

'Our vision is to excel  
at patient care'



**George Eliot Hospital**  
NHS Trust

# 2018/19

## Annual Report and Accounts on Quality and Finance

[www.geh.nhs.uk](http://www.geh.nhs.uk)



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# Welcome from the Chairman and Chief Executive

It has been a significant year in the history of George Eliot Hospital, as we decided to join the Foundation Group of hospitals alongside South Warwickshire NHS Foundation Trust and Wye Valley NHS Trust. The decision made in the summer of 2018 is an important step as the healthcare landscape changes around us – with more focus on integrated care and working as a system for our local population.

We maintain our strong independence as a hospital with our own Trust Board, finances and performance targets, but benefit from collaborative working with our Foundation Group partners. Best practice is shared between the group and in some cases, such as information technology, we are already working closely together towards a unified strategy across the Warwickshire partners. As medium-sized hospitals we share the same challenges and opportunities and we are ultimately stronger together.

Following our membership of the Group, our initial priority was the development and delivery of our 10 point plan – work that continues into the next financial year. This plan sets out our priorities in improving our efficiency and performance, covering a range of areas including our governance structures, stabilising our finances, involving staff and working with our wider partners.

We welcomed the Secretary of State for Health and Social Care, Matt Hancock MP, to George Eliot Hospital in February. His message and that of the newly-published NHS Long Term Plan was the same – integration and collaboration: working with healthcare partners more effectively in North Warwickshire around the needs of our patients. That is the journey being taken by all our local partners and George Eliot Hospital has an important role to play as a district general hospital within an integrated care system in the Coventry and Warwickshire area.

Our CQC inspection in late 2018 revealed a story of improvement at the Trust. We retained our overall rating of 'Requires Improvement' and were pleased to see a number of examples of outstanding practice singled out by the CQC; and our End of Life Care service upgraded from 'Inadequate' in 2018 to 'Good'. Our care across the board remains 'Good'. The improvement is welcomed, but there is more to do and we will be taking seriously the areas that the CQC has highlighted for improvement.

2018/19 has been a challenging year for the NHS generally and also the Trust, with regards to our key targets – particularly those around urgent and emergency care and planned surgery waiting times. Our priority in 2019/20 will be our urgent and emergency care, in particular developing our frailty and ambulatory care services which will help patients be seen more quickly and effectively. We are committed to improving patients' waiting time to access our care. The improvements we plan to make will have a positive, wider effect on a range of planned services and waiting times at the hospital.

We both joined George Eliot during the past year and have been proud to lead such a committed workforce that is so valued by our patients. We also welcome the substantive appointments to our leadership team at Board and Executive level during 2018/19, giving us the stability we need as we form our strategy, grow and improve in the coming year.



**Prem Singh**

Chairman



**Glen Burley**

Chief Executive







**George Eliot Hospital**  
NHS Trust

Delivering quality and safety by improving  
our efficiency and performance

### Go for a 'good' CQC rating

Evaluate our responses to CQC concerns, identify the key actions and make sure we're doing what we said we would

### Equip ourselves for success

Ensure that we deliver our local and national priorities from 'Board to Ward' by making sure we have the right leaders in the right place with the right abilities, working in a simpler governance structure

### Involve staff in our future

Engage with our staff to hear views on Integrated Care and our wider organisational strategy

### Improve back-office efficiency

Consider back office collaboration opportunities across the STP or within the Foundation Group

### Deliver efficient, quality elective care

Develop an elective care strategy in collaboration with STP partners to ensure efficient use of NHS capacity to meet demand and deliver the National Planning Guidance requirements

01

### Stabilise our finances

Review our cost improvement plans and how we deliver them. Do things better or do them differently to help us develop a longer term financial recovery plan

02

03

### Enhance the quality of urgent care

Improve patient flow through our urgent care service to meet our agreed performance improvement target. Evaluate and improve our ambulatory care system to treat patients as quickly as possible, without the need for long waits or a return visit

04

05

### Work together on out-of-hospital services

Devise a strategy to integrate with SWFT out-of-hospital services

06

07

### Use our estate more effectively

Review the Campus Plan and consider immediate opportunities to make better, more efficient use of land. Improve the estate between Community Services and the Hospital

08

09

### Work with hospital partners to maintain a quality local service to our patients

Develop a stronger provider alliance with UHCW and other key local providers to ensure sustainable local services

10

For more information visit our website at [geh.nhs.uk](http://geh.nhs.uk)

# Section 1 - Quality and Performance Report

## Trust overview

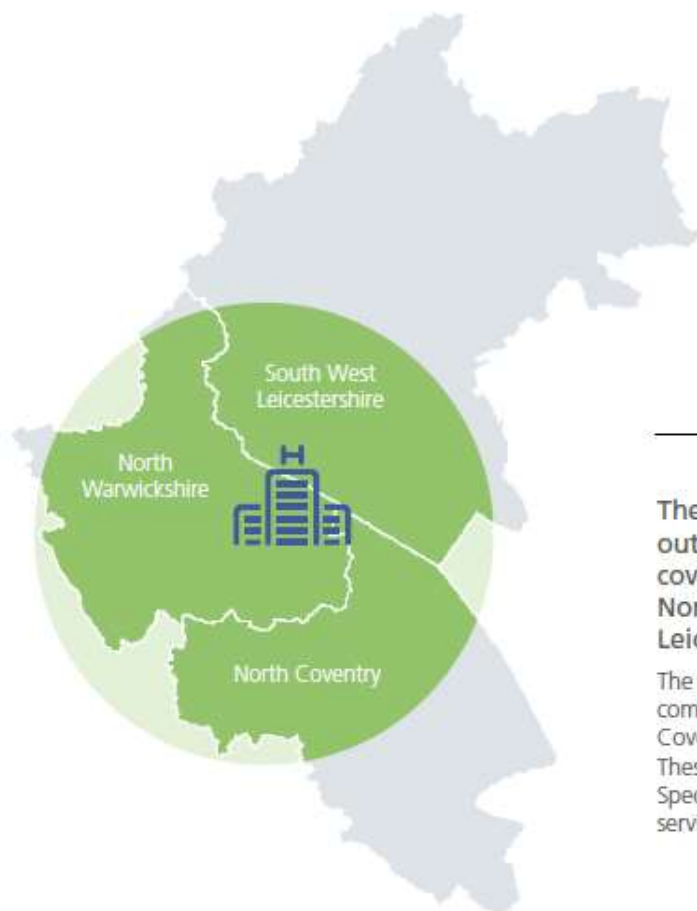
George Eliot Hospital NHS Trust provides a range of elective, non-elective, surgical, medical, women's, children's, diagnostic and therapeutic services to a population of more than

300,000  
people



Average number of employees  
(whole time equivalent basis)

2,307



Total number of beds  
(General & Acute)

286

The hub of the Trust is located on the outskirts of Nuneaton and its services cover a large footprint, including North Warwickshire, South West Leicestershire, and North Coventry.

The Trust also provides a range of community services, delivered across Coventry, Warwickshire and Leicestershire. These include sexual health, the Warwickshire Special Care Dental Service and tuberculosis services for Coventry and Warwickshire.

A&E Attends 2018/19

85,255



Inpatient Admissions  
Day Case 2018/19

24,233



Outpatient Appointments  
Attended 2018/19

267,610

Total Live Births 2018/19

2,274



Total number  
of Patients  
operated on

12,793



Number of Diagnostics



X-ray

82,954



Ultrasound

24,137



CT

18,057



MRI

14,879



DEXA

2,123



ERCP

347

## Our Services

### Medical

Accident and Emergency  
and Urgent Care Centre  
Acute Medical Unit  
Ambulatory Care Unit  
Cardiology  
Chronic Fatigue  
Chronic Pain  
Diabetes  
Endocrinology  
Gastroenterology  
Geriatric Medicine  
Infection Prevention  
Nephrology  
Ophthalmology  
Osteoporosis Screening  
Palliative Medicine  
Respiratory Care  
Rheumatology  
Stroke  
Transient Ischemic Attack (TIA)

### Women's and children's

Midwifery  
Gynaecology  
Maternity  
Obstetrics  
Newborn Hearing Screening  
Paediatrics  
Special Care Baby Unit

### Diagnostic and therapeutic

Acute Medical Unit  
Ambulatory Care Unit  
Bereavement Support  
Cardio Respiratory Unit  
Chaplaincy  
Clinical Psychology  
Endoscopy  
Macmillan Cancer Support  
Occupational Therapy  
Oncology  
Outpatients  
Pathology  
Pharmacy  
Physiotherapy  
Radiology  
Research and Development  
Speech and Language Therapy

### Surgical

Anaesthetics  
Breast Care  
Colorectal  
Ear Nose and Throat  
Maxillofacial  
Neurosurgery  
Organ Donation  
Orthopaedics  
Plastic and Reconstructive Surgery  
Theatres  
Urology  
Vascular

### Community

Coventry and Warwickshire Community  
TB Service  
Sexual Health Services Warwickshire  
Warwickshire Special Care Dental Service



## Our vision, values and objectives

### Our vision at George Eliot Hospital NHS Trust is to “EXCEL at patient care”

We believe that the best way to provide exceptional care is to take a value-led approach. We also believe that exceptional care can be delivered by striving to reach a number of strategy objectives:

#### Our core value pledges are:

- **E**ffective open communication
- **EX**cellence and safety in everything we do
- **C**hallenge but support
- **E**xpect respect and dignity
- **L**ocal health that inspires confidence.

#### Our strategic objectives are to:

- Constantly deliver safe, high quality care
- Enhance patient experience by providing local care tailored to the individual needs of the patient
- Develop partnership arrangements to promote and deliver a comprehensive range of value for money integrated services, to protect and improve the health of the local community
- Empower, develop and support our staff to encourage positive leadership at every level
- Maintain financial stability, hit all agreed targets and satisfy our regulators.





## Going concern statement

**In accordance with international accounting standards, management is required to assess whether it is appropriate to prepare the accounts on a going concern basis. There are no plans for the dissolution of the Trust and it is anticipated that services will continue to be provided in the future. The financial statements have therefore been prepared on a going concern basis.**

In preparing the financial statements, the Board of Directors has considered the Trust's overall financial position and expectations of future financial support. The Trust received monthly loan funding during the year totalling £14.3m. This was higher than the actual deficit of £12.8m, which will provide a cash benefit in 2019/20.

The Trust has recently submitted a draft financial plan for 2019/20 to NHS Improvement (NHSI) which includes a breakeven position for the full year. This assumes the delivery of £8.3m efficiency savings.

During the last five years, NHSI has supported the Trust's application for cash support. The Trust Board therefore anticipates that NHSI will support the Trust's application for cash support in 2019/20. The draft financial plan continues to show a deficit for the first half of 2019/20 as savings plans are embedded to deliver a surplus later in the year. In addition, achieving breakeven for the full year is reliant upon non-recurrent funding which would be paid to the Trust quarterly in arrears. Due to the planned deficit profile and the requirement for cash in advance of the non-recurrent income being received, it is anticipated that the Trust will require £19.3m loan funding during the year, of which £13.8m will be repaid in year, following the receipt of quarterly income and the improvement to a surplus position. The balance of £5.5m would need to be repaid in 2020/21 once income has been received for the final quarter. An amount of £1.5m has already been requested and received to date. However, this support is subject to monthly approval from NHSI and the Department of Health and Social Care (DHSC). This process generates material uncertainty which may cast significant doubt on the Trust's ability to continue as a going concern. The Trust will work closely with NHSI to ensure that forecast cash requirements are reviewed in a timely manner and that any issues are highlighted so these can be resolved. Given the ongoing level of support received from NHSI, the directors expect that the Trust will have adequate resources to continue in operational existence for the foreseeable future.

The Trust is continuing to plan for ongoing operational deficits over the next two years. Work is ongoing with other organisations in the Coventry and Warwickshire Sustainability and Transformation Partnership to address the issues of financial sustainability across the wider local health economy in the medium to long-term. The Trust is also developing plans to improve utilisation of the site occupied by the hospital, which is expected to generate financial benefits.

The Trust has one revenue loan which has been extended and will reach full term in February 2020, for £10.2m. A second loan of £13.9m will become due for repayment in January 2020. Additional monthly revenue loans due for repayment between December 2019 and March 2020 amount to £6.2m with a further £2.5m due from April to May 2020. Arrangements for repayment or extending these loans will need to be agreed with NHSI and the DHSC.

The Board of Directors considers that the contracts it has agreed with commissioning bodies and the anticipated support from NHSI is sufficient evidence that the Trust will continue as a going concern for the foreseeable future. For this reason, the going concern basis has been adopted for preparing the accounts.



## Emergency preparedness, resilience and response

The Trust has a vital role in responding to major and business continuity incidents. As a Category 1 responder under the Civil Contingencies Act 2004 the Trust has a duty to be prepared and ensure planning arrangements are in place to enable the effective and efficient prevention, reduction, control, mitigation of, and response to emergencies.

These emergencies can range from major incidents, such as a serious road traffic accident involving multiple casualties, to business continuity following a cyber-attack. The Trust's major and business continuity incident planning arrangements are regularly reviewed and tested to ensure they are in-line with legislation and best practice. As such, in partnership with other local health resilience groups, the Trust can ensure there is a robust multi-agency response to any future incident.

As part of NHS England annual core standards assurance process the Trust has been rated as 'substantial' for 2018.



## The Foundation Group

In June 2018, George Eliot Hospital NHS Trust (GEH) joined the Foundation Group that was formed in 2017 when South Warwickshire NHS Foundation Trust (SWFT) formalised its collaboration with Wye Valley NHS Trust (WVT). All three organisations face similar challenges and have a common strategic vision for how these can be solved. The Foundation Group model retains the identity of each individual trust, whilst strengthening the opportunities available to secure a sustainable future for local health services.

Glen Burley is the Chief Executive at all three trusts, with Managing Directors responsible for each individual organisation; David Eltringham is Managing Director at GEH, Jayne Blacklay at SWFT and Jane Ives at WVT.

Since the Foundation Group was established, a significant number of benefits have been realised for each organisation. The increase in scale enables strengthened negotiating abilities when procuring new systems or services, as well as increasing each individual trust's access to strategic advice and support. More importantly, it has created a wider platform to share learning and best practice to improve patient care in hospital and community settings. A collaborative approach is already underway in a number of areas, including; procurement and information, service improvement, digital strategy, communications and business planning, with more to follow.

## Better Health, Better Care, Better Value (BHCV)<sup>1</sup>

**The aims of the BHCV programme are to improve the overall health of the local population, to help stop people becoming ill in the first place wherever possible and to make sure that everyone receives the same high-quality care.**

Since our local plan was originally published in December 2016, local health and care partners have been working hard to bring about improvements through the programme's nine work streams.

Some highlights of the programme in 2018/19 include:

- being awarded £350,000 funding for suicide prevention in May 2018
- launching Coventry and Warwickshire's Year of Wellbeing 2019 to improve health and wellbeing for everyone in our area
- nearly £700,000 funding from West Midlands Cancer Alliance to ensure best practice is followed for four key cancers
- the introduction of Consultant Connect which gives local GPs a direct line to hospital consultants, reducing unnecessary referrals
- continuity of care for pregnant women and new mums beginning to be rolled out across Coventry and Warwickshire.

The new NHS Long Term Plan, launched in January 2019, gives us an opportunity to review our local plan to consider the additional funding the NHS will receive over the next five years. We expect a revised version of our local plan to be published later this year. To ensure our plan meets the needs of local people we will be engaging with those who know health and care services the best: our patients, staff and the public<sup>2</sup>. We will be seeking their views on how to improve health and care and how we can best use our combined resources. This will include working closely with our local authorities, and with local voluntary and community groups.

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<sup>1</sup> The NHS and local authorities in Coventry and Warwickshire are working together to meet the 'triple challenge' of providing better health, transformed quality of care and sustainable finances, as part of the BHCV programme.

<sup>2</sup> Patients, staff and local residents can find out more about opportunities to get involved by emailing [info@bettercarecovwarks.org.uk](mailto:info@bettercarecovwarks.org.uk), liking 'BCHV' on Facebook, or following us on Twitter at @BetterCareCW.





## Highlights of the Year

*April 2018*

### **New Non-Executive Directors appointed**

George Eliot Hospital NHS Trust announced the appointment of two non-executive directors and an associate non-executive director, who joined the board on 1 April 2018.

Dr Rebecca Khanna has more than 30 years' experience as a senior leader, educator and clinician in a range of NHS and university settings. Glynis Washington has a nursing background with experience in a broad range of settings including hospitals, the community, nurse education and most recently commissioning. Both Rebecca and Glynis joined as non-executive directors.

Anil Majithia joined the Trust as associate non-executive director. Anil has more than 30 years of commercial experience after working in both private and management consultancy organisations, and he brings expertise around governance, strategic risk and financial management, as well as delivering transformation change. Anil was later appointed as a non-executive director in September 2018.

*May 2018*

### **Keeping newborn babies warm campaign launched**

George Eliot Hospital's Maternity and Special Care Baby Units issued free knitted hats to babies as part of an education campaign around preventing hypothermia in newborns.

This initiative aims to prevent babies being admitted to a neonatal unit because they haven't been kept warm enough. The 'Nine Steps to Keeping your Newborn Baby Warm' campaign highlighted the importance of ensuring that mum and baby are kept together during their time at the hospital.





A short video produced by the Trust explained the key first steps for both midwives and new parents. This was officially launched at a special event in the maternity building during Kangaroo Care Day on 15 May. Kangaroo Care Day is an international awareness day to highlight the importance of skin to skin contact between parents and babies, from birth.

Keeping newborn babies warm is one of the initiatives identified by the maternity and neonatal team who are taking part in the Maternity and Neonatal Safety Collaborative. This is a three-year programme to support improvements in the quality and safety of maternity and neonatal units across England.

## **Archbishop of Canterbury visits the hospital**

**George Eliot Hospital welcomed The Archbishop of Canterbury, Justin Welby for a visit on 4 May 2018.**

During his stay the Archbishop met with the hospital's Chaplaincy Team and spent time with the Sophia Pregnancy Loss Support Group, whose members work with the hospital to support bereaved parents. He also met staff and patients in the hospital's Maternity Department, Special Care Baby Unit and A&E service.

The visit to the hospital was part of the Archbishop's tour of Coventry and Warwickshire to mark the 100th anniversary of the Coventry Diocese.

*June 2018*

## **Glen Burley appointed as new Chief Executive**

**Following the announcement of Chief Executive Kath Kelly's retirement, George Eliot Hospital NHS Trust approved the appointment of Glen Burley as our new Chief Executive.**

As part of this arrangement, George Eliot Hospital proposed to join the Foundation Group model which would enhance opportunities for sharing best practice, service improvement and partnership working, while enabling George Eliot to continue to be an independent organisation with its own Board of Directors. *Further information about the Foundation Group model is available on page 10.*

*July 2018*

## **NHS 70th birthday celebrations**

**A 1940s-themed tea party was held in the hospital's Tranquillity Courtyard on 5 July to mark 70 years of the NHS.**

About 400 members of staff came by during the festivities which included vintage-style tea and scones and a 'Team Eliot' NHS 70th Anniversary quiz with questions about the history of the NHS and our hospital. Some talented members of staff made delicious cakes for a baking contest.

There were period sounds from Anker Radio and a pop-up museum displaying photos and objects from the George Eliot's heritage collection. Artefacts on display included a selection of instruments that would have been found on hospital wards in 1948 including old fashioned thermometers, syringes and a pulsometer.



## Hospital pays tribute to devoted staff at 'Team Eliot' awards

**Our hard-working staff were recognised for their dedication at a dazzling 'Team Eliot' awards ceremony at the Ricoh Arena.**

Opened by Chairman, Prem Singh, and hosted by BBC Midlands Today broadcaster, Shefali Oza, nine awards were given to recognise the hard work, dedication and incredible care delivered each and every day at the hospital by our fabulous team of staff members and volunteers. There was also a host of long service awards for dedicated members of 'Team Eliot' who have worked with the NHS for 30 or even 40 years.

In a special tribute, the Chairman's Choice award was re-named the Stuart Annan award, in memory of the hospital's late chairman who died suddenly in October 2017.

*August 2018*

## New Managing Director appointed

**David Eltringham was appointed as Managing Director of the Trust on Monday 30<sup>th</sup> July.**

David brought a wealth of knowledge to this newly-created position. Starting with the NHS as a student nurse in 1987, David worked in high-profile roles within the NHS for more than a decade having previously been Chief Operating Officer at Birmingham Children's Hospital and University Hospitals Coventry and Warwickshire NHS Trust.

Previously David had worked as Senior Winter Advisor for NHS Improvement, visiting NHS Trusts across the Midlands and East giving guidance and support to Executive teams about urgent and emergency care.

David reports directly to George Eliot Hospital's Chief Executive, Glen Burley, and has responsibility for the management and running of the hospital on a day-to-day basis. He is passionate about involving staff in the way the hospital is run and enjoys engaging with staff and teams to help improve their services.

## Official launch of new mammogram machine in Breast Care

**Local MP, Craig Tracey, joined staff and patients at the launch of the hospital's new mammogram machine on 14 August. The North Warwickshire MP is co-chair of the Cross Party Parliamentary Group for Breast Cancer.**

The breast care team celebrated with a 'pink day' to showcase their new state-of-the-art facilities which will improve both patient experience and the efficiency of the service for local people.

The new equipment, a Siemens Inspiration, will help the unit deliver its breast screening service as well as screen symptomatic patients and will improve the diagnosis of patients with suspected breast cancer. The machine provides high-quality images, faster processing and detailed tomography, which will provide faster diagnostics and a more reliable service. Calming mood lighting also helps to provide a more relaxed atmosphere for patients.

This equipment was funded through the Trust's capital funding programme and is another exciting example of ongoing investment in local services to the community of Nuneaton, Bedworth, North Warwickshire and surrounding areas.



*September 2018*

## **Community Arts Hub opens at the hospital**

**George Eliot Hospital is using art to help boost mental health and wellbeing in the local area following the grand opening of a 'community hub' on 6 September.**

The hospital is home to the town's 'Men in Sheds' group and they raised and contributed to the funding for the new hub, which will act as their headquarters and will be opened up to other arts and craft-based community groups in the area. The group meets twice a week to learn and share new skills and undertake projects together in a safe and social environment

The Worshipful Mayor of Nuneaton and Bedworth, Councillor Chris Watkins, cut the ribbon on the new facility at a special celebration to highlight the work of these hospital volunteers. Friends and family, members of community groups and representatives from the hospital gathered at the hub, which will hopefully attract more opportunities for people to enjoy all the health benefits that being creative can bring.

The opening of the new hub means that George Eliot Hospital is ahead of the curve when it comes to new NHS recommendations for social prescribing, which enables GPs and other frontline healthcare professionals to refer people to 'services' in their community, and give patients a rounded approach to treatments instead of relying on medicalised 'prescribed' solutions alone.

Following a boost in funding from the Big Lottery, much of the funding for the hub also came from local and county businesses' donations from firms such as the Coventry Building Society, the Cooperative and Asda in Nuneaton, and through sales of the woodcraft pieces the group has made.



*October 2018*

## **Theatre Practitioner Sindy celebrates her half century with the NHS**

George Eliot Hospital's Theatre team held a surprise party for long serving theatre staff member, Sindy Heer, who has worked for the NHS in Nuneaton for an incredible 50 years.

Dedicated Sindy trained locally in Nuneaton as a cadet and before joining the NHS as a nurse. She worked at the George Eliot Hospital for most of her career, working both at the old Manor Hospital and at the George Eliot itself, where she still works part-time as a theatre practitioner.

Now 70, Sindy has no plans to retire permanently from the Trust as she still enjoys her job.

*November 2018*

## **Simone Jordan appointed as a Non-Executive Director**

Simone Jordan officially joined the Trust's board as non-executive director on 1 November.

Having worked at board level for more than 20 years, most recently as an associate non-executive director for the Royal Orthopaedic Hospital NHS Foundation Trust in Birmingham, Simone brought a wealth of knowledge and experience that benefits the hospital and the wider community.

Simone has significant leadership and organisation development expertise within the NHS. Her experience also spans the service and hospitality sectors, manufacturing, health, higher education and other public sector organisations.

## **Maternity Service Manager celebrates the birth of her baby at the maternity unit she leads**

Claire Price welcomed her own little bundle of joy within the service that she leads - George Eliot Hospital's Maternity Unit.

Baby Iwan made his appearance a couple of weeks early to his proud parents, who both work at the George Eliot Hospital. Claire is the Associate Director of Midwifery, while physiotherapist Dominic has worked at the Trust for 10 years.

## **Return of the Good Death Café**

A public event held at George Eliot Hospital raised awareness and provided helpful advice to the public and local professionals about dying, death and bereavement, helping to dispel myths around death and dying and supporting people to plan for 'end of life' in a positive and sensitive manner.

The Good Death Café was organised by George Eliot Hospital NHS Trust, Mary Ann Evans Hospice, NHS Warwickshire North Clinical Commissioning Group and the GEH Patient Forum.

## **100 per cent exam pass rate for international nursing team**

George Eliot's new international nurses were top of the class, having achieved a 100 per cent pass rate in an exam that formed part of their registration process in the UK.

The international nurses, from the Philippines, Africa and India, are required to take a Nursing and Midwifery Council objective structured clinical examination (OSCE) in the UK after they start their placement, despite being experienced qualified nurses in their own home countries. George Eliot Hospital was proud to announce that to date there was 100 per cent pass rate, which was above the national average of 89 per cent.







A conference was held to celebrate the success of the international nursing recruitment programme at George Eliot Hospital, with the nursing education team showcasing the lives and clinical experience of the dedicated nurses from across the world.

Each of the international nurses presented information about their careers and home country to their peers, managers, supervisors and board members.

*December 2018*

### **George Eliot Hospital unveils state-of-the-art equipment to improve diagnosis of painful conditions**

**A new ultrasound machine, which can be used to diagnose painful conditions such as arthritis, muscle injuries and back pain, was installed at George Eliot Hospital.**

The Sonosite MSK ultrasound machine uses up-to-the-minute technology to transmit high-frequency sound waves through the body to create an image in 'real time' so blood flow and muscle movement can be observed. The injured area can easily be seen from multiple directions, giving medics a much better insight into pain that is triggered by movement.

Patients at the hospital are now more likely to be given a much faster and accurate diagnosis and can be offered better treatment and monitoring of conditions. In addition, the machine allows medics to carry out local injections on patients under ultrasound guidance.

The hospital delivers a range of specialist clinics and accepts referrals from all over the country, as well as from GPs in the local area.

## Director of Operations appointed

**George Eliot Hospital announced that Stephen Collman had been appointed as Director of Operations.**

Stephen qualified as a nurse in 1990 and has held a number of management posts in mental health and community services, joining Worcestershire Health and Care NHS Trust in 2009 and becoming its Chief Operating Officer (COO) in 2014. As COO he was responsible for the day-to-day running of the service delivery units and operations and management teams as well as Workforce and HR department teams. He had also spent six months on secondment at Worcestershire Acute Hospitals NHS Trust.

Stephen commenced his duties in February 2019, replacing Debbie Pook.

## New equipment boosts physiotherapy service at George Eliot Hospital

**Patients visiting George Eliot Hospital's physiotherapy department benefited from £25,000 funding to replace its equipment.**

Three new treadmills, four new bikes and two new cross-trainers were installed in a bid to modernise the department and increase the quality of the service it provides to local people.

The 50-strong physiotherapy team runs a series of special classes - supporting more than 100 patients a day to recover from a range of conditions such as joint replacement, sports injury, cardiac rehab and breathing problems.

The new gym-standard equipment replaced aging facilities that suffered occasional problems and were not as adaptable for the range of patients that the department treats.

*January 2019*

## Patient hand hygiene at mealtimes initiative

**The Infection Prevention and Control (IPC) Team introduced a quality improvement initiative to improve hand hygiene for patients, which contributed to the reduction in Trust-wide gram negative E Coli blood infections, from five cases in 2017/18, to one case in 2018/19.**

Staff encouraged patients to use hand wipes at every mealtime and after 120 days compliance was at 100 per cent, compared to zero at the start of the programme. The project initially began on three wards and was so successful that it was rolled out across the entire hospital.

The initiative also involved two community care homes and George Eliot Hospital's Patient Forum was instrumental in performing audits throughout the project.

This is the first time in the Midlands and East that NHS Improvement supported a Trust to undertake a bespoke IPC quality improvement collaborative. The view of NHSI was that the Trust delivered on the project but had also captured the skills of change and staff engagement by engaging staff at all levels within the CCG.



February 2019

## Health Secretary visits the Hospital

The hospital was delighted to welcome the Secretary of State for Health and Social Care, Matt Hancock MP, on 7 February.

He visited the Eliot on the day we launched our commitment to the Coventry and Warwickshire Year of Wellbeing. As part of this, staff were asked to make pledges to improve their own wellbeing and Mr Hancock made his own pledge – to exercise at least three times a week.

Local MP Marcus Jones and Craig Tracey, MP for North Warwickshire and Bedworth, were also on hand for the visit, which saw the minister take a tour around Mary Garth ward and speak to staff and patients.

Dr John Linnane, Warwickshire County Council's Director of Public Health also supported the Trust by attending the event.





## New cardiac service launched at George Eliot Hospital

The introduction of a new pacemaker service at George Eliot Hospital meant that patients from Nuneaton and surrounding area could now have their pacemakers for heart failure implanted at the hospital.

Patients who are also considered to be high risk of sudden cardiac death can now have their potentially life-saving cardiac device fitted locally, rather than travelling to a hospital further away.

Implantable Cardioverter Defibrillators recognise life-threatening heart rhythm disturbances in people who are at risk of cardiac arrest and provide electric pulses or shocks to get the heart rhythm back to normal, thereby potentially saving someone's life.

GEH's Cardiology team provides a comprehensive cardiac service to local people. They manage in-patient care on a 12-bed Coronary Care Unit and also a 16-bed Cardiology medical ward. The team includes specialist consultants and specialist nurses who look after heart attack patients, heart failure patients, provide cardiac rehabilitation and look after patients with arrhythmia conditions. The team also runs a range of consultant-led clinics.





*March 2019*

## **Significant investment delivers new patient beds**

**George Eliot Hospital delivered a £500,000 investment in patient and staff safety with an upgrade to 320 beds.**

The beds complemented a previous investment in hybrid dynamic mattresses, to assist in reducing pressure ulcers.

The new beds include soft-drop, full length side rails, 'Mobilift' technology and integrated under bed lighting. These features increase patient comfort, help to reduce falls and allow patients to regain independence faster.

There are also illuminated angle indicators, which show staff the lowest, safest position for the bed in dark lighting. Meanwhile, a new handset allows staff to adjust the bed to suit different needs, such as an examination position and a cardiac chair position to accomplish the ideal resting position, improving conditions for both patients and staff.



## Operational Performance Overview

For 2018/19, the Trust's organisational infrastructure was strengthened to ensure that the structure was empowered and held the means to deliver on performance outcomes. Our aim has been to instil accountability from 'Ward to Board' level offering assurance that we are delivering against key performance indicators, monitoring at grass roots level and where necessary, were able to develop credible plans where targets were not being met.

Our operational performance was reported through the divisional and directorate structure. The divisional team held a monthly Integrated Quality and Performance Meeting with the directorates with the aim of holding teams to account for delivery of quality, performance, workforce and financial standards.

Where necessary, the directorates would produce actions to improve performance. These would feed into the performance meetings that the executive team hold with the divisions on a monthly basis to gain assurance that the divisions are managing and monitoring their financial and operational performance adequately and within target.

These operational governance arrangements also fed into the production of the monthly Integrated Performance Report, which was presented by exception to the Finance and Performance Committee and then through to Board level.

We also monitor our performance against a core set of national and local performance indicators, where we aim to meet the standard set, with some standards being exceeded (or not met) over the previous year. The following table (Figure 1.0) shows our results for 2018/19 period.

**Figure 1.0: Performance standards year-end outcome**

Performance indicator	Standard	Year end
<b>Safety:</b>		
C Difficile infections	13	12
MRSA bacteraemia infections	0	0
<b>Quality:</b>		
Cancer – two weeks suspected	93%	96.4%
Cancer – two weeks symptomatic breast	93%	93.4%
Cancer – 31 days	96%	99.5%
Cancer – 31 days – drug	98%	100%
Cancer – 31 days – surgery	94%	100%
Cancer – 62 days	85%	78.9%
Cancer – 62 days from screening service	90%	90.9%
Patients seen in A&E <4 hours <sup>[1]</sup>	95%	84.49%
Patients who leave A&E without being seen	5%	1.59%

Performance indicator	Standard	Year end
Time to initial assessment in A&E in minutes (95th percentile)	<15	101
Time to treatment in A&E in minutes (median time)	<60	403
Readmission within 28 days following discharge	14%	7.47%
Stroke – time on ward <sup>[2]</sup>	90%	63.51%
<b>Patient experience:</b>		
Referral to Treatment (RTT) incomplete non-emergency pathway (92nd percentile) <sup>[3]</sup>	92%	82.37%
Patients offered an appointment to Genito-Urinary Medicine (GUM) Clinic within 48 hours	95%	99.1%
Patients seen in GUM Clinic – access within 48 hours	95%	96.03%
Percentage of patients whose operations were cancelled for non-clinical reasons on the day of admission	0.80%	1.33%
Mixed sex accommodation <sup>[4]</sup>	0	2
<b>Patient safety</b>		
Never Events <sup>[5]</sup>	0	1
Venous thromboembolism (VTE) risk assessment where all inpatient service users undergo a risk assessment for VTE	95%	90.68%



## Performance management framework

During the year, our performance management systems adhere to a continuum of monitoring and measurement within a framework that includes monthly accountability meetings, alongside, as outlined in the section above, divisional and directorate performance reviews. Additional checks on performance are also managed by weekly reporting that acts as an early warning system to enable directorates to take action and address performance issues in a prompt and timely manner, to support the delivery of ongoing monthly targets.

Using a balanced scorecard approach, set Key Performance Indicators (KPIs) that are reflective of the Care Quality Commission's five key themes to assess care services<sup>3</sup> are used to support the performance management framework.

A detailed report is reviewed at the Trust's Finance and Performance Committee each month, with the Integrated Performance Report then being presented at Board level. Any identified risks that may impact on the achievement of key targets, are evaluated using our corporate risk assessment process, then, where appropriate, included in the Trust risk register and monitored closely thereafter.

Local contract targets and standards, including progress against the 2018/19 Commissioning for Quality and Innovation (CQUIN) schemes are determined by our commissioners and monitored throughout the year at regular meetings with our CCG partners.

Each year, the KPIs are reviewed and the scorecards aligned to reflect changes to national standards and local targets, thereby ensuring we monitor performance effectively throughout the year.

## Key financial performance information

The following summary of financial performance during 2018/19 is drawn from the Annual Accounts which can be found on page 129.

The Department of Health and Social Care (DHSC) assesses the Trust's performance against the following four targets, three of which have been achieved.

1. **Income and Expenditure:** As a minimum the Trust is required to break even each year. In 2018/19 the Trust made a loss of £12.8m after allowing for accounting adjustments and therefore did not meet this target.
2. **Capital Cost Absorption Rate:** Within its overall expenditure, the Trust is required to pay the DHSC a sum equivalent to 3.5 per cent of average net relevant assets. This payment is known as the Public Dividend Capital (PDC) payment. We were not required to pay any dividend in 2018/19 due to the Trust's negative average net relevant assets position.
3. **External Financing Limit:** This refers to the agreed amount of cash that the Trust is allowed by the DHSC to consume over and above the amount it generates through its normal activities in year. This may be through a reduction in its own cash balances or receiving cash from external sources. The Trust is expected to stay below its External Financing Limit (EFL) and in 2018/19 it achieved this, spending £13.4m (2017/18 £19.7m) against a target of £13.7m (2017/18 £20.4m).

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<sup>3</sup> **Safe:** you are protected from abuse and avoidable harm. **Effective:** your care, treatment and support achieves good outcomes, helps you to maintain quality of life. **Responsive:** services are organised so that they meet your needs based on the best available evidence. **Caring:** staff involve and treat you with compassion, kindness, dignity and respect. **Well-led:** the leadership, management and governance of the organisation make sure it's providing high-quality care that's based around your individual needs, that it encourages learning and innovation, and that it promotes an open and fair culture.



4. **Capital Resource Limit:** This is a limit which is imposed by the DHSC on the level of capital expenditure that we can incur in the year. The Trust should maintain its spend at or below this level. We spent £4.9m (2017/18 £7.9m) against a limit of £4.9m (2017/18 £8.1m<sup>4</sup>).
5. **Valuation of Trust Land and Buildings:** The value of the Trust's land and buildings has been assessed by an independent professional valuer. It is based on an alternative site Modern Equivalent Asset (MEA) valuation, undertaken specifically in accordance with the HM Treasury guidance, which states that such valuations are an option if the Trust's service requirements can be met from the alternative site, or smaller area on the same site. The last valuation was undertaken on this basis on 1 April 2016. The value of the Trust's land and buildings each year is then subject to revaluation through a desk top exercise including a review of expenditure on buildings during the year.

Other key financial information includes the following:

- 35,845 invoices were paid during the year, of which 28,840 were paid within 30 days of receipt of goods or a valid invoice (whichever is the later).
- Against a turnover of £152.6m, the break-even in-year position was a loss of £12.8m, with a break-even cumulative position of £71.9m loss.
- The accounts for the Trust were produced in line with the 2018/19 DHSC Accounting Manual (GAM).

## Quality Commitments Overview

In meeting the healthcare needs of our local population we aim to always ensure that the people we treat are offered safe, effective, compassionate and high-quality care at all times. This upholds our vision, shown below, to 'ExCEL at patient care' maintain our focus on a continual quality improvement journey throughout each year.



This also underpins the requirements set out in the Trust's 10 point plan, outlined at page 3, and in line with our Quality Strategy which aims to deliver quality and safety by improving our efficiency and performance at every level of our organisation. This offers our Trust Board, peers and public alike confidence that we are a committed and capable healthcare organisation delivering the right patient care, at the right time and place, to the best of our abilities to the locality we serve.

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<sup>4</sup> See note 48 of the accounts.



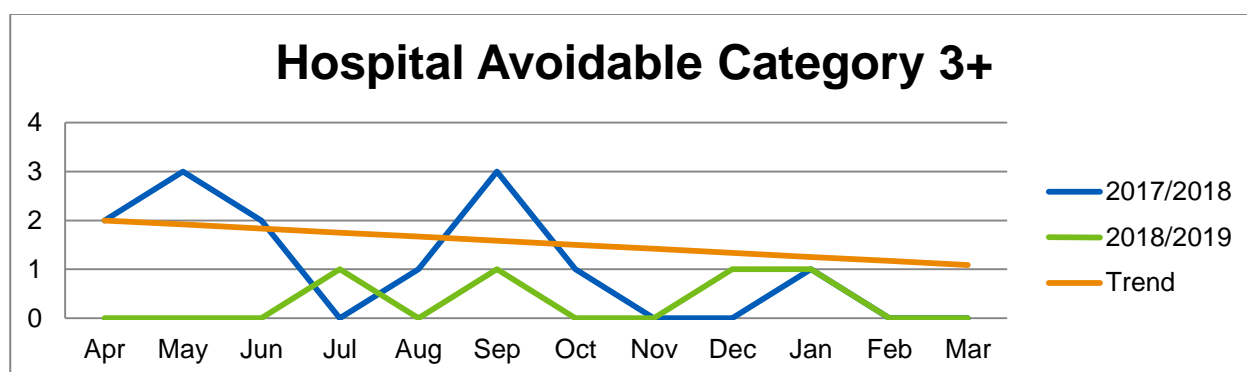
## Patient Safety & Effectiveness

- ▶ We will reduce avoidable Grade  $\geq 3$  Pressure Ulcers
- ▶ We will reduce preventable deaths
- ▶ We will reduce avoidable harm from medicines with a focus on insulin

### Grade $\geq 3$ Pressure Ulcers

The incidence of pressure ulcers (PUs) are perceived as a key indicator of the quality of care, as an organisation, and of how we care for our patients. It is therefore imperative that our annual improvement plan continues to support a reduction of the number of hospital-acquired PUs at all times. Work to achieve this shows we have reduced our avoidable category three overall this year by 69 per cent (Figure 1.1 below), an overachievement of the target set of 50 per cent, improving the patient experience considerably and also demonstrating a zero tolerance to category four occurrences. These figures are set in line with the latest NHS England guidelines introduced during 2018<sup>5</sup>.

**Figure 1.1 Hospital Avoidable Category 3+ April 2018 to March 2019**



The Trust's 'Stop the Pressure' Steering Group meets monthly, reporting to the Quality Assurance Committee and Board level, to monitor progress in meeting the improvement plan. They ensure a continual focus on improvement takes place, lessons learnt are shared and challenges are worked through; all aiming to further reduce and prevent pressure ulcer occurrence being experienced by the patients in our care.

Success has been realised in several key areas throughout the year and these include:

- The success measures audit has been replaced by a care quality indicator audit to monitor compliance to the SSKIN<sup>6</sup> bundle (a care bundle to manage and prevent pressure damage) prompting earlier interventions and appropriate referrals.

<sup>5</sup> The Department of Health and Social Care's definition of avoidable/ unavoidable should not be used and all incidents being investigated need to support organisational/system learning and appropriate actions; to move from focusing on 'proving' if an incident was unavoidable to using and embedding a range of definitions in practice.

<sup>6</sup> **S**urface: make sure your patients have the right support; **S**kin inspection: early inspection means early detection - show patients and carers what to look for; **K**eeep patients moving, **I**ncontinence/moisture: patients need to be clean and dry; **N**utrition/hydration: help patients have the right diet and plenty of fluids

- Trust-wide compliance with the use of slide sheets, monitored as part of the daily SSKIN bundle, checks are evidenced within care indicators and supported with the RCA process as they are being used.
- Establishment of ongoing education during mandatory training, and at each point of contact with staff in the clinical area when reviewing patients, to ensure staff accurately report any damage on initial skin inspections, then documenting in a clear, concise and timely manner.
- Focus on accurate reporting of 'device related' damage is now part of our quarterly tissue viability link nurse meetings which are attended regularly with 60-80 delegates (part of our partnership education programme) involving trust-wide staff and nursing/care homes.
- A Trust-wide bed frame replacement programme took place in March 2019. Key features include Mobilift to make sit-to-stand safer; improved accessibility at the point of care and under-bed night light to help patients see the floor when exiting the bed (this will help in our bid to reduce patient falls). As the beds are fully automated, they will increase response to equipment access and more importantly improve outcomes for not only the patient but staff who will be able to provide a safer environment for our patients.
- The PUPs (pressure ulcer prevention) campaign has been re-energised to encourage staff to continue being vigilant with skin inspections and to meet the expected trust target of skin inspection within two hours.

All of the above demonstrates that ward staff are proactive to both reducing potential for damage and actual PU's and are taking every step to ensure that the appropriate prevention and treatment levels of care are undertaken and should be credited for reporting the smallest sizes of skin break-out.

It is important that as an organisation we continue to learn from the scrutiny of root cause analysis (RCAs) and PU prevention care audits. Both of these processes highlight any learning that can be used to improve our clinical practice and service delivery. RCA outcomes are commonly shared with key highlights and the lessons learnt from these processes, leading to further reduction of avoidable PUs.

Some key themes and actions are highlighted below:

- While there is evidence to demonstrate that appropriate action and care of a patient has not been omitted, parts of documentation may not have been completed fully or within the correct timescale. In response, new documentation was launched aiming to strengthen more accurate and timely completion at ward level.
- Further rollout of ward-based teaching continues to take place to increase staff knowledge and appropriate use of preventative measures for device related damage.

We will also continue a focused quality improvement collaborative approach with a selected sample of clinical areas to look at ways of sharing learning and embedding good practice. This work has already commenced and action plans have been submitted; with improvement methodology this should deliver a further reduction on the total of avoidable category two harm PUs.

Moving into 2019/20 our focus will remain on sustainability and further improvements, for example, the introduction of an electronic skin assessment tool on Patientrack. This will centralise this information to one portal for ease of access at ward, and Trust wide level.

### Preventable deaths

As set out in last year's report we aimed to 'reduce preventable deaths' by further strengthening the mortality review process and introducing a Medical Examiner role in 2018/19 to deliver further training to enhance and broaden the mortality review team and improve governance and learning across the organisation. We also aimed to reduce our HSMR and SHMI to within the national 'expected range'.





During 2018/19 we also implemented a Mortality and Deteriorating Patients Improvement Plan outlining the Trusts' priorities on improving mortality outcomes. Good progress has been made against the actions outlined in the improvement plan and our most recent CQC inspection recognises the work we have done, but we still have some way to go.

We committed to implementing a Medical Examiner's role to enhance the mortality governance process - and in March 2019 we achieved this. The role of the Medical Examiner is to provide a robust, transparent system of independent scrutiny to the process of death certification. This will in turn identify potential learning to improve care of future patients and to improve the experience of the bereaved relative/families, as well as improving the issuing of death certificates for patients who died in our care. In 2019/20, we aim to further build on the Medical Examiner's role with particular focus on improving the communication with bereaved families.

We have strengthened our mortality governance by identifying mortality leads in each directorate and with the help and support of the mortality leads, we have implemented mortality and morbidity meetings across the Trust. These meetings are an essential element of good clinical governance and play a key role in driving quality improvements and identifying learning to help prevent death or reduce morbidity. In 2019/20, we aim to build on this to ensure a robust and standardised approach is in place with improved cross-divisional learning.

We have trained more clinicians on our mortality review methodology using the Royal College of Physicians Structured Judgement Reviews, (SJRs) which have improved our compliance and understanding of key themes and learning from individual cases. More information on our outcomes following SJR review can be found at page 39. In order to improve shared learning across the Trust we introduced a 'Mortality Theme of the Month' newsletter which is circulated to all clinical staff highlighting the SJR outcomes. We also introduced a 'Daily Brief' for all staff to improve communication and use this as a method to share learning from deaths, as well as other key information to the wider staff groups.

We aimed to reduced Hospital Standardised Mortality Ratios (HSMR) and Summary Hospital Level Mortality Indicator (SHMI) to within the national expected range. Unfortunately, this has not been achieved. Much work has been undertaken this year to understand the drivers and contributing factors to our HSMR and SHMI, conducting 'deep dives' into diagnosis groups that are noted to be higher than expected, visiting other NHS Trusts and working collaboratively with NHSI. Whilst still an outlier, our HSMR is on a downward trajectory and we predict we will be within the expected range within the next 12 months. Improvements have been made to the management of pneumonia and sepsis, but further quality improvement initiatives are needed to drive change and reduce variation in care, for example; implementing care bundles across key diagnosis groups.

As a key focus of our patient safety agenda, during 2018/19 we set out to continue improving the management of sepsis<sup>7</sup> and pneumonia<sup>8</sup> by further development and embedment of the Surviving Sepsis campaign and pneumonia care bundles.

The sepsis six care bundle is designed to treat patients with sepsis and to prevent them from deteriorating. Any patient with a NEWS-2 score of five or more should be suspected of having sepsis. The hospital's sepsis six box contains all the resources required to complete the screening and the six interventions that should follow in managing patients suffering from sepsis.

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<sup>7</sup> Sepsis is a harmful systemic host response to infection which could lead to severe sepsis characterised by failure of one or more major organs like the cardiovascular system (septic shock), respiratory system, renal, central nervous system, liver, gut etc. The incidence of severe sepsis and septic shock is increasing affecting millions of people worldwide. UK mortality for severe sepsis is 30%.

