NHS
Northern Devon Healthcare
NHS Trust

Annual report and accounts

April 2017 – March 2018

Contents

Welcome to the annual report and accounts for 2017/18

– a year of fantastic innovation and incredible compassion, with a focus on making real improvements

It has been a very busy year for the Trust and this winter was the most challenging to date across the country. The recent snow made things particularly difficult, and we were completely blown away by the resilient spirit of our staff and the amazing support of the local community. People across northern Devon really pulled together, offering to drive staff to work in their 4 x 4 vehicles so they could be there for patients. Some of our staff walked for miles to get into work, and one of our community nurses made national news by going out to see patients on a quad bike. It is moments like these that make us all proud to be part of this organisation, and part of the community of northern Devon.

It came as no surprise that, in a report published by the Care Quality Commission (CQC) in February 2018, our staff were rated as 'good' for how caring they were across all of our services. This was also reflected in a number of surveys undertaken by the CQC in 2017, with new mums, children and young people, and patients in our emergency department all rating their experiences with the Trust highly.

The report highlighted a number of areas of outstanding practice, including the work of our palliative care, rheumatology and physiotherapy, and pain management teams. We were delighted that our community strategy and partnership working, including the community partnership One Northern Devon, was described as innovative and a strong model for providing the most effective care to patients away from the acute hospital site.

The CQC also recommended a number of improvements, and we were disappointed that our overall rating remained 'requires improvement'. We took quick action and we have now addressed the majority of the recommendations, but there are some areas which are more complex and which will take longer to address. We have chosen to make these areas our improvement priorities for 2018/19 within our quality account, to ensure our plans are scrutinised at the highest level within the organisation. We'll be continuously monitoring the improvements we've made, as well as making sure we are doing everything we can to strengthen our lines of communication so we are picking up and acting on suggested improvements from staff, however small.

Our most recent staff survey results (2017) showed that staff rate the Trust, placing us as the top acute and community services provider in the country for staff satisfaction. We also bucked the national trend by being one of the few organisations to actually improve our score compared with the 2016 survey.

We were delighted that staff feel they work in a supportive environment and that they feel we have a real interest in their health and wellbeing. This is really important as we know that having happy staff leads to patients having a good experience.

One of the areas where we scored particularly highly was staff feeling able to contribute towards improvements at work and we continue to be inspired by their innovations every day. This year our teams have exhibited at national conferences, celebrated amazing falls prevention work and won a prestigious fellowship. We've also been nominated for national awards, including being shortlisted for 'provider trust of the year' in the HSJ Awards for the improvements we have made to each stage of a patient's journey through our services. These are just a few examples of the amazing things our staff have achieved and within this report you will find many, many more.

Of course, this year hasn't been without its challenges. The pressure on services across the NHS has meant that our performance against some key targets has slipped, but we are doing absolutely everything we can to get back on track and to ensure we see patients with urgent needs first, and we hope to see our performance improving as we head into 2018/19.

Medical recruitment has continued to be a key focus for the Trust and in summer 2017 we invested in a national recruitment campaign with the Guardian and the British Medical Journal. Our amazing doctors, nurses and therapists spread the news about why they love working at NDHT in our recruitment video, which has been seen more than 70,000 times on social media. (Search #loveNDHT on YouTube to watch the video, or visit our recruitment website, www.ndhtjobs.com.) This campaign has had some success, but with national shortages in a number of key areas, medical resilience continues to be a significant challenge for the Trust.

The work carried out through the Sustainability and Transformation Partnership (STP) on the acute services review confirmed in summer 2017 that the four acute hospitals, including North Devon District Hospital, are central to how we manage NHS services across Devon. More recently, we have been working with our partners to develop a more collaborative approach to providing clinical services, but despite this stronger collaboration, as a system we continue to face significant challenges, and as the most remote acute hospital, this is felt particularly strongly in northern Devon. In March 2018, we announced that we were in discussions with the Royal Devon and Exeter NHS Foundation Trust (RD&E) to

help us address the issues we face, particularly in relation to medical staffing and our rural geography. We have entered these discussions feeling very proud of NDHT and we look forward to developing a collaborative working relationship with the RD&E as we go into 2018/19. Everybody involved in these discussions has a shared aim of preserving and enhancing acute services in northern Devon.

At the end of March 2018, we said goodbye to our chief executive, Dr Alison Diamond, who retired after more than 30 years in the NHS. Alison was really proud to have ended her career in the same trust which supported her GP training when she first came to North Devon in 1989. I am sure you will join me in thanking Alison and wishing her all the very best for the future. Andy Ibbs took on the chief executive role in the interim, as the arrangements between the RD&E and NDHT are finalised.

We are always looking to the future and thinking about how we can make our services better for patients. Last summer, we were delighted to announce our new £1.5m fundraising appeal to build a Cancer and Wellbeing Centre in North Devon. This will provide patients and their families with a much needed space where they can receive information, advice and support, as well as overnight accommodation for families of very sick patients to stay nearby. We've already raised more than £450,000 thanks to the generosity of local people, businesses and organisations.

In 2018, the NHS celebrates its 70th birthday. As we head into this milestone year, we thank staff, past and present, for everything they do and have done to make NDHT the organisation that it is today. We also thank the community, who have supported us since the beginning and who I am sure will continue to support us in the future. 2018/19 will not be without its challenges, but with such inspirational staff and the amazing support of our community, it will be a time to celebrate the past with pride and to look forward with optimism.

Roger French
Chairman

Date: 1 June 2018

Andy Ibbs
Chief Executive (interim)

Date: 1 June 2018

What we do

Across Devon, our teams of care professionals work with patients and their families to support peoples' independence, health and wellbeing. We provide support to avoid hospital admissions, and if an admission is necessary, we try to make each patient's stay in hospital as short and effective as possible having worked with them on a safe discharge home.

In any 24 hours our health and social care community teams visit around 300 patients in their own homes to help them rehabilitate after illness or injury. At any one time, they are overseeing around 2500 people's care.

Our domiciliary care service, Devon Cares, is a partnership of high quality local care agencies who provide social care to people in their own homes.

We are working hard to join up health and social care, improving the way people get home from hospital or receive support to remain independent in their own homes.

Our values guide everything we do. At all times, we aim to:

- Demonstrate compassion
- Strive for excellence
- Respect diversity
- Act with integrity
- Listen and support others

North Devon District Hospital (NDDH), Barnstaple

In 2017/18, staff at Northern Devon Healthcare NHS Trust treated 30,328 inpatients, 18,743 day cases, 284,909 outpatients and delivered 1,453 babies. They also saw 45,296 people in our accident and emergency department, and 11,653 in our minor injuries units.

The populations of Torridge and North Devon account for 92% of patients to NDDH, with the remaining 8% coming from residents from the Cornish and Somerset borders or tourists to the area.

NDDH provides a 24/7 accident and emergency service and is designated trauma unit operating within a trauma network serving the whole of Devon and Cornwall. This network ensures residents of northern Devon have access to trauma services.

Highlights of 2017/18:

- In our most recent staff survey, our staff voted us as the top acute and community provider to work for in the country (1st out of 39 trusts).
- We continue to lead the way in joining up services for our patients. In our most recent Care Quality Commission (CQC) report (2018), the CQC highlighted that our community strategy and partnership working, including One Northern Devon, is innovative and provides a strong model for providing the most effective care to patients away from the acute hospital site.
- We received fantastic results in patient surveys run by the CQC, with patients rating our children's and young people's services and our emergency department as amongst the best in England.
- Our patients (through the Friends and Family Test) regularly report an average of over 95% satisfaction with our services.
- We were finalists for 'provider trust of the year' in the prestigious national HSJ Awards for the work we have done to improve care for patients at every stage of their journey through our services.
- We launched our electronic health record in April 2017, starting the journey towards an end to paper notes, referrals and forms. This brings benefits to patients, because staff have access to up-to-date, real-time information, allowing us to make more informed, holistic decisions about care.
- Our Trust charity, Over and Above, launched a £1.5m fundraising appeal to build a new Cancer and Wellbeing Centre for northern Devon. The space will support people and their loved ones with a cancer diagnosis and other illnesses, as well as providing overnight accommodation for relatives of very poorly patients to use.
- Our amazing doctors, nurses and therapists spread the news about why they love working at NDHT in our recruitment video. Search #loveNDHT on YouTube to watch the video, or visit our recruitment website, www.ndhtjobs.com

The Trust offers a range of general medical services, including cardio-respiratory, stroke care and gastroenterology. General surgical services include orthopaedics, urology and colorectal specialities. We also run ophthalmology services, using the latest procedures and techniques to treat glaucoma and macular degeneration.

The Trust offers patients a choice of local, specialist services and invites consultants from other neighbouring NHS trusts to hold clinics in the area. We work with Musgrove Park in Taunton on a vascular network, Derriford on a neonatal network and the Royal Devon and Exeter NHS Foundation Trust (RD&E) on a cancer network. We also work with the RD&E to deliver ear, nose and throat services.

The acute hospital is big enough that it provides our clinicians with real opportunities for innovation and research, but small enough for staff to make a real impact with their work. We also have close-knit teams with quick lines of communication, so we can make improvements happen.

Integrated health and social care community services

Our teams of integrated health and social care community professionals across northern Devon work to rehabilitate patients, avoid admissions, and promote health, wellbeing and independence. The multidisciplinary teams include community nurses, social workers, physiotherapists, occupational therapists, community matrons and the voluntary sector.

The teams deliver care to around 2500 people at any one time, often with very complex needs, providing support and treatment to enable them to live independently in their own homes.

The teams provide a rapid response service. If a GP is worried about a patient whose health is deteriorating, they can call the community rapid response team who will arrive at the person's home within two hours. We assess the health and social care needs with the patient, and they are provided with immediate support in their own home. Quite often this avoids an admission to hospital.

Our Pathfinder team at NDDH liaises with the wards to organise timely and safe discharges for patients who require ongoing care or support after leaving hospital. As members of the local health and social care teams, the Pathfinder and onward care teams develop and arrange any care packages that are required to ensure the patient can leave hospital, with the right support to live independently at home.

