | 145,195 | 1,718 | 1.18% |
| Surrey Heath and Runnymede | 104,632 | 2,947 | 2.82% |
| Windsor and Maidenhead | 148,225 | 1,079 | 0.73% |
| Rest of England | NA | 2,419 | NA |

During the year the constituency of Chiltern, South Buckinghamshire, and Wycombe changed to South Buckinghamshire, and as a result 137 were moved to Rest of England.

Membership of staff constituency at March 2019

| Constituency | Number of members March 2019 |
|------------------------------------|------------------------------|
| Frimley | 4,984 |
| Wexham | 4,582 |
| Heatherwood and community services | 898 |
| Total | 9,464 |

Ethnicity

The Trust still needs to further increase BME (black minority ethnic) membership from local communities whose ethnic mix has changed as a result of recent settlements. Analysis of the catchment area for ethnicity provided by the membership database provider (MES) uses the 2011 census data with 2017 projections.

1,015 members chose not to state their ethnicity.

| Ethnicity | % composition of catchment population | Public membership (as % in brackets) March 2019 | Public membership (as % in brackets) March 2018 | Public membership (as % in brackets) March 2017 |
|----------------------|--|--|--|--|
| White | 82.0% | 12,951 (79.0%) | 13,332 (79.1%) | 12,252 (80.6%) |
| Mixed | 2.3% | 258 (1.6%) | 262 (1.6%) | 234 (1.5%) |
| Asian | 12.5% | 1,602 (9.8%) | 1,650 (9.8%) | 1,329 (8.7%) |
| Black | 2.5% | 428 (2.6%) | 441 (2.6%) | 346 (2.3%) |
| Other | 0.7% | 144 (0.9%) | 150 (0.9%) | 106 (0.7%) |
| Not specified | | 1,015 (6.2%) | 1,021 (6.1%) | 939 (6.1%) |
| Total | 100% | 16,398 | 16,846 | 15,206 |

Community Engagement Group (CEG)

The Community Engagement Group (CEG) is a working group of the Council of Governors (CoG). It meets quarterly to co-ordinate actions on matters relating to Trust membership and stakeholder / community and public involvement and to provide feedback to the Board and to the CoG.

The CEG receives presentations on membership activity, recruitment and retention, and local projects to foster engagement.

Members who wish to contact their governor representative or Trust director directly can do so via Trust membership and engagement manager Sarah Waldron on 01276 526801 or email sarah.waldron@nhs.net. The governors also have their own NHS.net email accounts which are advertised on the Trust website and in the quarterly members' magazine.

Members attending our constituency events (health events) held regularly throughout the year can also speak directly to governors and directors in attendance.

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITY

Statement of the chief executive's responsibilities as the accounting officer of Frimley Health 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 Frimley Health 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 Frimley Health 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/her to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS foundation trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in the *NHS Foundation Trust Accounting Officer Memorandum*.



Neil Dardis
Chief Executive
22 May 2019

ANNUAL GOVERNANCE STATEMENT 2018-2019

1.0 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 to provide services of a high quality. I also acknowledge my responsibilities as set out in the NHS Foundation Trust Accounting Officer Memorandum.

The Trust's Standing Orders and Scheme of Delegated Authority outline the accountability arrangements and scope of responsibility of the Board, executive directors and the organisation's officers. The Board has been fully involved in agreeing the strategic priorities of the Trust, with the most important priorities being those set out in the Trust's Annual Plan and Board objectives, against which the Board submits regular reports to the Council of Governors.

The Board receives regular minutes and reports from each of the nominated committees that report into it. The terms of reference of the committees of the Board have been reviewed to ensure that governance arrangements continue to be fit for purpose.

All executive directors report to me and the performance of the executive team is held to account through team and individual objectives, which reflect the Board objectives referred to above.

The Trust's corporate risk assurance framework has been in place all year. In line with national guidance it is structured around the high level risks that were deemed to be the most significant risks in delivering the corporate objectives as set out in the Trust Annual Plan. The corporate risk assurance framework is reviewed on a monthly basis by the corporate governance group, which is an executive group chaired by the Director of Nursing & Quality, and by the Board.

2.0 The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to:

- identify and prioritise the risks to the achievement of the policies, aims and objectives of Frimley Health NHS Foundation Trust.
- 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 was in place at Frimley Health NHS Foundation Trust for the year ended 31 March 2019, and up to the date of approval of the annual report and accounts.

3.0 Capacity to handle risk

The Trust Board operates an integrated governance approach covering the full range of corporate, financial, clinical, information and research governance. All executive directors, chiefs of service, and associate directors and heads of service of the Trust have a key role to play in developing a strong risk management approach in all aspects of the Trust's activities, both clinical and non-clinical. Appendix 1 sets out the key risk management functions and internal control responsibilities of the Board and committees that relate to it.

3.1 Key roles and responsibilities

3.1.1 Board of Directors

The Board of Directors has overall accountability for the Trust's risk management strategy and for setting the overall direction, agreeing the Trust's principal objectives, assessing and managing strategic risks to the delivery of those objectives and monitoring progress through regular performance monitoring reports.

The Board has delegated scrutiny of assurance processes to a number of its committees including the Audit Committee, Quality Assurance Committee, Commercial Development and Investment Committee and Financial Assurance Committee.

Business priorities and decisions made by the Executive team and Board of Directors must reflect risk management assessments and consideration of high risk factors.

3.1.2 Non-executive directors

All the key assurance committees are chaired by a nominated non-executive director. All non-executive directors have a responsibility to challenge robustly the effective management of risk and to seek reasonable assurance of adequate control.

3.1.3 Director of Finance

The Director of Finance oversees the adoption and operation of the Trust's standing financial instructions including the rules relating to budgetary control, procurement, banking, staff appointments, losses and controls over income and expenditure transactions, and is the lead for counter fraud. The Director of Finance is the chair of the Information Governance Committee and Senior Information Risk Owner (SIRO) at Board level. The Director of Finance attends the Trust's Audit Committee but is not a member, and liaises with internal and external audit, who undertake programmes of audit with a risk based approach.

3.1.4 Director of Nursing and Quality

The Director of Nursing & Quality is the executive lead with responsibility for the development, management and implementation of the Trust's corporate assurance and quality frameworks and is also accountable for ensuring there is a robust system in place for monitoring compliance with standards and the Care Quality Commission (CQC) registration legal requirements. The Director of Nursing & Quality is responsible for managing patients' risk, safety, complaints, patient experience, patient information, safeguarding, and medical negligence claims and, holds shared accountability with

the Medical Director, setting the quality standards and ambitions. The Director of Nursing & Quality is the professional lead for nursing and midwifery, and allied health professionals.

3.1.5 Medical Director

The Medical Director is responsible for clinical governance, quality improvement, speciality dashboards, and the Trust's morbidity and mortality process. The Medical Director is responsible for the development of clinical quality standards within the Trust and, in conjunction with the Director of Nursing, ensuring effective integrated clinical governance is developed and monitored. The Medical Director is the Caldicott Guardian.

As the Responsible Officer, the Medical Director has delegated responsibility for the Trust as a senior clinician whose role is to evaluate doctors' fitness to practise, based on supporting information presented, including through the appraisal process; the Responsible Officer will make recommendations to the General Medical Council on the revalidation of doctors (normally at five-yearly intervals).

The Medical Director is also the Director of Infection Prevention and Control (DIPC). Both the Medical and Nursing Director are responsible for ensuring that cost improvement plans and any service changes are risk assessed and will not impact on the quality of care.

3.1.6 Director of Human Resources and Corporate Services

The Director of Human Resources and Corporate Services has overall responsibility for workforce planning, ensuring the right staff are in the right jobs, that all the relevant pre-employment checks are undertaken and that the Trust is legally compliant with recruitment processes. They are also responsible for the FPPT compliance for the directors and ensures that there is sufficient provision of training and record keeping to include mandatory and statutory training. The Director is also responsible for health and safety and the management of the Occupational Health and Safety Department.

The Director of Human Resources and Corporate Services ensures that the estate is developed to support Trust strategic direction and that the condition of the estate is maintained and is fit for purpose and that hotel services are effective and efficient and health and safety is maintained.

The Director of Human Resources and Corporate Services is the co-executive lead for the local implementation of the Climate Change Act 2008 and the development and implementation of the Trust's carbon reduction strategy.

3.1.7 Directors of Operations

The Trust has two directors of operations, one based at Frimley Park Hospital (FPH) and one at Wexham Park Hospital (WPH), who is also responsible for Heatherwood Hospital (HH). They are responsible for the day-to-day management of the hospitals. They co-ordinate plans and strategies to ensure that the organisation develops services in an efficient and effective manner in response to national policy and the needs of our local population. The roles involve ensuring that the Trust meets national and local performance objectives.

Both Directors of Operations lead for delivery of the Innovation and Change programmes, which transform services within the Trust and Health Economy; and both have the role of the Accountable Emergency Officer for their respective sites. The Director of Operations for WPH/HH is the Trust lead for pharmacy and the Director of Operations for FPH is the Trust lead for therapy services and private patients as well as community services.

3.1.8 Deputy Director of Nursing

The Trust has two Deputy Directors of Nursing, one based at Frimley Park Hospital (FPH) leading on patient safety and quality and one at Wexham Park Hospital (WPH) leading on patient experience.

The role of the Deputy Director of Nursing (FPH) is to promote patient safety and risk management activity, awareness and training throughout the Trust. The post holder has an overarching responsibility for ensuring there is an effective incident reporting process and effective management of all risk data and information, producing the Trust's risk register and providing reports and trend analysis information to support the prioritisation of risk, as well as ensuring risk registers are maintained within directorates. The post holder ensures that all serious risk incidents are reported to the Board of Directors, the foundation trust regulator, the CQC and the clinical commissioning groups, and are managed in line with the Serious Incident Policy.

The role of the Deputy Director of Nursing (WPH) is to promote excellence in patient experience, ensuring patient/carers concerns and complaints are fully investigated and that learning from them and other patient experience sources are triangulated and used to improve patient reported outcomes. The post holder also has responsibility for the Trust's volunteers and the Chaplaincy and the post holder is also the lead for Nursing & Midwifery Workforce & Staffing Compliance.

3.1.8 Specialist advisors

Guidance is also provided by specialist advisors each of whom has a director level lead responsible for ensuring the relevant governance processes are in place. The advisors include:

- Director of Infection Prevention & Control and the Infection Control Team
- Caldicott Guardian
- Head of Occupational Health
- Head of Health & Safety
- Fire Safety Adviser
- Radiological Protection Adviser
- Chief Pharmacist
- Leads for Safeguarding Adults & Children
- Human Tissue Act designated individuals
- Security advisers
- Information governance advisers

3.2 Embedding and managing risk at all levels of the organisation

The Trust's risk management strategy, endorsed by the Board, is reviewed annually and sets out the organisation's approach to risk management and future objectives.

All executive directors, chiefs of service, associate directors and heads of service have a responsibility to lead with a strong risk management approach in all aspects of the Trust's activities. Business priorities and decisions made by the Hospital Executive Board and Board of Directors reflect risk management assessments and consideration of high risk factors.

Managers at all levels of the organisation have a responsibility to manage risks at a local level and to develop an environment where staff are encouraged to identify and report risk issues proactively. Each directorate maintains a risk register and key risks are assessed and reflected in the corporate risk assurance framework, which is reviewed monthly for consideration by the Board of Directors.

Managers are expected to ensure that their staff report immediately any near miss incidents, adverse incidents and serious incidents, using the Trust's incident reporting procedure to provide appropriate feedback regarding specific incidents reported, and implementing recommendations following investigations to reduce the likelihood of the incident happening again.

All members of staff have an important role to play in identifying and minimising risks and hazards as part of their everyday work within the Trust. Each individual has a responsibility for their own personal safety and for the safety of their colleagues, patients and all visitors to the Trust. All staff are expected to have an understanding of the incident reporting procedure and knowledge of the corporate categories of incident, which must be reported.

A trust-wide training needs analysis for risk management and patient safety has been undertaken and a range of training programmes have been integrated into the corporate training plan. All staff receive mandatory annual updates in risk management and patient safety and attendance is monitored through the quarterly training statistics.

The Trust's risk management strategy clearly defines the levels of authority for the management of identified levels of risk and describes the Trust's interpretation and definition of 'acceptable risk'.

4.0 The risk and control framework

4.1 Risk management strategy

The Trust has in place a risk management strategy which sets out the framework and systems for implementation of risk and governance in the Trust and is reviewed annually. Frimley Health NHS Foundation Trust is committed to the management of risk (both clinical and non-clinical) in order to improve the quality of care, provide a safe environment for the benefit of patients, staff and visitors.

The strategy includes the following key elements:

- It describes what is meant by 'risk management'.
- It identifies the roles and responsibilities of all staff within the Trust.
- It clearly describes the roles and responsibilities of the key accountable officers.

- It sets out the process of risk management as follows:
 - i. Annual risk assessments and Trust risk grading matrix
 - ii. Incident reporting procedure and root cause analysis
 - iii. Management of Trust's risk assurance framework
 - iv. Levels of authority for the management of identified risks
 - v. Definition of 'acceptable risk'
 - vi. Corporate assurance framework
 - vii. Risk management training and education
 - viii. National standards and external assessments
 - ix. Compliance with legislation

Quality is embedded in the Trust's overall strategy. The Trust's Quality Report includes national and local priorities with measurable quality improvement targets and deadlines. Quality targets are linked to directorates and included in local clinical speciality dashboards and pathway compliance monitoring. The Trust's performance against the quality priorities is included in the trust-wide Quality and Performance report which is reviewed monthly by various committees and ultimately by the Board. The Board continues to receive a monthly performance report, which provides up-to-date information on key quality indicators including patient safety, patient experience and clinical effectiveness.

The Board of Directors undertook a self-assessment against NHS Improvement's Well-Led Framework in September 2018 which has demonstrated overall compliance with the requirements of the lines of enquiry.

The corporate and local risk assurance frameworks are reviewed monthly at the Trust Corporate Governance Group and associate directors/heads of service meetings. The full corporate risk assurance framework is presented to the Board each month. All risks identified have clear actions to reduce or mitigate them and this information is presented and shared with the Board.

4.2 Key risks identified in 2018-19

The key financial and non-financial risks faced by Frimley Health in 2018-19 included:

- Failure to achieve financial targets 2018-19: In 2018-19 the Trust planned to deliver £31m of savings. There was a significant risk that the Trust would not be able to deliver this level of recurrent cost savings.
- Delivering the financial plan for both Frimley Health and the ICS for 2018-19: For 2018-19 the Trust was part of a shared 'System Control Total' to deliver a combined income and expenditure surplus of £6.7m (before Provider Transformation Funding – PTF). If this was not achieved, there was a risk that £27.4m of system PTF is not received, of which £26.1m relates to FHFT.
- Risk to foundation trust governance rating due to failure to deliver A&E four-hour target as per trajectory reaching 95% in March 2019, potential 12-hour breaches and pressures on bed capacity and patient flow with potential to impact on our ability to deliver routine and critical services, delay in patient treatment, quality of care, and patient safety.

- Recognition of deteriorating patient: risk of poor outcome through failure to recognise a patient with a deteriorating condition. To ensure all clinical staff have the right skills, knowledge and tools to recognise and deliver timely treatment to the deteriorating patient.
- Sepsis: risk of poor outcome through failure to recognise a patient with potential sepsis..
- Bed capacity: risk to patient experience due to potential lack of sufficient bed capacity to meet demand. Potential risk to patients become unwell with hospital acquired infections, i.e. UTI, pneumonia, due to delays in discharge and/or transfer of care
- Critical care capacity: risk of poor outcome through failure to provide sufficient flow out of intensive care units and to generate increased level 2 capacity outside of critical care, potentially impacting on flow out of A&E.
- Delays in reporting histology cases: there is a risk that there may be delays in reporting both positive and negative histology results which could impact on patients receiving their diagnosis due to vacant consultant posts
- Nursing staffing capacity: risk of insufficient, appropriately trained nursing staff, with potential to impact on patient care and support, breach of safe staffing levels, impact on diagnosis and treatment, and reliance on temporary staffing.
- Maternity & midwifery services: In March 2019: The CQC inspection report (March 2019) highlighted that the Trust is not meeting its legal obligations against Regulation 18, Staffing in maternity & midwifery Services in that there were insufficient midwives to provide care that met national standards, not achieving the recommended midwife to birth ratios may have a detrimental impact on the quality of care provided to our patients and 1:1 care in labour may not always be achieved.
- Medical staff capacity: risk of inadequate appropriately trained staff, particularly in middle and junior grades in ED and middle grade surgeons, and difficulty in recruiting with potential to impact on and cause delays to patient diagnosis & treatment, leading to clinical cancellations, gaps in the on-call rota, lack of immediate urgent speciality support and compromise patient care.
- Participation in mandatory training and appraisals: risk of lack of participation in mandatory training and appraisals which may affect their performance and adversely impact on patient safety and care. In March 2019: the CQC inspection report (March 2019) highlighted that the Trust is not meeting its legal obligations against Regulation 12, safe care and treatment, and must increase compliance with mandatory training to meet its 85% standard in all topics
- Staff retention: there are retention risks due to higher turnover at Wexham Park and Heatherwood hospitals among nurses and other groups for various reasons.

4.3 Future risks

Many of the risks described in 2018-19 will continue to be risks in 2019-20, in particular, delivery of the financial plan, recruitment and retention, the impact of leaving the EU on costs and workforce and integrated partnerships and empowerment in the ICS model to meet statutory targets.

There are clinical risks inherent in the delivery of healthcare which continue year on year and are managed through rigorous controls to prevent the risks from materialising into events that cause harm to patients.

4.4 Cyber security

The Trust is in the process of being accredited to the Cyber Essentials plus certificate whilst working closely with NHS Digital to deliver a greater focus on IT security. In addition to this the Trust is taking its cyber security position seriously and is investing in this area with the support of Department of Health and NHS Digital to ensure the Trust has robust and reliable cyber security defence to ensure the safeguarding of Trust and patient information. The Trust has appointed a cyber-security lead who will be responsible for working with the Trust to achieve the Cyber Essentials plus certification. The Trust is also in the process of moving its infrastructure to a cloud provider, has a programme to move to a single EPR system and is consolidating systems managed across various units of the Trust; these strategic moves are seen as enablers to provide a more secure and robust environment for the Trust's systems.

4.5 Involvement of public stakeholders

The Trust serves a dispersed community which straddles a number of boundaries, including more than five local authorities, three clinical commissioning groups and a number of regional networks and other health related structures. Given these complexities, there is a strong desire to work closely with the local community to provide coherent and effective services. An important part of achieving this is through the Frimley Health and Care Integrated Care System (ICS), whose catchment closely matches that of the Trust. The Chief Executive sits on the ICS board, and the Trust provides executive and non-executive leadership and involvement across the ICS and supports a system strategy that spans local authorities, all health partners and active engagement with local communities.

The Trust provides information and assurance to the public on its performance against its principal risks and objectives in a number of different ways including:

- Frimley Health NHS Foundation Trust has approximately 25,859 members as at the end of March 2019. These are represented by a Council of Governors that comprises public, staff and stakeholder governors.
- The Council of Governors receives regular updates on the status of the Board objectives and uses this, along with the ratings by NHSI and the CQC, to hold the Board to account for its performance. Also, the Council of Governors is invited to input to the Trust's Annual Plan for NHSI.
- In addition to the formal meetings of the Council of Governors, joint workshops are held with the Board when there is an opportunity to discuss and challenge performance and the priorities for the organisation. The workshops include reference to the key risks the Trust faces and an explanation as to how they are being managed.
- Regular constituency meetings are held with members of the public and key stakeholders and attended by members of the Board of Directors. Consultation with the public is undertaken in developing new services and where key changes are proposed to existing services which may impact upon them.

4.6 Compliance with the developing workforce safeguards

The Trust has a number of mechanisms in place for ensuring short, medium and long-term workforce strategies and staffing systems are in place. This includes the Director of Nursing and Quality six

monthly workforce reviews which uses evidence-based acuity tools (SNCT), professional judgement and external data such as Model Hospital to set and review budgeted establishments to safely meet out patient's needs. Six monthly reporting to the Board on outcomes of nursing and midwifery reviews is in place. Monthly workforce reporting and monitoring includes a nursing and midwifery workforce dashboard which looks at the Trust's vacancies and staff turnover to identify workforce risks and guide where recruitment and retention action plans are required.

Committees including Nursing, Operational People and People Committees devise and progress implementation of workforce strategies. Annual workforce planning takes place in line with the budget-setting process and in light of approved business cases to support service developments and activity increases. The Trust is currently rolling out the SafeCare system across all inpatient areas to provide greater accuracy on acuity and therefore optimise deployment of safe staffing and to respond to unplanned workforce challenges. A quality improvement assessment process is in place to support implementation of new roles/skill mix and ensure changes are progressed safely. A new directorate business planning model is being implemented to triangulate financial, workforce and service matters and ensure issues can be escalated and managed appropriately

4.7 Compliance with CQC

Frimley Health NHS Foundation Trust underwent a CQC inspection in November 2018 when they inspected Surgery and Maternity across the Trust and Community Inpatient Services provided from Fleet Hospital. The overall rating for Frimley Health was 'good' with Safe, Effective, Caring, Responsive and Well Led all being rated 'good'.

The CQC rated Frimley Park Hospital 'outstanding' overall. They rated Safe and Effective as 'good and Caring, Responsive and Well Led as outstanding. Maternity services were rated 'good' overall but 'requires improvement' in the Safe domain.

The CQC rated Wexham Park Hospital as 'good' overall. They rated Safe, Effective, Caring and Responsive as 'good' and Well Led as outstanding. Maternity services were rated 'good' overall but 'requires improvement' in the Safe domain.

The CQC rated Heatherwood Hospital as 'good' overall. They rated all key questions as 'good'.

The CQC rated Community Inpatient services as good overall. They rated all key questions as good.

However, Frimley Health NHS Foundation Trust has been issued with two Requirement Notices:

| Regulated Activity | Regulation | |
|--------------------------------|--|--|
| Maternity & Midwifery Services | Regulation 18 HSCA (RA) Regulations 2014 Staffing | The Trust must ensure that midwifery staffing levels meet expected levels as determined by the nationally recognised |

| | | acuity tool |
|---|--|--|
| <p>Assessment or medical treatment for persons detained under the Mental Health Act 1983</p> <p>Diagnostic & screening procedures</p> <p>Family planning services</p> <p>Maternity & midwifery Services</p> <p>Surgical procedures</p> <p>Termination of pregnancies</p> <p>Transport services, triage & medical advice provided remotely</p> <p>Treatment of disease, disorder or injury</p> | Regulation 12 HSCA (Regulations 2014 Safe care and treatment | The Trust must take action to ensure mandatory training including safeguarding training rates meet Trust targets |

Frimley Health NHS Foundation Trust is fully compliant with the registration requirements of the CQC.

4.8 Compliance with Register of Interests for decision making staff

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.

4.9 Compliance with NHS Pension Scheme regulations

As an employer with staff entitled to membership of the NHS Pension Scheme, the Trust has control measures 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.

4.10 Compliance with equality, diversity and human rights legislation

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

Equality impact assessments are required for all new Trust business cases and all policy development and review, including those related to employment.

4.11 Compliance with climate change adaptation reporting to meet the requirements under the Climate Change Act 2008

The Trust has undertaken risk assessments, and carbon reduction delivery plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projections, to ensure that this organisation's obligations under the Climate Change Act and the adaptation reporting requirements are complied with.

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

The Trust ensures economy, efficiency and effectiveness through a variety of means, including:

- A robust pay and non-pay budgetary control system
- A suite of effective and consistently applied financial controls
- Effective tendering procedures
- Robust establishment controls
- Continuous service and cost improvement and modernisation

The Trust benchmarks efficiency in a variety of ways, including through the national reference costs index and by comparison with key indices such as length of stay and day case percentages. The Board of Directors performs an integral role in maintaining the system of internal control supported by the Audit Committee, internal and external audit, and other key bodies.

The Trust received a CQC/NHSI Use of Resources assessment for the first time in 2018/19. The report concluded that the trust was rated good for use of resources as the trust demonstrated good level of productivity evidenced by having the third lowest total cost per weighted activity unit(WAU) in the country and effective use of its resources to deliver its services. However the report also noted the trust was trading with an underlying deficit which we have started to address.

The Trust is part of the Frimley Integrated Care System (ICS) which operated under the principle of "one system – one budget". This means the trust's control total for 2018/19 has been formally included within a wider system control total and the overall financial position of the system is reviewed at system level, including by the ICS board. The trust is fully engaged in the ICS to manage its financial position, in particular around income levels.

The Trust had healthy cash reserves (TBC) at the end of March 2019 and could consistently meet its financial obligations and pay its staff and suppliers in the immediate term, as reflected by its capital service and liquidity metrics. The cash balance however also reflected delays in delivering the planned capital investment at the Heatherwood Hospital site, which commenced in January 2019.

6.0 Compliance with information governance and data security

Frimley Health delivers annual Information Governance training for all staff across the Trust to raise awareness of the importance of protecting patient and staff information.

Information Governance training encourages staff to report personal data related incidents. All reported incidents are investigated by the Trust's Information Governance (IG) team and where

applicable, Trust policies and procedures are revised to prevent incidents re-occurring as well as incorporating lessons learnt into the Trust's IG training.

Frimley Health has a network of Information Asset Owners (IAOs) who work to ensure the security and management of the Trust's information. The Trust's IG work programme and compliance with the Information Governance Toolkit prepared the Trust well for the implementation of the General Data Protection Regulation (GDPR) on 25 May 2018 ensuring that when the legislation came into place the Trust was able to demonstrate compliance.

For 2018-19 the Information Governance toolkit was completely rewritten and reimaged by NHS Digital into the Data Security and Protection (DSP) Toolkit. The new toolkit saw the number of requirements an NHS Organisation has to meet change from 45 to 100, with a significant focus on the security of Trust networks.

The Trust's score in the Data Security and Protection Toolkit was **"Standards not fully met – plan agreed"** at the end of March 2019. A detail action plan has been submitted and approved by NHS Digital to meet the three requirements not achieved by the end of March 2019. A very comprehensive IG work programme has been developed for 2019-20 which will enable the Trust to achieve the required standard.

SUMMARY OF SERIOUS INCIDENT REQUIRING INVESTIGATIONS INVOLVING PERSONAL DATA AS REPORTED TO THE INFORMATION COMMISSIONER'S OFFICE IN 2018-19

| Month of incident | Nature of incident | Nature of data involved | Number of data subjects potentially affected | Notification Steps |
|-------------------|---|---|--|---|
| July 2018 | Copy of a patient's record sent to the wrong person as part of a Subject Access Request | Full clinical record | 2 | ICO, Department of Health notified. |
| September 2018 | Recording of another patient's complaints meeting included on the copy sent to patient. | Recording of patient complaints meeting | 1 | ICO, Department of Health notified |
| October 2018 | Staff inappropriately accessed a patient's record. | Patient Administration System access | 4 | ICO, Department of Health notified |
| October 2018 | Member of staff's personnel file found in unsecure area. Unable to confirm how long and who had access to file. | Staff personnel file including ID and sensitive information | 1 | ICO, Department of Health notified – No further action required |

| | |
|---|--|
| Further action on information risk | The Trust has thoroughly investigated every incident to establish the root cause. In all cases, the information was not lost. Trust policies and procedures have been reviewed and updated where applicable. All incidents have been added to the Trust's mandatory IG training to ensure staff learn from these incidents and to prevent them from recurring in future. |
|---|--|

The Trust reported four serious untoward incidents involving personal data in 2018-19, this was in line with the Guidance to the Notification of Data Security and Protection Incidents by NHS Digital. A summary of data-related incidents reported during the year is shown below:

Number of incidents across the Trust in 2018-19 (1 April 2018 – 31 March 2019)

| Code | Description | Frimley Health |
|-------|--|----------------|
| A | Corruption or inability to recover electronic data | 2 |
| B | Disclosed in error | 194 |
| C | Lost in transit | 1 |
| D | Lost or stolen hardware | 5 |
| E | Lost or stolen paperwork | 40 |
| F | Non-secure disposal – hardware | 0 |
| G | Non-secure disposal – paperwork | 2 |
| H | Uploaded to website in error | 5 |
| I | Technical security failing (including hacking) | 24 |
| J | Unauthorised access/disclosure | 36 |
| K | Other | 31 |
| Total | | 340 |

7.0 Annual Quality Report

The Directors are required under the Health Act 2009 and the National Health Service (Quality Account) Regulations 2010 (as amended) 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 incorporates the above legal requirements in the NHS Foundation Trust Annual Reporting Manual.

The Annual Quality Report 2018-19 has been developed in line with relevant national guidance and is supported internally through the Board Assurance Framework.

As in previous years the report sets out the priorities for the coming year which include patient safety, patient experience and clinical effectiveness indicators. The data owner for each indicator submits the required data to the quality team following an agreed timeframe. The data validity is the responsibility of the data owner and on an 'as required basis' the quality team will undertake a review of the data provided as well as challenge data that appear inconsistent.

The Trust has a Quality Assurance Committee (QAC) which is attended by the Director of Nursing and Medical Director and a lead non-executive director for quality. All data and information within the

Quality Report is reviewed through this committee. The Board of Directors has approved a new three year Quality Strategy 2017–20, which is monitored through the QAC and bi-annual reports to the Board of Directors.

The Senior Leadership Committee and the Board of Directors review performance against the quality indicators monthly. This is monitored through the Quality Performance Dashboard and the Hospital Executive Board receives progress updates against any improvement projects.

The Quality Report has been reviewed through both internal and external audit processes. Comments have been provided by local stakeholders including commissioners, patient representatives, the Overview and Scrutiny Committee and the Patient Experience and Involvement Group of the Council of Governors.

8.0 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 results of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and the Corporate Governance Group and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Corporate Risk Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed.

8.1 Board & related committees

In assessing and managing risk, the Board and related committees have a substantial role to play in reviewing the effectiveness of the system of internal control, as follows:

Board of Directors

Through the review and approval of the Trust Risk Assurance Framework, and key performance indicators, and approval of the Trust's Governance/Risk Management Strategy and commitment to the action plan for implementing the strategy.

Audit Committee

Through the risk-based programme of internal audit, the committee has through 2018-19 continued to review financial controls, processes and procedures, review progress made in respect of the findings from audits carried out throughout the year including Duty of Candour, alerts received via the NHSI Central Alerting System and temporary staffing. The committee has also monitored the progress against the Local Counter Fraud Service Work Programme for 2018-19.

The committee undertook its annual review of its terms of reference and agreed these would be updated in consultation with the chairmen of the other assurance board sub committees as appropriate to ensure effective coordination and clear lines of accountability.

The committee considered the results of its annual review of effectiveness which this year had followed a best practice example questionnaire template produced by the HFMA NHS Audit Committee. The results were positive and it was agreed that the feedback from the evaluation should also inform work to update the committee's terms of reference.

Quality Assurance Committee

The purpose of the Quality Assurance Committee is to provide the Board with assurance that the risks associated with the Trust's provision of excellent care are identified, managed and mitigated appropriately. In doing so, the Quality Assurance Committee may take any action that it sees fit to ensure that this can be achieved.

During 2018-19, the committee have received updates on progress against the Trust Quality Improvement Priorities for 2018-19 including reducing preventable deaths by learning from mortality reviews, pressure ulcer prevention and improving written and verbal communication for patients and engagement as well as reports from both the Patient Safety Committee and Patient Experience Forums.

The committee also considered the full reports of internal audits undertaken on the Sharing of Learning from Never Events which received reasonable assurance, and Patient Experience – Embedding Learning, which also received reasonable assurance. With regard to never events, the committee was updated on work in progress to reduce the number of such incidents, particularly work to spread learning more consistently and strengthening evidence to demonstrate this. It was noted that in respect of patient experience, there was a clear focus on improving complaint response times and ensuring that the learning arising from complaints was shared and embedded across the Trust.

Financial Assurance Committee

The purpose of the Financial Assurance Committee is to provide the Board with an objective view of the financial performance, and financial strategy of the Trust, together with an understanding of the risks and assumptions within the Trust financial plans and projections.

The committee has met quarterly and reviewed finances and monitoring processes for the recovery plan, coding backlog, adjustments made to budgets and monitoring in year contractual income, risks, fines, penalties and disputes. The committee have also considered a report produced on the model hospital around corporate and back office costs and the Trust's performance with comparable organisations.

Corporate Governance Group

Through the review and management of the Trust's Risk Assurance Framework and the key performance indicators for risk management, and the development of the Trust's Governance/Risk Management Strategy.

The group with representation from the executive directors has continued to meet on a monthly basis, reviewing the Corporate Risk Assurance Framework as well as directorate/departmental local risk assurance frameworks in addition to considering the final reports of all serious incidents reported across the organisation ensuring the findings, recommendations and actions were robust and measurable. The group has also received ad hoc reports including the findings of BDO internal audit of Frimley Health Risk Maturity Advisory review October 18 which showed that in the main risk is 'managed'. This means that the organisation's risk management approach and the Board's risk appetite are regularly reviewed and refined in light of new risk information reported.

Clinical Governance Committee

Through the specialty clinical risk assessments and approval of the Trust-wide clinical risk assessment and directorate presentations under the CQC Standards of Quality and Safety framework. The Clinical Governance Committee, which is attended by executive directors, a non-executive director and a governor, reviews the clinical governance framework of the Trust and provides assurance to the Board through the Medical Director that the policies and practices recommended by the CQC and others are being followed.

8.2 External reviews

My review is also informed by the following external reviews of various aspects of the organisation:

- CQC inspection November 2018, Frimley Park Hospital rated 'outstanding'
- CQC inspection November 2018, Wexham Park Hospital rated 'good'
- CQC inspection November 2018, Heatherwood Hospital rated 'good'
- CQC inspection November 2018, Community Inpatient services rated 'good'
- Clinical Pathology Accreditation & Medical Laboratories ISO 15189
- Picker National Patient Survey and patient feedback questionnaires
- Patient Experience Network National Award Team of the Year
- MHRA GCP inspection
- Deanery & college inspections
- JAG inspection endoscopy, Frimley Park and Wexham Park hospitals
- JAG accreditation Wexham Park Hospital 2018
- JAG accreditation, Heatherwood Hospital 2018
- National Neonatal Peer Review FPH November 2017 and WPH January 2018
- NHS England National Reporting and Learning System report September 2018 and March 2019
- Responses from NHSI to the quarterly Frimley Health Board declaration process
- National Staff Survey 2018 with 70.1% of staff who responded recommending the Trust as a place to work

8.3 Internal audit

- BDO internal audit of Frimley Health Risk Maturity Advisory review October 18 which showed that in the main risk is 'managed'

- Programme of work undertaken by internal and external audit and Audit Committee including internal audit review of the governance processes in place during 2018-19 for Frimley Health NHS Foundation Trust when 'reasonable assurance' was given

8.4 Internal assurances

- Frimley Health NHS Foundation Trust assurance process for monitoring levels of compliance against CQC registration
- The annual report from the Trust Freedom to Speak Up Guardian and the establishment of Freedom to Speak up Champions and Advocates, all of who are available to encourage staff to raise their concerns
- The work of the Clinical Audit & Effectiveness Committee with a wide range of clinical audits have been undertaken in 2018-19 which are reported in detail in the Quality Report. These provide assurance that controls are in place for clinical processes and, where risk is identified through these audits, this is escalated through the risk management process.

9.0 Revised Governance Structure & Board Assurance Framework

The Chief Executive and members of the Board had identified that the current governance structure in place at Frimley Health NHS Foundation Trust needed to be reviewed and streamlined and had embarked on a project to rationalise the committee structure, the meeting schedule and to clarify the decisions and duties delegated by the Board to its sub committees. In addition, the Board had acknowledged that the current risk assurance framework, whilst giving clear oversight of operational risks, did not fully identify all the Trust's strategic risks. A new Board Assurance Framework is currently under development.

In September 2018, the Chief Executive wrote a paper outlining his ambition and vision to:

- Move autonomy and decision making to the right parts of the organisation's management structure.
- Reduce the burden of meetings and create more headroom for delivery and improvement.

The review, led by the Director of Operations for FPH, sought to address those ambitions and ensure the proposed governance structure continues to place safety and quality at the heart of the governance process whilst triangulating finance, people and performance. The aims were:

- to develop a governance structure that makes best use of time for anyone who attends meetings whether it be directors, managers, clinicians or administrators.
- to develop a coherent structure that is easily articulated and meets principles of good governance as set out in Monitor's code of governance, and
- reduce unnecessary time spent in meetings and the burden of bureaucracy.

The proposed revised structure:

- supports the effective management of the Trust's key priorities, shaped around our strategic aims,

- is data driven and responsive to areas of required enhanced monitoring based on a firm understanding of risk against the Trust's risk appetite statements.
- allows clear line of sight between Board and wards.
- creates a framework for differing levels of oversight depending on need, and increased autonomy where risk assessments and performance allows.

Next steps:

- To agree the proposed governance structure (see Appendix 1 Figure 2)
- Review Board sub-committees delegated duties to reflect their new and/or additional functions and to incorporate direction from the senior leadership meeting
- Develop rules to identify the level of scrutiny that can be afforded to each directorate at their monthly and quarterly reviews.
- Develop risk appetite statements.
- Forward planning board agendas and executive oversight of papers and performance.
- Review our performance management framework to strengthen autonomy and enable delivery at the right level of the organisation.
- Align terms of reference for groups identified in the governance structure and how they report in a way that doesn't create unnecessary bureaucracy but provides assurance to the senior leaders of delivery and early identification of risk to delivery for action.

10.0 Final Statement

My review confirms that Frimley Health NHS Foundation Trust has a generally sound system of governance that supports the achievement of its policies, aims and objectives and that those control issues have been or are being addressed and that there are no significant internal control issues.



Neil Dardis
Chief Executive
22 May 2019

The following sets out the roles of the key committees with responsibility for managing and reviewing the process and effectiveness of the systems of internal control within the Trust.