<sup>8</sup> Pneumonia is one of the most common infectious diseases. It is the leading condition contributing to GEH's high HSMR.

Work undertaken throughout the year, some ongoing, in relation to our surviving sepsis campaign were as follows:

- The launch of the National Early Warning System-2 (NEWS 2) in July 2018 to align with the national Track and Trigger system.
- To improve screening at the point of admission in our emergency department we introduced an electronic system during October 2018.
- In tackling any issues with ward-based screening a trial took place on individual escalation and observation plans for patients requiring ongoing sepsis support.
- Developing plans to create a medical emergency team to address the need for a lead clinician to decide on the escalation levels and levels of care of the deteriorating patient, especially when diagnosing sepsis with organ failure and septic shock.
- Performed a study focussing on the management of septic shock induced hypo perfusion<sup>9</sup> in the critical care setting on a selection of patients identified in ITU with septic shock. Results from this study have led to improvements such as the implementation of a new fluid chart highlighting fluid challenges;
- Further education in the management of septic shock and extension of electronic record keeping for ITU and the outreach teams.
- Introduced an electronic guide to streamline antibiotic prescribing (a micro guide).
- Carried out a clinical audit, focusing on septic shock and the deteriorating patient.

We are continuing our journey to improve the management of community acquired pneumonia, we have further developed and embedded the pneumonia care bundle as best practice within the organisation. The diagnosis and management of pneumonia is optimal and essential in providing high quality, safe care and contributes to bringing our mortality rates back into the expected range. The pneumonia care bundle has been revised and a baseline audit was undertaken with a new improved care bundle being launched at the end of October. Audits are ongoing to ensure the bundle is being completed and in particular, to measure the impact on the care management of this group of patients.

Assurance regarding the progress against meeting the aims of all the Trust quality goals is monitored by the Trust's Quality Assurance Committee within the monthly quality commitment spotlight reports.

### Medicines management

In North Warwickshire at least 10,000 people are living with diabetes<sup>[1]</sup>. This translates into a £42 million local spend per annum on treating the associated problems and complications of those with diabetes, such as heart attacks, strokes and amputation. In the Trust's quest to reduce avoidable harm from medicines, with a focus on insulin, our aim has been to use our already stretched social and health care budget more cost-effectively to the benefit of our diabetic patients<sup>[2]</sup>.

When an insulin error occurs it can result in an increased length of stay of up to three days and impacts greatly on the patient experience. Therefore our aim this year was to reduce the insulin error rate by a third and in order to affect this change we:

- Arranged an insulin roadshow for all staff which took place in August - information sheets and resources were issued to clinical staff highlighting insulin safety and giving top tips on

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<sup>9</sup> Hypo perfusion (shock) is the inadequate delivery of vital oxygen and nutrients to body tissues, which if left unchecked will result in organ system failure and death.

<sup>[1]</sup> Five years ago National audit data showed that the rates of hospital admissions for diabetes related problems/complications was approximately 25 per cent lower at the GEH compared to the UK National average; a recent clinical audit has shown the Trust now compares more closely to the National average

<sup>[2]</sup> Following financial analysis of the current budget and using the pharmacy service review improvement action plan, an estimated saving of around £53k per annum has been put forward by the Chief Pharmacist



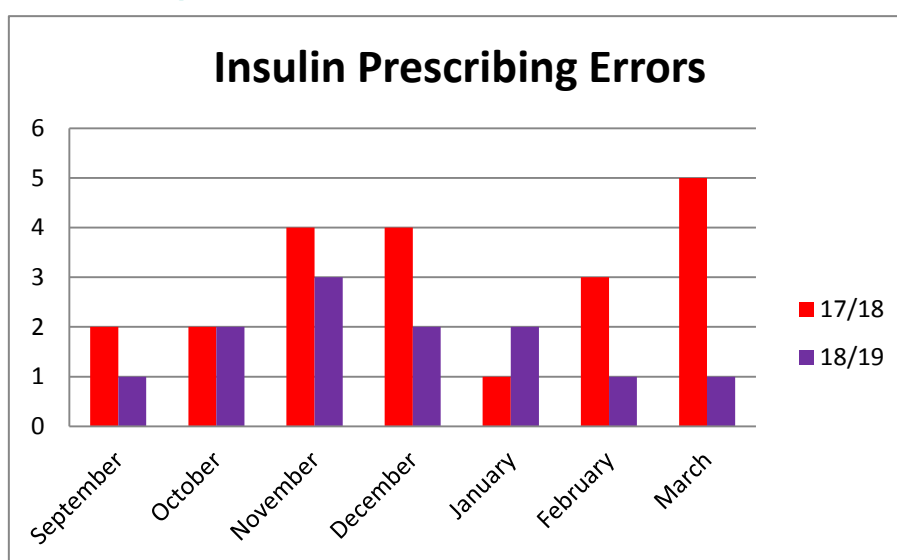
regimes, types of insulin and diabetes emergencies in the care management of diabetic patients.

- Shared information with our nursing staff about insulin safety via the Daily Brief ward-based communications system.
- Shared learning with staff at the Trust's regular Grand Round meetings
- Improved the clinical pharmacy presence across all wards promoting education of medical and nursing staff about insulin errors when they occur.

The majority of these interventions were initiated during the summer of 2018 and although we have not met our original aim; good progress has been made. Furthermore, analysis of a year-on-year comparison following the insulin roadshow against previous years has shown prescribing errors down from 21 to 12, a reduction of 43 per cent.

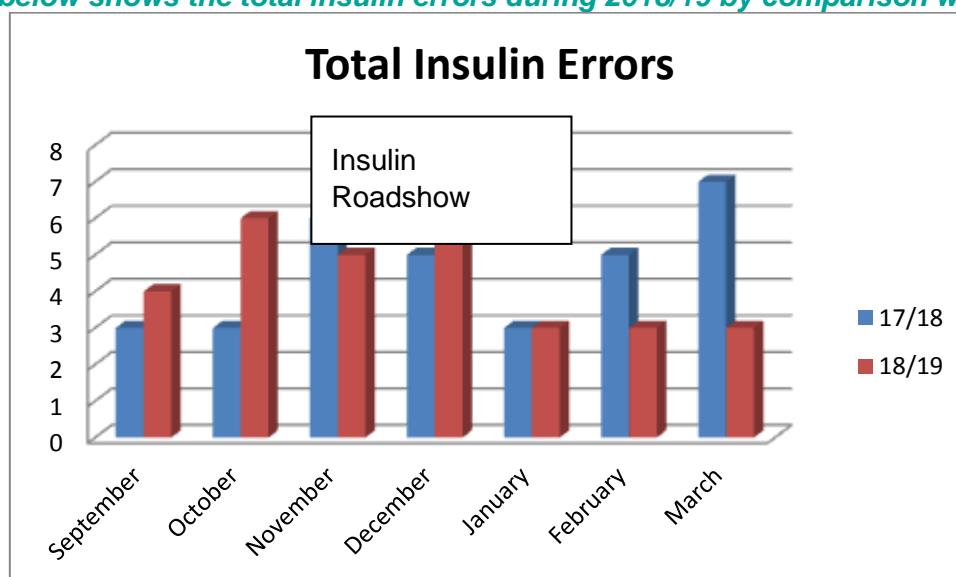
Overall, we have seen a downward trend in our insulin prescribing errors across the year (figure 1.2), with a significant reduction showing in Quarter 4.

**Figure 1.2: Comparison of insulin prescribing errors for the period September to March 2017/18 against the same period in 2018/19**



It should further be noted that Quarter 4, figure 1.3 below, also showed a significant reduction in the total insulin reported errors.

**Figure 1.3 below shows the total insulin errors during 2018/19 by comparison with 2017/18**





Whilst the annual total of all insulin errors across 2017/18 and 2018/19 has not changed, 32 for each time period, we have had an increase of 114 per cent in the number of reports of missed doses relating to insulin administration, which is likely to be as a result of raised awareness about insulin errors following the roadshow. More analysis of this data is taking place to further reduce the incidence of missed insulin doses.

Other work undertaken by the Trust during the reporting period aimed at improving the pharmaceutical service delivery included the following:

- Following a review of the delivery of the pharmacy service to identify how medicines management and medicines optimisation across the Trust was performing within the resources available, there was a repurposing of the team to support consistent delivery of the service, with increased vigilance for all medication use, including critical medicines.
- During World Antibiotic Awareness Week<sup>[4]</sup> the pharmacy team and the infection prevention team manned a display stand highlighting and championing antibiotic / antimicrobial stewardship.
- Initiated discussions with West Midlands Ambulance Service on the implementation of the Green Bag Scheme,<sup>[5]</sup> and how we can work together to increase the use of these. This will improve the patient journey and experience when transferring from primary to secondary care for treatment; in turn reducing missed prescriptions, repeat prescribing and overall medicines costs.
- Insulin safety is now a regular item at the joint grand round sessions, where the lead Consultant and Medicines Safety Officer raises awareness of best clinical practice in diabetes care and support resolution of local issues relevant to diagnosis and treatment.
- Every medication error, including those involving critical medicines, is investigated by the Medicines Safety Officer with a view to empower learning from incidents.

The development of a Diabetes Strategy by the diabetes and pharmacy teams has also taken place which, with investment, will include:

- The implementation, integration and embedding of the Strategy over the next five years and beyond.
- The establishment of an insulin safety team where a diabetes specialist nurse and a specialist pharmacist will bring the clinical expertise and knowledge required in supporting the roll out of the strategy.
- A focused education and training programme for clinical teams on timely review of patients, with the support and expertise of the insulin safety team. This programme aims to raise greater awareness of parameters such as overuse of insulin infusions and seeking a reduction in severe hypoglycaemic events.
- Launch of a Trust-wide insulin audit programme and the introduction of a mandatory training session for all staff involved with the prescribing, or administration of insulin.

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<sup>[4]</sup> Each November, World Antibiotic Awareness Week (WAAW) aims to increase global awareness of antibiotic resistance and to encourage best practices among the general public, health workers and policy makers to avoid the further emergence and spread of antibiotic resistance.

<sup>[5]</sup> Green Bags are heavy duty plastic bags designed for patients to use to carry all their medicines when transferring from one care setting to another e.g. home to hospital, hospital to care home. It supports patients when they are transferring from one care setting to another as this greatly reduces the risk of mistakes being made and critical medicines being omitted or delayed. Also, medicines are reused wherever possible to reduce medicine waste.

During 2019/20 the pharmacy team will also focus on the following:

- To review, update and disseminate the Critical Medicines (CMs) list to ensure there is a greater awareness of what CMs are available within the hospital.
- Following the above, a revised procedure for reporting on the Datix incident reporting system, to include a highlighted tab for CMs to improve analysis of related errors.
- The introduction a medicines management section on the Trust's clinical portal to give a live picture of all administered CMs for Trust inpatients. This would include VTE prophylaxis, intravenous (IV) antibiotics use and identification septic patients.
- Recruitment of pharmacists to additional posts to provide further support to areas lacking regular pharmacy input for example the Emergency Department, Clinical Decisions Unit, etc. The long term plan is for these posts to be specialist pharmacists working in designated areas and fully integrated into the divisional multi-disciplinary teams.
- Provide educational support to empower our patients in supporting their own care and wellbeing, leading to fewer hospital admissions.

Moving forward, the Trust will aim to continue to improve the pharmaceutical service for patients from the point of admission to prompt earlier detection of problems with medicines to enable earlier resolution and support better care management for patients during their stay in our hospital.



Productivity &  
Efficiency

► We will improve proactive and safe  
discharge for our patients

As one of our key quality improvement targets, the Trust has been working hard to continue with strategies, and introduce new ones, in its bid to effectively improve patient flow, from admission to discharge, for all who access care at our hospital. The following demonstrates progress against this work achieved over the past year:

### Red2Green

The Red2Green (R2G) philosophy<sup>10</sup> has been present at the Trust for two years now as part of our focus to improve patient experience by reducing unnecessary delays. Since its implementation in 2017, we have seen significant development of the in-house R2G data capture reporting tool, proactive engagement with the philosophy from nursing and administrative staff, and national recognition for the work we are doing locally. The language of R2G is becoming an embedded part of the daily capacity meetings, and the tool is relied upon to inform actions in support of patient flow by clinical and operational teams alike.

Notwithstanding the above success, work is ongoing to further increase the level of embedment, sustainability and use of R2G for it to become 'business as usual' across the Trust. There is much confidence from the executive team in the work programme and a real drive from staff to improve the patient journey using such initiatives.

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<sup>10</sup> Turning patients 'red' days (when a patient does not receive an intervention, eg x-ray, blood test, physio etc) into value added 'green' days where a planned diagnostic takes place supporting progress in the patient care journey towards recovery and discharge

The Trust recognises that R2G on its own will not deliver the change required to improve emergency flow and reduce length of stay, which for our elderly and most vulnerable patients decreases their overall wellbeing and confidence and increases muscle degeneration the longer they are bedbound and inactive in hospital. However, it is the enabler to these goals through the identification of wasted time in a patient pathway for which such focused initiatives and strategies can be employed.

In responding to the success of 2017/18 where we achieved our target with an increase in the number of discharges back to the usual place of residence, by 2.5 per cent, we set an ambitious target to continue this improvement trajectory by 7.5 per cent in 2018/19.

However, we had a challenging year with increased levels of emergency activity, meaning we only saw an average increase of 2.97 per cent. This is still seen as positive and upholding the continuous improvements made to our emergency pathways; both by reducing length of stay and increasing our admission avoidance strategies for our most vulnerable patients. It is clear that with clinical and operational engagement and support, ensuring proactive and safe discharge can be a success. R2G in particular features as part of the quality commitments in ensuring effective and safe discharge for our patients with a continuous improvement and continued engagement to ensure there remains a focus on safe and proactive discharge.

### Emergency Care Improvement Programme

As part of the Emergency Care Improvement Programme (ECIP) during 2018, with the support of our Patient Forum, we carried out a survey on how we were keeping patients informed and involved in their progress, using four key questions. The aim was to understand the patient's knowledge of their condition and reason for admission and to ensure they were fully informed and engaged in their discharge planning:

Question	Response Rate / Outcome
<b>What is wrong with me or what are they trying to exclude?</b>	<ul style="list-style-type: none"> <li>• <b>77% of patients</b> knew what was wrong with them</li> </ul>
<b>What have we agreed that will be done and when to 'sort me out'?</b>	<ul style="list-style-type: none"> <li>• <b>70% of patients</b> knew what was being excluded</li> </ul>
<b>What do I need to achieve to get me home?</b>	<ul style="list-style-type: none"> <li>• <b>97% of patients</b> knew what they had to achieve to be discharged home</li> </ul>
<b>Assuming my recovery is 'ideal' and there is no unnecessary waiting, when should I expect to go home?</b>	<ul style="list-style-type: none"> <li>• <b>89% felt</b> they had enough information regarding their discharge</li> </ul>

The results of the audit were very positive and reflected the effective communication between staff and our patients to plan their discharge. However, as we identified that a number of patients sometimes have difficulty recounting this important information to their families thereafter, we are now trying out new approaches. For example, the development of a communication tool where the nurse from the ward round will brief the families, as required, helping them to understand what has been agreed. This was successfully piloted on two wards and will be rolled out across the Trust during 2019.

Other audits have taken place over the year including a snapshot survey to give assurance that patients were receiving a copy of their EDS<sup>11</sup> (electronic discharge summary) at the point of

<sup>11</sup> The EDS gives an outline of the reason for the in-patient stay, ongoing care and medications and is the summary sent to the GP to ensure good communication of ongoing care requirements. This also helps informs the patient to know what the plans are following discharge.

discharge. The audit took place across two days of all discharges from in-patient and 100 per cent received a copy of their EDS.

### Adult Inpatient Survey and A&E Surveys

In looking at whether we are improving our patient discharge results from the NHS England Adult Inpatient Survey and A&E Surveys, when we analyse the results of the Inpatient Survey 2018 (presented in comparison to the 77 organisations also surveyed by Picker), the response rate was 39 per cent which is an increase on last year's survey. A key area of focus will be on improving our discharge processes as comparator analysis over the past four years, where a sample of points within discharge process have remained on average quite stable:

Question regarding area of discharge	2017	2018	Average 2014-18
<b>Felt involved in decision about discharge</b>	83%	79%	84%
<b>Given enough notice about when discharge would be</b>	89%	86%	86%
<b>Discharge not delayed</b>	56%	58%	60%
<b>Knew what would happen next with care after leaving hospital</b>	85%	84%	84%
<b>Told the purpose of medications</b>	91%	86%	91%
<b>Given clear written / printed information about medicines</b>	88%	76%	85%
<b>Family or home situation considered</b>	86%	80%	82%
<b>Told who to contact if worried</b>	79%	72%	77%
<b>Discussed need for further health and social care services</b>	84%	82%	83%

These results give us a sound evidence base for realigning our improvement plans and we will be working with Picker to present the results and to facilitate an improvement workshop to help us decide priority areas for development for the year ahead.



People Experience

- We will improve care for patients at their end of life
- We will improve the lives of people with dementia, their families & carers from admission to discharge
- We will improve recruitment and retention

### Palliative and end of life care

Palliative and end of life care is provided to patients who have a variety of life-limiting conditions such as (and not limited to); heart and vascular disease, respiratory disease, cancer, neurological disease, dementia and frailty. It may be given on any ward or within any service in the Trust. It includes aspects of essential nursing and medical care, specialist palliative care (SPC), and bereavement and mortuary services.

End of life care (EoLC) at a strategic and operational level is quality assured and monitored by the Strategic and Operational EoLC Working Group which is chaired by the Medical Director and has patient representation within its membership. The group works to embed a clear strategy alongside



quality and safety measures which inform and empower our staff to deliver holistic, compassionate, patient-centred best practice care, ensuring that the patient and those important to the patient have their priorities identified and delivered wherever possible.

During this reporting period there has been significant focus and progress made under the leadership of the Medical Director and the Trust is delighted with the huge improvements that have led to the service being rated as 'good' by the CQC following a lesser rating the previous year.

In December 2017 the group developed an EoLC Strategy, which is reviewed on an annual basis, and designed as a 'plan on a page' to make it simple to follow. Our vision to ExCEL at compassionate person centred EoLC, is in line with our Trust-wide values and embodies the desire to deliver the highest possible quality and safety standards in EoLC.

During 2018/19, the following progress can be aligned to the Trust's EoLC Strategy:

- **Establishment of a substantive SPC Team:** consisting of two consultants in palliative medicine, a lead nurse, two Macmillan palliative care clinical nurse specialists and two palliative and EoLC facilitators.
- **Personalised Care Planning:** The Trust uses best practice tools to support evidence based effective end of life care. Tools such as:
  - The AMBER Care Bundle, to recognise and communicate uncertainty if the patient may recover; and supports care of the dying person and their family in the last hours or days of life; and RIPPLE to support a rapid discharge home to die.
  - The Trust has trialled use of further tools such as SPICT© (Supportive and Palliative Care Indicators Tool) to support the appropriate identification of patients who may be coming to the last year of life to ensure adequate communication and advance care planning is initiated.
- **Shared records:** Promoting the use of CASTLE (Care and Support Towards Life's End) Register, a Coventry and Warwickshire wide electronic palliative care co-ordination system to enable patient preferences to be shared with all those involved in their care.
- The SPCT have worked with our clinical audit team to create an approach to improve the quality of discharge summaries written for patients which communicates important information to GPs and community teams. The approach being taken is called 'GREAT Discharges'.
- The second round of the **Care of the Dying Evaluation CODE™ survey** looking at deaths from September 2018 to February 2019 where the average quality of dying score showed an increase from 44 to 48/61. Also, 97 per cent of families (previously 88 per cent) felt they were adequately supported during the last two days of the patient's life and that staff dealt with them in a sensitive manner following the patient passing. This concurs with the increase in positive qualitative feedback, recognising the empathy and commitment of staff to deliver high quality care. These results reflect that the Trust's efforts to improve end of life care to patients and their families is having a positive impact.
- Further evidence of improvement has been supported by work undertaken in conjunction with NHSI. This included a **joint Hospice UK/NHS Improvement Project** called ELCHIP (End of Life Care Hospitals Improvement Programme). As part of this project the Trust identified that the overall aim was to develop and deliver a multifaceted education programme that encompasses best practice tools, alongside pillars of evidence based on good EoLC delivery.
- **NHSI visited the Trust in May 2018**, reviewing progress of improving EoLC, discussing the relationship with the ELCHIP project and how the getting to good programme works alongside it. They reported back that strong executive support has been observed, a cohesive and committed team to improve EOL services, with clear oversight of what had been undertaken in response to the CQC report and had a strategy defined and presented as a plan on a page.

- **Education and training:** The SPC Team, supported by the Chaplaincy team, has provided education and training sessions on a number of specific and general programmes, including Trust-wide clinical care updates and nursing induction. To date the SPC team has delivered education to more than 1,000 members of staff – 73 per cent of the clinical workforce. There was a public engagement event in November 2018 to promote and signpost to services available to terminally ill patients and their relatives in Warwickshire North.
- **24/7 access:** The GEH SPC Team is available five days a week for face-to-face assessment, advice and education. Out of hours, specialist palliative care advice can be sought from community and local hospice.
- In April 2018 the Trust welcomed a Macmillan senior clinical psychologist. This role is pivotal in provision of direct clinical work (specialist psychological assessment, formulation and intervention) to patients who are receiving palliative treatment or are at the end of their life. They also offer consultation and advice to staff on a patient's psychological care, staff wellbeing, external stakeholder engagement and collaborative working, and delivering education and training.

The palliative and EoLC at GEH has executive-level leadership and dedication from the SPC team to ensure the Trust works well together, capitalising on the good work already being done and helping to shape a structured, cohesive and integrated service with clear accountability at all times. This enables delivery of the best possible palliative and EoLC to the region, incorporating research and innovative measures to ensure that GEH is at the forefront of best practice high quality palliative and EoLC delivery.

### Implementing a Dementia Strategy

To further improve the lives of people with dementia, their families and carers; a broad internal consultation, in partnership with external partners, has taken place and the Trust has developed and began implementing a Trust wide Dementia Strategy 2018-2020. This is underpinned by an operational plan that describes our strategic objectives and our plans to achieve them. The strategy is evidence based and reflective of NHS England's Transformational Framework – The Well Pathway for Dementia. The purpose of the strategy and operational plan is to ensure people with dementia, their carers and significant others, receive high quality, compassionate care from admission to discharge, based on evidence, local and national best practice and guidance. The strategy and operational plan received board endorsement in August 2018 with the Board of Directors (who became Dementia Friends) and was implemented throughout the Trust in the final half of 2018.

There is now a dedicated lead doctor and lead nurse for dementia, practicing and influencing dementia care in clinical practice providing expert guidance and leadership to implement the dementia strategy. As part of our bespoke dementia and vulnerable persons training day, staff became dementia champions acting as patient advocates, carer liaison and staff advisors within their areas of work. Work is currently underway on a proposal for a dedicated dementia team, including the role of dementia key worker or activities coordinator. Practitioners in occupational therapy act as key workers within ward areas to promote the dementia strategy and enhance the care of patients with dementia and their relatives.

### Recruitment and Retention

The Recruitment and Retention Strategy originates from the Trust's 'Vision for our Workforce by Improving Recruitment and Retention' and supports the Trust's aim 'to deliver safe, high quality care; by having people in the right numbers, doing the right things at the right time.' Embedding this strategy through an effective action plan and promoting GEH as the employer of choice is was a key aim of this year's Quality Commitments which link experience with improving patient outcomes.



The Recruitment Strategy sets the future vision for the Trust's recruitment activity and the main elements that will underpin successful delivery. Despite the existence of recruitment plans with more targeted campaigns, including overseas recruitment, vacancies in medical and nursing are projected to remain high due to ongoing national shortages. Notwithstanding this, through collaborative working and more streamlined processes the strategy has achieved the following:

- More streamlined recruitment processes through continued investment in an applicant tracking system (Trac) which has helped to reduce time to hire from 56 working days in 2017, to an average of 35 working days in 2018
- Widened advertising platforms through increasing social media advertising
- Through the apprenticeship levy we have introduced alternative methods of building a career path to assist with both widening the pipeline into registered nursing and extending the career ladder to everyone working in direct patient care
- Introduced and embedded a transfer policy for nursing staff to aid retention levels
- In respect of being an Employer of Choice we have taken steps to showcase the benefits of working at GEH; provided guidance to applicants on what to expect from the recruitment and selection process, including how to prepare for interview; and developed a universal advertising template to provide a consistent and more professional image
- Continued to embark on overseas recruitment campaigns for nursing with 18 professionals choosing us between 1 January and 31 December 2018
- Established new links with universities to target newly qualified nurses
- The 'Grow our Own' ambition, by providing employees with the opportunity to upskill through the apprenticeship levy
- Embedding a high-performance, value-based culture by providing information at the outset of GEH Values and our Compact Agreement.

Our actions, achievements and challenges are SMART (Specific, Measurable, Achievable, Relevant and Time bound) enough to enable that staff performance year on year is assessed and actions refreshed to keep pace with our changing healthcare environment. Furthermore, we aim to ensure that equity, fairness and transparency inform our policies, practices and processes. Progress against the action plan has been reported and reviewed for assurance at the People Experience Group on a bi-monthly basis since implementation in January 2017.

Our achievements are clearly measurable against our following commitments:

1. Improving people's experiences and aiming to develop and implement a recruitment and retention plan 2018/19 by:
  - Achieving a staff engagement score, rated at 7.0, which is the national average
  - Achieving a rolling staff turnover reduction of 14 per cent at end of December 2018
  - Reducing agency spend, from 8.44 per cent to a rate of 7.40/8 per cent.
  - Reducing nursing vacancy rates to 8.49 per cent
  - Recruitment of 52 apprentices
  - Increasing starter headcount from 505 in 2017 to 546 in 2018
  - Achieving a steady reduction, from 24 per cent to 17.25 per cent in our medical and dental vacancy rate.
2. Promoting GEH as the employer of choice for hard to fill medical and nursing vacancies by:
  - Delivering 480 advertising campaigns demonstrating clear supervision, guidance and benefits of working at GEH
  - Promoting career events using Facebook, Twitter, Health Jobs UK, Job Centre Plus, Trac Training etc
  - Established and appointed:
    - an allied healthcare professional apprenticeship
    - Seven nursing associate apprenticeships
    - 18 international nurses



- Upskilled 42 employees
- 71 per cent of staff recommended GEH as an employer of choice

Overall, use of new recruitment system 'Trac' was rated at 90 per cent (excellent or good).

In addition to aspiring to meet the Trust's quality commitments for this reporting period, we need to show progress against the requirements set out in NHS Improvement's 2018/19 reporting arrangements for quality accounts<sup>12</sup>, the quality account toolkit and the Department of Health and Social Care (DHSC) Group Accounting Manual.

This information is included in the following section.

### The value and banding of the summary hospital-level mortality indicator ('SHMI') for the Trust for the reporting period

The Trust has an established mortality governance system and is continuously striving to improve processes to help minimise preventable in-hospital mortality. The Trust promotes an open culture of facilitating learning from care provided to patients who die while in the hospital, or shortly after discharge.

We use a variety of mortality monitoring measures such as standardised mortality rates (Summary Hospital Level Mortality Indicator – SHMI\* and Hospital Standardised Mortality Rates – HSMR \*\*) and qualitative information from deceased patient case note reviews to inform the mortality review processes. (SHMI data and banding are public data made available by NHS Digital)

The SHMI for GEH has increased and was published as higher than expected from October 2017 – September 2018. The values are presented in the table Figure 1.4 below.

**Figure 1.4: SHMI figures and banding October 2017 to September 2018**

Indicator	Reporting Period	
	July 2017 – June 2018	October 2017 – September 2018
<b>SHMI GEH</b>	1.14 (higher than expected)	1.14 (higher than expected)
<b>SHMI England</b>	1	1

\*SHMI data source NHS Digital<sup>13</sup>

A certain level of insight can be gained from understanding the characteristics of the national mortality indicator and what is driving them. It should be used as a 'smoke alarm' to prompt further investigation by the Trust, and not used in isolation as a headline figure of the Trust's performance.

Actions are underway to investigate the potential causes of the increased SHMI and to provide assurance that the care deceased patients received was appropriate. We have also been working hard with our local commissioners and NHSI colleagues and have conducted in-depth analysis and focused case note reviews.

<sup>12</sup> NHSi letter to NHST&NHSFTs chief executives dated 17 December 2018 from the Executive Medical Director and Chief Operating, Dr Kathy McLean

<sup>13</sup> 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. It includes deaths which occur in hospital and deaths which occur outside of hospital within 30 days (inclusive) of discharge. \*\*HSMR is the ratio between the actual number of patients who die following hospitalisation at the Trust and the number that would be expected to die on the basis of average England figures, given the characteristics of the patients treated there. The indicator is based on 56 diagnosis groups which contribute to 80 per cent of in-hospital deaths in England.



It is well known that the mortality statistics are very sensitive to data quality and variation in data between acute Trusts in England. The statistically calculated expected mortality rate was lower from the second half of 2017/18, which resulted in a higher SHMI. However, the number of deaths has not changed significantly. At the same time in England, admissions for the same patient diagnoses has also increased leading to a lower expected mortality rate. Whilst we cannot influence the variation in data across England, we have identified areas where we can potentially improve our data, which could lead to a correction in our expected mortality. Actions are in place to address this work.

### **The percentage of patient deaths with palliative care coded at either diagnosis or speciality level for the Trust for the reporting period**

This contextual indicator shows the percentage of deaths reported in the SHMI dataset, where the patients received specialist palliative care as identified by the clinical coding (Figure 1.5). This is an indicator to accompany the SHMI. SHMI makes no adjustments for palliative care because there is considerable variation between trusts in the coding of palliative care, which will have an impact on the national average.

The Trust has seen an increase in the percentage of deaths reported in SHMI with palliative care from one reporting period to the next. However, the percentage of deaths with palliative care is lower compared to England. Improving care for patients at their end of life was a quality commitment for 2018/19 and significant progress has been made this year against this priority. Our recent CQC inspection rating for end of life care (EoLC) service went from 'Inadequate' in 2018 to 'Good' in 2019 which we are very proud of. The governance and leadership around EoLC have been significantly strengthened and the Trust is systematically auditing and measuring the quality of care. For more information on the improvements made to our EoLC service please see page 33.

**Figure 1.5: The percentage of patient deaths with palliative care coded at either diagnosis or speciality level for the Trust for the reporting period**

Indicator	Reporting Period	
	July 2017 – June 2018	October 2017 – September 2018
<b>Percentage of deaths reported in the SHMI with palliative care coding at either diagnosis or speciality level – GEH</b>	20.2	22.2
<b>Percentage of deaths reported in the SHMI with palliative care coding at either diagnosis or speciality level – England</b>	33.0	33.6

### **Learning from Deaths**

In 2017/18, the Trust had a three-level mortality review process however; in 2018/19 the Trust phased out the level two mortality review and fully implemented the evidence-based methodology developed by the Royal College of Physicians (RCP) for reviewing deaths, the Structured Judgement Review (SJR). This methodology is also endorsed by the National Quality Board.

Learning from deaths of patients in our care is underpinned by the SJR Process in collaboration with Bereavement Services, PALS, Complaints and Serious Incident Reporting and the Investigation Process. Outcomes are monitored on a monthly basis and reported to the Mortality and Deteriorating Patients Group. There is monthly representation at both meetings from the End of Life Care Team and the Patient Safety and Mortality Team to help drive improvements in the quality of care for our patients.

The 'overall assessment of care' score as classified by the RCP where 1 = very poor care and 5 = excellent care indicates that GEH has delivered 'g' or 'excellent care' in the majority of cases. During 2018/19, three cases were classified as 'very poor care' and seven classified as 'poor care'. All SJR's classified as 'poor care' are subject to further scrutiny and discussion at the Mortality and Deteriorating Patients Meeting. 'Very poor care' is reported as an internal serious incident and subject to a Root Cause Analysis (RCA), which is presented at the Trust's Serious Incident Group.

The table at Figure 1.6 below outlines the total number of deaths, reviews undertaken for the reporting period and how many of those deaths were more likely than not to have been due to problems in care provided to the patient. It is estimated that on average 2.1 per cent of all deaths in 2018/19 at GEH were more likely than not to be due to problems in care, based on the structured judgement review score of 1 or 2 (very poor or poor care identified).

**Figure 1.6: Learning from deaths – number of deaths and reviews undertaken during 2018/19**

FY Reporting Period	Total Deaths	Level 1 Mortality Review (October 2017 Onwards)	Structured Judgment Review (Oct 17 Onwards)	% Structured Judgement Review completed against target (20 per month)	Reviews Graded 1 (Very Poor Care)	Reviews Graded 2 (Poor Care)	% estimate of all deaths Graded 1-2 (Poor or Very Poor Care)
Quarter 1 2018/19	221	153	29	48	0	1	0.5
Quarter 2 2018/19	181	135	40	67	3	2	1.1
Quarter 3 2018/19	189	129	34	57	0	4	2.1
Quarter 4 2018/19	233	187	49	87	0	8	3.4

Themes identified and key learning for improvement to the quality of patient experience in the final stages of life from the RCA and SJR's highlighted that:

- Early recognition of the dying patient may prevent inappropriate observations, investigations and treatment;
- Early recognition and escalation of the deteriorating patient;
- Explicit management and treatment plans documented in the patient records;
- Improved communication with family and undertaking difficult conversations to prepare family and carers for the patient's end of life care will improve patient and family experience;
- Full and clear completion of the Recommended Summary Plan for Emergency Care and Treatment (ReSPECT) documentation – ensure patient/carers discussions and wishes with regards to the ceiling of care and DNACPR<sup>14</sup> decisions are clearly documented;
- Hospital admission is potentially preventable with advanced care planning or end of life care planning in place in the community.

The Trust developed a Mortality Strategy and Improvement Plan at the end of 2018 and actions are in place to improve the themes identified above, as well as improving the governance process and shared learning of mortality reviews. This is monitored through the Mortality and Deteriorating Patients Group.

<sup>14</sup> Do not attempt cardio pulmonary resuscitation

## Never Events

The Trust's aim is to have zero Never Events. The Trust has reported one never event during the 2018/19 year. This involved administration of air instead of oxygen to a patient. There was no harm to the patient and a full investigation was undertaken. An action plan was developed to prevent the reoccurrence of the incident and compliance of the action plan was monitored at local directorate and divisional governance meetings.

When a Never Event occurs a full root cause analysis (RCA) is undertaken and is presented at our Serious Incident Review Group meetings and the Trust's Executive Group. The RCA is scrutinised and discussed in detail, themes are identified, and any lessons learned are shared with all teams across the organisation with ongoing monitoring and review at regular intervals to ensure compliance.

## Incident reporting

The risk team continually aspires to reduce harm across the organisation by embedding a culture of safety through training and a robust reporting culture, as higher reporting organisations ultimately have a higher safety culture. By encouraging a positive reporting culture this enables proactive learning to be shared at every level across the organisation.

As shown below at figure 1.7 over the year, there has been an increase in incident reporting Trust-wide.

**Figure 1.7: Incident reporting rate**

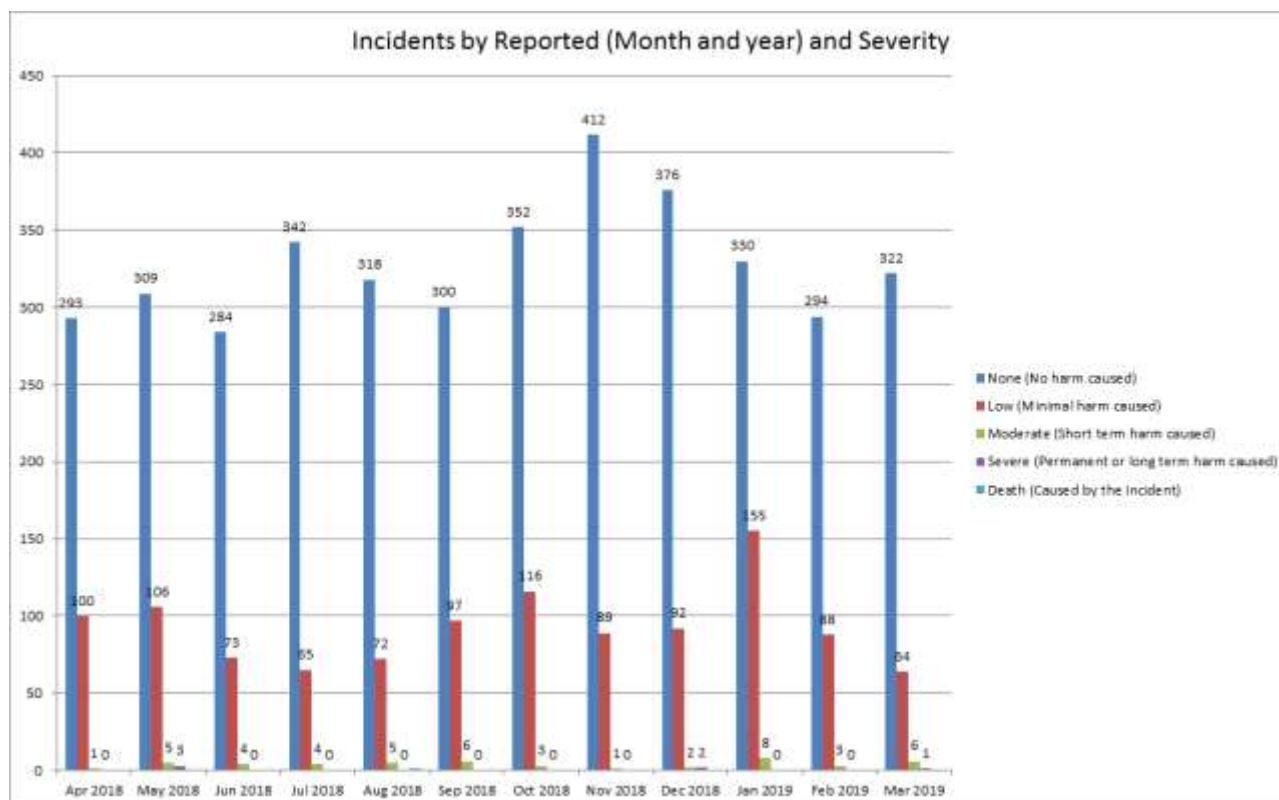


The team continues to undertake incident investigation training, focusing on reporting and investigating incidents, Duty of Candour, Human Factors and root cause analysis training. All new starters at the Trust receive Datix incident reporting training to enable all staff the knowledge on how to report incidents via the Datix Risk Management system (DRMs). Feedback to reporting staff is automatic; also, when incidents are investigated and closed the reporter will receive feedback from the incident completing the reporting process.

There is a continuous drive for the completion of Excellence forms on the DRMs. Learning from Excellence is a key feature of the Datix e-form enabling staff to highlight areas of excellence in clinical practice that are then shared across the Trust. This facility enables all staff to acknowledge excellent team work, patient care and safety.

The chart in figure 1.8 below shows the number of patient safety incidents reported at GEH, the number and, where available, rate of patient safety incidents reported within the Trust, during the reporting period, resulting in severe harm or death.

**Figure 1.8: Incidents reported for each month and severity recorded**



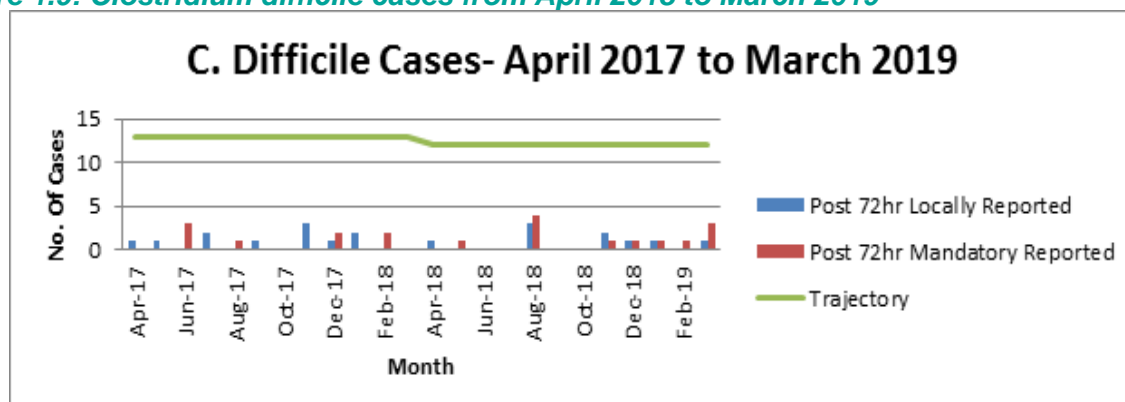
All reported incidents are monitored through the Directorate Governance meetings, with a monthly report submitted to the Patient Safety Group and the Quality Assurance Committee. The report focuses on trends, themes and learning from incidents. The monitoring of all incident actions is monitored centrally, and action plans are updated with evidence of assurance on completion of actions.

### Healthcare Associated Infections

Our Infection Prevention team continues to be diligent in their aim to reduce healthcare associated infections to a low or zero incidence rate for all patients attending our hospital.

During the reporting period of 2018/19 in an aim to reduce **Clostridium difficile (C-diff)** incidence RCAs were carried out on all cases to highlight and action any learning. As highlighted below in Figure 1.9 since April 2018 the Trust has reported 12<sup>15</sup> mandatory, post 72-hour cases to date.

**Figure 1.9: Clostridium difficile cases from April 2018 to March 2019**



<sup>15</sup> The rate per 100,000 bed days (GEH reporting at 111,969 for 2018/19 for occupied bed days) of C-difficile infection reported within the Trust amongst patients aged 2 or over is 10.71%.



Four cases were deemed avoidable as the patients all had lapses in care for various reasons, but predominantly for failure to send specimens for testing early enough. The other six cases were unavoidable due to no lapses in care found during the RCA investigations. These were all agreed with Coventry and Warwickshire North Clinical Commissioning Group following discussion of each case.

## Implementing the priority clinical standards for seven-day hospital services (7DS):

New guidance was published by NHSI in the Spring of 2018<sup>16</sup> on the reporting of the 7DS clinical standards<sup>17</sup> - see Figure 1.10 below. This required all acute trusts to complete and report their progress in the implementation of the standards. Using the 7DS board assurance framework set of principles a Trust-wide audit was carried out in Spring 2018. The assessment detailed progress against all the clinical standards relevant to our organisation, which, prior to submission, was reported and scrutinised at Board level.

**Figure 1.10: Four priority (7DS) clinical standards**

Priority clinical standards	<b>Standard 2:</b> Time to consultant review <b>Standard 5:</b> Diagnostics <b>Standard 6:</b> Consultant-directed interventions <b>Standard 8:</b> Ongoing daily consultant-directed review		
These priority standards have been selected from 10 clinical standards developed by the NHS Services, Seven Days a Week Forum as they are most likely to have the greatest impact in tackling variations in mortality, patient flow and experience.			
<b>Standard 2</b>  All emergency admissions must be seen and have a thorough clinical assessment by a suitable consultant as soon as possible but at the latest within 14 hours from the time of admission to hospital.	<b>Standard 5</b>  Hospital inpatients must have scheduled seven-day access to consultant-directed diagnostic tests and completed reporting will be available seven times a week: <ul style="list-style-type: none"><li>• Within one hour for critical patients</li><li>• Within 12 hours for urgent patients.</li></ul>	<b>Standard 6</b>  Hospital inpatients must have timely 24hour access, seven days a week, to consultant-directed interventions that meet the relevant specialty guidelines, either on-site or through formally agreed networked arrangements with clear protocols.	<b>Standard 8</b>  All patients with high-dependency needs should be reviewed twice daily by a consultant and all other inpatients should be reviewed by a consultant once daily seven days a week, unless it has been determined that this would not affect the patient's care pathway.

The self-assessment survey outcome revealed the Trust's current position in working towards meeting the 7DS standards, in brief the report outlined:

<sup>16</sup> The new measurement system consists of a standard template that all trusts should complete with self-assessments of their performance against the 7DS clinical standards, supported by local evidence. This self-assessment will then be formally assured by the Trust board. Boards can decide appropriate processes and details to include, based on local systems, governance structures and timetables.

<sup>17</sup> 10 clinical standards have been developed aimed at ending the variation in outcomes for patients admitted to hospitals in an emergency at the weekend. The seven-day hospital services ambition is for patients to be able to access hospital services which meet four priority standards every day of the week.

- Of the four priority clinical standards (PCs), the Trust was compliant in standards two, five and six with elements of PCs eight not being met. Action to focus on meeting this standard has been taken with the:
  - introduction of an Acute Care Team as an emergency response for the deteriorating patient with a NEWS<sup>18</sup> score of seven or above
  - implementation of a Frailty Assessment Team to cover seven-days a week based in A&E and AMU (Acute Medical Unit)
  - enhancement of the respiratory service at weekends
- The other six PCs are based on continuous improvement and cover multidisciplinary team (MDT) review, shift handover, mental health, transfer to community, primary social care and quality improvement, where all progress is being monitored through the divisional team's monthly Integrated Quality and Performance meetings.

During 2018/19, the Trust also continued to implement new and existing initiatives to maintain continuity of services, in particular, emergency and elective workflow, out of hours and weekends, over the seven day period.

The following gives a brief outline of some of the initiatives undertaken in aiming to improve patient flow and patient care during this time:

- A frailty front door service, frailty assessment care in emergency (FACE)<sup>19</sup>, that provides multi-disciplinary input to support the early intervention and assessment of patients who can either be supported in the emergency department, or with early care planning if admission is required. This service operates from 10am to 6pm across the seven-day period and was introduced as part of winter initiatives with plans in place to further improve the model in 2019.
- Partnership working with Warwickshire North CCG to increase therapies' input into the Haven pathway 2 (a discharge to access pathway to the local Haven care home) and enables the use of additional beds with supported care across the week.
- Extended pharmacy hours over the weekends to enhance and improve service provision.
- Conversion of surgical beds to our medical bed base as a dedicated ward to minimise impact of cross-ward outliers and enable safer management of patients through a dedicated medical workforce.

In striving to achieve a seamless and responsive 7DS we will continue to empower our clinical teams by providing the right training, guidance and support at all times. In essence, the organisation must prepare for winter pressures by successful management of capacity through handling our emergency and elective care pathways efficiently and the delivering timely care to our patients all year round.

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<sup>18</sup> NEWS (National Early Warning Score) is a tool developed by the Royal College of Physicians which improves the detection and response to clinical deterioration in adult patients and is a key element of patient safety and improving patient outcomes.

<sup>19</sup> Improving outcomes for frail patients: reducing acute care admissions through timely and responsive comprehensive geriatric assessment and specialist intervention.

## Patient Feedback

### Friends and Family Test

The national Friends and Family Test (FFT) is a quick and simple way of collecting patient feedback to improve services.

As part of the test, patients are encouraged to answer the question “how likely are you to recommend our service to friends and family if they needed similar care or treatment?” with potential answers ranging from ‘extremely likely’ to ‘extremely unlikely’. A follow up question allows service users the opportunity to provide free text comments should they wish to do so.

FFT is gathered in a number of ways including postcards, online, with support from volunteers using iPads and via SMS text messaging.

Results reports are provided on a monthly basis to teams and wards and include the percentage of patients who responded and the percentage of people who would or wouldn't recommend the Trust's services to their friends and family. The report also includes a comment report.