In 2016, we launched Devon Cares. We are the prime provider of domiciliary care services across northern and mid Devon and work in partnership with our local social care providers to arrange for people to receive social care at home. This made us the first NHS Trust to enter the domiciliary care market, and since taking over this function, the number of people waiting to have their care needs met has significantly reduced. Have a look overleaf for more information about Devon Cares.

The Trust has five community hospitals and two resource centres, which provide local hubs of healthcare for their communities and a range of services that are easily accessible to the local population, including minor injuries units and local outpatient and self-referral services, such as sexual health clinics.

Specialist community services

The Trust is the main provider of specialist community healthcare services across North, East, Mid and South Devon, including podiatry, dentistry, sexual health and Sexual Assault Referral Centres (SARC). We also provide adult and paediatric bladder and bowel care services in these areas.

NHS

Devon Salaried Dental Service

www.healthyteethdevon.nhs.uk

thecentre

www.thecentresexualhealth.org

The Oak Centre

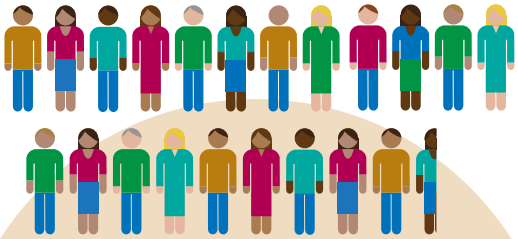
sexual assault referral centre

http://theoakcentresarc.org.uk

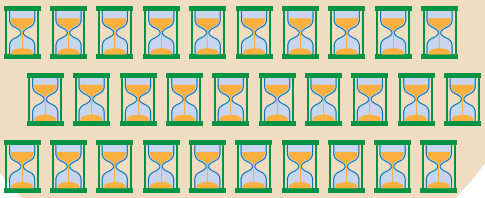
More information on the Trust's services is available online at: www.northdevonhealth.nhs.uk

We launched Devon Cares

Devon Cares works with **48** high quality local care providers to arrange social care packages for people in their own homes across North and Mid Devon



Devon Cares providers have supported a total of **2168** customers and have provided a total of **599,946** hours of care since launch

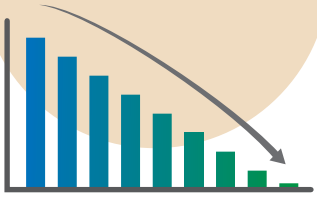


NHS

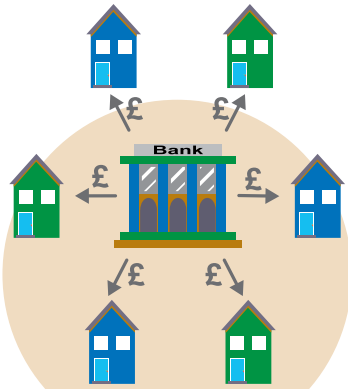
We were the **1st** NHS trust to enter the home care market

Devon Cares

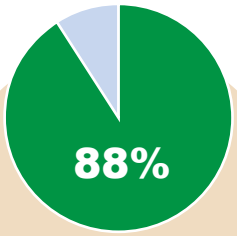
Since launch, we've reduced the number of people waiting to have their care needs met to typically less than five and sometimes **zero**



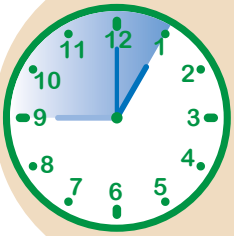
When asked what they most liked about their care, **41%** of Devon Cares customers said it was their care workers, followed by the support given to help them remain as independent as possible (**23%**) (survey July 2017)



We make sure that **100%** of our providers are paid on time



88% of customers believe the care and support provision provides them with control (survey July 2017)



Around **90%** of care requests are sourced within four hours and **97%** are sourced within two days

All care workers are paid at least the national minimum wage of **£7.83*** (age dependent), mileage and downtime

The Devon Cares model has resulted in around **£1m** of savings for commissioners

Research and development at NDHT

We are a research-active Trust and encourage our doctors, nurses and therapists to take part in clinical trials and research to improve patient care for now and in the future. Here is an overview of research and development in 2017/18:

We recruited **650** patients to participate in research, against a target of 550 patients

We have **35** principal investigators (PIs). One PI, Jo Harness who is an advanced ocuupational therapist, won the Outstanding Individual Research Award 2017/18 at an event organised by the National Institute for Health Research's (NIHR) Clinical Research Network for the South West

Patients were recruited across **all ages** – from 0 to 90

The proportion of patients recruited to interventional studies increased to **30%**, from 26% the previous year

In June 2017, we held our **3rd** annual research and development symposium with attendees from across the South West, including a patient who talked about their experience of being part of research

The chief investigator of a nationally important Arthritis UK study congratulated NDHT's chief executive on the contribution made by therapy and research staff to the **Success** of the study


WARNING DO NOT FILL ABOVE THE LINE
DANGER
6

Plan on a page 2017/18

Each year, we produce a plan on a page which sets out our key priorities for the year. This is shared with staff and published on our website.: www.northdevonhealth.nhs.uk/about/strategy

Our vision

Delivering high quality and sustainable services that support your health and wellbeing

Our priorities for 2017/18

Delivering safe and high quality care

Staying within our budget

Making sure we meet our constitutional standards

Working with our partners to tackle inequalities

What we are going to do in 2017/18

High quality

Quality and safety are our main focus

- Ensuring our services meet CQC standards
- Providing access to high-quality services, 7 days a week
- Ensuring people are only in hospital for as long as they need to be.
- Ensuring people don't have to wait for more than 4 hours in A&E
- Ensuring our staff have the right skills and our staffing levels are safe
- Learning from every death (mortality rates within normal range)

New projects

- Providing an onsite urgent GP service within our emergency department
- Fundraising for a cancer wellbeing centre and support for families of sick patients
- Providing a stroke unit where acute and rehabilitation services are co-located

Integrated

No place like home: hospital only when you need it

We will continue to work on joining up our health and social care services to provide a better experience for our patients and service users

- Acute hospital care that values the person and supports them to remain as independent as possible
- Building on the success of Devon Cares in integrating health and social care
- Joining up our health and social care reablement services
- Further integration of therapy teams

Working in collaboration with partners to develop an approach that builds and supports strong communities

Independence and wellbeing

Working with partners in social care and the community to promote independence and tackle inequalities and deprivation together.

Building strong, resilient communities

Where we are heading

By working together across Devon to deliver the STP priorities we will offer better outcomes for people

How we are going to do it

Workforce

Our people are our most valuable asset. Every day, they are delivering excellent care. Our workforce priorities are:

- Recognising and celebrating the success and achievements of our excellent staff
- Promoting our core values including compassion
- Deploying our most valuable clinical resource effectively
- Reviewing our corporate services
- Maintaining our position as employer of choice (NHS staff survey)
- Engaging our workforce in our work to deliver excellent patient care

Efficient and effective

- Meeting our NHS constitutional standards: 4 hour wait, 2 week cancer wait, treatment and diagnostic waiting times
- Reducing waste, using our resources more efficiently, being more productive
- Implementing a new divisional structure to ensure transformation of services
- Reconfiguring wards at NDDH to maximise patient flow and deliver better experience
- Improving the efficiency of our outpatient departments and theatres in preparation for theatre upgrade
- Using the buying power of NHS to save money

Financially and clinically sustainable

We are required to achieve cost savings of £12 million in 2017/18 to maintain sustainable local services. We will achieve financial control by:

- Having the correctly-sized workforce to maintain local services
- Maintaining our planned capacity at an affordable level – treating as many people as we can within our resources
- Ensuring the best value from surgical interventions: making sure the right people are getting the right care
- Addressing staff shortages in key services
- Ensuring that the money we spend on equipment delivers the greatest patient benefit
- Retaining income through successful tender applications

Working with our communities

Being open and transparent and involving people in service modernisation

Enablers

Estates:

- Using our buildings efficiently and effectively
- Utilities consumption and energy efficiency projects
- Second CT scanner

Investing in IT:

- Digital roadmap – pan-Devon electronic health record
- Better business intelligence tools to enable decision-making
- Investing in clinical IT systems – TrakCare/RiO/Nervecentre
- Updating our telecoms system

Our values

- Demonstrating compassion
- Striving for excellence
- Respecting diversity
- Acting with integrity
- Listening and supporting others

Working together as part of the Sustainability and Transformation Partnership

The NHS and local councils are developing and implementing shared proposals to improve health and care in every part of England. These are called Sustainability and Transformation Plans (STP), and during the next few years these will represent the biggest national move to join up care in any major western country.

The STP has been a positive catalyst for Devon. It has helped leaders build a collaborative and system-wide approach across the NHS and local government. As a result, Devon is in a stronger position in which to further integrate health and care services for the benefit of its population. The collective work by leaders has helped us tackle the historical challenges we have faced, and, as a result, our financial and service performance has improved considerably.