1.0 Board of Directors

- Set and monitor progress to the achievement of the Trust's objectives, both strategic and operational
- Identify the significant risks that may threaten the achievement of the Trust's objectives
- Identify and evaluate the key controls in place to manage the significant risks identified in the Corporate Assurance Framework
- Identify positive assurances and areas where there are gaps in controls and assurances
- Put in place plans to take corrective action where gaps have been identified in relation to significant risks
- Maintain dynamic risk management arrangements including, crucially, a well-founded Risk Register and Corporate Assurance Framework, reviewed quarterly by the Board

2.0 Board sub committees**Commercial Development and Investment Committee**

- Consider controls on business cases and significant investments
- Assess and evaluate benefits realisation

Audit Committee

- Review the adequacy of the processes supporting all risk and control related disclosure statements (in particular the Statement on Internal Control), together with any accompanying Head of Internal Audit statement, external audit opinion or other appropriate independent assurances
- Review the adequacy of the underlying assurance processes that indicate the degree of the achievement of corporate objectives, the effectiveness of the management of principal risks, and the appropriateness of the above disclosure statements
- Review the policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements
- Set the policies and procedures for all work related to fraud and corruption as set out in Secretary of State Directions and as required by the Counter Fraud and Security Management Service

Financial Assurance Committee

Providing an objective view of the financial performance, and financial strategy of the Trust, together with an understanding of the risks and assumptions within the Trust financial plans and projections.

Quality Assurance Committee

- Provide assurance that the risks associated with the Trust's provision of excellent care are identified, managed and mitigated appropriately. In doing so, the Quality Assurance Committee may take any steps that it sees fit to ensure that this can be achieved.
- Provide assurance to the Board by:
 - Ensuring that the strategic priorities for quality assurance are focused on those which best support delivery of the Trust priority objectives in relation to patient experience, the safety of patients and service users and effective outcomes for patients and service users;

- Reviewing the independent annual clinical audit programme, ensuring it provides a suitable level of coverage for assurance purposes, and receiving reports as appropriate;
 - Reviewing compliance with regulatory standards, for example those of the CQC (confirm and challenge process), NHSLA, and Monitor (Quality Governance Framework);
 - Reviewing non-financial risks on the Risk Assurance Framework which has been assigned by the Trust to satisfy itself as to the adequacy of assurances on the operation of the key controls and the adequacy of action plans to address weaknesses in controls and assurances;
- Oversee 'deep dive reviews' of identified risks to quality identified by the Board
 - The committee may also initiate such reviews based on its own tracking and analysis of quality trends flagged up through the regular performance reporting to the Board.

3.0 Executive committees

Corporate Governance Group

- Assess, prioritise, and monitor the Trust's performance in managing risk and ensuring progressive improvement against the Trust's 'live' Corporate Risk Register
- Prioritise the top risks to inform the Audit Committee and for review by the Board
- Ensure the Trust has a Corporate Assurance Framework that is robust and fit for purpose and complies with best practice
- Review the Corporate Assurance Framework identifying any gaps in assurance, to inform the Audit Committee and for review by the Board
- Compile, in conjunction with the Chief Executive, the Annual Governance Statement which will be passed to the Audit Committee to review its adequacy
- Advise the Trust in respect of the development and use of key performance and risk indicators
- Support the Audit Committee by undertaking risk based work programmes where gaps in assurance are identified. Respond to findings of the Audit Committee, ensuring action is taken

Quality Committee

- Ensure the Trust is providing a high quality service
- Be responsive to significant patient safety risks
- Oversee, monitor, and review the quality of services provided by the Trust. This will include review of:
 - Corporate/governance and directorate level, risk management and internal control systems to ensure that the Trust's services deliver safe, high quality, patient-centred care
 - Performance against internal core and specialty dashboards and external quality improvement targets:
 - Clinical outcomes
 - Patient safety
 - Patient experience
 - Key quality and patient safety risks identified from reviewing mortality data and undertaking mortality and morbidity review at both speciality and Trust level
 - Progress in implementing action plans to address shortcomings in the quality of services, should they be identified
- Advise the Board on the priorities for clinical standards set by national bodies, e.g. Department of Health, CQC and National Institute for Health and Care Excellence (NICE)
- Provide assurance to the Board of Directors that the most efficient and effective systems are in place and the associated assurance processes are optimal

- Be responsible for setting, monitoring and reviewing, on behalf of the Board of Directors, the quality improvement targets set in the quality account. Monitor national guidance (e.g. NICE guidance, NCEPOD, CEMACH) ensuring compliance

Clinical Governance Committee

- Set, agree, and review strategic direction for the Clinical Governance Framework
- Set and agree a clinical governance reporting schedule, agree action programmes for sub committees, and assess directorate clinical risk registers
- Agree and monitor performance of individual directorate clinical governance action plans with particular reference to directorate risk registers and assess compliance with the CQC Standards of Quality and Safety
- Receive reports from the relevant sub committees and recommend actions
- Harmonise corporate and directorate clinical audit programmes

Hospital Executive Board (April to December 2018)

- Review financial and contractual performance on a monthly basis
- Discuss and agree recommendations relating to policy and strategy
- Ensure that the hospital is patient-focused and has improving patient experience at the heart of all it does
- With advice from the Clinical Governance Committee, ensure that the hospital has sound clinical governance and risk management arrangements, complies with key quality standards.

Figure 1. Frimley Health Quality Governance Framework April – December 2018

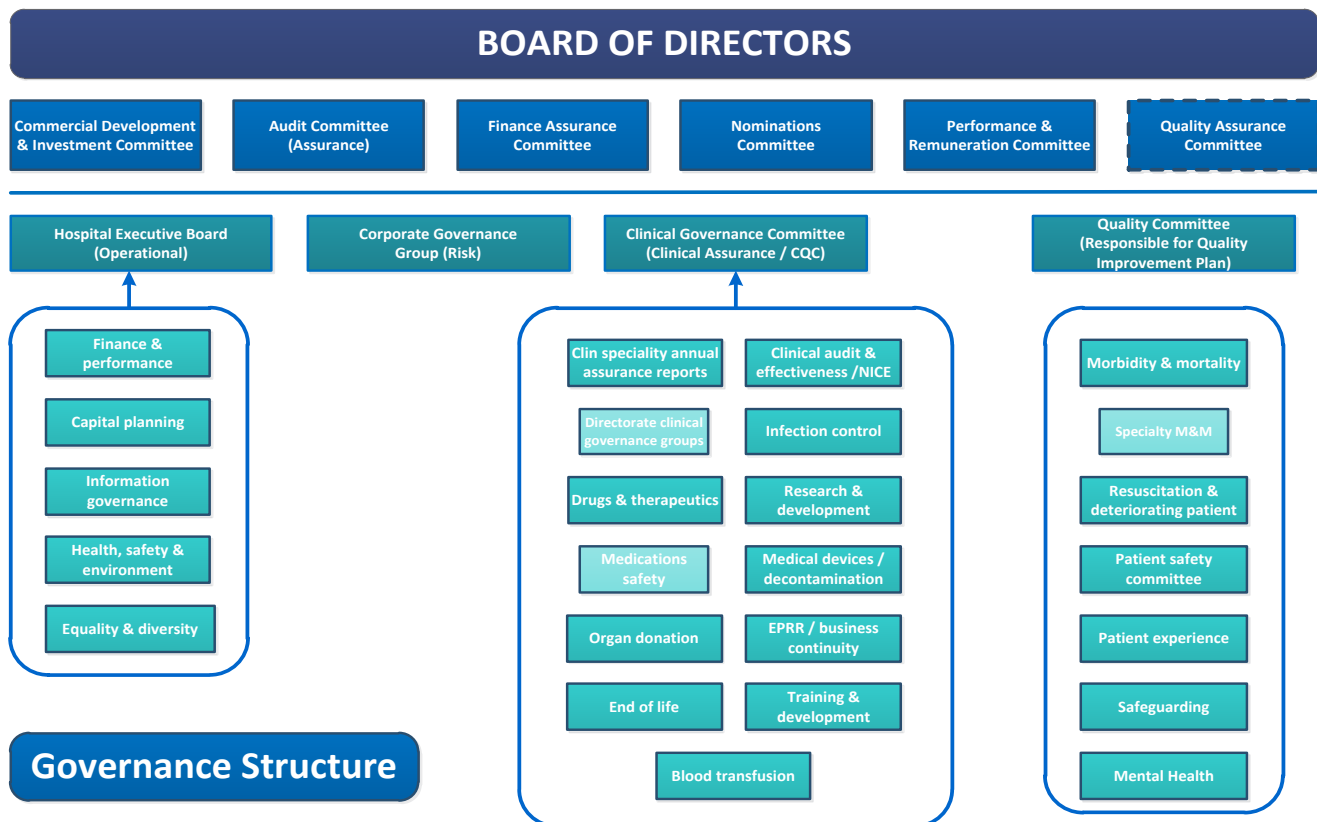
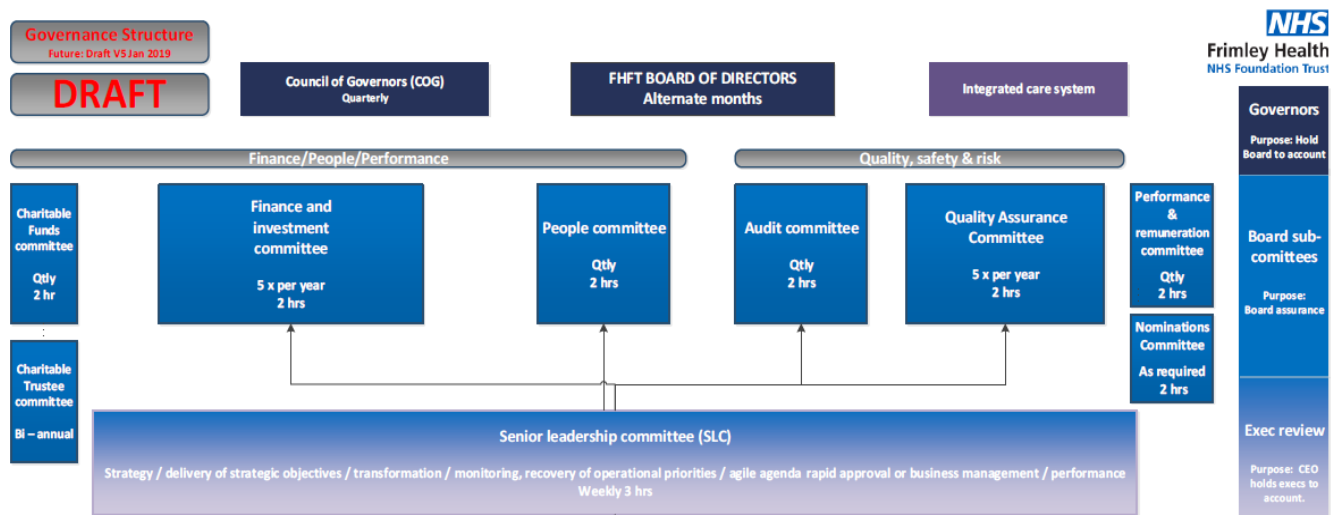


Figure 2 New Governance Structure



Senior Leadership Committee

From January 2019, aspects of the new proposed Governance Framework (Figure 2) were introduced, in particular the Senior Leadership Committee, chaired by the Chief Executive. The purpose of this meeting is to provide senior leadership for the delivery of organisational objectives. The meeting is also responsible for strategy development prior to Board sign off and ensuring delivery against the strategy.

Quality Report 2018-2019

Frimley Health NHS Foundation Trust

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1. Statement on quality from the Chief Executive

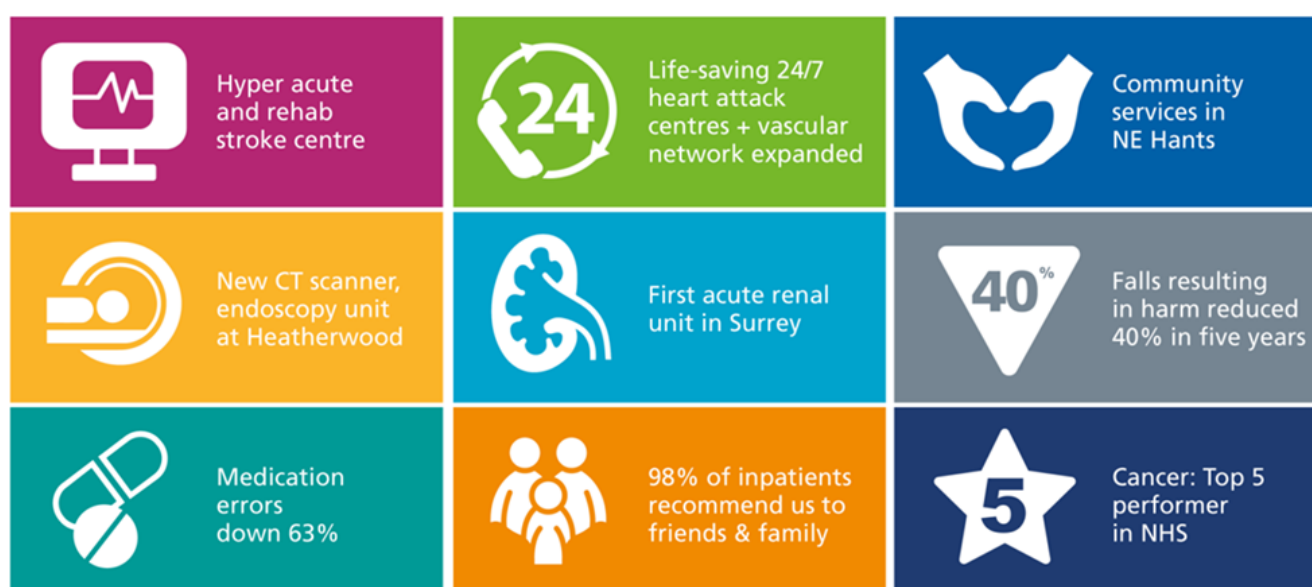
Our vision is to provide one of the safest healthcare systems nationally and indeed internationally. We are proud of the progress we have made against the aims of our Quality Strategy: safety, quality, and experience; and the Trust strategic priorities, quality, staff and money.

I am delighted that the latest comprehensive report by the CQC has rated the Trust as *'good'* overall with Frimley Park Hospital retaining its *'outstanding'* rating. We are especially delighted that the community services were also rated as *'good'* as this is their first inspection as part of FHFT. Managing these services has greatly improved the way we link hospital and community care which has been much better for patients and helped to broaden the career offering for hospital and community staff. The CQC report reflects many examples of good and outstanding care across the Trust whilst also highlighting some areas where we need to improve. I welcome the insight provided by the inspection team and was pleased to note that they align with the Trust plans for the future.

The Chairman and I, together with the Board, will continue to work with staff, partners and communities to develop our vision and strategy for the future so we can be outstanding tomorrow and in 10 years' time. FHFT is leading the way in joining up care as part of one of the first integrated care systems (ICS) in the country. Frimley ICS is a partnership of 30 health and care bodies, focussed on improving prevention and self-care, removing barriers between organisations and designing care around patients.

I am proud and humbled by the dedication and care our staff provide for our patients. They have been on an incredible journey since the creation of Frimley Health in 2014 and have driven improvements to services alongside our communities and the people we serve. Together we are committed to becoming an *'outstanding'* organisation, across all our services.

Since the creation of Frimley Health in 2014, the Trust has been developing services and driving improvements in safety, quality and patient experience.



Having delivered a £10m upgrade to our maternity and gynaecology facilities at Wexham Park, the Trust has implemented a major (£200 million) capital development programme.

I am delighted that the Trust has completed a new state of the art Emergency Assessment Centre at Wexham Park Hospital that has been designed to increase collaboration between clinical teams, helping to diagnose and treat patients better and faster. The £49m centre is now open to patients and includes:

- An emergency department with single assessment bays.
- Short stay medical and surgical units,
- Urgent care assessment units
- Ambulatory emergency care.

The Trust is also providing world class facilities for our non-emergency patients and we have started building a new £98m elective hospital at Heatherwood. It is an exciting and historic moment for the Trust and for our community who have given us overwhelming support, helping to persuade local planners of the huge benefits that the new hospital will bring. This is especially exciting for our excellent teams at Heatherwood. Their ability to continually deliver high standards in difficult environments has been extraordinary.

The new hospital will include:

- Six operating theatres
- 48 inpatient beds plus 22 day case cubicles
- General surgery, antenatal, paediatric and physiotherapy services
- One-stop clinics, including breast and urology
- Enhanced cardiology diagnostics
- Orthopaedics
- Private patient facilities.

This will be the biggest capital project that the Trust has ever undertaken and an integral part of our plans to be outstanding for the future as we continue to develop as One Frimley Health. As the current Heatherwood Hospital approaches its centenary the new building will provide world class facilities for our communities for the next century.

Plans are also well underway to provide a new diagnostic and inpatient centre at Frimley Park Hospital. The building will house a scanning centre, additional inpatient beds and a dedicated breast care clinic.

Summary of our quality achievements in 2018-19

2018-19 was another busy and challenging year for the Trust. 101,363 elective and 115,013 emergency patients were admitted to an inpatient bed, an increase of 8,598 from the previous year. We also cared for 900,988 outpatients and helped to deliver 9,627 babies. Additionally, the Trust continues to transform models of care across the system by integrating services with our partner health and social care organisations, whilst delivering some of the best performance standards in the country at a time when the NHS nationally is facing many challenges.

Quality report priorities

In our last report we said that our priorities were to:

- Reduce preventable deaths by learning from mortality reviews
- Reduce the number of pressure ulcers, and
- Improve written and verbal communication for patients and engagement.

I am delighted to report that significant progress has been made against all three of our priorities and this is demonstrated in the following pages of this report.

The Trust has a cross-site Patient Experience Forum which has been in operation for a few years. Similarly, the governor-led Patient Experience and Involvement Group has been established since the foundation trusts have been in existence. Both, however, have had their voice strengthened, as noted in the Patient Voice section on page 114. The aim of these forums is to improve verbal and written communication between staff, patients and families and develop a strategy to demonstrate effective patient-centred care across all of our hospitals. These cross-site forums will continue to monitor processes to improve the service user experience based on feedback from patients, carers and relatives.

Performance: national benchmarking

- A&E four hour standard: although not always achieving the 95% national target, the Trust is ranked 55 out of 134 trusts in England that provide major (type 1) A&E services .
- Cancer referral to treatment time: Trust performance is ranked amongst the very best in the country:
 - Cancer: 2nd out of 89 trusts
 - Referral to treatment: 17th out of 87 trusts
- Mortality and morbidity: the Trust continually assesses performance against other similar trusts nationally using CRAB, SHMI and HSMR data, all of which show that our rates are low and stable. The Trust SHMI ranking is 15th out of 88.

Integrated services

Integrated Care System (ICS)

The ICS reducing variation workstreams have led to some significant service developments across medicine, for example:

- Neurology has a unified approach to specialist nurse support from providers across the ICS.
- Gastroenterology has improved pathways and testing for IBD in order to reduce demand on endoscopy services.
- Cardiology has increased chest pain specialist nurse support in ED, utilising the quicker troponin testing.
- Improved weekend specialist nurse cover for respiratory has been instigated over the winter months.

Frailty service

The frailty service has grown and is now embedding across the Medical Directorate. Conducting a multi-disciplinary team assessment comprising both community and hospital expert staff allows a treatment plan to be put into place in the most appropriate environment. Often that means patients can go home with proper support. This service has successfully reduced unnecessary admissions as well as reduced the length of time patients spend in hospital. The service is also supporting pre-operative assessments for orthopaedic and vascular patients. There is also a community based frailty liaison team aimed at improving patient flow and reducing delays for our patients.

Hospital services

The Trust has also continued to review the way in which our services are delivered to improve our patients' outcomes and experience. For example:

- The Trust has appointed an associate director and dedicated matron for Heatherwood Hospital. They are working alongside other colleagues to redesign non-emergency services that provide patients with world class experience and outcomes.
- Ambulatory care has gone from strength to strength, treating a significant number of patients who would previously have been seen in A&E. The service also receives referrals directly from GP and even some 999 calls.
- Refurbished the day surgery unit at Heatherwood Hospital to improve provision of single sex accommodation.
- The expansion of the lithotripsy service at Heatherwood Hospital allowing patients from across the Trust footprint to receive treatment closer to home.
- Our hyper acute stroke service has significantly expanded following the reconfiguration of service provision in Surrey.
- A thoracoscopy service has been set up by the respiratory team in endoscopy, repatriating patients from London hospitals. Patients now receive care closer to home.
- The renal service has embedded, with the 1,000th patient receiving dialysis in November 2018.

Patient Safety and Experience

Preventing healthcare associated infections

We are proud to say that our infection rates continue to be among the best in the country with no apportioned cases of Methicillin-Resistant Staphylococcus Aureus bacteraemia (MRSA) blood stream infection over the last year and a 40% reduction in the number of C-difficile occurrences compared with the previous year.

Our performance for 2018-19 compared with the previous year is as follows:

- MRSA – 0 cases (three cases in 2017-18)
- MSSA – 29% reduction
- C. difficile infection – 40% reduction
- E coli bacteraemia – 22% reduction
- Klebsiella spp bacteraemia – 30% reduction
- Pseudomonas aeruginosa bacteraemia – 46% reduction.

Sepsis

The Trust has seen sustained improvement for inpatient screening and timely administration of antibiotics with 100% of patients being screened for sepsis in the Emergency Department since April 2018.

Our Trust marked World Sepsis Day on 13 September 2018 and used the opportunity to thank all of our staff for helping to recognise and treat sepsis. Special thanks went to a number of individuals who have been observed in practice, identified through clinical audit or nominated by a colleague to have provided really excellent care across all three of our sites.

Endoscopy

The Trust has been accredited as an Endometriosis Centre by the British Society of Gynaecological Endoscopy. The accreditation is evidence that the multi-disciplinary team is judged to be delivering high quality comprehensive care for patients with this debilitating condition.

All three endoscopy teams at Frimley Health have now received the official seal of approval under the Joint Advisory Group (JAG) accreditation scheme. The teams at Wexham Park and Heatherwood have joined colleagues at Frimley Park in proving they are competent, safe and meeting patients' needs.

JAG accreditation aims to strengthen endoscopy services by driving improvements, establishing and sharing best practices, increasing patient confidence in services and enhancing workforce satisfaction. As well as five yearly visits, trusts must also demonstrate their compliance with the standards through annual self-reporting.

Accreditation means endoscopy units can take part in national programmes such as the bowel cancer screening programme and the bowel scope screening service. The endoscopy teams' achievements were celebrated under January's Frimley Health Board recognition scheme.

Antibiotic Review Kit (ARK)

A study aimed at reducing the unnecessary use of antibiotics by improving the review process is coming to Frimley Park hospital. The Antibiotic Review Kit (ARK), which has been running at Wexham Park since November 2017, launched in acute medicine at Frimley Park on 3 September 2018.

ARK is a decision aid tool embedded within the drug chart to support the review process for antibiotic prescriptions. In the weeks following ARK's implementation at Wexham, the proportion of antibiotic prescriptions reviewed within 72 hours rose from 75% to consistently above 90%. The hospital also saw up to a third of these prescriptions subsequently stopped – up from 5% before ARK was used.

Discharge planning

The Trust has been working hard to improve our patients' experience of discharge. Frimley Health now provides a single point of access for our community health and social care partners within both our acute hospitals to expedite the flow of information between organisations, our patients and their families.

The Trust is also better supporting patients and families who do not qualify for support from social care after being discharged from hospital. They told us that they needed help to navigate a complex network of providers to find the right on-going care. We are therefore delighted that the Trust has been able to provide services at each of our acute hospitals to assist patients find appropriate on going care to enable them to leave hospital as soon as they are able.

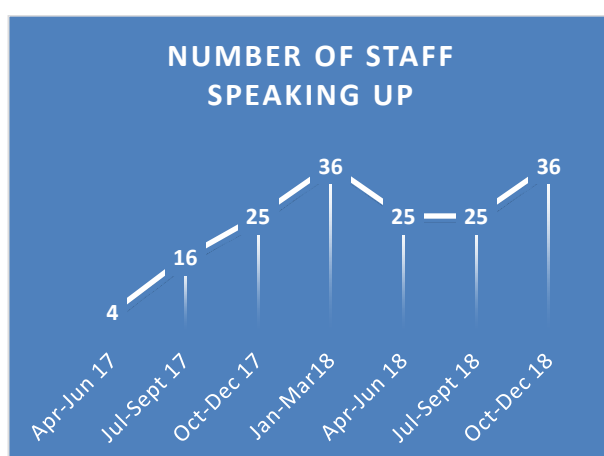
Freedom to Speak Up

In June 2018 the Gosport Independent Panel Report was published following an in-depth review into an 'institutionalised regime' of prescribing dangerous amounts of opiate painkillers in elderly patients, many of whom died, between 1989 and 2000 at Gosport War Memorial Hospital in Hampshire. In its response to the report, a paper was presented to the Board of Directors to provide assurance around our prescribing practices, the culture around reporting and challenging areas of concern and our monitoring arrangements. This includes an internal audit review of the management of controlled drugs which will take place in 2019-20. Further actions were also identified by the Trust to strengthen the safeguards that are currently in place, such as the introduction of a new incident reporting system which will improve the reporting of drug related incidents and cross-site analysis of data.

As part of the inquiry, the government committed to legislation requiring all NHS trusts in England to report annually on staff who speak up if they have concerns over quality of care, patient safety or bullying and harassment within the trust.

Freedom to speak up (FTSU) in Frimley Health is well established following the publication of our strategy, the appointment (in 2016-17) of the FTSU Guardian, champions and advocates, all of whom are available to encourage staff to raise their concerns. FTSU is integrated into corporate induction and patient safety training and there has been focused training and raising awareness of the importance of speaking up, or 'whistleblowing', across the Trust.

In 2018 a total of 122 people have raised their concerns through the FTSU process, see graph below. Two of them were anonymous and 60 requested confidentiality, which was respected. The national average for people speaking up in Trusts of a similar size is 43 (18%).



Concerns often cover more than one topic and relate to a wide range of issues. The reporting frequency (April 17 to December 18) is shown below.

| | | | |
|-----|-------------------------|----|----------------------------|
| 50% | Behaviour/relationship | 9% | Senior management issue |
| 31% | Patient safety | 8% | Staff safety |
| 28% | System/process | 7% | Fraud |
| 21% | Middle management issue | 2% | Infrastructure/environment |
| 14% | Bullying/harassment | 1% | Leadership |
| 12% | Cultural | 1% | Grievance |

The annual FTSU report to Board highlighted the following priorities for the next year as a result of learning from investigations:

- Develop skills based training in mediation and coaching for managers
- Review mechanisms for those who may feel detriment rather than a formal employment tribunal
- Focus training in areas where staff have reported feeling detriment
- Develop training for managers and staff
- Develop a mechanism to triangulate themes and hotspots.

Infant feeding

Frimley Health is committed to ensuring all women receive the most appropriate advice relating to infant feeding. We are regularly assessed as part of the global Baby Friendly Initiative. We are delighted that Frimley Park Hospital has retained its baby friendly status following reassessment in April 2019 and Wexham Park has been working towards stage two accreditation after achieving stage one assessment in July 2017.

Going forward, Wexham Park will be working towards achieving the stage two accreditation and aim for full accreditation by 2021 and Frimley Park will be aiming for the 'Gold' award status. To help achieve this, our Director of Nursing has been identified as the 'Baby Friendly Guardian'.

Maternity standards

In 2018 Frimley Health achieved all 10 standards set by NHS Resolutions in relation to their Clinical Negligence Scheme for Trusts (CNST) aimed at supporting the delivery of safe maternity care. Maternity organisations contribute a 10% maternity premium to CNST which they are able to receive back from the maternity incentives fund if they are fully compliant in all 10 standards. Investments in 2018 in maternity included increasing staffing to ensure that labour ward co-ordinators were supernumerary in line with CNST requirements. This scheme has been reintroduced for a second year with maternity working towards the revised 10 standards to ensure compliance by 15 August 2019 deadline.

People

The Trust's values of committed to excellence, working together and facing the future were the driving force behind adopting a positive corporate culture across Frimley Health. These values are fully implemented and embedded within human resources, communication systems, leadership development and other training programmes and within the Trust's branding. Mechanisms to communicate the Trust's vision and ambitions are also in place.

I am proud that our staff at Frimley Health continue to be more engaged and motivated than ever. according to the latest National NHS Staff Survey results. With 79.9% of staff reporting they are enthusiastic about their jobs and 70.1% recommending Frimley Health as a place to work, the Trust is among the very best in the acute trust sector.

Having engaged staff translates into a good patient experience with 83.7% of staff confirming that care of patients is the Trust's top priority and 81.4% saying they would be happy with the standard of care provided by the organisation.

The 2018 survey was undertaken in the third quarter of 2018-19, with 3,764 members of staff completing the questionnaire giving a response rate of 43% (national average 47%). The top 5 best scores (compared to the average) were for the following:

- Quality of appraisals; values definitely discussed.
- Have adequate materials, supplies and equipment to do my work
- If a friend or relative needed treatment would be happy with the standard of care provided by organisation
- Appraisal/performance review: definitely left feeling work is valued
- Would feel confident that organisation would address concerns about unsafe clinical practice.

I am delighted to say that staff are rating the support of their immediate managers even more highly than in previous years in particular with respect to the positive interest managers are taking in health and well-being, valuing the work of staff, the quality of appraisals, providing training and development and involving staff in decision-making (all of which have seen a 5% improvement since 2017). Good supportive leadership impacts on safety culture. Staff feedback in the survey demonstrates continuing and significant improvements in how staff who are involved in incidents feel they are supported, receiving feedback on reported incidents, feeling secure raising concerns and confident that the organisation will address concerns.

Staff turnover

The stability index data from the Model Hospital shows that we are performing better than other local trusts in regards to staff turnover. We have a range of retention initiatives such as career development conversations and a 'helping you to stay' campaign in place which is impacting staff turnover. The Trust is also working with NHS Improvement to develop other programmes.

Health and wellbeing (HWB)

There are three staff health and wellbeing indicators being measured as part of the Commissioning for Quality & Innovation (CQUIN) for 2017-2019. The indicators are as follows:

1. Improvement of health and wellbeing of NHS staff (measured by 5% improvement over a two year period in two of three NHS Staff Survey items – with 2015 scores as the baseline this year);
2. Healthy food for NHS staff, visitors and patients (measured by ban on price promotions on sugary items, ban on such items at checkouts and the percentage of sugary items in stock);
3. Improving the uptake of flu vaccinations for front-line staff (measured by uptake of 55% to 70% or more).

Progress on improving the health and wellbeing of NHS staff is shown in the following table:

| National Staff Survey Item | 2016 | 2017 | 2018 | Performance |
|---|------|------|------|------------------|
| Trust definitely takes positive action on HWB | 33% | 35% | 33% | 2% decrease |
| Staff experiencing work-related stress | 31% | 33% | 34% | 1% increase |
| Staff experiencing work-related MSK injuries | 24% | 25% | 25% | Remains the same |

Actions taken to improve these results have included:

- Extending and promoting the Employee Assistance Programme which is now better utilised with 530 web hits and 327 users
- Free fast track access for staff to our physiotherapy departments used by 357 staff over last year
- Stress risk assessment, action planning and links with local mental health trust on stress management support
- Raising awareness amongst leaders of their role in improving staff wellbeing
- Managing Mental Health in the Workplace programme and team development tools
- Driving up quality of appraisal and using it as an opportunity to appreciate staff
- Over 2,000 staff have taken part in a wellbeing activity or programme over the last 18 months

Staff Friends and Family Test

The latest Staff Friends and Family Test results show that 88.5% of staff who responded to the second quarter survey would recommend the Trust as a place for care or treatment. These results have remained the same as the previous year. The results show that 70.5% of staff would recommend the Trust as a place to work. These results have reduced by 1.5% since quarter four of the previous year.

The survey was open to 11,124 staff across all Frimley Health sites and 1,117 members of staff responded, giving a response rate of 10%. This is an 11% decrease when compared with the response rate at the end of the previous year.

Ambassadors champion nursing and midwifery

Frimley Health has appointed two nursing and midwifery ambassadors to champion the profession. A Frimley Park based lead nurse for patient safety, and a senior sister in cardiology at Wexham Park will be spending time out in our communities, visiting schools and youth groups to promote nursing and midwifery as a career.

They are among 165 ambassadors fulfilling the role across the country. The initiative is being led by the chief nursing officer for England as part of a drive to improve the image and perception of nursing and midwifery.

Clinical support systems

Additionally, the Trust has continued to focus on achieving the aims and objectives of our Quality Strategy and we have prioritised improving clinical and information systems across the Trust to ensure our staff have the right information, at the right time, in the right location.

For example the Trust has implemented a clinical patient system called Symphony in the new Emergency and Assessment Centre at Wexham Park Hospital aligning with the system at Frimley Park Hospital. This enables the Trust to manage each patient's journey better through the emergency department and assessment units and ensure that our patients' experiences are the same irrespective of the hospital where they are cared for.

A revised clinical assessment tool (NEWS2) has been implemented to provide staff with an early warning that a patient's condition is deteriorating and a programme has been launched to reduce the unnecessary use of antibiotics (ARK).

The Patient Safety team is proud to have successfully implemented a new incident management system (RL6) across the Trust. Frimley Health is the first Trust in the country to partner with RL Solutions working together to deliver a comprehensive patient safety system that provides us with greater analysis capabilities to further support us as an open, learning organisation. I look forward to the benefits this will bring during 2019-20.

The new system will include a mobile application enabling staff to log information while on the move. As well as the app for staff to report incidents on their mobile devices, the RL software comes with a number of new features which were not available on the previous system. These include individual access for staff, automatic login, incident feedback, the automatic linking of patient and staff details, and a dashboard facility for managers to view their incident reporting profile instantly.

The system will also be used for the all risk management activity by the Patient Safety team, including claims, complaints, root cause analysis, safety alerts and mortality and morbidity reviews. This is an exciting, innovative change that will help us improve the safety of our staff, patients and visitors across Frimley Health.

Looking ahead: priorities for 2019-20

The Trust has worked with our partners and patients to identify the following new priority areas for next year guided by performance over the previous year and areas of performance that did not meet the quality standards we aspire to:

- Improved discharge
- Reduction in the number of serious incidents related to non-escalation of deteriorating patients
- Helping people to make healthier lifestyle choices
- Maternity assessment / triage and management of sepsis

Mechanisms for monitoring performance in each of these areas are detailed in the main body of this report.

The Trust will also finalise its strategy and vision, based on the six key themes I identified when I became Chief Executive last year:

| | | |
|--|---|---|
| 1. One Frimley Health Reduce variation and consistently deliver the best care for patients. <i>We will be:</i> Using national data to benchmark our services and explore new ways of improving care and services across the Trust | 3. Investing in leaders Support our leaders to be the best and enable them to support our great teams. <i>We will be:</i> Launching a new leadership network | 5. Our future #FutureFHFT Build on past successes and think ahead to what our services can be in 10 years' time. <i>We will be:</i> Developing our 5-10 year vision and organisational strategy |
| 2. A learning organisation Make sure we are always improving and putting patients at the centre of our service design. <i>We will be:</i> Agreeing a standard approach to learning and quality improvement, with the patient and staff voice at the centre | 4. Recognising our people Be the best employer, value and empower staff to share and celebrate successes. <i>We will be:</i> Introducing a new recognition and reward programme and developing long-term plans for our future workforce | 6. Joined up Work better with GPs, social care, providers and volunteers to join up care and develop services focused on wellbeing, and less on treating sickness. <i>We will be:</i> Aligning our work with the Frimley Health and Care Integrated Care System |

These themes and actions will ensure:

- Patients are empowered. The Trust will encourage people to be partners to make decisions about their own treatment and care.
- Communities and Trust partners are engaged. We will continue to ensure that our social care, primary and secondary care, as well as physical and mental health services, are joined up to provide our communities with '*outstanding*' outcomes and a world class experience.
- Trust staff and leaders are enabled. The Trust will provide the environment that enables them to build morale, develop an open, learning culture, and provide services that are responsive and effective for the communities they serve.

The Trust ambition to become an '*outstanding*' organisation remains the same, as will our focus on patient safety, clinical excellence and patient experience. In the coming year we will need to focus on strengthening the use of technology, information and record systems together with the governance structures and processes necessary to achieve that ambition.

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



Neil Dardis
Chief Executive
22 May 2019

2. Priorities for improvement and statements of assurance from the Board

Progress against 2018-19 quality priorities

Priority 1: Reducing preventable deaths by learning from mortality reviews

Why we chose this as a priority for the previous year?

One of our main aims, through the quality improvement strategy, is to maintain our low mortality rates, establish the incidences of potentially preventable deaths and implement improvements in care as a result of the mortality reviews.

At Frimley Health we carry out mortality reviews of patient deaths that happen while patients are in our care. We implement a consistent process to ensure any opportunity to learn from these events is identified. This underpins our commitment to becoming one of the safest acute Trusts in the UK. The learning from these reviews helps to identify areas where more focus and attention is needed in order to further reduce harm and premature death. The Mortality Review Group oversee shared learning to ensure that the organisation as a whole can learn from these reviews.

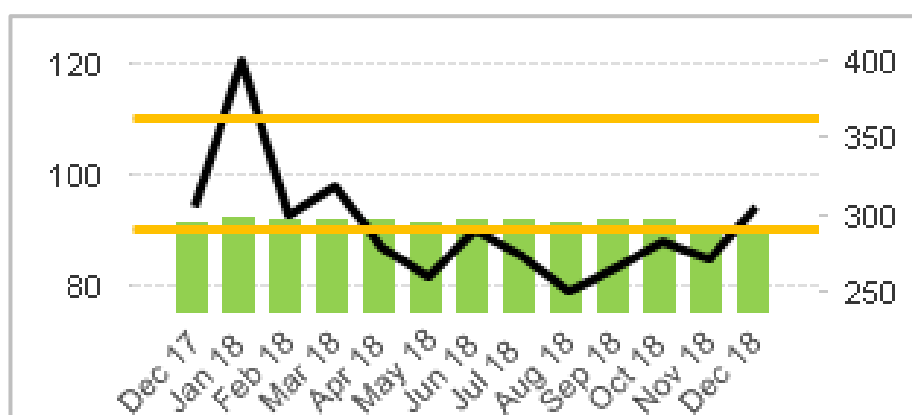
The Mortality Surveillance Group also oversee all work relating to mortality and morbidity reduction, ensuring participation in national reviews of learning disability deaths, and solidifying our commitment to the right place of care and end of life quality standards for those patients who are expected to die.