The total numbers of patients participating in the test increased from 28,401 in 2017/18 to 41,878 in 2018/19\*. This increase is due to the implementation of an SMS text messaging service to both outpatients and inpatients during this financial year. Overall, 90 per cent of respondents would recommend our services to their friends and family, 6 per cent would not recommend and 5 per cent were unsure\*.

The charts below at Figure 1.11 and 1.12 provide the overall results for the year in comparison with 2017/18 for A&E, adult inpatients and maternity; together with the percentage difference in the recommended rate. These results have been provided to, and published by, NHS England on a monthly basis. The data is available to patients to assist them in monitoring the quality of the Trust's services in comparison with other acute trusts.

\*Please note that these FFT figures are correct at time of writing this report and are rounded up.

**Figure 1.11: Overall patient FFT feedback results analysis – 2016/17 –v- 2017/18**

Generated April 2018						
2016/17			%Trend	2017/18		
Visit Type	% Would Recommend	Total No of responses		Visit Type	% Would Recommend	Total No of responses
Adult	94%	3,855	3%	Adult	97%	3,500
In patient				In patient		
Adult	83%	13,477	2%	Adult	85%	15,527
In patient				In patient		
Adult	94%	3,828	2%	Adult	96%	3,563
In patient				In patient		

**Figure 1.12: Overall patient FFT feedback results analysis – 2017/18 –v– 2018/19**

Generated April 2019						
2017/18			%Trend	2018/19		
Visit Type	% Would Recommend	Total No of responses		Visit Type	% Would Recommend	Total No of responses
Adult	97%	3,351	- 5%	Adult	92%	4,186
In patient				In patient		
Adult	85%	15,518	1%	Adult	86%	15,525
In patient				In patient		
Adult	96%	3,568	- 2%	Adult	94%	3,066
In patient				In patient		

The two tables above show a comparison in FFT scores between 2016/17 and 2017/18 and then between 2017/18 and 2018/19. Overall this year, the Trust has seen a drop in the number of patients that would recommend our services, however the response rate has increased this year as we have increased the roll out of SMS text messaging.

## How we use patient feedback

The Trust encourages patient feedback and it is regarded as a valuable resource and offers us the opportunity to improve the services we deliver. In gathering evidence-based feedback we are able to understand and learn from concerns that have been raised and we proactively share such learning with relevant staff for their information, and action where indicated. Examples of some of the changes we have made, based on patient feedback include:

### Day Procedures Unit

- Patient's procedure was cancelled because she was given the wrong information at pre-op.
- ✓ Pre-op nurses now give out detailed information to better prepare patients for their operation to ensure this doesn't happen again.

### Pharmacy and PALS Services

- Patient came to PALS to raise concerns that she was frequently experiencing problems in obtaining her medications.
- ✓ PALS contacted Head of Pharmacy who came and met with the patient and was able to arrange for patient medications to be sourced from an outside organisation with same day delivery.

### Endocrinology Department

- Endocrinology patients were given an estimated date for their follow up appointment - but it could not be booked on the day.
- ✓ Patient services could not appoint these patients and were sending the lists to the General Manager, no action was taken until the patient made contact. That meant a further delay. PALS arranged for the lists to be circulated to the secretaries as well so that appointments could be booked without delay.



## Maternity Services

- Maternity patients gave feedback that they need more support with breastfeeding.
- ✓ Maternity services employed an infant feeding support worker.

The Trust will continue to promote the value of listening to our patients to improve care and inform change at every opportunity.

## Complaints

The Trust continues to use complaints as a valuable source of learning and in 2018/19 we focused on key fields to try and capture specific concerns such as end of life care in more detail.

Since April 2015, the Trust has seen a reduction in the number of formally registered complaints and this trend has continued during 2018/19 (figure 1.13 below). As with previous years this was partly due to recognising there was an opportunity to take immediate action to resolve some of the issues raised and this approach proved successful in helping a number of our patients.

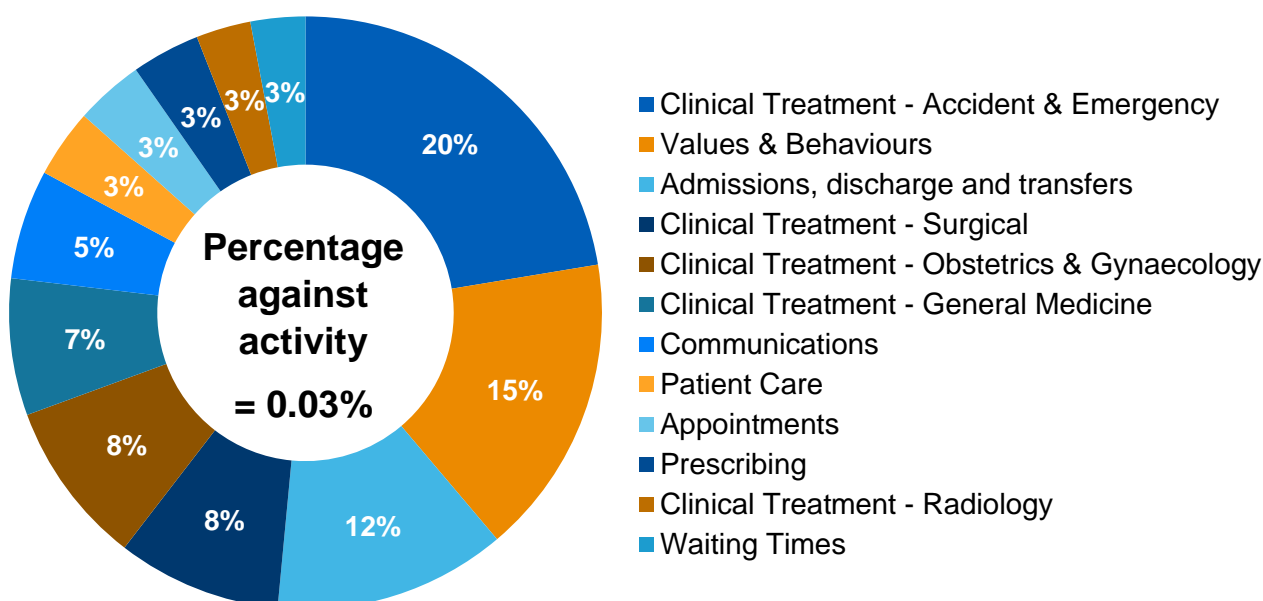
**Figure 1.13: Year on year reduction in formal complaints 2015/16 to 2018/19**

2015/16 Formal complaints received 197	2016/17 Formal complaints received 167	2017/18 Formal complaints received 157	2018/19 Formal complaints received 147
394,063 patient episodes	474,977 patient episodes	499,934 patient episodes	411,994 patient episodes

All formal complaints are captured in line with the national return (KO41A) and as a Trust we look at how our complaints are broken down by subject – Figure 1.14 below.

**Figure 1.14: Complaints by primary subject 2018/19**

### Percentage of total complaints received



Of the 147 complaints received 30 related to clinical treatment within A&E. All issues are looked at within the relevant service areas and staff are expected to request their complaints information for appraisal and reflective practice purposes.

The CQC inspection in November 2018 found that the Trust overall had a good process in place for responding to complaints but noted, as we had done, that not all areas had maintained the response rate.

For 2018/19 the Trust responded to 73 per cent of complaints within the locally agreed target of 25 working days, compared with 90 per cent the year before. Timely responses are important to our patients and their representatives and we will continue to work closely with the services to learn from the outcomes of complaints and achieve 90 per cent, or above, in the forthcoming year. The following table (figure 1.15) shows examples of learning from concerns raised and action taken:

**Figure 1.15: Examples of learning from complaints**

Your Concern	Our Action
Patient unhappy with approach of clinician on ward.	Concerns raised directly with clinician who wrote a personal letter of apology to the patient accompanied by a Trust letter of apology.
Failure to recognise planned Radiology procedure required a specific allergy to be known and anticoagulant withdrawn.	Apology given. Checklist for Radiology provided to Day Procedure Unit for future reference.
Patient unhappy with care following the birth of her baby and felt discharge was hurried.	Meeting offered from the outset and held with the Matron for Midwifery to go through the patient's experience and concerns.

Under the second and final stage of the complaints process the Parliamentary and Health Service Ombudsman (PHSO) requested four files between April 2018 to March 2019 and each case was awaiting a decision at 31 March 2019. Two cases were concluded from the previous year's figure – see table figure 1.16 below:

**Figure 1.16: PHSO cases from 2017/18 outcomes following conclusions**

	Findings	Primary Specialty	Date of Care	Outcome and Action
1.	Nutritional assessment not completed in good time for the patient	Gastroenterology	2015	<b>Partly Upheld</b> Nursing Clinical update training revised to include nutritional assessments
2.	Inappropriate discharge			Nursing discharge now includes specific prompt to ensure family involvement
3.	Correct records not accessed when patient deteriorated	Trauma and Orthopaedics	2016	<b>Partly Upheld</b> Process change on the wards with regards to storage of individual records

## Patient Forum

**The Patient Forum (PF) is a group of dedicated volunteers who talk to patients and their relatives gaining valuable feedback and opinions that help shape improvements from a lay perspective.**

The PF annual work plan supports the work of the Trust and contributes a strong community voice as a longstanding 'critical friend' in finding evidence-based recommendations to support improvement in patient care and the hospital environment from a patient perspective. The PF steer improvements in patient experience by escalating concerns of patients, engaging with GEH Trust groups and committees, attending national workshops and working in partnership with clinical staff to capture information and feedback on patient experience.

One of the notable escalations of patient concerns was the delay for both walk-in and patients with appointments in phlebotomy, following the introduction of an online booking system for appointments. The PF escalated this to Trust Board level, and then met the phlebotomy external service provider and senior staff at GEH NHS Trust. This led to improvements in the service, including more phlebotomy sessions at the Nuneaton Centre, a dedicated phlebotomy room in outpatients to support clinics and the appointment and training of new phlebotomy staff resulting in a more positive patient experience.

PFs have representation on 13 groups/committees across the Trust. One example of impact on patient experience is the End of Life Care Group which resulted in a community 'Good Death Café' event to discuss and give information around end of life care and dying and to raise awareness of RESPECT forms.

An example of successful partnership engagement has been in supporting the infection control team; the PF collected data around compliance with staff offering hand washing before meals, this resulted in innovations and changes to practice improving the patient experience in the four pilot areas.

The PF successful interventions and the positive impact on patient experience were acknowledged by GEH Trust with the Volunteer of the Year award.

## Volunteers

**The Trust offers a wide range of volunteering opportunities in different teams and departments including Chaplaincy, MacMillan Cancer Support, Anker hospital radio, Arts project, gardening support, Patient Advice and Liaison Service (PALS) and patient experience. All volunteers attend the corporate induction either at the hospital or online which people can access at home via a secure link.**

Other developments in the year include:

- Throughout December 2018, the Daily Mail, in partnership with Helpforce (a national programme to promote the role and value of volunteering within hospitals), ran a joint initiative inviting Daily Mail readers to pledge their time to be volunteers for the NHS in 2019. The Trust signed up to support this initiative and pledged to increase the number of volunteers across a wide variety of roles across the hospital
- The Trust chairman hosted a Christmas lunch to thank the volunteers for their support over the year.

Some of our volunteers have been in their role for a number of years and the Trust recognises and values their contribution to the patient experience<sup>20</sup>.

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<sup>20</sup> Thinking of volunteering? Want to apply? Would you like to learn more from a current volunteer? Please contact Becky Millward on 024 7686 5267 or Parveen Deen on 024 7686 5595.



## League of Friends

The League of Friends and their band of dedicated volunteers continue to support the Trust, raising money through two tea bars as well as donations, legacies, and sale stalls within the hospital.

During the 2018 calendar year the League of Friends raised £305,276 for the Trust. Since their formation in 1955 the League of Friends has raised more than £4.5 million and the Trust is immensely grateful for their outstanding contribution to the hospital.

## Charitable funds

In 2018/19, donations came from many different sources, including members of the community, patients, carers and local organisations. The total amount donated was £102,809, including legacies amounting to £38,587. Expenditure from the fund, from total resources, was £70,221.

The range of donations received varied from a few pounds to several thousand and a wide variety of fundraising activities have benefited the charity. The Trust is extremely grateful for donations of any size.

The expenditure during the year has been spent in a variety of ways. Some examples include:

- Graphic panels to compliment the new sky ceiling in the Dorothea Unit patient waiting area to enhance the patient environment.
- The Special Care Baby Unit purchased televisions, DVD players, coffee maker, lights and other furnishings to make the nursery and parents' overnight stays more comfortable.
- New furniture was purchased for the ITU relatives' room of critically ill patients.
- Visitors chairs for the Dorothea Unit, Bob Jakin, Felix and Melly Wards.
- Wall mounted digital blood pressure devices to monitor chemotherapy patients during treatment and new cooler caps to benefit patients undergoing treatment.
- A virtual headset to experience hypoglycaemia events for educational use in Diabetes.

## Staff Experience

### NHS Staff Survey

The national NHS staff survey was carried out between October and December 2018. The survey questionnaire was sent to all staff and a total of 814 colleagues at George Eliot Hospital NHS Trust completed and returned the questionnaire; this represented a response rate of 35 per cent.

The initial findings are positive in relation to:

- ✓ Quality of care (ability to deliver quality care, satisfaction with what care I provide)
- ✓ Health and wellbeing (not coming to work if unwell, positive on stress)
- ✓ Staff engagement (recommend as a place to work, able to improve my work area)
- ✓ Equality, diversity and inclusion (discrimination, adjustments made to my work environment)
- ✓ Violence from colleagues (improved, but still a challenge)

The findings also identified further challenges for the Trust to address other responses from staff in relation to:

- ✗ Immediate managers (support, feedback, involvement in decisions, valuing my work)
- ✗ Violence, bullying and harassment (from patients and colleagues)
- ✗ Safety culture (given feedback on learning from errors and incidents, feeling secure raising concerns, taking action to avoid repeats of incidents)
- ✗ Morale (respect, strained relationships, looking for new job)
- ✗ Quality of appraisals (clear objectives, helping me improve)



Over the coming 12 months, the Trust will focus on the following people issues, initiatives and activities to improve staff experience:

<b>Bullying and Harassment</b>	In partnership with staff-side colleagues, launch and embed the TABOO resource to staff
<b>Leadership</b>	Embed the Leadership Charter – including a self-assessment tool to be used in personal development discussions
<b>Health and Wellbeing</b>	Use our commitment to the Coventry and Warwickshire Year of Wellbeing 2019 to continue to maximise Health and Wellbeing opportunities throughout the year.
<b>Improve engagement and visibility from Board to Ward</b>	By learning from the Shaping our Future sessions run by directors in the Trust, continuing the Managing Director's open house sessions, executive walkabouts and visits.
<b>Quality Improvement</b>	Roll out the shared decision-making processes beyond the successful pilots in Mary Garth Ward and the Therapies Team. Embrace the Trust's chosen approach to quality improvement (QSAR) consistently across the Trust.
<b>Equality and Diversity</b>	Establish the equality and diversity steering group as planned, develop and embed networks for BAME and LGBT staff.
<b>Appraisals</b>	Embed the revised appraisal process

## Equality and diversity

George Eliot Hospital NHS Trust has been active this year in the equality and diversity agenda for both staff and patients. A review of progress against equality objectives for the Trust annual equality and diversity report highlighted ways to further promote our approach to this work and embed the Trust strategy. Through close work with our Non-Executive Directors we have worked to align the equality agenda to the overall vision and values of the Trust even further.

In year activities included the Director of Nursing gaining NHSI support to facilitate a self-assessment on patient experience. Some of our patients with learning difficulties have taken part in feedback sessions on how we can improve our services and senior HR and nurse representatives attended a workshop to understand more about self-assessment and how we can further improve patient and staff experience.

The Trust took part in the Stepping Up programme in partnership with the Coventry and Warwickshire Black Asian and Minority Ethnic (BAME) Health Workforce. This exists for BAME staff to have a say in their professional development. We had five successful applicants take part in this scheme which was designed specifically for BAME individuals interested in developing their leadership abilities and progress into more senior roles.

The Trust now has a Non-Executive Director sponsor for the agenda; and a Board Development Session led to the request for staff-led objectives for the Trust, focusing on true inclusion and not simply compliance for 2019/20. Work is currently underway to hold an equality, diversity and inclusion forum to facilitate this and a further aim is to gain support and volunteers for membership of a steering group for the Trust to maintain oversight of the objectives we will sign up to.

Our firm commitment to taking the equality, diversity and inclusion agenda forward is supported by NHSI who has agreed to use us as a pilot site for progressing our work in this area.

## Workforce wellbeing

The committee that leads on wellbeing activity signed off its commitments to ongoing activities such as wellbeing walkabouts from support staff and senior leaders; presenting staff with small gifts and goodies and checking staff welfare, which are all welcomed by hospital staff, particularly over the busy winter pressures period.

During 2018 the NHS' 70th birthday took place which was a great success at George Eliot Hospital NHS Trust. In the run up to the event staff also took part in the Bedworth Park run in June as part of the celebrations. In early July staff joined in celebrations in the hospital by dressing up and celebrating in style with food, drinks and demonstrations of old-fashioned medical practices. Our staff benefitted from celebrating with their peers and sharing their own stories and passion for the work they do.

There were positive results again this year with the Trust flu vaccination campaign, which exceeded the 75 per cent target.

In January 2019 the Trust signed up to support the Coventry and Warwickshire Year of Wellbeing (YOWB19). The YOWB19 aims to address local challenges, including the rise in ill-health, physical inactivity, and less tangible problems like loneliness and social isolation, while also reflecting the increasing focus on prevention as set out in the NHS Long Term Plan.

February saw us hosting an event to celebrate this. The event coincided with "Time to Talk" day, created to raise awareness of talking openly about mental health. We were pleased to welcome the Secretary of State for Health and Social Care, Matt Hancock to join in our celebrations with local MP Marcus Jones and Craig Tracey, MP for North Warwickshire and Bedworth. Dr John Linnane, Warwickshire County Council's Director of Public Health also supported the Trust by attending.

Further work by our Health and Wellbeing Committee will continue during the next 12 months to address the commitments laid out in our Health and Wellbeing Strategy. Joint work has started in collaboration with our NHS partners at South Warwickshire Hospital Trust, Coventry and Warwickshire Partnership Trust and University Hospitals Coventry and Warwickshire to increase the success rates of our institutions to confidently support health matters relating to areas our staff are presenting with, such as mental health, depression and stress.

## Freedom to speak up<sup>21</sup> (FTSU)

In total, 20 cases were received in 2018/19, which is a decrease on the previous year when 28 cases were received. The table below (Figure 1.17) shows the issues raised from the cases received. It should be noted that the majority of cases raised more than one issue.

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<sup>21</sup> In its response to the Gosport Independent Panel Report, the Government committed to legislation requiring all NHS trusts and NHS Foundation Trusts in England to report annually on staff who speak up (including whistle blowers). Ahead of such legislation, NHS Trusts and NHS Foundation Trusts are asked to provide details of ways in which staff can speak up (including how feedback is given to those who speak up), and how they ensure staff who do speak up do not suffer detriment. This disclosure should explain the different ways in which staff can speak up if they have concerns over quality of care, patient safety or bullying and harassment within the trust.



**Figure 1.17: FTSU issues raised during 2017/18 compared to reports raised 2018/19**

Issue of concern raised 2018/19	Number	Issue of concern raised 2017/18	Number
Patient safety	10	Patient safety	12
Staff safety and training	9	Staff safety and training	3
Behavioural and relationships	12	Behavioural and relationships	13
Bullying and harassment	9	Bullying and harassment	10
System process and policies	8	System process and policies	8
Infrastructure	0	Infrastructure	4
Cultural	0	Cultural	4
Leadership	5	Leadership	5
Use of resources	1	Use of resources	1
Disciplinary	2	Disciplinary	2
Grievance	0	Grievance	1

Seven cases were received anonymously. A total of 10 cases received were not deemed under 'FTSU' and were referred to our Human Resources department.

Lessons learnt from cases received include the accommodation of training and development and to ensure all staff are receiving up to date in-house training in relation to standards and regulations. Other lessons learnt are in relation to daily audits and documentation ensuring care remains a high standard and audit findings are shared within the area concerned.

Internal communications (staff bulletin, notices, intranet posts) informed staff of the new Guardian appointed in November 2018, and the positively enhanced team of FTSU Ambassadors, who have taken on this additional but very rewarding role.

Ongoing promotion of FTSU takes place routinely to encourage staff to raise concerns. There is also additional training planned for Doctors as part of their induction and all new starters to the Trust receive FTSU training. The training includes who to contact when raising a concern, support given from the outset and that all concerns raised are treated as confidential at every stage of the process.

The Trust continues to be proud of its work on this important issue and will continue to raise awareness of FTSU to encourage and embed an open, honest and transparent culture across the organisation.

## Education, learning and development

Throughout 2018/19, we have continued to build on our achievements in education, learning and development through the following actions:

- We have established a consistent approach to recording, monitoring and evaluating education and training through the Trust learning operations group, receiving reports and papers from all areas of education, learning and development.
- Every new starter receives a timely and appropriate corporate induction to equip them with the essential skills and knowledge needed to perform their role.
- The 10 core skills training framework subjects have become embedded as the Trust's statutory and mandatory training with combined compliance remaining about 85 per cent during 2018.

- During 2018 the education, learning and development prospectus was launched, acting as a resource to inform staff of learning and development opportunities available on site, this is updated on a quarterly basis and will continue to be developed during 2019.
- All new health care assistants that start in the Trust undertake the Care Certificate fundamental five-day programme. The programme has also been rolled out to include current staff in existing posts as a development opportunity.
- We encourage professional curiosity to support a learning culture.
- We ensure we recognise and celebrate educational, training and developmental achievement. In October 2018 we held our first overseas nursing celebration event in GETEC, supported by the Chairman and Director of Nursing.
- To date, all overseas nurse recruits who have undertaken the NMC OSCE have passed with 100 per cent success rate, after undertaking a bespoke programme of learning tailored to their individual needs.
- Clinical supervision for registered health care staff has been launched, with a new guideline to support its use. Training has been given to support staff into the role of 'Clinical Supervisor'.
- We comprehensively evaluate training needs using PDP Learning Needs Analysis (LNA) and appraisal data, and any barriers to learning are considered and resolved.
- We support all staff to demonstrate the Trust's ExCEL values every day.
- We make every patient contact count, by training all staff in communicating important public health messages.
- April 2018 saw the introduction of the new Trust work experience service, reflective of the whole organisation and opportunities. So far 221 students have received work experience placements, in addition to the Trust having run two career taster days for 50 students on each.
- There are now 56 Health Ambassadors across the Trust who have committed time to supporting students, attended career days, delivered workshops and supported students with interview preparation.
- The work experience service has just been awarded gold accreditation following our fair train application.
- We ensure all staff and students are supported to obtain key numeric and literacy standards. A functional skills provider is now in place offering a robust five-week programme to allow staff to get ready to undertake further development opportunities.
- We develop students and learners to become part of the workforce by utilising the apprenticeship agenda. There have been 54 apprentices start in the past 12 months across levels two to seven, in both clinical and non-clinical roles.
- We facilitate a co-ordinated approach to continuing professional development and lifelong learning, and support the requirements of professional and statutory bodies, such as medical, nurse and midwifery revalidation.
- We maintain a close relationship with organisations we commission or deliver education alongside, such as Coventry University, Warwick Medical School, Birmingham City University and Health Education England
- We maximise opportunities for e-learning, blended learning and technology enhanced learning, such as simulation and clinical skills, incorporating human factors training.
- We optimise the use of our learning environments, facilities and rooms to effectively deliver education and training. The Clinical Skills Centre is now benefiting from the addition of smart boards to enhance the learner experience and the William Harvey Library has installed a 'Pod' and individual study carrels following user survey feedback. The Simulation Suite is now equipped with a range of high-fidelity simulation manikins.
- The Library Service has built on previous successes by achieving a Library Quality Assurance Framework (LQAF) score of 97.78 per cent for 2018, our highest score yet.





- The Clinical Skills, Resuscitation and Simulation Team successfully passed the Resuscitation Council UK four yearly course centre assessment in September 2018. This allows the team to continue to run accredited resuscitation courses in GETEC for both internal and external candidates.
- Our education teams work more closely with HR business partners and divisions to ensure our education plans are made in-line with service developments, this includes the preparation of staff training for new roles to the workforce, for example Nurse Associates and Advanced Clinical Practitioners.
- The Trust is currently supporting 10 Trainee Nurse Associates on a programme at Coventry University, with the first three Nurse Associates set to qualify and register with the NMC in May 2019.
- We provide valued placement opportunities for undergraduate medical students from Warwick Medical School, throughout their four-year MBChB programme, currently experiencing increases in cohort sizes.
- The undergraduate medical education department won the 'Working Together' category at the staff excellence awards in 2018, with the patient volunteers coming highly commended in their award category.
- We provide postgraduate medical education for doctors in training at all levels, in all specialties, on placement at the hospital. We run the West Midlands South Foundation School, which covers Coventry and Warwickshire and Hereford and Worcester, with around 160 foundation trainees.
- We provide placements for up to 78 trainees every four months, with most in foundation year one and two. Alongside these trainee students, there are also GP trainees, and core trainees in medicine, surgery, anaesthetics, obstetrics and gynaecology, and urology.
- We provide professional practice placements in nursing, midwifery, radiology, pharmacy, theatre, physiotherapy, occupational therapy and physician associates for undergraduate and postgraduate students from local universities.

Looking towards 2019/20 the plans for future education, learning and development will continue to progress, building on the successes of this past year. Some of our present plans include:

- The opening of a newly refurbished bespoke nurse education and training facility, the Tulliver training room.
- Apply for supporting provider status on the Register of Apprentice Training Providers (RoAPT) to enable the Trust to co-deliver apprenticeship programmes alongside a lead provider.
- Further development and promotion of e-learning opportunities for staff undertaking statutory and mandatory training when ESR self-service is introduced.
- The Library service will seek opportunities to embed its new vision; *'Connecting YOU with the right information to learn, develop, innovate and research'*.
- Review of current induction processes for medical trainees and medical students, with the development of an e-learning pack and materials.
- Embed the roles of 'Practice Supervisor' and 'Practice Assessor' for nurse education into the Trust to support the new NMC Standards.
- Prepare for the implementation of the LKS Quality Improvement Standards for the library service.



## Medical Staffing

During 2018/19 the medical staffing vacancy rate<sup>22</sup> has reduced with a variety of recruitment campaigns taking place through NHS Jobs and using international recruitment where appointments have been made and are awaiting commencement. Challenges remain in Emergency Medicine and Paediatrics where a blended workforce model is being developed. Recruitment initiatives and advertising is conducted simultaneously on a parallel platform, to ensure that the Trust explores every avenue available.

The Medical Productivity Group, chaired by the Director of HR, meets fortnightly to ensure robust action plans are in place to address agency usage, fill vacancies and ensure progress is maintained on supporting actions.

As part of the work of the Trust's Transformation Board, there are several projects to improve medical efficiency identified and being developed by the Medical Productivity Group for roll out during 2019/20 and these include:

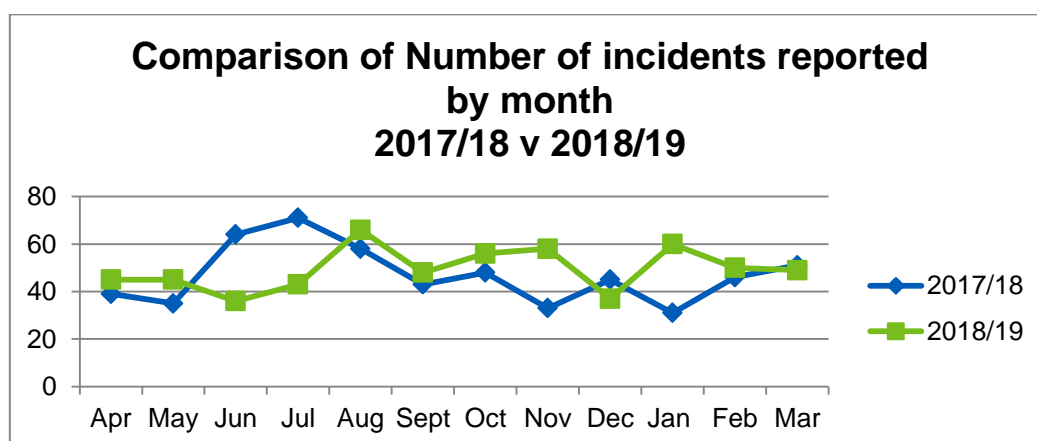
- Establishment Control
- Medical Agency Contracting
- Locum Bank Collaboration & E-rostering Process
- Workforce Planning & Remodelling (Integrated Blended Workforce Pilot - new roles/models)
- Attraction & Retention Initiatives
- Job Planning, Activity, Performance & Spend
- Medical Workforce Policies, Procedures and Processes

The above projects will be led and monitored by the Medical Productivity Group and reported to the Transformation Board.

## Health and safety

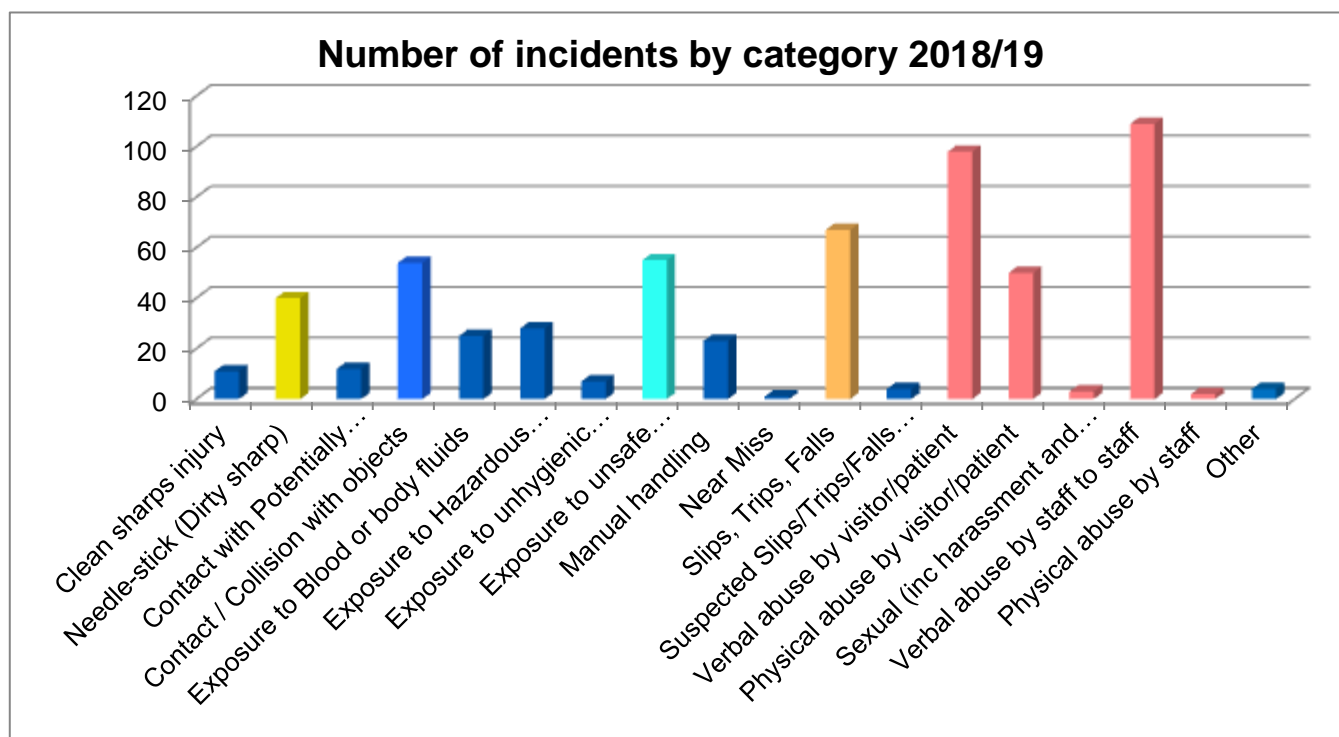
There were 593 [staff incidents](#) reported during 2018/19 compared to 564 in 2017/18 (Figure 1.18), an increase of 29 incidents. It is thought the increase in reporting was as a result of raising the awareness of reporting incidents via induction and the mandatory update training sessions.

**Figure 1.18: number of staff incidents reported in 2018/19 compared to 2017/18**



<sup>22</sup> As per schedule 6, paragraph 11b of the Terms and Conditions of Service for NHS Doctors and Dentists in Training (England) 2016 requires "a consolidated annual report on rota gaps and the plan for improvement to reduce these gaps shall be included in a statement in the quality aspect of the Trust's Annual Report".

**Figure 1.19: Staff incidents reported by category**



The graph above at figure 1.19 shows the number of incidents by category type where:

**The top five incident types for 2018/19 were:**

- Verbal and physical abuse – 262
- Slips, trip or fall – 67
- Exposure to unsafe environmental conditions – 55
- Contact/collision with objects – 54
- Needle-stick (dirty sharps) - 40

**For 2017/18 they were:**

- Verbal and physical abuse – 218
- Overfilled grey boxes – 90
- Slip, trip or fall – 52
- Contact/collision with objects – 44
- Needle-stick injury (dirty sharps) – 41

**Verbal and physical abuse:** remains the top incident type with 262 incidents reported compared to 218 in 2017/18. The majority of these incidents were minor harm and were connected to patients that lack capacity. The following gives a break down into the five incident types.

1. Verbal abuse by visitor/patient - 98 incidents
2. Physical abuse by visitor/patient - 50 incidents
3. Sexual, including harassment and indecent exposure - three incidents)
4. Verbal abuse staff to staff - 109 incidents
5. Physical abuse staff to staff - two incidents

However, a large portion of incidents relating to verbal abuse were staff on staff incidents which were all highlighted at the Health and Safety Group. Department and general managers are notified of these incidents via the Datix system. It is recognised however that more focused work is needed by departments to confirm these incidents are investigated accordingly, and ensuring that staff sign up to, and adhere to the COMPACT agreement.

During 2018 a bullying survey was undertaken by the Trade Union in conjunction with our HR department. Following this an intranet page and leaflets were devised to provide advice and support on bullying at work. This has raised awareness of the issue therefore there is a possibility of an increase in reporting of these types of incidents going forward.

**Slips, trip or falls:** There were 67 slips, trip or fall incidents reported compared to 51 in 2017/18. These relate to four main groups:

- Incidents due to slips on wet floors or spillages. In the majority of cases, correct signage was in place. However, a small minority of incidents related to missing signage or signage not placed in the correct location. Learnings from these incidents are cascaded at domestic team briefs, and the need to follow the correct procedure when cleaning floors is emphasised
- Incidents relating to external areas due to inclement weather and slips, trips and falls on uneven ground. The Health and Safety Manager and Building Officer undertake regular monitoring of external areas to highlight and repair any hazards
- There were also a number of patient fall incidents reported. These are followed up by the risk team
- Incidents of falls were also reported from staff falling off office chairs

Training sessions for work at height, for staff working in IT and Estates have been delivered. The plan is to complete similar training for domestic staff during 2019/20.

**Exposure to unsafe environmental conditions:** There were 55 incidents reported compared to 42 in 2017/18. These incidents include a number of different categories (Leaks, Lighting, Heat, Cold, Machinery/Equipment, Fire, Building/Infrastructure, Fixtures/Fittings). There was no overall theme, but a number of incidents were due to high temperatures during the summer. Estates distributed fans and air conditioning units where possible to minimise the impact.

**Contact/collision with objects:** There were 54 incidents compared to 44 in 2017/18. This category incorporates a variety of incidents including fixtures/fittings, hot/cold sources, equipment/machinery, motor vehicles etc. so no common trend was identified.

**Needle-stick injury (dirty sharps):** There were 40 needle-stick (dirty sharp) incidents reported compared to 41 in 2017/18. A vast majority of the incidents were deemed to be avoidable and fell into three main categories:

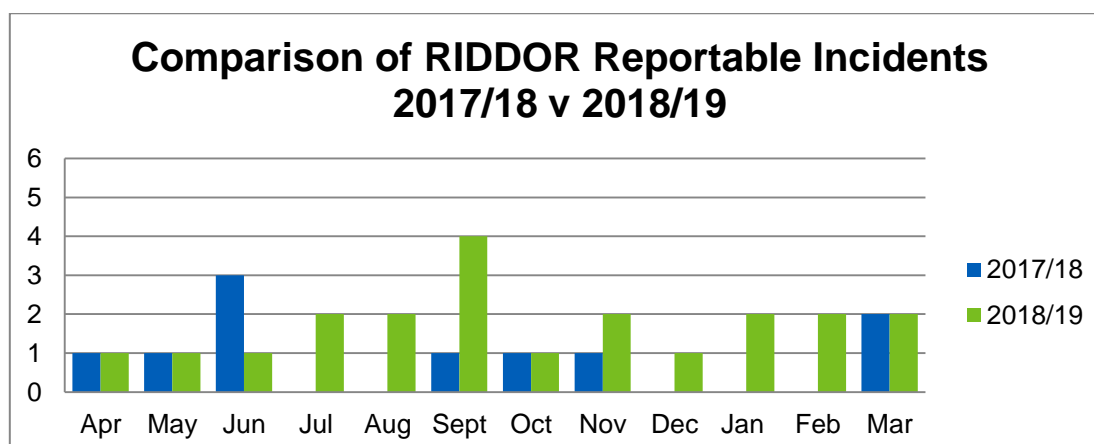
- 1) User error during usage
- 2) During disposal
- 3) When attempting to activate the safety mechanism

There was also a number of body fluid splash incidents reported.

The detail around needle-stick and splash related incidents is reported by Occupational Health at the Health and Safety Group and the Infection Prevention and Control Committee (IPACC).

**Reporting of Injuries, Diseases and Dangerous Occurrences:** The number of incidents reported to the Health and Safety Executive (HSE) under Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) has increased to 21 incidents for 2018/19, compared to 10 RIDDOR incidents for 2017/18 (Figure 1.20).

**Figure 1.20: Comparison of RIDDOR reportable incidents 2017/18 to 2018/19**





The increase is mainly related to:

- Our procedure for identifying RIDDOR incidents is more robust. In the past the risk team used to notify health and safety of any potential RIDDOR incidents, but now the Health and Safety Manager also checks and follows up any suspected RIDDOR incidents.
- We have reported a number of patient incidents this year compared to none previously.
- We are now more compliant with HSE guidance on reporting patient incidents.

Due to late notification of incidents, a few RIDDOR incidents were reported late to the HSE. To improve this, the Health and Safety Manager will plan to attend the weekly review of harm meeting where appropriate to identify possible RIDDOR incidents.

To promote a more focused health and safety culture across the Trust will to implement a framework to ensure directorates are accountable for reporting to the Trust's Health and Safety Group on health and safety compliance, which will now include all staff incidents statistics.

## Estates and Environment

### Sustainability

**The global consensus on the need for prompt and coordinated action to address the worst effects of climate change, and sustainable management of finite resources, has prompted action by organisations, individuals and governments. The publication of the NHS Carbon Reduction Strategy (CRS) for England, in January 2009, set a mandatory framework for NHS organisations to embed sustainability into their culture and operations, contributing to overall carbon emission reduction targets.**

Sustainable development is fundamentally about managing resources, in order to meet current needs, in a way that does not compromise the ability of future generations to meet their own needs.

How the NHS behaves can make a big difference to people's health and to the wellbeing of society, the economy and the environment. The CRS calls on NHS organisations to use their corporate powers and resources in ways that benefit, rather than damage, the social, economic, and physical environment in which we all live. Becoming more sustainable can save money, benefit population health and can help reduce health inequalities. Many measures that improve health also contribute to sustainable development and vice versa.

The Trust has a Sustainable Development Management Plan (SDMP), see below key objectives of the SDMP (Figure 1.21) in place to address the need to reduce carbon emission and improve sustainability.



Figure 1.21: key objectives from the SDMP<sup>23</sup>



## Energy and environmental performance

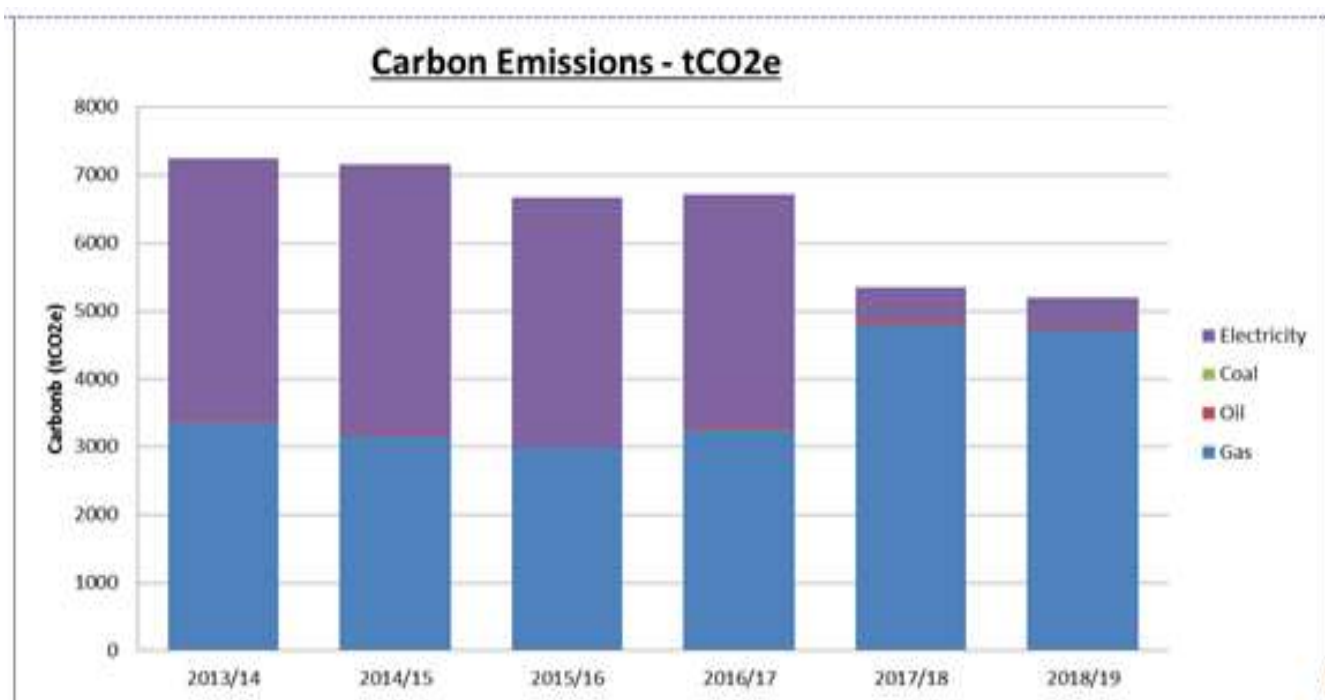
During the reporting period, George Eliot Hospital NHS Trust has spent £863,362 on energy, and emitted 5,196 tonnes of CO<sub>2</sub> emissions from buildings (Figure 1.22). Our electricity consumption reduced by five per cent and gas consumption reduced by two per cent. Both electricity and gas usage have changed significantly since go-live of a combined heat and power unit (CHP) in June 2017 (Figure 1.23), which essentially uses more gas units to produce off-grid electrical units. The benefit includes reduced CO<sub>2</sub> emissions by 28 per cent since 2013/14.

<sup>23</sup> NHS webpage in partnership with Capita (NHS Care Without Carbon) <https://carewithoutcarbon.org/>

**Figure 1.22: Energy spending 2013/14 to 2018/19**

Energy		2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Resource							
Gas	Use (kWh)	18,409,302	17,070,964	16,161,213	17,862,604	26,123,820	25,682,171
	tCO <sub>2</sub> e	3,388	3,158	2,981	3,287	4,811	4,730
Oil*	Use (kWh)	187,040	148,392	17,458	182,736	255,000	101,900
	tCO <sub>2</sub> e	51	40	5	50	70	28.09
Coal	Use (kWh)	-	-	-	-	-	-
	tCO <sub>2</sub> e	-	-	-	-	-	-
Electricity	Use (kWh)	8,546,119	8,027,576	7,981,961	8,192,711	969,437	920,742
	tCO <sub>2</sub> e	3,807	3,968	3,689	3,376	461	438
Green Electricity	Use (kWh)	-	-	-	-	-	-
	tCO <sub>2</sub> e	-	-	-	-	-	-
Total Energy CO <sub>2</sub> e		7,246	7,166	6,675	6,713	5,343	5,196
Total Energy spend (£)		£1,511,999	£1,452,097	1,291,020	£1,246,192	£917,089	£863,362

**Figure 1.23: Carbon Emissions – Energy use 2013/14 to 2018/19**



In 2016/17, the Trust invested £3.15m to install a combined heat and power (CHP) unit to replace the existing inefficient steam heating system with an energy efficient hot water heating system. The installation was completed in June 2017. This has reduced the Trust's building emissions by 28 per cent and provided £648,000 financial savings against the 2012/13 outturn.

In addition to the CHP project, the Trust has also invested £47,000 on replacing internal and external lighting to LED. £98,000 Capital funds for BMS (building management system) is ongoing, with the anticipated completion for works as April 2020, the software upgrade will further improve the Trust's plant and equipment emissions and energy efficiencies. Further LED replacements due will enable a greater financial saving and further reduce CO<sub>2</sub> emissions in 2019/20; these works are due for completion June 2019.

## Waste

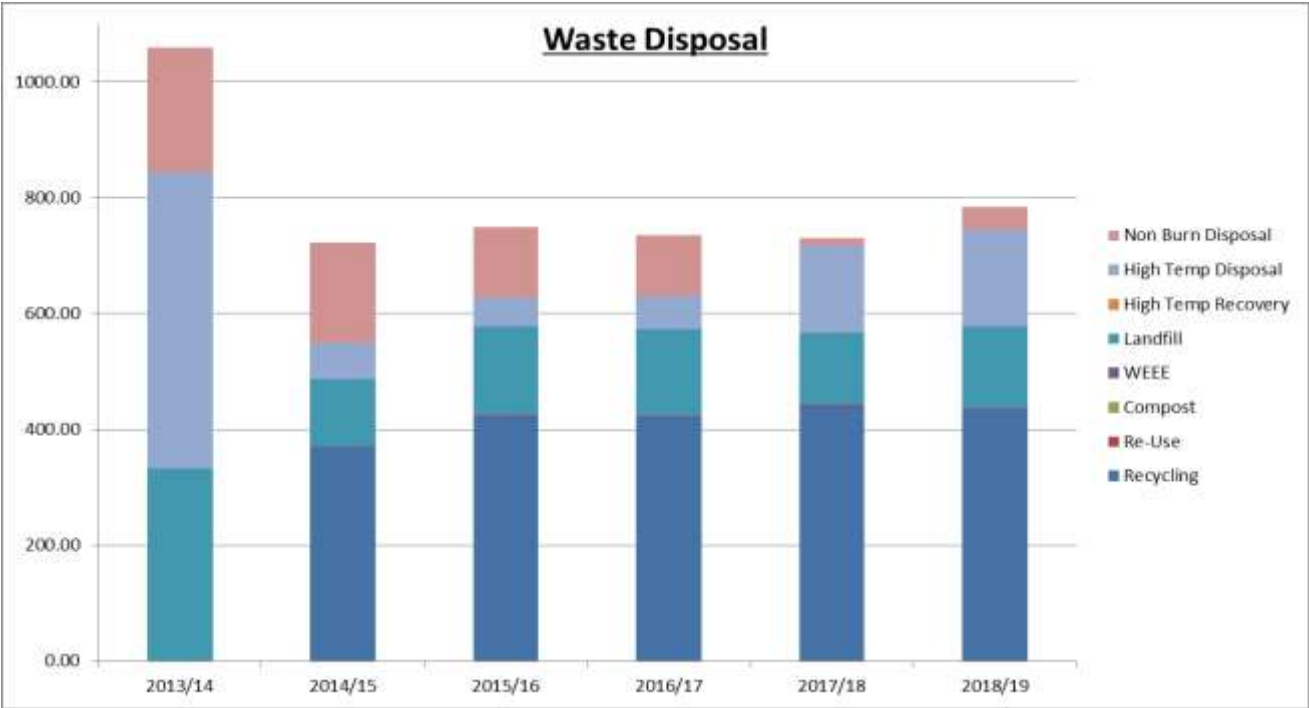
The Trust increased the total waste volume by seven per cent compared to the previous year, partly attributed to additional dump the junk days throughout the year, full patient capacity and additional opened ward bays. The volume of clinical waste that was sent to incineration has increased significantly. This was due to the introduction of non-hazardous medicine waste segregation in wards, in order to comply with waste legislation. The 55 per cent recycling rate is achieved through segregation of general waste by our current waste contractors, Tom White Waste and SRCL. This process reduces the impact on landfill waste (Figure 1.24 and Figure 1.25) as all general waste is 100 per cent recycled or reused.