The latest assessment by NHS England and NHS Improvement rates the Devon STP as one of 14 systems making real progress. The focus of working as part of an integrated health and care system in Devon, and as an STP, has been the driver for developing innovative new approaches, as well as some major successes:

- 'Best care for Devon': improved performance against national NHS standards has seen Devon move into the top 25% nationally on urgent care and mental health.
- Reducing delayed transfers from hospital: joint work between the NHS and local authorities has seen delays fall from 6.6% to 5.6%. Devon is on track to reduce delays to target levels, freeing up 79 hospital beds and supporting winter plans. South Devon performance is already in the top 20% in England.
- High-quality social care: across Devon, 86% of adult social care providers are now rated by the CQC as either 'Outstanding' or 'Good'. This exceeds the overall national average for England of 80%.
- Groundbreaking collaboration: all four organisations providing acute hospital services have agreed a 'mutual support' approach to benefit patients. NHS England have highlighted it as an "exemplar of joint working". Our acute services review has developed 'Best care for Devon' standards for urgent and emergency care, stroke and maternity services, with clinical recommendations to provide services at all four of Devon's major hospitals if these standards are met. This approach will be supported by new clinical networks.
- 'The best bed is your own bed': We are enhancing community services to support thousands more people to live independently at home. This has led to a reduction in acute and community hospitals beds by 213 over the past two years whilst at the same time improving outcomes for people and service performance
- No health without mental health: Devon has many leading and innovative mental health services. These include liaison psychiatry in each emergency department to ensure people get the right help when they need it, psychological therapies for people with long-term conditions, specialist support for women with postnatal depression and a new specialist unit opening next year so women can stay near their families as they do not need to travel outside the county.
- All GP practices in Devon rated 'Outstanding' or 'Good' in the latest CQC assessment.
- Innovative collaboration between the NHS and social care: an award winning campaign, led by Devon County Council with support from the NHS, is having a positive impact on recruiting people to work in the health and care sector in Devon.
- Managing service demand: Devon has taken action to prioritise clinically appropriate referrals into hospitals. This reduced elective activity last year by 5.37%, compared to a 1.25% increase nationally.
- Both CCGs have improved their ratings, as part of the annual assessment by NHS England.
- Living within our means: historical overspending has been reduced from £229million to £61million in the past two years. This includes saving £25million on agency spend. The Devon system is aiming for financial balance in 2019/20.

In addition, the STP has focused on driving clinical improvement as well as productivity, efficiency and sustainability. For example, STP leaders have signed up to the national Getting It Right First Time programme, which is helping to improve the quality of care within the NHS by reducing unwarranted variations, bringing efficiencies and improving patient outcomes. We're also using the

Model Hospital approach, ensuring that everything we do is based on best practice.

This commitment to drive clinical quality was the focus of our collective work to look at acute services, vulnerable services (such as ophthalmology) and other developments, such as the Peninsula approach to pathology, and our work as one of four national pilots for a radiology network. The STP has also actively engaged with Healthwatch, MPs, local authorities' Overview and Scrutiny Committees, and patients and the public. For example, Healthwatch representatives sit on our Clinical Cabinet, and patients and user groups were fully involved in the acute services review and the group involved in developing improvements to mental health.

News review

We published 75 news articles on our website last year.

Of these articles:

11 were about campaigns and events we support and take part in

9 were about awards we have won and celebrations of our services

6 were about innovative things happening at the Trust

6 were corporate updates, such as appointments and Trust Board meetings

5 were about our workforce, including the achievements of individuals, and workforce projects

5 were updates about Holsworthy Community Hospital

5 were about service updates and changes

5 were about health promotion and education

5 were information (roadworks notices, cold weather alerts)

4 were publicising engagement with the public, including around the STP

4 were about working with and letters to the northern Devon community

3 were about new buildings, refurbishments and new equipment

3 were updates about the STP

2 were about ministerial visits

1 was about a report from our regulators

1 was about our charitable fundraising efforts

All our news is available at www.northdevonhealth.nhs.uk/about/news.

Our most read news

The most read articles on the Trust website were:

1. Incorrect information about NDDH circulating on social media (31 May 2017)

Ahead of the general election and during the period known as purdah, incorrect information was being circulated on social media.

A post on Facebook was widely shared stating that the emergency department and maternity unit were closing at North Devon District Hospital, and that staff had been asked not to speak about this closure until after the election.

We took action to correct this inaccuracy by ensuring that people knew that urgent and emergency, stroke and maternity services were being reviewed as part of the acute services review.

In June, after the general election, clinicians across Devon working on the acute services review announced that all four acute hospitals in Devon would continue with A&E, emergency stroke services and maternity services, and that this would be supported by stronger collaboration between clinical teams and new networking and workforce solutions.

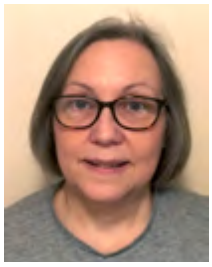
2. North Devon pulls together to keep services running (2 March 2018)

We said thank you to our staff and members of the public for their phenomenal efforts to keep vital services running during heavy snow in March. Our staff went above and beyond, walking for miles and staying in their place of work overnight, and we had multiple offers of assistance from volunteer drivers across northern Devon.

We shared a few examples of everyone's fantastic efforts.

3. National Apprenticeship Week: celebrating our 'fantastic' apprentices (9 March 2018)

To mark National Apprenticeship Week we spoke to some of our apprentices to find out how they are getting on. We shared the inspiring stories of apprentices working in health and social care, medical engineering and finance administration.



Apprenticeships
National Apprenticeship Week
5 to 9 March 2018

4. A pioneering new healthcare role: Devon's nursing associate trainees start work (28 July 2017)

Devon was selected as one of 11 pilot sites nationally for the nursing associate role. Dozens of trainees started the programme in hospitals and care homes across Devon, including at NDHT.

Each nursing associate's training takes two years to complete and is a combination of work-based competencies, hands-on experience and at least one study day a week.

The year in pictures

2017

April

Gayle Richards, lead diabetes specialist nurse, was awarded a prestigious fellowship that allowed her to travel abroad to learn about new and innovative ways of tackling diabetes.

May

An event celebrating the work of NDHT nurses and midwives was held on Tuesday 9 May. The day featured presentations and posters from staff, who talked about new developments and shared innovative ideas that have resulted in excellent patient care.

Staff put the spotlight on dementia as part of Dementia Awareness Week. We took the opportunity to raise awareness of our work to improve dementia care at the Trust, the local support available and the national dementia campaign.

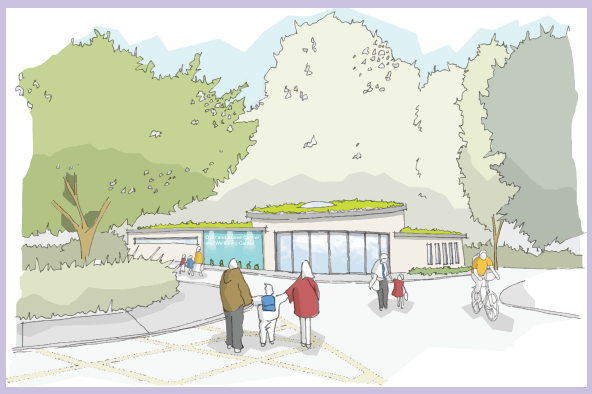
We held an event to celebrate an 'amazing' reduction in the number of patient falls following a series of new initiatives and sharing of best practice to prevent falls.

June

Our sexual health team in Barnstaple raised awareness of sexual health services with festival goers at popular North Devon festival Oceanfest.

July

The fourth cohort of Project SEARCH interns graduated at a ceremony at Petroc College. The event was a time to celebrate the journey the young interns had been on over the previous year whilst completing placements at North Devon District Hospital.



Over and Above, the Trust charity, launched a £1.5 million fundraising appeal to build a new centre to support people with cancer and other illnesses, and their loved ones, at North Devon District Hospital.

August

The secretary of state for health, Jeremy Hunt, visited North Devon District Hospital and met with staff from many clinical areas, including nurses, doctors, therapists and social care staff.

We were shortlisted in the Excellence in Public Service HR category of the Personnel Today Awards. This recognised how we have embraced new ways of engaging with staff that have made a positive impact.

The Glossop Ward team was shortlisted for team of the year in the Nursing Times Awards 2017. The prestigious national health sector award recognises exceptional teamwork that has improved patients' experience of care.

September

2017

We launched a new design for Pulse, our Trust magazine. The magazine contains all the latest news and updates from the Trust, including the Trust Board and our charity Over and Above. Our new design has been refreshed with more colours and pictures.

Pick up a copy in locations across North Devon District Hospital and in community hospitals and GP practices in northern Devon, or read it on our website.

Our nurses supported Organ Donation Week with a stand in Green Lanes shopping centre in Barnstaple. They encouraged people to talk about organ donation.

The parents' room by Caroline Thorpe Ward and the Special Care Baby Unit was recently refurbished thanks to the phenomenal fundraising efforts of Care for Kids North Devon.

October

The Trust and Devon County Council teamed up to provide apprenticeship opportunities across both health and social care for the first time, with three young people starting integrated health and social care apprenticeships in October.

November

2017

Our sexual health teams in Exeter and Barnstaple took part in National HIV Testing Week, launching a free, confidential, quick and easy, no-questions-asked finger-prick HIV test.

Mytherappy, an award-winning website developed by the stroke and neuro rehab team, was one of twelve initiatives chosen for the provider showcase exhibit at the annual NHS Providers conference

One Northern Devon is a group of organisations which have come together to address the health and wellbeing needs of communities across North Devon and Torridge, including housing and environmental services, education providers, employers, community groups, fire, police and health and social care services.

One Northern Devon held its first community engagement event in November, and over 100 people attended from communities across northern Devon.

December

Four professional actors visited Caroline Thorpe children's ward to perform the pantomime Cinderella, thanks to Starlight Children's Foundation.

Our advent calendar on our website celebrated staff across the Trust, with a different member of staff behind the door each day leading up to Christmas.

Our flu vaccination campaign was well underway in December, encouraging people to get the vaccine, particularly staff and people eligible for a free flu jab.

2018

January

Some of the most compassionate, skilled and dedicated care workers across northern and mid Devon were recognised in the Devon Cares New Year's Honours list. Social care providers nominated care workers who had gone above and beyond over the past year and deserved recognition.

Jo Harness, advanced occupational therapist - rheumatology, won a prestigious regional award for her outstanding work in clinical research.

February

Sarah Newton, minister for disabled people, health and work, visited NDDH to meet with Project SEARCH students and staff, praising the project.

We launched our new website, which had been redesigned to bring it up to date and make it easier to use across a range of devices. As part of the redesign our website footer was updated with an image to represent all the different communities we serve in northern Devon (below).
Try the quiz at www.northdevonhealth.nhs.uk to see if you recognise all of the landmarks.