Please see pages 129-130 of this report for full details on how we monitored and reported on progress against this priority during 2018-19.

Summary hospital-level mortality indicator (SHMI)

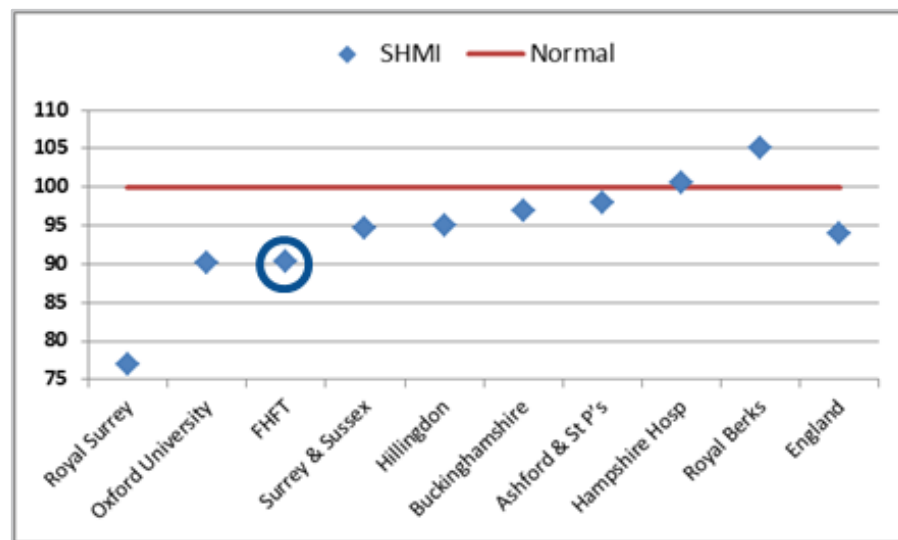
The SHMI reports on mortality at trust level across the NHS in England. The SHMI is the ratio between the actual number of patients who die following hospitalisation at the trust and the number that would be expected to die on the basis of average England figures, given the characteristics of the patients treated there.

Overall, the Trustwide SHMI rate remains within the expected range (90.4 - 12 months rolling number December 2017 to December 2018).



Source: Hospital Evaluation Data system (HED)

The graph below shows that Frimley Health has one of the best (lowest) mortality rates amongst its peers.



Source: Hospital Evaluation Data system (HED)

Priority 2: Pressure ulcer prevention – to reduce the total number of pressure ulcers by a minimum of 10% during 2018-19

Why we chose this as a priority for the previous year?

It is estimated that just under half a million people in the UK will develop at least one pressure ulcer in any given year.

Pressure ulcers (also known as pressure sores or bedsores) are injuries to the skin and underlying tissue, primarily caused by prolonged pressure on the skin. They can happen to anyone, but usually affect people confined to bed or who sit in a chair or wheelchair for long periods of time.

We have seen a steady increase in hospital acquired pressure ulcers over the last year. Developing a pressure ulcer can be devastating for a patient and their families and can lead to further complications.

One of the key patient safety work streams focuses on preventing hospital-acquired pressure ulcers. Extensive work was carried out during 2018-19 to ensure that pressure ulcer prevention remained a top patient safety priority for the Trust.

Education

Our aim in 2018-19 was to provide further education to all staff regarding pressure damage and early recognition via patient safety training. Currently, 95% of staff across the Trust have completed their level 1 patient safety training and 80% of staff have completed this for level 2 (as at April 2019).

Training is provided on the risk assessment process and prevention of pressure damage at patient safety training care certificate programme for care assistants and on preceptorship for newly qualified staff.

A Trustwide training programme has been implemented for ward staff around appropriately assessing and managing non-complex wounds; those areas identified as having a higher number of hospital acquired pressure ulcers will be targeted. Wound care study days have also been organised on both acute sites.

The Trust joined the NHSI Collaborative for Pressure Ulcer Prevention in October 2018. The project which the Trust collaborative team chose to focus this work on is around early identification of pressure damage and implementation of appropriate risk reducing measures. The Trust collaborative team have developed a pressure ulcer care pathway which is currently being tested on the pilot wards and will be rolled out to the rest of the organisation following this trial phase.

Reporting

We did not achieve our ambition of reducing the total number of pressure ulcers by 10% over the last year. In fact, we saw an 11% increase in category 2, 3 and 4 pressure ulcers overall during 2018-19. We believe this to be due to a genuine increase in incidences of pressure ulcers as well as better reporting.

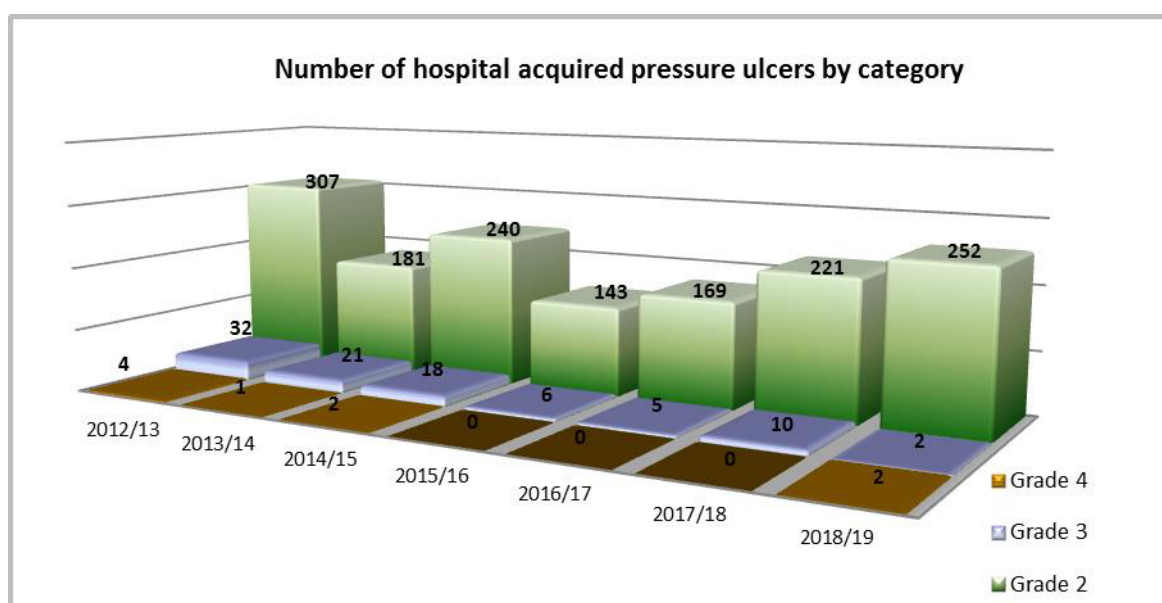
The table below shows the total number of pressure ulcers reported by category in 2018-19 (and the previous year). The rate of pressure ulcers per 1,000 bed days is also included to show performance against activity.

| | 2017-18 | 2018-19 | |
|------------|------------------------|------------------------|------------------------|
| | No. of pressure ulcers | No. of pressure ulcers | Rate per 1000 bed days |
| Category 1 | 152 | 177 | 0.4 |
| Category 2 | 221 | 256 | 0.6 |
| Category 3 | 10 | 2 | 0.005 |
| Category 4 | 0 | 2 | 0.005 |

We said that over the last year we wanted to encourage staff to proactively report category 1 and 2 pressure ulcers using the incident reporting and patient safety system. The results shown above confirm that we have seen an increase in the reporting of these pressure ulcers.

Continuing to monitor incidents of category 2, 3 and 4 pressures ulcers was one of our objectives during 2018-19 to ensure that we were identifying key themes and trends. There was a pressure ulcer summit meeting held in June 2018 which saw good representation from across the Trust. A number of themes were identified as part of the summit and subsequently initiatives were implemented including alignment of the referral process Trustwide and standardisation of use of medical photographers for recording pressure damage.

The graph below shows that since 2012-13 there has been a 24% reduction in the overall number of hospital acquired category 2, 3 and 4 pressure ulcers (this only reflects pressure ulcers acquired by inpatients being treated in one of our three hospital sites).



Source: Trust data

For the current reporting year there has been an 80% overall reduction in the number of category 3 pressure ulcers since the previous year which is a significant improvement. The Trust recognises that there had not been a category 4 pressure ulcer reported since 2014 and that two have been reported in this period. The reviews undertaken in relation to these patients have identified that when pressure damage was first identified the wound bed was unable to be visualised so both were not able to be graded. Once the necrotic / sloughy tissue had been debrided these wounds were classified as category 4.

It is anticipated that the implementation of the new risk management system will support further improvements in the reporting of pressure damage. The ease of reporting and the increased focus on pressure area care will produce a higher number of pressure ulcers being reported. The collaborative team feel that using the care pathway will ensure appropriate interventions are undertaken as soon as a patient is identified at high risk of pressure damage or pressure damage is noted. By ensuring appropriate interventions are undertaken this should reduce the number of category 3 and 4 pressure ulcers and, therefore, overall harm to our patients.

Local review of pressure ulcers

One of our key ambitions was to improve the process of local review of pressure ulcers at ward level by the ward sisters. Therefore, the senior sisters are required to complete root cause analysis documentation for all hospital acquired category 2 pressure ulcers. This provides ownership at ward level of the outcomes and learning. The new pressure ulcer pathway will support these reviews.

Some of the actions we took to improve practice and reduce the prevalence of pressure ulcers were:

- Alignment of the tissue viability service across Frimley Health to ensure we are achieving the same standard of care across the Trust
- Recruited into vacancies within the tissue viability team on both sites
- Alignment of team practice cross site
- Planned teaching for all ward staff on the identification and management of category 1 and 2 pressure ulcers
- NHSI have published a revised pressure ulcer definition framework and the Trust has reviewed its practices and aligned these with the framework
- Review of the number of category 2s reported for the Wexham Park site.

Next steps:

- There has been a trustwide training programme in place for ward staff to appropriately assess and manage non-complex wounds. The areas identified as outliers with hospital acquired pressure ulcers have been targeted.
- To recruit into vacant tissue viability nurse post on the Wexham Park site.
- A 'task and finish group' has been set up to review all category 2 pressure ulcers with the aim of reducing them further.
- A video is being produced for our patients who cannot easily read the patient information leaflet on pressure ulcer prevention or would prefer to see it in a more visual way. This will be shown to them on handheld devices at their bedside and is anticipated to be completed by June this year.
- To unify the Trust tissue viability nurse policy and procedures and ensure that the teams are working in alignment across Frimley Health
- Ward level quality dashboards will be redesigned with individual ward targets for reduction of pressure ulcers. These dashboards will be presented and discussed at key nursing forums to share good practice and use the data to determine where quality improvement initiatives are needed.

Priority 3: Improving written and verbal communication for patients and engagement

Why we chose this as a priority for the previous year?

Patient, family and carer experience is at the heart of everything we do at Frimley Health. The work we do aims to ensure we deliver what matters most to our patients, their families and carers. Teams within our hospitals are continually working to develop improvements based around patient feedback to help improve patients' experience and built pathways that reflect the clinical needs and improve our patients' experience.

Complaints

Our aim in 2018-19 was to improve our responsiveness to complaints and demonstrate our learning from complaints in the Trust.

In 2018-19 the complaints team focused on ensuring that the quality of responses improved. Every complaint is considered and focus given on resolution with openness, transparency and with the patient and their relatives central to the process taking into consideration their needs and requests. Whether that resolution takes place in a meeting between service users and staff members, by telephone directly with the treating clinicians or by providing a written response to any concern raised, our aim is always to focus on our on-going commitment towards service improvement and treating each patient and their relatives as we would treat our own friends and family.

The Trust aims to respond to less complex formal complaints in 25 working days. A 40 day target has been agreed for more complex complaints or those that cross organisations / services or require consent. Whilst there is no defined target nationally, our policy sets the target for the Trust as follows:

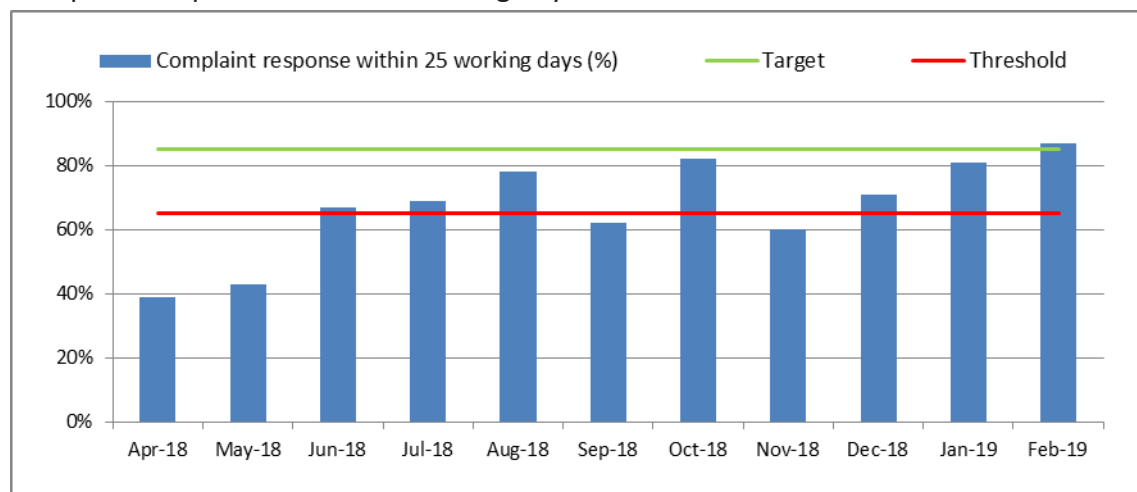
- 85% for 25 day responses
- 95% for 40 day responses.

Meeting the 40 day target continues to be challenging with complex complaints taking longer to complete at Wexham Park due to delays in obtaining responses from various specialties. The current response rate

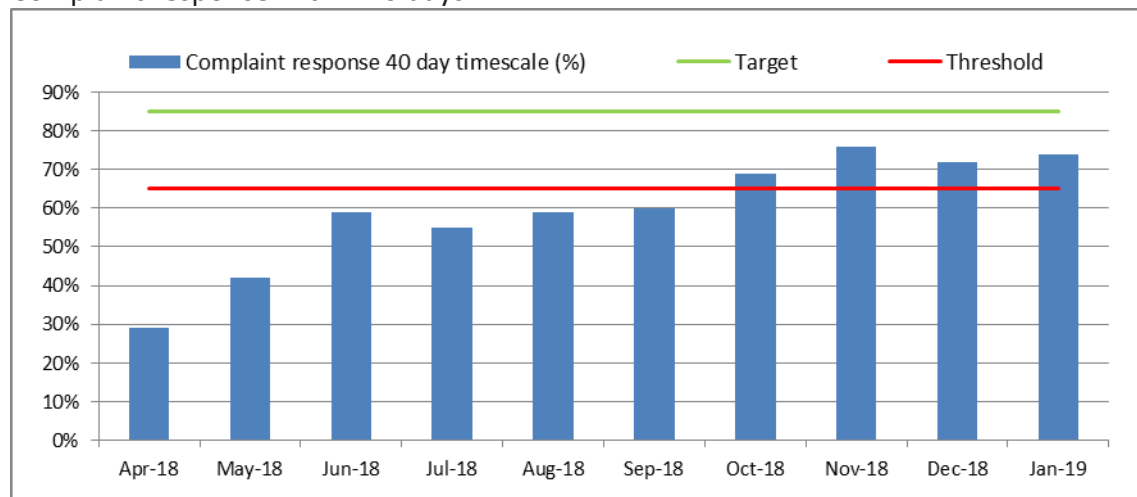
for responding within 25 days is 87% (as at February 2019 – data is always one month in arrears). The 40 day response rate for FHFT is 74% (as at January 2019 – data is always two months in arrears).

We only started to measure 25 and 40 day response rates separately as of April 2018. Therefore, it is difficult to make a comparison against the previous year. In 2017-18 the overall average response rate was 44%.

Complaint response within 25 working days:



Complaint response within 40 days:



Next Steps:

- Undertake analysis of delays by specialty to better understand the challenges in meeting the target for both 25 and 40 days.
- Currently, a complaints tracker is circulated every two weeks to the specialties. This will be increased to weekly to prompt specialty senior staff of the need to respond to meet deadlines and promote local ownership and engagement.
- Trackers to continue to be circulated every two weeks to specialties.
- Complaints will be recorded on the new RL system from January 2019. This requires further development to produce real-time accurate complaints trackers.
- Roundtable review method to be trialled to investigate complex complaints within the Medical Directorate at Wexham Park.

The Trust continues to try to ensure that our Patient Advice and Liaison Service (PALS) offices are more visible to the public by having them in key locations in the hospital, having clear signage to indicate the PALS office and providing multiple entrances for easy access into the PALS office.

We continue to receive a large amount of feedback on online platforms such as 'NHS.com' and 'Care Opinion'. Written comments are fed back to the departments if identified.

Social media is increasingly being used in real-time, whereas written complaints can come from a few days to months and years later. These comments and observations are being responded to in a timely manner as much as possible. The comments are largely positive and we strive to answer any negative ones.

Ward 2 at Wexham Park Hospital has created a 'feedback jar' which is displayed in the entrance of the ward on the wall asking visitors to provide any feedback or comments. Visitors can write their comments down on a piece of paper and put it in the jar. Due to the location of the feedback jar it gives patients easy access and can be anonymous.

National Inpatient Survey

Following initial review of the National Inpatient Survey results in 2017 it was evident that we needed to target specific areas to improve the experience of our patients. A review of our internal inpatient survey questions also suggested targeted areas for improvement. For example, patients reported issues related to mixed sex accommodation in the Trust.

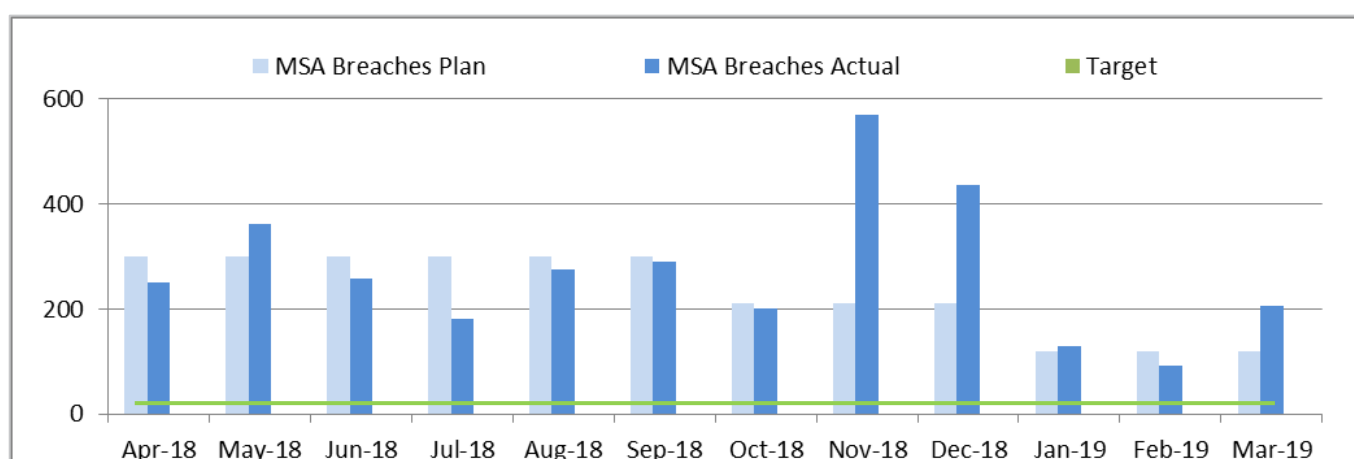
Mixed sex accommodation

Our aim in 2018-19 was to improve accommodation in a number of our clinical areas in 2018-19 and to ensure that our new builds are compliant with the mixed sex accommodation standards.

Following on from the National Inpatient Survey results the Trust set up a task and finish group to deliver improvements around same sex accommodation. As a result the Trust has refurbished the Heatherwood Day Surgery Unit, embarked on a nine month refurbishment of the Frimley Park Day Surgery Unit and revisited patient flow through recovery areas. Patient information leaflets about same sex accommodation have been re-launched to inform patients about the Trust's policy.

There has been a significant reduction in the number of breaches since November 2018 from 570 to 206 in March 2019 and the Trust is aiming to eliminate all non-clinical breaches by July 2019 once refurbishments have been completed.

The Trust also joined the NHS Improvement and NHS England delivering same sex accommodation collaborative and is proud to have participated in the development of updated national guidance for delivering same sex accommodation.



Next steps:

- Estates work in DSU2 at Frimley Park continues. Once complete, this will support same sex accommodation delivery.
- Bowel screening programme director to be contacted to request support for same sex list bookings.
- Medical Investigation Day Unit (MIDU) at Wexham to be considered for a department move to fully support same sex accommodation facilities
- Ward sisters to ensure breaches/potential breaches are reported at site meetings to encourage prompt step down transfers.
- Reporting of MSA breaches will change to the RL incident reporting system.

Noise at night from other patients

We use patient experience surveys, inpatient surveys, PALs contacts, complaints and feedback to identify areas that have issues with noise at night. The results of the patient experience survey regarding noise at night are as follows:

- Were you ever bothered by noise at night from hospital staff? % of patients saying no = 87% (target 90%)
- Were you ever bothered by noise at night from other patients? % of patients saying no = 68% (target 75%)

Noise at night banners and posters have been distributed and displayed around the Trust. This is discussed regularly at the senior sisters and matrons meetings to look for ways to reduce the noise at night.

We have started to implement 'SoundEars' (noise monitors) on the wards which light up when the noise levels are too high. The aim is to provide these on more wards across the Trust.

Next Steps:

The Trust will be utilising the NHS Improvement Enhanced Observation and Care Collaborative improvement tools and learning community to improve the quality, safety and patient experience of one-to-one care and to deliver an improved experience for the most vulnerable hospital inpatients.

The Trust will implement 15 steps night visits to check that the initiatives implemented have been effective.

Nurses inappropriately talking in front of patients

The results of our local patient experience survey show that 92% of patients who responded did not feel that nurses talked in front of them as if they were not there. The target is >=95%.

Although we are very close to achieving our target, a reminder to staff has been included in our patient experience newsletter to remind staff of the importance of having conversations away from the patients' bedside.

Help with personal hygiene

Our training programmes have been refreshed and extended for new clinical staff joining the organisation, to set the standards for personal care and ensure staff have the right skills. Ward dashboards will measure patient satisfaction with this element of care and identify areas where further support is required to ensure standards are met. Dashboards will be monitored at the Nursing & Midwifery Board to ensure our patients are receiving the individualised care and support they need in relation to personal hygiene.

Worries and fears

During quarter 3 all clinical areas received new Quality, Safety and Patient Experience boards. The boards are displayed in public/patient areas and include a section on who to contact if they have worries and concerns. These boards complement the posters around the Trust which highlight there is always a senior nurse on duty.

Next Steps:

Continue to monitor feedback from patients regarding their worries and fears and include in the patient experience newsletter to raise awareness.

Dementia

Dementia is a syndrome (a group of related symptoms) that is associated with an ongoing decline of the brain and its abilities.

One in three people over 65 will go on to develop some form of dementia. There are around 850,000 people living with dementia in the UK, and the disease costs the economy £23 billion a year. By 2040, the number of people affected is expected to double and the costs are likely to treble (Department of Health 2015).

The Trust has undertaken significant work over the years to improve the services for people with a diagnosis of dementia. During 2018-19, our commitment to delivering a high quality dementia service for patients and their families and carers continued to be a focus area for us.

Raising dementia awareness is important to the Trust. Currently 96.5% of Trust staff have received the first level of dementia awareness training. Having a well-informed workforce helps shape a better dementia care culture.

The indicators in the table below were monitored as part of Frimley Health's standard contract requirement during 2018-19.

| Indicator | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|--|---------|---------|---------|---------|
| 90% of all admitted patients (75+) screened for dementia (within 72 hours) | 95% | 96% | 100% | 100% |
| 90% of all admitted patients (75+) who scored positively on the dementia screening tool that then received a dementia diagnostic assessment (within 72 hours) | 97% | 96% | 100% | 100% |
| 90% of all admitted patients (75+) who received a dementia diagnostic assessment with a 'positive' or 'inconclusive' outcome that were then referred for further diagnostic advice/follow up (within 72 hours) | 100% | 100% | 100% | 100% |

During 2018-19, the Trust continued to expand our dementia friendly environments/services and developed our frailty units on both main acute sites.

There has been a significant increase in the number of dementia champions on the Wexham Park site and funding has been secured for 32 places on a sensory training programme to support staff in understanding the needs of patients with dementia.

Improving dementia care culture through activities

Approximately a quarter of hospital beds are occupied by a person with a diagnosis of dementia (Royal College of Psychiatry 2013). In 2018, 5,557 people with a diagnosis of dementia were admitted and cared for at Frimley Health NHS Foundation Trust.

With an ageing population this number of admissions is likely to increase and the call for good dementia care will escalate. Although enhancements in dementia awareness, a dementia-friendly environment and dementia care have been made, the Trust recognises that there is still a long way to go in improving the experience of people with dementia who are cared for in the Trust. FHFT, supported by the Frimley Health Charity, has appointed a therapeutic activity coordinator for each site.

The therapeutic activity coordinators play a vital role in delivering purposeful activities that stimulate people with dementia and improve their wellbeing. The impact of purposeful activity is important for all elderly patients and particularly for those people living with dementia.

The therapeutic activity coordinators will plan, implement and facilitate a range of activities five days a week that is tailored to the needs, capability and frailty of the person with dementia. Next of kin, families and ward staff are encouraged to communicate with the therapeutic activity coordinator to suggest appropriate activities based on the person's life story, experiences, and interests. Being mindful of each patient's physical, mental and emotional ability will result in a much better engagement with activities. The therapeutic activity coordinators can be reached via email or via telephone.

Carer/relative experience for patients with a diagnosis of dementia

We recognise that people with dementia do not respond well to changes in their environment and routine. The Trust recognises that carers and relatives play a vital role in the care of patients with dementia and we are committed to improving how we work with and support carers of our patients. Therefore, we introduced a questionnaire for the carer/relative of patients with dementia in order to understand how we can support carers better.

We are proud to say that the results of our local Trust survey show that:

- 100% of carers/friends/family of patients would recommend our services to friends and family
- 100% of carers/friends/family of patients scored the care received by their relative/friend between 8 and 10 out of 10

Over the past year, the dementia support worker from the Alzheimer's Society has set up a stand in the main entrance of Frimley Park Hospital to offer support to carers of patients with dementia. This is alongside many other initiatives we have implemented over the years across our main hospital sites.

#End PJ Paralysis / Last 1,000 Days

#EndPJParalysis is a global social movement embraced by nurses, therapists and medical colleagues, to get patients up, dressed and moving.

Having patients in their day clothes while in hospital, rather than in pyjamas (PJs) or gowns, enhances dignity, autonomy and, in many instances, shortens their length of stay. For patients over the age of 80, a week in bed can result in 10 years of muscle ageing, 1.5kg of muscle loss, and may lead to increased dependency and demotivation. Getting patients up and moving has been shown to reduce falls, improve patient experience and reduce length of stay by up to 1.5 days.

#EndPJParalysis puts the focus on quality of patient time and experience. It asks the question: 'If you had 1,000 days to live, would you like to spend them in hospital?'.

The Trust participated in the National 70 Day Challenge to End PJ Paralysis. During these 70 days patients were helped and encouraged to get up, dressed and moving in their own clothes rather than staying in hospital gowns or pyjamas. We recognise that deconditioning in hospital of older patients can cause harm and we are committing as a Trust to the #endPJparalysis principles of getting patients dressed when appropriate and enabling them to mobilise. We are proud to say that over 10,000 days of deconditioning were saved at Frimley Health during the timeframe.

Increasing the 'patient voice'

We have decided as a Trust to look at commissioning a culture change programme putting patients and carers at the centre of our thinking. To do this we are working in collaboration with the University of Surrey, Point of Care Foundation and Patient Experience Network to develop a Trustwide project entitled 'Patients in Partnership' for the patient voices to be heard.

The Trust is also taking steps to expand our quality improvement capability to ensure quality improvement is at the core of our service. The programme plans to offer bespoke training for patients and carers in quality improvement so they can work in partnership with us in our programmes.

The Trust is also working with ICS on patient pathways and asking patients their opinions on what matters to them.

Next Steps:

- Recruit patient ambassadors to help raise patient voices within the Trust
- Patient experience stall at foundation trust public members meetings to come and feedback
- Increased engagement with the public
- Seek Board approval for building a QI capability plan
- The Governors engagement events (there will be a representative from the patient experience team at these events to capture feedback from the constituency about improvements they would like to see at our hospitals).

Quality priorities for improvement in 2019-20

The Trust's quality improvement strategy 2017-20 outlines the number of projects which we will be focussing on in the coming years. We would however like to highlight the following pieces of work as key priorities for 2019-20. For all our priorities, we will ensure that measurable outcomes are reported in the Quality Report for 2019-20.

The quality priorities for the coming year have been guided by our performance over the previous year and the areas of performance that did not meet the quality of standard to which we aspire. Finally, we have been mindful of quality priorities at national level as evidenced in recent government publications. Through this process, we have identified the following priorities:

Priority 1: Improving the safe transfer of care from hospital to home for patients

Why we chose this as a priority for the coming year

As Frimley Health continues to grow, providing community and social care services and treating more patients out of the traditional hospital setting, the challenge now is to join up these services to ensure a smooth patient journey whenever they require access to our services.

Our main aim is to provide patients with all the information required for safe transfer of care, through the introduction of a safe transfer of care pack and a revision of how we provide information and advice on medication. We are conducting a Trustwide three-site co-design approach using the 'Always Events', listening to what information our patients would like to ensure they are transferred home or to their next place of care safely and seamlessly.

Inpatient survey and patient experience feedback has highlighted that patients need better information.

How will we monitor and report progress?

- Continue to discuss outcomes of Always Events[®] at the Patient Experience Forum (see page 154 for further details regarding Always Events)
- Develop and implement a safe transfer of care patient survey to be carried out once our patients have left hospital
- Review and report on the number of clinical concerns relating to medications on transfer of care
- Establish a baseline in quarter 1 of the results from the new safe transfer of care survey and then demonstrate improvement throughout the year.

Priority 2: To reduce the number of serious incidents related to recognition and management of the deteriorating patient

Early identification is important to ensure patients are monitored closely and any significant deterioration in their clinical condition is identified quickly and acted upon. This will include an urgent review by the relevant clinical team, senior nurse and doctor. Additionally, where appropriate, a consultant will initiate further treatment and the patient will be transferred to a high dependency unit or intensive care, if required.

Why we chose to monitor progress against this?

Clinical concerns regarding the management of deteriorating patients continue to be identified via incident reporting, soft intelligence gathered from the Resuscitation teams and their on-going interaction with the outreach teams and the night nurse practitioner (FPH only). They are also identified by clinicians during the mortality screening process and incidents that are discussed are then escalated with the Resuscitation Committee cross site chair.

A newly aligned Do Not Attempt Cardio-pulmonary Resuscitation (DNACPR) form was implemented across the Trust last year (FPH September 2018, WPH November 2018). The form was standardised to include details around ceilings of care for patients and a space for doctors to document conversations with the families of patients who lack capacity.

Sepsis claims 52,000 lives a year in the UK and early treatment is vital to ensure a good outcome for the patient. New guidance mandated by NHS England includes a requirement for staff to alert senior doctors if patients suspected of having sepsis do not respond to treatment within one hour. All NHS trusts in England will be contractually obliged to fully comply with the advice from April 2019 in a bid to improve accountability.

Frimley Health also rolled out the second wave of the National Early Warning Scores (NEWS2) in. The tool can be used to identify severely ill adult patients and notify staff if a review of their condition is needed to determine whether it is caused by sepsis. We recognise that this is an area where we need to continue to carry out further education and training to build staff's confidence in responding appropriately.

How will we monitor and report progress?

- We will continue to reduce the number of in-hospital cardiac arrests across the Trust
- We will monitor and review the decision making processes regarding DNACPR by continuing to audit this twice a year
- 'E-observations' is due to be implemented by the end of 2019 which will support us in monitoring the actions taken when a patient's condition deteriorates as well as highlighting accountability for the decisions made. We will monitor the impact this has on identification and escalation of the deteriorating patient
- A NHS review of hospital targets for sepsis is expected to soon be published, with new clinical standards trialled over the next few months.

Priority 3: Improving conversations with patients and colleagues with the aim of encouraging people to make healthier lifestyle choices

Why we chose this as a priority for the coming year?

The NHS standard contract requires providers to develop and maintain an organisational plan for Making Every Contact Count (MECC) in accordance with national guidance. MECC also appears in the NHS long-term plan (2019) with a focus on prevention of ill health and health inequalities.

We know that 80% of heart disease, stroke and Type 2 Diabetes cases and 33% of cancers could be prevented by following a healthy lifestyle. Many of our lifestyle choices are also affected by mental wellbeing and how we cope with day to day life. Mental wellbeing is dynamic and can change moment to moment, day to day, month to month or year to year. Lifestyle factors, particularly smoking, are also one of the biggest contributors to health inequalities in England. Healthcare staff have many opportunities to improve the health and wellbeing of service users, staff members and the general public by making every contact count. The MECC programme is also supported by the Frimley Integrated Care System (ICS) in the prevention and self-care workstream.

The principles of MECC are:

- To provide the organisational drive to develop a wider public health improvement strategy to systematically promote the benefits of healthy lifestyle choices across the organisation (for staff, patients and visitors).
- To support individuals with lifestyle changes they may wish to make, when there is an appropriate opportunity to do so (through healthy conversations skill training).
- Staff will take the appropriate action to either give information, signpost or refer individuals to the support they need.
- To support changes to discharge processes to include assessment of patients' wider health needs.

Preventing ill health by risky behaviours is part of the national Commissioning for Quality and Innovation (CQUIN) programme for 2019-20. The CQUIN will focus on identifying and influencing inpatients who are increasing or higher risk drinkers by providing brief advice and to identify and influence inpatients who smoke to make an attempt to quit. Implemented well, it has the capacity to:

- reduce future hospital admissions
- reduce wound infection
- improve wound and bone healing
- reduce longer term risk of heart disease, stroke, cancer and premature death due to smoking cessation interventions
- improve chronic disease management such as hypertension due to inpatient identification of risky drinking and advice.

How will we monitor and report progress?

- By increasing education and awareness of healthy living through staff training, promotional stands for patients and visitors
- Introducing a MECC e-learning package as part of induction for completion in the first 100 days
- Aim to ensure that 80% of inpatients, admitted to an inpatient ward for at least one night, are screened for smoking and alcohol use

- Aim to ensure that 90% of identified smokers are given very brief advice and are offered nicotine replacement therapy (whether or not this is taken up)
- Aim to ensure that 90% of patients identified as drinking above low risk levels are given brief advice or offered a specialist referral.

Priority 4: Maternity Quality Priorities for Improvement

Ensure all women attending maternity triage/ assessment areas are assessed within appropriate timeframes and assigned appropriate categorisation for further treatment and assessment timeframes

Why we chose this as a priority for the coming year?

Frimley Health is part of wave two of the National Maternal and Neonatal Health Safety Collaborative. This collaborative assists maternity care providers and commissioners to improve clinical practices, reduce unwarranted variation and report on how they are contributing to the national maternity ambitions.

There are five primary drivers within the national project:

1. Improve the proportion of smoke free pregnancies
2. Improve the optimization and stabilization of the very preterm infant
3. Improve the detection and management of diabetes in pregnancy
4. Improve the detection and management of neonatal hypoglycaemia
5. Improve the early recognition and management of deterioration during labour and early postpartum period.

Of the five areas of priority the cross site improvement team at Frimley Health will focus on the primary driver of 'recognition and management of the deterioration in mothers or babies'.

This will be achieved through an improvement project aimed at improving assessment times within the maternity triage. We aim to ensure that 100% of all women attending maternity triage/assessment unit who trigger an amber or red traffic light code are seen by a midwife within 20 minutes of arrival by December 2019. The minimum standard to be achieved will be set at 95%.

How will we monitor and report progress?

- We will implement the Birmingham Symptom Specific Obstetric Triage System (BSOSTS) to standardise clinical triage assessments using symptom specific algorithms to allocate clinical priority
- We will monitor compliance with the target on a monthly basis
- We will report on the progress of this initiative within the quarterly maternity patient safety report presented to cross site obstetrics and gynaecology clinical governance committee and Trust Quality Committee.

Use of sepsis screening tool – to increase compliance with undertaking the sepsis screening tool when patients are assessed as having one yellow score via a MEOWS observation chart

Why we chose this as a priority for the coming year?

Sepsis has been a key focus for Frimley Health with Trustwide drives aimed at improving care within this area. Trustwide changes in practice in 2017-18 have included the use of the sepsis sticker when patients are screened and not requiring the initiation of the sepsis bundle. This has not been implemented in maternity at present but would be a good visual aid to show that consideration of sepsis has occurred.

There has been a cross site launch of the UK Sepsis Trust's 'Inpatient Maternal Sepsis Screening Tool', 'Community Midwifery Sepsis Screening and Action Tool', and the 'Maternal Telephone Triage Sepsis Screening Tool'. This will be applied to all women who are pregnant or up to six weeks postpartum (or after the end of pregnancy if pregnancy did not end in a birth) who have a suspected infection or have clinical observations outside normal limits. The tool is now utilised in the Emergency Department, Gynaecology and all wards with women who are present as inpatients.

From October 2018 compliance with sepsis screening has been reported via the monthly maternity dashboard. All maternity inpatient areas are required to audit a minimum of five sets of notes per week to review two parameters:

1. the percentage of patients who met the criteria for sepsis who were screened
2. the percentage of patients who presented with sepsis and were administered intravenous antibiotics within an hour.

Overall compliance for Frimley Health Maternity has ranged from 72% to 84% for component one and 50% to 89% for component two.