**Figure 1.24: Waste breakdown table 2013/14 to 2018/19**

Waste							
Resource		2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Recycling	(Tonnes)	0.00	368.01	418.59	417.64	436.52	433.30
	tCO2e	0.00	7.73	8.79	8.77	9.17	9.10
Re-Use	(Tonnes)	0.00	0.00	0.00	0.00	0.00	0.00
	tCO2e	0.00	0.00	0.00	0.00	0.00	0.00
Compost	(Tonnes)	0.00	0.00	0.00	0.00	0.00	0.00
	tCO2e	0.00	0.00	0.00	0.00	0.00	0.00
WEEE	(Tonnes)	0.00	2.00	5.54	5.22	6.90	3.34
	tCO2e	0.00	0.04	0.12	0.11	0.15	0.07
High Temp Recovery	(Tonnes)	0.00	0.00	0.00	0.00	0.00	0.00
	tCO2e	0.00	0.00	0.00	0.00	0.00	0.00
High Temp Disposal	(Tonnes)	510.45	62.77	50.41	58.08	150.82	166.38
	tCO2e	112.30	13.81	11.09	12.78	33.19	32.91
Non Burn Disposal	(Tonnes)	216.03	173.40	121.02	104.02	11.53	39.46
	tCO2e	4.54	3.60	2.54	2.18	0.24	0.83
Landfill	(Tonnes)	333.22	117.26	153.60	149.81	124.13	142.09
	tCO2e	81.44	28.66	37.54	36.62	30.34	34.73
Total Waste (tonnes)		1059.70	723.44	749.16	734.77	729.90	784.57
% Recycled or reused		0.00	0.51	0.56	0.57	0.60	0.55
Total Waste tCO2e		198.28	53.84	60.08	60.46	73.09	76.81



Figure 1.25: Waste breakdown analysis graph 2013/14 to 2018/19



## Section 2 – Quality Assurance, Improvements and Financial Accountability Reports

### Section 2.i: Quality Assurance

#### Statement of directors' responsibilities in respect of quality

The directors are required under the Health Act 2009, National Health Service (Quality Accounts) Regulations 2010 and National Health Service (Quality Account) Amendment Regulation 2011, to prepare Quality Accounts for each financial year. NHSI has issued reporting arrangements on the form and content of the annual quality reports and on the arrangements that NHS 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 quality account presents a balanced picture of the Trust's performance over the period covered,
- The performance information reported in the quality account is reliable and accurate,
- There are proper internal controls over the collection and reporting of the measures of performance included in the quality account, 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 account is robust and reliable, not inconsistent with internal and external sources of information, conforms to specified data quality standards and prescribed definitions and is subject to appropriate scrutiny and review,
- The quality account has been prepared in accordance with Department of Health guidance.

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

By order of the Board



**Glen Burley**

Chief Executive

23 May 2019

## Statement from the Chief Executive in respect of Quality

In conjunction with the statement of directors' responsibilities, shown above, in respect of the quality of the NHS healthcare services provided by the Trust during this reporting period, and in support of the Chairman and Chief Executive's welcome at page 3 of this year's Annual Report and Accounts on Quality and Finance, I can further declare:

- The account on the quality performance of the organisation for 2017/18 has been seen by myself
- My knowledge of the quality of the NHS services being provided at the Trust
- My understanding of the areas where the organisation needs to improve the services it delivers.

To the best of my knowledge and belief the accuracy of the qualitative data and information being provided complies with the requirements in preparing the quality aspect of this Annual Report document.

By order of the Board



**Glen Burley**

Chief Executive

23 May 2019



## Statement of assurance from the Trust Board

### Review of services

Every year, a service development improvement plan is put in place and agreed with all associated commissioning partners; in particular, Warwickshire North Clinical Commissioning Group. Key milestones are set and regularly monitored and reviewed, where areas of concern are noted and resolved as they arise.

For the 2018/19 review period, a variety of NHS services were provided and/or sub-contracted at GEH, where each are reviewed against all the data provided, and available to on the quality of care. Collectively, for this reporting period, income generated by those NHS services reviewed represents 90.5 per cent of the total income generated from the provision of NHS services by the Trust.

### Participation in Clinical Audits and National Confidential Enquiries

The Trust is committed to delivering an active and focused clinical audit programme in order to develop and maintain high quality patient centred services. During 2018/19, the Department of Health included 64 national audits on the list for inclusion in Quality Accounts, of which 48 were relevant to services that George Eliot Hospital NHS Trust provides.

During 2018/19, 44 national clinical audits and four national confidential enquiries covered relevant health services that George Eliot Hospital NHS Trust provides.

During that period, George Eliot Hospital NHS Trust participated in 43 (98 per cent) national clinical audits and four (100 per cent) national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.

The national clinical audits and national confidential enquiries that George Eliot Hospital NHS Trust was eligible to participate in during 2018/19 are listed in table below at figure 2.0. Alongside this is 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:

**Figure 2.0: National clinical audit and clinical outcome reviews participation during 2018/19**

National Clinical Audit and Clinical Outcome Review Programmes	Participated in 2018/19	% of cases submitted
Adult Community Acquired Pneumonia	Yes	Data collection ongoing
BAUS Urology Audit – Female Stress Urinary Incontinence (SUI)*	Yes	100%
BAUS Urology Audit – Nephrectomy	Yes	100%
BAUS <sup>24</sup> Urology Audit – Percutaneous Nephrolithotomy (PCNL)*	Yes	100%
Cardiac Rhythm Management (CRM)	Yes	100%

<sup>24</sup> The British Association of Urological Surgeons



<b>National Clinical Audit and Clinical Outcome Review Programmes</b>	<b>Participated in 2018/19</b>	<b>% of cases submitted</b>
<b>Case Mix Programme (CMP)</b>	Yes	100%
<b>Child Health Clinical Outcome Review Programme</b>	Yes	100%
<b>Elective Surgery (National PROMs Programme)</b>	Yes	100%
<b>Falls and Fragility Fractures Audit Programme (FFFAP)</b>	Yes	100%
<b>Feverish Children (care in emergency departments)</b>	Yes	92%
<b>Inflammatory Bowel Disease programme / IBD Registry</b>	Yes	98%
<b>Learning Disability Mortality Review Programme (LeDeR)</b>	Yes	100%
<b>Mandatory Surveillance of Bloodstream Infections and Clostridium Difficile Infection</b>	Yes	100%
<b>Maternal, Newborn and Infant Clinical Outcome Review Programme</b>	Yes	100%
<b>Medical and Surgical Clinical Outcome Review Programme</b>	Yes	100%
<b>Mental Health Clinical Outcome Review Programme*</b>	Yes	100%
<b>Myocardial Ischaemia National Audit Project (MINAP)</b>	Yes	Data collection ongoing (projected 85%)
<b>National Asthma and COPD Audit Programme</b>	Yes	Data collection ongoing (projected 75%)
<b>National Audit of Breast Cancer in Older People</b>	Yes	100%
<b>National Audit of Cardiac Rehabilitation</b>	Yes	Estimated 70%
<b>National Audit of Care at the End of Life (NACEL)</b>	Yes	100%
<b>National Audit of Dementia</b>	Yes	100%
<b>National Audit of Pulmonary Hypertension</b>	Yes	No data submission required
<b>National Audit of Seizures and Epilepsies in Children and Young People</b>	Yes	Data collection ongoing

National Clinical Audit and Clinical Outcome Review Programmes	Participated in 2018/19	% of cases submitted
National Bowel Cancer Audit (NBOCA)	Yes	95%
National Cardiac Arrest Audit (NCAA)	Yes	Data collection ongoing
National Clinical Audit for Rheumatoid and Early Inflammatory Arthritis (NCAREIA)	Yes	Data collection ongoing
National Comparative Audit of Blood Transfusion programme	Yes	80%
National Diabetes Audit – Adults	Yes	100%
National Emergency Laparotomy Audit (NELA)	Yes	70%
National Heart Failure Audit	Yes	76%
National Joint Registry (NJR)	Yes	98.4%
National Lung Cancer Audit (NLCA)	Yes	100%
National Maternity and Perinatal Audit (NMPA)	Yes	100%
National Mortality Case Record Review Programme	Yes	100%
National Neonatal Audit Programme (NNAP)	Yes	100%
National Oesophago-gastric Cancer (NAOGC)	Yes	71-80%
National Ophthalmology Audit <sup>25</sup>	No	0%
National Paediatric Diabetes Audit (NPDA)	Yes	100%
National Prostate Cancer Audit	Yes	100%
Non-Invasive Ventilation – Adults	Yes	Data collection ongoing
Reducing the impact of serious infections (Antimicrobial Resistance and Sepsis)	Yes	100%
Sentinel Stroke National Audit programme (SSNAP)	Yes	90%+

<sup>25</sup> Data collection for the National Ophthalmology was unable to be completed in 2018 due to a delay in the purchasing of the software required to enable participation in the audit. This is now on track for full participation in round 4 of the audit due to complete in 2019.

National Clinical Audit and Clinical Outcome Review Programmes	Participated in 2018/19	% of cases submitted
<b>Serious Hazards of Transfusion (SHOT): UK National Haemovigilance</b>	Yes	100%
<b>Seven Day Hospital Services</b>	Yes	100%
<b>Surgical Site Infection Surveillance Service</b>	Yes	10%
<b>Vital Signs in Adults (care in emergency departments)</b>	Yes	83%
<b>VTE risk in lower limb immobilisation (care in emergency departments)</b>	Yes	70%
<b>Adult Cardiac Surgery</b>	Not Relevant	
<b>BAUS Urology Audit – Cystectomy</b>	Not Relevant	
<b>BAUS Urology Audit – Radical Prostatectomy</b>	Not Relevant	
<b>Major Trauma Audit</b>	Not Relevant	
<b>National Audit of Anxiety and Depression</b>	Not Relevant	
<b>National Audit of Intermediate Care</b>	Not Relevant	
<b>National Audit of Percutaneous Coronary Interventions (PCI)</b>	Not Relevant	
<b>National Bariatric Surgery Registry (NBSR)</b>	Not Relevant	
<b>National Clinical Audit of Psychosis</b>	Not Relevant	
<b>National Clinical Audit of Specialist Rehabilitation for Patients with Complex Needs following Major Injury (NCASRI)</b>	Not Relevant	
<b>National Congenital Heart Disease (CHD)</b>	Not Relevant	
<b>National Vascular Registry</b>	Not Relevant	
<b>Neurosurgical National Audit Programme</b>	Not Relevant	
<b>Paediatric Intensive Care (PICANet)</b>	Not Relevant	
<b>Prescribing Observatory for Mental Health (POMH-UK)</b>	Not Relevant	
<b>UK Cystic Fibrosis Registry</b>	Not Relevant	

\*No relevant cases were identified for submission.

The reports of 39 national clinical audits were reviewed by the provider in 2018/19. George Eliot Hospital NHS Trust intends to take the following actions to improve the quality of healthcare provided:

- Increase awareness amongst anaesthetists regarding documentation of instructions for ongoing management of variable rate intravenous insulin infusion; Audit starvation periods of diabetic patients; Repeat audit of prioritisation to ensure diabetic patients are first on the list for surgery. Comprehensive guidelines based on the Joint British Diabetes Societies national guidelines have been compiled and updated recently. Actions from the review of the National Confidential Enquiry Highs and Lows: A review of the quality of care provided to patients over the age of 16 who had diabetes and underwent a surgical procedure.
- In order to meet the 80 per cent of patients spending 90 per cent of their time on a stroke unit standard of the Sentinel Stroke National Audit Programme, a quality improvement cycle has been started which plans to commence with maintaining ring-fenced stroke beds in order to facilitate consistency in all of stroke metrics and a provide better patient experience.
- As part of the work around improving End of Life care and the National Audit of Care at the End of Life, the Trust has been trialling the Supportive and Palliative Care Indicators Tool (SPICT™) to aid recognition of persons within their last year of life as this prompts the process of discussion with the person and their family regarding advanced care planning.

The reports of 48 local clinical audits were reviewed by the provider in 2018/19. George Eliot Hospital NHS Trust intends to take the following actions to improve the quality of healthcare provided:

- To introduce a single clerking document for the Emergency Department and for the acute medical unit in order to reduce multiple clerking.
- To ensure a stock of most common Parkinson's disease medications is kept on acute medical wards with high patient turnover. To create an educational Parkinson's disease leaflet to educate all staff on the importance of giving medication on time and to inform staff, patients and carers that self-medication for Parkinson's disease is permitted when in hospital.
- From an Audit on Diabetes Inpatient Care Evaluation, reminders of the Alphabet Strategy (a simple and systematic approach to the delivery of diabetes care, integrating seven domains from A to G. These domains are named advice, blood pressure, cholesterol and serum creatinine, diabetes control, eye care, feet and guardian drugs) have been given to all wards. It was decided to reintroduce the Alphabet Strategy<sup>26</sup> stickers back onto the wards. The sticker was redesigned and a few additions (diabetes care plan, follow up plan and diabetes treatment review) were incorporated as a result of this audit. The Alphabet Strategy and the stickers have been highlighted to educate and promote awareness of the importance of the care processes.
- An audit of cancellations on the day of surgery highlighted the following actions in order to reduce the frequency of cancellations on day of procedure: Review the guidance given in Pre-Operative Assessment clinics regarding what to do if the patient feels unwell or wants to delay the procedure; ensure patients are listed appropriately (involve senior clinicians); cancellations to be made only by consultants.
- To trail implementation of a medical management service for patients experiencing miscarriage following an audit of current miscarriage services at the Trust.
- Departmental education to target junior doctors in trauma and orthopaedic department, to raise awareness of trust standard of Monitoring Renal Function in Neck of Femur Fracture Inpatients raised compliance from 73 per cent to 88 per cent.

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<sup>26</sup> The alphabet strategy for diabetes care acts as a basis for patient education, care planning and an evidence-based approach for all healthcare professions in diabetes care. Based around several important components of diabetes care eg: advice, blood pressure, cholesterol, diabetes control, eye-care, foot-care and guardian drugs.





## Clinical Research

The Research and Development (R&D) Department has continued to give patients the opportunity to participate in clinical trials at GEH where the main aim is to improve the health and quality of life of our patients. Research can also provide patients the opportunity to access treatment and techniques earlier than they would be available commercially.

Trusts that are 'research active' further improve confidence in the services provided for both patients and staff with (proven) better outcomes for patients overall, whether the involved in a clinical trial or not.

In order for the Trust, staff and patients attending to benefit from research, we place great focus on the promotion of studies and participation in clinical research as an important part of our the day to day work. We promote research to become the culture of GEH enhancing our ExCEL values and our recently launched 10 Point Plan. In addition to the many benefits to staff and patients taking part in research studies it also brings extra revenue into the Trust.

During this reporting period the GEH R&D team have recruited a total of 631 patients to participate in Clinical Research. These patients have been recruited to a plethora of different studies varying across different specialities.

The final recruitment figure for the end of April 2019 is 967 patients for the year. There were 12 specialities participating in research during this financial year. Specialities such as Rheumatology are taking part in research for the first time at GEH this year.

The specialities which participate in recruiting for research were:

Cancer / oncology	Infection and sexual health
Cardiovascular disease	Injuries and emergencies
Diabetics	Musculoskeletal disorders
Genetics	Reproductive health and childbirth
Haematology	Respiratory disorders
Health services research	Rheumatology

Progress and highlights during the year have included:

- the Trust co-sponsoring its first Medical Device Trial with BHR Pharmaceuticals Ltd. The diabetes research team opened the study to assess the efficacy of a medical device in alleviating painful diabetic neuropathy. The team had the further achievement of recruiting the first patient in the UK into a National Clinical Trial, looking at the safety and efficacy of drug combinations for painful diabetic neuropathy
- the Trust's Reproductive Health team were the highest recruiting area in R&D due to a particularly focused recruitment campaign with around 300 patients signed up to date. As a result of this success, the NIHR (National Institute Health Research) has awarded the team funding to continue supporting a research midwife for a year.

Other areas making a significant contribution to the overall recruitment target have been

- Cancer and Infection / Sexual Health – both of which have already exceeded the total number of patients recruited last year. The 'Recruitment Recognition Award' was presented to the Cancer team at the NIHR West Midlands Cancer Annual Meeting. The Sexual Health department increased their recruitment by 400 per cent, due to involvement in a Sexual Health Observational Study and an HIV Prevention Study.

- in addition, the R&D team recruited to four commercial studies this year – one in diabetes and three in cardiovascular disease, both sponsored by different drug companies. These studies gave our patients the opportunity to access new drugs and treatments, which could improve their care, that they may not be able to access otherwise.

The R&D Department recognises the importance of patient involvement in shaping the Research agenda and helping to promote research in the Trust. During the year, our Patient Research Ambassadors have been involved with the research team by attending the R&D committee meetings, helping to promote the International Clinical Trials Day in May and have also distributed a patient survey finding out about patient and visitor awareness of research at GEH.

The department continues to attract adequate funding from the NIHR and Commercial Sponsorship to be self-sufficient. It also attracts extra funding from the Regional Clinical Research Network (CRN West Midlands) Strategic Fund.

### **The future of R&D at GEH**

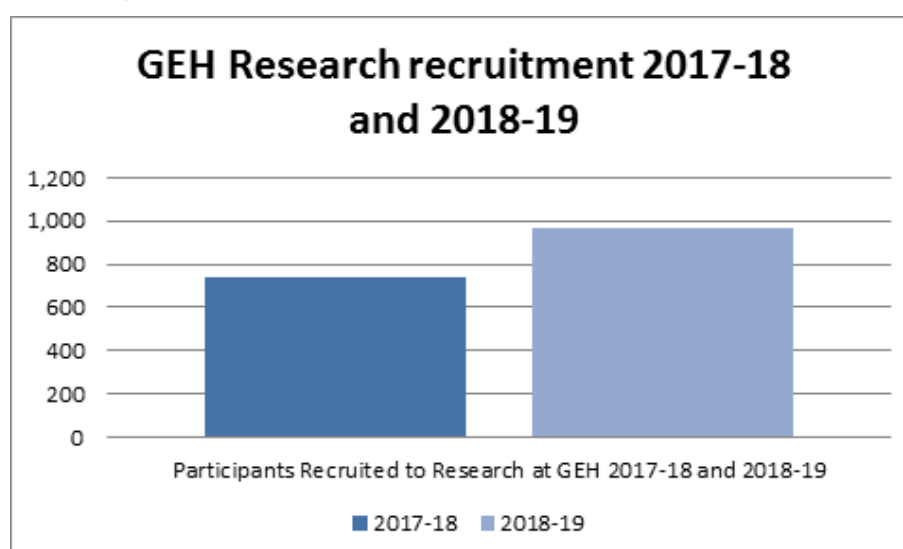
The R&D Department has approved several new studies from April 2019 to replace some of the studies which have closed and to maintain and increase recruitment going forward. One of the main aims of the team is to raise the profile of research amongst GEH patients and staff increasing their awareness of the studies available to them the opportunity to participate in research and hopefully, taking away some of the misconceptions surrounding research.

The R&D Department also has numerous studies going through the feasibility process to increase our portfolio in 2019 in the following areas:

- Sexual health
- Rheumatology
- Cardiovascular disease
- Cancer / oncology
- Surgery.

A continuous challenge facing the R&D Department is staff and patient and public engagement. It has been proven those Trusts in which staff are happy to take part in, and inform patients and public about research, are more likely to reach recruitment targets and gather reliable data. In response, the Patient Forum supported a survey on research engagement at GEH. Results from this should lead to further improvements on engagement, recruitment and enriched research analysis in the future.

**Figure 2.1 Number of patients recruited for R&D 2017/18 to 2018/19**



The graph above (figure 2.1) shows a summary of the annual recruitment of patients for research purposes at the Trust demonstrating a clear rise in numbers involved in R&D in recent years.

2016/17:	2017/18:	2018/19
676 recruits	743 recruits	967 recruits
30 studies,	35 studies	34 studies
3 recruiting >30	3 recruiting >30	6 recruiting >30

Recruitment figures for 2018/19 stand at 967.

Moving forward the R&D team will continue to look at ways in which recruitment to studies can be increased, as well as improving processes and the quality of research derived for future studies.

## Use of CQUIN Payment Framework

A proportion of the Trust's income is conditional on achieving quality improvement and innovation goals agreed between GEH and Warwickshire North CCG, through the Commissioning for Quality and Innovation (CQUIN) payment framework. CQUINs enable the Trust to focus on the quality of the services delivered, ensuring that we continuously improve and drive transformational change with the creation of new, improved patterns of care. These will impact on reducing inequalities in access to services, improve patient experiences and the outcomes achieved.

The total value of income in 2018/19 - conditional upon achieving quality improvement and innovation goals is forecast to be £939,174.

### Review of 2018/19

For the first time in 2017/18, NHS England published two-year schemes which aim to provide greater certainty and stability on the CQUIN goals, leaving more time for health communities to focus on implementing the initiatives. We are now at the end of the two-year scheme intended to deliver clinical quality improvements and drive transformational change. The Trust has made very good progress with the CQUIN schemes and strengthened our collaborative working, which leads overall improvements in the delivery of safe and high quality care for local people. The Trust has been successful in achieving most of the quarter 1 to 4 milestone expectations.





The CQUIN schemes for 2016-19 are detailed in the table (figure 2.2) below.

**Figure 2.2: CQUINs indicators performance outcome**

CQUIN Number	CQUIN Indicator Name 2016/17 – 2018/19	Description	2018/19 Compliance
<b>1a</b>	Improvement of health and wellbeing of NHS staff	<p>The NHS England Five Year Forward View made a commitment ‘to ensure the NHS as an employer sets a national example in the support it offers its own staff to stay healthy’. A key part of improving health and wellbeing for staff is giving them the opportunity to access schemes and initiatives that promote physical activity, provide them with mental health support and rapid access to physiotherapy where required. National achievement is monitored via the NHS Staff Survey.</p> <p>Whilst this was only partially achieved for 1a, the Trust is preforming better on the national picture.</p>	
<b>1b</b>	Healthy food for NHS staff, visitors and patients	Public Health England’s report ‘Sugar reduction – The evidence for action’ published in October 2015 outlined the clear evidence behind focussing on improving the quality of food on offer across the country. The NHS is leading the way on tackling some of these issues, starting with the food and drink that is provided and promoted in hospitals. Providers are expected to demonstrate a shift in the healthy food and drink offering by a further reduction in high sugar, salt and fat food content. Ensuring that healthy options are available at any point staff, visitors and patients.	
<b>1c</b>	Improving the uptake of flu vaccinations for frontline clinical staff	The CQUIN aims to achieve 75 per cent uptake of flu vaccinations of healthcare workers.	
<b>2a,c</b>	Reducing the impact of serious infections (Antimicrobial Resistance and Sepsis)	Prompt treatment of sepsis reduces the mortality and the morbidity associated with this condition. This CQUIN assesses timely identification of patients who present with severe sepsis, red flag sepsis or septic shock and were administered intravenous antibiotics within the appropriate time-frame.	
<b>2d</b>	Reduction in antibiotic consumption	This CQUIN aims to reduce both total and inappropriate antibiotic usage in hospitals. This is important since antimicrobial resistance has increased significantly in recent years and is a major risk for healthcare; without reversal of the trend, we may find we have no drugs to treat	

CQUIN Number	CQUIN Indicator Name 2016/17 – 2018/19	Description	2018/19 Compliance
		serious infections in the future.	
<b>4</b>	Improving services for people with mental health needs who present to A&E	People with mental ill health are three times more likely to present to A&E than the general population. This CQUIN aims to encourage collaborative working between providers across the care pathway to reduce the number of attendances to A&E for all people with primary mental health needs.	
<b>6</b>	Advice and Guidance (A&G)	This CQUIN requires providers to set up and operate A&G services for non-urgent GP referrals, allowing GPs to access consultant advice prior to referring patients in to secondary care.	
<b>9a,b,c,d</b>	Preventing ill health by risky behaviours – alcohol and tobacco screening, advice and referral	Following on from 2016/17, the aim is a further 1 per cent reduction in the use of antibiotics across the Trust.	



## Registration with the Care Quality Commission

The Trust is registered with the Care Quality Commission (CQC) and is licensed to provide healthcare services. Following the latest CQC inspection in December 2018, the CQC issued the Trust with three requirement notices. The CQC's overall rating of the Trust remained the same as the previous inspection: Requires Improvement. (Figure 2.3)

**Figure 2.3: Trust overall rating and rating by activity**

Overall Rating by activity						
Service	SAFE	EFFECTIVE	CARING	RESPONSIVE	WELL-LED	OVERALL
<b>Urgent &amp; Emergency Services</b>	Requires improvement Nov 2018	Requires improvement Nov 2018	Good Nov 2018	Requires improvement Nov 2018	Inadequate Nov 2018	Requires improvement Nov 2018
<b>Medical Care (including older people's Care)</b>	Requires improvement Nov 2018	Requires improvement Nov 2018	Good Nov 2018	Requires improvement Nov 2018	Requires improvement Nov 2018	Requires improvement Nov 2018
<b>Surgery</b>	Good Nov 2018	Good Nov 2018	Good Nov 2018	Requires improvement ↓ Nov 2018	Good Nov 2018	Good Nov 2018
<b>Critical Care</b>	Good July 2014	Good July 2014	Good July 2014	Good July 2014	Good July 2014	Good July 2014
<b>Maternity</b>	Good → ← Nov 2018	Good → ← Nov 2018	Good → ← Nov 2018	Good → ← Nov 2018	Good ↑ Nov 2018	Good → ← Nov 2018
<b>Services for children and young people</b>	→ ← Good Nov 2018	Good → ← Nov 2018	Good → ← Nov 2018	Good → ← Nov 2018	Good → ← Nov 2018	Good → ← Nov 2018
<b>End of Life Care</b>	Good ↑ Nov 2018	Good ↑ ↑ Nov 2018	Good → ← Nov 2018	Good ↑ Nov 2018	Good ↑ ↑ Nov 2018	Good ↑ ↑ Nov 2018
<b>Outpatients</b>	Requires improvement Oct 2017	Not rated	Good Oct 2017	Requires improvement Oct 2017	Requires improvement Oct 2017	Requires improvement Oct 2017
<b>Diagnostic Imaging</b>	Requires improvement Oct 2017	Not rated	Good Oct 2017	Good Oct 2017	Good Oct 2017	Good Oct 2017
<b>OVERALL*</b>	Requires improvement → ← Nov 2018	Requires improvement → ← Nov 2018		Requires improvement → ← Nov 2018	Requires improvement ↑ Nov 2018	Requires improvement → ← Nov 2018

Improvement plans have been developed to address deficits in the six service areas inspected by the CQC. These improvement plans now form part of the Trust's overall improvement plan (see also section 2.1 below) which will be formally monitored on a monthly basis through the Executive Team Improvement Board and integrated performance reporting at Board level.

### Internal assurance visits

These are carried out across wards and departments to monitor and review the quality of services delivered at the Trust.

Visits support the Trust's proactive commitment and approach in the delivery of quality, safety and excellence in patient care.

Assurance visits are programmed to emulate CQC inspections. Outcomes are promptly reported back to the visited area and reported to the Board.

Action plans are developed and monitored through directorate and divisional governance meetings and reported through to the Quality Assurance Committee (a sub division of the Board).

Last year, the Trust introduced executive-led visits which were supported by non-executive members. These visits provided another level of assurance to the Trust Board.

### Information on the quality of data

The National Data Quality Dashboard is available to help monitor and drive improvement in the quality and completeness of data. We perform well in comparison to other trusts as the average results of the overall commissioning dataset (CDS) validity is 96.7 per cent (month 1-11 inclusive) for all CDS submitters, West Midlands CDS submitters is 96.4 per cent and our result was 96.9 per cent. Good quality data underpins the effective delivery of patient care and these results are essential if improvements in quality of care are to be made, which includes the quality of ethnicity and other equality data, thus contributing to improvements in patient care and value for money.

### NHS number and General Medical Practice Code validity

The patient NHS number is the key identifier for patient records and the quality of NHS number data has a direct impact on improving clinical safety.

We submitted records during 2018/19 to the secondary user service (SUS) for inclusion in the hospital episodes statistics which are part of the latest published data<sup>27</sup> (Figure 2.4 below)

**Figure 2.4: Percentage of records in the published data containing patient's valid NHS number / GMP code**

Percentage of records in the published data which included the patient's valid NHS number			Percentage of records which included the patient's valid General Medical Practice (GMP) Code		
George Eliot Hospital		National comparator	George Eliot Hospital		National comparator
APC	99.9	99.4	APC	100.0	99.9
OPD	100.0	99.6	OPD	100.0	99.8
AE	98.9	97.6	AE	100.0	99.3

APC = Admitted Patients Care (Inpatients and day cases) / OPD = Outpatients and ward attenders and tele-medicine activity / AE = Accident and emergency

<sup>27</sup> Source: SUS Data Quality Dashboard, February 2019



## Clinical coding error rate

Clinical coding audits have been undertaken regularly throughout 2018/19. These audits are in line with clinical coding audit methodology V12.0. Overall results show 90 per cent accuracy of primary diagnosis, 90 per cent accuracy of secondary diagnosis, 95 per cent accuracy of primary procedure and 89 per cent accuracy of secondary procedure.

The coding team continue to develop close working relationships with clinicians to ensure that coded clinical data is to a high standard. Weekly random sample reviews continue to take place and mortality cases are reviewed by clinical teams. Areas that report excess deaths on national mortality indicators are investigated by clinicians and coders and findings are reported to the mortality committee.

## Data Security Protection Toolkit (DSP)

Following the phasing out of the Information Governance Toolkit in May 2018, and following the Trust's first submission in March 2019 seeking compliance in meeting this standard, the Trust is reporting this as 'standard not met' for this reporting period. An improvement action plan has been set by the Trust to meet the requirements of the DSP to ensure that the necessary safeguards for, and appropriate use of, patient and personal information are adhered to at all times going forward.

## Patient Reported Outcome Measures<sup>28</sup> (PROMs)

This is a national tool to measure quality from the patients' perspective, measuring the level of recovery, improvement and general wellbeing, otherwise known as health gain after surgery. Patients complete a survey before and after surgery which allows comparisons to the national average to be made. The PROMs programme covers four clinical procedures - groin hernia repair, first procedure hip replacement, knee replacement and varicose vein surgery.<sup>29</sup> 2018/19 results for the Trust are shown below at figure 2.5.

**Figure 2.5 PROMs data for April 2017 to March 2018, published February 2019**

Organisation level	Organisation name		Modelled records	Average Pre-Op Q Score	Average Post-Op Q Score	Adjusted average Health Gain
GH	England	EQ VAS	9,809	79.2337	78.0777	-1.15598
GH	GEH	EQ VAS	55	73.9455	76.4909	2.54545
GH	England	EQ-5D Index	9,641	0.782492	0.871831	0.089339
GH	GEH	EQ-5D Index	56	0.739625	0.87275	0.133125
HRP	England	EQ VAS	31,975	63.241	77.471	14.231
HRP	GEH	EQ VAS	78	55.769	72.718	16.949
HRP	England	EQ-5D Index	33,399	0.336	0.804	0.468
HRP	GEH	EQ-5D Index	85	0.198	0.772	0.574
HRP	England	Oxford Hip Score	36,000	17.399	40.079	22.680
HRP	GEH	Oxford Hip Score	98	13.704	38.674	24.969
KRP	England	EQ VAS	39,610	66.725	74.877	8.153
KRP	GEH	EQ VAS	117	64.957	76.598	11.641
KRP	England	EQ-5D Index	41,269	0.411	0.748	0.337

<sup>28</sup> April 2017 to March 2018, provisional data (published February 2019)

<sup>29</sup> not undertaken at this Trust

Organisation level	Organisation name		Modelled records	Average Pre-Op Q Score	Average Post-Op Q Score	Adjusted average Health Gain
KRP	GEH England	EQ-5D Index	124	0.305	0.722	0.418
KRP		Oxford Knee	43,941	18.902	36.004	17.102
KRP		Oxford Knee	143	16.566	34.378	17.811



## Independent Auditors Report:



### INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT TO THE DIRECTORS OF GEORGE ELIOT HOSPITAL NHS TRUST ON THE ANNUAL QUALITY ACCOUNT

We are required to perform an independent assurance engagement in respect of George Eliot Hospital NHS Trust's Quality Account for the year ended 31 March 2019 ("the Quality Account") and certain performance indicators contained therein as part of our work. NHS trusts are required by section 8 of the Health Act 2009 to publish a Quality Account which must include prescribed information set out in The National Health Service (Quality Account) Regulations 2010, the National Health Service (Quality Account) Amendment Regulations 2011 and the National Health Service (Quality Account) Amendment Regulations 2012 ("the Regulations").

#### Scope and subject matter

The indicators for the year ended 31 March 2019 subject to limited assurance consist of the following indicators:

- Percentage of patients risk-assessed for venous thromboembolism (VTE); and
- Rate of clostridium difficile infections (C-Diff).

We refer to these two indicators collectively as "the indicators".

#### Respective responsibilities of the Directors and the auditor

The Directors are required under the Health Act 2009 to prepare a Quality Account for each financial year. The Department of Health has issued guidance on the form and content of annual Quality Accounts (which incorporates the legal requirements in the Health Act 2009 and the Regulations).

In preparing the Quality Account, the Directors are required to take steps to satisfy themselves that:

- the Quality Account presents a balanced picture of the Trust's performance over the period covered;
- the performance information reported in the Quality Account is reliable and accurate;
- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Account, 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 Account is robust and reliable, conforms to specified data quality standards and prescribed definitions, and is subject to appropriate scrutiny and review; and
- the Quality Account has been prepared in accordance with Department of Health guidance.

The Directors are required to confirm compliance with these requirements in a statement of directors' responsibilities within the Quality Account.

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 Account is not prepared in all material respects in line with the criteria set out in the Regulations;
- the Quality Account is not consistent in all material respects with the sources specified in the NHS Quality Accounts Auditor Guidance ("the Guidance"); and
- the indicators in the Quality Account identified as having been the subject of limited assurance in the Quality Account are not reasonably stated in all material respects in accordance with the Regulations and the six dimensions of data quality set out in the Guidance.

We read the Quality Account and conclude whether it is consistent with the requirements of the Regulations and to consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the Quality Account and consider whether it is materially inconsistent with:

- Board minutes 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 the Commissioners dated 17/05/2019;
- the Trust's complaints report published under regulation 18 of the Local Authority, Social Services and NHS Complaints (England) Regulations 2009, dated 25/04/2019;
- feedback from other named stakeholder(s) involved in the sign off of the Quality Account;
- the latest national patient survey dated between June 2018 and January 2019 ;
- the latest national staff survey dated February 2019;
- the Head of Internal Audit's annual opinion over the trust's control environment dated May 2019;
- the annual governance statement dated 23 May 2019;
- the Care Quality Commission's most recent inspection report dated February 2019; and

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with these documents (collectively the "documents"). Our responsibilities do not extend to any other information.

This report, including the conclusion, is made solely to the Board of Directors of George Eliot Hospital NHS Trust.

We permit the disclosure of this report to enable the Board of Directors to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permissible by law, we do not accept or assume responsibility to anyone other than the Board of Directors as a body and George Eliot Hospital NHS Trust for our work or this report save where terms are expressly agreed and with our prior consent in writing.

### **Assurance work performed**

We conducted this limited assurance engagement under the terms of the Guidance. Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicators;
- making enquiries of management;
- testing key management controls;
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- comparing the content of the Quality Account to the requirements of the Regulations; and
- reading the documents.

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





## Limitations

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

The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Quality Account in the context of the criteria set out in the Regulations.

The nature, form and content required of Quality Accounts are determined by the Department of Health. This may result in the omission of information relevant to other users, for example for the purpose of comparing the results of different NHS organisations.

In addition, the scope of our assurance work has not included governance over quality or non-mandated indicators which have been determined locally by George Eliot Hospital NHS Trust.

### **Basis for qualified conclusion on the Percentage of patients risk-assessed for venous thromboembolism (VTE) indicator**

The scope of VTE indicator is in relation to those patients who have received a risk assessment on admission. The Trust does not define a time period for 'on admission' within its local VTE policies and its reporting systems only capture the date of risk assessment as opposed to the time. Therefore, the Trust is limited to reporting on all patients who have received a risk assessment, as opposed to distinguishing those who have received a risk assessment on admission.

## Conclusion

Based on the results of our procedures, except for the effects of the matters described in the 'Basis for disclaimer of conclusion on the Percentage of patients risk-assessed for venous thromboembolism (VTE) indicator' section above, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2019:

- the Quality Account is not prepared in all material respects in line with the criteria set out in the Regulations and supporting guidance;
- the Quality Account is not consistent in all material respects with the sources specified in the Guidance; and
- the indicators in the Quality Account subject to limited assurance have not been reasonably stated in all material respects in accordance with the Regulations and the six dimensions of data quality set out in the Guidance.

KPMG LLP

KPMG LLP  
Chartered Accountants  
Birmingham

28 May 2019





## Statements from external stakeholders:

22<sup>nd</sup> May 2019

Mr Glen Burley  
Chief Executive  
George Eliot Hospital NHS Trust  
College Street  
Nuneaton  
CV10 7DJ

**SENT VIA EMAIL**

Dear Glen,

### Re: CCG Response to GEH Quality Account 2018-2019

NHS Warwickshire North Clinical Commissioning Group (CCG) welcomes the opportunity to comment on the draft George Eliot Hospital (GEH) Quality Account. The CCG believe that the Quality Account for 2018/19 contains an accurate reflection of the quality of services provided by the Trust. Whilst not all the data fields were complete, the CCG has reviewed the information presented against data sources available to the CCG as part of contract quality and performance management reporting.

The Trust has worked in the spirit of openness and transparency with the CCG over the last year to further develop and strengthen working relationships. This is demonstrated through invitations by the Trust for CCG representation on a range of quality and patient safety related learning forums and Committee's in order to promote an internal culture that is accepting of challenge. The CCG is pleased to report that the timeliness of responses to quality concerns raised to the Trust has been of a consistent high standard and approached with a willingness to learn underpinning the Trust core values and strategic objectives.

The CCG recognises that it has been a significant year in the history of George Eliot Hospital as the Trust joined the Foundation Group of hospitals alongside South Warwickshire NHS Foundation Trust and Wye Valley NHS Trust. The CCG recognises that this collaborative approach brings access to greater safety expertise and resource as well as efficiency opportunities.

The CCG acknowledges the Trust investment in equipment to improve service delivery. The Trust reports investment in replacing physiotherapy gym equipment to better support the rehabilitation of patients, the purchase of a state of the art mammogram machine to improve breast cancer services, a new advanced ultrasound machine with high frequency sound waves for musculoskeletal services, and an investment programme to replace 320 hospital beds; all of which will improve the patient experience and the efficiency of the service and thereby reduced delays for local people. The CCG is pleased to hear that the Trust has introduced a new pacemaker service to enhance the cardiology services reducing the patient's need to travel for their pacemaker implantation.

The CCG is pleased that the Trust continue to pay tribute to the dedication and commitment of its workforce through the "Team Eliot Awards" and this year through the celebration of the NHS 70th Birthday. The CCG acknowledges this senior leadership approach to valuing staff and teams is beginning to show improvements in staff retention and vacancy rates with the international nurses achieving a higher than national average pass rate in an exam that forms part of their registration process in the UK.



**Warwickshire North**  
**Clinical Commissioning Group**

Nursing & Quality  
2<sup>nd</sup> Floor, Heron House  
Newdegate Street  
Nuneaton  
Warwickshire  
CV11 4EL

Switchboard: 024 7632 4399  
Direct Line: 024 7632 4325

Increasing demand on Accident and Emergency services has again been a key challenge for the Trust this year although the CCG recognises the overall improvement compared to 2017/18. The CCG has continued to conduct a number of announced and unannounced assurance visits to the A&E Department. Whilst the CCG was assured that the Trust has robust processes in place to ensure patients are managed safely, it is clear that to secure a good experience for patients and their families and/or carers, this area will require consistent focus and attention by staff, particularly if access to care is delayed. The CCG acknowledges the work the Trust has had in place to manage this throughout the year and to ensure that where issues occur, incidents are reported in a timely manner, investigated adequately and that any lessons learnt, disseminated promoting an open and transparent culture.

The CCG commends the Trust on achieving three out of the four the 7 day clinical standards. The result of the Trust's self-assessment reveals their commitment to achieving overall service compliance which will improve patient access to services across the week, out of hours and at weekends.

The Trust continues to be supported by dedicated volunteers who provide the voice of the community and patient to inform recommendations to improve and shape patient care. The CCG welcomes this collaborative approach of engagement and recognises the volunteers as the "critical friend" seizing the opportunity to ensure the patient is at the heart of service development. The CCG also recognises the Trusts innovative approach to improving the response rate of their Friends and Family Test (FFT) survey through the introduction of SMS texting. The CCG notes that the FFT SMS texting is presently on an extend trial whilst the Trust assess the value and acceptability of this approach with patients.

It is disappointing that the Trust have failed to consistently achieve the national 18 weeks Referral to Treatment Time (RTT) performance target, they have however reduced to zero any patients waiting 52 weeks or more. The CCG expects the Trust to continue to improve patient pathways and provide ongoing assurance over the coming year that they are identifying, assessing and reporting any patient harm related to delays.

The Trust has worked hard to embed sound processes for the identification, reporting, review and learning from deaths in line with the recommendations in the national guidance (National Guidance on Learning from Death March 2017). The CCG recognises the progress the Trust has made with regard to engagement with the Learning Disabilities Mortality Review (LeDeR) programme and the progress made to improve the Hospital Mortality Standardised Ratio (HSMR). The Trust HSMR has remained higher than expected throughout the year, the CCG has received assurance that the Trust have an adequate mortality and deteriorating patient improvement plan that addressed any issues found.

In conclusion, we recognise that the Trust has made positive progress in a number of areas last year and can confirm that we support the priorities identified by the Trust in their Quality Account for 2019-2019.

Yours sincerely



**Andrea Green**  
Accountable Officer



**Resources Group**

Cllr Wallace Redford  
Democratic Services  
Warwickshire County Council  
Warwick  
CV34 4RL

Email: [ciredford@warwickshire.gov.uk](mailto:ciredford@warwickshire.gov.uk)  
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David Eltringham, Managing Director  
George Eliot Hospital  
Lewes House  
College Street  
Nuneaton  
CV10 7DJ

Date 10 May 2019

Dear David,

**George Eliot Hospital NHS Trust – Quality Account**

Thank you for sight of the George Eliot Hospital Quality Account document.

Previously, the County Council, working in partnership with colleagues at Coventry City Council and the respective Healthwatch organisations have contributed in detail to the formulation of the Quality Account (QA) documents through task and finish review working with each of the service providers.

In recent years, the Committee has focussed instead on thematic reviews, which has meant that Warwickshire County Council has not been able to contribute to the QA process in such detail. However, there was a useful engagement with George Eliot Hospital in November 2018, when yourself and the previous Trust Chair, Prem Singh gave a presentation and responded to questions from the Committee. In particular, the Committee heard about the foundation approach, working across three trusts, progress against the action plan resulting from a CQC inspection and the Trust's preparation for 'winter pressures'.

Thank you for the opportunity to comment on the George Eliot Hospital Quality Account document again this year.

Yours faithfully

Cllr Wallace Redford  
Chair of the Adult Social Care and Health  
Overview and Scrutiny Committee

*Working for  
Warwickshire*



David Carr  
Chair Patient Forum  
George Eliot Hospital NHS Trust  
College Street  
Nuneaton CV10 7DJ

14<sup>th</sup> May 2019

Mr G Burley  
Chief Executive Officer  
George Eliot Hospital NHS Trust  
College Street  
Nuneaton  
CV10 7DJ

Dear Glen,

Thank you for sending the newly designed draft George Eliot Hospital Annual Report and Accounts on Quality and Finance 2018/19 for perusal and comments. Comments on behalf of the Patient Forum (PF) are that the draft report is reflective of the challenging journey the Trust has been on over the last twelve months. This year has seen the Trust join the Foundation Group with South Warwickshire Foundation Trust and Wye Valley NHS Trust, the appointment of a new Chairman and Chief Executive Officer that bring a wealth of experience and aspirations for the Trust. The PF are looking forward to the impact their positive commitment will have. The PF support the clear direction that has been set out in the Trust 10-Point Plan and such initiatives as the shared decision-making model.

It is pleasing to note the positive outcomes from the CQC visit and report, although the report rated the Trust still requires improvement, significant progress has been made in several areas. The PF acknowledges and thanks the strides the End of Life team has taken to have this service rated as GOOD enhancing the quality of care for patients and families. We also recognise other areas of good practice as in the 'singing for breathing' work and within the surgical division both being rated by the CQC as GOOD. A&E care continues to be a challenging area due to pressure of demand, the PF acknowledges the ongoing work and dedication of staff in maintaining high quality care.

The challenges of the Trust financial position are acknowledged; however, it is reassuring that investments are still being made to improve the quality of patient outcomes for example within diagnostics and physiotherapy services. Also, the investment in new beds to reduce the number of pressure sores enhancing the quality of care. A concern within the report was the Trust late payment of invoices beyond thirty days and the PF hope to see improvements in this timescale.

Climate change and protecting the environment is currently a global challenge therefore it was interesting to read the success that the Trust has had in reducing carbon emissions and a commitment to reduce them further in 2019/20.

David Carr  
David Carr  
Chair Patient Forum

## Section 2.ii: Quality Commitments 2019/20

The Trust recognises and upholds the vision of the NHS Long Term Plan (NHS LTP) that clearly outlines a way forward over the next ten years to enable the NHS to be 'fit for the future'. The ultimate goal is to improve the delivery of care for patients, their experience at the point of care (in whichever health or social care setting they attend) with a key focus on prevention and wellbeing and living well for generations to come.