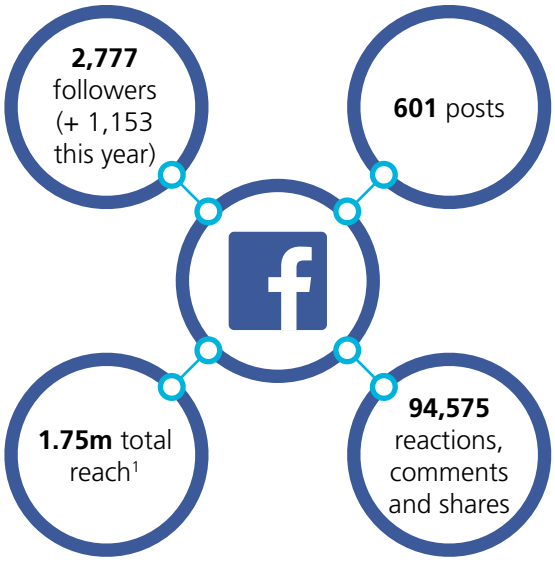
March 2018

Our staff went above and beyond to help keep vital services running during snowy weather, and we had multiple offers of assistance from volunteer drivers.

We took part in national celebrations of Nutrition and Hydration Week, promoting good nutrition and hydration with both staff and patients.

Social media review

Facebook summary



[1] | the number of times our posts appeared in other users' news feeds

Breakdown of posts

Category	Number of posts	Reach
Recruitment	348	725,487
News	68	163,940
Service changes	24	78,421
Campaigns	40	80,111
Patient experience	32	43,593
Awards	13	47,552
Health promotion	35	36,690
Charity	11	21,961
Advent calendar	24	40,104
Staff messages	6	55,561

Top Facebook posts and themes

Recruitment

58,911 (+7,116 paid) reach

Fancy a change of scenery? Check out why our staff regularly rate us as one of the best NHS trusts in the country to work for. More information about the Trust and our vacancies can be found on www.ndhtjobs.com. #loveNDHT

18 July 2017

Service change

24,098 reach

Message to all front line NDHT staff

Significant #snow is expected, if you cannot get into work tomorrow, please call the control room at NDDH (from 6am) and your line manager, we will be coordinating a 4x4 transport service from the control room where possible.

If you drive a 4x4 and can bring any staff into work with you, please contact the control room.

Drive safely and stay safe everyone.

28 February 2018

Campaigns

13,196 reach

It's International Cat Day! Find out how a 10-year-old cat named George changed the life of one of our patients. With thanks to Cats Protection and Parkinson's UK

8 August 2017

Awards

11,099 reach

Congratulations to our team on Glossop Ward, who have been shortlisted in the Nursing Times Awards 2017!

http://www.northdevonhealth.nhs.uk/…/glossop-ward-shortlis…/

16 August 2017

Events

10,853 reach

To all our nurses and midwives - happy International Nurses' Day, we <3 you!

From a celebration event earlier this week: "I am overwhelmed and inspired by the contributions that nurses and midwives make to the patient journey every day."

Read more: http://www.northdevonhealth.nhs.uk/…/amazing-nurses-and-mi…/

12 May 2017

News from the wards

8,276 reach

This week we invited our patients on Fortescue Ward and their friends and family to a tea dance in our day room. We had tea, scones and one of our nurses, who runs a dance school, brought along some music so we could all enjoy some dancing. Whilst it was fun to watch the professionals, some patients had a go at doing some dancing themselves! We hope everyone had a wonderful time.

10 August 2017

Charity

6,709 reach

Angela Walter, ward sister on Capener Ward, is running the London Marathon for Care for Kids. This will be Angela's seventh London marathon and her 18th marathon overall. Angela said: "I am raising money for the North Devon charity Care for Kids. This is part of a year-long 'challenge' where I am running Chester marathon, Ride London (100miles) and Cotswold 113 half 'Ironman' triathlon. "Please help me to improve the lives of children by sponsoring me." Donate: http://uk.virginmoneygiving.com/AngelaWalter

18 April 2017

Advent calendar

5,915 reach

Today's advent calendar reveal is Anne Jeffery - you may recognise her as the friendly face behind the 'bun run' trolley, which Anne takes around the wards on weekdays. Anne has had a fantastic year, with a highlight to be very proud of. Find out what happened: http://www.northdevonhealth.nhs.uk/adventcalendar-2017/day-11-ann-jeffery/

11 December 2017

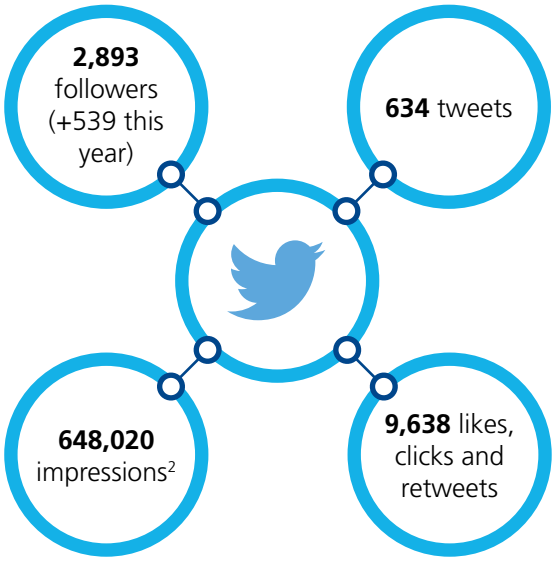
Health promotion

3,345 reach

You can help us to help you by choosing the right service. Our emergency department is for emergencies and life-threatening situations. If it's not an emergency visit your local pharmacy or nearest minor injury unit, and if in doubt call NHS 111 #ChooseWell Find the right service for you here: https://www.newdevonccg.nhs.uk/information-for-patients/choose-the-right-nhs-service-101180

26 March 2018

Twitter summary



[2] | times our tweets appeared in other users' feeds

Top tweets

1. **7,417** impressions

Our project helping people with their recovery following a stroke or brain injury has been shortlisted for a public vote in @Tesco_SouthWest #BagsofHelp initiative! You can help us by voting for @mytherappy in Tesco stores in Barnstaple bit.ly/2D4M4QU pic.twitter.com/2IQeu8Sq6W

12 January 2018

2. **7,154** impressions

Ilfracombe MIU and Bideford MIU are temporarily closed from 29 December 2017 until 1 January 2018. We will reopen on Tuesday 2 January 2018. We apologise for any inconvenience caused.

29 December 2017

3. **5,996** impressions

Did you know you can have a FREE home fire safety check?

Come and speak to our health and safety team and @DSFireUpdates in the foyer, level 2 at NDDH until 2pm today, or find out more here: bit.ly/2D1BaeJ pic.twitter.com/rPlruPBy5e

11 Jan 2018

4. **5,554** impressions

Come and say hi to our diabetes team today at NDDH #diabetesweek #knowdiabetes #fightdiabetes http://bit.ly/2rhmYJE

12 June 2017

5. **4,895** impressions

Staff message PLEASE RT: to help staff get to/from work we are continuing to coordinate 4x4 transport service. If you drive a 4x4 & can help others get to/from work 2day/2mrw, pls contact control room at NDDH. Control room open late & from 5am 2mrw. Stay safe, stay #weatheraware

1 March 2018

6. **4,642** impressions

A cat named George changed the life of one of our patients http://bit.ly/2vLQjh2 #InternationalCatDay @CatsProtection @ParkinsonsUK

8 Aug 2017

Most interacted with tweets (including likes, clicks and follows)

NDHT response to incorrect information about NDDH on social media - https://t.co/E9n1EBgn2I

31 May 2017

We invited our patients on Fortescue Ward and their loved ones to a tea dance this week. We hope everyone had a wonderful time! https://t.co/0VsXhlvMma

10 August 2017

Go team NDHT!!! @HSJAwards #HSJAwards @ndht Shortlisted for provider trust of the year!!! https://t.co/5feUXlifiq

21 November 2017

Today minister for disabled people Sarah Newton came to NDDH to find out more about Project SEARCH, an award-winning internship programme helping young people with learning disabilities or autism get into work @PetrocOfficial @PlussSW @SodexoUK_IRE @PeterNorthDevon https://t.co/L4jKxdSLgo

16 February 2018

Involving you

The NHS continues to face the challenge of improving the quality of care and making sure patients have the best possible experience, whilst also dealing with increasing pressures and making sure our services are fit for the future. In this environment, good communication and engagement is vitally important.

We are committed to giving patients and the general public a greater voice and involving staff as we develop our services. All of our engagement work is driven by a genuine desire to work in partnership with local communities.

The acute services review and the temporary closure of inpatient beds at Holsworthy Hospital was the focus of much of our engagement during the year. We also involved patients in the development of our integrated diabetes service through a number of meetings, interviews and questionnaires. We continue to work closely with organisations in One Northern Devon, taking a partnership approach to addressing the health and wellbeing needs of communities across northern Devon and Torridge.

Our communications and engagement teams continued to meet with patients and people with experiences of using our services to find case studies and stories to share with the Trust board and more widely. Their stories are shared at the start of every board meeting. Talking to people about their experiences helps us to learn what we did well and what we could improve, and we share this learning widely across the Trust.

There are a number of projects underway across the Trust to improve our services and we have undertaken a number of staff engagement exercises, as well as encouraging staff to be involved with and lead projects. In 2017/18, we engaged with teams across the Trust about how we could ensure we have the right balance of medical and surgical beds to provide the best care to our patients, our long-term strategies, implementing seven-day services, and reducing our outpatients and ophthalmology waiting lists. Staff have also been involved in a project which aims to increase the efficiency of our theatres so we can perform more surgery and reduce our waiting lists, and this project has seen great success thanks to the support from and involvement of theatres staff.

How did we involve you in 2017/18?