How will we monitor and report progress?

- We will use a sepsis screening tool to screen for sepsis in all cases where women have score 1 yellow or more on the MEOWS observation chart
- We will participate in the Trustwide monthly audit looking at the appropriate use of the sepsis screening tool completing a minimum of five audits per inpatient area per week with monthly reporting via the maternity dashboard
- We will include training on sepsis within the maternity mandatory skills days using PROMPT based scenarios and highlight the importance of sepsis screening tools within scenario learning, ensuring that a minimum of 90% of staff are in date with annual training.

Statements of assurance from the Board

Review of services

During 2018-19, Frimley Health NHS Foundation Trust provided or sub-contracted services for 117 categories of healthcare provision¹.

Frimley Health NHS Foundation Trust has reviewed all the data available to it on the quality of care in all 117 healthcare provision categories.

The income generated by the relevant health services reviewed in 2018-19 represents 2.73% of the total income generated from the provision of relevant health services by Frimley Health NHS Foundation Trust for April 2018 – March 2019.

Participation in clinical audits

During 2018-19, 52 national clinical audits and five national confidential enquiries covered relevant health services that Frimley Health NHS Foundation Trust provides.

During that period Frimley Health NHS Foundation Trust participated in 100% of the national clinical audits and 100% of the national confidential enquiries which it was eligible to participate in and were open for data collection.

The table on the following pages shows:

- The national clinical audits and national confidential enquiries that Frimley Health Foundation Trust was eligible to participate in during 2018-19
- The national clinical audits and national confidential enquiries that Frimley Health Foundation Trust participated in during 2018-19
- The national clinical audits and national confidential enquiries that Frimley Health NHS Foundation Trust participated in, and for which data collection was completed during 2018-19, are listed in the table, 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.

¹ It is surprisingly difficult to accurately define the services we provide into individual services as there are many cross overs and a holistic view of service provision is what we are aiming for.

| National Clinical Audit/ Enquiry | Eligible | Participated | % of cases submitted |
|---|-----------------|-------------------|--|
| Acute | | | |
| Case Mix Programme (CMP) Intensive Care National Audit & Research Centre (ICNARC) | ✓ | ✓ | 100% |
| National Emergency Laparotomy Audit (NELA) | ✓ | ✓ | FPH 84.9% WPH 85.9% |
| National Joint Registry (NJR) | ✓ | ✓ | FPH 97% HWD & WPH 100% |
| Major Trauma (Trauma Audit & Research Network (TARN) | ✓ | ✓ | FPH 93% WPH 95.7% |
| National Comparative Audit of Blood Transfusion programme | ✓ | ✓ | 100% |
| Serious Hazards of Transfusion (SHOT): UK National haemovigilance scheme | ✓ | ✓ | 100% |
| RCEM Feverish Children | ✓ | ✓ | 100% |
| RCEM Pain Vital Signs in Adults | ✓ | ✓ | 100% |
| RCEM Risk in Lower Limb Immobilisation | ✓ | ✓ | 100% |
| Cancer | | | |
| Bowel Cancer (NBOCAP) | ✓ | ✓ | FPH 76% WPH 123%* |
| Lung Cancer (NLCA) | ✓ | ✓ | 79.4% |
| Prostate Cancer | ✓ | ✓ | 100% |
| Oesophago-gastric Cancer (NAOGC) | WPH only | WPH only | 61-70% |
| National Audit of Breast Cancer in Older Patients (NABCOP) | ✓ | ✓ | Trust does not directly submit data. NABCOP uses existing sources of patient data collected by national organisations e.g. NCRAS |
| Heart | | | |
| Acute coronary syndrome or acute myocardial infarction (MINAP) public report analysis | ✓ | ✓ | 120%* |
| Cardiac Rhythm Management (CRM) | ✓ | ✓ | 100% |
| Percutaneous Coronary Interventions (PCI) | ✓ | ✓ | 100% |
| National Cardiac Arrest Audit (NCAA) | ✓ | ✓ | 100% |
| National Audit of Cardiac Rehabilitation | ✓ | ✓ | 100% |
| National Heart Failure Audit | ✓ | ✓ | 100% |
| Infection Prevention and Control | | | |
| Mandatory Surveillance of Bloodstream Infections and Clostridium Difficile Infection | ✓ | ✓ | 100% |
| Reducing the Impact of Serious Infections (Antimicrobial Resistance and Sepsis) | ✓ | ✓ | 100% |
| Long Term Conditions | | | |
| Diabetes National Inpatient Audit – Foot Care Audit | ✓ | ✓ | 100% |
| Diabetes National Inpatient Audit – Reporting on diabetic inpatient harms | ✓ | ✓ | 28 cases |
| Diabetes National Inpatient Audit – Core audit | FPH only | FPH only | 100% |
| National Diabetes Transition Audit | FPH only | FPH only | 40 cases |
| Diabetes (Paediatric) (NPDA) | ✓ | ✓ | 100% |
| Inflammatory bowel disease (IBD) programme | ✓ | WPH only** | 47 cases |
| National Audit of Seizures and Epilepsies in Children and Young People (Epilepsy12) | ✓ | ✓ | 175 cases (ongoing audit) |
| National Chronic Obstructive Pulmonary | ✓ | ✓ | FPH |

| National Clinical Audit/ Enquiry | Eligible | Participated | % of cases submitted |
|---|-----------------|-----------------|--|
| Disease (COPD) Audit Programme (NACAP) | | | COPD 314 cases Asthma 30 cases WPH COPD 296 cases Asthma 67 cases |
| National Asthma Audit Programme (NACAP) | ✓ | ✓ | FPH 30 patients WPH 35 cases |
| National Pulmonary Rehabilitation Audit Programme (NACAP) | WPH only | WPH only | Data collection yet to be completed |
| National (Rheumatoid) Early Inflammatory Arthritis Audit (NEIAA) | ✓ | ✓ | 51 cases |
| Medical and Surgical Clinical Outcome Review Programme (NCEPOD) | | | |
| Perioperative diabetes | ✓ | ✓ | 100% |
| Pulmonary Embolism | ✓ | ✓ | Data collection yet to be completed |
| Acute Bowel Obstruction | ✓ | ✓ | Data collection yet to be completed |
| Child Health Clinical Outcome Review Programme (NCEPOD) | | | |
| Cancer in Children, Teens and Young Children | ✓ | ✓ | No cases requested from NCEPOD |
| Long-term Ventilation in Children, Young People and Young Adults | ✓ | ✓ | Data collection yet to be completed |
| Older people | | | |
| Falls and Fragility Fractures Audit Programme (FFFAP): Inpatient Falls | ✓ | ✓ | Data collection yet to be completed |
| Falls and Fragility Fractures Audit Programme (FFFAP): National Hip Fracture Database | ✓ | ✓ | Data collection yet to be completed |
| Sentinel Stroke National Audit Programme (SSNAP) | ✓ | ✓ | 100% |
| Other | | | |
| Elective Surgery (National PROMs Programme) | ✓ | ✓ | Apr-Sep 2018*** Hip replacement (HR) 218 Primary HR 168 Revision HR 9 Knee replacement (KR) 383 Primary KR 287 Revision KR 24 |
| National Ophthalmology Audit | FPH only | FPH only | 100% |
| National Vascular Registry | FPH only | FPH only | 100% |
| Learning Disability Mortality Review Programme | ✓ | ✓ | 100% |
| National Audit of Dementia | ✓ | ✓ | 100% |
| BAUS Nephrectomy Audit | FPH only | FPH only | 139.6%* |
| BAUS Percutaneous Nephrolithotomy | ✓ | ✓ | 100% |
| BAUS Stress Urinary Incontinence Audit | ✓ | ✓ | 100% |
| National End of Life Care Audit (NACEL) | ✓ | ✓ | 100% |
| National Adult Community Acquired Pneumonia (CAP) Audit (British Thoracic Society) | ✓ | ✓ | Data collection yet to be completed |
| National Adult Non-Invasive Ventilation (NIV) Audit (British Thoracic Society) | ✓ | ✓ | Data collection yet to be completed |
| UK Cystic Fibrosis Registry | FPH only | FPH only | Data collection yet to be completed |

| National Clinical Audit/ Enquiry | Eligible | Participated | % of cases submitted |
|---|----------|--------------|---|
| Seven Day Services | ✓ | ✓ | 100% |
| National Mortality Case Record Review Programme | ✓ | ✓ | 100% |
| Women's and Children | | | |
| Maternal, Newborn and Infant Clinical Outcome Review Programme (MBRRACE-UK) | ✓ | ✓ | 100% |
| National Neonatal Audit Programme: Neonatal Intensive and Special Care (NNAP) | ✓ | ✓ | 100% |
| National Maternity and Perinatal Audit (NMPA) | ✓ | ✓ | Digital extract data from Maternity Services Data Set (MSDS). |
| National Pregnancy in Diabetes Audit | ✓ | ✓ | 62 cases |

*The actual number of cases submitted is higher than the expected number of cases

** FPH have been implementing and educating clinical teams on the IBD systems prior to commencing participation and have had a successful recruitment campaign for an IBD Co-ordinator to support the registry

***Data extracted from NHS Digital HSCIC February 2019 provisional report.

National clinical audit

The reports of 52 national clinical audits were reviewed by the provider in 2018-19 and Frimley Health NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided:

| National Clinical Audit | Actions taken / planned |
|---|---|
| Chronic Obstructive Pulmonary Disease (COPD) | <p>Best practice tariff met over the last two quarters following initiation of quality improvement work to facilitate early flagging of patients MDT working and new validation process.</p> <p>Future plans:</p> <ul style="list-style-type: none"> Devise and implement an Integrated Care System wide self-management plan that is discussed and given to the patient Increase availability of spirometry available on admission. Patients given a copy of their spirometry at GP clinic appointments (as part of IMPACT service) and in chest clinic OPA so they can carry this and present to staff if admitted to the acute trust. A spirometry form on EVOLVE has been designed to assist teams to access spirometry with ease. Staff training has been implemented to increase Spirometry being completed during inpatient episode Continue to drive improvement to offer smoking cessation support. |
| Seven Day Services | <p>All patients admitted to hyper-acute services had a consultant review within 14 hours. Across other specialties the Trust was below 90% target but above the National average.</p> <p>Over the next 12 to 6 months plans are to:</p> <ul style="list-style-type: none"> Complete job plans across all specialties Audit the quality and impact of Board Rounds Improve completion of weekend planning documentation to ensure level of clinician review delegation is clear Work with commissioning colleagues to ensure any system wide |

| National Clinical Audit | Actions taken / planned |
|---|---|
| | commissioning gaps that impact on delivery of 7 day services are reviewed for e.g. CORE 24 service. |
| National End of Life Care Audit | <ul style="list-style-type: none"> • 8 out of 9 standards better than the National average • Our Care plan was redesigned, tested and adjusted before Trustwide implementation • End of Life Care team commit to the Trusts patients safety training programme which captures all staff and has led to changes in practice • Plans to undertake the bereavement survey element for the next national audit round. This was not undertaken as part of the last audit as the Trust was already participating in the FAMCARE audit • Plans to increase our EOL volunteers to ensure 'no one dies alone'. |
| National Hip Fracture Database | <ul style="list-style-type: none"> • Majority of standards equal/better than National average • Improved data validation process put in place to ensure performance on time to Orthopaedic ward reflects true performance and pressure ulcer incidence • Participation in the NHSI pressure ulcer collaborative to reduce pressure ulcer incidence • Continuing work with Emergency Department teams to utilise Trauma Nurse Practitioner to support with expediting ward admissions and scoping for potential for 'ring fenced beds' • Plans to increase cemented hip arthroplasties following GIRFT recommendations. |
| National Emergency Laparotomy Audit (NELA) | <ul style="list-style-type: none"> • Plan to develop and implement Assessment and diagnosis of acute abdomen pathway to more readily and speedily recognise potential NELA patients • Pilot of post decision to operate Emergency Laparotomy Pathway - multidisciplinary input in development, trial and feedback. Pathway incorporates easy to use checklist for surgeons and anaesthetists and improved documentation and care planning for patients peri and post operatively • Indications for referral to critical care for high risk patients highlighted at Education Half Day in July and October • Project Leads for each of the major sites combine work in one collaborative • Working closely as an Multidisciplinary Team <ul style="list-style-type: none"> ○ Increasing our critical care bed base and high dependency needs for patient. |

Local clinical audit

The reports of 364 local clinical audits were reviewed by the provider in 2018-19 and Frimley Health NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided:

| Local Clinical Audit | Actions taken / planned |
|---|--|
| Emergency Department - Daily safety handover briefing in ICU | <ul style="list-style-type: none"> The audit showed the safety brief is beneficial to patient care and has been incorporated into the daily ICU timetable. |
| Emergency Department - VTE in lower limb immobilisation | <ul style="list-style-type: none"> Patient information leaflets have been updated and made available The Symphony patient management system has been updated to ensure electronic recording is available The clinical team is liaising with pharmacy regarding changing anticoagulation for cross site consistency VTE pathway in Emergency department updated and will be added as a printable document from Symphony Liaising with Orthopaedics to ensure consistent documentation. |
| Emergency Department - Procedural sedation | <ul style="list-style-type: none"> Procedural sedation checklist updated and is automatically printed from Symphony alongside a patient leaflet enhancing patient safety and informed decision making. |
| Emergency Department - Neck of Femur | <ul style="list-style-type: none"> Neck of Femur pathway updated to include RCEM standards and better recording of FIB and required observations. |
| Emergency Department - Assessing Cognitive Impairment in Older People | <ul style="list-style-type: none"> Assessment section of CAS card has been amended so a more efficient tool is used (AMT4 instead of AMT10). |
| Emergency Department - Tonsillitis in Children | <ul style="list-style-type: none"> The Trust's micro guide has been updated A diagnosis and treatment pathway has been created and is available in the Paediatric ED and as part of trust guidelines. |
| Acute Medicine - Management of Loss of consciousness / Syncope as per guidelines | <ul style="list-style-type: none"> A total loss of consciousness (TLOC) guideline has been created. |
| Stroke - The impact of stroke mimics on a District General Hospital (DGH) post service reconfiguration | <ul style="list-style-type: none"> Training was undertaken with the ambulance service regarding assessment of stroke Discussions took place with the local ambulance trust regarding changing the assessment tool to ensure consistency within region Pathway for repatriation of both stroke and mimic patients implemented. |
| Stroke - Lessons learnt from a year of Thrombectomy referrals from DGH to tertiary centre | <ul style="list-style-type: none"> Work undertaken to reduce Door To Transfer (DTT) times Thrombectomy pathway embedded into stroke proforma CT/CTA now performed at same time Urgent transfer request guidance available for staff Work being undertaken with St George's hospital regarding speeding up transfer times based on local scan interpretation. |
| Stroke – Physical activity after stroke | <ul style="list-style-type: none"> Educational booklet developed Improved training of staff Weekly walking group commenced in January 2019. |
| Elderly Care - Falls in elderly, assessment of the major risk factors for osteoporosis | <ul style="list-style-type: none"> Adding a frailty/falls/fragility fracture order set to ICE to ensure correct blood tests are requested On-going education within speciality. |

| Local Clinical Audit | Actions taken / planned |
|---|---|
| Endocrinology - NaDIA HARMS | <ul style="list-style-type: none"> The glucose monitoring chart will be amended to include a section if a patient is unwell to prompt and monitor urine keytones and foot checks Self-administration of insulin policy written On-going education. |
| Gastroenterology - Fibroscan Clinic: Pathway for Alcohol-related Referrals and How to Improve DNA rate | <ul style="list-style-type: none"> Development of a nurse led triage of patients attending for a Fibroscan to streamline patient care and reduce the 'Did not attend (DNA)' rate. |
| Neurology - Re-audit of the First Fit pathway | <ul style="list-style-type: none"> First fit pathway has been updated as well as the patient information leaflets 11 dedicated first fit appointments are available each week. The epilepsy coordinator is to assist with waiting times and efficiency of clinic booking Pilot of epilepsy specialist nurse in the emergency department. |
| Rheumatology - The role of temporal artery biopsy on the management of giant cell arteritis | <ul style="list-style-type: none"> 12 appointments are available each week where patients with suspected Giant Cell Arthritis get priority A new pathway for referrals with suspected Giant Cell Arthritis from primary and secondary care has been introduced. |
| Nutrition and Dietetics - Re-audit of Enteral Nutrition and Hydration Provision on the Stroke Unit | <ul style="list-style-type: none"> A new training programme for nursing staff on the unit has been devised. More sessions will be held on the unit to capture the maximum number of staff Education will focus on increasing awareness of the importance of prescription of IV fluids for all patients who do not have safe enteral access for hydration and for whom it is medically appropriate to provide IV fluids. |
| Radiology - Concordance of MRI and surgical histopathology in differentiating FIGO 1a and FIGO 1b endometrial cancer | <ul style="list-style-type: none"> The MRI protocol has been changed Discordant cases are now reviewed in real time at MDT meetings. |
| Speech and Language Therapy – ward adherence to SLT recommendations | <ul style="list-style-type: none"> A dysphagia e-learning module has been created for training nurses Annual training sessions on thickener and feeding practices have been planned 5 key points regarding patient safety when eating and drinking have been circulated across the Trust. |
| Trauma and Orthopaedics - Surgical Site Infection as part of Getting It Right First Time | <ul style="list-style-type: none"> A local MDT network has been established with Guildford and St Peter's Cemented hips are now being used in patients over the age of 70 years. |
| Emergency Department – Ambulatory management of Pulmonary Embolism | <ul style="list-style-type: none"> Audit identified the current pulmonary embolism document is too complex to follow the relevant pathway for ED so a one page summary sheet has been launched To publicise this new pathway, there are regular reminders at the board rounds and a slide on the rolling PowerPoint screen in the ED hub A bi-monthly audit is being undertaken to ensure the pathway is being used appropriately. |
| Obstetrics and Gynaecology - Female Genital Mutilation – Subject Knowledge of Healthcare Staff in Maternity | <ul style="list-style-type: none"> The audit showed further training is needed to ensure doctors feel confident in assessing and managing women with FGM when they present to antenatal clinics An infographic is being designed and will be used as the "message of the |

| Local Clinical Audit | Actions taken / planned |
|---|--|
| | <p>week”</p> <ul style="list-style-type: none"> • New trainees will receive training on induction to further improve awareness of FGM. |
| Paediatrics – GP Hotline | <ul style="list-style-type: none"> • This ongoing QIP allows local GP Practices to call the hotline and obtain advice about a patient they may be concerned about • The hotline increased its accessibility in 2018 and is now open from 09:00 to 20:00 Monday to Friday • The service allows GP’s to access expert opinion and also helps reduce PAU admissions as well as a reduction in Outpatient referrals • Consultants have found this hotline to be beneficial as it has allowed them to build relationships with primary care and also have some reflective learning. |
| Urology – Assessing surgical management of paediatric patients undergoing orchidopexy for undescended testis | <ul style="list-style-type: none"> • There were concerns that children were not been seen in a timely manner, therefore, a specialist paediatric urology clinic has been set up • Educational days in collaboration with local GPs are planned to promote the paediatric urology pathway. |

Participation in clinical research

The number of patients receiving relevant health services provided or sub-contracted by Frimley Health NHS Foundation Trust in 2018-19 that were recruited during that period to participate in research approved by a research ethics committee was 2024.

Participation in clinical research demonstrates Frimley Health NHS Foundation Trust’s commitment to the quality of care we offer and to making our contribution to wider health improvement.

Frimley Health NHS Foundation Trust was involved in conducting 256 clinical research studies in 26 medical specialties (anaesthetics, cancer, cardiology, colorectal, dermatology, diabetes, emergency care, haematology, ENT, gastroenterology, hepatology, immunology, intensive care, neurology, nursing, obstetrics & gynaecology, oncology, ophthalmology, orthopaedics, paediatrics, renal, respiratory, rheumatology, stroke, urology, and vascular) during 2018-19.

Commissioning for Quality and Innovation (CQUIN) payment framework

A proportion of Frimley Health NHS Foundation Trust income in 2018-19 was conditional upon achieving quality improvement and innovation goals agreed between Frimley Health NHS Foundation Trust and any person or body it entered into a contract, agreement or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation payment framework.

Further details of the agreed goals for 2018-19 and for the following 12 month period are available electronically at: <https://www.fhft.nhs.uk/about-us/publications>

During 2018-19, Frimley Health NHS Foundation Trust recovered income of £10,316,678 as a result of achieving the quality improvement and innovation goals through the Commissioning for Quality and Innovation (CQUIN) payment framework.

The associated CQUIN payments received in 2017-18 was £10,842,706.

Statement from the Care Quality Commission (CQC)

Frimley Health NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is unconditional. Frimley Health NHS Foundation Trust is fully compliant with the registration requirements of the CQC.

The CQC has not taken enforcement action against Frimley Health NHS Foundation Trust during 2018-19.

Frimley Health NHS Foundation Trust has participated in special reviews or investigations by the CQC relating to the following areas during 2018-19:

Specialist review of Never Events: The CQC undertook a review of the number of Never Events occurring across surgical services at FHFT in July 2018. Improvement actions were put in place to address the areas of risk. All actions identified have been completed.

Frimley Health NHS Foundation Trust underwent a CQC inspection in November 2018 when they inspected surgery and maternity across the Trust and community inpatient services provided from Fleet Hospital. The overall rating for Frimley Health was 'Good' with Safe, Effective, Caring, Responsive and Well-Led domains all being rated as 'Good'. Maternity services were rated as 'Good' overall, however, the Safe domain was rated as 'Requires Improvement' on both acute sites. Two key areas for improvement were:

- Maternity staffing levels to meet the national standard
- To ensure above 85% of staff have completed their mandatory training

| | Safe | Effective | Caring | Responsive | Well-led | Overall |
|-----------------------|-------------------------|-------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Frimley Park Hospital | Good → ← Mar 2019 | Good → ← Mar 2019 | Outstanding → ← Mar 2019 | Outstanding → ← Mar 2019 | Outstanding → ← Mar 2019 | Outstanding → ← Mar 2019 |
| Wexham Park Hospital | Good → ← Mar 2019 | Good → ← Mar 2019 | Good → ← Mar 2019 | Good → ← Mar 2019 | Outstanding → ← Mar 2019 | Good → ← Mar 2019 |
| Heatherwood Hospital | Good Mar 2019 | Good Mar 2019 | Good Mar 2019 | Good Mar 2019 | Good Mar 2019 | Good Mar 2019 |
| Community Inpatient | Good Mar 2019 | Good Mar 2019 | Good Mar 2019 | Good Mar 2019 | Good Mar 2019 | Good Mar 2019 |
| Overall trust | Good Mar 2019 | Good Mar 2019 | Good Mar 2019 | Good Mar 2019 | Good Mar 2019 | Good Mar 2019 |

Frimley Health NHS Foundation Trust has been issued with two Requirement Notices. The details are as follows:

| Regulated Activity | Regulation | Action required |
|---|--|--|
| Maternity & Midwifery Services | Regulation 18 HSCA (RA) Regulations 2014 Staffing | The Trust must ensure that midwifery staffing levels meet expected levels as determined by the nationally recognised acuity tool |
| Assessment or medical treatment for: Persons detained under the Mental Health Act 1983 Diagnostic & screening procedures Family planning services Maternity & midwifery Services Surgical procedures Termination of pregnancies Transport services, triage & medical advice provided remotely Treatment of disease, disorder or injury | Regulation 12 HSCA (Regulations 2014 Safe care and treatment | The Trust must take action to ensure mandatory training including safeguarding training rates meet Trust targets |

Data quality

Clinicians and managers require ready access to accurate and comprehensive data to support the delivery of high quality care. Improving the quality and reliability of information is therefore a fundamental component of quality improvement. At Frimley Health NHS Foundation Trust we monitor the accuracy of data in a number of ways including a monthly data quality review group, coding improvement and medical records improvement groups.

NHS number and General Medical Practice Code Validity

Frimley Health NHS Foundation Trust 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:

- 99.4% for admitted patient care;
- 99.8% for outpatient care; and
- 99.4% for accident and emergency care.

The percentage of records in the published data which included the patient's valid General Medical Practice Code was:

- 100% for admitted patient care;
- 100% for outpatient care; and
- 100% for accident and emergency care.

Frimley Health NHS Foundation Trust will be taking the following actions to improve data quality:

- Continue to identify areas of activity that have not yet been captured on electronic systems or where activity is incomplete, to ensure accurate recording of patient activity and to retrieve appropriate income

- Continue to meet on a monthly basis at operational and strategic levels to raise and address new areas of concern with regards to data quality
- Continue with recruitment and training plans for the clinical coding team to ensure coding is appropriately detailed, accurate and complete
- Engage with clinicians to ensure clinical notation of patient diagnosis and procedures are comprehensively recorded to support data projects such as GIRFT (Get It Right First Time) and PBR (Payment by Results)
- Work with the training team of the electronic data capture systems to ensure that users know how to record advice and guidance requests from GPs
- Work with the operational teams to improve the recording of responsible consultant on Trust systems
- Work to raise awareness amongst operational staff, both clinical and non-clinical, that data recorded on trust systems must be accurate, complete and timely
- Continue to develop the Data Quality Champions Group so that data quality issues are raised and corrected
- Continue with the development of 'Qlikview' dashboards which provide increased transparency of data capture and data quality issues
- Improve NHS number capture and work with the EPR (Electronic Patient Record) project to ensure data accuracy and completeness is a key deliverable of the project.

Data Security and Protection Toolkit attainment levels

For 2018-19 the Information Governance Toolkit was completely rewritten and reimaged by NHS Digital into the Data Security and Protection (DSP) Toolkit. The new toolkit saw the number of requirements an NHS organisation must meet change from 45 to 100, with a significant shift in focus to the security of Trust networks, in response to the National Data Guardian's Review of Data Security, consent and Opt Out's.

The Frimley Health NHS Foundation score in the Data Security and Protection Toolkit was 'Standards not fully met – plan agreed' at the end of March 2019. A detailed action plan has been submitted and approved by NHS Digital to meet the three requirements not achieved by the end of March 2019. A very comprehensive information governance work programme has been developed for 2019-20 which will enable the Trust to achieve the required standard.

Clinical coding error rate

Frimley Health NHS Foundation Trust was not subject to the Payment by Results clinical coding audit during the reporting period by the Audit Commission².

The Data Security and Protection (DSP) toolkit annual clinical coding audit indicated a high standard of clinical coding accuracy with the Trust receiving 'Advisory Level'.

² **NHS Improvement comment from the detailed requirements:** References to the Audit Commission are now out of date because it has closed. From 2014 responsibility for coding and costing assurance transferred to Monitor and then NHS Improvement. From 2016-17 this programme has applied a new methodology and there is no longer a standalone 'costing audit' with error rates as envisaged by this line in the regulations. It is therefore likely that providers will be stating that they were not subject to "the Payment by Results clinical coding audit" referred to above during 2018-19.

Learning from deaths

During 2018-19 2,688 of Frimley Health NHS Foundation Trust inpatients died and 852 patients died within 30 days of discharge from our hospitals. This comprised the following number of deaths which occurred in each quarter of that reporting period:

- 600 in the first quarter (inpatient)
- 601 in the second quarter(inpatient)
- 684 in the third quarter(inpatient)
- 803 in the fourth quarter (inpatient)

By the end of March 2019, 3,544 case records had been screened and 636 had been sent for Subjective Judgemental Reviews³ in relation to 3,544 of the deaths included above.

In 458 cases a death was subjected to both a case record review and a Subjective Judgemental Review. The number of deaths in each quarter for which a case record review and Subjective Judgemental Review was carried out was:

- 134 in the first quarter
- 154 in the second quarter
- 123 in the third quarter
- 47 in the fourth quarter (data as at end of Feb 2019)

[Fourth quarter data is subject to change due to the 12 week review period permitted to complete the reviews]

Eight deaths representing 0.3% of the total inpatient deaths during the reporting period were judged to be more likely than not to have been due to problems in the care provided to the patient.

These cases were either identified at screening, specialty deeper mortality review or reported as a Serious Incident. All of these cases were reviewed under the Serious Incident Review Framework and the judgement of being more likely due to a problem in care was made by senior clinicians not involved in the care of that patient.

In relation to each quarter, this consisted of:

- 4 representing 0.7% for the first quarter
- 3 representing 0.5% for the second quarter
- 1 representing 0.15% for the third quarter
- *Fourth quarter data is not yet available due to the 12 week review period permitted to complete the reviews.*

These numbers have been estimated using the National Mortality Case Record Review Programme (NMCRRP) Structured Judgement Review (SJR) Tool.

What have we learnt?

A number of common themes emerged from mortality reviews during 2018-19: They are as follows:

³ The term 'investigation' is mandated in this section by NHSI. However, the Trust would refer to these as Subjective Judgemental Reviews.

- Recognition of the deteriorating patient, including accuracy of NEWS scoring and appropriateness of NEWS escalation
- Establishing and documenting appropriate treatment options near the end of life
- Promptness of antibiotic administration
- Perioperative management of anticoagulant drugs
- Documentation of capacity assessments and best interest decision making
- Follow up of investigation results
- Response to markers of severity of illness e.g. blood lactate
- Documentation of verification of death.

What have we changed?

- The learning and key messages from the mortality review group is circulated to all staff to increase awareness of the findings from mortality reviews
- Specialty mortality and morbidity meetings are running well supported by the Lead Mortality Review Nurse
- Improved care for patients with a learning disability by the appointment of a learning disability support nurse on the Wexham Park Site and continuing participation with Learning Disabilities Mortality Review (LeDeR) Programme
- Improved care of patients with severe mental health problems, alcohol and drug addiction by the appointment of an alcohol liaison nurse and wider dissemination of alcohol withdrawal guidelines and updated MDT guidelines on the management of acutely agitated and aggressive patients in hospital
- NEWS2 early warning system, established in October 2018, which adds clarity to response in patients with chronic physiological abnormalities. Also NEWS2 adds 'new confusion' as a marker of severity of illness
- The need for electronic observations is accepted and the process of instituting the system Trustwide has begun
- There is a Trustwide clinical lead for sepsis. Audit of sepsis screening and time to antibiotics has improved over the last year
- Verification of Death stickers clarifying documentation have been established Trustwide.

What are our current initiatives?

- The RL system for notifying cases that require deeper mortality review and recording findings of reviews is now active
- The Medical Examiner service has been in place on both acute sites since January 2019. The feedback from bereaved families about hospital care and the Medical Examiner service itself has been positive. There is enhanced productive communication with the Coroners' offices and also Register offices
- Regional collaboration of the Medical Examiner service is ongoing
- Screening of mortality cases is now undertaken by Medical Examiners. The proportion of cases sent for deeper review remains around 10-15%. This is in line with the Royal College of Physicians guidelines.

The actions and changes in practice we have described above have reinforced the patient safety and serious incident review processes and have confirmed the themes that had already been identified as part

of the serious incident review process. Therefore, the mortality review process has given the Trust assurance and visibility of the way in which we are caring for our patients.

There were 1,087 case record reviews and 247 investigations completed after April 2018 which related to deaths which took place before the start of the reporting period (Q4 2017-18).

One death representing 0.09% of the patient deaths before the reporting period was judged to be more likely than not to have been due to problems in the care provided to the patient (Q4 2017-18). This number has been estimated using the National Mortality Case Record Review Programme (NMCRRP) Structured Judgement Review tool.

21 deaths representing 0.7% of the patient deaths during 2017-18 are judged to be more likely than not to have been due to problems in the care provided to the patient.

Reporting against core indicators 2018-19

Since 2012-13, NHS foundation trusts have been required to report performance against a core set of indicators using data made available by NHS Digital.

The following table shows our performance for the last three reporting periods and, where the data is made available by NHS Digital, a comparison with the national average and the highest and lowest performing trusts is given. However, it is not always possible to provide the national average and best and worst performers for some indicators due to the way the data is provided.

It is important to note that, whilst these indicators must be included in the Quality Report, the most recent national data available for the reporting period is not always for the most recent financial year. Where this is the case, the time period used is noted underneath the indicator description.

Full-year data is presented for Frimley Health NHS Foundation Trust.

| Domain | Indicator | 2018-19 | National Average | Best Performer | Worst Performer | Trust Statement | 2017-18 | 2016-17 |
|---|---|---|------------------|----------------|-----------------|--|------------------------------|----------------------|
| Preventing People from dying pre-maturely | Summary Hospital-level Mortality Indicator (SHMI) value and banding | 0.9122 As expected (Oct 2017 – Sept 2018) | 1.0 | 0.6917 | 1.2681 | Frimley Health NHS Foundation Trust considers that this data is as described for the following reasons. FHFT has robust processes in place for clinical coding and review of mortality data. Therefore, we are confident that the data is accurate. Frimley Health NHS Foundation Trust has taken the following actions to improve this rate, and so the quality of its services, by implementing a number of Quality Improvement Strategies which aim to improve mortality and harm by focussing on a series of interventions (as can be seen throughout the content of this Quality Report) | 0.888 Lower than expected | 0.938 As expected |
| Enhancing quality of life for people with long-term conditions | % of deaths with either palliative care specialty or diagnosis coding | 1.9% (Oct 2017 – Sept 2018) | 1.8% | 3.39% | 0.79% | Frimley Health NHS Foundation Trust considers that this data is as described for the following reason. The Trust has a very well established Palliative Care Team, who provides care to patients in all areas of the hospital. Frimley Health NHS Foundation Trust has taken the following actions to improve this percentage, and so the quality of its services, by continuing to focus on palliative care as a key quality priority for our patients. | 48.6% | 48.6% |
| Helping people recover from episodes of ill health or following injury | Patient reported outcome measure (PROM) for groin hernia surgery | NHS England undertook a consultation on the national Patient Reported Outcomes Measures (PROMs) programme in 2016. As a result of the findings of that consultation, NHS England has now taken the decision to discontinue the mandatory varicose vein surgery and groin hernia surgery national PROM collections. | | | | Frimley Health NHS Foundation Trust considers that this data is as described for the following reason. PROM outcomes measure a patient's health gain after surgery. The information is gathered from the patient who completes a questionnaire before and after surgery. From the data available, the case mix adjusted average health gain shows that the Trust is not an outlier when compared nationally. | 0.083 | 0.091 |
| | Patient reported outcome measure for varicose vein surgery | | | | | | 0.068 | * |
| | Patient reported outcome measure for hip replacement surgery | 0.434 (Apr 2017– Mar 2018) Finalised | 0.458 | 0.550 | 0.357 | Frimley Health NHS Foundation Trust has taken the following actions to improve this rate, and so the quality of its services, by continuing to audit and monitor PROMs outcomes in order to identify and rectify any issues. | 0.439 | 0.437 |

| Domain | Indicator | 2018-19 | National Average | Best Performer | Worst Performer | Trust Statement | 2017-18 | 2016-17 |
|---|--|--|------------------|----------------|-----------------|---|---------|---------|
| | Patient reported outcome measure for knee replacement surgery | 0.333 (Apr 2017 – Mar 2018) Finalised | 0.337 | 0.406 | 0.254 | | 0.317 | 0.297 |
| | 30 day readmission rate for patients aged 0-15**. | 5.46% (Apr 2017 - Jan 2018) | N/A | N/A | N/A | Frimley Health NHS Foundation Trust considers that this data is as described for the following reason. The data has been extracted from the Hospital Evaluation Data (HED) system. Readmission data is reviewed by specialties monthly and ultimately becomes the source of HED data. | 4.82% | 8.62% |
| | 30 day readmission rate for patients aged 16 or over** | 7.03% (Apr 2017– Jan 2018) | N/A | N/A | N/A | Frimley Health NHS Foundation Trust has taken the following actions to improve this rate, and so the quality of its services, by: <ul style="list-style-type: none"> Continuing to routinely monitor readmission performance data Continuing to provide telephone advice lines initiated for patients following discharge with rapid reassessment by a clinician if necessary Ensuring that contact details for the appropriate specialty discharge helpline is included on all patient discharge summaries Continuing to provide 'hot clinics' with the Surgical Assessment Consultant to see patients who may need to be seen with a post-operative issue for patients referred by GPs, which reduces admissions | 6.97% | 9.32% |
| | Responsiveness to the personal needs of inpatients | 68.1% (Apr2017-Mar 2018) ** | 68.6 | 85.0 | 60.5 | Frimley Health NHS Foundation Trust considers that this data is as described for the following reason. The data is produced by the Care Quality Commission using results from the National Inpatient Survey. Frimley Health NHS Foundation Trust has taken the following actions to improve this rate, and so the quality of its services, by developing and monitoring local action plans based on patient and carer feedback. | 68% | 72.1% |
| Ensuring people have a positive experience of care | % of staff who would recommend the Trust to their family or friends Q21d "If a friend or relative needed treatment, I would be happy with the standard of care provided by this organisation" | 81.4% (2018 Staff Survey) | 71.3% | 87.3% | 39.8% | Frimley Health NHS Foundation Trust considers that this data is as described for the following reason. The data is extracted from the NHS Staff Survey which is produced by an external organisation with adherence to strict national criteria and protocols. Frimley Health NHS Foundation Trust has taken the following actions to improve this rate, and so the quality of its services, by: <ul style="list-style-type: none"> Embedding the values through systems such as recruitment, induction, appraisal and staff recognition awards - the Care Quality Commission's report February 2016 about Wexham Park Hospital noted that the culture had improved markedly and was much more open at all levels with an incident reporting culture that provided opportunities for continual learning. Staff were aware | 79% | 77% |

| Domain | Indicator | 2018-19 | National Average | Best Performer | Worst Performer | Trust Statement | 2017-18 | 2016-17 |
|--|--|-------------------------------|------------------|----------------|-----------------|---|---------|---------|
| | | | | | | <p>of a clear vision and set of values and behaviours and said that action was taken to tackle staff who did not demonstrate the values expected.</p> <ul style="list-style-type: none"> Focusing on the role of the leader and ensuring the guiding principles of the Code of Conduct (EMPOWER) are embedded across the Trust. <p>Implementing and delivering the three cohorts of our revised Leading People Programme and leadership induction for new leaders.</p> <ul style="list-style-type: none"> Continuing to deliver customer care training. Delivering and monitoring the quality and clinical governance agenda leading to improved patient services. | | |
| Treating and caring for people in a safe environment and protecting them from avoidable harm | % of admitted patients who were assessed for venous thromboembolism | 97% (Apr 2017- March 2018) | 95% | 100% | 78% | <p>Frimley Health NHS Foundation Trust considers that this data is as described for the following reasons. The VTE score is based on the Department of Health definition and agreed by the local commissioners for CQUIN purposes. The source data for this indicator is routinely audited prior to submission. It is monitored by the Trust Board monthly via the Performance & Quality report.</p> <p>Frimley Health NHS Foundation Trust has taken the following actions to improve this rate, and so the quality of its services, by continuing to monitor performance for this indicator via the Trust VTE Committee and through training and education. Our performance with VTE risk assessment continues to be excellent.</p> | 98% | 98% |
| | Rate per 100,000 bed days of cases of C.difficile infection reported | 9.7 (Apr 2017 – Mar 2018) | 13.7 | 1.4 | 91.0 | <p>Frimley Health NHS Foundation Trust considers that this data is as described for the following reasons. The source data is routinely validated and audited prior to submission. All cases of clostridium difficile are reported and investigated by the Infection Control Team and undergo formal root cause analysis investigation. The findings are then reported to the Board of Directors. Reporting is in line with the requirements of the Health Protection Agency (HPA) and Monitor.</p> <p>Frimley Health NHS Foundation Trust has taken the following actions to improve this rate, and so the quality of its services, by:</p> <ul style="list-style-type: none"> Making infection control one of our highest priorities and ensuring all staff are fully compliant with mandatory training with antiseptic non-touch technique. Ensuring formal root cause analysis meetings (chaired by the Medical Director, Director of Nursing and Quality or the Director of Infection Prevention and Control) take place for every 'post 72 hour' C.diff case. Ensuring learning is fed back to care groups and assurance of progress on actions is an agenda item at monthly Hospital Infection Control Committee meetings and monitored by the Trust Board. | 7.3 | 9.1 |
| | Financial year counts and rates of C. difficile infection (patients aged 2 years and over) by acute trust – Trust apportioned cases only | | | | | | | |
| Treating and caring | Rate of patient safety | 30.9 | 45.5 | 14.9 | 158.3 | Frimley Health NHS Foundation Trust considers that this data is as described for | 34.0 | 27.2 |

| Domain | Indicator | 2018-19 | National Average | Best Performer | Worst Performer | Trust Statement | 2017-18 | 2016-17 |
|--|--|---|------------------|----------------|-----------------|--|--|---|
| for people in a safe environment and protecting them from avoidable harm | incidents per 1,000 bed days reported within the Trust (Prior to 2014-15 rate was based on 100 admissions) | Number of incidents = 7316 (Oct 2017 – Mar 2018) | | | | the following reasons. All data is validated prior to submission to the National Reporting & Learning System. The NRLS enables all patient safety incident reports, including near miss and no harm events, to be submitted to a national database on a voluntary basis designed to promote learning. It is mandatory for NHS trusts in England to report all serious patient safety incidents to the CQC as part of the CQC registration process. To avoid duplication of reporting, all incidents resulting in harm should be reported to the NRLS who then report them to the CQC. | Number of incidents = 7,989 (Oct 2016 – Mar 2017) | Number of incidents = 6,210 (Oct 2015 – Mar 2016) |
| | Rate of patient safety incidents that resulted in severe harm or death per 1,000 bed days (Prior to 2014-15 rate was based on 100 admissions) | 0.05 Number of incidents = 13 (Oct 2017 - Mar 2018) | 0.27 | 0.0 | 4.34 | Frimley Health NHS Foundation Trust has taken the following actions to improve this rate, and so the quality of its services, by: <ul style="list-style-type: none"> Continuing to reinforce the incident reporting process across Frimley Health. Reviewing and aligning reporting categories across Frimley Health. Embedding the Frimley Health incident reporting policy and processes for investigation, learning and implementation of changes in practice. Continuing to identify work streams from the incident reporting profile to improve practice. Implementing a new incident reporting and management system to strengthen the culture of patient safety across FHFT | 0.13 (Oct 2016 - Mar 2017) Number of incidents = 30 (Oct 2016 - Mar 2017) | 0.11 Number of incidents = 26 (Oct 2015 - Mar 2016) |

*PROMS: Denotes a low number of records, the exact count having been suppressed by NHS Digital on the advice of NHS England.