In responding locally to the NHS LTP, alongside the outcomes of this year's performance (see section 1) against the set quality commitments (QCs), the Trust has again agreed next year's QCs based on improving the patient experience and care outcomes overall.

For 2019/20, as detailed below, the Trust has set itself nine QCs and will use a quality initiative framework approach to deliver, with progress being monitored and reported throughout the year to the monthly Transformation and Improvement Board and the Quality Assurance Committee on a quarterly basis.



- 1. We will reduce preventable deaths**
- 2. We will reduce harm from falls \*\***
- 3. We will improve the assessment of patients at risk of developing blood clots (VTE)**

1. Our mortality rates are higher than expected; and deaths from pneumonia is the main contributor to this. Therefore we will:
  - Ensure that senior clinicians review deaths and share learning through morbidity and mortality meetings
  - Improve our communication with bereaved families by developing the Medical Examiner role
  - Reduce deaths from pneumonia.
2. Over the last year, the number of falls with harm has increased. Therefore in conjunction with the three high impact actions to prevent hospital falls, we will:
  - Implement a falls quality improvement collaborative across five inpatient wards.
3. We are not meeting the national standard to assess patients for the risk of developing VTE on admission to hospital. Therefore we will:
  - Assess all inpatients' risk of VTE on admission to hospital
  - Provide written information to patients about the risks of VTE.





- 1. We will improve the care of frail patients**
- 2. We will increase the number of patients being treated in ambulatory care**
- 3. We will reduce the number of cancelled operations in winter**

1. Managing frailty well avoids admissions to hospital, helps people remain in their own home and prevents deterioration. Therefore we will:
  - Initiate a clinically lead review of frailty pathways
  - Reduce length of stay (LOS) for frailty patients.
2. Maximising ambulatory care prevents unnecessary admission to hospital. Therefore we will:
  - Increase the range and numbers of patients treated through ambulatory patients
  - Benchmark ourselves against peer groups and develop improved performance against targets.
3. Effective winter planning will ensure that patients get the treatment they need in a timely manner. Therefore we will:
  - continue to provide inpatient elective activity through the winter, according to need.



- 1. We will reduce our use of agency and locum medical staff**
- 2. We will improve the experience of our patients who are being discharged from hospital**
- 3. We will improve our staff engagement**

1. A reliance on temporary staff is associated with poorer outcomes and is expensive. It is important to recruit, retain and develop our own staff. Therefore we will:
  - Focus on hard to recruit to specialities such as Emergency Medicine and Paediatrics.
2. Our patients told us in the inpatient survey that the overall discharge experience could be improved. Therefore we will:
  - Improve discharge information about medication.
3. Outstanding organisations have been shown to have high levels of staff engagement and empower staff to develop improvements. We are committed to getting this right. Therefore we will:
  - Embed a new approach to quality improvement and train staff to do this
  - Improve communication and visibility from ward to board.

A stakeholder engagement and feedback exercise took place with key staff from around the Trust prior to the executive team setting the organisation's QCs outlined above. During this process, we have ensured correlation and a consistent approach to the delivery of the Trust's 10 point plan, its Quality Strategy and underpinning the ethos of the NHS LTP. There is also a strong link in meeting the requirements of our national CQUIN targets that are agreed in collaboration with our CCG partners. The Trust will use a quality improvement approach throughout 2019/20, including:

- Staff flu vaccinations
- Offer alcohol and tobacco brief advice
- Antimicrobial resistance – urinary tract infections and antibiotic prophylaxis for elective colorectal surgery
- Same day emergency care – pulmonary embolus/tachycardia with atrial fibrillation pneumonia.

## Section 2.iii: Financial Accountability Reports

### Overview

It is the responsibility of the Directors of the Trust to prepare the Annual Report and Accounts. The Trust Board considers that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy. The information presented within this accountability report has been produced in accordance with Department of Health guidance and we have ensured that we have met all regulations in terms of reporting arrangements.

### Corporate Governance Report

#### Directors' Report

#### Changes to the Board of Directors

During the year we have seen a number of changes within the Trust Board.

Kath Kelly retired from her role as Chief Executive on 13 July 2018. Kath had worked for the Trust for eight years, joining as Director of Operations in the summer of 2010 before becoming interim Chief Executive in 8 September 2014 and then being appointed to the substantive position on 18 November 2015.

Glen Burley was appointed to the role of Chief Executive on 16 July 2018 following Kath's retirement. Glen already held the Chief Executive position at both South Warwickshire NHS Foundation Trust (SWFT) and Wye Valley NHS Trust (WVT), and he will continue to do so.

As part of this arrangement George Eliot Hospital joined the 'Foundation Group' (the Group) with SWFT and WVT. This model enhances opportunities for sharing best practice, service improvement and integration, whilst enabling George Eliot to continue to be an independent organisation with its own Board of Directors. From a Warwickshire-wide perspective, Glen is also a member of the Sustainable Transformation Programme (STP) Board and he Chairs the Coventry & Warwickshire A&E Delivery Board.

As Glen divides his time across three sites a Managing Director at each Trust in the Foundation Group has responsibility for direct operational management and running of the hospital on a day-to-day basis. David Eltringham joined the George Eliot Hospital in this role on an interim basis on Monday 30 July 2018 and was appointed to the post substantively on 1 April 2019.

Debbie Pook was appointed as Interim Director of Operations on 1 January 2018, and became substantive on 1 July 2018. Debbie left the organisation on 4 January 2019. Andrew Kent took over the role on an interim basis between 5 January and 11 February 2019, before Stephen Collman joined the Organisation as the substantive Director of Operations on 12 February 2019.

Claire Campbell resigned from her position as Director of Governance and left the Trust on 18 October 2018. The Trust Board decided not to re-appoint to this position and to allocate core areas of responsibility across other Executive Directors' Portfolios.

In light of the changes outlined above and the decision by the George Eliot Trust Board to join the Foundation Group, the Chief Executive and Managing Director took the opportunity to review and realign the contents of Executive Director portfolios. The changes were approved by the Trust Board in November 2018. A summary of each director's portfolio can be found later on in this section.

## The role of the Trust's Board of Directors

The purpose of the Trust's Board of Directors is to govern effectively and in doing so build patient, public and stakeholder confidence that their health and healthcare is in safe hands. This fundamental accountability to the public and stakeholders is delivered by building confidence:

- in the quality and safety of health services
- that resources are invested in a way that delivers optimal health outcomes
- in the accessibility and responsiveness of health services
- that patients and the public can help to shape health services to meet their needs
- that public money is spent in a way that is fair, efficient, effective and economic.

The Board demonstrates leadership by undertaking three key roles:

- **Formulating strategy** for the organisation
- **Ensuring accountability** by:
  - holding the organisation to account for the delivery of the strategy
  - being accountable for ensuring the organisation operates effectively and with openness, transparency and candour and by seeking assurance that the systems of control in place are robust and reliable.
- **Shaping a healthy culture** for the Board and the organisation.

## The executive team

Executive Directors take the lead in developing strategic proposals, drawing on professional and clinical experience. They lead on the implementation of strategy within functional areas and manage performance within their area.

Executive Directors also actively support and promote a positive culture for the organisation and reflect this in their own behaviour, nurturing good leadership at all levels. They take principle responsibility for providing accurate, timely and clear information to the Board and lead on engagement with specific internal or external stakeholder groups.

## Individual director portfolios:

Glen Burley

### Chief Executive

(voting member, joined July 2018)

The Chief Executive is responsible for leading the Executive Directors in setting the Group and the Trust's strategic aims, developing shared understanding and commitment to these aims, and working with Board colleagues, managers and staff, partner organisations in the local and system wide health economy and appropriate external organisations.

The Chief Executive provides visible leadership that models exemplary behaviours of personal integrity and inspires and empowers staff.

The Chief Executive works with the Chairman to ensure that the Board maintains its capacity and is continually developed in order to remain 'fit for purpose' in the context of a changing NHS and wider healthcare environment. In support of these responsibilities a key part of the Chief Executive role is a focus on the integration agenda, system leadership and partnership working.

To this end, this role involves robust engagement with stakeholders, commissioners, other health and social care providers, public, private and third sector partners, children and families, to maximise the opportunities for improved service delivery at every opportunity.



**David Eltringham**  
**Managing Director**  
(voting member, joined July 2018)

The Managing Director is responsible for the day to day management of the Trust on behalf of the Chief Executive leading the Executive Team and Chairing the Trust Management Group/Board. This role encompasses internally and externally the development and implementation of the Trust strategy, the management of relationships, engagement with staff and stakeholders and embedding partnerships with key stakeholders to the organisation, overseeing all communications activity across the Trust and the delivery of the Board Assurance Framework.

**Haqnawaz Khan**  
**Director of Finance**  
(voting member, joined December 2017)

The Director of Finance takes a central role in ensuring the development and governance of financial strategies and policies to support the delivery of patient care for the Trust Board. A key member of the Trust Board's Executive Team, providing advice on all matters of financial and charitable fund management, probity and governance.

The Director of Finance leads discussions with commissioners on behalf of the Trust to establish robust contractual arrangements for Trust Services; this includes all service level agreements (SLAs) and the nursing and midwifery bursary (NMB) contracts.

They provide effective and professional leadership to the Finance and Performance Directorate.

The post holds specific responsibility as the executive lead for the performance framework, planning and finance management. The Finance Director acts as the Lead Executive in support of the Chairs of the Audit Committee and the Finance and Performance Committee.

The Director of Finance has responsibility for the Strategic Estates Partnerships (SEP) estates planning and transformation, and is the Senior Information Responsible Officer (SIRO) for procurement, clinical coding and the Trust information team.

**Daljit Athwal**  
**Interim Director of Nursing**  
(voting member, joined February 2018)

The Director of Nursing is responsible for the quality, safety, patient experience, governance and productivity of all clinical services and ensuring the Trust's nursing, midwifery and allied health professional (AHP) workforce strategy meets the flexible and changing demands on professional workforce skills and competencies.

The Director of Nursing provides professional leadership for nursing, midwifery and AHPs, advising the Board on all aspects of professional practice for these groups. They are also the Accountable Officer for controlled drugs (CDs) and the DIPC (Director of Infection Prevention and Control).

The Director of Nursing is responsible for adult and children's safeguarding, Prevent30, patient and public involvement and experience, risk management, infection prevention and control, the development and management of the Trust volunteer strategy, smoking cessation and the management of the complaints and chaplaincy teams. The Director of Nursing leads on the development and delivery of systems and processes which relates to Clinical Governance within the Trust.

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<sup>30</sup> **Prevent** focuses on all forms of terrorism and operates in a 'pre-criminal' space'. The **Prevent** strategy is focused on providing support and re-direction to individuals at risk of, or in the process of being groomed /radicalised into terrorist activity before any crime is committed.

Catherine Free

**Medical Director**

**(voting member, joined October 2017)**

The Medical Director role includes specific responsibility for the development of a forward thinking clinical and quality strategy for the Trust. They are responsible for leading and directing the Trust's medical workforce, patient safety and mortality, end of life care, clinical audit, research and development, job planning, revalidation and medical education and training. This role also acts as a Guardian of Safe Working Hours and the output of the medical rota team.

The Medical Director is the Responsible Officer for Medical Revalidation, is responsible for the clinical sign off of complaints and acts as the organisation's Caldicott Guardian.

Stephen Collman

**Director of Operations**

**(non-voting member, joined February 2019)**

The Director of Operations is responsible for co-ordinating and delivering performance against national and local clinical operational and performance standards. The Director of Operations is responsible for ensuring that there is an operational structure in place which has the capacity and capability to lead services to deliver against these standards. This role provides high profile leadership which adheres to the core values of the Trust, with responsibility for ensuring the delivery of safe and high quality patient care by each of the clinical divisions and directorates through a robust system of planning, service delivery and performance management.

The Director of Operations is responsible for the leadership of service development, elective and emergency care transformation and productivity and efficiency. The Director of Operations has a key role to play in integration with the wider health and social care system to ensure it is fully developed in line with the overarching corporate strategy.

The Director of Operations leads on estates, facilities and security management, hotel services, health and safety, mental health, radiation protection and emergency preparedness.

Sue Wakeman

**Director of Human Resources**

**(non-voting member, joined March 2016)**

The Director of Human Resources oversees the development and delivery of the workforce strategy and implementation plans and acts as the Board's Expert Advisor on Human Resources, Employment Tribunal activity, organisational development and education and training. This includes the provision of a strategic and professional advisory service to the Trust in respect of people management, staff experience, and engagement, and development and demonstration of the Trust's value pledges at all times. In addition, the role covers workforce health and wellbeing, occupational health, equality and diversity, employment legislation and medical staffing.

The Director of Human Resources also acts as the executive lead for Freedom to Speak Up and is the Chief Knowledge Officer for the Trust.

Andy Laverick

**Director of Information Technology**

**(non-voting member, joined March 2016)**

The Director of Information Technology (IT) is responsible for the development of an Information and Communication Technology Strategy for the next five years. Priority areas for work includes Electronic Patient Record and the development of IT management systems. The role is responsible for developing improved IT links and communication with GPs.

The Director of Information Technology leads the development of a shared service/strategy for IT across the local system. He is responsible for information governance and Freedom of Information (FOI) requests and health records management.





## Non-Executive Team

Non-Executive Directors bring independence, external perspectives, skills and challenge to strategy development. They hold the Executive Team to account for the delivery of strategy and offer purposeful, constructive scrutiny and challenge. They also act as chairs and participants of Board Sub-Committees with responsibility for scrutiny of strategies and plans and the provision of assurance to the Trust Board that such plans are being delivered, and that the reasons for non-delivery are understood and suitable constructive actions are being taken.

Non-Executive Directors actively support and promote a healthy culture for the organisation and reflect this in their own behaviour helping to provide visible leadership within the organisation. They also satisfy themselves of the integrity of financial and quality intelligence including getting out and about to observe and talk to patients and staff. They ensure the Board acts in the best interests of patients and the public.

There have been a few changes within the non-executive team during the 2018/19 year.

Chris Spencer was a Non-Executive Director from 1 December 2011 and Vice-Chair. Chris' term of office came to an end on 31 May 2018. Julie Houlder then became Vice-Chair.

Glynis Washington and Rebecca Khanna both joined the Non-Executive Team on 1 of April 2018. Anil Majithia joined on the same day as an associate Non-Executive Director and was later appointed as a Non-Executive Director on 1 September 2018.

Duncan Cooper's term of office ended on 31 of August 2018. Duncan had been a Non-Executive Director since 1 September 2016. Following Duncan's departure, Simone Jordan was appointed as Non-Executive Director on 29 October 2018.

### Prem Singh – Chairman

Prem Singh was appointed as Chairman on 19 March 2018 and was asked by NHS Improvement (the Trust's regulator) to be Chairman for a 12-month period, to support the development of the Trust. Prem therefore completed his term of office on 31 March 2019.

### Julie Houlder – Non-Executive Director and Vice-Chair

Non-Executive Director since 1 May 2016

### Duncan Cooper – Non-Executive Director

Non-Executive Director from 1 September 2016 to 31 August 2018

### Glynis Washington - Non-Executive Director

Non-Executive Director since 1 April 2018

### Rebecca Khanna - Non-Executive Director

Non-Executive Director since 1 April 2018

### Anil Majithia - Non-Executive Director

Associate Non-Executive Director from 1 April 2018, Non-Executive Director from 1 September 2018

### Simone Jordan - Non-Executive Director

Non-Executive Director since 29 October 2018

## Board Sub-Committees

### Audit Committee

The Audit Committee is a Sub-Committee of the Trust Board whose principal purpose is to assist the Board in ensuring that it receives proper assurance as to the effective discharge of its full range of responsibilities. Its duties include providing an independent and objective review of the Trust's systems of internal control, including financial systems, financial information, governance arrangements, approach to risk management and compliance with legislation and other regulatory

requirements, monitoring the integrity of the financial statements of the Trust and reviewing the probity of all Trust communications relating to these systems.

NED Membership of the Committee in 2018/19:

Julie Houlder (Chair)

Anil Majithia

### **Finance and Performance Committee**

The Finance and Performance Committee is a Sub-committee of the Trust Board whose purpose is to ensure that financial and operational performance is effectively managed and controlled within the Trust.

NED Membership of the Committee in 2018/19:

Anil Majithia (Chair)

Glynis Washington

### **Nominations and Remuneration Committee**

The Nominations and Remuneration Committee is a Sub-Committee of the Trust Board whose purpose is to determine appropriate remuneration and terms of service for the Chief Executive and other Executive Directors. It also regularly reviews the structure, size and composition (including skills, knowledge and experience) required of the Board and will make recommendations to the Trust Board as appropriate, regarding any changes.

NED Membership of the Committee in 2018/19:

Prem Singh (Chair)

All Non-Executive Directors

### **Quality Assurance Committee**

The Quality Assurance Committee is a Sub-Committee of the Trust Board that ensures that all issues relating to quality governance, clinical quality and patient safety are considered in a holistic and integrated way.

NED Membership of the Committee in 2018/19:

Glynis Washington (Chair)

Rebecca Khanna

### **Workforce Development Committee**

Workforce Development Committee is a Sub-Committee of the Trust Board and is responsible for providing the leadership, oversight and assurance on the strategic aspects of the Trust's workforce.

NED Membership of the Committee in 2018/19:

Rebecca Khanna (Chair)

Julie Houlder

### **Charitable Funds Committee**

The Charitable Funds Committee is a Sub-committee of the Trust Board whose purpose is to oversee the management and operation of the Trust's Charitable Funds, on behalf of the Board as the corporate Trustee.

NED Membership of the Committee in 2018/19:

Anil Majithia (Chair)

Julie Houlder



### **Foundation Group Strategy Sub-Committee**

The Foundation Group Strategy Sub-Committee is a Sub-Committee of the Trust Board and operates as a 'Committee in common' between the three Trusts in the Foundation Group. Its purpose is to advise the Trust Board on all matters relating to identifying and sharing best practice at pace.

NED Membership of the Committee in 2018/19:

Prem Singh



## Register of Interests

Board Member Name	Role	Description of Interest
Voting Members		
Glen Burley	Chief Executive Officer - GEH	Chief Executive - Wye Valley NHS Trust  Chief Executive - South Warwickshire NHS Foundation Trust  Spouse Chair of Governors at Myton School  Spouse Practice Nurse at Rother House Medical Centre
David Eltringham	Managing Director	Married to Group Director of Nursing Sandwell & West Birmingham Hospitals NHS Trust
Dr Catherine Free	Medical Director	Nil Return
Daljit Athwal	Interim Director of Nursing	Deputy Chief Nurse at Nottingham University Hospital - Secondment to GEH
Haq Khan	Director of Finance	Member of <a href="#">HfMA</a>  Member of CIPFA
<a href="#">Prem Singh</a>	Chairman	Chairman of Derbyshire Community Health Services NHS FT  Managing Director PMS Consulting Ltd  Senior Independent Trustee NHS Confederation  Kathryn Singh (Spouse) CEO Rotherham, Doncaster & South Humber NHS FT
Julie Houlder	Non-Executive Director	Non-Executive Director Derbyshire Health Services NHS FT Trust  Chair - Josiah Mason Trust  Associate - Charis Consultants Ltd  Director Windsor Academy Trust  Owner - Elevate Coaching Ltd
Dr Rebecca Khanna	Non-Executive Director	Owner – Shared Wisdom Ltd  Assistant Dean , Academic Development – Sheffield Hallam University  Secretary to Raj Khanna Associates Ltd  Partner Visitor & Registrant - Health & Care Professions Council

		Royal College of Occupational Therapists – Vice Chair of Learning & Development Board Accreditor - Professional Member - Royal College of Occupational Therapists
Anil Majithia	Non-Executive Director	Chair of Voluntary Action Leicestershire Board Member - LLEP Trustee - Voluntary Action Leicestershire Corporation Member - North Warwickshire & South Leicestershire College Chair - East Midlands Regional Advisory Board - Canal & River Trust Lay Member of Council University of Leicester
Simone Jordan	Non-Executive Director	Managing Director - Simone Jordan & Associates Ltd Associate Non-Executive Director - Royal Orthopaedic Hospital Nottingham Business School – Visiting Fellow De Montfort University - Honorary Senior Lecturer Member of CIPD - Chartered Institute of Personnel & Development Member of Institute for OD
Glynis Washington	Non-Executive Director	Nil Return
Non-Voting Members		
Stephen Collman	Director of Operations	Nil Return
Sue Wakeman	Director of Human Resources	Nil Return
Andy Laverick	Director of IT	Owner/Director Pure Space IT Ltd
Meg Lambert	Trust Secretary	Nil Return





## Statement of the Chief Executive's responsibilities as the Accountable Officer of the Trust

The Chief Executive of NHS Improvement, in exercise of powers conferred on the NHS Trust Development Authority, has designated that the Chief Executive should be the Accountable Officer of the Trust. The relevant responsibilities of Accountable Officers are set out in the *NHS Trust Accountable Officer Memorandum*. These include ensuring that:

- There are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;
- Value for money is achieved from the resources available to the Trust
- The expenditure and income of the trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them
- Effective and sound financial management systems are in place; and
- Annual statutory accounts are prepared in a format directed by the Secretary of State to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, recognised gains and losses and cash flows for the year.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.

By order of the Board



**Glen Burley**

Chief Executive

23 May 2019



## Statement of directors' responsibilities in respect of the accounts

The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of HM Treasury, directs that these accounts give a true and fair view of the state of affairs of the Trust and of the income and expenditure, other items of comprehensive income and cash flows for the year. In preparing those accounts, the directors are required to:

- Apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;
- Make judgements and estimates which are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- Assess the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use 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.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. 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, and for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The directors 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 trust's performance, business model and strategy.

By order of the Board



**Glen Burley**

Chief Executive

23 May 2019



**Haqnawaz Khan**

Finance Director

23 May 2019

# Governance Statement 2018/19

## 1. Scope of responsibility

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

## 2. The Purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of George Eliot Hospital NHS Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the year ended 31 March 2019 and up to the date of approval of the Annual Report and Accounts.

## 3. Capacity to handle risk

The Board has established the following governance arrangements for risk management:

- **Chief Executive:** As Accountable Officer, takes Board-level responsibility for governance, including risk management, and has overall responsibility for maintaining an effective risk management system and for meeting all statutory requirements. Executive directors and clinical directors have delegated responsibility for governance and risk management arrangements within their areas of control.
- **Board of Directors:** The Trust Board and Chief Executive ensure that the risk management arrangements are implemented, monitored and reviewed, and meet all legal and regulatory requirements. The Board receives reports from the Audit Committee, the Finance and Performance Committee and the Quality Assurance Committee on the Trust's risk control measures.
- **Audit Committee:** monitors the effectiveness of the risk management arrangements (operational, non-clinical and financial) on the Board's behalf.
- **Finance and Performance Committee:** a subcommittee of the Board of Directors and meets on a monthly basis. For the first half of the year, the committee had responsibility for monitoring financial performance. From September, the remit of this group was expanded to include both financial and operational performance. This includes the management of financial risks to ensure targets are met.
- **Quality Assurance Committee:** a subcommittee of the Board of Directors. It is responsible for managing, mitigating and monitoring risks in relation to quality and safety.
- **Workforce and Development Committee:** The Trust Board has established this subcommittee to provide leadership, oversight and assurance on strategic aspects of the Trust's workforce, including aspects of planning, development and education related needs, as well as organisational development, capacity and culture. This committee monitors plans to mitigate risks in relation to the Trust's workforce.
- **Information Governance Group:** The Trust has an established Information Governance Group, with responsibility for overseeing day-to-day information governance issues, developing and maintaining policies, standards, procedures and guidance, and reviewing related issues and risks, reporting to the Quality Assurance Committee. The Medical

Director – the Trust’s Caldicott Guardian – supported by the Information Governance Manager, is responsible for the establishment of policies for the control and appropriate sharing of patient information with other agencies. The Finance Director is the appointed Senior Information Risk Owner (SIRO) and chairs the committee.

#### 4. The risk and control framework

**The Trust has adopted an integrated framework for risk management supported by policies and procedures. This framework maps the key risks to the Trust’s principal and strategic objectives, and to Care Quality Commission (CQC) outcomes, where applicable. These are referenced to the risk register to ensure the potential risks that threaten the achievement of the Trust’s objectives are identified. The framework also highlights the existing control measures and assurances in place.**

The Risk Management Strategy is approved by the Board and reviewed annually. The strategy identifies the flow of risks from Board to ward and vice versa. It is published widely and includes:

- The aims and objectives for risk management in the Trust
- The relationship between the relevant committees and their responsibilities
- The role of key individuals with responsibility for advising on and co-ordinating risk management activities
- Risk appetite
- A description of the processes that the organisation employs in reviewing risk management arrangements and in gaining assurance on risk management
- Guidance on what is acceptable risk to the organisation.

The strategy defines the risk management process including risk identification, analysis, and evaluation and requires that all hazards are assessed, and risks recorded in a standard format risk register and prioritised using a consistent scoring methodology.

Risk appetite is determined by the amount of risk exposure, or potential adverse impact from an event, that the organisation is willing to accept, tolerate, or be exposed to at any point in time. In order to achieve the strategic objectives of the Trust, the Trust Board considered tolerance levels and thresholds that define acceptable and unacceptable levels of risk.

The Risk Management Strategy was approved by the Board in December 2017 and is currently under review. The strategy clearly states that it is the responsibility of all staff to identify and communicate risk through the line management structure and, ultimately, to the appropriate committee. This responsibility is reinforced through annual statutory update training. Divisions and directorates are required to maintain systems and processes that enable them to operate within the Risk Management Strategy.

The risk management system is continually reviewed to ensure that robust systems are in place at all levels within the Trust. The risk register is an integral part of the system. Amendments to the risk register are generated and actioned at directorate, division and corporate level.

The Healthcare Risk Group reviews and challenges the risks placed on the directorate’s risk registers, has oversight of the plans put in place to mitigate risks to ensure actions are being taken, and also acts as the conduit between the Board and ward in disseminating risk both ways. The group escalates significant risks which cannot be managed locally to the corporate risk register and disseminates risks to the directorates where appropriate. There is an escalation process in place so that, if the directorate’s risk registers are not maintained or updated, leads from the respective directorate are invited to present to the Quality Assurance Committee. The corporate risk registers are a standing agenda item for the Quality Assurance Committee and are reviewed quarterly by the Board.



Communication and consultation is undertaken with internal and external stakeholders when appropriate. The Trust has continued to develop communication channels with its partners, and within the Trust. Regular reports are prepared for directorates and divisions, the Quality Assurance Committee and the Trust Board on the incidents reported, both clinical and non-clinical.

All identified risks which involve public stakeholders, including the CQC, clinical commissioning groups and NHSI, have been dealt with in an open and transparent way, using the appropriate recording mechanisms and communication with the public.

The Trust involves stakeholders by informing and consulting on the management of any significant risks. Stakeholder involvement is sought through:

- Bi-monthly public Board meetings and information provided on the Trust's website ([www.geh.nhs.uk](http://www.geh.nhs.uk))
- A wide range of communication and consultation mechanisms which already exist with relevant stakeholders, both internal and external
- Consultation on appropriate policy documents – stakeholders have the opportunity to comment on the risk elements
- The Community Engagement Group's role has changed during the year to ensure that:
  - members are responsive to current stakeholder engagement needs, have the right contacts, commitment and capacity to fulfil their roles and are able to actively respond to an increased level of stakeholder engagement
  - the panel members have no statutory or legal powers, but act as an important link to the hospital membership and the wider community.

There is a fully established Internal Audit programme approved by the Audit Committee in the Internal Audit Work Plan, and the Audit Committee receives reports which provide assurance of the Trust's key internal control objectives. The Internal Auditor presents an Annual Audit Opinion to inform those charged with governance on the overall level of assurance for the system of internal control. Internal Audit recommendations are tracked in a system to record action taken and completed.

The Trust has an established counter fraud service, provided by a Local Counter Fraud Specialist (LCFS). In addition to investigation work, the LCFS also carries out an agreed amount of proactive work at the Trust, which includes fraud awareness presentations and workshops, review of Trust policies and procedures to identify the key areas of fraud risk, and production of newsletters and articles to inform staff of local and national counter fraud work and investigations.

The LCFS regularly attends the Audit Committee meetings and reports back to both the Director of Finance and Performance and the Audit Committee on any proactive or reactive work undertaken at the Trust. Please refer to page 119 below for information on work completed in 2018/19.

The Trust's External Auditors conduct an annual review of the Trust's control environment and present an Annual Report to those charged with governance in the form of an Annual Audit Letter.

Control measures are in place to ensure that all of the Trust's obligations under equality, diversity and human rights legislation are complied with. The Trust has an Equality and Diversity Forum, sponsored by a non-executive director and chaired by the Director of Human Resources. Its purpose is to promote equality of opportunity, treatment, dignity and respect for all patients, staff and members of the communities that the Trust serves. The group advises and makes recommendations to the Board of Directors, committees and other groups on equality and diversity matters, compliance with statutory and other requirements and areas for improvement.

The Trust policy on the development of policies ensures that all Trust policies must be equality impact assessed before seeking approval from the Board.

The Workforce Development Committee is a Board sub-group, chaired by a non-executive director. The Committee is responsible for providing the leadership, oversight and assurance on





the strategic aspects of the Trust's Workforce. It meets monthly and receives reports to ensure that workforce plans are in place and monitored to provide assurance to the Board in relation to the effectiveness of human resources, education, learning and organisational development arrangements enabling the provision of safe high quality care for patients.

Trust Boards are required to oversee workforce issues and understand the detail of any risk to safe high quality care. Nurse staffing level reporting is well developed following National Quality Board (NQB) 2016 guidance through monthly Board reporting on safe staffing, six monthly reporting on acuity reviews, as well as recruitment and retention reporting. Medical staffing deployment has consisted of annual reporting on medical workforce numbers, monthly reporting on temporary staffing usage, Guardian of Safe Working quarterly reports, Job planning updates and Appraisal and Revalidation reports. The Trust is currently working across the Foundation Group to undertake a gap analysis to ensure all 14 recommendations within "Developing workforce safeguards", 2018 are addressed.

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the scheme's 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's rules, and that the scheme's member records are accurately updated in accordance with the timescales detailed in the regulations.

The Trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP18). The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with. In 2016/17, the Trust invested £3.15m to install a combined heat and power (CHP) unit to replace the existing inefficient steam heating system with an energy efficient hot water heating system. The installation was completed in June 2017. This has reduced the Trust's building emissions by 28 per cent and provided £648,000 financial savings against the 2012/13 outturn.

In addition to the CHP project, the Trust has also invested £47,000 on replacing internal and external lighting to LED. £98,000 Capital funds for BMS (building management system) is ongoing, with the anticipated completion for works as April 2020, the software upgrade will further improve the Trust's plant and equipment emissions and energy efficiencies. Further LED replacements due will enable a greater financial saving and further reduce CO2 emissions in 2019/20. These works are due for completion between June 2019 and April 2020.

The Trust is fully compliant with the registration requirements of the Care Quality Commission. The last CQC inspection was undertaken during 2018/19 and rated the Trust as 'Requires Improvement'. There is a robust improvement plan in place to respond to all areas highlighted within the report for improvement. This is monitored monthly via the Executive Management Improvement meeting, the Quality Assurance Committee and the Trust Board.

The Trust has an ongoing internal CQC self-assessment process, which continues to undertake unannounced inspection visits to areas, wards and departments. This provides the Trust Board with ongoing assurance on compliance or highlights areas of non-compliance and ensures action plans are completed to address any concerns or issues raised. This is monitored through the Quality Assurance Committee. Progress and delivery of actions contained within the CQC Improvement Plan will be monitored through regular CQC Leads meetings. An electronic tracker will be used as a conduit for evidence and progress updates. Improvement plans will be a monthly agenda item on directorate governance meetings. A monthly meeting will take place with individual Executive Sponsors and a report will be presented at the Quality Assurance Committee and sent to Trust Board. In addition, a series of assurance visits to areas will enable triangulation that CQC actions have been implemented. The Trust operates a Serious Incident Requiring Investigation (SIRI) system where incidents are recorded and investigated, and action is taken to prevent similar



incidents in the future. Serious incidents and Never Events (should they occur) are investigated and reported to the Quality Assurance Committee and discussed and signed off by the Medical Director at a monthly Serious Incident Group. They are also reported to the Board of Director's private session on a monthly basis and to the public session on a quarterly basis.

## Risk assessment

The Trust has adopted an approach to risk management with the structures and processes in place to successfully deliver the risk management objectives. Leadership arrangements are defined within the Trust and are supported by job descriptions and objectives.

Leadership has been further embedded at Divisional and Directorate level, where managers have responsibility for risk identification, assessment and analysis. All staff are required to complete mandatory and essential update training, which covers risk management, risk assessments and health and safety training. All new members of staff are required to attend a mandatory induction (supplemented by local induction), which covers all key elements of risk management, including Freedom to Speak Up.

The Trust has a Board Assurance Framework (BAF) that is part of the regular performance reporting and management arrangements, both to the Board and its sub-committees. The Board Assurance Framework provides a comprehensive framework for the management of the principal risks to delivering the Trust's strategic objectives, as identified in the 10-point plan. The framework examines the system of internal control and records the actions to be taken to address gaps in control and/or assurance. During 2018/19 the Board undertook a complete refresh of the BAF, to ensure it was much more aligned to, the 10-point plan. This refresh involved an externally facilitated Board workshop, followed by one-to-one sessions with each of the Executive Directors to define the controls and assurances to each of the risk areas. Sections of the BAF will continue to be monitored by the appropriate Board Sub-Committee, overseen by the Audit Committee, but in 2019/20 the Board intends to review the BAF itself on a quarterly basis.

Review of the framework has been led by the Audit Committee (quarterly), focussing on high and extreme risks, with the Quality Assurance Committee reviewing all quality aspects quarterly. The Finance and Performance Committee and Workforce and Development Committee also consider their respective elements quarterly.

The framework identified areas where the control framework needed improvement and a number of 'red' risks were identified. Action plans were put in place to mitigate the risks and to make improvements to controls. These were routinely reported to the Audit Committee and have included:

- Delivery of long and short term financial plans
- The level of medical vacancies which impacts on the Trust's ability to deliver safe care; and
- The age and condition of bed frames impacting on patient safety and organisational flow.

Delivery of the 2018-19 financial target was prioritised with a number of recovery actions being identified and progressed. The plan for 2019-20 is dependent upon the delivery of a savings programme, which will be delivered using a transformational approach to changing processes. In addition, the Trust is working with the STP to agree joint plans which will improve the financial sustainability across the local healthcare region.

There are national shortages of medical staff in a number of specialties, in addition to local issues. Central management of rotas on a daily basis is undertaken to fill gaps on rotas and ensure safe delivery of services. The Trust has also enhanced the training offered in order to attract medical students.



The Trust has invested in the replacement of bed frames and by the end of the financial year all routine bed frames had been replaced. There is a programme in place to replace the special beds for patients at risk of falling during the coming year.

Achievement of the financial plan will continue to be a significant risk for the Trust. In addition, the level of medical vacancies will require ongoing review and management. Further risks have emerged relating to patient flow within urgent care not being managed effectively due to a lack of adequate processes and systems. In addition, poor utilisation of capacity has impacted on the ability to deliver elective care. Both of these areas are being reviewed by the transformation team to identify improvements in ways of working to mitigate these risks.

Each action plan is owned by an executive director and they are held to account for progress at the respective Board sub-committee and Audit Committee.

The Trust has also undertaken work in the year in order to prepare for the eventuality of an exit from the EU and the possibility of 'no deal'. DHSC has produced EU Exit Operational Guidance which outlines the actions that providers and commissioners of health and social care services should take to prepare for, and manage the risks. In addition, regional teams coordinate and provide guidance, followed by auditing, to ensure compliance. The Trust has carried out impact assessments on the risks of access to skilled staff and identified a low risk. A review of consumables has been undertaken and identified a small number of products where the Trust should hold additional supplies to manage this risk. National arrangements are in place to ensure the continuation of drugs supplies. Although this event did not occur in this year, the risk continues to be monitored through the corporate risk management process and action will be taken as necessary.

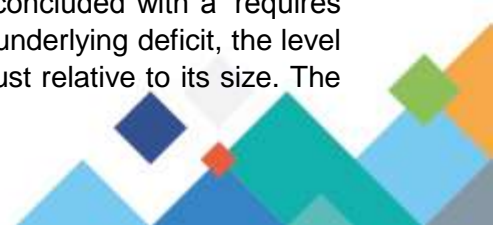
The Board is satisfied that the Trust has plans in place which aim to comply with existing targets wherever possible and where performance does not meet the target the Trust has plans to recover this position as quickly as possible without compromising patient safety. The Board also has a commitment to comply with all known targets going forward. The Board will ensure that the Trust operates effectively at all times. This includes maintaining its register of interests, ensuring that there are no material conflicts of interest in the Board of Directors, and that all Board positions are filled, or plans are in place to fill any vacancies. The Board is satisfied that all Board members have the appropriate qualifications, experience and skills to discharge their functions effectively, including setting strategy, monitoring and managing performance and risks, and ensuring management capacity and capability. All Board members complete a 'Fit and Proper persons' declaration annually.

In addition to the Board Members' Register of Interests, the Trust has also sought updated declarations of interests (including nil returns) from all decision-making staff, as per its Managing Conflicts of Interests Policy. The updated register is published on the Trust's website.

## **5. Review of economy, efficiency and effectiveness of the use of resources**

The Trust has a number of processes in place to ensure that resources are used economically, efficiently and effectively. The Trust has an established process for budget setting, monitoring and reporting. Internal Audit has reviewed the financial systems during the year with a focus on income management. Recommendations were made to improve engagement with clinical areas and the capture of data for invoicing. A number of improvements have subsequently been made. In addition, the Board reviews the scheme of delegation annually to ensure it is appropriate for the ongoing management of resources. However, the Trust remains in cumulative deficit and does not yet have a financial recovery plan in place.

NHSI undertook a 'Use of Resources' assessment at the Trust which concluded with a 'requires improvement' rating. The key areas for improvement are the size of the underlying deficit, the level of savings delivered recurrently and addressing the cost base of the Trust relative to its size. The



Trust could also benefit from greater use of the national benchmarking tools available particularly to compare prices paid for items and from reviewing the metrics produced following the Carter review. The Trust will focus on these areas for improvement with support from NHSI.

In 2018/19, the Trust planned for a £14.3m deficit, which was in-line with the control total agreed with NHSI. This included receiving £4.2m from the Provider Sustainability Fund (PSF), conditional upon the Trust achieving both financial and operational performance targets. The original plan excluding PSF income has been achieved in year. The Trust has therefore achieved the financial performance targets required to earn 70 per cent of the PSF income. However, the operational performance target was not achieved and the Trust will therefore receive £2.9m of the allocated PSF income. An additional allocation of £2.7m incentive PSF funding has also been received following achievement of the Trust's control total. The Trust met the efficiency savings target of £7.0m in year.

The Trust has submitted a financial plan for 2019/20, showing a breakeven position. This includes non-recurrent PSF and Financial Recovery Fund (FRF) income amounting to £15.7m and this is in-line with the control total requested by NHSI. The plan also requires delivery of efficiency savings amounting to £8.3m. Improved processes are being implemented to ensure that the Trust can effectively plan and deliver the required level of savings. This is being led by the Service Improvement Team, through a transformation approach to ways of working which will ensure that any efficiency savings generated are embedded.

In recent years, External Auditors have been required to issue an annual Section 30 letter to the Secretary of State for Health because the Trust has not met its statutory duty to break even. The letter informs the Secretary of State that the Trust is in breach of its statutory break-even duty for the five years ended 31 March 2019. The External Auditors are required to carry out audit work to establish whether proper arrangements are in place for securing economy, efficiency and effectiveness in the use of its resources. External Audit will then report on any significant risks to achieving this and areas where proper arrangements cannot be evidenced.

For 2018/19 the External Auditors have highlighted significant risks based on the ongoing planned deficit position of the Trust and the ability to deliver planned savings.

## 6. Information Governance

George Eliot Hospital NHS Trust submitted the Data Security and Protection toolkit in March 2019 with 77 of 100 mandatory evidence items provided and 24 of 40 assertions confirmed. This equates to an assessment status of Standards Not Met and the Trust therefore also submitted an improvement plan detailing how it will meet the required standard within six months. The Trust will complete actions in line with the improvement plan and republish its assessment periodically to evidence progress towards meeting the required standard.

The Trust was not required to externally report any incidents which occurred in 2018/19.

## 7. Annual Quality Account

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year.

The Trust is preparing Quality Accounts for 2018/19 in the format required by the Department of Health and Social Care (DHSC) and building on the experience gained from preparing the accounts in previous years, and publications by the DHSC, NHSI and the Audit Commission, including the toolkit. The accounts will be reviewed by key stakeholders, e.g. the host commissioner, and shared with Healthwatch as well as the local overview and scrutiny committee. As in the previous year, the Quality Account will be combined and reported within the same document as the Annual Report and Accounts to provide a more comprehensive overview of the Trust's performance. The accounts are to be reviewed by KPMG as part of the audit of the Annual Report and Accounts.





External audit of the quality accounts included an audit on two quality indicators this year, one which reports on the percentage of patients risk-assessed for venous thromboembolism (VTE) and the other on the rate of clostridium difficile (C.diff) infections.

The steps which have been put in place to assure the Board that the Quality Accounts present a balanced view and that there are appropriate controls in place to ensure the accuracy of data include the following:

- Review by KPMG of quality assurance and sample testing of data sets.
- Review and monitoring via the Trust's patient forum
- Review and monitoring via Warwickshire North CCG shared with Warwickshire's Adult Social Care and Health Overview Scrutiny Committee.

The Trust has an established process for managing the elective waiting list including a weekly Patient Tracking List meeting with directorates. In support of this, operational validation and management of active pathways is undertaken by the Trust's Pathway Tracker team. Additionally, the Data Quality team has a comprehensive suite of reports available to enable it to identify themes and patterns of poor operational processes for correction and also to provide validation of admitted care stop-clocks each month.

In quarter four of 2018/19 the Trust commissioned internal audit to review both Cancer and RTT to provide assurance that correct operational processes are being followed. The review confirmed that the accuracy and completeness of data supporting the Cancer wait targets is of a high standard. However, some weaknesses were identified with the data quality for RTT and with the early management of individuals on the waiting list. Recommendations were made for improvements in these areas. A plan has been created to deliver those improvements and is being monitored through the Elective Access Board and ultimately through TMG and Audit Committee as the Internal Audit Action Summary is reviewed in both of those committees.

## 8. Review of the effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the Internal Auditors, clinical audit and the executive managers and clinical leads within the Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the information provided in this Annual Report and other performance information available to me. My review is also informed by comments made by the External Auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and Quality Assurance Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Trust Board reviews its governance arrangements every year. This included review of the Trust's Standing Orders (reporting to Board in April 2019) and Standing Financial Instructions, which contain the scheme of delegation (reporting to Board in March 2019). The use of the Trust's seal and Register of Interests is also reviewed as well as updates of relevant Board sub-committee Terms of Reference.

The Trust commissioned a developmental review from NHS Improvement on the function and structure of its Board Sub-Committees, which included a desk-top review of three months past papers and related documents and the observation of one Committee meeting. The output reports from this review are being used to improve and develop the Board Sub-Committees.

### Board reporting

The Board meets monthly throughout the year in private and also in public on a bi-monthly basis. A performance report is received each month with performance overviews provided by the director responsible for performance in each area and the risks reviewed. The Board also approves any



changes to Trust policies including delegated responsibilities. It receives updates from the chair of each Board sub-committee following individual committee meetings highlighting the key points discussed and any issues which require escalation. This includes a report from the Chair of the Audit Committee. The Board reviews and approves the terms of reference for each committee on a regular basis and receives a formal Annual Report and effectiveness review from the Audit Committee.

As part of the Trust's ongoing improvements to its corporate governance, public Board meetings from April 2019 will be held on a monthly basis and each Board Sub-Committee is also going to complete an annual review of its own effectiveness for Board consideration.

### **Board effectiveness**

The Board has a process in place to regularly review the effectiveness with which it operates. Governance arrangements are also subject to review by Internal Audit annually. In the past 12 months, Internal Audit reviews have included the data security and protection toolkit which is an advisory audit reviewing the robustness of the evidence to support self-assessment against assertions and information governance standards.; Statutory and mandatory training (substantial assurance) and a review of arrangements for reporting and acting on serious incidents (substantial assurance). A planned audit of the Business Assurance Framework (BAF) has been deferred whilst the Board carries out a review and update of the format and process for maintaining this.

The Board has been assured that there are robust mechanisms to ensure that the evidence to support compliance is in place and available, and is routinely monitored and reported upon within the Trust's governance and performance management framework.

### **Internal controls review process**

The process that has been applied to maintain and review the effectiveness of the system of internal control was as follows:

The Trust's Audit Committee approved an annual Internal Audit programme and received all Internal Audit reports. The Committee, with the support of the Quality Assurance Committee, reviewed the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the whole organisation's activities (both clinical and non-clinical), that supported the achievement of the organisation's objectives. In 2018/19, the committee submitted an Annual Report on the previous 12 months to the Trust Board which highlighted the work of the committee with regard to the final accounts, risk management and the Board Assurance Framework and progress made on improving the system of internal control. The report concluded a successful and effective year. The committee reviewed its own effectiveness in accordance with the Healthcare Financial Management Association (HFMA) Handbook for NHS Audit Committees and reviewed its Terms of Reference.

The Quality Assurance Committee, on behalf of the Board of Directors and Chief Executive, reviewed the establishment and maintenance of an effective system of risk management across the whole Trust's activities (both clinical and non-clinical) that supports the achievement of the Trust's objectives with regard to quality. The effectiveness of the committee and its work plan is currently undergoing a review with the support of a Quality Improvement Consultant.

The Quality Assurance Committee receives quarterly reports from the Clinical Audit and Effectiveness team and monitors the Trust's participation in local and national clinical audit and national confidential enquiries, Directorates receive a quarterly report from the Clinical Audit Department as part of a directorate governance meeting highlighting audit progression, audit findings and issues. This enables the directorate management team oversight and ownership of their audit programme.



The Internal Audit's review of the organisation's overall arrangements for gaining assurance has concluded that:

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*“The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective”.*

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The work performed by Internal Audit during 2018/19 has been driven by a robust planning process, which included a focus on particular areas of potential weakness identified by the Trust. Internal Audit reviews have been completed to plan and the recommendations made have been accepted and actioned by the Trust. There are four areas where only partial assurance has been given – Electrical and Biomedical Engineering review of pre-planned maintenance arrangements, Income management review, 18 weeks referral to treatment review and part of the controlled drugs review. Management are fully engaged in making improvements to these areas to address the weaknesses identified and good progress has been made towards implementing the recommendations made in the agreed timescales.

With regard to counter fraud and corruption arrangements during 2018/19, one new referral and five cases were brought forward from the prior year, all of which were investigated. Four have been concluded, one of which resulted in the staff member being dismissed, and recovery of a minor amount from final salary; the remaining two are currently ongoing. The potential financial value of the referrals was not material to the overall finances of the Trust.

The Local Counter Fraud Specialist (LCFS) has supported the Trust to ensure that investigations are carried out promptly and efficiently. In addition, the LCFS has continued to carry out proactive work at the Trust in line with NHS Counter Fraud Authority Standards, to prevent, detect and deter fraud and bribery within the NHS and to also raise awareness of the role of the counter fraud specialist within the Trust and the NHS as a whole. This proactive work has helped to establish an effective anti-fraud and anti-bribery culture and zero tolerance approach within the Trust that is fully supported by the Board of Directors.