- **1** annual general meeting
- **1** meeting with Devon County Council's Health and Wellbeing scrutiny committee
- **5** stakeholder meetings to explore the reasons for the temporary closure of inpatient beds in Holsworthy
- **6** meetings building relationships with the local community and public and voluntary sector organisations as part of One Ilfracombe
- **6** Involving People Steering Group meetings, where we meet with representatives of community and patient groups to talk about our services and to get their views
- **6** board meetings in public, with **6** patient stories going to Board
- **8** staff roadshows, with the executive team heading out to different workplaces to talk to staff about the Trust's plan, as well as listening to any concerns and ideas staff may have
- **9** meetings chaired by NDHT, bringing local organisations together as part of One Northern Devon
- **12** monthly drop-ins with the chief executive for staff to share ideas and raise concerns
- **50** letters received and responded to relating to the temporary closure of inpatients beds at Holsworthy Community Hospital, the acute services review and more
- **200** patient interviews, questionnaires, and meetings involving patient representatives as part of the development of the North Devon Integrated Diabetes Services
- **+** We also held numerous meetings to engage staff in service developments and continued to engage with our local MPs and councils.

Key developments

Development of the North Devon Integrated Diabetes Service

We are working with GPs, NHS Northern, Eastern and Western Devon Clinical Commissioning Group and people with diabetes to develop an integrated diabetes service in northern Devon. The project considers how services could work together so that more people with diabetes have access to the right support, at the right time and in the right place.

The project was first conceived by Dr Alastair Watt, diabetes consultant at NDHT, who sadly died in 2017 before the vision was fully realised. His passion to put people with diabetes at the heart of the services lives on with the project team who worked with him.

More information about the project and developments is available on the website: www.northdevonhealth.nhs.uk/services/north-devon-integrated-diabetes-service/

Trust to expand sexual health and SARC services

The Trust was successful in its bids to run sexual health services across Devon and Torbay and sexual assault referral services across Devon, Cornwall and the Isles of Scilly. Both of these contracts will expand our current services.

We currently run sexual health services in Devon and in July 2018, we will be expanding to be the lead provider for Devon and Torbay, working in partnership with Torbay and South Devon NHS Foundation Trust. The new service aims to improve access to sexual health services through digital innovation. People will be able to book appointments, request tests and get their results online.

We currently run the Sexual Assault Referral Centre (SARC) in Exeter, and in October 2018 we will be expanding this to cover all of Devon, Cornwall and the Isles of Scilly, with the development of a specialist Paediatric Centre of Excellence covering the whole area, based in Exeter. Our ethos is for the SARC service to be the start of people's recovery journey following rape or sexual assault and we will focus our efforts on supporting people's physical and mental health.

Announcement of ASR next steps

In November 2016, NHS Northern, Eastern and Western Devon Clinical Commissioning Group (NHS NEW Devon CCG) announced that health and care partners in Devon would be undertaking a review of acute services. The aim of this review was to make sure our services are fit for the future and provide the best possible care for patients.

Clinicians across Devon worked together to review the high priority acute services – stroke services, maternity and paediatrics, and urgent and emergency care. A number of public meetings were held locally to get people's feedback on the criteria that would be used when developing possible scenarios for the future.

In June 2017, clinicians announced that all four acute hospitals in Devon would continue with an emergency department, emergency stroke services and maternity services. However, they also acknowledged that the NHS locally is still facing an unprecedented challenge and the recommendations do not solve all of the problems we face. One of the ways we will address this is through stronger collaboration between clinical teams and new networking and workforce solutions.

Strengthening our partnerships

Following the outcome of the acute services review, organisations across Devon are developing an approach to providing clinical services in a more collaborative way, including supporting one another by providing mutual clinical support, which has proved invaluable in addressing short-term service challenges due to medical staffing problems and surges in demand.

Despite this stronger collaboration, the system across Devon continues to face significant challenges and as the most remote hospital, this is felt particularly strongly in northern Devon. There is a recognition that we need support, and in March 2018, we announced that we were in discussions with the RD&E to explore options for support to secure the long-term sustainability of clinical services in northern Devon. The driver for these discussions is the shared aim of preserving and enhancing acute services in northern Devon.

As we go into 2018, we look forward to strengthening our partnerships with other NHS organisations to ensure patients across Devon are receiving the best possible care.

Temporary closure of inpatient beds at Holsworthy Community Hospital

In March 2017, the inpatient beds at Holsworthy Hospital closed temporarily due to safety concerns and difficulty staffing the unit. The Trust set up a local stakeholder group to oversee our progress in addressing the safety concerns which led to the temporary closure.

The group met five times and at the last meeting in December 2017, the group received an update from NDHT that it had concluded its action plan. The outcome was that the Trust had exhausted all available avenues to address the safety concerns that are within our gift to carry out under the current model of care. We agreed that the temporary closure would need to be extended to allow NHS NEW Devon CCG to consider the next steps. We would like to thank the community for their input into this work.

In April 2018, the CCG held two public meetings in Holsworthy to discuss the long-term future of services in the area. The CCG's position is that they are no longer able to support the temporary closure and they have written to the Trust to formally request an implementation programme to set out the steps required to reopen the beds.

We fully understand the CCG's position and we are supportive of their intention to start an engagement process on the long-term future of services in the Holsworthy area. Any plans to reopen the beds would require recruitment to our nursing, therapy, healthcare assistant and hotel services vacancies to ensure we can safely run the inpatient services. This will be no easy task, but we fully support the requirement for us to do our best to address the staffing and safety concerns which led to the temporary closure.

Transfer of walk-in centres to the Royal Devon and Exeter NHS Foundation Trust (RD&E)

On 31 March 2018, the walk-in centre services we ran in Exeter on the RD&E site and at Sidwell Street transferred from NDHT to the RD&E. This was in line with new national rules which transferred the accountability for the performance of walk-in centres to the organisation providing the main emergency department for that catchment area. NDHT ran the walk-in centres since 2011 and the team had established a reputation for providing an excellent standard of care. We once again thank staff for their dedication and commitment.

Co-location of stroke services at North Devon District Hospital (NDDH)

We opened our new acute stroke and stroke rehabilitation unit at NDDH in June 2017, combining the old acute stroke unit at NDDH and the stroke rehabilitation service, previously in Bideford, onto Staples Ward.

Bringing the two stroke units together has allowed us to focus the expertise of the stroke teams in one place and make sure stroke patients receive the specialist care they need.

The ward includes four side rooms and four bays with ensuite wet rooms. There is a large therapy room, which is light and airy and has been designed with the needs of stroke patients in mind, There is a quiet room and space in the middle of the ward for patients to sit away from their bed space.

Emergency department refurbishment

Last year, we received a £1m investment to refurbish the emergency department at North Devon District Hospital and to introduce a primary care streaming service. This money is part of a fund being allocated to NHS trusts across the country to relieve pressure in emergency care. The streaming service will help us to use our resources in the best possible way by allowing us to identify the most appropriate professional to see patients who attend the emergency department. Some patients will be streamed to return to their own GP, others may see a GP onsite and those requiring emergency care will be seen in the emergency department.

As part of this, we are currently refurbishing the department to include two GP rooms and a separate waiting area for GP patients. The department is also getting a new entrance and single reception, with the whole area being modernised. The aim is for the refurbishment to be complete in summer 2018.

Thank you for going Over and Above

Over and Above
Your Hospital Charity
supporting Northern Devon Healthcare NHS Trust
Registered Charity No. 1051463

Over and Above, the Trust charity, raises funds to pay for things that are 'over and above' that which the NHS is able to provide. Over the past few years the fundraising team has, with the support of the local community, raised an amazing £2.5million to build the Seamoor Chemotherapy and Day Treatment Unit, and £250,000 for our Special Care Baby Unit, as well as supporting many of our other wards, departments and services across northern Devon. Our fundraising has had an overwhelmingly positive impact on the care we provide for our patients – thank you.

In August 2017, the hospital charity launched a £1.5million **Cancer and Wellbeing Centre Appeal**.

The aim of the appeal is to build a dedicated support centre for our cancer patients which they can access at any stage of their illness, offering a wide range of information and support services within a comfortable environment. The facility will offer a drop in service, providing information on cancer and other conditions, counselling and psychological support, financial and benefits advice, complementary therapies, hair loss support, nutritional advice, health and wellbeing events and courses, and so much more. The Centre will also be available to relatives and carers, who can receive support and ask any questions they may have about conditions and treatments, and share any concerns.

The appeal also includes plans for a relatives' accommodation wing, which will provide three en-suite family-sized bedrooms offering overnight accommodation for our patients' loved ones whilst they are being treated in hospital. We know that our very poorly patients really benefit from having visitors close by at a time when they need it the most. This is why the charity wants to provide on-site accommodation to help alleviate any unnecessary worry.

Within its first six months the appeal raised more than £450,000 in donations and pledges towards our £1.5m target. This is thanks to the overwhelming support of the community of northern Devon, grant organisations and the North Devon Cancer Care Centre Trust's generous donation of £50,000.

Fundraising highlights

Thank you to everyone for your support for Over and Above. Here are some of the charity's highlights over the past year.

Cancer patient Gail Stoneman is our Over and Above golden girl. Since her fundraising began in August 2017, she has raised more than £11,115 for our Cancer Appeal by taking on seven fundraising challenges. So far she has organised an auction in Chulmleigh, cake bakes and a run. Gail said "I can't wait for the new Cancer and Wellbeing Centre to be built so that I can pop in and talk to someone at any time. It will make such a difference to cancer patients – it really will be a dream come true."

Bideford Bridge Trust has pledged £10,000 to the Cancer and Wellbeing Centre Appeal. Further grants have been received by NDC Tap Fund for two counselling couches and Barnstaple Bridge Trust has donated £1750.

The nurses who care for our patients on the Seamoor Chemotherapy Unit are taking part in half marathons for the appeal. Seamoor chemotherapy patient and former sports therapist, Bernie Langmead has been giving our chemo nurses a few tips on how to prepare before their big run.

Mark Major and his partner Victoria Moore took part in the 1700 mile Screwball Rally in September and raised £515 for the Cancer Appeal. Their incredible five day journey took them all around Europe.