**Readmissions: Data from internal database. CQC definition.

3. Review of performance in 2018-19

Patient safety

Patient safety has always been the number one priority for the Trust, with a key focus on sustaining improvement over time. In previous years the Trust has focused on improving practice in a number of patient safety areas and has completed a significant number of projects with the aim of reducing preventable harm.

In line with the Trust's Quality Strategy ambition for 2017-20, we have continued to strive to reduce preventable deaths, improve the recognition, escalation and treatment of deteriorating patients, and improve medication safety, through better prescribing and administration.

Patient safety alerts

Through the analysis of reports of safety incidents and safety information from other sources, NHS England develops advice for the NHS that can help to ensure the safety of patients, visitors and staff. As advice becomes available, NHS England issues alerts on potential and identified risks to safety.

At Frimley Health, these alerts are coordinated and managed by the governance team who work in conjunction with clinicians and managers in the appropriate areas to confirm compliance or to develop an action plan with which to monitor compliance against. Safety alerts will now be managed on the new RL system which will allow the responses to be co-ordinated centrally and more effectively.

Frimley Health's process for responding to and monitoring patient safety alerts was audited by our internal auditors and awarded 'substantial assurance'.

Frimley Health is fully compliant with all alerts for which compliance deadlines have passed. The following table shows those alerts issued by NHS England during 2018-19 and progress against them.

| Reference | Alert title | Issue date | Response | Deadline |
|---------------|---|------------|--|-----------|
| PSA- 2018-002 | Risk of death or severe harm from inadvertent administration of solid organ perfusion fluids | 17/4/2018 | Alert disseminated. Not relevant as not used within the Trust. | 31/5/2018 |
| PSA- 2018-003 | Resources to support the safe adoption of the revised National Early Warning Score (NEWS2) | 25/4/2018 | Alert disseminated and assurance of compliance received. | 21/6/2018 |
| PSA- 2018-004 | Resources to support safer modification of food and drink | 27/6/2018 | Alert disseminated. Actions ongoing but expected to be completed by deadline date. | 1/4/2019 |
| PSA -2018-005 | Resources to support safer bowel care for patients at risk of autonomic dysreflexia | 25/7/2018 | Alert disseminated and assurance of compliance received. | 25/1/2019 |
| PSA- 2018-006 | Resources to support the safe and timely management of hyperkalaemia (high level of potassium in the blood) | 08/8/2018 | Alert disseminated. Actions ongoing but expected to be completed by deadline date. | 8/5/2019 |
| PSA -2018-007 | Management of life threatening bleeds from arteriovenous fistulae | 12/11/2018 | Alert disseminated. Actions ongoing but expected to be | 13/5/2019 |

| Reference | Alert title | Issue date | Response | Deadline |
|---------------|--|------------|---|-----------|
| | and grafts | | completed by deadline date. | |
| PSA -2018-008 | Safer Temporary Identification Criteria For Unknown Or Unidentified Patients | 05/12/2018 | Alert disseminated. Actions on-going but expected to be completed by deadline date. | 5/6/2019 |
| PSA -2018-009 | Risk Of Harm From Inappropriate Placement Of Pulse Oximeter Probes | 18/12/2018 | Alert disseminated. Actions on-going but expected to be completed by deadline date. | 18/6/2019 |

Serious Incidents

Responding appropriately to a Serious Incident (SI) when it occurs is vital and allows the Trust to ensure that important safety issues are identified and to, therefore, continually improve the safety of the services that the Trust provides to its patients. All SIs are investigated by a panel of clinicians with the required skills, knowledge and expertise and are chaired by a senior member of Trust staff.

The Trust has seen a 23% reduction in the number of serious incidents reported compared to the previous year.

Our main focus has been to embed the learning from serious incidents throughout the organisation. Over the last year we have taken the following steps to achieve this:

- Monthly report on serious incident findings to Quality Committee and monthly briefing at Nursing Midwifery Board, Patient Safety Committee and matrons and ward sisters' meetings
- Use of 'safety snippets' for key messages to all staff following a serious incident
- Top five key messages distributed monthly following Patient Safety Committee
- Junior doctor representation appointed to support the patient safety agenda
- Chiefs of service presenting their serious incidents to the Board of Directors
- Six weekly follow up meetings to monitor action plans following a serious incident
- Collaborative working with the Practice Development Team to ensure learning and changes in practice are embedded in practice.

A leaflet for staff is available which describes the SI process and offers support to staff involved in serious incidents. We are currently in the process of developing a similar leaflet for patients and their families where a serious incident has occurred during their care or treatment.

Never Events

Never Events are serious, largely preventable patient safety incidents that should not occur if the available preventative measures have been implemented.

Each type of Never Event has the potential to cause serious harm to patients or even result in death. These incidents include wrong site surgery, retained instrument post-surgery and wrong route administration of medication/ chemotherapy.

Nationally, between April 2018 and March 2019 there were 496 (provisional data from NHS England website) Never Events. During that same period, Frimley Health had four Never Events. This is a 69% reduction from the 13 Never Events reported in 2017-18.

A thorough executive-led investigation is undertaken for each Never Event and robust action plans are put in place and regularly monitored. Some of the key actions taken as a result of these incidents are as follows:

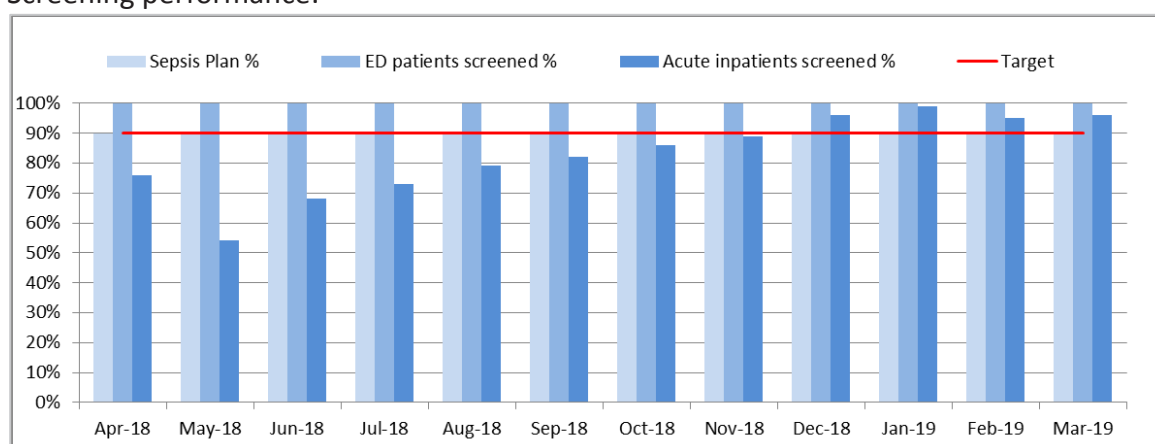
- Implementation of human factors training for key clinical staff across Frimley Health to provide a better understanding of human behaviour and performance within clinical settings in order to prevent accidental harm. Human factors training is currently provided as part of the preceptorship programme for newly qualified nursing staff.
- Collaborative working with Barts Health NHS Trust in order to share the learning from Never Events and identify themes.

Sepsis

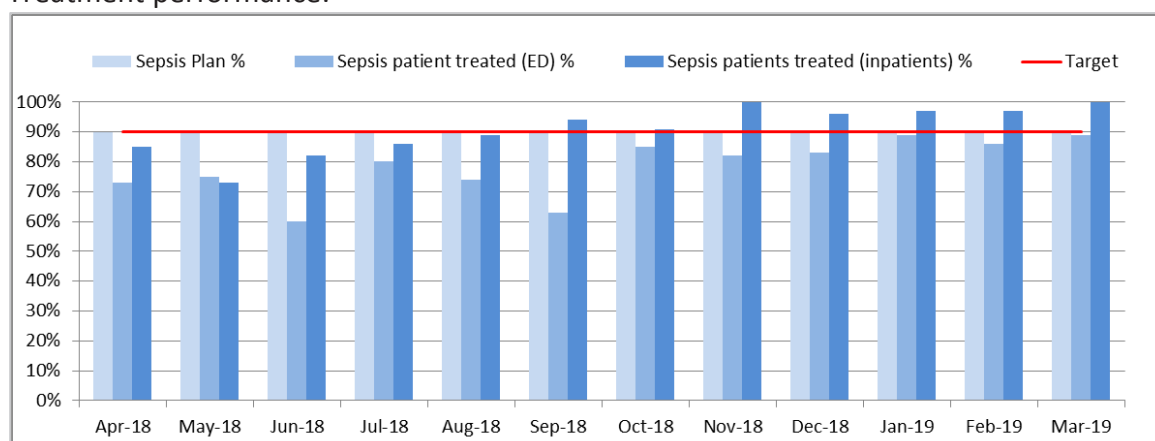
Sepsis is a life-threatening illness caused by the body overreacting to an infection. The body's immune system goes into overdrive, setting off a series of reactions that can lead to widespread inflammation (swelling) and blood clotting in the body.

Nationally there is an aim to screen 90% of patients in emergency departments or inpatient areas for possible sepsis and a further 90% target for administration of antibiotics within one hour. The graphs below show the Trust's performance over the last year against these targets.

Screening performance:

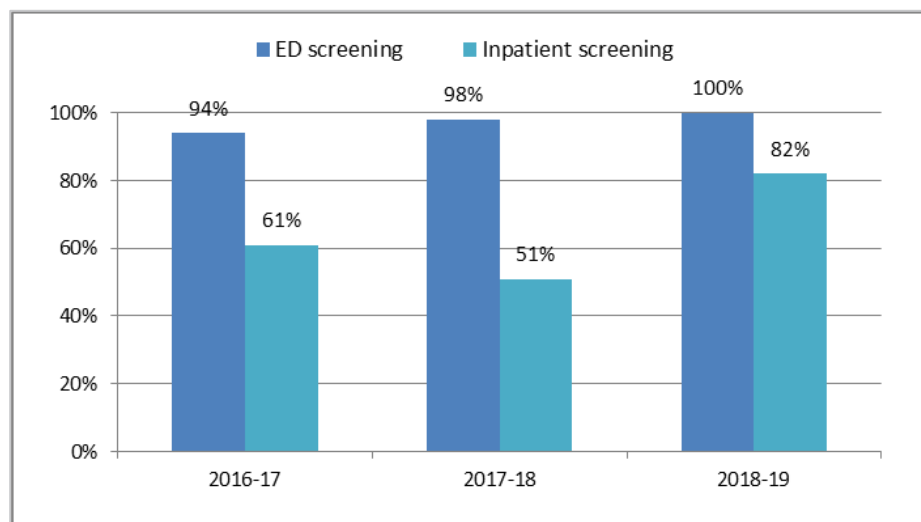


Treatment performance:

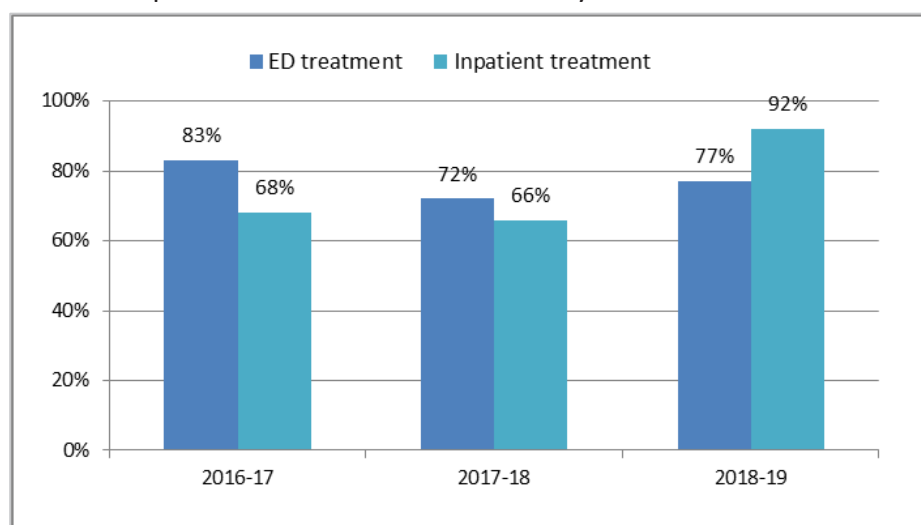


There has been a considerable improvement in the screening of sepsis and timely administration of antibiotics within the inpatient setting over the last three years. This is demonstrated in the graphs below showing improvements since 2016-17.

Screening performance over the last three years:



Treatment performance over the last three years:



Sepsis is notoriously challenging to address because identifying where a patient has a new sepsis trigger is very difficult. In order to reliably achieve this Frimley Health has undertaken the following directives to help us identify patients with sepsis:

- Use of sepsis based scenarios for all deteriorating patient training courses
- Use of prompts on the NEWS action chart to screen for sepsis
- Disseminating key messages via the matrons' and senior sisters' meetings across the Trust
- Outreach, night nurse practitioners and DaRT team initiate sepsis screening at NEWS calls
- Deteriorating patient specialist nurse undertakes daily ward rounds to support wards in utilisation of the sepsis tool and use of the bundle
- Use of the sepsis sticker when patients are screened and not requiring the initiation of the sepsis bundle
- Revised paediatric sepsis screening tool

- Visible wall mounted folders in key clinical areas to ensure sepsis screening tool and bundle are readily available
- Incident reporting of missed screening and treatment opportunities to facilitate learning and drive improvements
- Specialty focus groups to support locally driven improvements.

Next steps:

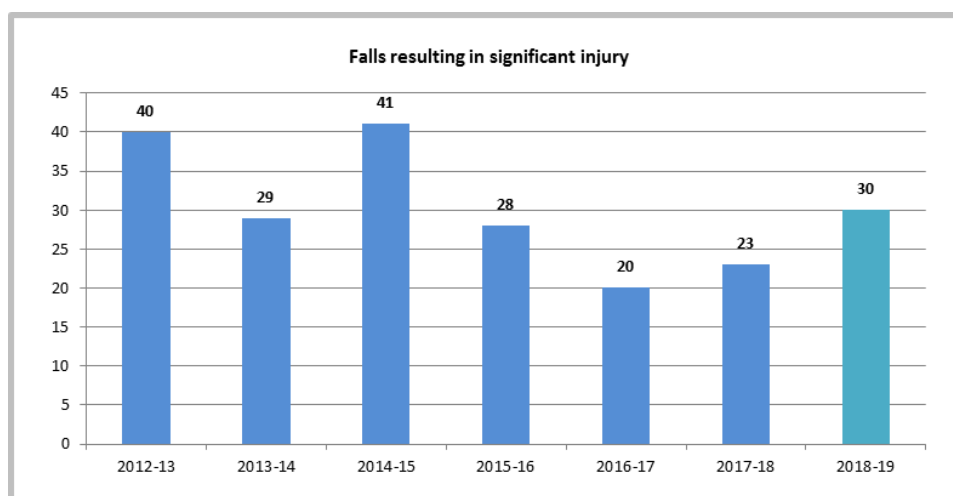
- Continue cross site sepsis committee with scheduled updates from specialities in relation to successes and challenges around sepsis
- Deteriorating patient educational updates/roadshow to take place in April across Frimley Health
- Call for Concern campaign posters to be launched
- Clinical lead for sepsis within each speciality to be nominated
- Celebrate success of recent results through staff communications
- Continue with procurement process for e-observations
- Review missed cases in ED to identify learning and support for improvement interventions
- Sepsis intranet page for all staff to access latest guidance and updates on sepsis, data on performance at Trust and ward level and celebrate sepsis stars.

Inpatient falls resulting in significant harm

A fall is an unintentional loss of balance causing one to make unexpected contact with the ground or floor. Falls can result in significant harm such as severe head injury or broken bones.

Our aim this year was to maintain a low percentage of falls resulting in significant harm against the total number of inpatients treated in our hospitals (our overall activity). We reported 30 falls resulting in significant injury, which set against overall activity, gives a rate of 0.07. This is a 33% increase when compared to the number of falls with significant injury reported two years ago. This is likely due to the acuity and frailty of the patients. Approximately 50% of the patients who have fallen and sustained an injury have had some form of cognitive impairment (delirium, dementia or alcohol withdrawal).

There has been a significant overall reduction of 25% in the total number of falls with harm since 2012-13 (baseline). This is a significant achievement which proves how highly committed our staff are to keeping our patients safe. There is also now a Clinical Falls Lead on both acute sites.



Source: Trust data

Each fall resulting in significant harm was subject to a root cause analysis review and some of the key themes identified were as follows:

- Non-compliance with lying and standing blood pressure recordings
- Failure to undertake medication reviews
- Lapse in monitoring of patients following procedures where they have received sedation.

The actions from these incidents are being addressed through the NHS Improvement Collaborative for Falls Prevention as follows:

- Roll out of assisted technologies in all wards cross site
- Development of new falls peer review proforma
- Design and launch of multi-disciplinary team (MDT) falls risk assessment booklet in five trial wards cross site including initial audit of use
- Combined awareness week for the 'Stand up to Falls' Campaign in October 2018.

Next steps:

- Finalisation and planned Trustwide roll out of falls MDT booklet
- Re-design and re-launch of post fall sticker
- Continued collaborative working with other trusts around falls prevention
- Planned falls champion study day
- The Trust has signed up to commence the Falls, Fracture and Fragility Audit Programme alongside the National Audit of Inpatient Falls.

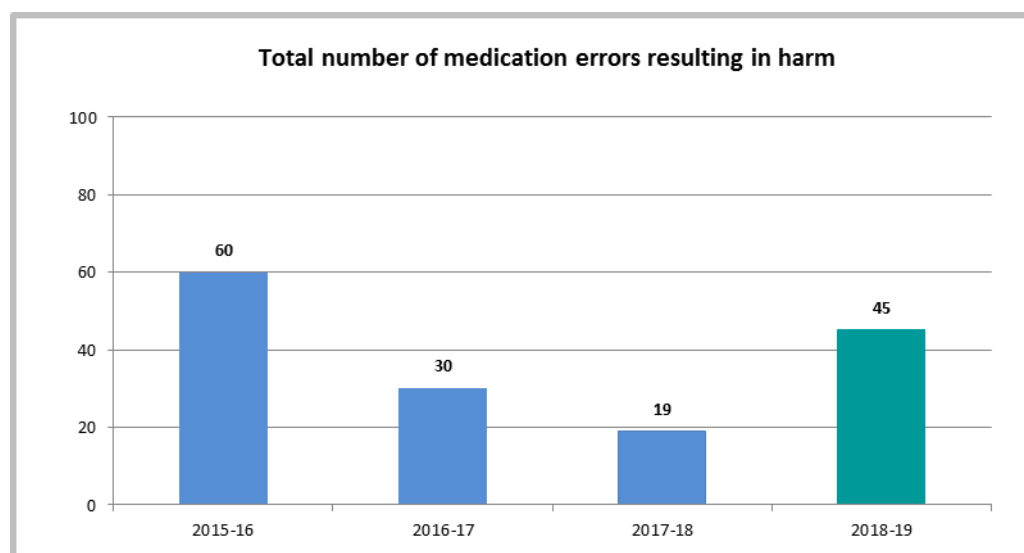
Falls resulting in significant harm definitions are governed by standard national definitions.

Medications safety

Medication errors at Frimley Health rarely cause harm to patients because our systems are designed to prevent this from happening. However, medication errors that have potential to cause harm do sometimes occur.

Over the last four years, the Trust has seen a considerable reduction in the total number of medication errors resulting in harm to patients. However, in 2018-19 we reported 45 drug errors resulting in harm which

is a significant increase when compared to the 19 cases reported in 2017-18. This is likely due to an increase in reporting but we recognise this is an area for improvement and are committed to focusing on the safe management of drug administration over the coming year.



Source: Trust data

The table below shows the level of harm as result of these medication errors and in comparison to the previous year.

| | 2017-18 | 2018-19 |
|---------------|---------|---------|
| Low harm | 15 | 41 |
| Moderate harm | 4 | 3 |
| Severe harm | 0 | 1 |

The results show that 93% of incidents reported resulted in patients requiring extra observations or minor treatment (classified as low harm) due to the medication error. In 7% of cases the incidents reported resulted in patients requiring further treatment, which caused short-term or permanent harm (classified as moderate or severe harm). These incidents have been thoroughly investigated and duty of candour applied. The results are comparable to the previous year in relation to the moderate and above harm incidents. The increase in low harm incidents we believe to be linked to better education around reporting.

Some of the key changes in practice implemented in 2018-19 to prevent medication errors occurring were as follows:

- Continuing to pilot e-prescribing in identified areas to ensure the roll out will be successful
- Launch of redesigned drug chart
- Focus on safe medication storage including drug trolleys and medication in refrigerators.

Next steps:

- Focus on the management of insulin and diabetic medication
- Continue implementation of e-prescribing
- Align and review the Medications Safety Committee across FHFT
- Review and implement an FHFT drug chart.

Venous thromboembolism

Venous thromboembolism (VTE) is a condition in which a blood clot (thrombus) forms in a vein or blood vessel which can lead to pain and swelling. If the blood clot becomes dislodged it can travel in the bloodstream (embolism) and can potentially block vital arteries which can be fatal. When the embolism blocks a vital artery to the lung it is called a pulmonary embolism (PE).

VTE has been a top clinical priority for the NHS since the 2011-12 operating framework was published.

The aim for 2018-19 was to continue to assess at least 95% of patients for their VTE risk in every month of the year. We are proud to say we achieved above 95% every month. This means that patients at risk of developing a VTE are identified and, where appropriate, prophylaxis measures are put in place as a preventative measure.

Over the year, we undertook two VTE audits and we also undertook in-depth reviews for every hospital-acquired PE and deep vein thrombosis (DVT).

The Trust reported 148 Hospital associated PE cases (140 were unpreventable, eight could have been prevented).

Those cases which could have been prevented were due to lack of VTE risk assessment, missed doses of chemical VTE prophylaxis, not being discharged with VTE chemical prophylaxis on discharge and under dosing of chemical VTE prophylaxis.

Actions undertaken to improve practice further during 2018-19 were:

- Launch of new Trustwide VTE Prophylaxis Policy: developed in line with NICE guidance
- Future inclusion on an e-form as part of e-prescribing was also discussed, particularly in relation to vigilance regarding compliance with risk assessment
- New Trustwide 'bridging' policy for the management of warfarinised patients
- VTE Patient Information Leaflet to be launched Trustwide to include information on animal products
- Feedback of audits to all specialities and discussed at VTE committee and Quality Committee.

Actions undertaken to improve practice during 2019-20:

- Continue to ensure that practice is aligned with the new Trust VTE policy 'Guidelines for Reducing the Risk of Hospital-Acquired Venous Thromboembolism'
- To monitor progress of the VTE risk assessment on an e-form as part of e-prescribing, particularly in relation to vigilance regarding compliance with risk assessment on admission to guide VTE chemical and mechanical prophylaxis
- To monitor the use of the Preventing Hospital-Associated Blood Clots Patient Information Leaflet and ensure is well utilised within the trust
- To ensure the VTE bi-annual audit continues to monitor practice
- WPH ED currently auditing plaster cast VTE prophylaxis. Plan to align with FPH
- VTE guidelines streamlined on intranet to facilitate easy navigation
- VTE follow-up clinic at WPH running well. Aim to see all patients within three weeks of diagnosis.

The VTE risk assessment is governed by standard national definitions.

Duty of candour

Frimley Health has always adopted a policy of openness and transparency. We proactively inform our patients and their families of any mistakes or omissions in their care which may have resulted in significant harm. We are also committed to consulting with patients and their families and providing feedback regarding the outcomes of any investigations we have undertaken, including key findings, actions taken and changes in practice we have implemented to prevent any reoccurrences in the future.

The duty of candour is important legislation that requires us to be open with patients when things go wrong (in cases where the harm is moderate or greater). It is also our duty to share the findings of any investigations with patients and their families. This builds on our current policy of being open and transparent.

Our duty of candour policy outlines the steps that staff should take and the principles are now embedded across the organisation. The Patient Safety Team offers resources and advice at training sessions.

We have worked very hard to ensure that our staff are aware of their obligations under the duty of candour and have put systems in place to support and enable them in these circumstances. The Trust carries out regular monitoring to ensure we are compliant with the requirements and the number of duty of candour cases is included in the Trust Quality and Performance Report which is discussed at the Quality Committee on a monthly basis.

The Trust's internal auditors undertook an audit of duty of candour based on a random sample of cases and a 'moderate level of assurance' was awarded. Overall compliance is good and our next steps will be to continue to review incidents in a timely manner and to build a process within the new incident reporting and management system for monitoring duty of candour incidents. An audit of compliance is also undertaken internally on a quarterly basis.

Clinical effectiveness

The Trust builds on the established culture of monitoring clinical outcomes and learning from best practice examples to improve the quality of health outcomes for our patients. Our information system, Hospital Episode Database (HED), allows us to compare our specialty clinical outcomes nationally to identify areas where there is room for improvement.

The specialty-specific quality dashboards continue to provide an overview of performance within each specialty according to how safe, effective, caring, responsive and well led they are. These enable clinical specialties to monitor their performance closely and anticipate issues during a period of significant transformation, implementation of new information technologies, and stretching financial targets.

Transient ischaemic attack (TIA) and stroke

A transient ischaemic attack or 'mini-stroke' is caused by a temporary disruption in the blood supply to part of the brain. The disruption in blood supply results in a lack of oxygen to the brain. This can cause symptoms similar to those of a stroke, such as speech and visual disturbance and numbness or weakness in the arms and legs. However, unlike a stroke, the effects only last for a few minutes and are usually fully resolved within 24 hours.

Stroke and TIA have been a key focus and priority for the Trust since 2009. Since then, there have been significant improvements to our stroke and TIA services.

Frimley Park Hospital Stroke Service

The FPH Stroke Unit has been part of a networked stroke service with the Royal Surrey County Hospital (RSCH) since 9 January 2017. This was a result of the Surrey Stroke Review and reconfiguration of stroke services. This original interim model is now permanently in place and we have agreed to commission 13 acute stroke beds from RSCH. Contractual and financial arrangements are still pending; however, the clinical model has now been embedded across both teams.

In our drive for excellence we have continued to focus on achieving the national targets for Stroke and TIA. We have specifically focused on achieving the national and local stretch targets for the following indicators:

- 80% of patients directly admitted to the stroke unit within four hours
- 50% of patients scanned within one hour of arrival
- 90% of patients receive an assessment of their swallowing ability within four hours of arrival.

Year to date performance for these measures is as follows:

| | Apr-18 | May-18 | Jun-18 | Jul-18 | Aug-18 | Sept-18 | Oct-18 | Nov-18 | Dec-18 | Jan-19 | Feb-19 | Mar-19 | YTD |
|---|--------|--------|--------|--------|--------|---------|--------|--------|--------|--------|--------|--------|-----|
| Admitted directly to the STU within 4hrs | 63% | 71% | 81% | 77% | 56% | 75% | 63% | 61% | 65% | 56% | 60% | 61% | 66% |
| Patients scanned within 1hr | 68% | 61% | 63% | 71% | 60% | 55% | 58% | 61% | 58% | 61% | 58% | 45% | 61% |
| Patients receiving a swallow screen within 4hrs | 82% | 83% | 83% | 89% | 78% | 84% | 76% | 84% | 76% | 78% | 76% | 71% | 81% |

We have been providing exception reports to the Board since August 2018 due to the dip in the four hour admission performance. Although our performance is not as we would hope, it should be put into context against what is being achieved nationally across all other providers:

- The national average across 142 hyper acute stroke units (HASUs) participating in SSNAP is 60.2%
- FPH HASU is currently at 66%
- We are the 4th best performing HASU out of 14 within the South East Coast Network
- We are the 35th best performing HASU out of 142 across the UK.

Agreed actions are:

- Stroke coordinators have started a weekly review of all admissions. Apart from identifying issues and trends with breaches, this will also identify what we are doing well and how we can learn from this
- We had our first Getting It Right First Time (GIRFT) away day with all other hyper acute stroke providers from South East Coast in November 2018. Direct admissions have been selected as one of five work streams
- We are currently assessing the feasibility of running an ambulatory service for patients with a length of stay under 48 hours. This has the potential to greatly reduce our number of admissions and release bed capacity
- 'Fast track' and 'Recognition of Stroke in the Emergency Room' (ROSIER) trial commenced on 11 March for better management of stroke calls out of hours.

As part of our commitment to improvement, we are continuing to participate in the Sentinel Stroke National Audit Programme (SSNAP) whose outputs are governed by standard national definitions. The following table shows our overall SSNAP performance over the last four reporting periods. The additional stroke activity from RSCH has had a significant impact on our case ascertainment. Overall, we are seeing a 30-35% increase in activity.

| | Jan-Mar 2018 | Apr-Jun 2018 | Jul-Sep 2018 | Oct-Dec 2018 |
|-------------------------|--------------|--------------|--------------|--------------|
| SSNAP level | A | A | A | A |
| SSNAP score | 80.8 | 90.0 | 94.0 | 90.0 |
| Case ascertainment band | A | A | A | A |
| Audit compliance band | B | A | A | A |
| Number of records | 228 | 183 | 189 | 178 |

The following table shows our SSNAP score for each of the 10 key indicator domains. Our key objective is to strive towards achieving 'A' level ratings across all 10 of the SSNAP domains.

| | Jan-Mar 2018 | Apr-Jun 2018 | Jul-Sep 2018 | Oct-Dec 2018 |
|----------------------------|--------------|--------------|--------------|--------------|
| D1: Scanning | A | A | A | A |
| D2: Stroke unit | C | C | C | C |
| D3: Thrombolysis | B | B | B | C |
| D4: Specialist assessments | A | A | A | A |
| D5: Occupational therapy | B | A | A | A |
| D6: Physiotherapy | A | A | A | A |
| D7: Speech and language | B | B | A | B |
| D8: MDT working | B | A | A | A |
| D9: Standards by discharge | B | B | A | A |
| D10: Discharge processes | A | A | A | A |

Since setting up the networked stroke service with RSCH, we have implemented the following actions:

- Six day working for therapies across seven days (physiotherapy, occupational therapy, Speech and language therapy)
- Recruitment of a stroke nurse consultant, stroke pathway coordinator, clinical neuropsychology and early supported discharge (ESD) support
- In-house consultant thrombolysis 24/7 rota
- Stroke Appeal launched to create a new therapy/MDT area including new technologies and equipment
- Six-month post stroke reviews
- MDT improvement project.

Priorities for the next reporting period:

- Finalise contractual and financial arrangement with RSCH – due for CEO sign off May 2019. Implement our GIRFT action plan with particular focus on 1) four-hour direct admissions, 2) communication, 3) TIA service, 4) community and voluntary sector, 5) data quality and outcomes
- Further stroke consultant recruitment and consider alternative recruitment options
- Review staffing across all stroke disciplines
- Review latest NICE guidelines for stroke and implement any recommendations.

Cardiology

Acute myocardial infarction

Acute myocardial infarction (AMI) is commonly known as a heart attack and it happens when a part of the heart muscle suddenly loses its blood supply usually due to a blood clot.

An electrocardiogram (ECG) records the electrical activity of the heart. The heart produces tiny electrical impulses which spread through the heart muscle to make the heart contract. These impulses can be detected by the ECG machine. An ECG is performed to help find the cause of symptoms such as palpitations or chest pain.

Percutaneous coronary intervention (PCI) is a non-surgical procedure used to treat narrowing of the coronary artery, using a balloon catheter to dilate (widen) the artery from within.

As cardiac intervention services form part of the Trust's hyper acute strategy, we have continued to focus on improving performance. The focus has been on achieving the following standards, which we continue to measure ourselves against:

- 85% of eligible patients receive treatment, call to balloon⁴ within 150 minutes
- 85% of eligible patients receive treatment, door to balloon⁵ within 60 minutes
- 85% of eligible patients have an ECG performed within 15 minutes of arrival
- 30% of eligible patients receive a PCI as a day case
- 40% of eligible patients receive a pacemaker as a day case.

The data in the table overleaf has been extracted from the Myocardial Ischaemia National Audit Project (MINAP) which is governed by standard national definitions.

| Indicator | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|--|---------|---------|---------|---------|
| 85% of eligible patients receive treatment; call to balloon within 150 minutes | 93% | 92% | 90% | 92% |
| 85% of eligible patients receive treatment; door to balloon within 60 minutes | 94% | 92% | 84% | 87% |
| 85% of eligible patients have an ECG performed within 15 minutes of arrival | 95% | 98% | 95% | 94% |
| 30% of eligible patients receive a PCI as a day case | 47% | 50% | 44% | 46% |
| 40% of eligible patients receive a pacemaker as a day case | 38% | 34% | 33% | 35% |

Source: MINAP & Trust Performance data

⁴Call-to-balloon is a time measurement in emergency cardiac care (ECC). It is the interval between the first call for professional help and the time that the PCI procedure is performed.

⁵Door-to-balloon is a time measurement in ECC. It is the interval between the arrival at hospital and the time that the PCI procedure is performed.

7 Day Services

One of our key objectives over the last year has been to begin fully implementing the priority 7 Day Core Standards across all sites. In order to help us understand whether we are achieving this or not we have participated in bi-annual seven-day service audits. The results are as follows:

Frimley Health has met the standard for consultant review within 14 hours for the hyper acute services. Based on the April 2018 audit data (the last nationally benchmarked data) the overall performance for consultant review within 14 hours was 87%. While below the target of 90%, this performance was above both the South of England regional mean and the national mean.

Next steps:

The Trust will be focusing on achieving the 14 hour standard for consultant review within our non-hyper acute services, enhancing the work that has been started to ensure clearly documented weekend plans of care and level of the clinician required to review the patient. The Trust will also be working with our local commissioners to ensure that local commissioned pathways support seven day services such as Core 24 provision. Core 24 is a liaison mental health service model provided 24 hours, 7 days a week. It is commonly provided across urgent and emergency care pathways.