### **Learning from incidents**

The Trust seeks to learn from incidents to develop good practice. Incidents are discussed in a number of forums, including the Patient Safety Committee and Patient Experience Group, Serious Incident Group, individual clinical and non-clinical governance meetings and at Board sub-committee and Board level.

During the past 12 months, the Trust has recorded 50 serious incidents, which is a 68 per cent decrease from 2017/18 presented at the Serious Incident Group. The Trust also reported one Never Event. The largest single trend was falls with 18 reported – a decrease from 2017/18. Each incident has been investigated using Root Cause Analysis (RCA) and actions put in place to reduce the likelihood of re-occurrence. A monthly falls group has also been established. The Care Quality Commission (CQC) and NHS Resolution (NHSR) consider trusts who are high reporters of incidents to have a better and a more effective safety culture. In 2018/19, a total of 7,611 incidents were reported, which shows a further 12 per cent increase overall and a 7 per cent increase on the previous year. To promote incident reporting, the governance team are working closely with the Directorates to improve incident reporting, identify learning points and provide feedback to staff.

To ensure lessons are learnt and shared, all RCA reports are discussed at the Serious Incident Group (SIG) meeting. This multi-disciplinary group, chaired by the Medical Director, is well-versed

in providing challenge in a supportive environment. The group meets twice per month and reports into the Quality Assurance Committee. To supplement the SIG meetings, additional table top meetings take place with the multidisciplinary team involved in the patients care. They are proactive meetings that enable timely learning to be shared across the organisation and to establish a root cause of the incident. The Trust has proactively implemented a Pressure Ulcer Serious Incident Group and Falls Group to allow the sharing of learning and implementation of actions Trust-wide to reduce and prevent pressure ulcer prevalence and reduction of incidence of falls. These meetings alternate with the SIG meeting.

The function of both groups is to review all SIRS reports to ensure a comprehensive investigation has been undertaken; ensure lessons learnt have been identified and shared within the Trust. The group also monitors implementation of action plans developed to minimise the risk of reoccurrence. This is then fed back to directorate governance meetings and to ward or departmental monthly meetings to ensure that lessons learnt are shared across the Trust.

Examples of shared learning from incidents include:

- Patient booked for a high dependency bed on the intensive care unit (ICU) postoperatively due to being a high risk patient and a history of deterioration post operatively requiring an emergency admission to ITU. Uneventful intraoperative period and stable in theatre recovery post operatively. Patient transferred from theatre recovery to Victoria Ward at 12:30 hrs. Later patient complained of pain in operated joint, analgesia administered (no opioids) with good effect MEWS 1-2 postoperatively (temperature and pain). Post-operative vital signs appropriately managed. Nursing documentation states patient alert and orientated at around 20:00 discussed analgesia with patient. At 21:05HRS patient complained of nausea and anti-emetic administered with good effect. At this time the nurse asked if the patient would like to put their CPAP on but the patient declined. The patient had 24 per cent oxygen via nasal cannula. At 22:40 the patient had their vital signs taken (MEWS 1 for mild pain) patient was said to be laughing and joking with the nurse. 02:17 patient found unresponsive. Lessons learnt from this case were to: heighten awareness of high risk patients and ensuring a consultant manages their care during anaesthesia; improve documentation around rationale for changing anaesthesia consented for; surgeon to sign off their theatre lists 2 weeks prior to surgery suggested; evidence of discussion with the patient regarding the risks if there has been a change from the plan ensuring this is clearly documented on the anaesthetic chart; raised awareness of CPAP and a process to be in place when CPAP declined; escalation to critical care outreach by theatres if a patient who has been booked for HDU goes back to a core ward instead following procedure.
- In February 2019, a Health Care Assistant (HCA) on Victoria Ward alerted the Ward Manager that a male patient was unresponsive in bed. The Ward Manager and a doctor ran to assess the patient at the bedside and found the patient to be in cardiac arrest. They commenced CPR (cardiac pulmonary resuscitation) and made a 222 call (cardiac arrest call). The 'crash team' arrived on the ward and attempted to resuscitate the patient. Despite CPR resuscitation, staff were not successful and the patient unfortunately passed away. The patient had scored 4 on his NEWS observations at 07:00; he did not appear confused, unwell or unstable and was noted to be compliant with his nursing needs. Prior to the cardiac arrest, the patient appeared to be their normal self and showed no clinical signs to indicate any deterioration. Staff conversed with the patient whilst giving medications and the patient was sitting up in bed in a normal manner. The team were called to the bedside and emergency care commenced in an attempt to resuscitate the patient. Lessons learnt from this case were to: not rely solely on electronic observations; nursing staff advised not to rely on NEWS scores, they also need to look at the series results for a patient and recheck observations where indicated. This will assist staff to look for a pattern of previous observations to check for any significant changes or deterioration.

## Conclusion

I am pleased to report that, based on the opinion of Internal Audit; George Eliot Hospital NHS Trust has an adequate and effective framework for internal control that supports the achievement of its policies, aims and objectives with no significant internal control issues identified.

Appropriate arrangements are in place for discharge of the Trust's statutory functions. These ensure that any potential issues are highlighted to the Board and that the Trust is legally compliant with its statutory responsibilities.

By order of the Board

A handwritten signature in black ink, appearing to read 'Glen Burley', with a stylized flourish at the end.

**Glen Burley,**

Chief Executive

23 May 2019



# Remuneration and Staff Report

## Directors' Statement

Directors of the Trust have confirmed that they know of no information which would be relevant to the auditors for the purposes of their audit report, and of which the auditors are not aware, and they have taken all the steps required to ensure that they have made themselves aware of any such information and to establish that the auditors are aware of it.

## Remuneration Report

The remuneration report describes the remuneration of the senior managers at the Trust, namely members of the Trust Board.

The remuneration of the Chair and Non-Executive Directors is determined during the year by NHS Improvement (NHS I), which is responsible for non-executive appointments to NHS trusts on behalf of the Secretary of State for Health and Social Care.

The remuneration of the Chief Executive and all other Executive Directors is determined by the Remuneration Committee and is based on national guidance issued by the Department of Health and Social Care.

The expenses of the members of the Trust Board are reimbursed in accordance with the Trust Expenses Policy.

Performance review and appraisal of the Non-Executive Directors is undertaken by the Trust. Performance review and appraisal of the Chief Executive is undertaken by the Trust Chair in accordance with criteria set by the Remuneration Committee and guidance from the Department of Health and Social Care.

Performance review and appraisal of the Executive Directors is undertaken by the Chief Executive in accordance with criteria set by the Remuneration Committee and guidance from the Department of Health and Social Care.

The Chair and Non-Executive Directors are appointed for terms of up to four years in accordance with NHS I guidance and procedures.

The Chief Executive and Executive Directors are appointed on permanent contracts in line with NHS terms and conditions. The period of notice required to terminate the employment of Executive Directors is six months and there is no contractual entitlement to a termination payment.

Salary increments for the Chief Executive and Executive Directors are discretionary. Any increments will be agreed through the Remuneration Committee and will take into consideration performance against agreed criteria. The Trust does not operate a bonus system.

### Membership of the Remuneration Committee

The members of the committee (i.e. all Non-Executive Directors of the Trust and the Chairman) during 2018/19 were as follows:

Prem Singh  
Julie Houlder  
Rebecca Khanna  
Glynis Washington  
Anil Majithia  
Simone Jordan





## Pay multiples

**Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce.**

The banded remuneration of the highest paid director in the Trust during 2018/19 was £155,000 - £160,000 (2017/18: £140,000-£145,000). This was 6.6 times (2017/18: 6.0 times) the median remuneration of the workforce, which was £23,951 (2017/18: £23,597). The movement in the multiple year-on-year is related to a change in the highest paid director and their associated salary banding. In the prior year this was the Chief Executive, whereas in this year this was the Medical Director.

The median pay has increased slightly due to the annual pay award only, with there being no change to the pay banding used to calculate the median.

In 2018/19, no employees (2017/18: none) received remuneration in excess of the highest paid director.

Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

The following tables show the remuneration and pension benefits of the directors during the financial year and the prior year. This information is subject to audit.

## Directors' Remuneration

**The following tables (at Figures 2.6 / 2.7 /2.8) show the remuneration and pension benefits of the directors during the financial year and the prior year.**

This information is subject to audit.



**Figure 2.6: Salaries and Allowances 2018/19**

Name and Title	2018-19					
	Salary (bands of £5,000)	Expense payments (taxable) to nearest £100	Performance pay and bonuses (bands of £5,000)	Long term performance pay and bonuses (bands of £5,000)	All pension-related benefits (bands of £2,500)	TOTAL (bands of £5,000)
	£000	£00	£000	£000	£000	£000
<b>CHAIRPERSON</b> <b>Prem Singh</b> Chairperson	30-35	0	0	0	0	30-35
<b>EXECUTIVE DIRECTORS</b> <b>Katherine Kelly</b> Chief Executive Until 15/7/18	40-45	0	0	0	0	40-45
<b>Glen Burley</b> Chief Executive From 16/7/18 (Note 1 below)	30-35	0	0	0	0	30-35
<b>- OTHER EXECUTIVE DIRECTORS</b> <b>Haq Nawaz Khan</b> Director of Finance And Performance	115-120	0	0	0	(5.0)-(2.5)	110-115
<b>Catherine Free</b> Medical Director (Note 4 below)	155-160	0	0	0	40.0-42.5	195-200
<b>Debbie Pook</b> Director of Operations Until 4/1/19	80-85	0	0	0	12.5-15.0	90-95
<b>Andrew Kent</b> Director of Operations From 5/1/19 Until 11/2/19 (Note 2 below)	35-40	0	0	0	0	35-40
<b>Stephen Collman</b> Director of Operations From 12/2/19	15-20	0	0	0	12.5-15.0	25-30
<b>Daljit Athwal</b> Interim Director Of Nursing (Note 3 below)	100-105	0	0	0	0	100-105
<b>NON EXECUTIVE DIRECTORS</b> <b>Anil Majithia</b> Non Executive Director From 1/9/18 (Note 5 below)	0-5	0	0	0	0	0-5
<b>Chris Spencer</b> Non Executive Director Until 31/5/18	0-5	0	0	0	0	0-5
<b>Duncan Cooper</b> Non Executive Director Until 31/8/18	0-5	0	0	0	0	0-5
<b>Elizabeth Washington</b> Non Executive Director	5-10	0	0	0	0	5-10
<b>Julie Houlder</b> Non Executive Director	5-10	0	0	0	0	5-10
<b>Rebecca Khanna</b> Non Executive Director	5-10	0	0	0	0	5-10
<b>Simone Jordan</b> Non Executive Director From 1/11/18	0-5	0	0	0	0	0-5

**Note 1** Glen Burley is an employee of South Warwickshire NHS Foundation Trust. George Eliot Hospital NHS Trust is recharged for his services. Glen Burley is Chief Executive of three trusts in the Foundation Group and shares his time between all three trusts.

**Note 2** Andrew Kent is an employee of Practicus Ltd.

**Note 3** Daljit Athwal was seconded from Nottingham University Hospitals NHS Trust.

**Note 4** The total remuneration for the Medical Director includes £28,488 which related to the performance of a clinical role.

**Note 5** Anil Majithia joined the Trust on 1/4/18 as a Shadow Non-Executive Director. The table above includes his remuneration from becoming a permanent Non-Executive Director on 1/9/18.

**Note 6** The amounts disclosed in the 'All pension-related benefits' column do not represent any amount that will be received by the employee. It is simply a calculation which is intended to provide an estimate of the benefit that being a member of the NHS Pension Scheme could provide

**Note 7** David Eltringham was appointed as Managing Director on 30/7/18, being seconded from University Hospitals Coventry and Warwickshire NHS Trust. This was a new role to support the Chief Executive. His salary for 2018-19 was in the range of £115,000-£120,000. David was employed by the Trust and became a voting director on 1/04/19.

**Figure 2.7: Salaries and Allowances 2017/18**

Name and Title	2017-18					
	Salary (bands of £5,000)	Expense payments (taxable) to nearest £100	Performance pay and bonuses (bands of £5,000)	Long term performance pay and bonuses (bands of £5,000)	All pension- related benefits (bands of £2,500)	TOTAL (bands of £5,000)
	£000	£00	£000	£000	£000	£000
<b>CHAIRPERSON</b>						
Stuart Annan Chairperson Until 25/10/17	10-15	3	0	0	0	10-15
Chris Spencer Chairperson From 26/10/17 Until 18/3/18	0-5	0	0	0	0	0-5
Prem Singh Chairperson From 19/3/18	0-5	0	0	0	0	0-5
<b>EXECUTIVE DIRECTORS</b>						
Katherine Kelly Chief Executive	140-145	0	0	0	5.0-7.5	145-150
<b>- OTHER EXECUTIVE DIRECTORS</b>						
Shahana Khan Director of Finance And Performance Until 18/10/17	60-65	0	0	0	70.0-72.5	130-135
Ian O'Connor Acting Director of Finance and Performance From 19/10/17 Until 3/12/17	20-25	0	0	0	0	20-25
Haqnawaz Khan Director of Finance And Performance From 4/12/17	35-40	0	0	0	35-37.5	72.5-75.0
Gordon Wood Medical Director Until 31/10/17	120-125	0	0	0	0	120-125
Catherine Free Medical Director From 1/11/17	60-65	0	0	0	0	60-65
John Thompson Director Of Operations Until 31/12/17	70-75	0	0	0	7.5-10.0	80-85
Debbie Pook Interim Director of Operations From 1/1/18	25-30	0	0	0	0	25-30
Michelle Norton Director Of Nursing Until 13/8/17	30-35	0	0	0	15.0-17.5	50-55
Kay Fawcett Interim Director Of Nursing From 14/8/17 Until 25/2/18	55-60	0	0	0	0	55-60
Daljit Athwal Interim Director Of Nursing From 26/2/18	5-10	0	0	0	0	5-10
<b>NON EXECUTIVE DIRECTORS</b>						
Claire Lea Non Executive Director	5-10	0	0	0	0	5-10
Chris Spencer Non Executive Director Until 25/10/17 and From 19/3/18	0-5	0	0	0	0	0-5
Julie Houlder Non Executive Director	5-10	0	0	0	0	5-10
Duncan Cooper Non Executive Director	5-10	0	0	0	0	5-10

Note 1 The total remuneration for the Medical Director up 31 October 2017 includes £14,465 which related to the performance of a clinical role and for the subsequent Medical Director includes £7,729 which related to the performance of a clinical role.

Note 2 The amounts disclosed in the 'All pension-related benefits' column do not represent any amount that will be received by the employee. It is simply a calculation which is intended to provide an estimate of the benefit that being a member of the NHS Pension Scheme could provide.

**Figure 2.8: Pension entitlements of senior managers 2018/19**

Name and Title	Real increase in pension at pension age (bands of £2,500) £000	Real increase in pension lump sum at pension age (bands of £2,500) £000	Total accrued pension at pension age at 31 March 2019 (bands of £5,000) £000	Lump sum at pension age related to accrued pension at 31 March 2019 (bands of £5,000) £000	Cash Equivalent Transfer Value at 1 April 2018 £000	Real increase in Cash Equivalent Transfer Value £000	Cash Equivalent Transfer Value at 31 March 2019 £000	Employer's contribution to stakeholder pension £000
<b>CHAIRPERSON</b> <b>Prem Singh</b> Chairperson	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>EXECUTIVE DIRECTORS</b> <b>- CHIEF EXECUTIVE</b> <b>Katherine Kelly</b> Chief Executive Until 15/7/18	(20.0)-(17.5)	75-77.5	35-40	240-245	1,117	N/A	N/A	N/A
<b>Glen Burley</b> Chief Executive From 16/7/18	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>- OTHER EXECUTIVE DIRECTORS</b> <b>Haqawaz Khan</b> Director of Finance And Performance	0-2.5	(5.0)-(2.5)	30-35	70-75	465	49	544	N/A
<b>Catherine Free</b> Medical Director	2.5-5.0	0-2.5	35-40	75-80	460	90	580	N/A
<b>Debbie Pook</b> Director of Operations Until 4/1/19	0-2.5	(2.5)-0	N/A	N/A	491	N/A	N/A	N/A
<b>Andrew Kent</b> Director of Operations From 5/1/19 Until 11/2/19	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Stephen Collman</b> Director of Operations From 12/2/19	0-2.5	0-2.5	35-40	90-95	492	19	656	N/A
<b>Daljit Athwal</b> Interim Director Of Nursing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>NON EXECUTIVE DIRECTORS</b> <b>Anil Majithia</b> Non Executive Director From 1/9/18	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Chris Spencer</b> Non Executive Director Until 31/5/18	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Duncan Cooper</b> Non Executive Director Until 31/8/18	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Elizabeth Washington</b> Non Executive Director From 1/4/18	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Julie Houlder</b> Non Executive Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Simone Jordan</b> Non Executive Director From 1/11/18	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Rebecca Khanna</b> Non Executive Director From 1/4/18	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

## Staff Report

### Staff numbers and costs

The table below (figure2.9) shows the total staff costs for consisting of permanent and other temporary staff. These figures are subject to audit

**Figure2.9: total staff costs**

	Permanent	Other	2018-19 Total	2017-18 Total
	£000	£000	£000	£000
Salaries and wages	76,473	1,782	78,255	73,979
Social security costs	7,211	7	7,218	6,936
Apprenticeship levy	366	-	366	349
Employer's contributions to NHS pensions	8,846	18	8,864	8,410
Termination benefits	-	-	-	23
Temporary staff	-	15,448	15,448	14,162
<b>Total gross staff costs</b>	<b>92,896</b>	<b>17,255</b>	<b>110,151</b>	<b>103,859</b>
Recoveries in respect of seconded staff	-	-	-	-
<b>Total staff costs</b>	<b>92,896</b>	<b>17,255</b>	<b>110,151</b>	<b>103,859</b>
<b>Of which</b>				
Costs capitalised as part of assets	129	7	136	413

The table below (figure 2.10) shows the total average whole time equivalent staff numbers, compared with the previous year.

**Figure2.10: Average number of employees (whole time equivalent basis)**

	Permanent	Other	2018-19 Total	2017-18 Total
	Number	Number	Number	Number
Medical and dental	217	36	253	244
Ambulance staff	2	-	2	3
Administration and estates	430	56	486	452
Healthcare assistants and other support staff	590	55	645	612
Nursing, midwifery and health visiting staff	615	96	711	684
Scientific, therapeutic and technical staff	186	13	199	174
Healthcare science staff	10	1	11	18
Other	-	-	-	1
<b>Total average numbers</b>	<b>2,050</b>	<b>257</b>	<b>2,307</b>	<b>2,188</b>
<b>Of which:</b>				
Number of employees (WTE) engaged on capital projects	6	-	6	14

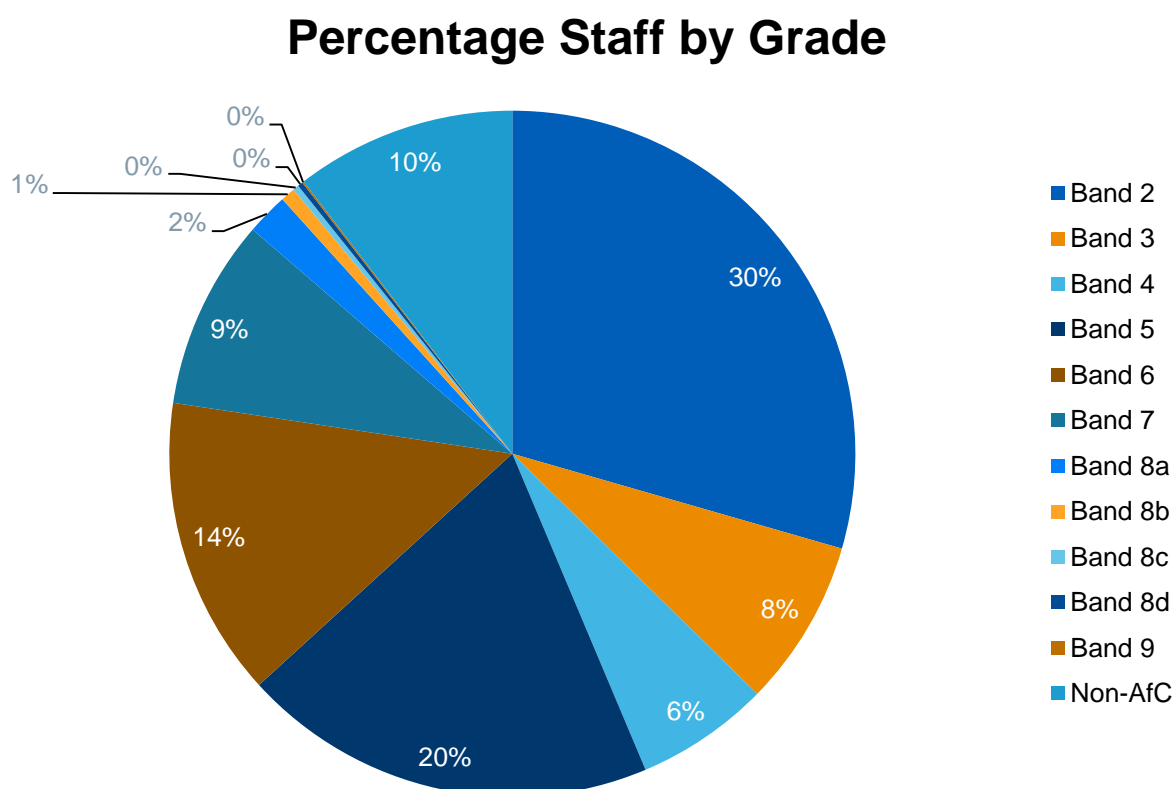


The table below (Figure2.11) shows staff headcount by banding as at March 2019. Non- Agenda for Change (AfC) relates to staff who are outside the AfC contract (such as medical staff, executives, ad-hoc salaries etc).

**Figure2.11: Staff headcount by band**

Payscale	Headcount	Percentage of Staff in Band
Band 2	733	29.49%
Band 3	196	7.88%
Band 4	157	6.32%
Band 5	487	19.59%
Band 6	352	14.16%
Band 7	223	8.97%
Band 8a	49	1.97%
Band 8b	17	0.68%
Band 8c	7	0.28%
Band 8d	6	0.24%
Band 9	2	0.08%
Non-AfC	259	10.42%
<b>Total</b>	<b>2,486</b>	<b>100.00%</b>

**Figure 2.12: percentage of staff by grade**



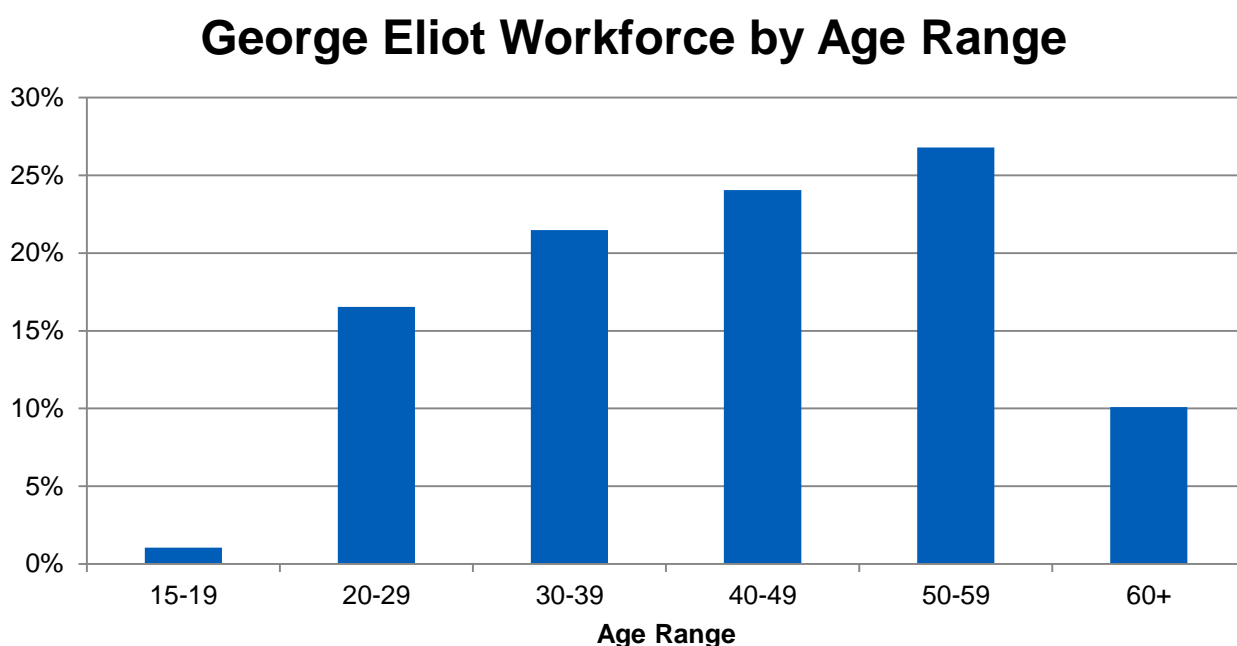
## Age profile

The table and graph below (figure 2.13 and 2.14) shows the percentage of George Eliot Hospital NHS Trust workforce in each given age range.

**Figure 2.13: Percentage of workforces in each given age range**

Age Range	Headcount	GEH percentage
15-19	26	1%
20-29	411	17%
30-39	534	21%
40-49	598	24%
50-59	666	27%
60+	251	10%
<b>Total</b>	<b>2,486</b>	<b>100%</b>

**Figure 2.14: Workforce by age range**



## Gender comparison

The table and graphs below (Figure 2.15 / 2.16 / 2.17 / 2.18) compares the gender breakdown of the George Eliot Hospital NHS Trust workforce and the Nuneaton and Bedworth population as given in the 2011 census.

Figure2.15: Gender comparison figures

Gender	Number of Staff	George Eliot Hospital	Nuneaton and Bedworth
		percentage	percentage
Male	452	18%	49%
Female	2,034	82%	51%
Total	2,486	100%	100%

Figure2.16: Gender comparison analysis

## Gender comparison of George Eliot NHS Hospital Trust workforce and local and Nuneaton and Bedworth population

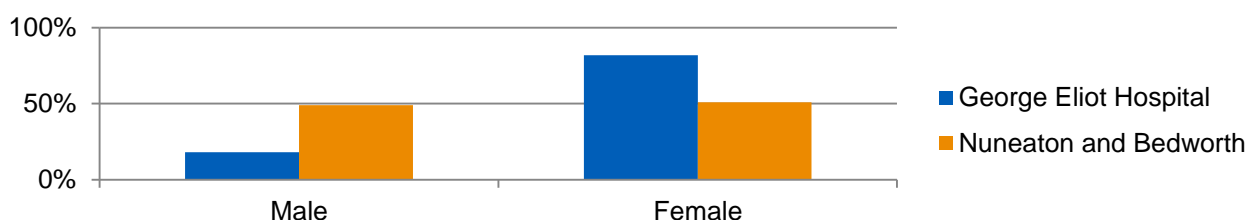


Figure2.17:

Gender	Director	Senior Managers	Other
Male	4	9	439
Female	3	17	2,015
Total	7	26	2,454

Figure2.18:

Gender	Directors	Senior Managers	Other Staff	Nuneaton and Bedworth
	percentage	percentage	percentage	percentage
Male	67%	35%	18%	49%
Female	33%	65%	82%	51%

Figure 2.19:

## Gender comparison of George Eliot Hospital NHS Trust workforce and local and Nuneaton and Bedworth population



## Ethnicity

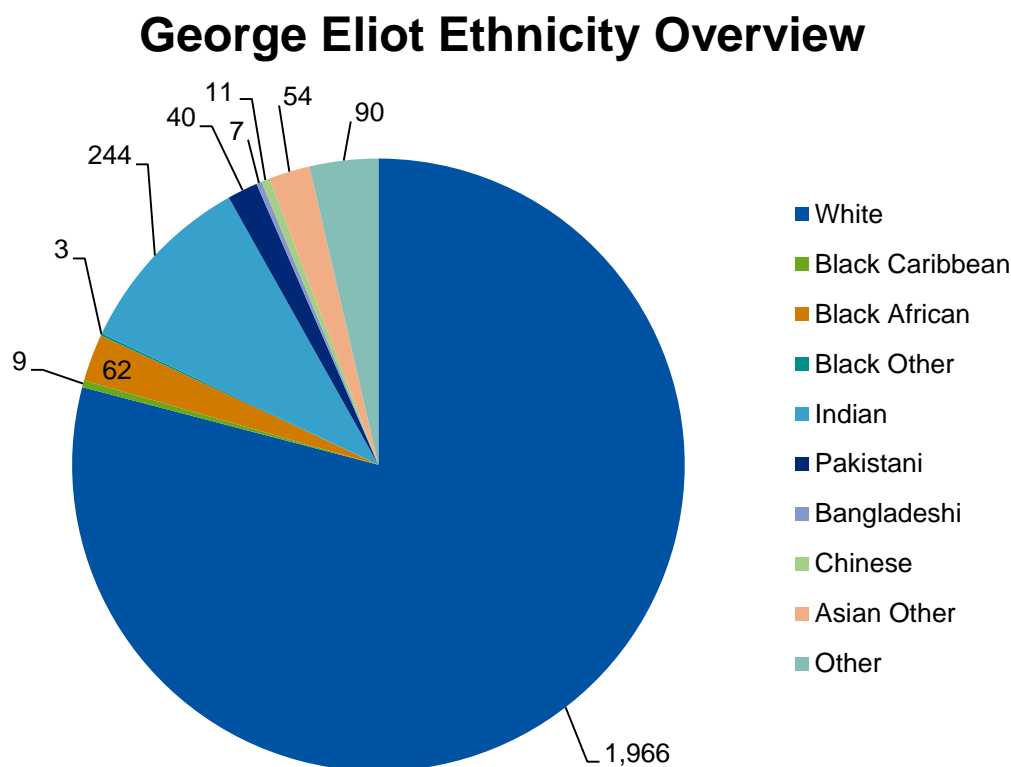
The Table below (Figure 2.20) is based on the 2011 census and compares the percentage of various ethnic groups against the local demographics.

Figure 2.20: percentage of various ethnic groups against the local demographics.

	Area			
	Nuneaton and Bedworth		George Eliot	
Ethnic Group	Population Number	Percentage	Headcount	Percentage
White	112,151	89.5%	1,966	79.1%
Black Caribbean	351	0.3%	9	0.4%
Black African	555	0.4%	62	2.5%
Black Other	774	0.6%	3	0.1%
Indian	5,705	4.6%	244	9.8%
Pakistani	527	0.4%	40	1.6%
Bangladeshi	51	0.0%	7	0.3%
Chinese	304	0.2%	11	0.4%
Asian Other	409	0.3%	54	2.2%
Other	4,425	3.5%	90	3.6%
Total	125,252	100.0%	2,486	100.0%

The graph below (Figure 2.21) illustrates the varying ethnic groups of George Eliot Hospital NHS Trust's workforce.

Figure 2.22: Ethnicity overview as at March 2018



## Exit packages

We have not agreed any exit packages during the year. The total cost of exit packages disclosed in the accounts is therefore £nil.

In the prior year we agreed one exit package arising from the restructuring of a function. The total cost amounts to less than £0.1m (see table below at Figure 2.23). This amount was included in the cost of exit packages disclosed in the accounts.

Figure 2.23: Reporting of compensation schemes – exit packages 2017/18

	Number of compulsory redundancies Number	Number of other departures agreed Number	Total number of exit packages Number
<b>Exit package cost band (including any special payment element)</b>			
<£10,000	-	-	-
£10,001 - £25,000	1	-	1
<b>Total number of exit packages by type</b>	<b>1</b>	<b>-</b>	<b>1</b>
Total resource cost (£)	£23,000	£0	£23,000

The Trust had no other non-compulsory departure payments.



## Consultancy

We incurred expenditure on consultancy of £0.8m during the year. The largest element of this arose from support to enhance the identification of savings opportunities and to establish arrangements to manage these in conjunction with the Service Improvement Team.

## Tax arrangements of public sector employees

For all off-payroll engagements as of 31 March 2019, for more than £245 per day and that last longer than six months:	Number
Number of existing engagements as of 31 March 2019	-
Of which, the number that have existed:	
For less than one year at the time of reporting	-
For between one and two years at the time of reporting	-
For between two and three years at the time of reporting	-
For between three and four years at the time of reporting	-
For four or more years at the time of reporting	-

One individual has been engaged directly by the Trust for the past two years at over £245 per day and is deemed to be inside IR35 therefore paid via the Trust's payroll.

	Number
Number of new engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019	-
Of which:	
Number assessed as caught by IR35	-
Number assessed as not caught by IR35	-
Number engaged directly (via PSC contracted to department) and are on the departmental payroll	-
Number of engagements reassessed for consistency/assurance purposes during the year	-
Number of engagements that saw a change to IR35 status following the consistency review	-

There were no individuals appointed during this period which met the criteria above.

**Figure 2.24: Board member engagements**

For any off-payroll engagements of Board members and/or senior officials with significant financial responsibility, between 1 April 2018 and 31 March 2019	Number
Number of off-payroll engagements of Board members and/or senior officers with significant financial responsibility, during the financial year	1
Total number of individuals on payroll and off-payroll that have been deemed 'Board members and/or senior officials with significant financial responsibility', during the financial year.	8

The Director of Operations post was filled on an interim basis by Andrew Kent for five weeks due to the gap between the previous substantive Director of Operations leaving and the new Director of Operations commencing employment. Andrew Kent is an employee of Practicus Limited.

## Sickness absence

The table below (Figure 2.25) compares the average number of days lost to sickness absence during the calendar year 2018 with those lost in 2017.

**Figure 2.25: Average days lost to sickness 2018 compared to 2017**

	2018	2017
Total days lost	19,395	17,058
Total staff years	2,021	1,969
Average working days lost	9.6	8.7

**Figure 2.26: Numbers of persons retiring early on ill health grounds 2018/19 and 2017/18**

	2018/19 Number	2017/18 Number
Number of persons retired early on ill health grounds	5	1
	£000s	£000s
Total additional pensions liabilities accrued in the year	206	40

## Financial Performance

### Overall

In 2018/19 we reported a deficit for the year of £12.8m, which included Provider Sustainability Fund (PSF) income of £5.6m. The deficit, excluding PSF, was £18.4m which was in line with the plan of £18.5m. PSF is non-recurrent income from NHS England which we can only access if we achieve the agreed financial and operational performance targets. The plan included a PSF of £4.2m and the Trust received £2.9m of this based on achievement of the financial target. A secondary allocation of an additional incentive PSF of £2.7m was made at year end. The remainder of the planned allocation was not achieved as this is linked to our A&E performance against the target for four hour waits.

By comparison, in 2017/18 we reported a deficit of £18.0m, which was a shortfall of £4.8m against the plan of £13.2m. This included non-recurrent PSF income from the DHSC of £3.1m.

We received cash support from the DHSC amounting to £14.3m. This support is in the form of loans repayable at the end of three years, with interest charged at the rate of 1.5 per cent.

The cumulative deficit, which started at £8.1m at the end of 2005/06, reduced to £2.0m by 2012/13. With our deficits over the past five years, this has increased to £71.9m.

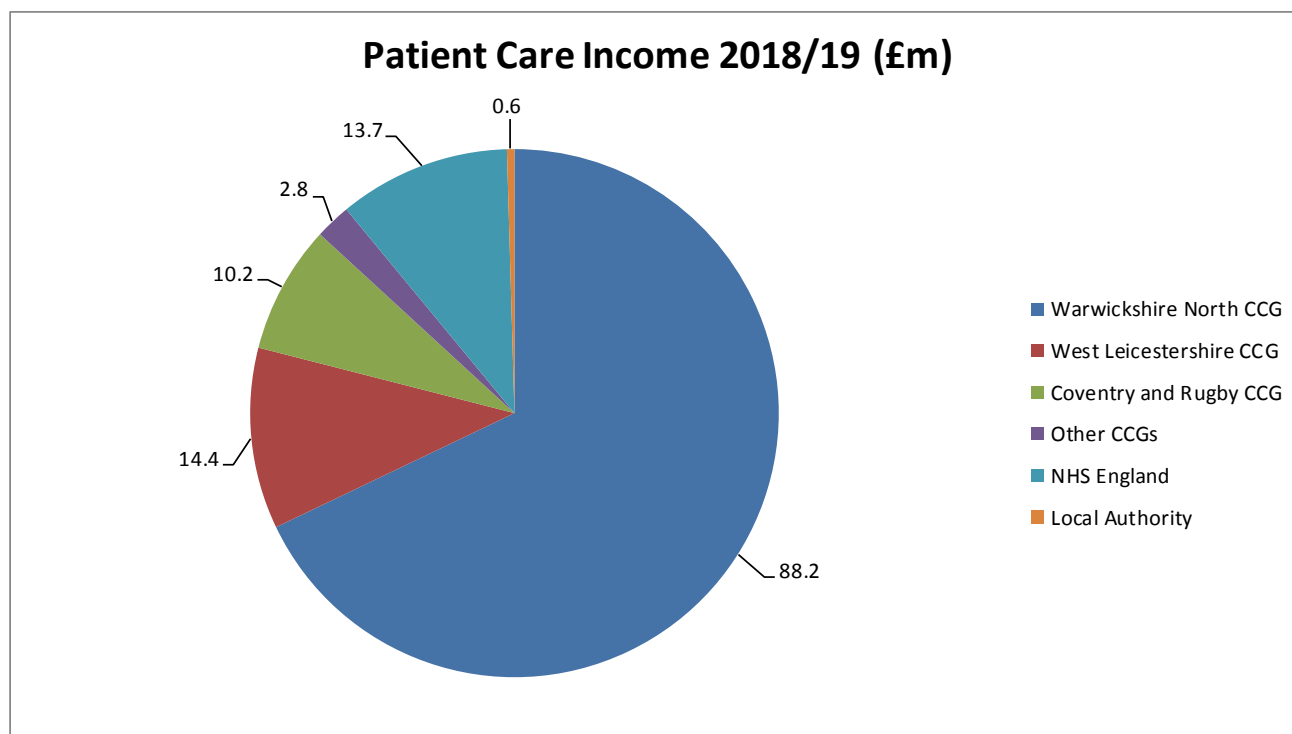
### Healthcare income

The Trust has contracts to deliver healthcare services which are commissioned by Clinical Commissioning Groups (CCGs), NHS England (through specialist hubs and local teams) and local authorities.

In 2018/19 we received 69 per cent of our healthcare income from Warwickshire North CCG. In total, 89 per cent of healthcare income came from CCGs, a further 10 per cent from NHS England, which included the Prescribed Services, and one per cent from local authorities.

The following chart (Figure 2.25) shows the income:

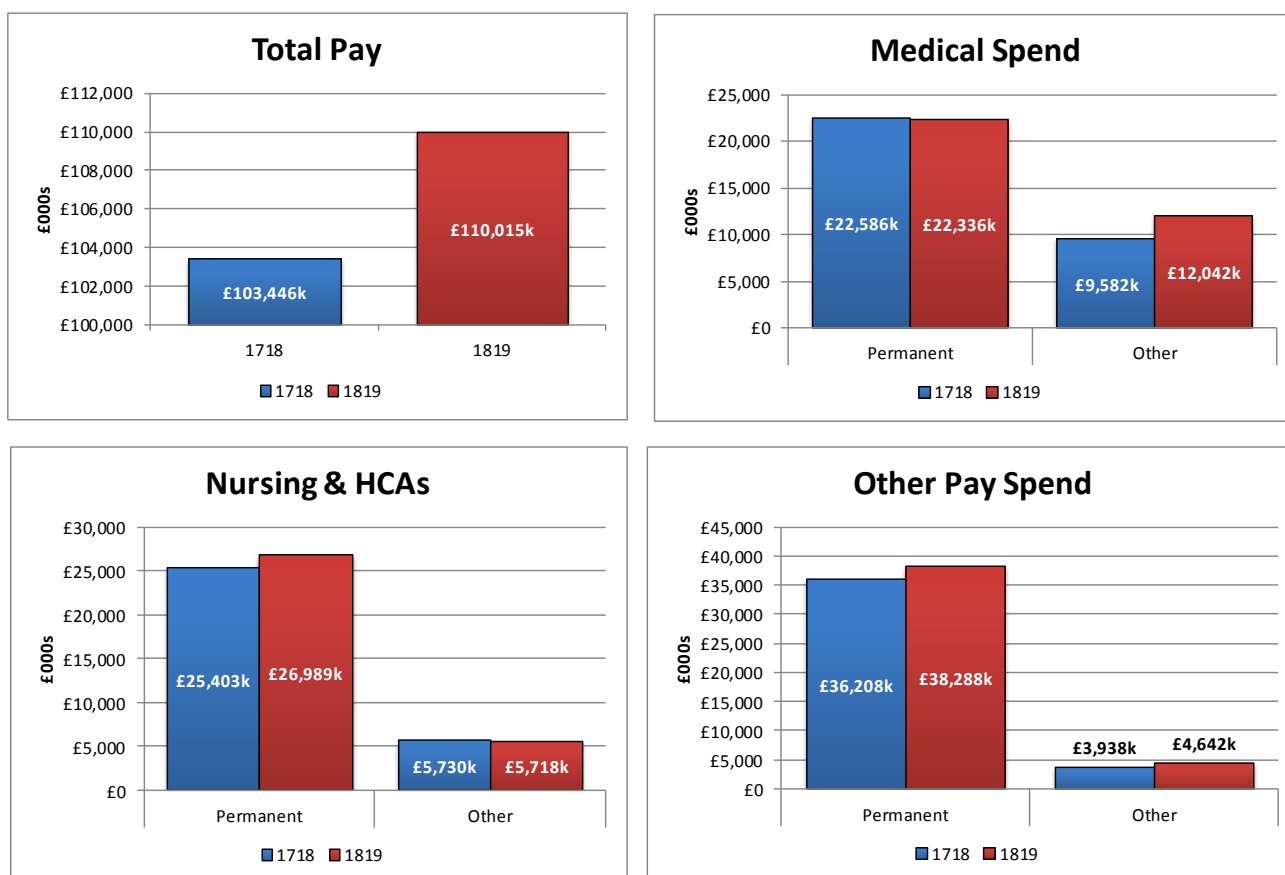
**Figure 2.25: Patient care income**



## Expenditure

Pay expenditure increased by six per cent in 2018/19 when compared with the previous year. We had a small reduction in permanent medical staff spend due to continued robust management of medical rotas. However, we still have vacancies which were filled with temporary medical staff, increasing the medical staff costs overall by £2.5m. Nursing and health care assistant (HCA) costs have increased by £1.6m. Other pay expenditure has increased by £2.8m. The increase in pay costs includes a pay award for non-medical staff of 2.8 per cent and is also driven by an increase in staff numbers of 5 per cent. This increase includes temporary staff recruited to ensure that the hospital can treat the higher levels of patients attending hospital during the winter period and was part of our winter plan. There have also been continuing high levels of cost to cover domestic positions with a large number of vacancies in this area. This is illustrated in the charts at Figure 2.26 below:

**Figure 2.26: Pay expenditure analysis**



Non-pay expenditure increased by four per cent compared with the prior year. The Trust received a benefit from a reduction in the cost of 'insurance' premiums paid to the NHS Litigation Authority. However, this was offset by increased costs driven by increased activity such as expenditure on drugs and clinical supplies, as well as an increase in premises related costs.

## Cash flow

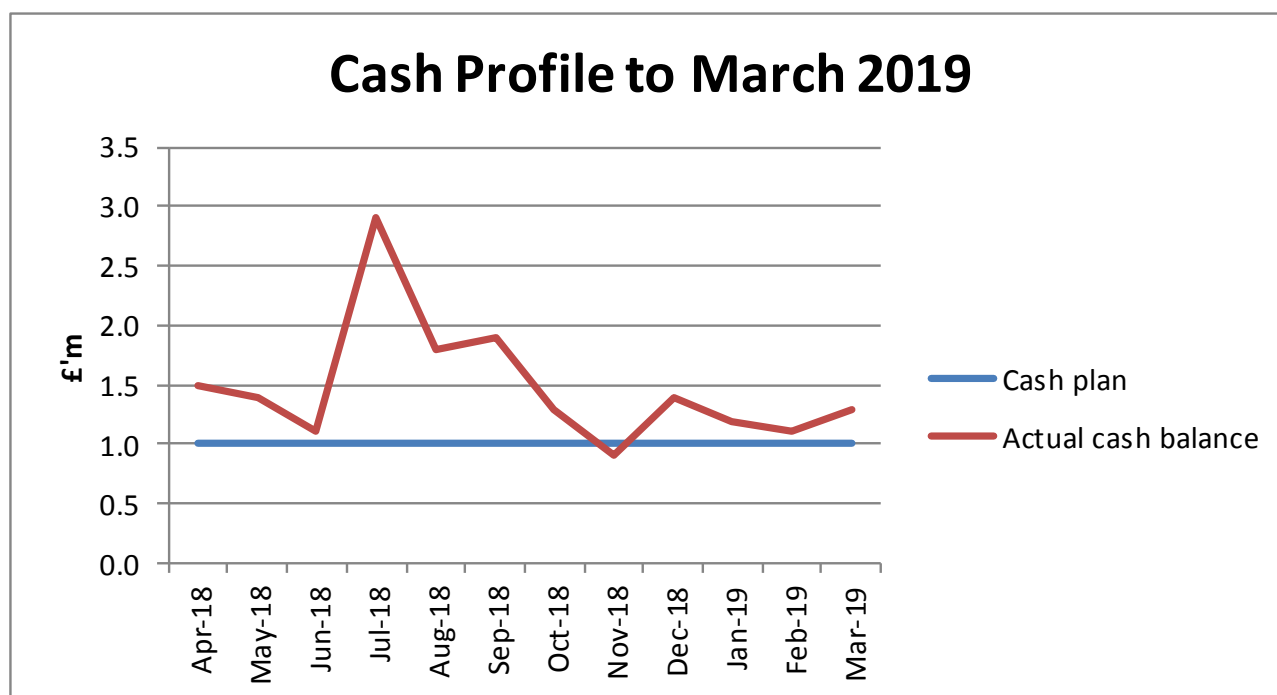
The cash balance was £1.3m at 31 March 2019, above the plan of £1.0m, which is the minimum cash balance that the DHSC requires the Trust to hold.

We applied to the DHSC for cash support to finance the revenue deficit. During the year this was provided as monthly loans, with interest charged at 1.5 per cent. Each loan will become repayable at the end of a three-year term. Total funding of £14.3m was received during the year.

In addition, capital loan funding was carried forward from 2017/18, amounting to £1.4m, with £0.6m used in the year and £0.8m carried forward to use in 2019/20. This loan has a term of 10 years and interest is charged at 0.97 per cent.

The following chart (Figure2.27) shows the cash balance throughout the year:

**Figure2.27: Cash profile to March 2019**



We have experienced fluctuations in cash balances during the year due to the timing of cash flows, particularly related to loan drawdowns and the receipt of non-recurrent income.