The hospital charity also raises funds for wards, departments and services across the Trust.

Leading global healthcare supplier PERRIGO, with operations based in Wrafton near Braunton, has donated an amazing £17,800 to the Special Care Baby Unit Appeal at North Devon District Hospital, which has been used towards the purchase of a Giraffe neonatal incubator.

Holsworthy triplets Harry, Isobella and Harvey Colwill also supported SCBU by asking their friends to give them money instead of presents to celebrate their 4th birthday in July.

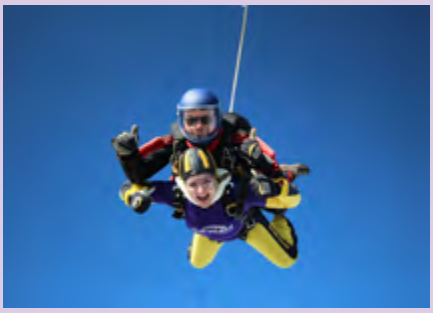
A celebration was held at the children's ward at North Devon District Hospital to mark the final donation from the Caroline Thorpe Children's Fund after 45 years of support. Dr Alan Bosley, retired paediatrician, gave a speech about the kindness of the Thorpe family and what the fund has meant for all those who benefited from it.

A local Braunton family have raised an incredible £7,500 for the Caroline Thorpe Ward by organising the SQ Masquerade Ball in their restaurant in Braunton.

Events

The charity holds lots of successful fundraising events and there is something for everyone, young or old. Our Berry Beast Abseil challenge includes a dramatic 180 feet drop off the cliff-face at Berry, near Hartland, with the skilled instructors from Skern Lodge Adventure Centre as your guides. This is a great event for adrenaline-seekers.

Charity skydives continue to attract all ages to jump out of an aeroplane, raising thousands of pounds for the charity each year. Anna-Marie Searle, Medical Education Centre administrator at North Devon District Hospital took her heart in her hands and skydived 15,000 feet at Dunkeswell Airport near Honiton, raising £280 for the new appeal.



Big Purple Day

Last year our Seamoor Chemotherapy Unit patients received a surprise visit from Woolly at the Big Sheep on our Big Purple Day.

Scrumptious Croyde Trail

Our superheroes, in every sense of the word, again took part in our most popular event, walking 10 miles of gorgeous North Devon coastline, with enticing tastes of local foods along the way. It is because of the fantastic support from local food and business sponsors that we are able to offer this event.

Christmas Jumper Day

WE LOVE CHRISTMAS! Our staff and the local community can't wait for the festive season to begin so that they can start wearing their Christmas jumpers and fundraising.

Community and corporate support

We couldn't raise the money to support NDHT without our amazing local community and local businesses. All the Tesco stores across North Devon have been on board donating hampers for raffles and raising more than £53,000 for the charity over the past five years. Barnstaple Mayor Julie Hunt chose Over and Above as one of her charities, local bands have organised gigs, local communities are holding regular bingo nights, local golf clubs have organised tournaments and so much more.

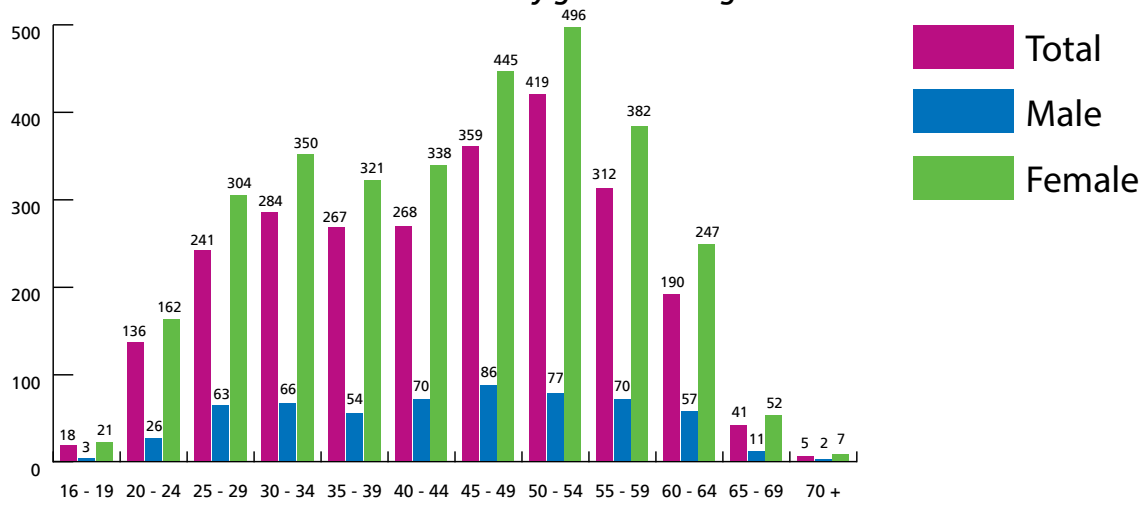
If you would like to fundraise for the appeal, the Over and Above team would be delighted to hear from you. A fundraising pack with lots of ideas is available on the charity website or can be sent in the post.

All donations make a difference, no matter how small. To find out more, visit www.overandabove.org.uk, the charity's Facebook page or contact the fundraising team on 01271 311772, or by email at ndht.charity@nhs.net.

Our workforce

At the close of 2017/18, Northern Devon Healthcare NHS Trust employed 3,125 staff.

Workforce by gender and age



The gender split of our workforce is roughly 81% female and 19% male. This is similar to the NHS population as a whole, which is 77% female and 23% male, although this is significantly different to the general population (2001 census identified 48% of working age population as female).

When compared to the rest of the NHS workforce, NDHT employs lower numbers of staff within age bands 25-29, 30-34 and 35-39 and in contrast we employ higher numbers of staff within the 50-54, 55-59, 60-64 age bands. This distribution is reflective of the age profile of Devon as a region.

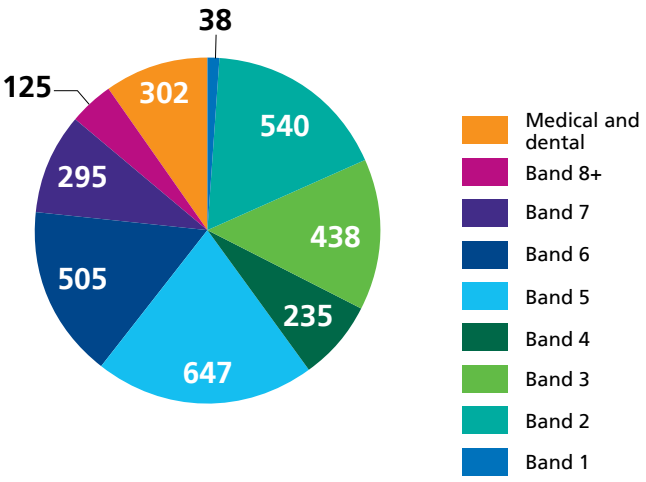
We continue to employ a significant number of young apprentices and this accounts for a high proportion of our Agenda for Change band 2 post holders being under 20 years old. We have also seen staff under the age of 20 holding band 3 positions which is a positive development for the younger workforce.

Equality and diversity are at the heart of our Trust strategy and values and we recognise that supporting and developing a diverse workforce enables us to continue to build on high standards of patient care. A variety of flexible working options are open to all our staff to support their lives outside of work.

The workforce and organisation development directorate continues to work collaboratively to support all departments at the Trust, offering operational advice and training on deaf/deaf-blind communication awareness, disability equality, equality impact assessment, human rights and learning disability awareness.

Our annual equality and diversity and Workforce Race Equality Standard reports are available on the Trust website www.northdevonhealth.nhs.net

Workforce by pay band



Gender pay gap

NHS trusts are now required to report their gender pay gap, which shows the difference in average hourly pay between all men and women in the workforce.

Gender	Mean hourly pay	Median hourly pay
Male	21.37	16.81
Female	14.65	13.25
Difference	6.73	3.56
Pay gap %	**31.5%**	**21.2%**

Our workforce is predominantly female. There are almost four times as many women in our workforce as there are men, and this means we have a high number of women working across all bands, which plots our median pay for women at a lower rate.


A felt fun world of play
toys

The proportions of male and female employees in the four quartile pay bands

Quantile	Gender	Number	%
Upper	Male	241	**32.7%**
	Female	495	**67.3%**
Upper Middle	Male	111	**14.6%**
	Female	649	**85.4%**
Lower Middle	Male	95	**14.0%**
	Female	582	**86.0%**
Lower	Male	113	**13.6%**
	Female	715	**86.4%**

The lower middle quartile contains staff from Agenda for Change bands 3 to 5. The upper middle quartile contains staff from bands 5 to 6. The upper quartile contains staff from bands 6 to 9, plus very senior managers, directors, non-executive directors and all medical staff.

We are committed to equal opportunities, and we will review this information alongside our annual equality and diversity report to identify any actions we need to take. These will be detailed in Trust's equality and diversity action plan.

You can read the full gender pay report on the Trust website at: www.northdevonhealth.nhs.uk/about/declarations/equality-diversity/

Sickness absence

Target	Trust		South West 2017/18	NHS average 2017/18
	2017/18	2016/17		
3%	3.3%	3.6%	4.19%	4.14%

Promoting communication and sharing ideas

Effective communication and consultation with our staff is a vital part of ensuring we deliver the highest quality services.

In 2017/18, we held staff roadshows across the Trust to ensure staff were kept up to date with the challenges and opportunities we face. We also introduced regular chief executive drop-in sessions where staff could share ideas and raise any concerns.

We continued to ensure there were numerous opportunities for staff to be involved with service improvements and service change. For example, in 2017/18 we ensured there was significant engagement from our clinical, operational and support teams in relation to our work to improve the efficiency of our theatres, as well as our work to reconfigure our wards to maximise the flow of patients through our services and deliver a better patient experience.

We continue to embed the principles of Listening into Action into our everyday culture across the Trust, so that meaningful engagement with staff is at the centre of any changes to what we do.