Patient experience

The fundamental purpose of any hospital is treating the clinical condition of patients. However, excellent care is much more than that. The experience of our patients is of equal importance to their health outcomes and is central to our mission to provide high quality care which is the main rationale for the work we do. The Trust has been utilising a combination of qualitative (subjective/opinion) and quantitative (objective/factual) patient feedback and intelligence for a number of years.

Examples are patient surveys, feedback from social media (Twitter, Facebook), NHS Choices, direct email to the Chief Executive, complaints and compliments, as well as national surveys and patients and carer experience events. We use hand held devices in both inpatients and outpatient areas to enable real time feedback.

The Trust continues to work collaboratively with patients and the public including seven local Healthwatch organisations and CCG lay members to improve patient experience through listening to our patients, learning from feedback and working in coproduction. Frimley Health conducts two Trustwide surveys into the patient experience. These are a local Patient Experience Tracker (PET) and the nationally mandated Friends and Family test (FFT).

Patient experience tracker (PET)

The PET survey was introduced in January 2014 and is conducted among the inpatient cohort at the patient bedside. The survey asks questions about different aspects of the patient experience and covers areas such as respect and dignity, various aspects of communication, the care received and preparation for discharge among others.

The survey asks both quantitative and qualitative questions. Most of the quantitative questions and response options are copied directly from the National Patient Survey for inpatients in order to ensure that validated questions are being asked. Most of the quantitative questions are followed by a qualitative question in an effort to understand why the patient gave the response they did.

Results are circulated to the wards on a weekly basis and reported to the Board.

The survey is refreshed annually to ensure the questions remain relevant, and the feedback is useful and appropriate to the Trust's overall strategy.

Over the course of 2018-19, over 10,404 patients were surveyed for the PET survey. We have, therefore, continued to monitor our performance against the indicators below. These were monitored as part of Frimley Health NHS Foundation Trust's PET survey and are not governed by standard national definitions.

| Patient Survey Question | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---------|---------|---------|---------|
| Overall, did you feel you were treated with respect and dignity whilst in hospital? | 96% | 96% | 97% | 97% |
| Do you have confidence and trust in the doctors treating you? | 92% | 32% | 93% | 93% |
| If you needed it, did you get enough help from staff with eating and drinking? | 88% | 90% | 91% | 86% |
| Do you feel that you and your family/carers have been involved in planning for your discharge from hospital? | 70% | 82% | 85% | 83% |
| Were you ever bothered by noise at night from other patients? (percentage of patients saying no) * | 69% | 66% | 69% | 68% |
| Within the first couple of days of admission did a member of staff ask you about your home situation? | New | 83% | 88% | 89% |
| Did nurses talk in front of you as if you weren't there? (percentage of patients saying no) | New | New | 93% | 92% |
| Beforehand, did a member of staff explain the risks and benefits of the operation or procedure in a way you could understand? | New | New | 92% | 91% |

Source: Trust local survey data

Below are some examples of the ways in which wards across the Trust have made use of the qualitative feedback over the past year:

- A new real time patient survey system went live in May 2018 following training for key members of staff. This has allowed staff to view their patient experience data in real time and update actions accordingly.
- Site specific work streams were identified for 2018 based on the national inpatient survey results. The results showed specific issues with noise at night and protected mealtimes. Work has been ongoing to try and address these issues. Pop-up banners have been put on ward doors to try and encourage staff to talk quietly at night. Protected mealtimes at Frimley Park have been re-launched but further work has been identified in supporting staff to assist with feeding.
- Quarterly triangulation of ward level patient feedback, complaints and FFT results has shown that there are four areas we are performing well in, all of which relate to the treatment and care provided by our staff. However, based on the same patient feedback, the following areas were highlighted as requiring improvement:
 - Waiting times - maternity (awaiting scans), ED (wait to be seen), outpatients (appointments and clinic delays to see the doctor once the patient has arrived), discharges (time to actual discharge after being told they can be discharged).

- Communication with families around the patient's care and treatment
- The environment.
- Feedback from complaints highlighted a need to focus on carers and the support we give them.

Next steps:

Working in co-production with patients, service users and their families and carers is key to ensuring they are at the centre of all we do. Therefore, the Trust has signed up to the Always Events[®] programme which is being delivered in partnership between NHS England and NHS Improvement.

Always Events are those aspects of the patient experience that are so important to patients and family members that health care providers must aim to perform them consistently for every individual, every time. They can only be developed with patients being equal partners in the development of the Always Event. The programme has been very successful, with the aim of working towards the target in the NHS mandate to have 100 NHS organisations involved by April 2018.

As part of the Always Events programme, the Trust has committed to specifically looking at patients being discharged and what matters to them. This is being delivered across all three sites and we are listening to what patients would like to see improved as part of the discharge process.

Help with eating and drinking is also high on the agenda and a task and finish group is being set up to try and establish the key issues for improvement. Other related initiatives include:

- A 'hydration round' for patients is being set up where volunteers offer and support patients with drinking on both sites
- A drinks menu is under development with a choice of hot and cold drinks
- We established finger foods as part of the menu last year and this has proved popular with our patients.

Different ways of communicating with relatives and carers is being considered alongside the co-production of a 'Carers Promise' to ensure we listen to patients' carers about what matters to them.

National Friends and Family Test (FFT)

This is a nationally mandated measure for patient experience as part of healthcare providers' contracts. The question is: 'If a member of your family or a friend needed similar treatment how likely are you to recommend this ward/department/service?' There are six response options:

- Extremely likely
- Likely
- Neither likely nor unlikely
- Unlikely
- Very unlikely
- Don't know

The Trust has fully embraced and embedded the FFT which is reflected in its exceptional performance compared with the national average. Since April 2013, the FFT question has been asked in all NHS inpatient and emergency departments across England and the Trust also includes maternity services. In line with the

NHS England directive, the FFT was extended in 2014 to include outpatient, community and day case areas in addition to inpatient areas. In 2018-19 the percentage of patients who would recommend individual services and departments was measured both internally and nationally and data is governed by national standards.

Over the course of 2018-19, responses were collected from 96,442 patients broken down by the following cohorts:

- 15,237 inpatients
- 27,029 outpatients
- 24,005 emergency department attendees
- 5,868 maternity service users
- 1,339 patients accessing trust services in the community.

The table below shows the overall score for the full year by service/department. Overall, 97% of patients would recommend the Trust to friends and family if they needed similar treatment.

| Patient group | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---------------------------|---------|---------|---------|---------|
| A&E department | 90% | 91% | 94% | 95% |
| Inpatients | 97% | 96% | 97% | 97% |
| Outpatients | 95% | 96% | 97% | 97% |
| Community services | 98% | 97% | 98% | 99% |
| Maternity services | 95% | 96% | 97% | 99% |
| All services/departments* | 95% | 95% | 97% | 97% |

Source: Trust data reported to National Unify system

A new patient experience survey is being commenced, working with the neurology Frimley ICS to capture patients' treatment experiences. This is a prestigious nationwide study which the Trust hopes will shine a light on the complex neurological pathway. We are currently awaiting the results from the patient survey but the commencement of an epilepsy nurse role at Wexham Park has enhanced patient care across the Wexham footprint.

Volunteers

In quarter 4 we published the volunteer numbers from the audit conducted during January 2019. These figures show an increase of 9% of volunteers when compared with the figures from the previous audit in June 2018 and a 63% increase since January 2017.

| Hospital site | Jan 2017 | Jun 2017 | Jan 2018 | Jun 2018 | Jan 2019 |
|---------------|------------|------------|------------|------------|------------|
| Frimley Park | 161 | 256 | 292 | 336 | 357 |
| Wexham Park | 41 | 110 | 140 | 173 | 198 |
| Heatherwood | 7 | 10 | 10 | 11 | 14 |
| Totals | 209 | 376 | 442 | 520 | 569 |

Recruitment took place for the first phase of the 'Nobody Should Die Alone' project. This sees volunteers being recruited to a companion role to sit with patients who may be nearing the end of life. This is being coordinated by the chair of the End of Life Steering Group and Chaplaincy at Wexham Park Hospital. Eight volunteers have completed their training, with a further group being recruited from staff and other existing volunteers. This was launched on 16 May 2018, during 'Dying Matters Week'.

Further achievements made during the year include:

End of Life (EOL) Companions:

The End of Life Companions volunteer service is slowly being embedded at both Wexham Park Hospital and Frimley Park Hospital. Our EOL companions consist of volunteers, some of whom are carers or members of staff that work on a rota basis to support our patients within FHFT who are nearing the end of their life.

Another recruitment drive and training date will be planned to allow the Trust to provide this service during more hours of the days.

We are also working with the local communities to expand our volunteer team at Farnham Hospital in order to ensure more sustainable provision of pastoral, spiritual and religious support for our inpatients there.

Young volunteers:

The Trust has worked in conjunction with Wellington College to develop a young volunteers' programme. This will involve students from the college and students from Carwarden House Community School coming to Frimley Park Hospital on a weekly basis as patient companions. The students come in every Wednesday afternoon and spend their time talking to patients and undertaking activities as requested.

Garden projects:

Working closely with Slough Business Community Partnership, a number of teams from local companies including Mars, Reckitt-Benckiser, LeasePlan and Lonza worked together to give makeovers to seven gardens in the grounds at Wexham Park hospital. Following the success of volunteer gardeners at Wexham Park hospital, we are looking to recruit volunteers to makeover some of the gardens at Frimley Park Hospital.

Community volunteers:

The Deputy Director of Nursing (WPH) and the Voluntary Services manager met with Thames Valley Probation which will see Community Service volunteers coming into Wexham on a regular basis, litter picking as well as tidying up.

Valuing our volunteers:

A special afternoon tea was held as a thank you event for our volunteers. It was a very successful afternoon with volunteers from across the Trust coming together to celebrate and to receive thanks for all the hours they have given during the year. Gifts were provided for each volunteer.

Awards:

- Wexham Park volunteers have been entered for the Queens Award for Volunteering. This was a result of the Lord Lieutenant for Berkshire writing to the Chairman of the Trust
- Frimley Park's Emergency Department volunteers were named Outstanding Volunteering Team of the Year in the HelpForce Champions Awards in November 2018
- One of our buggy drivers was given a commendation in the Volunteer of the Year Award organised by Slough Community Volunteer Service. The buggy service is so successful at Wexham Park Hospital, that a trial of a similar buggy is being organised at Frimley Park Hospital.

Performance against key national priorities 2018-19

NHS Improvement (NHSI) is the health sector regulator which monitors performance against set national objectives as part of their assessment of governance for NHS providers. As part of this Quality Report, we are required to report on the following national indicators:

| Indicator | NHSI Threshold | FHFT 2018-19 |
|---|----------------|--------------|
| Maximum time of 18 weeks from point of referral to treatment (RTT) in aggregate – patients on an incomplete pathway | >=92% | 92.0% |
| A&E: maximum waiting time of four hours from arrival to admission/transfer/discharge [Ⓐ] | >=95% | 87.2% |
| All cancers: 62-day wait for first treatment from: (1) [Ⓐ] | | |
| • Urgent GP referral for suspected cancer | >=85% | 93.6% |
| • NHS Cancer Screening Service referral | >=90% | 97.8% |
| Clostridium Difficile (C. diff) – Total cases (Number due to lapses in care) | - (31) | 28 (4) |
| Maximum 6-week wait for diagnostic procedures | <=1.0% | 0.6% |

[Ⓐ] = Audited by KPMG

(1) Cancer data is reported a month in arrears so March 2019 figures are not finalised yet.

4. Annexes

Annex 1: Statements from Clinical Commissioning Groups (CCGs), Healthwatch organisations and Overview & Scrutiny Committee

Frimley Health Patient Experience and Involvement Group

The Patient Experience and Involvement Group (PEIG) on behalf of the Council of Governors welcome the opportunity to comment on this year's Frimley Health Annual Quality Report.

We are delighted that in the Trust's first overall comprehensive assessment by the Care Quality Commission that the Trust was rated *Good* with Frimley Park as a site maintaining its *Outstanding* rating. We very much appreciate the significant amount of work that has been undertaken by the staff over the past few years to achieve these ratings.

The governors are pleased to see the sustained improvement in the sepsis screening and the continued drive to reduce preventable death through learning from mortality reviews. The reduction in Serious Incidents is recognised and we are pleased to see that the focus will continue with this year's priority through the work related to the non-escalation of deteriorating patients.

The peak in Never Events during the year was a concern to the governors and we welcomed the executive led and CQC review and the learning and collaborative work that has emanated from the findings.

The governors are disappointed that the priority to reduce the numbers of preventable pressure ulcers was not achieved. We do however acknowledge the raised awareness that this area has been given through improved reporting, education and alignment of tissue viability services across the Trust.

Improving written and verbal communication has always been an area that the PEIG gives particular attention to. We again acknowledge the work that has been undertaken throughout the year to improve response rates by categorising complaints and increasing the number of face-to-face meeting to reach resolutions. We will expect to see the improvement in responses rates continue as the new tracking system and complaints processes take effect.

The governors welcome the action being taking following the findings of the National Inpatient Survey with particular reference to mixed sex accommodation, where there had been a peak due to the reclassification of the definition and Noise at Night, a patient experience indicator that has proved difficult to improve. The work on improving care to patients with dementia through the introduction of therapeutic activity coordinators is commendable and is the focus on frailty services. The governors are keen to see that the frailty services are imbedded across the whole Trust.

We are pleased to see that the first priority for the coming year is to improve the safe transfer of care, a topic that has been a key area of focus for the governors over the past few years. We are delighted to see also that the previous nationally held terminology of 'discharge' has been replaced with safe transfer, something we have been encouraging, acknowledging that we work across an integrated system.

We are also pleased to see this year's priorities include focus on the Maternity Quality Indicators an area highlighted by the recent CQC assessment.

The governors were delighted to hear that in continuing to improve our patients' experiences the Trust is looking to commission a cultural change programme to ensure that patients and carers are at the centre of everyone's thinking. We welcome the collaboration with the University of Surrey, Point of Care Foundation and Patient Experience Network and look forward to actively participating in the Trust's project 'Patients in Partnership' to ensure that our patients voices are heard.

Meeting four times a year we have had the opportunity to receive, scrutinise and discuss and the Trust's Quality Priorities and Indicators at our meetings. Triangulated with our regular quality walk-about and Board's Seminars the PEIG feels assured that the Quality Report accurately reflects the Trust's quality programme and quality performance reporting.

Mary Probert

Chair, PEIG

24 April 2019

Commissioner response on behalf of East Berkshire CCG, North East Hampshire & Farnham CCG, Surrey Heath CCG and Buckinghamshire CCGs

Note: The statement below is on Draft v5 dated 16.4.2019; we cannot comment on sections still to be completed or data to be added.

Statement

The clinical commissioning groups (East Berkshire CCG, North East Hampshire & Farnham CCG, Surrey Heath CCG and Buckinghamshire CCG) are providing this response to the Frimley Health NHS Foundation Trust Quality Report for 2018-19.

Quality Report 2018-19

The Quality Report provides information and a review of the performance of the Trust against quality improvement priorities set for the year 2018-19 and gives an overview of the quality of care provided by the Trust during this period. The priorities for quality improvement are also set out for the next 12 months. The document clearly identifies the Trust's successes to date, and also areas for further improvement.

Reviewing the report, the CCGs confirm that as far as it can be ascertained it complies with the national requirements for such a report and the following are of specific note:

- The report provides information across the three domains of quality – patient safety, clinical effectiveness and patient experience
- The mandated elements are incorporated into the report
- There is evidence within the report that the Trust has used both internal and external assurance mechanisms
- The CCGs are satisfied with the accuracy of the report, as far as they can be, based on the information available to them in the draft reviewed prior to publication.

The CCGs are pleased that the Trust is focused on the introduction of a new strategy and vision, based on the six key themes outlined in the report, and believe that these align well with the overall ambitions of the Integrated Care System. We remain confident in the Trust's leadership and governance, and commend the openness and transparency which the Trust has continued to show in working with the CCGs. Like every NHS organisation, the Trust faces big challenges in terms of demand and capacity, workforce retention and in continuing to meet the stringent regulatory requirements necessary to operate as a high quality healthcare provider. The CCGs are confident that the Trust is equipped to meet these challenges, and commend its progressive approach to innovation, new facilities and revision of care pathways. Of particular note is that the Trust has managed to sustain and build on the improvements following the merger and creation of Frimley Health in 2014; the recently-published CQC report which followed the inspection in late 2018 gives all locations an overall rating of a least 'Good', with Frimley Park Hospital retaining its rating of 'Outstanding'. While the report highlighted some regulatory requirements (discussed further below), the overall findings were positive and served to build further on the confidence in the organisation that has grown since the merger. It is particularly notable that Wexham Park hospital has maintained its 'good' rating; when they last inspected this location, the CQC praised the huge improvement achieved post-merger. This improvement was the result of an intensive investment of strong leadership, hard-working staff, and

financial support; any questions about the sustainability of the improvement in the longer term have now been answered by the positive results of the latest CQC report.

The Trust continues to operate strong patient safety and quality functions supported by an embedded governance framework. Serious incident reporting remains transparent and investigatory work thorough. The quality and patient safety teams at the Trust are highly motivated, committed and visible; the links between both of these teams and their counterparts in the CCGs is strong and works well.

The Trust continues to operate an effective clinical audit function which underpins its improvement programme, and we acknowledge the engagement and efforts that have gone into participation in national audits alongside a broad local clinical audit programme. The Trust uses these audits to learn more about the clinical effectiveness of its services and to drive improvement work.

The Trust remains committed to patient experience and will build on the patient engagement work outlined in this report. The Trust Patient Advice and Liaison Service (PALS) also provides a link through which clinical concerns raised by primary care services can be explored and addressed with the CCGs; this has become an increasingly useful tool in the early identification and management of systemic quality risks.

The CCGs acknowledge the Trust's overall strong performance against the Core Indicators based on national data collated by NHS Digital, and has confidence in the Trust's approach in addressing areas for improvement.

The CCGs acknowledge the Trust's achievement of the key national priorities 2018-19, overseen by NHS Improvement, with the exception of the A&E 4-hour target, which is discussed further below.

The Trust has shown good overall performance in its CQUIN incentivised work programmes in 2018-19 (at the time of writing we are only able to comment on achievements up to the end of Quarter 3). The commissioners continue to work with the Trust on the revised CQUIN framework for 2019-20.

Notable achievements 2018-19

In addition to the key priorities for 2018-19 which are discussed further below, and notwithstanding the other positive achievements mentioned in the report, the CCGs acknowledge and commend notable achievements in the following areas:

- Continuing to be a strong and committed partner in the Integrated Care System.
- Completion of the upgrade to Maternity and Gynaecology facilities at Wexham Park.
- Completion and opening of the new Emergency Assessment Centre at Wexham Park.
- Excellent cancer performance.
- Improvements in sepsis screening and treatment.
- Continuing work on mortality reviews and the introduction of Medical Examiners.
- Commitment to quality improvement work on falls and pressure ulcers.
- Commitment to working in partnership with mental health services, notably via the CQUIN programme.
- Successful in achieving a CQC rating of 'good' for the delivery of adult community health services in North East Hampshire.

Challenges in 2019-20 and beyond

All trusts have their challenges and risks, and as mentioned above, we believe that FHFT is good at identifying and exploring these areas and addressing them with remedial or mitigating actions. The CCGs note the following areas which are particular challenges and will require the focus of the Trust and commissioners in 2019-20:

- **Accident and Emergency – performance:** Like most Trusts across the country, FHFT has struggled to meet the 4-hour target, although its relative performance has been good. The Trust has now been chosen as an early pilot site in the development and testing of new standards based on clinical priority.
- **Discharges from hospital – safety and effectiveness:** See the section on priorities below.
- **Early identification and clinical management of deteriorating patients:** See the section on priorities below.
- **Interoperability and IT systems:** Work continues across the system on connecting healthcare information systems to enable better visibility of clinical records and improved communication across sectors. Internally, we note that the Trust is working towards introduction of electronic patient records (including electronic observations), electronic prescribing, and standardised electronic discharge summaries. We note that standardisation of Emergency Department IT systems has been achieved with the implementation of the 'Symphony' system at Wexham Park, and that a new patient safety reporting system, 'RL6', has been rolled out.
- **Learning disabilities – patient safety:** Ensuring that people with learning disabilities receive the same high quality healthcare as every patient across community and acute settings continues to be a subject of national focus. The CCGs, the Trust and other partners continue to work together on the Learning Disabilities Mortality Review (LeDeR) programme. The Trust has also kept the CCGs informed about progress on its own Learning Disabilities Strategy and associated improvement plan. We are confident that the Trust remains committed to working in partnership to improve the standards and consistency of care offered to people with learning disabilities.
- **Maternity services:** We wrote last year about the work of the ICS Maternity Steering Group and the improvement work focused on the ICS Better Births Action Plan. We acknowledge that the CQC inspection highlighted improvements needed in the Trust's maternity services, notably in relation to midwifery staffing levels. Actions to achieve this requirement are currently being formulated.
- **Medications safety:** This year has seen an increase in the number of medication errors resulting in harm. While the actual numbers are very low (39 instances in the year) in relation to overall activity, we are pleased to see that the Trust is prioritising a reduction in this type of incident for the coming year.
- **Seven day services:** The CCGs and the Trust will need to work together to ensure that commissioned pathways support the delivery of 7 day services.
- **Staffing:** As discussed last year, the filling of nursing vacancies and retention of existing nursing staff, particularly at the Wexham Park site, continues to be a big challenge. There is no 'quick-fix' for this but the Trust continues with its recruitment strategy and is progressing initiatives to reduce turnover, seeking more detailed information about the factors which cause some staff to move on. The Trust has escalation procedures in place to address any transient shortfalls in safe staffing levels.
- **Stroke:** The Hyper Acute Stroke Unit at Frimley Park has maintained an excellent overall level of performance, scoring a grade 'A' in the national audits, and comparing favourably with other units in the South of England. There is, however, a continuing challenge in meeting the standard for admission to the unit within four hours. There are several factors affecting this, including speed of diagnosis and referral,

and hospital flow. The service has been reviewed as part of the 'Getting it Right First Time' programme and has developed a revised improvement plan. We acknowledge the improvement measures taken to date, as outlined in this report.

Priorities for the past year 2018-19

The Trust has given a clear account of achievements and areas for further work in relation to the three quality priorities that were set for 2018-19. The CCGs have the following comments:

Priority 1: Reducing preventable deaths by learning from mortality reviews.

We acknowledge the strong leadership and governance of this priority over the past year; the system for screening and deep reviews has been embedded and there has been good engagement from the Trust in the ICS Mortality Steering Group. There are established links between the mortality review process and the patient safety Serious Incident reporting system, and with the Learning Disabilities Mortality Review (LeDeR) programme. We also acknowledge the successful implementation in quarter 4 of the new Medical Examiner roles and the positive initial feedback on this from families. There are challenges ahead in keeping up with the demands for timely completion of deeper mortality reviews, and we understand that the Trust is looking at how to address this. Overall, the progress made by the Trust in its mortality review framework, alongside the routine reporting of mortality data and a robust serious incident investigation framework gives the CCGs confidence in the Trust's work on this priority.

Priority 2: Pressure ulcer prevention.

The CCGs acknowledge the Trust's performance in maintaining overall low levels of category 3 and 4 pressure ulcers (with a reduction on category 3 cases and a slight increase in category 4). We also acknowledge the Trust's engagement in NHSI Collaborative improvement work. The challenge ahead is to reduce the numbers of category 2 ulcers and it is evident that the Trust is using its experience with the collaborative this year to drive continued work on this goal.

Priority 3: Improving written and verbal communication for patients and engagement.

The CCGs acknowledge the work done over the past year on this priority. We note in particular that the turnaround times for complaints responses are improving and the numbers of re-opened cases remain relatively low. We also acknowledge that the Trust uses its internal patient survey trackers to focus efforts on specific issues raised by patients, such as noise at night and help with personal hygiene. While the report gives examples of methods and initiatives to capture patient experience, we also acknowledge that the Trust will be working now to achieve a consistent and embedded approach, in line with recommendations made by the CQC. Continuing work to improve communications in line with the Accessible Information Standard has been shared with the CCGs and is also acknowledged.

Priorities for 2019-20

The CCGs fully support the Trust's chosen priorities for 2019-20:

Priority 1: Improving the safe transfer of care process for patients

This continues to be a high priority area of work for the system as a whole, which is key to both the safety of our patients and in reducing pressures on the health and social care system. The Trust is working closely with the CCGs and social care partners, and has highlighted in its report the provision of a single point of access within its hospitals for partners involved in discharge planning and delivery. There is also a continued commitment to make progress on the 'Discharge to Assess' initiative, and the roll out of 'Discharge

Passports'. This challenge is very much a shared responsibility across the health and social care system and the CCGs are committed to working with the Trust and other partners on improvement work.

Priority 2: To reduce the number of serious incidents related to recognition and management of the deteriorating patient

The CCGs are pleased to see this included among next year's priorities. Our work with the Trust on learning from incidents shows that this continues to be an area in which further improvements can be made. The Trust has standardised its early identification and escalation procedures across sites and introduced the NEWS2 system, but there is a continuing programme of staff education and system improvements required to maintain momentum and improve consistency. We are pleased that the Trust continues to devote significant resource and effort to this work, and note that the introduction of electronic observations systems in 2019 will be a step forward in improving safety, consistency and quality monitoring.

Priority 3: Improving healthy conversations with patients and colleagues with the aim of encouraging people to make healthier lifestyle choices.

We support the Trust's decision to include this among next year's priorities, in line with national guidance on 'Making Every Contact Count' and the 2019 NHS Long Term Plan. The Trust's plans follow on from the 2018/19 CQUIN programme. With the increasing demands on NHS providers it makes sense to prioritise preventative measures.

Priority 4: Maternity quality priorities for improvement

4a) Ensure all women attending maternity triage/ assessment areas are assessed within appropriate timeframes and assigned appropriate categorisation for further treatment and assessment timeframes.

The CCGs support the Trust's decision to prioritise (among the National Maternal and Neonatal Health Collaborative aims) the early recognition and management of the deterioration in mothers or babies. This aligns with wide patient safety work and serious incident learning across the Trust, and targets systemic improvements which will ensure that necessary clinical interventions are made at the earliest possible stage of deterioration.

4b) Use of sepsis screening tool- to increase the compliance with undertaking the sepsis screening tool when patients are assessed as having one yellow score via a MEOWS observation chart.

Again, this priority aligns with wider Trust safety and effectiveness work and brings ensures that standards around sepsis identification and treatment are monitored and raised in the maternity setting. The CCGs support the inclusion of this among the Trust's priorities for the coming year.

Summary

The CCGs are pleased to be able to give positive comments on the Trust's Quality Report, and we fully support the Trust's chosen priorities for the coming year. We are confident that the Trust has identified and has plans in place to address key challenges in the coming year, both internally and as a partner in the Integrated Care System, and that it will continue to build on its successes to date.

Healthwatch Surrey

As the independent consumer champion for health and social care, Healthwatch Surrey is committed to ensuring the people of Surrey have a voice to improve, shape and get the best from their health and social care services by empowering individuals and communities.

This year we have decided that we will not get involved in commenting on the Quality Accounts. With limited resources we do not believe this is the best way to use our time to make a difference for the people of Surrey. We have chosen to concentrate this year on ensuring we feedback what we've heard on NHS and social care services to commissioners on a regular basis; and that we have the processes and relationships in place to escalate any cases of particular concern to the providers involved and seek outcomes.

Over the past year we feel we have had a collaborative relationship with the Trust. We have shared experiences from the public with them where necessary; and we have collaborated in holding Listening Events and talking to patients as part of our ongoing engagement and project work. The Trust has been receptive to our insight and feedback.



Kate Scribbins
Chief Executive, Healthwatch Surrey
9 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 the data quality for the preparation of the quality report.

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

- the content of the Quality Report meets the requirements set out in the NHS foundation trust annual reporting manual 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 May 2019;
 - papers relating to quality reported to the board over the period April 2018 to May 2019;
 - feedback from commissioners dated 25 April 2019;
 - feedback from governors dated 24 April 2019 and 3 May 2019;
 - feedback from local Healthwatch organisations dated 9 May 2019;
 - feedback from Adult & Health Select Committee dated 29 April 2019;
 - the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 8 May 2019;
 - the latest national patient survey dated **XX 20XX**
 - the latest national staff survey dated January 2019;
 - the Head of Internal Audit's annual opinion of the trust's control environment dated **XX 2019**;
 - CQC inspection report dated 12 March 2019.
- 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 they have complied with the above requirements in preparing the Quality Report.

By order of the Board

A handwritten signature in blue ink, appearing to read 'Nandip Atti'.

Chairman

22 May 2019

A handwritten signature in blue ink, appearing to read 'N. B.'.

Chief Executive

22 May 2019

Annex 3: External audit limited assurance report

Independent auditor's report to the Council of Governors of Frimley Health NHS Foundation Trust on the Quality Report

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

Scope and subject matter

The indicators for the year ended 31 March 2019 subject to limited assurance consist of the following two national priority indicators:

- A&E: maximum waiting time of four hours from arrival to admission, transfer or discharge; and
- maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers.

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

Respective responsibilities of the directors and auditors

The directors are responsible for the content and the preparation of the Quality Report in accordance with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* issued by 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* and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in the *Detailed requirements for quality reports for foundation trusts 2018/19* ('the Guidance'); and
- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the Guidance.

We read the Quality Report and consider whether it addresses the content requirements of the NHS Foundation Trust Annual Reporting Manual and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the Quality Report and consider whether it is materially inconsistent with:

- Board minutes and papers for the period April 2018 to May 2019;
- papers relating to quality reported to the board over the period April 2018 to May 2019;
- feedback from commissioners, dated 16 April 2019;
- feedback from governors, dated 02 May 2019;
- feedback from local Healthwatch organisations, dated 14 May 2019;
- the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009;
- the latest national patient survey, dated June 2018;
- the latest national staff survey, dated January 2019;

- Care Quality Commission Inspection, Frimley Park Hospital (August 2014), Wexham Park Hospital (October 2015), Heatherwood Hospital (February 2014);
- the 2018/19 Head of Internal Audit's annual opinion over the trust's control environment, dated May 2019; and
- any other information included in our review.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively, the 'documents'). Our responsibilities do not extend to any other information.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

This report, including the conclusion, has been prepared solely for the Council of Governors of Frimley Health NHS Foundation Trust as a body, to assist the Council of Governors in reporting the NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 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 indicator. 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 Frimley Health NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicator;
- making enquiries of management;
- testing key management controls;
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- comparing the content requirements of the NHS Foundation Trust Annual Reporting Manual to the categories reported in the Quality Report; and
- reading the documents.

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

Limitations

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

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* and supporting guidance.

The scope of our assurance work has not included governance over quality or the non-mandated indicator, which was determined locally by Frimley Health NHS Foundation Trust.

Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 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 and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in the Guidance; 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 and the six dimensions of data quality set out in the Guidance.



KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL

28 May 2019

Accounts 2018 - 19



Independent auditor's report

to the Council of Governors of Frimley Health NHS Foundation Trust

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

1. Our opinion is unmodified

We have audited the financial statements of Frimley Health NHS Foundation Trust ("the Trust") for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion:

- the financial statements give a true and fair view of the state of the Trust's affairs as at 31 March 2019 and of its income and expenditure for the year then ended; and
- the Trust's financial statements have been properly prepared in accordance with the Accounts Direction issued under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006, the NHS Foundation Trust Annual Reporting Manual 2018/19 and the Department of Health and Social Care Group Accounting Manual 2018/19.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Trust in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Overview

Materiality: £10.0m (2017/18: £10.0m)
financial statements as a whole 1.5% (2017/18: 1.5%) of Total revenue

Risks of material misstatement vs 2018

| Recurring risks | Valuation of land and buildings | ▲ |
|---|---------------------------------|----|
| | Fraudulent revenue recognition | ◀▶ |
| New: Fraudulent expenditure recognition | | ▲ |

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including 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. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above together with our key audit procedures to address those matters and our findings from those procedures in order that the Trust's members as a body may better understand the process by which we arrived at our audit opinion. These matters were addressed, and our findings are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

| | The risk | Our response |
|--|---|--|
| Land and buildings (£323.1 million; 2017-18: £277.9 million) <i>Refer to page 61 (Audit Committee Report), page 18 (accounting policy) and page 35 (financial disclosures).</i> | Subjective valuation: Land and buildings are required to be held at fair value. As hospital buildings are specialised assets and there is not an active market for them they are usually valued on the basis of the cost to replace them with an equivalent asset. When considering the cost to build a replacement asset the Trust may consider whether the asset would be realistically built to the same specification or in the same location. The Trust engaged a valuer to carry out a full valuation in the land and buildings as at 31 March 2019. The valuation figures included in the Trust accounts are estimates. The effect of these matters is that, as part of our risk assessment, we determined that the valuation of land and buildings has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. | Our procedures included: <ul style="list-style-type: none"> — Assessing valuer's credentials: We critically assessed the expertise and qualifications of the valuers engaged by the Trust. We inspected the instructions for preparing the valuation to confirm that it was prepared in accordance with the requirements of the RICS Red Book; — Tests of detail: We evaluated the accuracy of the floor area data submitted to the valuers for the preparation of the valuation by re-performing measurements of a sample of the Trust's properties; — Methodology choice: We used our own valuation specialist to assess the methodology used in preparing the valuation, including the choice of indices used to determine the valuation; — Our sector experience: We challenged the Trust's assumptions used to prepare the valuation by comparing to our own expectations based on knowledge of the entity and industry norms; and — Accounting analysis: We assessed the accounting treatment of the adjustments made for the changes in valuation of the Trust's land and buildings following the valuation. Our findings <ul style="list-style-type: none"> — We found the resulting estimate to be balanced (2017-18: balanced). |

| | The risk | Our response |
|---|--|---|
| <p>NHS and non-NHS income</p> <p>(£714.3 million; 2017-18: £613.9 million)</p> <p><i>Refer to page 61 (Audit Committee Report), page 14 (accounting policy) and page 28 (financial disclosures).</i></p> | <p>Accounting treatment</p> <p>Of the Trust's reported total income, £590.4 million (2017-18: £563.7m) came from commissioners (Clinical Commissioning Groups (CCG) and NHS England). Five CCGs make up 77% (2017-18: 78%) of the Trust's income. Income is contracted based on expected levels of activity and standard tariff prices for procedures, however the actual income for the year is based on the actual levels of activity completed during the year. Other performance based income is received from NHS Improvement (via local CCGs). This results in estimates being required at the year end.</p> <p>Income from NHS England and CCGs is captured through the Agreement of Balances exercises performed at months 6, 9 and 12 to confirm amounts received and owed. Mismatches in income and expenditure, and receivables and payables are recognised by the Trust and its counterparties to be resolved. Where mismatches cannot be resolved they can be reclassified as formal disputes.</p> <p>The Trust recognised £38.6 million of income from the Provider and Sustainability Fund. Receipt of this income is contingent on achievement of quarterly financial targets agreed with NHS Improvement.</p> <p>The Trust also continues to receive £22.6 million (2017-18: £19.0 million) funding in respect of its acquisition of Heatherwood and Wexham Park Hospitals NHS Foundation Trust in 2014, including transaction funding from the Department of Health for improving the operational and financial difficulties encountered by the legacy Trust prior to absorption.</p> | <p>Our procedures included:</p> <p>Control operation: We undertook the following tests to assess whether controls had operated during the period:</p> <ul style="list-style-type: none"> — For the Trust's five largest commissioners we inspected documentation to confirm that contracts had been agreed for the delivery of services; and — We considered the extent to which the Trust had agreed the income it was entitled to for 2018-19 through its participation in the Agreement of Balances exercise. <p>Tests of detail: We undertook the following tests of detail:</p> <ul style="list-style-type: none"> — We inspected supporting documentation for variances over £300,000 arising from the Agreement of Balances exercise to critically assess the Trust's accounting for disputed income; — For income not included within the agreement of balances exercise we inspected supporting evidence, including invoices and receipt of cash on bank statements, for a sample of transactions recorded during the year; — We inspected a sample of sales made at the end of the financial year to assess whether they had been recorded within the correct period; — We inspected bank statements and the year-end confirmation received from NHS Improvement of the Trust's entitlement to Provider Sustainability Funding for 2018-19; and — We agreed all income recognised in relation to the Heatherwood and Wexham Park Hospitals NHS Foundation Trust was in line with the conditions of funding agreements and either matched to appropriate expenditure or deferred. <p>Our findings</p> <ul style="list-style-type: none"> — We found no errors which are above our £300,000 reporting threshold. (2017-18: no errors). |

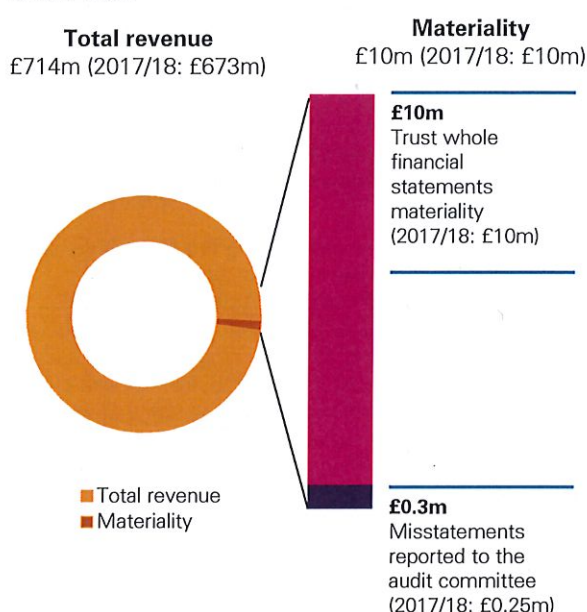
| | The risk | Our response |
|--|---|---|
| Operating expenses (£663.7 million; 2017-18: £636.2 million) <i>Refer to page 61 (Audit Committee Report), page 17 (accounting policy) and page 30 (financial disclosures).</i> | Effect of irregularities In the public sector, auditors also consider the risk that material misstatements due to fraudulent financial reporting may arise from the manipulation of expenditure recognition (for instance by deferring expenditure to a later period). This may arise due to the audited body manipulating expenditure to meet externally set targets. As a Foundation Trust fulfils some of the characteristics of a governmental body there is as much focus on the expenditure being incurred as the generation of revenue. The risk of material misstatement due to fraud related to expenditure recognition may therefore be as significant as the risk of material misstatements due to fraud related to revenue recognition and so we have had regard to this when planning and performing audit procedures. We consider this risk to relate to the completeness of the expenditure recorded as there may be an incentive to seek to defer expenditure in order to achieve financial targets. The Trust agreed a target for its financial performance with NHS Improvement for 2018-19, achievement of which entitled it to Provider Sustainability Funding. There may therefore be an incentive to defer expenditure or recognise commitments at a reduced value in order to achieve the control total agreed with NHS Improvement. | Our procedures included: — Historical comparison: We considered the trend in accruals compared to prior periods to assess the accuracy of accruals made in previous years. Where accruals had not been included we critically assessed the reason for an accrual not being made at 31 March 2019. Tests of detail: We undertook the following tests of detail: — We inspected transactions incurred around the end of the financial year to critically assess whether they had been included within the correct accounting period; — We inspected a sample of accruals made at 31 March 2019 for expenditure but not yet invoiced to assess whether the valuation of the accrual was consistent with the value billed after the year end; and Our findings — We found some errors, which were corrected, for which we have reported an audit difference. |

3. Our application of materiality

Materiality for the Trust financial statements as a whole was set at £10.0 million (2017/18: £10.0 million), determined with reference to a benchmark of total revenue (of which it represents approximately 1.5%). We consider operating income to be more stable than a surplus- or deficit-related benchmark.