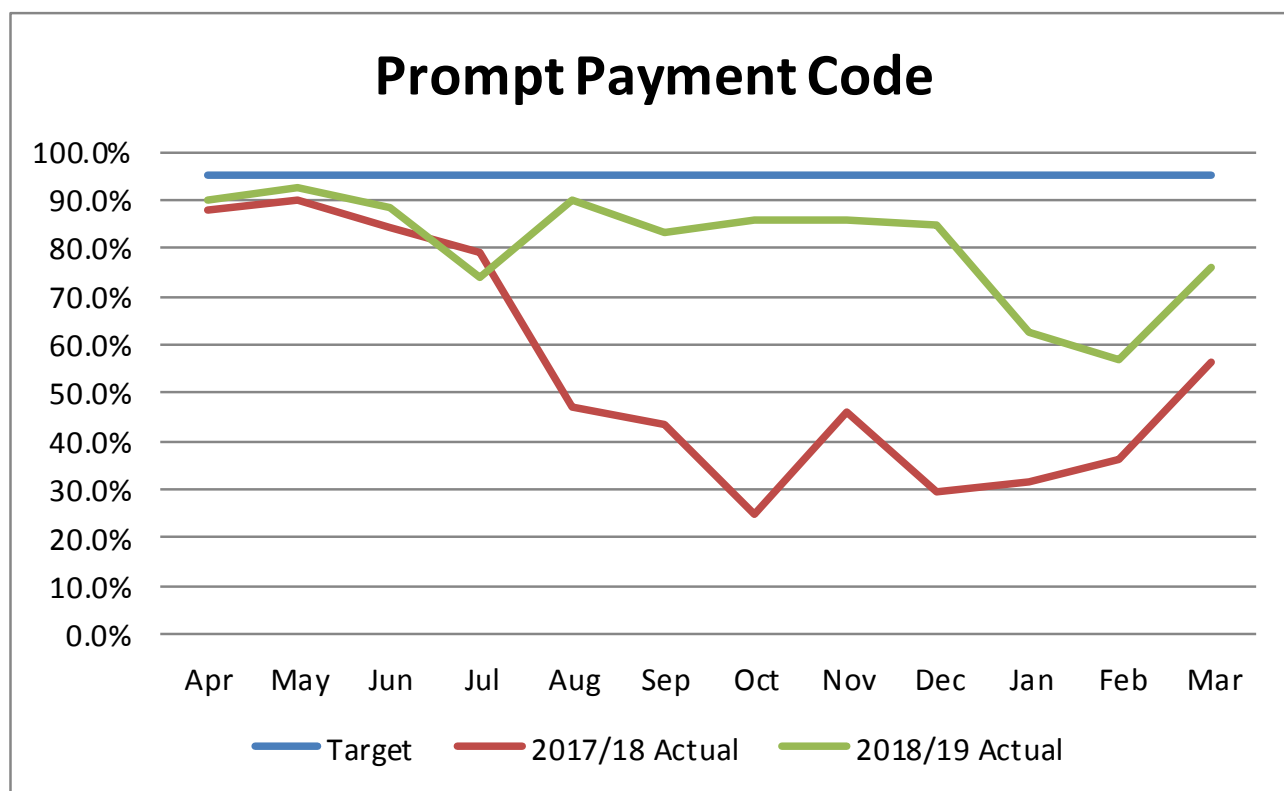


## Prompt Payment Code

We are a signatory to the Prompt Payment Code, which sets standards for payment practice. Measured by value, it paid 82.6 per cent of non-NHS invoices within target (56.8 per cent last year) and 47.4 per cent of NHS invoices within target (compared with 46.7 per cent last year).

The following chart (Figure 2.28 below) shows overall performance for the year based on the number of invoices paid:

**Figure 2.28: Prompt payment code**



Performance has improved compared with the prior year, where there was a marked decline over the year due to the worsening cash position as the deficit deteriorated. However, the Trust is still below target largely due to the monthly constraints on cash availability and the timing of income received.

## Better Payment Practice Code (BPPC)

The Better Payment Practice Code (Figure 2.29) requires NHS bodies to aim to pay all valid invoices by the due date or within 30 days of receipt of a valid invoice, whichever is later.

**Figure 2.29: BPPC measure of compliance 2018/19 compared to 2017/18**

	2018/19 Number	2018/19 £000s	2017/18 Number	2017/18 £000s
<b>Non-NHS payables</b>				
Total non-NHS trade invoices paid in the year	34,743	58,066	37,584	58,087
Total non-NHS trade invoices paid within target	28,273	47,976	20,690	33,003
Percentage of NHS trade invoices paid within target	81.4%	82.6%	55.1%	56.8%
<b>NHS payables</b>				
Total NHS trade invoices paid in the year	1,102	8,385	1,030	9,469
Total NHS trade invoices paid within target	567	3,971	461	4,421
Percentage of NHS trade invoices paid within target	51.5%	47.4%	44.8%	46.7%

We allowed a two-day buffer period for payments in transit when calculating the number of invoices paid on time.

## Staff numbers

**Figure 2.30: Staff numbers**

Average number of whole time equivalent staff	2017/18	2018/19
Medical and dental	244	253
Administration and estates	452	486
Healthcare assistants and other support staff	612	645
Nursing and midwifery	684	711
Scientific, therapeutic and technical	174	199
Other	22	13
<b>Total</b>	<b>2,188</b>	<b>2,307</b>

The table above (at Figure 2.30) shows the total average whole time equivalent staff numbers, compared with the previous year.

Overall, there has been a five per cent increase in the average number of whole time equivalents in 2018/19 from the previous year. This compares with a six per cent increase in staff costs. There has been continued investment in nursing, medical and support staff.

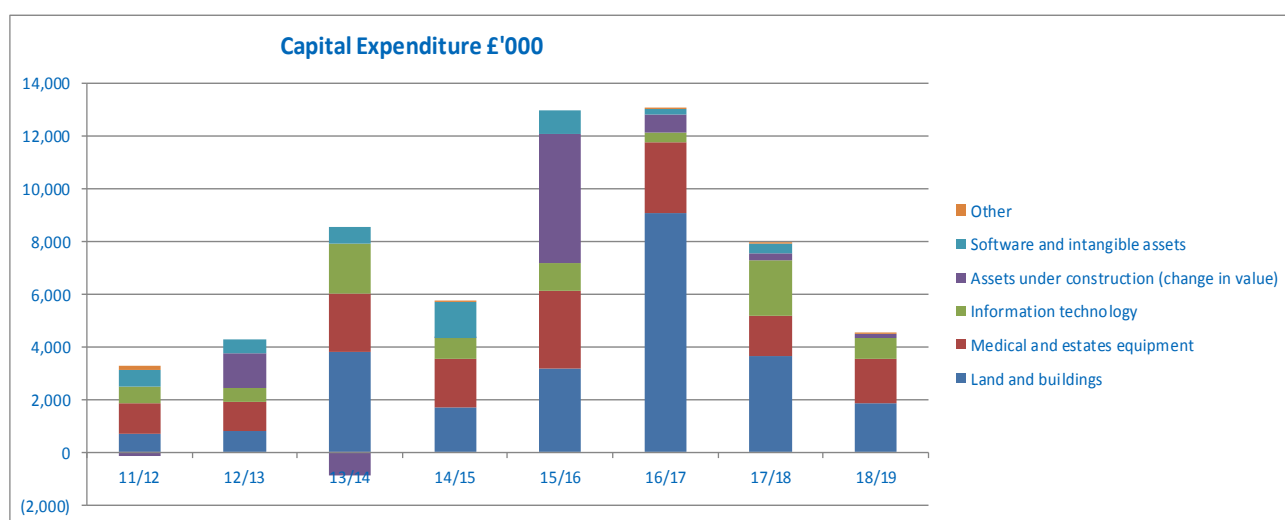
## Capital expenditure

This year, £4.9m was dedicated to capital expenditure. This was funded from internally generated funds of £3.9m, together with external financing of £0.9m and donations from the hospital's charity of £0.1m.

Expenditure on the estate in 2018/19 included a major upgrade to the fire detection system (£1.3m). We also invested in the replacement of bed frames across the Trust (£0.5m). Other expenditure included replacing medical equipment (£1.3m), information management and technology (£1.0m) and improving infrastructure (£0.8m).

The following chart (at Figure 2.31) shows capital investment in 2018/19 compared to previous years. The expenditure in 2018/19 continues to address the low level of investment in previous years caused by uncertainty about the Trust's service delivery model, whilst being limited by the availability of cash for capital investment particularly in the last two years.

**Figure 2.31: Capital investment compared since 2011/12 to March 2019**



## External Auditors

KPMG UK LLP completed the Trust's statutory audit for 2018/19. The audit fee charged is £39,800 plus VAT.

# Section 3 – Annual Accounts

## Independent Auditors' report



### INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF GEORGE ELIOT HOSPITAL NHS TRUST

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

##### Opinion

We have audited the financial statements of George Eliot Hospital NHS 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 Taxpayers 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
- have been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as being relevant to NHS Trusts in England and included in 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.

##### Material uncertainty related to going concern

We draw attention to note 1.1.2 to the financial statements which indicates that the Trust has incurred a significant deficit of £12.8 million for the year ended 31 March 2019. The Trust has submitted a 2019/20 financial plan to NHS Improvement with a planned breakeven position, which assumes the Trust will deliver a control total deficit of £15.7 million and received Provider Sustainability Funding and Financial Recovery Funding totalling £15.7 million. Based on the plan, the Trust will also need loan support of £19.3 million over the course of 2019/20 in order to meet its liabilities and continue to provide healthcare services. The Trust has historical loan of £24.1 million which become payable during 2019/20. One loan has previously been extended for a period of 12 months from original repayment date due in February 2019. Arrangements for repayment or rolling forward of these loans are currently uncertain, as are any terms and conditions associated with this.

These events and conditions, along with the other matters explained in note 1.1.2, constitute a material uncertainty that may cast significant doubt on the Trust's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

##### Other information in the Annual Report

The Accountable Officer is 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.



## **Annual Governance Statement**

We are required to report to you if the Annual Governance Statement has not been prepared in accordance with the requirements of the Department of Health and Social Care Group Accounting Manual 2018/19. We have nothing to report in this respect.

## **Remuneration and Staff Report**

In our opinion the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2018/19.

## **Directors' and Accountable Officer's responsibilities**

As explained more fully in the statement set out on page 95, the directors are 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. As explained more fully in the statement of the Chief Executive's responsibilities, as the Accountable Officer of the Trust, on Page 96 the Accountable Officer is responsible for ensuring that annual statutory accounts are prepared in a format directed by the Secretary of State.

## **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](http://www.frc.org.uk/auditorsresponsibilities).

## **REPORT ON OTHER LEGAL AND REGULATORY MATTERS**

### **Report on the Trust's arrangements for securing economy, efficiency and effectiveness in its 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 its use of resources.

### **Qualified conclusion**

Subject to the matters outlined in the basis for qualified conclusion paragraph below we are satisfied that in all significant respects George Eliot Hospital NHS Trust put in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources for the year ended 31 March 2019.

### **Basis for qualified conclusion**

In considering the adequacy of the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resource and specifically in terms of sustainable resource deployment, we identified the points below relating to the in-year and cumulative deficit, and the level of savings required for the Trust to meet the forecast planned deficit for 2019-20. In coming to our conclusion we have considered the following factors:





- The Trust reported a year end deficit of £12.8 million, resulting in a cumulative deficit of £71.9 million at 31 March 2019. The Trust's reported underlying deficit of £22.3 million has deteriorated from £19.7 million reported at 31 March 2018.
- The Trust's reported performance in 2018/19 continued to be underpinned by a number of non-recurrent measures. The Trust reported that only 37% of the Cost Improvement Programme of £7.5 million delivered were recurrent.
- The Trust has forecast breakeven for the 2019/20 financial year. However, this is contingent on the receipt of Provider Sustainability Funding and Financial Recovery Funding of £15.7 million and the Trust realising £8.3 million of new savings in 2019/20. The Trust has recorded £4.74 million of savings as being high risk.
- The Trust has not achieved core operational targets including achievement of 84.15% against the national 95% A&E target and 82.52% against the national referral to treatment target to treat patients within 18 weeks.

We concluded that these issues were evidence of weaknesses in the Trust's arrangements for planning finances effectively to support the sustainable delivery of its strategic priorities.

### **Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources**

As explained in the statement set out on page 96, the Chief Executive, as the Accountable Officer, is responsible for ensuring that value for money is achieved from the resources available to the Trust. We are required under section 21(3)(c), as amended by schedule 13 paragraph 10(a), of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its 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.

### **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:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Trust under section 24 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

### **Other matters on which we report by exception – referral to Secretary of State**

We have a duty under the Local Audit and Accountability Act 2014 to refer the matter to the Secretary of State if we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the body incurring unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.

On 28 May 2019 we referred a matter to the Secretary of State under section 30(1)(b) of the Local Audit and Accountability Act 2014 as we had reason to believe that the George Eliot Hospital NHS Trust was, taking into account the Department of Health's *Guidance on Breakeven Duty and Provisions*, in the financial year ending 31 March 2019, in breach of its 'breakeven duty' set out at paragraph 2(1) of Schedule 5 to the National Health Service Act 2006.

#### **THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES**

This report is made solely to the Board of Directors of George Eliot Hospital NHS Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Board of the Trust, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board 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 George Eliot Hospital NHS Trust in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.



Andrew Bostock  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
One Snowhill  
Snow Hill Queensway  
Birmingham B4 6GH

28 May 2019



## Annual Accounts

*A full set of the annual accounts can be found at the end of this document on page 142.*



# Supporting Notes

## Glossary

Name	Description
<b>Acute care</b>	medical or surgical treatment usually provided in a district general, or acute, hospital.
<b>AKI (acute kidney injury)</b>	a sudden episode of kidney failure or kidney damage that happens within a few hours or a few days. AKI causes a build-up of waste products in your blood and makes it hard for your kidneys to keep the right balance of fluid in your body.
<b>Annual Reports</b>	a comprehensive report on a company's activities throughout the preceding year. Annual reports are intended to give our NHS peers, key stakeholders and the public information about the organisation's activities and financial performance.
<b>Care bundle</b>	a set of interventions that, when used together, significantly improve on patient treatment and outcomes. Multi-disciplinary teams work to deliver the best possible care supported by evidence-based research and practices, with the ultimate outcome of improving patient care.
<b>Care pathway</b>	the process of diagnosis, treatment and care negotiated with the involvement of the patient and his/her carer or family.
<b>CQC – (Care Quality Commission)</b>	the independent regulator of health and social care in England. The CQC regulates care provided by the NHS, local authorities, private companies and voluntary organisations.
<b>CCGs (Clinical Commissioning Groups)</b>	groups of GPs that commission most of the hospital and community NHS services in the local areas for which they are responsible. Commissioning involves deciding what services are needed, and ensuring that they are provided. CCGs are overseen by <a href="#">NHS England</a> , which retains responsibility for commissioning primary care services such as GP and dental services, as well as some specialised hospital services. All GP practices now belong to a CCG, but groups also include other health professionals, such as nurses.
<b>Clinical audit</b>	a continuous process of assessment, evaluation and adjustment of practice by doctors, nurses, and other health professionals.
<b>Clostridium difficile (C-diff)</b>	an intestinal infection commonly associated with healthcare settings.
<b>CQUIN (Commissioning for Quality and Innovation)</b>	a national payment framework for locally agreed quality improvement schemes. It makes a proportion of provider income conditional on achieving ambitious quality improvement goals and innovations agreed between commissioner and provider, with active clinical engagement. The CQUIN framework is intended to reward genuine ambition, encouraging a culture of continuous quality improvement in all providers.

<b>Datix</b>	incident reporting software that promotes a culture of learning by recording, investigating and analysing your incidents.
<b>HSMR (Hospital Standardised Mortality Ratio)</b>	an indicator of healthcare quality that measures whether the death rate at a hospital is higher or lower than you would expect. Mortality ratios are a good source of information that help us understand the care provided in hospitals and allow us to target areas for improvement, review, and investigation.
<b>Incident</b>	<p>an event or circumstances which could have resulted, or did result, in unnecessary damage, loss or harm to a patient, member of staff, visitor or member of the public. National Incident reporting categories:</p> <ul style="list-style-type: none"> <li>• <b>No harm: impact prevented</b> – any patient safety incident that had the potential to cause harm but was prevented, resulting in no harm to people receiving NHS-funded care.</li> <li>• <b>Impact not prevented</b> – any patient safety incident that ran to completion, but no harm occurred to people receiving NHS-funded care.</li> <li>• <b>Low:</b> any patient safety incident that required extra observation or minor treatment and caused minimal harm, to one or more persons receiving NHS-funded care. For example, the patient required first aid, minor treatment, extra observation or medication.</li> <li>• <b>Moderate:</b> any patient safety incident that resulted in a moderate increase in treatment and which caused significant but not permanent harm, to one or more persons receiving NHS-funded care. For example, likely to require outpatient treatment, admission to hospital, surgery or a longer stay in hospital.</li> <li>• <b>Severe:</b> any patient safety incident that appears to have resulted in permanent harm to one or more persons receiving NHS-funded care. For example, brain damage or disability.</li> <li>• <b>Death:</b> any patient safety incident that directly resulted in the death of one or more persons receiving NHS-funded care.</li> </ul>
<b>MRSA (Methicillin Resistant Staphylococcus Aureus)</b>	a bacterial infection commonly associated with healthcare settings. It is resistant to some commonly used antibiotics, meaning infections with MRSA can be harder to treat than other bacterial infections.
<b>Never Events</b>	inexcusable actions in a healthcare setting. The kind of mistake that should never happen, they are, by definition, preventable.
<b>NEWS-2 (National Early Warning System-2:</b>	this early warning system (launched December 2017) to improve the detection of clinical deterioration due to <b>sepsis in adults</b> . These are major steps towards the ultimate aim, to see NEWS embedded across the NHS to improve the detection of acute illness and improve patient outcomes.
<b>NHSI (NHS Improvement)</b>	the organisation responsible for overseeing all NHS trusts in England including foundation trusts, as well as independent providers that provide NHS-funded care.
<b>Overview</b>	every local authority with social services responsibilities has had the power



<b>and Scrutiny Committees (OSCs)</b>	to scrutinise local health services. OSCs take on the role of scrutiny of the NHS – not just major changes but the ongoing operation and planning of services. They bring democratic accountability into healthcare decisions and make the NHS more publicly accountable and responsive to local communities.
<b>PALS (Patient Advice and Liaison Service)</b>	provides support to patients, carers and relatives, representing their views and resolving local difficulties speedily.
<b>Parliamentary and Health Service Ombudsman (PHSO)</b>	where local resolution of a complaint has been exhausted, the PHSO will look into complaints where an individual believes there has been injustice or hardship, where they feel an organisation has not acted properly, or fairly, or has given a poor service and not put things right. Outcomes from a PHSO investigation can be to either uphold the hospital's review and efforts to resolve the complaint, or to make a recommendation in favour of the complainant.
<b>Patients Forum</b>	a group of volunteers who talk to the patients and their relatives carry out approved projects within a work plan makes recommendations to the hospital for improvements.
<b>PROMs (Patient Reported Outcome Measures)</b>	assess the quality of care delivered to NHS patients from the patient perspective. Currently covering four clinical procedures, PROMs calculate the health gains after surgical treatment using pre- and post-operative surveys.
<b>Quality Accounts</b>	provide an overview of the quality of care provided to our patients. Specifically, this account highlights how we have improved, why we have chosen different courses of action, and what we still have to do to continue improving the quality of care being delivered at our organisation.
<b>RCA (Root Cause Analysis)</b>	a systematic process for identifying “root causes” of problems or events and an approach for responding to them.
<b>RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013)</b>	RIDDOR puts duties on employers, the self-employed and people in control of work premises (the Responsible Person) to report certain serious workplace accidents, occupational diseases and specified dangerous occurrences (near misses).
<b>RTT (Referral to Treatment)</b>	in England, under the NHS Constitution, patients ‘have the right to access certain services commissioned by NHS bodies within maximum waiting times, or for the NHS to take all reasonable steps to offer a range of suitable alternative providers if this is not possible’. The NHS Constitution sets out that patients should wait no longer than 18 weeks from GP referral to treatment.
<b>SAFER patient flow bundle</b>	incorporates five key elements to enable proactive and safe discharge flow, for example, pre-midday <u>S</u> enior Review; within 24-hours of admission <u>A</u> ll patients to have an expected date of discharge; the <u>F</u> low of patients, from assessment to inpatient wards, to be done in a timely manner; to have 33

	per cent of all patients discharged <u>E</u> arly i.e. by lunchtime daily; all patients with an extended length of stay to have a clinically-led weekly <u>R</u> evue.
<b>SHMI (Summary Hospital Mortality Indicator)</b>	a trust's SHMI value is the ratio between the actual number of patients who die following treatment at the trust and the number that would be expected to die, on the basis of average England figures given the characteristics of the patients treated there. The baseline SHMI value is one. A trust would only get a SHMI value of one if the number of patients who die following treatment there was exactly the same as the number expected using the SHMI methodology.
<b>TTO (to take outs)</b>	a form that should be completed for all patients being discharged from hospital. It both summarises the patient's hospital stay for their GP and acts as a prescription to order any medications they need to take home with them.
<b>VTE</b>	a condition in which a blood clot forms in a deep vein, usually in the leg, it is called a deep vein thrombosis (DVT). If that clot breaks loose and travels to the lungs, it is called a pulmonary embolism (PE).
<b>WHO (World Health Organisation) checklist</b>	the WHO surgical safety checklist was established in 2008 to improve the safety of surgical procedures and to avoid critical incidents and never events occurring. The process surrounding it has improved compliance with standards and reduced the number of complications arising from surgery.



## Acknowledgements

George Eliot Hospital NHS Trust would like to thank the following staff, organisations, groups and individuals for their invaluable contribution through ongoing feedback and support in the production of this year's Quality Account.

- Warwickshire North Clinical Commissioning Group
- Coventry & Rugby Clinical Commissioning Group
- Warwickshire Adult Social Care and Health Overview and Scrutiny Committee
- George Eliot Hospital Patient Forum
- The Trust's Communications and Engagement team
- Lead contributors: Consultant leads, the Governance, PALS (Patient Advice and Liaison Service), Complaint Services, Maternity, Pharmacy, Quality, Finance, Clinical Audit, Infection Prevention teams from across the Trust
- KPMG, External Auditors (Annual Report, Accounts and Quality Indicators).

## Feedback form

We hope you have found this report informative, interesting and helpful. To save costs, the document is available on our website and hard copies are available in waiting rooms or on request.

We would be grateful if you would take the time to complete this feedback form and return to: Patient Feedback, George Eliot Hospital NHS Trust, FREEPOST (CV3262), College Street, Nuneaton, CV10 7BR

Alternatively, please email: [pals@geh.nhs.uk](mailto:pals@geh.nhs.uk)

<b>How useful did you find this report?</b>		<b>Did you find the contents?</b>	
Very useful		Too simplistic	
Quite useful		About right	
Not very useful		Too complicated	
Not useful at all			
<b>Is the presentation of data clearly labelled?</b>			
Yes, completely		Yes, to some extent	
No			
<b>If no, what would have helped?</b>			
<b>Comments</b>			

## Accessibility

We have access to interpretation and translation services. If you need this information in another language or format, please contact 024 7686 5550 and we will do our best to meet your needs.

**GEORGE ELIOT HOSPITAL  
NHS TRUST**

**AUDITED ANNUAL ACCOUNTS  
2018-19**

## Statement of Comprehensive Income

### 31 March 2019

		2018-19	2017-18
	Note	£000	£000
Operating income from patient care activities	3.	138,292	129,048
Other operating income (Note 1 below)	4.	16,976	14,397
Operating expenses	6.	(167,199)	(160,345)
<b>Operating deficit from continuing operations</b>		<b>(11,931)</b>	<b>(16,900)</b>
Finance income	12.	39	15
Finance expenses	13.	(1,007)	(752)
PDC dividends payable		-	(425)
<b>Net finance costs</b>		<b>(968)</b>	<b>(1,162)</b>
Other gains / (losses)	15.	-	(20)
<b>Deficit for the year from continuing operations</b>		<b>(12,899)</b>	<b>(18,082)</b>
<b>Deficit for the year</b>		<b>(12,899)</b>	<b>(18,082)</b>
<b>Other Comprehensive Income</b>			
<b>Will not be reclassified to income and expenditure:</b>			
Impairments	7.	(14,378)	-
Revaluations	17.	6,115	2,255
<b>Total comprehensive expense for the year</b>		<b>(21,162)</b>	<b>(15,827)</b>
<b>Financial performance for the year</b>			
Deficit for the year		(12,899)	(18,082)
Adjustments in respect of donated gov't grant asset reserve elimination		109	100
<b>Adjusted retained deficit (Note 2 below)</b>		<b>(12,790)</b>	<b>(17,982)</b>

Note 1. Other operating income in the year included non-recurrent income of £5.66m from NHS England (prior year £3.5m). This income was from the Provider Sustainability Fund and related to the achievement of financial targets. The deficit excluding this amount would be £18.4m (prior year £21.6m).

Note 2. The adjusted retained deficit of £12.8m represented the financial performance of the Trust in meeting the break-even duty for the year. Over a three year rolling period, the Trust has not achieved the break-even duty (see page 46).

The notes on pages 6 to 47 form part of these accounts.



George Eliot Hospital NHS Trust -  
Annual Accounts 2018-19

**Statement of Financial Position as at  
31 March 2019**

		31 March 2019 £000	31 March 2018 £000
	Note		
<b>Non-current assets</b>			
Intangible assets	16	1,942	2,314
Property, plant and equipment	17	70,276	79,460
Receivables	25	265	283
<b>Total non-current assets</b>		<u>72,483</u>	<u>82,057</u>
<b>Current assets</b>			
Inventories	24	2,090	1,925
Receivables	25	13,768	10,040
Cash and cash equivalents	28	1,307	1,819
<b>Total current assets</b>		<u>17,165</u>	<u>13,784</u>
<b>Current liabilities</b>			
Trade and other payables	30	(16,644)	(13,631)
Borrowings	33	(33,097)	(12,615)
Provisions	35	(368)	(1,561)
Other liabilities	32	(1,593)	(1,544)
<b>Total current liabilities</b>		<u>(51,702)</u>	<u>(29,351)</u>
<b>Total assets less current liabilities</b>		<u>37,946</u>	<u>66,490</u>
<b>Non-current liabilities</b>			
Borrowings	33	(44,018)	(51,820)
Provisions	35	(670)	(693)
<b>Total non-current liabilities</b>		<u>(44,688)</u>	<u>(52,513)</u>
<b>Total Assets Employed</b>		<u>(6,742)</u>	<u>13,977</u>
<b>Financed by</b>			
Public dividend capital		51,810	51,367
Revaluation reserve		6,331	14,656
Income and expenditure reserve		(64,883)	(52,046)
<b>Total Taxpayers' Equity</b>		<u>(6,742)</u>	<u>13,977</u>

The financial statements on pages 1 to 47 were approved by the Board of Directors on the 23rd May 2019 and signed on its behalf by:

Glen Burley  
Chief Executive



Date: 23 May 2019

## Statement of Changes in Equity for the year ended 31 March 2019

	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve	Total Reserves
	£000	£000	£000	£000
Taxpayers' Equity At 1 April 2018 - Brought Forward	51,367	14,656	(52,046)	13,977
Surplus/(deficit) for the year	-	-	(12,899)	(12,899)
Other transfers between reserves (Note 1 below)	-	(62)	62	-
Impairments	-	(14,378)	-	(14,378)
Revaluations	-	6,115	-	6,115
Public dividend capital received	443	-	-	443
Other reserve movements	-	-	-	-
Taxpayers' Equity At 31 March 2019	51,810	6,331	(64,883)	(6,742)

## Statement of Changes in Equity for the year ended 31 March 2018

	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve	Total Reserves
	£000	£000	£000	£000
Taxpayers' equity at 1 April 2017 - Brought Forward	49,474	12,816	(34,379)	27,911
Surplus/(deficit) for the year	-	-	(18,082)	(18,082)
Other transfers between reserves (Note 1 below)	-	(415)	415	-
Impairments	-	-	-	-
Revaluations	-	2,255	-	2,255
Public dividend capital received	1,893	-	-	1,893
Taxpayers' Equity At 31 March 2018	51,367	14,656	(52,046)	13,977

Note 1. The transfer of 62,000 between reserves represents the elimination of the additional depreciation charge arising in the accounts due to some of the non current assets being shown at valuation rather than being held at historic cost.

George Eliot Hospital NHS Trust -  
Annual Accounts 2018-19

**Information on reserves**

**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 organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the Trust, is payable to the Department of Health as the public dividend capital dividend.

**Revaluation reserve**

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

**Income and expenditure reserve**

The balance of this reserve is the accumulated surpluses and deficits of the Trust.

George Eliot Hospital NHS Trust -  
Annual Accounts 2018-19

**Statement of Cash Flows for the Year ended 31 March 2019**

	Note	2018-19 £000	2017-18 £000
<b>Cash flows from operating activities</b>			
Operating (deficit)		(11,931)	(16,900)
<b>Non-cash income and expense:</b>			
Depreciation and amortisation	6.	6,279	6,592
Net impairments	7.	-	-
Income recognised in respect of capital donations	4.	(61)	(73)
(Increase) / decrease in receivables and other assets		(3,710)	1,205
(Increase) in inventories		(165)	(108)
Increase / (decrease) in payables and other liabilities		3,615	(2,612)
(Decrease) / increase in provisions		(1,227)	887
<b>Net cash used in operating activities</b>		<u>(7,200)</u>	<u>(11,009)</u>
<b>Cash flows from investing activities</b>			
Interest received		39	15
Purchase of intangible assets		(506)	(417)
Purchase of property, plant, equipment and investment property		(4,773)	(7,125)
<b>Net cash (used in) investing activities</b>		<u>(5,240)</u>	<u>(7,527)</u>
<b>Cash flows from financing activities</b>			
Public dividend capital received		443	1,893
Movement on loans from the Department of Health and Social Care		13,269	17,861
Movement on other loans		(775)	(388)
Interest on loans		(947)	(672)
Other interest		(3)	(15)
PDC dividend (paid) / refunded		(59)	(454)
<b>Net cash generated from financing activities</b>		<u>11,928</u>	<u>18,225</u>
<b>(Decrease) in cash and cash equivalents</b>		<u>(512)</u>	<u>(311)</u>
<b>Cash and cash equivalents at 1 April - Brought Forward</b>		<u>1,819</u>	<u>2,130</u>
<b>Cash and cash equivalents at 31 March</b>	28.	<u><u>1,307</u></u>	<u><u>1,819</u></u>

The notes on pages 6 to 47 form part of these accounts.

## **1. Notes to the Accounts**

### **Accounting policies and other information**

#### **1.1 Basis of preparation**

The Department of Health and Social Care has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2018-19 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

##### **1.1.1 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.

##### **1.1.2 Going concern**

In accordance with international accounting standards, management are required to assess whether it is appropriate to prepare the accounts on a going concern basis. There are no plans for the dissolution of the Trust and it is anticipated that services will continue to be provided in the future. The financial statements have therefore been prepared on a going concern basis.

In preparing the financial statements, the Board of Directors has considered the Trust's overall financial position and expectations of future financial support. The Trust received monthly loan funding during the year totalling £14.3m. This was higher than the actual deficit of £12.8m, which will provide a cash benefit in 2019/20.

The Trust has recently submitted a draft financial plan for 2019-20 to NHS Improvement (NHSI) which includes a breakeven position for the full year. This assumes the delivery of £8.3m efficiency savings.

During the last five years, NHSI has supported the Trust's application for cash support. The Trust Board therefore anticipates that NHSI will support the Trust's application for cash support in 2019-20. The draft financial plan continues to show a deficit for the first half of 2019-20 as savings plans are embedded to deliver a surplus later in the year. In addition, achieving breakeven for the full year is reliant upon non-recurrent funding which would be paid to the Trust quarterly in arrears. Due to the planned deficit profile and the requirement for cash in advance of the non-recurrent income being received, it is anticipated that the Trust will require £19.3m loan funding during the year, of which £13.8m will be repaid in year following the receipt of quarterly income and the improvement to a surplus position. The balance of £5.5m would need to be repaid in 2020/21 once income has been received for the final quarter. An amount of £1.5m has already been requested and received to date. However, this support is subject to monthly approval from NHSI and DHSC. This process generates material uncertainty which may cast significant doubt about the Trust's ability to continue as a going concern. The Trust will work closely with NHSI to ensure that forecast cash requirements are reviewed in a timely manner and that any issues are highlighted so that these can be resolved. Given the ongoing level of support received from NHSI, the directors expect that the Trust will have adequate resources to continue in operational existence for the foreseeable future.

The Trust is continuing to plan for ongoing operational deficits over the next two years. Work is ongoing with other organisations in the Coventry and Warwickshire Sustainability and Transformation Partnership to address the issues of financial sustainability across the wider local health economy in the medium-to long-term. The Trust is also developing plans to improve utilisation of the site occupied by the hospital, which is expected to generate financial benefits.

The Trust has one revenue loan which has been extended and will reach full term in February 2020, for £10.2m. A second loan of £13.9m will become due for repayment in January 2020. Additional monthly revenue loans due for repayment between December 2019 and March 2020 amount to £6.2m with a further £2.5m due from April to May 2020. Arrangements for repayment or extending these loans will need to be agreed with NHSI and the Department of Health and Social Care.

The Board of Directors considers that the contracts it has agreed with commissioning bodies and the anticipated support from NHSI is sufficient evidence that the Trust will continue as a going concern for the foreseeable future. For this reason, the going concern basis has been adopted for preparing the accounts.



## **1.2 Critical judgements in applying accounting policies**

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

- The Trust has entered into lease agreements for medical equipment during the year. In each case an assessment has been carried out to determine whether the lease should be accounted for as an operating or finance lease.

### **1.2.1 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:

- Land and buildings valuations were updated through a 'desk top' assessment at 1 April 2018 and 31 March 2019 whilst continuing to be based on the 'alternative site valuation' principles.
- Healthcare SLA over/under performance with some commissioners is estimated based on patient activity; the final agreement of income will be made when the information is validated in accordance with the contracting timetable.
- Two former employees are being paid a permanent injury allowance by the Trust. Their life expectancy is calculated using published interim life tables for England published by the Office of National Statistics, with the resulting calculated provision being discounted by 0.29%. Every year their life expectancy and appropriate discount factor is reviewed and updated.

## **1.3 Interests in other entities**

### **Charitable Funds**

Under the provisions of IAS 27 Consolidated and Separate Financial Statements, those Charitable Funds that fall under common control with NHS bodies are consolidated within the entity's financial statements. In accordance with IAS 1 Presentation of Financial Statements, restated prior period accounts are presented where the adoption of the new policy has a material impact. As the value of George Eliot's Charitable Funds do not have a material impact, they have not been consolidated.

## **1.4 Revenue**

The transition to IFRS 15 has been completed in accordance with paragraph C3 (b) of the Standard, applying the Standard retrospectively recognising the cumulative effects at the date of initial application.

In the adoption of IFRS 15 a number of practical expedients offered in the Standard have been employed. These are as follows;

- As per paragraph 121 of the Standard the Trust will not disclose information regarding performance obligations part of a contract that has an original expected duration of one year or less,
- the Trust is to similarly not disclose information where revenue is recognised in line with the practical expedient offered in paragraph B16 of the Standard where the right to consideration corresponds directly with value of the performance completed to date.
- The FReM has mandated the exercise of the practical expedient offered in C7(a) of the Standard that requires the Trust to reflect the aggregate effect of all contracts modified before the date of initial application.

### **1.4.1 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).

#### **1.4.2 Revenue from NHS contracts**

The main source of revenue for the Trust is contracts with commissioners in respect of healthcare services. Revenue in respect of services provided is recognised when (or as) performance obligations are satisfied by transferring promised services to the customer, and is measured at the amount of the transaction price allocated to that performance obligation. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where a patient care spell is incomplete at the year end, revenue relating to the partially complete spell is accrued in the same manner as other revenue.

Where income is received for a specific performance obligation that is to be satisfied in the following year, that income is deferred. The method adopted to assess progress towards the complete satisfaction of a performance obligation is to match income against the expenditure incurred.

#### **1.4.3 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.

#### **1.4.4 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 contract. The Trust does not have any income from the sale of non-current assets.

#### **1.5 Expenditure on employee benefits**

##### **Short-term employee benefits**

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period. The Trust's annual leave policy requires leave to be used in year.

##### **Pension costs**

###### **NHS Pension Scheme**

Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the schemes are accounted for as though they are defined contribution schemes.

Employer's pension cost contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the trust commits itself to the retirement, regardless of the method of payment.

#### **1.6 Expenditure on other goods and services**

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

## 1.7 Property, plant and equipment

### 1.7.1 Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.
- items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, e.g., plant and equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.

### 1.7.2 Measurement

#### **Valuation**

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

All assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (i.e. operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Land and buildings used for the Trust's services or for administrative purposes are stated in the Statement of Financial Position at their revalued amounts, being the fair value at the date of revaluation less any impairment.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying

- Land and non-specialised buildings – market value for existing use.
- Specialised buildings – depreciated replacement cost as indexed on 31 March 2018 using indices supplied by the valuer, GVA Limited.

Previously all land and buildings were restated to fair value using professional valuations in accordance with IAS 16 every five years. This has now been changed to update the valuation at 31 March each year. An update was undertaken in 2018 as at the prospective valuation date at 1 April 2018 and again at 31 March 2019.

Valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual.

The property valuations are carried out primarily on the basis of Depreciated Replacement Cost (DRC) for specialised operational property (e.g., NHS patient treatment facilities) and Existing Use Value (EUV) for non-specialised operational property. The value of land for existing use purposes is assessed at EUV. For non-operational land including surplus land, the valuations are carried out at Market Value.

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued.

The Trust's land and building valuation was carried out by the Trust's current valuer Avison Young, on a MEA "Optimised Alternative Site" method valuation, and applied on 1 April 2018 and 31 March 2019.

## 1.7.2 Measurement

### Valuation (continued)

The valuation has been undertaken having regard to IFRS as applied to the UK public sector and in accordance with HM Treasury guidance.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowing costs. Assets are revalued and depreciation commences when they are brought into use.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful economic lives or low values or both, as this is not considered to be materially different from current value in existing use.

### Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

### Depreciation

Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

### Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.

### Impairments

In accordance with the GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversal of 'other impairments' are treated as revaluation gains.

### 1.7.3 Derecognition

Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable i.e.:
  - management are committed to a plan to sell the asset
  - an active programme has begun to find a buyer and complete the sale
  - the asset is being actively marketed at a reasonable price
  - the sale is expected to be completed within 12 months of the date of classification as 'held for sale' and
  - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'held for sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

### 1.7.4 Donated assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.



#### 1.7.5 Useful economic lives of property, plant and equipment

Useful economic lives reflect the total life of an asset and not the remaining life of an asset. The range of useful economic lives are shown in the table below:

	Min life Years	Max life Years
Medical equipment and engineering plant and equipment	5	15
Furniture	10	10
Mainframe information technology installations	8	8
Soft furnishings	7	7
Office and information technology equipment	5	5
Set-up costs in new buildings	10	10
Vehicles	8	8

Finance-leased assets (including land) are depreciated over the shorter of the useful economic life or the lease term, unless the trust expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

#### 1.8 Intangible assets

##### 1.8.1 Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the trust and where the cost of the asset can be measured reliably.

##### Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use
- the trust intends to complete the asset and sell or use it
- the trust has the ability to sell or use the asset
- how the intangible asset will generate probable future economic or service delivery benefits, e.g., the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the trust to complete the development and sell or use the asset and
- the trust can measure reliably the expenses attributable to the asset during development.

##### Software

Software which is integral to the operation of hardware, e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, e.g. application software, is capitalised as an intangible asset.

### 1.8.2 Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

Intangible assets held for sale are measured at the lower of their carrying amount or "fair value less costs to sell".

#### Amortisation

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

### 1.8.3 Useful economic lives of intangible assets

Useful economic lives reflect the total life of an asset and not the remaining life of an asset. The range of useful economic lives are shown in the table below:

	Min life	Max life
	Years	Years
IT software	5	5
Licenses	5	5
Development expenditure - based on the life of the project		

### 1.9 Revenue grants and other contributions to expenditure

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider, the corresponding notional expense is also recognised at the point of recognition for the benefit.

### 1.10 Inventories

Inventories are valued at the lower of cost and net realisable value using the weighted average cost method. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

### 1.11 Investment properties

Investment properties are measured at fair value. Changes in fair value are recognised as gains or losses in income/ expenditure.

Only those assets which are held solely to generate a commercial return are considered to be investment properties. Where an asset is held, in part, for support service delivery objectives, then it is considered to be an item of property, plant and equipment.

### 1.12 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

**1.13 Carbon Reduction Commitment scheme (CRC)**

The CRC scheme is a mandatory cap and trade scheme for non-transport CO<sub>2</sub> emissions. The trust is registered with the CRC scheme, and is therefore required to surrender to the Government an allowance for every tonne of CO<sub>2</sub> it emits during the financial year. A liability and related expense is recognised in respect of this obligation as CO<sub>2</sub> emissions are made.

The carrying amount of the liability at the financial year end will therefore reflect the CO<sub>2</sub> emissions that have been made during that financial year, less the allowances (if any) surrendered voluntarily during the financial year in respect of that financial year.

The liability will be measured at the amount expected to be incurred in settling the obligation. This will be the cost of the number of allowances required to settle the obligation.

**1.14 Financial instruments and financial liabilities**

**1.14.1 Recognition**

Financial assets and financial liabilities arise where the Trust is party to the contractual provisions of a financial instrument, and as a result has a legal right to receive or a legal obligation to pay cash or another financial instrument. The definition of a contract now includes legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by the Office for National Statistics.

This includes the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements and 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**

Financial assets are recognised when the Trust becomes party to the contractual provision of the financial instrument or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or when the asset has been transferred and the Trust has transferred substantially all of the risks and rewards of ownership or has not retained control of the asset.

Financial assets are initially recognised at fair value plus or minus directly attributable transaction costs for financial assets not measured at fair value through profit or loss. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices, where possible.

Financial assets are classified into the following categories: financial assets at amortised cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit and loss. The classification is determined by the cash flow and business model characteristics of the financial assets, as set out in IFRS 9, and is determined at the time of initial recognition.

**Financial assets at amortised cost**

Financial assets measured at amortised cost are those held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and where the cash flows are solely payments of principal and interest. This includes most trade receivables, loans receivable, and other simple debt instruments.

After initial recognition, these financial assets are measured at amortised cost using the effective interest method, less any impairment. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the life of the financial asset to the gross carrying amount of the financial asset.

**Financial assets at fair value through other comprehensive income**

Financial assets measured at fair value through other comprehensive income are those held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest.

The Trust does not have any financial assets of this type.

### **Financial assets at fair value through profit and loss**

Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or fair value through other comprehensive income. This includes derivatives and financial assets acquired principally for the purpose of selling in the short term.

The Trust does not have any financial assets of this type.

### **Impairment**

For all financial assets measured at amortised cost or at fair value through other comprehensive income (except equity instruments designated at fair value through other comprehensive income), lease receivables and contract assets, the Trust recognises a loss allowance representing expected credit losses on the financial instrument.

The Trust adopts the simplified approach to impairment, in accordance with IFRS 9, and measures the loss allowance for trade receivables, contract assets and lease receivables at an amount equal to lifetime expected credit losses. For other financial assets, the loss allowance is measured at an amount equal to lifetime expected credit losses if the credit risk on the financial instrument has increased significantly since initial recognition (stage 2), and otherwise at an amount equal to 12-month expected credit losses (stage 1).

Expected credit losses are determined by providing in full for non-NHS debtors over 90 days old and for Injury Cost Recovery income using national guidance.

HM Treasury has ruled that central government bodies may not recognise stage 1 or stage 2 impairments against other government departments, their executive agencies, the Bank of England, Exchequer Funds, and Exchequer Funds' assets where repayment is ensured by primary legislation. The Trust therefore does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies. Additionally, the Department of Health and Social Care provides a guarantee of last resort against the debts of its arm's length bodies and NHS bodies (excluding NHS charities), and Trust does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies.

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

In accordance with the Department of Health guidelines 21.89% of injury costs recovery revenue is provided in a bad debt provision.

### **Financial liabilities**

Financial liabilities are recognised when the Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been extinguished – that is, the obligation has been discharged or cancelled or has expired.

### **Other financial liabilities**

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the amortised cost of the financial liability. In the case of DHSC loans that would be the nominal rate charged on the loan.

#### **1.14.2 De-recognition**

All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the trust has transferred substantially all of the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

## 1.15 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

### 1.15.1 The trust as lessee

#### 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 asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment.

The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

#### Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

#### 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.

### 1.15.2 The trust as lessor

#### Finance leases

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the trust's net investment outstanding in respect of the leases.

#### Operating leases

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

## 1.16 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.

#### Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence 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 XX but is not recognised in the Trust's accounts.

#### 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.



**1.17 Contingencies**

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 36 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 36, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

**1.18 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 organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for

- (i) donated assets (including lottery funded assets),
- (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and
- (iii) any PDC dividend balance receivable or payable.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

**1.19 Value added tax**

Most of the activities of the trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

**1.20 Corporation tax**

The Trust has no corporation tax liability based on the activities undertaken and the financial position.

### 1.21 Foreign exchange

The functional and presentational currency of the trust is 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.

### 1.22 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's *FReM*.

### 1.23 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the trust not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

However the losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

### 1.24 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2018-19.

### 1.25 Standards, amendments and interpretations in issue but not yet effective or adopted

The HM Treasury *FReM* does not require the following IFRS Standards and Interpretations to be applied in 2018-19. These Standards are still subject to HM Treasury *FReM* adoption, with IFRS 16 being for implementation in 2019-20, and the government implementation date for IFRS 17 still subject to HM Treasury consideration.

- 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.
- IFRS 17 *Insurance Contracts* – Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the *FReM*: early adoption is not therefore permitted.
- IFRIC 23 *Uncertainty over Income Tax Treatments* – Application required for accounting periods beginning on or after 1 January 2019.

The Trust has a small number of operating leases for medical and IT equipment/ software which are part way through their lease term. Further guidance is awaited on the transitional arrangements for existing leases from the date this standard becomes effective. The standard will mean that operating leases will in future be accounted for as finance leases, with the assets to which they relate being capitalised and shown on the Statement of Financial Position. Further guidance will be issued to confirm whether this will have to be part of the Trust's Capital Resource Limit allocation. This will be taken into account in any future business cases considering purchase or lease of assets.

IFRS 17 and IFRIC 23 are not expected to have a material impact on the Trust.

## 2. Operating Segments

The Trust has only one operating segment; that is the provision of healthcare services.

The total amount of income from the provision of healthcare services during the accounting period is £155,268k (2017-18 £143,445k). Total operating expenditure from the provision of healthcare services during the accounting period is £167,199k (2017-18 160,345k).