This is reflected in our staff survey results again this year, with staff continuing to rate very highly how able they feel to make improvements at work.

Staff survey results

The national NHS staff survey 2017 placed NDHT as the top trust of our kind (acute and community) for overall staff satisfaction.

This year, the survey was sent to all staff and 1,158 took part, a response rate of 37%.

Our top five results were all the highest ranking results for any trusts with acute and community services. In all cases, the higher the score (out of 5), the better. These were staff reporting that they had or felt:

- Supported by immediate managers (3.99 against an average of 3.76)
- Effective team working (3.91 against a national average of 3.74)
- Able to contribute towards improvements at work (77% against an average of 70%)
- Recognised and valued by managers and the organisation (3.62 against an average of 3.44)
- Organisation and management took an interest in and action on health and wellbeing (3.83 against an average of 3.63)

The Trust's score for overall staff engagement was 3.90, against a national average of 3.78. This was a slight improvement on the Trust's 2016 score, 3.88. Possible scores ranged from 1, indicating that staff are poorly engaged, to 5, indicating that staff are highly engaged.

The Trust's lowest scoring areas in the 2017 survey, and the areas needing focus, were:

- Percentage of staff/colleagues reporting most recent experience of harassment, bullying or abuse (45% against an average of 47% – the higher the score the better)
- Percentage of staff reporting errors, near misses or incidents in the last month (90% against an average of 91% – the higher the score the better)
- Percentage of staff witnessing potentially harmful errors, near misses or incidents in the last month (29% against a national average of 29% – the lower the score the better)
- Percentage of staff/colleagues reporting most recent experience of violence (66% against an average of 67% – the higher the score the better)
- Percentage of staff appraised in the last 12 months (86% against a national average of 86% – the higher the score the better)

We are developing action plans to tackle these areas and hope to see improvements in future surveys.

Staff health and wellbeing

NDHT was the top performing acute and community trust for staff health and wellbeing scores in the staff survey. Our score against the question 'does your organisation take positive action on health and wellbeing?' improved by 7% in this year's survey. This is a fantastic reflection of the health and wellbeing work we have been doing over the past three years.

We provide exercise classes, including reduced-cost yoga and pilates sessions for staff, and we promote organisations who give a discount for NHS staff, as well as running health and wellbeing events.

We provide an in-house occupational health service to our staff. This covers occupational health nurse and consultant services, counselling services to support staff wellbeing, staff physiotherapy, immunisation and screening services and organisational support, such as debriefing after a traumatic event. We also have resilience training available for staff.

The Trust was shortlisted for a national Flu Fighters award for our hard work and commitment in this year's staff flu vaccinations campaign. The final flu vaccination rate of front line staff was 63.4% and we vaccinated 500 more staff in 2017/18 compared to 2016/17. We had a real team focus with peer vaccinators working within teams providing staff vaccinations on the wards and in other areas of work, alongside scheduled flu vaccination clinics. The campaign had the support of the senior team and staff from across the Trust. This was supported by a communications campaign using real case studies, with clinicians providing myth-busting messages and highlighting the importance of NHS staff getting the vaccine to help protect colleagues, patients, visitors and our own families.

Organisational change and employee consultations

2017/18 saw a number of specialist services run by the Trust go through a process of re-commissioning. The HR team helped support the Trust's successful bid in conjunction with Torbay and South Devon NHS Foundation Trust to run sexual health services across the whole of Devon (excluding Plymouth and surrounding areas), and the staff engagement process linked to this. This is a wider area than we currently serve and we will be the lead provider for the new contract.

The Trust was also successful in its bid to run adult and paediatric Sexual Assault Referral Centre (SARC) services for Devon and Cornwall, including the Isles of Scilly. We currently run the adult SARC based in Exeter, so again this new contract is a significant expansion and will see services and staff from First Light and G4S transfer to the Trust on 1 October 2018.

On 31 March 2018, the walk-in centres we ran in Exeter on the RD&E hospital site and at Sidwell Street transferred to the RD&E. This was in line with new national rules which transferred the accountability for the performance of walk-in centres to the organisation providing the main emergency department for that catchment area. The HR team were involved in facilitating formal consultation with affected staff in accordance with the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) and their subsequent transfer of employment to the RD&E on 1 April 2018.

Other organisational change and employee consultation processes included the final stage of the directorate of operations and strategy restructuring and the implementation of RIFD (radio-frequency identification) tagging in medical records and the consequent staff restructuring. In total the HR team helped support 18 consultation processes in 2017/18.

Employment advice and employee relations

The employee advice line handled over 500 calls in 2017/18 supporting staff and managers with a wide range of queries and providing them with advice and guidance. 20% of the calls were queries relating to sickness absence, 15% were queries pertaining to annual leave or special leave, 10% related to contractual queries and 9% were about maternity/family leave. We set up a dedicated HR enquiry email address towards the end of the 2016/17 financial year. This provides staff with an alternative to the HR advice line and in 2017/18 handled around 1,500 enquiries.

The team has supported the management of over 200 formal employee relations cases. There were 133 sickness absence management cases, 26 performance management cases, 36 disciplinary investigations, 18 grievances and three bullying and harassment investigations. Additionally there has been a large increase of 'administrative cases'. These are cases that are not routinely captured by ESR (electronic staff record) data fields, but are employees who have required formal HR input. A significant increase in the number is due to particular and new compliance requests, i.e. lapsed Disclosure and Barring Service (DBS) registrations, failure to subscribe to the DBS service, failure to comply with Care Certification and failure to adhere to the revised car parking policy. Other cases supported during this period included complex flexible working requests, contractual issues and individual and complex redeployment work.

We continue to work in partnership with our Staff Side and trade unions colleagues to ensure that staff are appropriately consulted and supported in the workplace.

We have a strong partnership with Staff Side, including a monthly partnership forum. This provides a forum for Trust management and trade unions to keep each other informed and offers a space for staff engagement, consultation and negotiation. Both Staff Side and HR also provide representation and input in to the STP partnership forum on a six-weekly basis.

Recruitment and retention

The national picture remains challenging in relation to recruitment to a number of clinical professional roles. In this context, the Trust has been relatively successful in attracting staff to many of these hard to fill posts through a professional recruitment marketing campaign.

In summer 2017, staff from different areas across the Trust, including doctors, nurses and therapists, told us what they loved about working for NDHT as part of a recruitment video. We promoted the video on social media and with the help of colleagues, friends, family and with the support of our community, the video has now been seen by around 70,000 people. You can watch the video by searching #loveNDHT on YouTube. As part of this campaign, we invested in an advertising campaign with the Guardian Healthcare Network. We have also updated our recruitment materials, including our consultant job packs, so they are more eye-catching and engaging, and highlight the best of what we have to offer at the Trust and in northern Devon. We have seen some success as part of this campaign.

The Trust held two nursing open days in 2017/18, resulting in the recruitment of 21 nurses. We also had a strong and successful presence at a number of careers events in various locations across the country throughout the year.

Following the establishment of our local Staff Bank in 2016, in partnership with NHS Professionals, we have continued to grow this resource of flexible workers and have had circa 1000 staff apply to join the bank, including 355 registered nurses and 332 support workers.

In order to support the rollout of the electronic healthcare record, the bank has also recruited a large cohort of administration and clerical staff to support healthcare records, the clinic management centre and the outpatient teams to enable substantive staff to undertake training and implement the new system. This bank support has been invaluable in providing a regular supply of trained staff who are able to pick up flexible shifts in multiple clinical administration areas within the Trust.

In August 2017 we launched our Medical and Dental / Allied Health Professional Bank managed by the medical staffing team. During the August 2017 junior doctor intake, all of our junior doctors were offered the opportunity to join the bank in order to enable them to pick up ad-hoc locum shifts at the Trust. Shifts are offered out to all suitable bank workers through a booking system, which ensures equity of access to bank shifts, weekly e-timesheets and improved visibility of both bank and agency work being undertaken by medical and dental staff within the Trust. Our bank contract includes the ability for our bank workers to work as part of the Devon STP M&D/AHP collaborative bank, once this is established, and we are currently working with our STP colleagues to ensure that bank workers recruited by one Trust are then able to seamlessly work at other local Trusts to reduce the reliance on agency workers across the Devon STP area.

In September 2017, we introduced daily staffing meetings run by the senior nursing team, which aimed to ensure the effective deployment of both our permanent and temporary nursing workforce based on patient census returns and staffing. These meetings ensure that staff are deployed on a daily basis around our services on the basis of clinical need to ensure safe staffing levels are maintained on our ward areas.

During 2017, we undertook a series of occupational level workforce planning events including therapies, nursing and medical and dental. The aim of these events was to bring together service leads to explore the challenges they are facing in the recruitment and retention of staff, identify opportunities for the development of new roles to support the existing workforce and maintain services and the training requirements that would be needed to support this. The therapies event was particularly successful and they have used their workforce plan to support a number of business cases for new models of care within the Trust.

In early 2018, to support the ongoing challenges we are facing with medical and dental recruitment, we engaged with Remedium to support us and the wider STP collaborative with permanent M&D recruitment of overseas doctors. This work is still in its infancy, however we have already made a number of offers of employment through this model and hope to see staff joining the Trust in the coming months. We joined the petitioning of the Home Office along with other NHS Employers regarding the current restrictions on Certificates of Sponsorship, as this is causing significant obstacles to bringing in overseas doctors into the UK to support our existing workforce.

Developing our workforce

We continue to identify new ways of developing our workforce to be confident and competent.

We were part of the first wave pilot for developing nursing associates, who are professionals who take on a role at a level between a healthcare assistant and a nurse. This is a route for those who want to progress their careers to become registered nurses.

We are continuing with our successful assistant practitioner and physician associates programmes. We are also identifying more opportunities to develop our advanced nurse practitioners.

We continue to work with the Devon STP and other partner organisations to share learning and resources that benefit the quality and safety of care.

We have refreshed our People Strategy to include our talent management process which aims to support and develop our leaders of the future. We have run four leadership development centres to enable our succession planning through talent review boards.