We agreed to report to the Audit Committee any corrected and uncorrected identified misstatements exceeding £0.3 million (2017/18: £0.25 million), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Trust was undertaken to the materiality level specified above and was all performed at the Trust's hospital site in Ascot.



4. We have nothing to report on going concern

The Accounting Officer has prepared the financial statements on the going concern basis as they have not been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Our responsibility is to conclude on the appropriateness of the Accounting Officer's conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Trust will continue in operation.

In our evaluation of the Accounting Officer's conclusions, we considered the inherent risks to the Trust's business model, including the impact of Brexit, and analysed how those risks might affect the Trust's financial resources or ability to continue operations over the going concern period. We evaluated those risks and concluded that they were not significant enough to require us to perform additional audit procedures.

Based on this work, we are required to report to you if we have anything material to add or draw attention to in relation to the Accounting Officers statement in Note [X] to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Trust's use of that basis for a period of at least twelve months from the date of approval of the financial statements.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

5. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

In our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements.

Remuneration report

In our opinion the part of the remuneration report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2018/19.

Corporate governance disclosures

We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Trust's position and performance, business model and strategy; or
- the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or
- the Annual Governance Statement does not reflect the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2018/19, is misleading or is not consistent with our knowledge of the Trust and other information of which we are aware from our audit of the financial statements.

We have nothing to report in these respects.

6. Respective responsibilities

Accounting Officer's responsibilities

As explained more fully in the statement set out on page 68, the Accounting Officer is responsible for: the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the 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 they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

We have nothing to report on the statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice issued by the Comptroller and Auditor General ('the Code of Audit Practice') to report to you if:

- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006.
- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit.

We have nothing to report in these respects.

We have nothing to report in respect of our work on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

Under the Code of Audit Practice we are required to report to you if the Trust has not made proper arrangement for securing economy, efficiency and effectiveness in the use of resources.

We have nothing to report in this respect.

Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

The Trust is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources.

Under Section 62(1) and Schedule 10 paragraph 1(d), of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in the use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the specified criterion issued by the Comptroller and Auditor General (C&AG) in November 2017, as to whether the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. We planned our work in accordance with the Code of Audit Practice and related guidance. Based on our risk assessment, we undertook such work as we considered necessary.

Report on our review of the adequacy of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required by guidance issued by the C&AG under Paragraph 9 of Schedule 6 to the Local Audit and Accountability Act 2014 to report on how our work addressed any identified significant risks to our conclusion on the adequacy of the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources. The 'risk' in this case is the risk that we could come to an incorrect conclusion in respect of the Trust's arrangements, rather than the risk of the arrangements themselves being inadequate.

We carry out a risk assessment to determine the nature and extent of further work that may be required. Our risk assessment includes consideration of the significance of business and operational risks facing the Trust, insofar as they relate to 'proper arrangements'. This includes sector and organisation level risks and draws on relevant cost and performance information as appropriate, as well as the results of reviews by inspectorates, review agencies and other relevant bodies.

Our risk assessment did not identify any significant risks.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006 and the terms of our engagement by the Trust. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust, as a body, those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the Trust, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust, as a body, for our audit work, for this report, or for the opinions we have formed.

CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of Frimley Health NHS Foundation Trust in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice issued by the National Audit Office.



Neil Thomas

for and on behalf of KPMG LLP (Statutory Auditor)

Chartered Accountants
15 Canada Square
London
E14 5GL

28 May 2019

FOREWORD TO THE ACCOUNTS

FRIMLEY HEALTH NHS FOUNDATION TRUST

The accounts are prepared in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006 and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006.



Neil Dardis, Chief Executive

Date: 22 May 2019

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED
31 March 2019**

| | NOTE | 2018/19 £000 | 2017/18 £000 |
|---|------|----------------------|----------------------|
| Operating income from patient care activities | 2 | 602,714 | 575,139 |
| Other operating income | | 111,595 | 98,759 |
| Operating expenses | 3-4 | <u>(663,710)</u> | <u>(636,244)</u> |
| Net operating surplus from continuing operations | | 50,599 | 37,654 |
| Finance costs | | | |
| Finance income | | 701 | 209 |
| Finance expenses - financial liabilities | 5 | (98) | (112) |
| Gain on disposal of asset | | 518 | 0 |
| Public Dividend Capital dividends payable | | <u>(12,604)</u> | <u>(11,107)</u> |
| Net finance costs | | (11,483) | (11,010) |
| SURPLUS FOR THE YEAR | | <u>39,116</u> | <u>26,644</u> |
| Other comprehensive income/expense: | | | |
| Revaluation gain on property, plant and equipment | 9 | 6,730 | 9,222 |
| Impairment loss on property, plant and equipment | 9 | (13,807) | (10,096) |
| TOTAL COMPREHENSIVE INCOME(EXPENSE) FOR THE YEAR | | <u>32,039</u> | <u>25,770</u> |

The following notes 1 to 21 form part of these accounts.

STATEMENT OF FINANCIAL POSITION AS AT 31 March 2019

| | | 31 March 2019 | 31 March 2018 |
|--|------|-----------------------|-----------------------|
| | NOTE | £000 | £000 |
| Non-current assets | | | |
| Intangible assets | 8 | 8,238 | 5,651 |
| Property, plant and equipment | 9 | <u>399,762</u> | <u>357,573</u> |
| Total non-current assets | | 408,000 | 363,224 |
| Current assets | | | |
| Inventories | 10 | 9,910 | 3,369 |
| Trade and other receivables | 11 | 86,646 | 71,326 |
| Cash and cash equivalents | 15 | <u>133,256</u> | <u>113,142</u> |
| Total current assets | | 229,812 | 187,837 |
| Current liabilities | | | |
| Trade and other payables | 12 | (64,550) | (56,810) |
| Tax payable | 12 | (9,215) | (8,711) |
| Other financial liabilities | 12 | (1,275) | (276) |
| Other liabilities | 12 | (28,186) | (22,672) |
| Provisions for liabilities and charges | 13 | <u>(321)</u> | <u>(289)</u> |
| Total current liabilities | | (103,547) | (88,758) |
| Total assets less current liabilities | | <u>534,265</u> | <u>462,303</u> |
| Non current liabilities | | | |
| Other financial liabilities | 12 | (5,110) | (1,476) |
| Provisions for liabilities and charges | 13 | (246) | (322) |
| TOTAL ASSETS EMPLOYED | | <u>528,909</u> | <u>460,505</u> |
| FINANCED BY: | | | |
| TAXPAYERS' EQUITY | | | |
| Public dividend capital | | 304,337 | 267,972 |
| Revaluation reserve | | 103,438 | 110,515 |
| Income and Expenditure Reserve | | 121,134 | 82,018 |
| TOTAL TAXPAYERS' EQUITY | | <u>528,909</u> | <u>460,505</u> |

The financial statements on pages 8 to 48 were approved by the Board of Directors and signed on its behalf by



Neil Dardis, Chief Executive

22 May 2019

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED
31 March 2019**

| | 2018/19 £000 | 2017/18 £000 |
|--|-----------------|-----------------|
| Cash flows from operating activities | | |
| Operating surplus | 50,599 | 37,654 |
| Depreciation and amortisation | 18,225 | 17,697 |
| Impairments | 5,094 | 1,596 |
| Non cash donations credited to income | (156) | (943) |
| (Increase) in Inventories | (6,541) | (104) |
| (Increase) in Trade and other receivables | (15,017) | (9,759) |
| Increase in Trade and other payables | 14,516 | 7,501 |
| (Decrease)/Increase in Provisions | (44) | 177 |
| Net cash generated from operating activities | 66,676 | 53,819 |
| Cash flows from investing activities | | |
| Interest received | 701 | 209 |
| Purchase of intangible assets | (3,088) | (2,141) |
| Purchase of Property, Plant and Equipment | (72,744) | (54,593) |
| Sale of Property, Plant and Equipment | 576 | 0 |
| Net cash used in investing activities | (74,555) | (56,525) |
| Cash flows from financing activities | | |
| Public dividend capital received | 36,365 | 41,057 |
| Movement in other loans | 4,861 | (57) |
| PDC dividend paid | (12,907) | (11,467) |
| Capital element of finance lease rental payments | (228) | (227) |
| Interest paid | (1) | (3) |
| Interest element of finance leases | (97) | (109) |
| Net cash generated from financing activities/(used in financing activities) | 27,993 | 29,194 |
| Increase in cash and cash equivalents | 20,114 | 26,488 |
| Cash and cash equivalents at 1 April | 113,142 | 86,654 |
| Cash and cash equivalents at 31 March | 133,256 | 113,142 |

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2019

| | Total | Revaluation Reserve | Income and Expenditure Reserve | Public Dividend Capital |
|--|----------------|----------------------------|---------------------------------------|--------------------------------|
| | £000 | £000 | £000 | £000 |
| Taxpayers' equity as at 1 April 2018 | 460,505 | 110,515 | 82,018 | 267,972 |
| Surplus for the year | 39,116 | 0 | 39,116 | 0 |
| Revaluation gain on property, plant and equipment | 6,730 | 6,730 | 0 | 0 |
| Impairment loss on property, plant and equipment | (13,807) | (13,807) | 0 | 0 |
| Transfer from reval reserve to I&E reserve for impairments arising from consumption of economic benefits | 0 | 0 | 0 | 0 |
| Public dividend capital received | 36,365 | 0 | 0 | 36,365 |
| At 31 March 2019 | 528,909 | 103,438 | 121,134 | 304,337 |

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2018

| | Total | Revaluation Reserve | Income and Expenditure Reserve | Public Dividend Capital |
|---|----------------|----------------------------|---------------------------------------|--------------------------------|
| | £000 | £000 | £000 | £000 |
| Taxpayers' equity as at 1 April 2017 | 393,678 | 111,389 | 55,374 | 226,915 |
| Surplus for the year | 26,644 | 0 | 26,644 | 0 |
| Revaluation gain on property, plant and equipment | 9,222 | 9,222 | 0 | 0 |
| Impairment loss on property, plant and equipment | (10,096) | (10,096) | 0 | 0 |
| Public dividend capital received | 41,057 | 0 | 0 | 41,057 |
| 31 March 2018 | 460,505 | 110,515 | 82,018 | 267,972 |

Revaluation Reserve - any gains/(losses) on property, plant and equipment are recorded in the revaluation reserve.

The Income and Expenditure Reserve - records any surplus or deficit on a non-profit-seeking concern.

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.

NOTES TO THE ACCOUNTS

1 Accounting policies and other information

NHS Improvement (NHSI), in exercising the statutory functions conferred on Monitor, is responsible for issuing an accounts direction to NHS foundation trusts under the NHS Act 2006. NHSI has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the Department of Health Group Accounting Manual (DH GAM) which shall be agreed with the Secretary of State. The following financial statements have been prepared in accordance with the DH GAM 2018/19. The accounting policies contained in that manual follow IFRS and HM Treasury's FReM to the extent that they are meaningful and appropriate to NHS foundation trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 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. The accounts have been prepared on a going concern basis, following the submission of a two-year operating plan to NHSI.

1.2 Revenue from contracts

1.2.1 Revenue from contracts with customers

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 Trust accrues income relating to performance obligations satisfied in that year. Where the 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. Credit terms are not offered.

1.2.2 Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. A performance obligation relating to delivery of a spell of health care is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the commissioner, but the customer benefits as services are provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligns with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer. At the year end, the Trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete.

1.2 Revenue from contracts (Continued)

1.2.3 Revenue from research contracts

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. At contract inception, the Trust assesses the outputs promised in the research contract to identify as a performance obligation each promise to transfer either a good or service that is distinct or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer. The Trust recognises revenue as these performance obligations are met, which may be at a point in time or over time depending upon the terms of the contract.

1.2.4 NHS injury cost recovery scheme

The 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 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.

1.2.5 Other income

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale of contract, less costs to sell.

As regards the Frimley Health Charity any legacies are accounted for as incoming resources where the receipt of the legacy is probable; this will be once confirmation has been received from the representatives of the estate(s) that payment of the legacy will be made or property transferred and once all conditions attached to the legacy have been fulfilled.

1.3 Expenditure on Employee Benefits

Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave to the following period.

Pension Costs

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 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.

1.3 Expenditure on Employee Benefits (continued)

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

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 trust commits itself to the retirement, regardless of the method of payment.

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 are accepted as providing suitably robust figures for financial reporting purposes. The valuation of 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 Department for Health and Social Care 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 judgement 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.

c) Scheme provisions

The Scheme is a “final salary” scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

1.3 Expenditure on Employee Benefits (continued)

c) Scheme provisions (continued)

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as "pension commutation".

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) has been used and replaced the Retail Prices Index (RPI).

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC's run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

1.4 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

1.5 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the 'First In First Out' (FIFO) method. During 2018/19 the stock holding for the trust has been increased to include both clinical stock and pharmacy stock. During 2017/18 the only inventory recognised by the Trust which was capitalised was pharmacy stock.

1.6 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust;
- it is expected to be used for more than one financial year; and
- the cost of the item can be measured reliably.

1.6 Property, plant and equipment (continued)

Property, plant and equipment assets are capitalised if they are capable of being used for a period which exceeds one year and they:

- individually have a cost of at least £5,000; or
- 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
- 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 a building, includes a number of components with significantly different asset lives e.g. plant and equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.

Measurement

Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land and buildings are measured subsequently at fair value, other assets are valued at depreciated cost.

Property, plant and equipment are stated at the lower of replacement cost or recoverable amount. On initial recognition they are measured at cost (for leased assets, fair value) including any costs, such as installation, directly attributable to bringing them into working condition. The carrying values of property, plant and equipment are reviewed for impairment in periods 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 are not capitalised but are charged to the statement of comprehensive income in the year to which they relate in accordance with Monitor's interpretation of IAS 23 revised.

All land and buildings are revalued using professional valuations in accordance with IAS 16. The frequency of valuations is dependent upon changes in the fair value of the items of property, plant and equipment being revalued. 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.

Valuations are carried out by independent professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual.

Valuations are carried out primarily on the basis of depreciated replacement cost on a modern equivalent asset basis for specialised operational property and existing use value for non-specialised operational property.

The value of land for existing use purposes is assessed at existing use value. For non-operational properties including surplus land, the valuations are carried out under fair value based on alternative use.

Valuation for land and buildings have been carried out using an optimised site basis across all Trust sites.

1.6 Property, plant and equipment (continued)

The District Valuation Service (DVS) completed a desktop update valuation as at 31 March 2019 of all properties held by the Trust which qualify as non-current assets. This included the Frimley Park Hospital, Heatherwood Hospital and Wexham Park Hospital sites.

Operational equipment has not been inflated due to it being immaterial.

Additional alternative open market value figures have only been supplied for operational assets scheduled for imminent closure and subsequent disposal.

Assets in the course of construction are valued at cost and are valued by professional valuers as part of the property, plant and equipment valuation or when they are brought into use.

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 future economic benefits 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 reliably determined. The carrying amount of the part replaced is derecognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits on a straight line basis. Freehold land is considered to have an indefinite life and is not depreciated.

Property, plant and equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon reclassification. Assets in the course of construction are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

Plant and machinery, information technology equipment and furniture and fittings are depreciated on current cost basis evenly over the estimated life. The useful economic life for equipment assets is typically between 2 to 8 years for IT assets, and between 2 to 15 years for plant and equipment.

Asset lives of buildings and dwellings are up to a maximum of 80 years. Buildings across the sites are deemed to have a useful economic life ranging from 13 years to 77 years

Revaluation and impairment

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in operating expenses, in which case they are credited to operating income.

Where an impairment is not the result of a loss of economic benefit or service potential, decreases in asset values and impairments 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. Impairments can arise when land and building valuations have been conducted by independent professionally qualified valuers.

1.6 Property, plant and equipment (continued)

Where an impairment is due to a loss of economic benefit or service potential in the asset, the impairment is 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.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

De-recognition

Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

- i) the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales; and
- ii) 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 property plant and equipment

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the donation/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 assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

1.7 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potentially be provided to, the Trust and where the cost of the asset can be measured reliably.

Intangible assets are capitalised if they are capable of being used for a period which exceeds one year, they can be valued and have a cost of at least £5,000.

Software

Software which is integral to the operation of hardware e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware e.g. application software, is capitalised as an intangible asset.

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management. Revaluation gains and losses and impairments are treated in the same manner as for property, plant and equipment.

Depreciated replacement cost is being used as a proxy of fair value for intangible assets. The assessment of intangible assets highlights that software held typically has a life of approximately 3 to 7 years.

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. Intangible assets on the Statement of Financial Position have a life of between 3 to 7 years assigned.

1.8 Jointly controlled operation

The Trust is a member of Berkshire and Surrey Pathology Service, which incorporates Ashford and St. Peter's Hospitals NHS Foundation Trust and Royal Surrey County Hospital NHS Foundation Trust (RSCH) and Royal Berkshire Hospital NHS Foundation Trust (RBH). This arrangement operates within the definition of a jointly controlled operation under IAS 31.

The Trust accounts for its share of the assets, liabilities, income and expenditure arising from the activities of the Berkshire and Surrey Pathology Services, identified in accordance with the Pathology service agreement. Accordingly both the RSCH and Ashford and St. Peter's Hospitals NHS Foundation Trust, and RBH also account for their share of the assets, liabilities, income and expenditure in their financial statements.

1.9 Cash, bank and overdrafts

Cash, bank and overdraft balances are recorded at the fair value of these balances in the Trust's cash book. These balances exclude monies held in the Trust's bank account belonging to patients (see note 20 - Third party assets).

Interest earned on bank accounts and interest charged on overdrafts is recorded as, respectively, "interest receivable" and "interest payable" in the periods to which they relate. Bank charges are recorded as operating expenditure in the periods to which they relate.

1.10 Financial instruments and financial liabilities

Recognition

Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or at fair value through other comprehensive income. This category also includes financial assets and liabilities acquired principally for the purpose of selling in the short term (held for trading) and derivatives. Derivatives which are embedded in other contracts, but which are separable from the host contract are measured within this category. Movements in the fair value of financial assets and liabilities in this category are recognised as gains or losses in the Statement of Comprehensive income.

Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), and are entered into in accordance with the Trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs i.e. when receipt or delivery of the goods or services is made. Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with note 1.11 - Leases. All other financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

De-recognition

All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the Trust has transferred substantially all of the risks and rewards of ownership. Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Classification and measurement

Financial assets are categorised as 'Loans and receivables'. Financial liabilities are classified as 'Other financial liabilities'.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets.

The Trust's loans and receivables comprise: cash and cash equivalents, NHS 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.

1.10 Financial instruments and financial liabilities (continued)

Other financial liabilities

All other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

They are included in current liabilities except for amounts payable more than 12 months after the 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 Trust assesses whether any financial assets, other than those held at 'fair value through income and expenditure' are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced through the use of a bad debt provision.

1.11 Leases

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The asset and liability are recognised at the inception of the lease, thereafter the asset is accounted for as an item of property plant and equipment and are de-recognised when the liability is discharged, cancelled or expires. The annual rental is split between the repayment of the liability and a finance cost. The annual finance cost is calculated by applying the implicit interest rate to the outstanding liability and is charged to Finance Costs in the Statement of Comprehensive Income.

Operating leases

Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately. Leased land is treated as an operating lease.

1.12 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury. The rate applicable for early retirement provisions and injury benefit provisions is 0.10% (2017/18 0.10%) in real terms.

1.13 Clinical negligence costs

NHS Resolution (formerly NHS Litigation Authority) operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. The Trust carries no liabilities in relation to these claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 14 but is not recognised in the Trust's accounts.

1.14 Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to 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.

1.15 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in the notes to the accounts where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in a note to the accounts unless the probability of transfer of economic benefits is remote. Contingent liabilities are defined as:

- Possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- Present obligations arising from past events for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

1.16 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 International Accounting Standard (IAS) 32.

A charge, reflecting the cost of capital utilised by the Trust, is paid over as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for donated assets and average daily cash balances held with the Government Banking Services and PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the 'pre-audit' version of the annual accounts. This can result in either a payable or receivable amount being identified at each accounting year end. The dividend thus calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts.

Average relevant net assets are calculated as a simple mean of opening and closing relevant net assets.

1.17 Value Added Tax

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.18 Corporation Tax

Section 148 of the Finance Act 2004 amended S519A of the Income and Corporation Taxes Act 1988 to provide power to the Treasury to make certain non-core activities of Foundation Trusts potentially subject to corporation tax. This legislation became effective in the 2005/06 financial year. In determining whether or not an activity is likely to be taxable a three-stage test may be employed:

- The provision of goods and services for purposes related to the provision of healthcare authorised under Section 14(1) of the Health and Social Care Act 2003 (HSCA) is not treated as a commercial activity and is therefore tax exempt;
- Trading activities undertaken in house which are ancillary to core healthcare activities are not entrepreneurial in nature and not subject to tax. A trading activity that is capable of being in competition with the wider private sector will be subject to tax;
- Only significant trading activity is subject to tax. Significant is defined as annual taxable profits of £50,000 per trading activity.

The majority of the Trusts's activities are related to core healthcare and are not subject to tax.

1.19 Foreign exchange

The functional and presentational currencies of the Trust are sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the Trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items (other than financial instruments measured at 'fair value through income and expenditure') are translated at the spot exchange rate on 31 March;
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction; and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

1.20 Third party assets

Assets belonging to third parties (such as money held on behalf of patients see note 20 of the accounts) are not recognised in the Trust's accounts since the Trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of the HM Treasury Financial Reporting Manual.

1.21 Reserves

Other reserves have been created to account for differences between the Trust's opening capital debt (Public Dividend Capital on its inception as an NHS Foundation Trust) and the value of net assets transferred to it. Details of other movements in reserves in respect of the acquisition of H&WPH are detailed at note 7.

1.22 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies, management is required to make various judgements, estimates and assumptions. These are reviewed regularly.

1.22.1 Critical judgements in applying accounting policies

There are no material judgements, except those involving estimates, which are disclosed below.

However, the Trust has made the following judgements that have an immaterial effect on the financial statements:

- * Partially completed spells income has been calculated using different methodologies by the two legacy organisations. Both calculations are in keeping with prior years and are considered reasonable estimates and approaches upon which commissioners have agreed to the figures calculated.

- * The Maternity work in progress is calculated using the department of health technical accounting guidance on part payments for antenatal care that often spans more than one financial year. The methodology used is consistent with previous years and has been agreed with the commissioners.

1.22.2 Sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

NHS receivables: The Trust has included within the accounts £28.2m of deferred income. This is considered by the Trust to be deferred income as the services for which the income has been received have not yet been delivered. These deferred income balances by their nature are estimates and management has made a judgement in its recognition and measurement of these. Further details can be seen within note 12.1.

PPE valuations: A desktop update was undertaken as at 31 March 2019 as a full asset valuation of the land and buildings was undertaken during 2014/15. The valuations have been undertaken under IFRS, the RICS advises that assumptions underpinning the concepts of fair value should be explicitly stated and identifies two potential qualifying assumptions: "the Market Value on the assumption that the property is sold as part of the continuing enterprise in occupation" (effectively Existing Use Value); or "the Market Value on the assumption that the property is sold following a cessation of the existing operations" (in effect the traditional understanding of Market Value).

The Department of Health has indicated that for NHS assets it requires the former assumption to be applied for operational assets, this is the approach that was taken by the DV. The Market Value used in arriving at fair value for operational assets is therefore subject to the assumption that the property is sold as part of the continuing enterprise in occupation.

In the view of the Trust there are no further estimates or judgements which if wrong could significantly affect financial performance.

1.23 Charitable Funds

Material entities over which the Trust has the power to exercise control so as to obtain economic or other benefits are classified as subsidiaries and are consolidated. Their income and expenses; gains and losses; assets, liabilities and reserves; and cash flows are consolidated in full into the appropriate financial statement lines. Appropriate adjustments are made on consolidation where the subsidiary's accounting policies are not aligned with the Trust's or where the subsidiary's accounting date is before 1 January or after 30 June.

Frimley Health NHS Foundation Trust is the Corporate Trustee of the Frimley Health Charity. The charity is deemed to be a subsidiary under the prescriptions of IAS 27. International Accounting Standards dictate that consolidated accounts should be prepared, that include the result and Statement of Financial Position of this subsidiary undertaking.

1.23 Charitable Funds (continued)

Consolidation of the Charitable Funds with the Trust's main accounts was deemed to be immaterial for 2018/19 Accounts. The unaudited value of the Charitable Funds reserves as at 31 March 2019 is circa £4.3m (2017/18 £3.9m), income received during the year was £1.2m (2017/18 £1.2m) and expenditure was £1.0m (2017/18 £1.3m).

Frimley Health NHS Foundation Trust is the sole beneficiary of the Frimley Health Charity. The charity registration number is 1049600 and the registered address is Portsmouth Road, Frimley, Camberley, Surrey GU16 7UJ. Accounts for the charity can be obtained from <http://www.gov.uk/government/organisations/charity-commission>

1.24 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. The losses and special payments note is compiled directly from the losses and compensations register which reports on an accruals basis with the exception of provisions for future losses.

1.25 Changes to Accounting Policies

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 DH group accounts in 2018 - 19.

| Standards issued or amended but not yet adopted in FReM | |
|---|---|
| IFRS 14 Regulatory Deferral Accounts | Not yet EU-endorsed.* Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable to DH group bodies. |
| 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. |

* The European Financial Reporting Advisory Group recommended in October 2015 that the standard should not be endorsed as it is unlikely to be adopted by many EU countries.

1.26 IFRS9

IFRS 9 Financial Instruments as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to reserves on 1 April 2018.

IFRS 9 replaces IAS 39 and introduces a revised approach to classification and measurement of financial assets and financial liabilities, a new forward-looking 'expected loss' impairment model and a revised approach to hedge accounting.

Under IFRS 9, borrowings from the DHSC, which were previously held at historic cost, are measured on an amortised cost basis. Consequently, on 1 April 2018 borrowings increased by £58,562k, and trade payables reduced by the same amount.

Reassessment of allowances for credit losses under the expected loss model did not result in a change in the carrying value of receivables.

The GAM expands the definition of a contract in the context of financial instruments to include legislation and regulations, except where this gives rise to a tax. Implementation of this adaptation on 1 April 2018 has led to the classification of receivables relating to Injury Cost Recovery as a financial asset measured at amortised cost. The carrying value of these receivables at 1 April 2018 was £3,204k.

1.27 IFRS15

IFRS 15 Revenue from Contracts with Customers as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to the income and expenditure reserve on 1 April 2018.

IFRS 15 introduces a new model for the recognition of revenue from contracts with customers replacing the previous standards IAS 11, IAS 18 and related Interpretations. The core principle of IFRS 15 is that an entity recognises revenue when it satisfies performance obligations through the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services.

As directed by the GAM, the Trust has applied the practical expedient offered in C7A of the standard removing the need to retrospectively restate any contract modifications that occurred before the date of implementation (1 April 2018).

Additional information on revenue from contracts with customers recognised in the period

| | 2018/19 £000's |
|--|---------------------------|
| Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end | 0 |
| No revenue was recognised in 2018/19 from performance obligations satisfied (or partially satisfied) in previous periods | |

| | 31 March 2019 |
|--|--------------------------|
| Transaction price allocated to remaining performance obligations | |
| Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised: | |
| within one year | 0 |
| after one year, not later than five years | 0 |
| Total revenue allocated to remaining performance obligations | 0 |

The Trust has exercised the practical expedients permitted by IFRS 15 paragraph 121 in preparing this disclosure. Revenue from (i) contracts with an expected duration of one year or less and (ii) contracts where the Trust recognises revenue directly corresponding to work done to date is not disclosed.

The Trust has reviewed all material contracts that fall under IFRS15 and are satisfied that the income has been recognised appropriately and that no contract liabilities exist

2. Operating Income from patient care activities

| | 2018/19 £000 | 2017/18 £000 |
|--|-------------------------|-------------------------|
| 2.1 Income from patient care activities (by nature) | | |
| Acute Services | | |
| Elective income | 102,698 | 100,815 |
| Non elective income | 195,650 | 198,965 |
| Outpatient income | 70,360 | 70,090 |
| A&E income | 37,428 | 35,111 |
| Other NHS clinical income | 177,634 | 158,757 |
| All services | | |
| AfC pay award central funding | 6,635 | 0 |
| Private patient income | 9,414 | 9,158 |
| - Non-NHS Overseas patients (charged to patient) | 1,355 | 775 |
| - NHS Injury Scheme | 1,540 | 1,468 |
| Total Income from activities | 602,714 | 575,139 |

All income from patient care activities relates to contract income recognised in line with accounting policy 1.2.

2.2 Overseas visitors (relating to patients charged directly by the provider)

| | £000 | £000 |
|--|------|------|
| Income recognised this year | 945 | 775 |
| Cash payments received in-year | 596 | 533 |
| Amounts added to provision for impairment of receivables | 539 | 333 |
| Amounts written-off in year | 116 | 763 |

2.3 Other operating income

Other operating income from contracts with customers:

| | | |
|--|--------|--------|
| Education and training (excluding national apprenticeship levy income) | 13,336 | 13,090 |
| Non-patient care services to other bodies | 12,345 | 12,422 |
| Research and development (contract) | 1,234 | 1,366 |

Other contract income

Other non-contract operating income:

| | | |
|---|----------------|---------------|
| Research and Development funding | | |
| Education and training - notional income from apprenticeship fund | | |
| Car Parking | 5,014 | 4,502 |
| Catering | 3,579 | 3,361 |
| Charitable and other contributions to expenditure | 156 | 943 |
| Staff accommodation | 173 | 263 |
| Clinical Excellence Award | 230 | 229 |
| Creche | 1,147 | 539 |
| Clinical tests | 851 | 878 |
| Support from Department of Health for mergers | 15,426 | 18,899 |
| Sustainability and Transformation Fund income | 38,553 | 27,172 |
| Other operating income | 19,551 | 15,095 |
| Total Operating Income | 111,595 | 98,759 |

2.4 Income from activities arising from commissioner requested services

Under the terms of its provider licence, the trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

| | |
|---------------------------------------|-----------------------------------|
| | 31 March 2019 £000 |
| Total Commissioner requested services | 583,770 |
| Non-Commissioner requested services | 26,915 |
| Total Operating income | 610,685 |
| | |
| - Private patient income | 9,414 |
| - Overseas patients (non-reciprocal) | 1,355 |
| - NHS Injury Scheme | 1,540 |
| Other income | 91,315 |
| Non-Commissioner requested services | 103,624 |

3. Operating Expenses

| 3.1 Operating expenses comprise | 2018/19 | 2017/18 |
|---|----------------|----------------|
| | £000 | £000 |
| Purchase of healthcare from NHS bodies | 1,622 | 1,826 |
| Purchase of healthcare from non-NHS bodies | 9,145 | 6,690 |
| Chair and non-executive directors' costs | 196 | 170 |
| Executive directors' costs | 1,496 | 1,386 |
| Staff costs | 427,205 | 408,977 |
| Drug costs | 61,669 | 57,803 |
| Supplies and services - clinical (excluding drug costs) | 53,734 | 58,389 |
| Supplies and services - general | 10,152 | 9,489 |
| Establishment | 9,119 | 7,232 |
| Transport | 1,964 | 1,477 |
| Premises | 33,094 | 31,456 |
| (Decrease)/increase in bad debt provision | 333 | (31) |
| Depreciation | 17,724 | 17,219 |
| Amortisation on intangible assets | 501 | 478 |
| Property, plant and equipment impairment | 5,094 | 1,596 |
| Audit Fees - statutory audit | 73 | 68 |
| Other auditor remuneration (external auditor only) | 14 | 14 |
| Internal audit fees and local counter fraud service | 111 | 83 |
| Clinical negligence | 22,890 | 24,174 |
| Rentals under operating leases | 796 | 802 |
| Consultancy costs | 1,723 | 2,022 |
| Legal Fees | 365 | 321 |
| Education training and conferences | 1,447 | 1,306 |
| Other expenses | 3,243 | 3,297 |
| | 663,710 | 636,244 |

3.2 Auditor's remuneration

The Council of Governors appointed KPMG as the external auditors from 1 April 2016, for a period of 3 years, with an option to extend for a further 2 years to March 2021, this option was approved during 2018/19. The table below shows the fees for KPMG for 2018/19 and the prior year 2017/18.

The table below sets out the fee for the audit in accordance with the Audit Code issued by NHSI, March 2019.

| Audit Services - Statutory Audit | 2018/19 | 2017/18 |
|---|--------------------|--------------------|
| | £(exc. VAT) | £(exc. VAT) |
| Audit of the Trust's financial statements | 60,460 | 56,460 |

3.2 Auditor's remuneration (continued)

| Non Audit fees | 2018/19 £(exc. VAT) | 2017/18 £(exc. VAT) |
|---|--------------------------------|--------------------------------|
| 1. the auditing of accounts of any associate of the trust | 0 | 0 |
| 2. audit-related assurance services | 12,000 | 12,000 |
| 3. taxation compliance services | 0 | 0 |
| 4. all taxation advisory service not falling within item 3 above | 0 | 0 |
| 5. internal audit services | 0 | 0 |
| 6. all assurance services not falling within items 1 to 5 | 0 | 0 |
| 7. corporate finance transaction services not falling within Items 1 to 6 above and | 0 | 0 |
| 8. all other non-audit services not falling within items 2 to 7 above. | 0 | 0 |
| Total | 12,000 | 12,000 |

Non audit fees in 2018/19 consist of assurance on the Quality Report (£12,000).

KPMG is the external auditor of Frimley Health Charitable Funds, of which the Trust is the Corporate Trustee. The fees in respect of this engagement are £5k (excl VAT).

The engagement letter signed on 10th June 2016, states that the liability of KPMG, its members, partners and staff (whether in contract, negligence or otherwise) shall in no circumstances exceed £2m, aside from where the liability cannot be limited by law. This is in aggregate in respect of all services.

3.3 Operating leases**3.3.1 Arrangements containing an operating lease**

| | 2018/19 £000 | 2017/18 £000 |
|-----------------------------------|-------------------------|-------------------------|
| Payments recognised as an expense | 796 | 802 |
| | 796 | 802 |

3.3.2 Future minimum lease payments due

| | 2018/19 £000 | 2017/18 £000 |
|---|-------------------------|-------------------------|
| Annual payments on leases: | | |
| Not later than one year | 512 | 714 |
| Later than one year and not later than five years | 409 | 608 |
| Later than five years | 0 | 0 |
| | 921 | 1,322 |

4. Staff Costs

| 4.1 Staff costs | 2018/19 Total | Permanently Employed and Bank | Other | 2017/18 Total |
|------------------------------|--------------------------|--|---------------|--------------------------|
| | £000 | £000 | £000 | £000 |
| Salaries and wages | 333,039 | 328,004 | 5,035 | 317,837 |
| Social Security Costs | 34,236 | 34,236 | 0 | 32,584 |
| NHS Pension costs | 39,362 | 39,362 | 0 | 37,483 |
| Apprenticeship levy | 1,654 | 1,654 | 0 | 1,588 |
| Agency/contract/MOD staff | 22,957 | 0 | 22,957 | 22,849 |
| Recoveries from other bodies | (1,051) | (1,051) | 0 | (928) |
| | 430,197 | 402,205 | 27,992 | 411,413 |

Costs for MOD staff shown above were £1,548k (2017/18 - £1,458k), staff are employed on the Frimley site under contract from the MOD.

4.2 Staff exit packages

| | 2018/19 Compulsory redundancies Number | 2018/19 Cost of compulsory redundancies £000s | 2017/18 Compulsory redundancies Number | 2017/18 Cost of compulsory redundancies £000s |
|---------------------|---|--|---|--|
| <£10,000 | 0 | 0 | 0 | 0 |
| £10,001 - £25,000 | 0 | 0 | 1 | 17 |
| £25,001 - £50,000 | 0 | 0 | 4 | 130 |
| £50,001 - £100,000 | 0 | 0 | 1 | 91 |
| £100,001 - £150,000 | 0 | 0 | 0 | 0 |
| | 0 | 0 | 6 | 238 |

No exit packages were granted to staff during 2018/19. Exit packages granted to staff during 2017/18 were in respect of restructuring as part of the Frimley Health synergies.