The Trust generated over 10% of income from the following organisations:

	2018-19	2017-18
	£000s	£000s
NHS Warwickshire North CCG	90,189	85,891

## 3. Operating income from patient care activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.

3.1 Note 3.1 Income from patient care activities (by nature)	2018-19	2017-18
	£000	£000
<b>Acute services</b>		
Elective income	19,354	18,602
Non elective income	46,274	42,486
First outpatient income	9,132	9,233
Follow up outpatient income	9,017	9,189
A & E income	9,050	7,716
High cost drugs income from commissioners (excluding pass-through costs)	9,427	9,617
Other NHS clinical income	26,779	25,707
<b>Community services</b>		
Community services income from CCGs and NHS England	1,994	3,048
Income from other sources (e.g. local authorities)	2,792	3,024
<b>All services</b>		
Private patient income	62	2
Agenda for Change pay award central funding	1,611	-
Other clinical income	2,800	424
<b>Total income from activities</b>	<b>138,292</b>	<b>129,048</b>

### 3.2 Note 3.2 Income from patient care activities (by source)

Income from patient care activities received from:	2018-19	2017-18
	£000	£000
NHS England	15,844	14,801
Clinical commissioning groups	116,775	110,203
Department of Health and Social Care	1,611	-
Other NHS providers	736	424
NHS other	-	-
Local authorities	2,792	3,024
Non-NHS: private patients	-	2
Non-NHS: overseas patients (chargeable to patient)	61	29
Injury cost recovery scheme	391	468
Non NHS: other	82	97
<b>Total income from activities</b>	<b>138,292</b>	<b>129,048</b>
<b>Of which:</b>		
Related to continuing operations	138,292	129,048
Related to discontinued operations	-	-

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**3.3 Overseas visitors (relating to patients charged directly by the provider)**

	2018-19	2017-18
	£000	£000
Income recognised this year	61	29
Cash payments received in-year	19	12
Amounts added to provision for impairment of receivables	11	-
Amounts written off in-year	-	13

**4. Other operating income**

	2018-19	2017-18
	£000	£000
<b>Other operating income from contracts with customers:</b>		
Research and development (contract)	476	546
Education and training (excluding notional apprenticeship levy income)	6,013	5,547
Non-patient care services to other bodies	1,684	2,788
Provider sustainability / sustainability and transformation fund income (PSF / STF)	5,658	3,493
Other income (Note 1 below)	3,084	1,950
<b>Other non-contract operating income</b>		
Research and development (non-contract)	-	-
Education and training - notional income from apprenticeship fund	-	-
Receipt of capital grants and donations	61	73
<b>Total other operating income</b>	<u>16,976</u>	<u>14,397</u>
<b>Of which:</b>		
Related to continuing operations	16,976	14,397
Related to discontinued operations	-	-

Note 1. Other income includes car parking income of £941k, (2017-18 £926k) , catering income of £336k (2017-18 £309k) and other income generation schemes of £94k (2017-18 £96k).

**4.1. Additional information on revenue from contracts with customers recognised in the period**

	2018-19
	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	897
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	-

**4.2 Transaction price allocated to remaining performance obligations**

	31 March
	2019
	£000
Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:	
within one year	-
after one year, not later than five years	-
after five years	-
<b>Total revenue allocated to remaining performance obligations</b>	<u>-</u>

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.

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**5. Fees and charges**

	2018-19	2017-18
	£000	£000
Income	-	-
Full cost	-	-
Surplus / (deficit)	<u>-</u>	<u>-</u>

**6. Operating expenses**

	2018-19	2017-18
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	5,599	5,145
Purchase of healthcare from non-NHS and non-DHSC bodies	3,080	3,067
Purchase of social care	-	-
Staff and executive directors costs	110,015	103,423
Remuneration of non-executive directors	76	39
Supplies and services - clinical (excluding drugs costs)	11,702	10,742
Supplies and services - general	2,146	1,975
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	13,659	12,978
Inventories written down	29	24
Consultancy costs	758	815
Establishment	1,459	1,467
Premises	4,768	4,869
Transport (including patient travel)	67	101
Depreciation on property, plant and equipment	5,422	5,785
Amortisation on intangible assets	857	807
Net impairments	-	-
Movement in credit loss allowance: contract receivables / contract assets	(10)	-
Movement in credit loss allowance: all other receivables and investments	-	179
Increase/(decrease) in other provisions	23	42
Change in provisions discount rate(s)	(19)	14
Audit fees payable to the external auditor		
audit services- statutory audit	53	52
other auditor remuneration (external auditor only)	10	10
Internal audit costs	95	130
Clinical negligence	5,281	6,591
Legal fees	180	95
Insurance	9	9
Research and development	-	-
Education and training	677	948
Rentals under operating leases	259	77
Early retirements	-	-
Redundancy	-	23
/ LIFT)	-	-
Charges to operating expenditure for off-SoFP PFI / LIFT schemes	-	-
Car parking & security	-	-
Hospitality	2	8
Losses, ex gratia & special payments	10	31
Grossing up consortium arrangements	-	-
Other services, eg external payroll	436	393
Other	556	506
Total	<u>167,199</u>	<u>160,345</u>
Of which:		
Related to continuing operations	167,199	160,345



## 6.1 Other auditor remuneration

	2018-19 £000	2017-18 £000
<b>Other auditor remuneration paid to the external auditor:</b>		
1. Audit of accounts of any associate of the trust	-	-
2. Audit-related assurance services	-	-
3. Taxation compliance services	-	-
4. All taxation advisory services not falling within item 3 above	-	-
5. Internal audit services	-	-
6. All assurance services not falling within items 1 to 5	10	10
7. Corporate finance transaction services not falling within items 1 to 6 above	-	-
8. Other non-audit services not falling within items 2 to 7 above	-	-
<b>Total</b>	<b>10</b>	<b>10</b>

## 6.2 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £2m (2017-18: £2m).

## 7. Impairment of assets

	2018-19 £000	2017-18 £000
<b>Net impairments charged to operating surplus / deficit resulting from:</b>		
Changes in market price	-	-
Other	-	-
<b>Total net impairments charged to operating surplus / deficit</b>	<b>-</b>	<b>-</b>
Impairments charged to the revaluation reserve	14,378	-
<b>Total net impairments</b>	<b>14,378</b>	<b>-</b>

## 8. Employee benefits

	2018-19 Total £000	2017-18 Total £000
Salaries and wages	78,255	73,979
Social security costs	7,218	6,936
Apprenticeship levy	366	349
Employer's contributions to NHS pensions	8,864	8,410
Termination benefits	-	23
Temporary staff (including agency)	15,448	14,162
<b>Total gross staff costs</b>	<b>110,151</b>	<b>103,859</b>
Recoveries in respect of seconded staff	-	-
<b>Total staff costs</b>	<b>110,151</b>	<b>103,859</b>
<b>Of which</b>		
Costs capitalised as part of assets	136	413

## 9. Retirements due to ill-health

During 2018-19 there were 5 early retirements from the trust agreed on the grounds of ill-health (1 in the year ended 31 March 2018). The estimated additional pension liabilities of these ill-health retirements is £206k (£40k in 2017-18).

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

## 10. 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](http://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.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

### a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

### b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019. The Department of 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 judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

### 10.1 National Employment Savings Scheme (NEST)

The Trust also operates the National Employment Savings Scheme (NEST). This is a defined contribution workplace pension scheme. The amount of contribution is in accordance with the national guidelines and is a percentage of employees salary.

## 11. Operating leases

### 11.1 George Eliot Hospital NHS Trust as a lessor

The Trust does not have any agreements where it acts as a lessor.

### 11.2 George Eliot Hospital NHS Trust as a lessee

	2018-19 £000	2017-18 £000
<b>Operating lease expense</b>		
Minimum lease payments	259	77
<b>Total</b>	<b>259</b>	<b>77</b>
	<b>31 March 2019 £000</b>	<b>31 March 2018 £000</b>
<b>Future minimum lease payments due:</b>		
- not later than one year;	314	103
- later than one year and not later than five years;	918	134
- later than five years.	119	-
<b>Total</b>	<b>1,351</b>	<b>237</b>
Future minimum sublease payments to be received	-	-

The Trust had operating leases for medical equipment and 1 car at 31 March 2019 (4 cars at 31 March 2018).

The lease cars were originally taken out for either 3 or 4 years.

The medical equipment leases are for 5-7 years.

Expiry of the leases is as follows:

	2018-19 Number	2017-18 Number
Before 1 year	1	2
Between 1 and 5 years	4	4
After 5 years	1	0
	<b>6</b>	<b>6</b>

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**12. Finance income**

Finance income represents interest received on assets and investments in the period.

	2018-19	2017-18
	£000	£000
Interest on bank accounts	39	15
<b>Total finance income</b>	<b>39</b>	<b>15</b>

**13. Finance expenditure**

Finance expenditure represents interest and other charges involved in the borrowing of money.

	2018-19	2017-18
	£000	£000
<b>Interest expense:</b>		
Loans from the Department of Health and Social Care	993	736
Interest on late payment of commercial debt	3	15
<b>Total interest expense</b>	<b>996</b>	<b>751</b>
Unwinding of discount on provisions	11	1
<b>Total finance costs</b>	<b>1,007</b>	<b>752</b>

**14. The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015**

	2018-19	2017-18
	£000	£000
Amounts included within interest payable arising from claims under this legislation	3	15

**15. Other gains / (losses)**

	2018-19	2017-18
	£000	£000
Gains on disposal of assets	-	-
Losses on disposal of assets	-	(20)
<b>Total gains / (losses) on disposal of assets</b>	<b>-</b>	<b>(20)</b>
Gains / (losses) on foreign exchange	-	-
Fair value gains / (losses) on investment properties	-	-
Fair value gains / (losses) on financial assets / investments	-	-
Fair value gains / (losses) on financial liabilities	-	-
Recycling gains / (losses) on disposal of financial assets mandated as fair value through OCI	-	-
<b>Total other gains / (losses)</b>	<b>-</b>	<b>(20)</b>

## 16. Intangible assets - 2018-19

	Software licences	Development expenditure	Intangible assets under construction	Total
	£000	£000	£000	£000
<b>Valuation / gross cost at 1 April 2018 - brought forward</b>	<b>5,311</b>	<b>2,228</b>	<b>47</b>	<b>7,586</b>
Transfers by absorption	-	-	-	-
Additions	464	-	21	485
Reclassifications	47	-	(47)	-
<b>Valuation / gross cost at 31 March 2019</b>	<b>5,822</b>	<b>2,228</b>	<b>21</b>	<b>8,071</b>
<b>Amortisation at 1 April 2018 - brought forward</b>	<b>3,964</b>	<b>1,308</b>	<b>-</b>	<b>5,272</b>
Provided during the year	555	302	-	857
Disposals / derecognition	-	-	-	-
<b>Amortisation at 31 March 2019</b>	<b>4,519</b>	<b>1,610</b>	<b>-</b>	<b>6,129</b>
<b>Net book value at 31 March 2019</b>	<b>1,303</b>	<b>618</b>	<b>21</b>	<b>1,942</b>
<b>Net book value at 1 April 2018</b>	<b>1,347</b>	<b>920</b>	<b>47</b>	<b>2,314</b>

### 16.1 Intangible assets - 2017-18

	Software licences	Development expenditure	Intangible assets under construction	Total
	£000	£000	£000	£000
<b>Valuation / gross cost at 1 April 2017 - brought forward</b>	<b>4,805</b>	<b>2,228</b>	<b>131</b>	<b>7,164</b>
Additions	387	-	47	434
Reclassifications	131	-	(131)	-
Disposals / derecognition	(12)	-	-	(12)
<b>Valuation / gross cost at 31 March 2018</b>	<b>5,311</b>	<b>2,228</b>	<b>47</b>	<b>7,586</b>
<b>Amortisation at 1 April 2017 - brought forward</b>	<b>3,471</b>	<b>1,006</b>	<b>-</b>	<b>4,477</b>
Provided during the year	505	302	-	807
Disposals / derecognition	(12)	-	-	(12)
<b>Amortisation at 31 March 2018</b>	<b>3,964</b>	<b>1,308</b>	<b>-</b>	<b>5,272</b>
<b>Net book value at 31 March 2018</b>	<b>1,347</b>	<b>920</b>	<b>47</b>	<b>2,314</b>
<b>Net book value at 1 April 2017</b>	<b>1,334</b>	<b>1,222</b>	<b>131</b>	<b>2,687</b>



17. Property, plant and equipment - 2018-19

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2018 - brought forward	4,500	63,202	513	420	26,614	167	7,835	678	103,929
Transfers by absorption	-	-	-	-	-	-	-	-	-
Additions	-	1,849	-	122	1,709	25	767	29	4,501
Impairments	-	(14,368)	(10)	-	-	-	-	-	(14,378)
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-	-	-
Reclassifications	-	395	-	(400)	-	-	5	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	(329)	(37)	-	(6)	(372)
Valuation/gross cost at 31 March 2019	4,500	51,078	503	142	27,994	155	8,607	701	93,680
Accumulated depreciation at 1 April 2018 - brought forward	-	4,092	38	-	15,591	132	4,221	395	24,469
Transfers by absorption	-	-	-	-	-	-	-	-	-
Provided during the year	-	1,965	20	-	2,239	10	1,138	50	5,422
Impairments	-	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	(6,057)	(58)	-	-	-	-	-	(6,115)
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	(329)	(37)	-	(6)	(372)
Accumulated depreciation at 31 March 2019	-	-	-	-	17,501	105	5,359	439	23,404
Net book value at 31 March 2019	4,500	51,078	503	142	10,493	50	3,248	262	70,276
Net book value at 1 April 2018	4,500	59,110	475	420	11,023	35	3,614	283	79,460

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17.1 Property, plant and equipment - 2017-18

		Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2017 - as previously stated		4,500	57,049	513	476	25,791	187	5,667	619	94,802
Prior period adjustments		-	-	-	-	-	-	-	-	-
Valuation / gross cost at 1 April 2017 - restated		4,500	57,049	513	476	25,791	187	5,667	619	94,802
Transfers by absorption		-	-	-	-	-	-	-	-	-
Additions		-	3,663	-	226	1,447	9	2,105	60	7,510
Impairments		-	-	-	-	-	-	-	-	-
Reversals of impairments		-	-	-	-	-	-	-	-	-
Revaluations		-	2,412	-	-	-	-	-	-	2,412
Reclassifications		-	78	-	(282)	140	1	63	-	-
Transfers to / from assets held for sale		-	-	-	-	-	-	-	-	-
Disposals / derecognition		-	-	-	-	(764)	(30)	-	(1)	(795)
Valuation/gross cost at 31 March 2018		4,500	63,202	513	420	26,614	167	7,835	678	103,929
Accumulated depreciation at 1 April 2017 - as previously stated		-	1,621	18	-	13,992	153	3,164	354	19,302
Prior period adjustments		-	-	-	-	-	-	-	-	-
Accumulated depreciation at 1 April 2017 - restated		-	1,621	18	-	13,992	153	3,164	354	19,302
Depreciation at start of period as FT		-	-	-	-	-	-	-	-	-
Transfers by absorption		-	-	-	-	-	-	-	-	-
Provided during the year		-	2,314	20	-	2,343	9	1,057	42	5,785
Impairments		-	-	-	-	-	-	-	-	-
Reversals of impairments		-	-	-	-	-	-	-	-	-
Revaluations		-	157	-	-	-	-	-	-	157
Reclassifications		-	-	-	-	-	-	-	-	-
Transfers to / from assets held for sale		-	-	-	-	-	-	-	-	-
Disposals / derecognition		-	-	-	-	(744)	(30)	-	(1)	(775)
Accumulated depreciation at 31 March 2018		-	4,092	38	-	15,591	132	4,221	395	24,469
Net book value at 31 March 2018		4,500	59,110	475	420	11,023	35	3,614	283	79,460
Net book value at 1 April 2017		4,500	55,428	495	476	11,799	34	2,503	265	75,500

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**17.2 Property, plant and equipment financing - 2018-19**

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2019									
Owned - purchased	4,500	50,735	503	142	9,941	50	3,248	262	69,381
Owned - donated	-	343	-	-	552	-	-	-	895
NBV total at 31 March 2019	4,500	51,078	503	142	10,493	50	3,248	262	70,276

**17.3 Property, plant and equipment financing - 2017-18**

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2018									
Owned - purchased	4,500	58,645	475	420	10,375	35	3,614	283	78,347
Owned - donated	-	465	-	-	648	-	-	-	1,113
NBV total at 31 March 2018	4,500	59,110	475	420	11,023	35	3,614	283	79,460

## **18. Donations of property, plant and equipment**

The Trust had no donations of property, plant and equipment received during the year (2017-18 £Nil)

## **19. Revaluations of property, plant and equipment**

Land, Buildings and Dwellings were valued as Modern Equivalent Assets (MEA) at the 1st April 2018 and 31st March 2019 by Stephen Pollock BSc FRICS Cert Acct (Open), RICS Registered Valuer Avison Young, Independent Property Valuers, in accordance with the Royal Institute of Chartered Surveyors (RICS) Valuation Standards, January 2014, IFRS and FReM guidelines. The value is based on the IFRS 13 definition of Fair Value and the definition adopted by the International Accounting Standards Board (IASB), being the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. Depreciated Replacement Cost (DRC) is recognised under IAS 16 as a basis of valuation for financial reporting purposes. DRC assessments were undertaken for those properties considered to be specialised properties. A Specialised Property is a property that is rarely if ever sold in the market, except by way of a sale of the business or entity of which it is part, due to uniqueness arising from its specialised nature and design, its configuration, size, location, or otherwise.

The valuation is subject to adequate service potential, which is defined as: "The capacity of an asset to continue goods and services in accordance with the entity's objectives". It is assumed that the current use/services would still have to be provided by the Trust in the locality of Nuneaton. In accordance with Valuation Standard 2 of the RICS Valuation -Professional Standards January 2014, incorporating the International Valuation Standards 2013, the Market Values of the properties for alternative use (on cessation of the existing business) are likely to be materially lower than the Market Value, with continued use and Depreciated Replacement Cost figures reported.

The basis of the valuation for the property, which is all freehold, is as follows:-

-Operational areas.-Fair Value. (DRC) (IAS16)

-Surplus and Non-operational Buildings.-Market Value (IFRS 5)

-Mobile Phone Masts, Retail Shop, Nursery, Private Healthcare Clinic.-Market Value (IAS40). This property and associated land value is reported in note 16 under the heading land and buildings.

## **20. Investment Property**

The Trust does not have any investment property (31 March 2018 £nil).

## **21. Investments in associates and joint ventures**

The Trust does not have any investments in associates and joint ventures (31 March 2018 £nil).

## **22. Other investments / financial assets (non-current)**

The Trust does not have any other investments / financial assets (non-current) (31 March 2018 £nil).

## 23. Disclosure of interests in other entities

The Trust had no interests in unconsolidated subsidiaries, joint ventures, associates or unconsolidated structured entities.

## 24. Inventories

	31 March 2019 £000	31 March 2018 £000
Drugs	1,178	975
Work In progress	-	-
Consumables	871	922
Energy	41	28
Other	-	-
<b>Total inventories</b>	<b>2,090</b>	<b>1,925</b>
<b>of which:</b>		
Held at fair value less costs to sell	-	-

Inventories recognised in expenses for the year were £16,376k (2017-18: £15,332k). Write-down of inventories recognised as expenses for the year were £29k (2017-18: £24k).

## 25. Trade receivables and other receivables

	31 March 2019 £000	31 March 2018 £000
<b>Current</b>		
Contract receivables*	12,820	
Contract assets*	-	
Trade receivables* (Note 1 below)		3,789
Capital receivables	-	-
Accrued income*		4,114
Allowance for impaired contract receivables / assets*	(421)	
Allowance for other impaired receivables	-	(432)
Prepayments (non-PFI)	1,054	884
Interest receivable	-	-
PDC dividend receivable	-	-
VAT receivable	150	479
Other receivables (Note 2 below)	165	1,206
<b>Total current trade and other receivables</b>	<b>13,768</b>	<b>10,040</b>
<b>Non-current</b>		
Prepayments (non-PFI)	-	8
Other receivables	265	275
<b>Total non-current trade and other receivables</b>	<b>265</b>	<b>283</b>
<b>Of which receivables from NHS and DHSC group bodies:</b>		
Current	10,775	7,817
Non-current	-	-

\*Following the application of IFRS 15 from 1 April 2018, the trust's entitlements to consideration for work performed under contracts with customers are shown separately as contract receivables and contract assets. This replaces the previous analysis into trade receivables and accrued income. IFRS 15 is applied without restatement therefore the comparative analysis of receivables has not been restated under IFRS 15.

Note 1. The largest proportion of trade is with Clinical Commissioning Groups. As Clinical Commissioning Groups are funded by Government to buy NHS patient care services, no credit scoring of them is considered necessary.

Note 2. Other receivables included payments due to the Trust under the Injury Costs Recovery Scheme at 31 March 2018 £918,000. The balance at 31 March 2019 of £883,000 is now included in contract receivables.



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**25.1 Allowances for credit losses - 2018-19**

	Contract receivables and contract assets	All other receivables
	£000	£000
<b>Allowances as at 1 Apr 2018 - brought forward</b>	<b>432</b>	<b>(432)</b>
2018	432	(432)
New allowances arising	48	-
Changes in existing allowances	-	-
Reversals of allowances	(58)	-
Utilisation of allowances (write offs)	(1)	-
flows	-	-
Foreign exchange and other changes	-	-
<b>Allowances as at 31 Mar 2019</b>	<b>421</b>	<b>-</b>

**25.2 Allowances for credit losses - 2017-18**

IFRS 9 and IFRS 15 are adopted without restatement therefore this analysis is prepared in line with the requirements of IFRS 7 prior to IFRS 9 adoption. As a result it differs in format to the current period disclosure.

	All receivables
	£000
Allowances as at 1 Apr 2017	278
Increase in provision	179
Amounts utilised	(25)
Unused amounts reversed	-
Allowances as at 31 Mar 2018	<b>432</b>

**25.3 Exposure to credit risk**

The allowance of £421k above at the 31 March 2019 includes £193k relating to Injury Cost Recovery Scheme debtors. These are provided for using national assumptions about the likelihood of debt recovery. The Trust's policy for calculating the allowance against other debtors is that debts over 90 days are reviewed and an allowance made for any debts for which there is a risk of non-recovery. Amounts being recovered by instalment payments are excluded. In line with DHSC guidance, the Trust has not made an allowance for debts with NHS customers. An assessment has been undertaken of the remaining £228k based on the historical recovery of debts in the categories of private patients, local authorities and other individuals. This was based on the debtors outstanding at 31 March 2018 and the rate of recovery in year. This was broadly in line with the Trust's policy for calculating the allowance, which has therefore not been restated.

## 26 Other assets

The Trust had no Other assets at 31 March 2019 (31 March 2018 £nil).

## 27. Non-current assets held for sale and assets in disposal groups

The Trust had no Non-current assets at 31 March 2019 (31 March 2018 £nil).

### 27.1 Liabilities in disposal groups

The Trust had no liabilities in disposal groups at 31 March 2019 (31 March 2018 £nil).

## 28. Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	2018-19	2017-18
	£000	£000
At 1 April	1,819	2,130
Net change in year	(512)	(311)
At 31 March	1,307	1,819
Broken down into:		
Cash at commercial banks and in hand	33	31
Cash with the Government Banking Service	1,274	1,788
Total cash and cash equivalents as in SoFP	1,307	1,819
Total cash and cash equivalents as in SoCF	1,307	1,819

## 29. Third party assets held by the trust

The Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts. No money was held at the bank or on deposit (31 March 2018 £nil).

### 30. Trade and other payables

	31 March 2019 £000	31 March 2018 £000
<b>Current</b>		
Trade payables	5,586	2,968
Capital payables	2,256	2,610
Accruals	5,570	4,770
Receipts in advance (including payments on account)	-	-
Social security costs	1,081	989
Other taxes payable	913	870
PDC dividend payable	-	59
Accrued interest on loans*	-	140
Other payables	1,238	1,225
<b>Total current trade and other payables</b>	<b>16,644</b>	<b>13,631</b>
<b>Non-current</b>		
Trade payables	-	-
Capital payables	-	-
Accruals	-	-
Receipts in advance (including payments on account)	-	-
VAT payables	-	-
Other taxes payable	-	-
Other payables	-	-
<b>Total non-current trade and other payables</b>	<b>-</b>	<b>-</b>
<b>Of which payables from NHS and DHSC group bodies:</b>		
Current	4,443	1,629
Non-current	-	-

\*Following adoption of IFRS 9 on 1 April 2018, loans are measured at amortised cost. Any accrued interest is now included in the carrying value of the loan within note 33. IFRS 9 is applied without restatement therefore comparatives have not been restated.

#### 30.1 Early retirements in NHS payables above

The payables note above includes amounts in relation to early retirements as set out below:

	31 March 2019 £000	31 March 2019 Number	31 March 2018 £000	31 March 2018 Number
- to buy out the liability for early retirements over 5 years	-	-	-	-
- number of cases involved	-	-	-	-
- outstanding pension contributions	-	-	-	-

### 31. Other financial liabilities

The Trust has no Other financial liabilities (31 March 2018 - £nil).

## 32. Other liabilities

	31 March 2019 £000	31 March 2018 £000
<b>Current</b>		
Deferred income: contract liabilities	1,593	1,544
<b>Total other current liabilities</b>	<b>1,593</b>	<b>1,544</b>

## 33. Borrowings

	31 March 2019 £000	31 March 2018 £000
<b>Current</b>		
Loans from the Department of Health and Social Care	32,322	11,840
Other loans	775	775
<b>Total current borrowings</b>	<b>33,097</b>	<b>12,615</b>
<b>Non-current</b>		
Loans from the Department of Health and Social Care	42,856	49,883
Other loans	1,162	1,937
<b>Total non-current borrowings</b>	<b>44,018</b>	<b>51,820</b>

### Borrowings / Loans - repayment of principal falling due in:

	31 March 2019			31 March 2018
	DH £000s	Other £000s	Total £000s	£000s
0-1 Years	32,137	775	32,912	12,615
1 - 2 Years	19,838	775	20,613	22,648
2 - 5 Years	19,593	387	19,980	24,409
Over 5 Years	3,424	0	3,424	4,763
<b>TOTAL</b>	<b>74,992</b>	<b>1,937</b>	<b>76,929</b>	<b>64,435</b>

### Borrowings include the following loans from the Department of Health:

	Duration	Interest rate	Repayment terms
Interim Capital Support Loan £1.1m (2014-15)	7 years	1.09%	Equal six monthly instalments
Interim Capital Support Loan £11.606m (2015-17)	10 years	1.50%	Equal six monthly instalments
Interim Capital Support Loan £3.512m (2016-17)	10 years	0.88%	Equal six monthly instalments
Interim Capital Support Loan £0.600m (2017-18)	10 years	0.97%	Equal six monthly instalments
Interim Revenue Support Loan £10.233m (2015-16) *	3 years	1.50%	End of term (Feb 2019)
Interim Revenue Support Loan £13.876m (2016-17)	3 years	1.50%	End of term (Feb 2020)
Uncommitted Revenue Support Loan £0.883m (Dec 2016)	3 years	1.50%	End of term (Dec 2019)
Uncommitted Revenue Support Loan £1.000m (Jan 2017)	3 years	1.50%	End of term (Jan 2020)
Uncommitted Revenue Support Loan £2.500m (Feb 2017)	3 years	1.50%	End of term (Feb 2020)
Uncommitted Revenue Support Loan £1.800m (Mar 2017)	3 years	1.50%	End of term (Mar 2020)
Uncommitted Revenue Support Loan £0.425m (Apr 2017)	3 years	1.50%	End of term (Apr 2020)
Uncommitted Revenue Support Loan £2.100m (May 2017)	3 years	1.50%	End of term (May 2020)
Uncommitted Revenue Support Loan £1.300m (Jun 2017)	3 years	1.50%	End of term (Jun 2020)
Uncommitted Revenue Support Loan £0.750m (Jul 2017)	3 years	1.50%	End of term (Jul 2020)
Uncommitted Revenue Support Loan £1.775m (Sep 2017)	3 years	1.50%	End of term (Sep 2020)
Uncommitted Revenue Support Loan £0.600m (Oct 2017)	3 years	1.50%	End of term (Oct 2020)
Uncommitted Revenue Support Loan £1.200m (Nov 2017)	3 years	1.50%	End of term (Nov 2020)
Uncommitted Revenue Support Loan £1.400m (Dec 2017)	3 years	1.50%	End of term (Dec 2020)

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**Borrowings include the following loans from the Department of Health (continued):**

Uncommitted Revenue Support Loan £0.461m (Jan 2018)	3 years	1.50%	End of term (Jan 2021)
Uncommitted Revenue Support Loan £3.450m (Feb 2018)	3 years	1.50%	End of term Feb 2021)
Uncommitted Revenue Support Loan £4.500m (Mar 2018)	3 years	1.50%	End of term (Mar 2021)
Uncommitted Revenue Support Loan £1.250m (Apr 2018)	3 years	1.50%	End of term (Apr 2021)
Uncommitted Revenue Support Loan £2.000m (May 2018)	3 years	1.50%	End of term (May 2021)
Uncommitted Revenue Support Loan £1.045m (Jun 2018)	3 years	1.50%	End of term (Jun 2021)
Uncommitted Revenue Support Loan £1.000m (Aug 2018)	3 years	1.50%	End of term (Aug 2021)
Uncommitted Revenue Support Loan £1.225m (Sep 2018)	3 years	1.50%	End of term (Sep 2021)
Uncommitted Revenue Support Loan £0.600m (Oct 2018)	3 years	1.50%	End of term (Oct 2021)
Uncommitted Revenue Support Loan £1.500m (Nov 2018)	3 years	1.50%	End of term (Nov 2021)
Uncommitted Revenue Support Loan £0.500m (Dec 2018)	3 years	1.50%	End of term (Dec 2021)
Uncommitted Revenue Support Loan £2.900m (Feb 2019)	3 years	1.50%	End of term (Feb 2022)
Uncommitted Revenue Support Loan £2.256m (Mar 2019)	3 years	1.50%	End of term (Mar 2022)

\* The loan has been rolled over until February 2020

Borrowings include the following Other loans:

	Duration	Interest rate	Repayment terms
Salix Capital Investment Loan £3.1m (2016-17)	4 years	Nil%	Equal six monthly instalments

These loans are supported by formal loan agreements and the Trust has agreed to the conditions of the loans.

### 33.1 Reconciliation of liabilities arising from financing activities

	Loans from DHSC £000	Other loans £000	Total £000
<b>Carrying value at 1 April 2018</b>	<b>61,723</b>	<b>2,712</b>	<b>64,435</b>
<b>Cash movements:</b>			
Financing cash flows - payments and receipts of principal	13,269	(775)	12,494
Financing cash flows - payments of interest	(947)	-	(947)
<b>Non-cash movements:</b>			
Impact of implementing IFRS 9 on 1 April 2018	140	-	140
Transfers by absorption	-	-	-
Additions	-	-	-
Application of effective interest rate	993	-	993
Change in effective interest rate	-	-	-
Changes in fair value	-	-	-
Other changes	-	-	-
<b>Carrying value at 31 March 2019</b>	<b>75,178</b>	<b>1,937</b>	<b>77,115</b>

### 34. Note 34. Finance leases

#### 34.1 George Eliot Hospital NHS Trust as a lessor

The Trust does not have any finance lease receivables as lessor.

#### 34.2 George Eliot Hospital NHS Trust as a lessee

The Trust does not have any finance lease obligations as lessee.

### 35. Provisions for liabilities and charges analysis

	Pensions: injury	Legal claims	Redundancy	Other	Total
	£000	£000	£000	£000	£000
<b>At 1 April 2018</b>	<b>728</b>	<b>97</b>	<b>23</b>	<b>1,406</b>	<b>2,254</b>
Transfers by absorption	-	-	-	-	-
Change in the discount rate	(19)	-	-	-	(19)
Arising during the year	22	16	-	195	233
Utilised during the year	(36)	(12)	(23)	(218)	(289)
disposal groups	-	-	-	-	-
Reversed unused	-	(58)	-	(1,094)	(1,152)
Unwinding of discount	11	-	-	-	11
<b>At 31 March 2019</b>	<b>706</b>	<b>43</b>	<b>-</b>	<b>289</b>	<b>1,038</b>
<b>Expected timing of cash flows:</b>					
- not later than one year;	36	43	-	289	368
- later than one year and not later than five years;	143	-	-	-	143
- later than five years.	527	-	-	-	527
<b>Total</b>	<b>706</b>	<b>43</b>	<b>-</b>	<b>289</b>	<b>1,038</b>

#### Legal Claims

Legal claims comprise employer's liability and injury allowance payments which the Trust may be required to pay in the future. It is assumed that all employment liability claims will be paid within one year and that injury allowances are payable over the life of the recipient. The amount over five years is repayable in quarterly instalments. The injury allowance is currently £35,947 per annum, discounted by 0.29%.

#### Clinical Negligence

At 31 March 2019, £12,583k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of George Eliot Hospital NHS Trust (31 March 2018: £14,691k).

#### Other

Other provisions include claims made by employees and former employees.



### 36. Contingent assets and liabilities

Financial responsibility for clinical negligence cases passed to NHS Resolution, (formerly known as The NHS Litigation Authority) on 1 April 2002. No contingencies or provisions are left in the accounts in relation to these cases, even though the legal liability for them remains with the Trust. The Trust has no other contingent assets and liabilities (31 March 2018 £nil).

### 37. Contractual capital commitments

	31 March 2019 £000	31 March 2018 £000
Property, plant and equipment	1,185	432
Intangible assets	46	16
<b>Total</b>	<b>1,231</b>	<b>448</b>

### 38. Other financial commitments

The Trust had no other financial commitments at 31 March 2019 (31 March 2018 £nil).

## **39. Financial instruments**

### **39.1 Financial risk management**

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the NHS Trust has with Clinical Commissioning Groups and the way those Clinical Commissioning Groups are financed, the NHS 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 listed companies, to which the financial reporting standards mainly apply. The NHS Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the NHS Trust in undertaking its activities.

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 policies agreed by the Trust Board. Trust treasury activity 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. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

#### **Interest rate risk**

The Trust borrows from government for capital expenditure and for revenue deficit support, subject to affordability as confirmed by the NHSI. The capital borrowings are for 1 – 10 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan.

The Trust may also borrow from government for revenue financing subject to approval by NHS Improvement. Interest rates are confirmed by the Department of Health (the lender) at the point borrowing is undertaken.

The Trust therefore has low exposure to interest rate fluctuations.

#### **Credit risk**

Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2019 are in receivables from customers, as disclosed in the trade and other receivables note.

#### **Liquidity risk**

The Trust's operating costs are incurred under contracts with Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its capital resource limit. The Trust is not, therefore, exposed to significant liquidity risks.

### 39.2 Carrying values of financial assets

IFRS 9 Financial Instruments is applied retrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
Carrying values of financial assets as at 31 March 2019 under IFRS 9	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	12,245	-	-	12,245
Cash and cash equivalents at bank and in hand	1,307	-	-	1,307
Total at 31 March 2019	13,552	-	-	13,552

	Loans and receivables	Assets at fair value through the I&E	Held to maturity	Available-for-sale	Total book value
Carrying values of financial assets as at 31 March 2018 under IAS 39	£000	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	8,087	-	-	-	8,087
Cash and cash equivalents at bank and in hand	1,819	-	-	-	1,819
Total at 31 March 2018	9,906	-	-	-	9,906

### 39.3 Carrying value of financial liabilities

IFRS 9 Financial Instruments is applied retrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

	Held at amortised cost	Held at fair value through the I&E	Total book value
Carrying values of financial liabilities as at 31 March 2019 under IFRS 9	£000	£000	£000
Loans from the Department of Health and Social Care	75,178	-	75,178
Other borrowings	1,937	-	1,937
Trade and other payables excluding non financial liabilities	13,593	-	13,593
Provisions under contract	-	-	-
Total at 31 March 2019	90,708	-	90,708

	Other financial liabilities	Held at fair value through the I&E	Total book value
Carrying values of financial liabilities as at 31 March 2018 under IAS 39	£000	£000	£000
Loans from the Department of Health and Social Care	61,723	-	61,723
Other borrowings	2,712	-	2,712
Trade and other payables excluding non financial liabilities	10,547	-	10,547
Provisions under contract	1,356	-	1,356
Total at 31 March 2018	76,338	-	76,338

### 39.4 Fair values of financial assets and liabilities

Book value (carrying value) is a reasonable approximation of fair value except for a loan from Salix which has been discounted using the Treasury short term discount rate of 0.76% (31 March 2018 -2.42%). The impact of applying this discount rate would be to decrease the fair value of borrowings by £12k (2017-18 increase £87k).

### 39.5 Maturity of financial liabilities

	31 March 2019	31 March 2018
	£000	£000
In one year or less	46,690	24,518
In more than one year but not more than two years	20,614	22,648
In more than two years but not more than five years	19,980	24,408
In more than five years	3,424	4,764
Total	90,708	76,338

#### 40. Losses and special payments

	2018-19		2017-18	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
<b>Losses</b>				
Cash losses	3	1	13	8
Bad debts and claims abandoned	88	2	81	20
Stores losses and damage to property	1	30	4	25
<b>Total losses</b>	<b>92</b>	<b>33</b>	<b>98</b>	<b>53</b>
<b>Special payments</b>				
Compensation under court order or legally binding arbitration award	4	49	2	51
Ex-gratia payments	17	6	18	2
<b>Total special payments</b>	<b>21</b>	<b>55</b>	<b>20</b>	<b>53</b>
<b>Total losses and special payments</b>	<b>113</b>	<b>88</b>	<b>118</b>	<b>106</b>
Compensation payments received		-		-

There were no clinical cases where the net payment exceeded £300,000 (2017-18 £Nil).

There were no fraud cases where the net payment exceeded £300,000 (2017-18 £Nil).

**41. Initial application of IFRS 9**

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 Department of Health and Social Care, which were previously held at historic cost, are measured on an amortised cost basis. Consequently, on 1 April 2018 borrowings increased by £140k, and trade payables correspondingly reduced.

Reassessment of allowances for credit losses under the expected loss model resulted in a £0k decrease 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 £918k.

**42. Note 42. Initial application of IFRS 15**

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).

The standard has only had a trivial impact for the Trust.

**43. Related parties**

During the year none of the Department of Health Ministers, Trust board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with George Eliot Hospital NHS Trust.

The Department of Health and Social Care is the parent department. During the year George Eliot Hospital NHS Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department.

The George Eliot Hospital NHS Trust Charitable Fund and Other Related Charities is a related party. The charity has not been consolidated in these accounts. The nature of the relationship and the details of material transactions between the Trust and the linked charities must be disclosed.

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**43.1 Related bodies with transactions over £1m with the Trust were:**

	2018-19	2018-19	31 March 2019	31 March 2019
	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£000	£000	£000	£000
NHS Coventry and Rugby CCG	0	10,115	66	330
NHS Warwickshire North CCG	34	90,189	2,029	367
NHS West Leicestershire CCG	0	14,051	93	1,244
Health Education England	2	5,944	0	257
NHS England - Core	0	2,956	13	1,922
NHS England - West Midlands Local Office	1	2,576	0	32
NHS England - West Midlands Specialised Commissioning Hub	0	12,105	(17)	621
University Hospitals Coventry and Warwickshire NHS Trust	6,574	1,694	1,705	1,073
University Hospitals of Leicester NHS Trust	30	511	5	1,137
NHS Resolution (Formerly NHS Litigation Authority)	0	5,281	0	11

	2017-18	2017-18	31 March 2018	31 March 2018
	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£000	£000	£000	£000
NHS Coventry and Rugby CCG	0	9,628	66	44
NHS Warwickshire North CCG	34	85,891	638	1,597
NHS West Leicestershire CCG	0	12,818	0	851
Health Education England	1	3,867	0	86
NHS England - Core	54	4,751	36	2,092
NHS England - West Midlands Local Office	0	2,407	0	199
NHS England - West Midlands Specialised Commissioning Hub	0	11,403	0	267
University Hospitals Coventry and Warwickshire NHS Trust	6,548	1,452	554	597
University Hospitals of Leicester NHS Trust	27	499	36	1,186
NHS Resolution (Formerly NHS Litigation Authority)	6,591	0	0	0

**44. Prior period adjustments**

There have been no prior period adjustments.

**45. Events after the reporting date**

The Trust does not have any events after the reporting date that need to be disclosed.



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**46. Better Payment Practice code**

	2018-19 Number	2018-19 £000	2017-18 Number	2017-18 £000
<b>Non-NHS Payables</b>				
Total non-NHS trade invoices paid in the year	34,743	58,066	37,584	58,087
Total non-NHS trade invoices paid within target	28,273	47,976	20,690	33,003
Percentage of non-NHS trade invoices paid within target	81.38%	82.62%	55.05%	56.82%
<b>NHS Payables</b>				
Total NHS trade invoices paid in the year	1,102	8,385	1,030	9,469
Total NHS trade invoices paid within target	567	3,971	461	4,421
Percentage of NHS trade invoices paid within target	51.45%	47.36%	44.76%	46.69%

The Better Payment Practice code requires the NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of valid invoice, whichever is later.

The Trust allowed a 2 day buffer period for payments in transit when calculating the amount of invoices paid on time.

**47. External financing**

The Trust is given an external financing limit against which it is permitted to underspend:

	2018-19 £000	2017-18 £000
Cash flow financing	13,449	19,677
Finance leases taken out in year		
Other capital receipts		
External financing requirement	13,449	19,677
External financing limit (EFL)	13,753	20,439
<b>Under / (over) spend against EFL</b>	<b>304</b>	<b>762</b>

**48. Capital Resource Limit**

	2018-19 £000	2017-18 £000
Gross capital expenditure	4,986	7,944
Less: Disposals	-	(20)
Less: Donated and granted capital additions	(61)	(73)
Plus: Loss on disposal from capital grants in kind	-	-
<b>Charge against Capital Resource Limit</b>	<b>4,925</b>	<b>7,851</b>
Capital Resource Limit	5,916	8,076
<b>Under spend against CRL</b>	<b>991</b>	<b>225</b>

The Trust is required to ensure capital expenditure is below the CRL, which is set at the start of the year and includes the planned depreciation for the year. Although actual depreciation was significantly lower due to the revaluation of buildings in year, the CRL has not been reset. The revised CRL taking this into account would be £4,940k, with a reported underspend of £15k. This is the limit which the Trust is required to manage expenditure against.

**49. Breakeven duty financial performance**

	2018-19 £000	2017-18 £000
Adjusted financial performance surplus / (deficit) (control total basis)	(12,790)	(17,982)
Remove impairments scoring to Departmental Expenditure Limit	-	-
<b>Breakeven duty financial performance (deficit)</b>	<b>(12,790)</b>	<b>(17,982)</b>

## 50. Breakeven duty rolling assessment

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017-18	2018-19
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance position	1,164	112	45	32	(10,165)	367	(15,235)	(13,770)	(17,982)	(12,790)
	(2,563)	(2,451)	(2,406)	(2,374)	(12,539)	(12,172)	(27,407)	(41,177)	(59,159)	(71,949)
Operating income	105,330	108,324	117,011	122,494	126,638	141,292	133,910	138,457	143,445	155,268
Cumulative breakeven position as a percentage of operating income	(2.4%)	(2.3%)	(2.1%)	(1.9%)	(9.9%)	(8.6%)	(20.5%)	(29.7%)	(41.2%)	(46.3%)

The Trust has a statutory duty to break even on a cumulative basis. In 2005-06 the Trust incurred a £7.3m deficit and in April 2006 a Public Interest Report was issued under Section 8 of the Audit Commission Act 1998 in relation to the financial standing of the Trust. The Trust developed a 5 year Financial Recovery Plan (FRP) which was agreed with the Strategic Health Authority and the Department of Health to achieve cumulative break even by the end of 2011-12. During the 6 years to March 2013 the Trust generated surplus and was able to repay part of the deficit still leaving a balance of £2.4m to be repaid in the future. In 2011-12 and 2012-13 the Trust required support funding of £2.3m and £5.0m respectively to breakeven. In 2013-14 the Trust incurred a deficit of £10.2m due to the investment in clinical services following the implementation of the Keogh Action plan. The surplus in 2014-15 was achieved with the support of income from the Department of Health amounting to £12m. The deficit in 2015-16 was £15.2m against the original plan of £16m. The deficit in 2016-17 was £13.8m which an improvement against the plan of £14.7m. The deficit reported in 2017-18 worsened to £18.0m and in 2018-19 improved to £12.8m. The cumulative deficit at the 31st March 2019 was therefore £71.9m. Because of the cumulative deficit External Auditors have been required to issue Section 30 letters to the Secretary of State for Health informing him that the Trust has not met its statutory duty to break-even over a 5 year period in accordance with the Audit Commission Act 1998. The Trust recently submitted the financial plan for 2019-20 to NHSI with a planned breakeven position, assuming the receipt of non-recurrent income of £15.7m.

## 49. Pathology Service

George Eliot Hospital NHS Trust, University Hospitals Coventry and Warwickshire NHS Trust and South Warwickshire General Hospitals NHS Trust formed a single pathology service at 1 April 2008. The service is hosted by University Hospitals Coventry and Warwickshire NHS Trust and there is an accountability agreement approved by the Trusts. The agreement will continue until terminated through agreement of the Stakeholder Board. The agreement includes risk and benefit sharing; the Trust share being 13.6%. Payments for the service are now made in accordance with a service level agreement.

The Pathology Service accounts reported by University Hospital Coventry and Warwickshire NHS Trust were:

	Reported By University Hospitals Coventry & Warwickshire NHS Trust		George Eliot Hospital NHS Trust's Share	
	2018-19	2017-18	2018-19	2017-18
	£000	£000	£000	£000
Revenue from patient care activities	2,357	1,556	321	213
Other operating revenue	42,124	39,097	5,729	5,317
Operating expenses	(44,475)	(41,046)	(6,049)	(5,582)
<b>Operating (deficit)</b>	<b>6</b>	<b>(393)</b>	<b>1</b>	<b>(52)</b>

University Hospitals Coventry and Warwickshire NHS Trust reported a surplus of £6,000 in their accounts for the pathology service in 2018-19 (2017-18 deficit of £393,000), the George Eliot Hospital NHS Trust's share was £1,000 (2017-18 deficit of £52,000).

	Reported By University Hospitals Coventry & Warwickshire NHS Trust		George Eliot Hospital NHS Trust's Share	
	2018-19	2017-18	2018-19	2017-18
	£000	£000	£000	£000
<b>Non-current assets</b>	<b>1,186</b>	<b>641</b>	<b>161</b>	<b>87</b>
<b>Current assets</b>				
Inventories and work in progress	876	735	119	100
Trade and other receivables	2,189	5,100	298	694
	<b>3,065</b>	<b>5,835</b>	<b>417</b>	<b>794</b>
<b>Current liabilities (Note 1 below)</b>	<b>(6,726)</b>	<b>(8,957)</b>	<b>(798)</b>	<b>(1,102)</b>
<b>Net current (liabilities)</b>	<b>(3,661)</b>	<b>(3,122)</b>	<b>(381)</b>	<b>(308)</b>
<b>Total assets less current liabilities</b>	<b>(2,475)</b>	<b>(2,481)</b>	<b>(220)</b>	<b>(221)</b>
<b>Non current liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total assets employed</b>	<b>(2,475)</b>	<b>(2,481)</b>	<b>(220)</b>	<b>(221)</b>
<b>Financed by taxpayers' equity:</b>				
Public dividend capital	434	434	175	175
Retained earnings	(2,909)	(2,915)	(395)	(396)
<b>Total taxpayers' equity</b>	<b>(2,475)</b>	<b>(2,481)</b>	<b>(220)</b>	<b>(221)</b>

University Hospitals Coventry and Warwickshire NHS Trust reported net liabilities of £2,475,000 (2017-18 net liabilities of £2,481,000) in their accounts for the pathology service; the George Eliot Hospital NHS Trust's share were net liabilities of 220,000 (2017-18 £221,000) which included £161,000 of non-current assets (2017-18 £87,000).