4.3 Monthly average number of persons employed

| | 2018/19 Total Number | 2018/19 Permanently Employed and Bank Number | Other Number | 2017/18 Total Number |
|---|-------------------------------------|---|-------------------------|-------------------------------------|
| Medical and dental | 1,066 | 1,059 | 7 | 1,019 |
| Administration and estates | 1,717 | 1,717 | 0 | 1,752 |
| Healthcare assistants and other support staff | 1,702 | 1,695 | 7 | 1,686 |
| Nursing, midwifery and health visiting staff | 2,408 | 2,393 | 15 | 2,369 |
| Scientific, therapeutic and technical staff | 1,199 | 1,196 | 3 | 1,176 |
| Bank staff | 753 | 753 | 0 | 708 |
| Agency staff | 273 | 0 | 273 | 284 |
| | 9,118 | 8,813 | 305 | 8,994 |

4.4 Early retirements due to ill health

During 2018/19 there were 5 early retirements from the Trust agreed on the grounds of ill-health at a cost of £354k (2017/18 - 6 at a cost of £337k).

5. Finance Expenses - Financial Liabilities

| | 2018/19 £000 | 2017/2018 £000 |
|---|-------------------------|---------------------------|
| Finance leases | 97 | 109 |
| Interest on late payment of commercial debt | 1 | 3 |
| | 98 | 112 |

6. Better Payment Practice Code

6.1 Better payment practice code - measure of compliance

| | 2018/19 | | 2017/18 | |
|--|---------|---------|---------|---------|
| | Number | £000 | Number | £000 |
| NHS | | | | |
| Total bills paid in the year | 4,647 | 43,735 | 4,618 | 38,172 |
| Total bills paid within target | 3,232 | 30,198 | 3,183 | 24,435 |
| Percentage of bills paid within target | 70% | 69% | 69% | 64% |
| Non-NHS | | | | |
| Total bills paid in the year | 155,152 | 271,694 | 153,050 | 241,094 |
| Total bills paid within target | 113,979 | 205,076 | 108,708 | 181,367 |
| Percentage of bills paid within target | 73% | 75% | 71% | 75% |
| Total | | | | |
| Total bills paid in the year | 159,799 | 315,429 | 157,688 | 279,285 |
| Total bills paid within target | 117,211 | 235,274 | 111,891 | 205,802 |
| Percentage of bills paid within target | 73% | 75% | 71% | 74% |

Under the better payment practice code the Trust aims to pay all valid NHS and non-NHS invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.

6.2 The Late Payment of Commercial Debts (Interest) Act 1998

An amount of £1k has been included within finance costs arising from claims made under this legislation (2017/18 - £3k).

7. Acquisition Funding

Since the acquisition of Heatherwood and Wexham Park Hospitals NHSFT (H&WPH) by Frimley Health NHSFT in October 2014, a five year integration plan has been in place agreed with the Department of Health (DH) and local commissioners. This details the funding that is provided to the Trust to support the costs of integration and transformation. The agreement with the DH includes income support to cover the pre-existing deficit that existed at the H&WPH sites, to allow the Trust to move to a stand alone surplus position over time.

The exact value of the income support due each year is based on the Trust's transformation progress, as judged by overall financial performance. For 2018/19 the DH have agreed to release the full amount of income support as set-out in the transaction agreement. This has been recognised in the financial statements as £13.8m of income in 2018/19 (2017/18 £16.6m).

With respect to the costs of transformation and integration, the Trust has recognised £5.3m (2017/18 £2.2m) of revenue from the Department of Health to meet an equal expenditure incurred. This has been recorded as support from Department of Health at note 2.1 to the accounts.

A proportion of the post-transaction transformation cost are chargeable to local commissioners and the Trust has agreed a five year programme of funding with NHS England, NHS Slough CCG, NHS Bracknell and Ascot CCG, NHS Windsor, Ascot and Maidenhead CCG and NHS Chiltern CCG. Within other operating income in note 2, £0.9m of income has been recognised in 2018/19 (£1.7m 2017/18) in respect of integration funding received from the commissioners.

8. Intangible Assets

Intangible assets at the statement of financial position date comprise the following elements

| | Total £000 | Software £000 |
|--|---------------|------------------|
| Gross cost at 1 April 2018 | 12,926 | 12,926 |
| Additions - purchased | 3,088 | 3,088 |
| Derecognition | 0 | 0 |
| Gross cost at 31 March 2019 | 16,014 | 16,014 |
| Accumulated amortisation at 1 April 2018 | 7,275 | 7,275 |
| Provided during the year | 501 | 501 |
| Derecognition | 0 | 0 |
| Accumulated amortisation at 31 March 2019 | 7,776 | 7,776 |
| NBV - Purchased at 31 March 2018 | 5,651 | 5,651 |
| NBV total at 31 March 2018 | 5,651 | 5,651 |
| NBV - Purchased at 31 March 2019 | 8,238 | 8,238 |
| NBV total at 31 March 2019 | 8,238 | 8,238 |

Intangible software assets have been assigned a life of between 3 to 7 years.

| | Total | Software |
|--|---------------|---------------|
| | £000 | £000 |
| 2017/18 | | |
| Gross cost at 1 April 2018 | 10,785 | 10,785 |
| Additions - purchased | 2,141 | 2,141 |
| Derecognition | 0 | 0 |
| Gross cost at 31 March 2018 | 12,926 | 12,926 |
| Accumulated amortisation at 1 April 2017 | 6,797 | 6,797 |
| Provided during the year | 478 | 478 |
| Derecognition | 0 | 0 |
| Accumulated amortisation at 31 March 2018 | 7,275 | 7,275 |
| NBV - Purchased at 31 March 2017 | 3,988 | 3,988 |
| NBV total at 31 March 2017 | 3,988 | 3,988 |
| NBV - Purchased at 31 March 2018 | 5,651 | 5,651 |
| NBV total at 31 March 2018 | 5,651 | 5,651 |

Intangible software assets have been assigned a life of between 3 to 7 years.

9.1 Property, plant and equipment at the statement of financial position date comprise the following elements

| | Total | Land | Buildings excluding dwellings | Dwellings | Assets under construction and payments on account | Plant and machinery | Transport Equipment | Information technology | Furniture and fittings |
|---|----------------|---------------|-------------------------------|------------|---|---------------------|---------------------|------------------------|------------------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Cost or valuation at 1 April 2018 | 488,729 | 35,785 | 280,693 | 923 | 35,539 | 92,921 | 135 | 31,762 | 10,971 |
| Additions - purchased | 71,986 | 0 | 42,382 | 0 | 13,352 | 8,677 | 0 | 7,575 | 0 |
| Additions - leased | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Additions - donated | 156 | 0 | 0 | 0 | 0 | 156 | 0 | 0 | 0 |
| Revaluations | 6,730 | 4,625 | 2,083 | 22 | 0 | 0 | 0 | 0 | 0 |
| | (13,807) | 0 | (13,807) | 0 | 0 | 0 | 0 | 0 | 0 |
| Impairments/surpluses charged to revaluation reserve | | | | | | | | | |
| Impairments recognised in operating expenses | (5,094) | 0 | (5,094) | 0 | 0 | 0 | 0 | 0 | 0 |
| Reclassifications | 0 | 0 | 28,776 | 0 | (28,776) | 0 | 0 | 0 | 0 |
| Disposals/Derecognition | (1,014) | 0 | 0 | 0 | 0 | (1,014) | 0 | 0 | 0 |
| Cost or valuation at 31 March 2019 | 547,686 | 40,410 | 335,033 | 945 | 20,115 | 100,740 | 135 | 39,337 | 10,971 |
| Accumulated Depreciation at 1 April 2018 | 131,156 | 0 | 38,593 | 103 | 0 | 67,474 | 124 | 17,325 | 7,537 |
| Provided during the year | 17,724 | 0 | 8,717 | 22 | 0 | 5,387 | 0 | 2,652 | 946 |
| Accumulated depreciation written out upon revaluation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals/Derecognition | (956) | 0 | 0 | 0 | 0 | (956) | 0 | 0 | 0 |
| Depreciation at 31 March 2019 | 147,924 | 0 | 47,310 | 125 | 0 | 71,905 | 124 | 19,977 | 8,483 |
| Net book value | | | | | | | | | |
| Purchased at 1 April 2018 | 345,544 | 35,785 | 234,075 | 0 | 35,539 | 22,263 | 11 | 14,437 | 3,434 |
| Finance Leases 1 April 2018 | 2,383 | 0 | 0 | 820 | 0 | 1,563 | 0 | 0 | 0 |
| Donated at 1 April 2018 | 9,646 | 0 | 8,025 | 0 | 0 | 1,621 | 0 | 0 | 0 |
| Total at 1 April 2018 | 357,573 | 35,785 | 242,100 | 820 | 35,539 | 25,447 | 11 | 14,437 | 3,434 |
| Net book value | | | | | | | | | |
| - Purchased at 31 March 2019 | 386,798 | 40,410 | 278,388 | 0 | 20,115 | 26,026 | 11 | 19,360 | 2,488 |
| - Finance Leases at 31 March 2019 | 2,173 | 0 | 0 | 820 | 0 | 1,353 | 0 | 0 | 0 |
| - Donated at 31 March 2019 | 10,791 | 0 | 9,335 | 0 | 0 | 1,456 | 0 | 0 | 0 |
| Total at 31 March 2019 | 399,762 | 40,410 | 287,723 | 820 | 20,115 | 28,835 | 11 | 19,360 | 2,488 |

Land and Buildings were revalued effective 31 March 2019 by the District Valuer, based on a desktop valuation in accordance with the MEA Valuation method.

During the financial year revaluation of the following assets took place which resulted in the following impairments, which were charged to Statement of Comprehensive Income: Wexham Park - Energy Centre, backlog improvements and statutory compliance works £5,094k.

9.2 Property, plant and equipment at the statement of financial position date comprise the following elements

| | Total | Land | Buildings excluding dwellings | Dwellings | Assets under construction and payments on account | Plant and machinery | Transport Equipment | Information technology | Furniture and fittings |
|---|----------------|---------------|-------------------------------------|------------|--|------------------------|------------------------|---------------------------|---------------------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Cost or valuation at 1 April 2017 | 436,891 | 31,210 | 264,704 | 923 | 15,749 | 86,798 | 135 | 26,614 | 10,758 |
| Additions - purchased | 58,176 | 0 | 19,376 | 0 | 28,095 | 5,344 | 0 | 5,148 | 213 |
| Additions - leased | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Additions - donated | 943 | 0 | 0 | 0 | 0 | 943 | 0 | 0 | 0 |
| Revaluations | 4,575 | 4,575 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Impairments/surpluses charged to revaluation reserve | (10,096) | 0 | (10,096) | 0 | 0 | 0 | 0 | 0 | 0 |
| Impairments recognised in operating expenses | (1,596) | 0 | (1,596) | 0 | 0 | 0 | 0 | 0 | 0 |
| Reclassifications | 0 | 0 | 8,305 | 0 | (8,305) | 0 | 0 | 0 | 0 |
| Disposals/Derecognition | (164) | 0 | 0 | 0 | 0 | (164) | 0 | 0 | 0 |
| Cost or valuation at 31 March 2018 | 488,729 | 35,785 | 280,693 | 923 | 35,539 | 92,921 | 135 | 31,762 | 10,971 |
| Accumulated Depreciation at 1 April 2017 | 118,748 | 0 | 35,287 | 103 | 0 | 61,751 | 124 | 15,097 | 6,386 |
| Provided during the year | 17,219 | 0 | 7,931 | 22 | 0 | 5,887 | 0 | 2,228 | 1,151 |
| Accumulated depreciation written out upon revaluation | (4,647) | 0 | (4,625) | (22) | 0 | 0 | 0 | 0 | 0 |
| Disposals/Derecognition | (164) | 0 | 0 | 0 | 0 | (164) | 0 | 0 | 0 |
| Depreciation at 31 March 2018 | 131,156 | 0 | 38,593 | 103 | 0 | 67,474 | 124 | 17,325 | 7,537 |
| Net book value | | | | | | | | | |
| Purchased at 1 April 2017 | 306,867 | 31,210 | 221,709 | 0 | 15,749 | 22,299 | 11 | 11,517 | 4,372 |
| Finance Leases 1 April 2017 | 2,593 | 0 | 0 | 820 | 0 | 1,773 | 0 | 0 | 0 |
| Donated at 1 April 2017 | 8,683 | 0 | 7,708 | 0 | 0 | 975 | 0 | 0 | 0 |
| Total at 1 April 2017 | 318,143 | 31,210 | 229,417 | 820 | 15,749 | 25,047 | 11 | 11,517 | 4,372 |
| Net book value | | | | | | | | | |
| - Purchased at 31 March 2018 | 345,544 | 35,785 | 234,075 | 0 | 35,539 | 22,263 | 11 | 14,437 | 3,434 |
| - Finance Leases at 31 March 2018 | 2,393 | 0 | 0 | 820 | 0 | 1,563 | 0 | 0 | 0 |
| - Donated at 31 March 2018 | 9,646 | 0 | 8,025 | 0 | 0 | 1,621 | 0 | 0 | 0 |
| Total at 31 March 2018 | 357,573 | 35,785 | 242,100 | 820 | 35,539 | 25,447 | 11 | 14,437 | 3,434 |

Land and Buildings were revalued effective 31 March 2018 by the District Valuer, based on a desktop valuation in accordance with the MEA Valuation method.

During the financial year revaluation of the following assets took place which resulted in the following impairments, which were charged to Statement of Comprehensive Income: Wexham Park - Backlog improvements, statutory compliance and external works £1,596k.

9.3 Assets held at open market value

Of the totals at 31 March 2019 and 31 March 2018 all assets were valued in line with valuation methods set out in Note 1.6.

9.3.1 Net book value of assets held under finance leases at the statement of financial position date

| | Total | Dwellings | Plant and Machinery |
|--------------------------------|--------------|------------|---------------------|
| | £000 | £000 | £000 |
| NBV as at 31 March 2019 | 2,173 | 820 | 1,353 |
| | £000 | £000 | £000 |
| NBV as at 31 March 2018 | 2,383 | 820 | 1,563 |

9.3.2 The total amount of depreciation charged to the statement of comprehensive income in respect of assets held under finance leases and hire purchase contracts

| | Total | Dwellings | Plant and Machinery |
|---|------------|-----------|---------------------|
| | £000 | £000 | £000 |
| Depreciation as at 31 March 2019 | 232 | 22 | 210 |
| | £000 | £000 | £000 |
| Depreciation as at 31 March 2018 | 232 | 22 | 210 |

10. Inventories

| | 31 March 2019 | 31 March 2018 |
|----------------------|---------------|---------------|
| | £000 | £000 |
| Drugs consumables | 3,372 | 3,369 |
| Clinical consumables | 6,538 | 0 |
| | 9,910 | 3,369 |

During 2018/19 the stock holding for the trust has been increased to include both clinical stock and pharmacy stock. During 2017/18 the only inventory recognised by the Trust which was capitalised was pharmacy stock.

11. Trade and Other Receivables**Note 11.1 Amounts falling due within one year:**

| | 31 March 2019 | 31 March 2018 |
|---|---------------|---------------|
| | £000 | £000 |
| Contract receivables (IFRS 15): invoiced | 72,789 | 0 |
| Contract receivables (IFRS 15): not yet invoiced / non-invoiced | 1,308 | 0 |
| Provision for impaired receivables | (923) | (1,206) |
| Prepayments | 9,686 | 4,386 |
| NHS injury scheme income | 5,116 | 4,932 |
| NHS injury scheme provision | (1,726) | (1,728) |
| PDC dividend receivable | 396 | 93 |
| NHS receivables | 0 | 33,667 |
| Accrued Income | 0 | 22,055 |
| Other receivables | 0 | 9,127 |
| | 86,646 | 71,326 |

Included within NHS receivables is an accrued sum of £4.3m relating to partially completed spells of clinical activity (2017/18 £4.2m).

Other receivables includes amounts for private patient billing. Whilst credit control procedures are in place a bad debt provision is made in respect of any potential doubtful debts, the provision is a specific bad debt provision based on assessment of individual debts.

11.2 Provision for impairment of receivables

| | 31 March 2019 | 31 March 2018 |
|---|---------------|---------------|
| | £000 | £000 |
| At 1 April | 1,206 | 1,544 |
| Increase in Provision | 1,214 | 608 |
| Changes in the calculation of existing allowances | (619) | 0 |
| Amounts utilised | (616) | (307) |
| Unused amounts reversed | (262) | (639) |
| At 31 March | 923 | 1,206 |

11.3 Increase/(decrease) in bad debt provision (charged to Operating Expenses)

| | 31 March 2019 | 31 March 2018 |
|-------------------------------|---------------|---------------|
| | £000 | £000 |
| Increase in provision | 1,214 | 608 |
| Unused amounts reversed | (881) | (639) |
| Charged to Operating Expenses | 333 | (31) |

11.4 Ageing of impaired receivables

| | 31 March 2019 | 31 March 2018 |
|------------------------|---------------|---------------|
| | £000 | £000 |
| Up to three months | 1 | 67 |
| In three to six months | 1 | 69 |
| Over six months | 1,183 | 1,070 |
| Total | 1,185 | 1,206 |

11.5 Ageing of non-impaired receivables past their due date

| | 31 March 2019 | 31 March 2018 |
|------------------------|---------------|---------------|
| | £000 | £000 |
| Up to three months | 40,769 | 36,590 |
| In three to six months | 2,173 | 2,165 |
| Over six months | 3,847 | 4,410 |
| Total | 46,789 | 43,165 |

The Trust does not consider the above receivables past their due date to be impaired based on previous experience. The total reported above does not reconcile to note 12.1 as the total receivables balance includes receivables that are not classed as financial assets (see note 20.2) and receivables not past their due date as at 31 March 2017.

12. Trade and other payables**12.1 Trade and other payables at the statement of financial position date are made up of:**

| | 31 March 2019 | 31 March 2018 |
|--|----------------|---------------|
| | £000 | £000 |
| Current liabilities | | |
| NHS Payables | 0 | 5,842 |
| Capital payables (including capital accruals) | 6,620 | 7,378 |
| Accruals (revenue costs only) | 28,501 | 25,175 |
| Other payables | 29,429 | 18,415 |
| Trade and other payables | 64,550 | 56,810 |
| Tax payable (including social security costs) | 9,215 | 8,711 |
| Obligations under finance leases and hire purchase contracts | 228 | 228 |
| Other loans | 1,047 | 48 |
| Other liabilities: deferred income | 28,186 | 22,672 |
| | 103,226 | 88,469 |
| Non current liabilities | | |
| Obligations under finance leases and hire purchase contracts | 1,139 | 1,367 |
| Other loans | 3,971 | 109 |
| | 108,336 | 89,945 |

The deferred income includes a balance of £4.1m in respect of maternity pathway income. (31 March 2018 £4.1m)

12.2 Finance lease obligations

| 2018/19 | Total | Plant and Machinery | Dwellings |
|---|------------------|--------------------------------|----------------------|
| Payable: | £000 | £000 | £000 |
| Within one year | 311 | 290 | 21 |
| Between one and five years | 1,036 | 1,036 | 0 |
| After five years | 321 | 321 | 0 |
| | 1,668 | 1,647 | 21 |
| Less finance charges allocated to future periods | (302) | (298) | (4) |
| | 1,366 | 1,349 | 17 |
| not later than one year | 227 | 210 | 17 |
| later than one year and not later than five years | 841 | 841 | 0 |
| later than five years | 298 | 298 | 0 |
| 2017/18 | Total | Plant and Machinery | Dwellings |
| Payable: | £000 | £000 | £000 |
| Within one year | 325 | 303 | 22 |
| Between one and five years | 1,349 | 1,327 | 22 |
| After five years | 321 | 321 | 0 |
| | 1,995 | 1,951 | 44 |
| Less finance charges allocated to future periods | (400) | (391) | (9) |
| | 1,595 | 1,560 | 35 |
| not later than one year | 228 | 210 | 18 |
| later than one year and not later than five years | 858 | 841 | 17 |
| later than five years | 509 | 509 | 0 |

12.3 Future finance lease obligations

| | Plant and Machinery | Dwellings |
|-------------------------------|----------------------------|------------------|
| | 2018/19 | 2018/19 |
| Minimum number of payments | 77 | 4 |
| Number of years of commitment | 7 | 1 |
| | Plant and Machinery | Dwellings |
| | 2017/18 | 2017/18 |
| Minimum number of payments | 89 | 8 |
| Number of years of commitment | 8 | 2 |

Plant and Machinery finance lease obligations consist of a managed service for PACS/RIS which comprises equipment and service elements this was taken out during 2015/16.

Dwellings consist of a finance lease in respect of a residential accommodation block, this is governed by both a lease and underlease, the minimum payments are based on quarterly payments made per annum.

The underlease states:

1. The basic rent is calculated as being the sum which represented the gross annual amount payable at the time of such calculation if the sum of £440,000 was borrowed on a five year fixed interest rate (including the Landlord's half percent margin) for a period of 25 years.

2. In the event that interest rates rise or fall the basic rent shall be adjusted upwards or downwards on the review dates according to the extent to which five year fixed interest rates (including the Landlord's half percent margin) exceed or fall short of 10.89% per annum calculated on £440,000 as in paragraph 1 above.

13. Provisions for Liabilities and Charges

| | Total | Pensions - other staff | Other legal claims | Other |
|---------------------------------------|--------------|-----------------------------------|-------------------------------|--------------|
| | £000 | £000 | £000 | £000 |
| At 1 April 2018 | 611 | 250 | 111 | 250 |
| Arising during the year | 170 | 170 | 0 | 0 |
| Utilised during the year | (214) | (85) | (32) | (97) |
| Reversed unused | 0 | 0 | 0 | 0 |
| At 31 March 2019 | 567 | 335 | 79 | 153 |
| Expected timing of cash flows: | | | | |
| Within one year | 321 | 89 | 79 | 153 |
| Between one and five years | 246 | 246 | 0 | 0 |
| After five years | 0 | 0 | 0 | 0 |
| | 567 | 335 | 79 | 153 |

13.1 Provisions for Liabilities and Charges 2017/18

| | Total | Pensions - other staff | Other legal claims | Other |
|---------------------------------------|--------------|-----------------------------------|-------------------------------|--------------|
| | £000 | £000 | £000 | £000 |
| At 1 April 2017 | 434 | 135 | 144 | 350 |
| Arising during the year | 417 | 197 | 68 | 0 |
| Utilised during the year | (172) | (82) | (33) | (195) |
| Reversed unused | (68) | 0 | (68) | 0 |
| At 31 March 2018 | 611 | 250 | 111 | 155 |
| Expected timing of cash flows: | | | | |
| Within one year | 289 | 83 | 111 | 95 |
| Between one and five years | 322 | 167 | 0 | 155 |
| After five years | 0 | 0 | 0 | 0 |
| | 611 | 250 | 111 | 250 |

Pensions provisions have been calculated using figures provided by the NHS Pensions Agency, they assume certain life expectancies. Whilst this provides a degree of uncertainty in respect of both timing and total amounts, these estimates are based upon best available actuarial information.

The Trust provides for legal or constructive obligations that are of uncertain timing or amount at the Statement of Financial Position date on the basis of the best estimate of the expenditure required to settle the obligation.

Other provisions consist of the following which are also of uncertain timing and amount.

| | £000 |
|-------------------------------|-------------|
| Injury benefit scheme | 153 |
| Total other provisions | 153 |

14. Clinical negligence liabilities

| | 2018/19 £000 | 2017/18 £000 |
|---|-----------------|-----------------|
| Amount included in provisions of NHS Resolution in respect of Clinical Negligence liabilities of the Trust. | 360,366 | 309,988 |

15. Cash and Cash Equivalents

| | 31 March 2019 £000 | 31 March 2018 £000 |
|---|-----------------------|-----------------------|
| At 1 April | 113,142 | 86,654 |
| Net change in year | 20,114 | 26,488 |
| At 31 March | 133,256 | 113,142 |
| Broken down into: | | |
| Cash at commercial banks and in hand | 165 | 1,168 |
| Cash with the Government Banking Service | 133,091 | 111,974 |
| Cash and cash equivalents in Statement of Cash Flows | 133,256 | 113,142 |

16. Contractual Capital Commitments

Commitments under capital expenditure contracts at the statement of financial position date were £74,789k (2017/18 - £33,228k) these are in respect of building work being undertaken for major capital projects including the elective, diagnostic and outpatient centre at the Heatherwood Hospital site in Ascot.

17. Post Statement of Financial Position Events

There are no material post statement of financial position events.

18. Related Party Transactions 2018/19

The Trust had significant transactions, defined as an income/expenditure balance of over £1,500k or a receivables/payables balance of over £750k, with the following related bodies:

| | 2018/19 Income £000 | 2018/19 Expenditure £000 | 31/3/2019 Receivables £000 | 31/3/2019 Payables £000 |
|---|------------------------------------|---|---|--|
| Royal Berkshire NHS Foundation Trust | 1,134 | 1,734 | 3,403 | 531 |
| Royal Surrey County Hospital NHS Foundation Trust | 2,915 | 3,892 | 2,218 | 1,386 |
| NHS East Berkshire CCG | 236,187 | 432 | 11,576 | 2,395 |
| NHS Buckingham CCG | 54,576 | 68 | 2,368 | 348 |
| NHS Guildford and Waverley CCG | 6,830 | 0 | 28 | 12 |
| NHS Hillingdon CCG | 2,194 | 0 | 35 | 13 |
| NHS North East Hampshire and Farnham CCG | 140,840 | 50 | 5,704 | 914 |
| NHS North Hampshire CCG | 7,871 | 0 | 727 | 50 |
| NHS North West Surrey CCG | 8,300 | 0 | 130 | 388 |
| NHS South Eastern Hampshire CCG | 2,481 | 0 | 218 | 26 |
| NHS Surrey Heath CCG | 57,156 | 174 | 345 | 392 |
| NHS Berkshire West CCG | 8,951 | 0 | 928 | 32 |
| Department of Health and Social Care | 21,634 | 0 | 710 | 0 |
| NHS England - Core | 29,983 | 58 | 12,804 | 67 |
| NHS England - South East Local Office | 16,469 | 0 | 2,935 | 0 |
| NHS England - South West Local Office | 4,315 | 0 | 1,405 | 0 |
| Health Education England | 15,577 | 50 | 883 | 1 |
| NHS Resolution (formerly NHS Litigation Authority) | 0 | 22,890 | 0 | 30 |
| NHS Property Services | 0 | 4,825 | 0 | 2,855 |
| HM Revenue & Customs | 0 | 35,890 | 0 | 9,215 |
| NHS Pension Scheme | 0 | 39,362 | 0 | 0 |
| NHS England - Wessex Specialised Commissioning Hub | 56,248 | 0 | 10,571 | 0 |
| Berkshire Healthcare NHS Foundation Trust | 1,606 | 680 | 556 | 82 |
| Ashford and St Peter's Hospitals NHS Foundation Trust | 1,281 | 26 | 3,098 | 18 |
| Pennine Acute Hospitals NHS Trust | 3 | 0 | 0 | 835 |

The Trust who is the Corporate Trustee of the Frimley Health Charity holds charitable funds for which transactions between parties are not deemed material. Included within operating income in respect of non cash donations credited to income are £156k relating to PPE additions. (2017/18 £943k).

Board members have only received short term employee benefits from the Trust as shown in note 4.4. No post employment benefits, other long term benefits, share based payments or termination benefits have been paid to the Directors.

18.1 Related Party Transactions

The Trust had significant transactions, defined as an income/expenditure balance of over £1,500k or a receivables/payables balance of over £750k, with the following related bodies:

| | 2017/18 Income £000 | 2017/18 Expenditure £000 | 31/3/2018 Receivables £000 | 31/3/2018 Payables £000 |
|--|---------------------------|--------------------------------|----------------------------------|-------------------------------|
| Royal Berkshire NHS Foundation Trust | 8,157 | 1,709 | 3,325 | 341 |
| Royal Surrey County Hospital NHS Foundation Trust | 3,034 | 3,346 | 1,243 | 1,029 |
| NHS Bracknell and Ascot CCG | 56,775 | 119 | 695 | 686 |
| NHS Chiltern CCG | 49,796 | 0 | 4,647 | 258 |
| NHS Guildford and Waverley CCG | 6,893 | 0 | 486 | 4 |
| NHS Hillingdon CCG | 2,122 | 0 | 0 | 21 |
| NHS North East Hampshire and Farnham CCG | 133,011 | 385 | 774 | 1,027 |
| NHS North Hampshire CCG | 7,169 | 0 | 304 | 52 |
| NHS North West Surrey CCG | 8,417 | 151 | 82 | 130 |
| NHS Slough CCG | 88,921 | 0 | 4,669 | 963 |
| NHS South Eastern Hampshire CCG | 2,355 | 0 | 0 | 255 |
| NHS Surrey Heath CCG | 56,314 | 0 | 0 | 873 |
| NHS Windsor, Ascot and Maidenhead CCG | 73,365 | 200 | 4,272 | 698 |
| NHS Wokingham CCG | 6,714 | 0 | 291 | 37 |
| Department of Health and Social Care | 25,935 | 0 | 3,609 | 0 |
| NHS England - Core | 29,710 | 9 | 15,124 | 9 |
| NHS England - South Central Local Office | 15,808 | 0 | 1,518 | 0 |
| NHS England - South East Local Office | 1,787 | 0 | 523 | 0 |
| NHS England - South West Local Office | 1,972 | 0 | 0 | 0 |
| NHS England - Wessex Local Office | 4,187 | 0 | 595 | 0 |
| NHS England - Wessex Specialised Commissioning Hub | 56,606 | 0 | 1,178 | 0 |
| Health Education England | 15,251 | 70 | 3,136 | 46 |
| NHS Resolution (formerly NHS Litigation Authority) | 13 | 24,174 | 0 | 6 |
| NHS Property Services | 0 | 2,619 | 0 | 936 |
| HM Revenue & Customs | 0 | 34,172 | 0 | 8,711 |
| NHS Pension Scheme | 0 | 37,483 | 0 | 5,199 |

The Trust who is the Corporate Trustee of the Frimley Health Charity holds charitable funds for which transactions between parties are not deemed material. Included within operating income in respect of non cash donations credited to income are £943k relating to PPE additions. (2016/17 £249k).

Board members have only received short term employee benefits from the Trust as shown in note 4.4. No post employment benefits, other long term benefits, share based payments or termination benefits have been paid to the Directors.

19. Financial Instruments

International Accounting Standards IAS 32, IAS 39 and IFRS 7, require disclosure of the role that financial instruments have had during the year in creating or changing the risks an entity faces in undertaking its activities. Because of the continuing service provider relationship that the Trust has with local NHS Commissioners and the way those NHS Commissioners are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which these standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated through day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

Financial Risk Management

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's Standing Financial Instructions and Treasury Management Policy agreed by the Board of Directors. Trust treasury activity is routinely reported and is subject to review by the Trust's internal auditors.

Currency Risk

The Trust is principally a domestic organisation with the majority of transactions, assets and liabilities being in the UK and sterling based. As such, the Trust does not normally undertake transactions in currencies other than sterling and is therefore not exposed to movements in exchange rates over time. All currency payments are translated into sterling at the exchange rate ruling on the date of the transaction. The total value of payments made in Euro denomination was 87,573 as at 31 March 2019 (2017/18 73,721).

The Trust's main exposure to interest rate fluctuations arises where it utilises external borrowings. The Trust has no external borrowing apart from several finance leases as per note 13.2 and accordingly has not been required to manage exposure to interest rate fluctuations.

Credit Risk

Due to the fact that the majority of the Trust's income comes from legally binding contracts with NHS bodies and Government departments the Trust does not believe that it is exposed to significant credit risk in relation to cash.

The Trust's deposits are routinely monitored in accordance with guidance issued by Monitor and are overseen by the Audit Committee, the Trust typically invests in A-1 institutions for short term investments.

Liquidity Risk

The Trust's net operating costs are incurred under legally binding contracts with local CCGs, which are financed from resources voted annually by Parliament. The Trust has the potential to fund its capital expenditure from funds obtained within the Prudential Borrowing Limit. The Trust is not, therefore, exposed to significant liquidity risks.

19.1 Financial Instruments

19.1.1 Financial Assets

| | Carrying Value £000 |
|--|------------------------------------|
| Financial assets | |
| Denominated in £ sterling | 197,057 |
| Gross financial assets at 31 March 2019 | <u>197,057</u> |
| Denominated in £ sterling | 176,785 |
| Gross financial assets at 31 March 2018 | <u>176,785</u> |

| | Carrying Value £000 |
|---|------------------------------------|
| 19.1.2 Financial liabilities | |
| Denominated in £ sterling | 70,886 |
| Gross financial liabilities at 31 March 2019 | <u>70,886</u> |
| Denominated in £ sterling | 58,562 |
| Gross financial liabilities at 31 March 2018 | <u>58,562</u> |

The above financial assets have been included in the accounts at amortised cost as "loans and receivables", with no financial assets being classified as "assets at fair value through the profit and loss", "assets held to maturity" nor "assets held for resale".

Prepayments of £9,686k (2017/18 - £4,386k) are not considered to be financial instruments.

Other tax and social security payables amounts of £9,215k (2017/18 - £8,711k) and deferred income of £28,186k (2017/18 - £22,672k) are not considered to be financial instruments under IFRS and therefore have been excluded from the above analysis.

All financial liabilities are classified as "other financial liabilities", with no financial liabilities being classified as "liabilities at fair value through the I&E".

19.2 Financial Assets by Category

| | Total | Loans and receivables |
|--|----------------|--------------------------|
| | £000 | £000 |
| Assets as per statement of financial position | | |
| Receivables (excluding non financial assets) - with DHSC group bodies | 62,886 | 62,886 |
| Receivables (excluding non financial assets) - with other bodies | 915 | 915 |
| Cash and cash equivalents | 133,256 | 133,256 |
| Total at 31 March 2019 | 197,057 | 197,057 |

| | £000 | £000 |
|--|----------------|----------------|
| Assets as per statement of financial position | | |
| NHS receivables | 33,667 | 33,667 |
| Provision for impaired receivables (as at 31 March 2018) | (1,206) | (1,206) |
| Accrued income | 22,055 | 22,055 |
| Other receivables | 9,127 | 9,127 |
| Cash and cash equivalents | 113,142 | 113,142 |
| Total at 31 March 2018 | 176,785 | 176,785 |

19.3 Financial liabilities by category

| | Total | Other financial liabilities |
|--|---------------|-----------------------------------|
| | £000 | £000 |
| Liabilities as per statement of financial position | | |
| Trade and other payables (excluding non financial liabilities) with DHSC group bodies | 13,267 | 13,267 |
| Trade and other payables (excluding non financial liabilities) with other bodies | 51,234 | 51,234 |
| Finance lease obligations | 1,367 | 1,367 |
| Other loans - salix | 5,018 | 5,018 |
| Total at 31 March 2019 | 70,886 | 70,886 |

| | Total | Other financial liabilities |
|---|---------------|-----------------------------------|
| | £000 | £000 |
| Liabilities as per statement of financial position | | |
| Trade and other payables (NHS) | 5,842 | 5,842 |
| Trade and other payables | 18,415 | 18,415 |
| Accruals | 25,175 | 25,175 |
| Capital payables | 7,378 | 7,378 |
| Finance lease obligations | 1,595 | 1,595 |
| Other loans | 157 | 157 |
| Total at 31 March 2018 | 58,562 | 58,562 |

| 19.4 Fair values | 31 March 2019 Book Value £000 | 31 March 2019 Fair Value £000 |
|--|--|--|
| Financial assets | 197,057 | 197,057 |
| | 197,057 | 197,057 |
| Financial liabilities | | |
| Payables over 1 year - Finance Lease obligations | 1,139 | 1,139 |
| Payables over 1 year - Loans | 3,971 | 3,971 |
| Other | 65,776 | 65,776 |
| | 70,886 | 70,886 |

| | 31 March 2018 Book Value £000 | 31 March 2018 Fair Value £000 |
|--|--|--|
| Financial assets | 176,785 | 176,785 |
| | 176,785 | 176,785 |
| Financial liabilities | | |
| Payables over 1 year - Finance Lease obligations | 1,367 | 1,367 |
| Other | 57,195 | 57,195 |
| | 58,562 | 58,562 |

As at 31 March 2019 there are no significant differences between fair value and carrying value of any of the Trust's financial instruments.

For financial assets and financial liabilities carried at fair value, the carrying amounts are classified as the carrying value net of the Trusts best estimates of bad and doubtful debts.

Discounted cash flows have not been performed on non-current liabilities due to the fact that the major lease is in Euros and the result would not be material.

19.5 Maturity of financial assets

All of the Trust's financial assets mature in less than one year.

19.6 Maturity of financial liabilities

| | 31 March 2019 £000 | 31 March 2018 £000 |
|--|-------------------------------|-------------------------------|
| Less than one year | 65,860 | 57,086 |
| In more than one year but not more than five years | 3,814 | 967 |
| In more than five years | 1,212 | 509 |
| Total | 70,886 | 58,562 |

19.7 Derivative financial instruments

In accordance with IAS39, the Trust has reviewed its contracts for embedded derivatives that are required to be separately accounted for if they do not meet the requirements set out in the standard.

20. Third Party Assets

The Trust held £1,013 cash and cash equivalents at 31 March 2019 (31 March 2018 - £8,587) which relates to monies held by the Trust on behalf of patients. This has been excluded from the cash and cash equivalents figure reported in the accounts.

21. Losses and Special Payments

There were 877 cases of losses and special payments (2017/18 - 1,723 cases) totalling £615,000 (2017/18 - £1,002,000) approved during 2018/19.

There were no clinical negligence cases where the net payment exceeded £300,000 (2017/18 - nil). These would relate to payments made by the Trust and would not relate to any payments made by NHS Resolution in respect of the Trust.

There were no fraud cases where the net payment exceeded £300,000 (2017/18 - nil).

There were no personal injury cases where the net payment exceeded £300,000 (2017/18 - nil).

There were no compensation under legal obligation cases where the net payment exceeded £300,000 (2017/18 - nil).

There were no fruitless payment cases where the net payment exceeded £300,000 (2017/18 - nil).

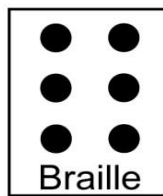
There were no Claims waived or abandoned where the net payment exceeded £300,000 (2017/18 - nil).

There were no stores losses and damage to property where the next payment exceeded £300,000 (2017/18 - nil).

The total costs in this note continue to be disclosed on a cash basis, under IFRS this should be on an accruals basis, however it is acknowledged that the amounts are immaterial and therefore continue to be on a cash basis.

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