We redesigned our appraisal process to be more simple and more meaningful for all staff.

Apprenticeships and work shadowing opportunities

2017/18 saw us provide 91 people with work shadowing opportunities across many disciplines. These were broken down as follows:

Females	Male	16 – 18 years old	19 – 24 years old	24 +
67	24	54	24	13

- We have employed 29 healthcare apprentices to help support the national recruitment challenges into nursing and therapy roles. This included three rotational apprentices in collaboration with Devon County Council.
- We continued our Health and Care Academy student programme with Petroc College, along with our Medics Academy. 31 students in total attended these programmes.
- Our Project SEARCH initiative continues to support students with a learning disability in securing employment.
- 28 year 10 school children took part in our work experience week, giving them the chance to learn more about working in healthcare.

In April 2017 the introduction of the apprenticeship levy came into force, giving us a target of 2.3% (77 apprentices). At the end of the year, 57 students were enrolled onto an apprenticeship programme, giving us a shortfall of 20. We will look at how we can use our links with the local college and community to increase this number in 2018/19.

Consultancy

In 2017/18, the Trust spent £30,000 on consultancy services. We enlisted the support of one external consultant company who provided specialist expert input into specific service reviews and valuation issues, where such experience did not exist within the workforce. This spend related to specialist support with improving the efficiency of our theatres and we have already seen a fantastic improvement as a result of this investment.

Staff pay benefits

Staff costs

	Permanent £000	Other £000	2017/18 Total £000	2016/17 Total £000
Salaries and wages	98,206	641	**98,847**	107,413
Social security costs	9,228	-	**9,228**	9,630
Apprenticeship levy	413	-	**413**	-
Employer's contributions to NHS pensions	11,570	-	**11,570**	13,115
Pension cost - other	11	-	**11**	10
Other post employment benefits	-	36	**36**	-
Other employment benefits	-	-	**-**	-
Termination benefits	-	-	**-**	-
Temporary staff		6,054	**6,054**	11,011
Total gross staff costs	**119,428**	**6,731**	**126,159**	**141,179**
Recoveries in respect of seconded staff	(999)	-	**(999)**	-
Total staff costs	**118,429**	**6,731**	**125,160**	**141,179**
Of which				
Costs capitalised as part of assets	2,094	397	**2,491**	3,382

Average number of employees (WTE basis)

	Permanent Number	Other Number	2017/18 Total Number	2016/17 Total Number
Medical and dental	271	66	**337**	289
Ambulance staff	7	-	**7**	5
Administration and estates	487	14	**501**	532
Healthcare assistants and other support staff	751	77	**828**	1,108
Nursing, midwifery and health visiting staff	740	41	**781**	991
Nursing, midwifery and health visiting learners	-	-	**-**	-
Scientific, therapeutic and technical staff	321	11	**332**	476
Healthcare science staff	65	-	**65**	-
Social care staff	-	-	**-**	-
Other	-	-	**-**	-
Total average numbers	**2,642**	**209**	**2,851**	**3,401**
Of which:				
Number of employees (WTE) engaged on capital projects	508	11	**519**	367

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
Exit package cost band (including any special payment element)			
<£10,000	2	-	**2**
£10,001 - £25,000	6	-	**6**
£25,001 - 50,000	-	-	**-**
£50,001 - £100,000	-	-	**-**
£100,001 - £150,000	-	-	**-**
£150,001 - £200,000	-	-	**-**
>£200,000	-	-	**-**
Total number of exit packages by type	**8**	**-**	**8**
Total resource cost (£)	£136,000	£0	**£136,000**

Reporting of compensation schemes - exit packages 2016/17

	Number of compulsory redundancies Number	Number of other departures agreed Number	Total number of exit packages Number
Exit package cost band (including any special payment element)			
<£10,000	37	-	**37**
£10,001 - £25,000	-	-	**-**
£25,001 - 50,000	1	-	**1**
£50,001 - £100,000	-	-	**-**
£100,001 - £150,000	-	-	**-**
£150,001 - £200,000	-	-	**-**
>£200,000	-	-	**-**
Total number of exit packages by type	**38**	**-**	**38**
Total resource cost (£)	£106,862	£0	**£106,862**

Exit packages: other (non-compulsory) departure payments

	2017/18		2016/17	
	Payments agreed Number	Total value of agreements £000	Payments agreed Number	Total value of agreements £000
Voluntary redundancies including early retirement contractual costs	-	-	-	-
Mutually agreed resignations (MARS) contractual costs	-	-	-	-
Early retirements in the efficiency of the service contractual costs	-	-	-	-
Contractual payments in lieu of notice	-	-	-	-
Exit payments following employment tribunals or court orders	-	-	-	-
Non-contractual payments requiring HMT approval	-	-	-	-
Total	**-**	**-**	**-**	**-**
Of which:				
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	-	-	-	-

Executive team changes

Alison Diamond, chief executive

Alison Diamond retired as chief executive in March 2018 following a career spanning more than 30 years in the NHS. She was appointed as chief executive in May 2014.

Andy Ibbs, interim chief executive

Andy Ibbs, the Trust's director of operations and strategy since November 2016, was appointed as interim chief executive in April 2018.

Colin Dart, acting director of finance

Colin Dart was appointed as acting director of finance in August 2016. Following the recruitment of a substantive director of finance, he returned to his role as deputy director of finance in March 2018.

Angela Hibbard, director of finance

Angela Hibbard was appointed as director of finance in March 2018. Angela joined the NHS in 2003 as a management accountant for Torbay and South Devon NHS Foundation Trust and moved to the Royal Cornwall NHS Trust in 2008 as the lead on their medium-term financial planning and cost improvement planning. Following this she had roles with the South West specialised commissioning team and as head of finance for NHS England. She joins the Trust from a role as deputy chief finance officer at NHS Northern, Eastern and Western Devon Clinical Commissioning Group.

Jill Canning, interim director of operations

Jill Canning was appointed interim director of operations in April 2018. Having initially commenced studies as a student nurse in 1981, Jill rejoined the NHS in 1991 as medical audit officer for public health at Coventry Health Authority. Since that time, she has undertaken her MBA and worked at a number of trusts in England in different roles, including as clinical audit manager at Northern Devon Healthcare NHS Trust from 1997-2000. She rejoined the Trust in 2015, initially as a general manager for clinical support services, then subsequently as divisional director for operations (medicine) and most recently as associate director of operations (projects).

Katherine Allen, interim director of strategy

Katherine Allen was appointed as interim director of strategy in April 2018. Katherine joined the NHS in 2004 as head of communications working in the NHS ambulance services, health commissioning and NHS acute and community providers. She joined the Trust in 2006 as head of communications and was appointed as deputy director of strategy in 2015, latterly becoming associate director of operations (strategy and development) in 2016.

Chris Bowman, interim medical director

Chris Bowman was appointed as interim medical director in April 2018. Chris previously worked as a GP in North Devon from 1987 – 2014 and joined the trust in 2014 as clinical director for community services before being appointed to the role of deputy medical director in 2016.

Jenny Nash, director of IM&T

Jenny stepped down from her role in mid-April 2018, planning to continue working for the Trust for a number of months to support the Smartcare programme and the pan-Devon corporate services programme, before planned retirement.

Geoff Smith, interim director of IM&T

Geoff Smith was appointed as interim director of IM&T in April 2018, having previously worked as the Trust's chief technology officer responsible for all areas of technology, strategy, digital innovation and cyber security. Geoff joined the Trust at the end of 2004 as an IT service lead. He has a background in the private sector working within IT/digital provider industries across the UK.

Board changes

Nick Lewis left the Trust in August 2017 having served as a non-executive board member since August 2011.

Tim Douglas-Riley was reappointed as a non-executive in in May 2017 for a further two years until May 2019.

Tony Neal was reappointed as a non-executive director in January 2018 for a further two years until January 2020.

Judy Jones was appointed as a non-executive director in September 2017 for a period of two years. Judy began her career as a trainee accountant in local government and after qualifying as a member of the Chartered Institute of Public Finance and Accountancy, she spent four years as a principal auditor at the National Audit Office. She has also held senior positions as a public sector risk management consultant and head of risk consultancy with global risk and insurance firms.

Patient experience

Patient experience is one of the three elements of high-quality care, alongside safety and clinical effectiveness, and organisations that are more patient-centred have better clinical outcomes. We are absolutely committed to collecting, analysing and learning from patient experience so we can ensure our patients have the best possible experience of our services.

Throughout 2017/18, the Trust's patient experience programme has continued to cover the majority of services provided by the Trust. This means that whether patients are in an inpatient care setting, clinic or in their own home, they have the opportunity to tell the Trust about their experience of the service they have received.

The Trust's director of nursing, quality and workforce has responsibility at board-level for patient experience. This includes the delivery of the Trust's patient experience strategy and annual programme, compliance with the Friends and Family Test and demonstrating that the Trust has used patient experience feedback to improve the experience of care. Patient experience also features in the Trust's quality strategy, placing it firmly at the heart of the Trust's continuous drive to improve the quality of services provided.

At the start of each board meeting, either a patient story is presented or a member of staff presents a piece of work which has been developed to improve the experience of patient care. Often patients attend the meeting themselves, giving them the opportunity to give direct feedback. Patient stories are obtained either through the complaints process, service transformation projects, letters from patients who have approached the Trust, or from staff who feel that one of their patients has had an experience which we can learn from and who ask patients if they would like to take part.

The comprehensive patient experience survey programme includes a team of volunteer patient experience surveyors. This team routinely visits the inpatient wards at North Devon District Hospital to collect patient feedback at the bedside. This is then fed back to ward staff within two hours. The volunteers visit each inpatient ward several times a month. In cases where the patient may be too ill to communicate with the volunteer, feedback is captured from relatives/carers where possible. The patient experience team provides a report to the acute/maternity ward and senior management within two to three hours of the feedback being collected by the volunteer, allowing teams to act on the feedback received quickly. Selected patient comments are routinely posted on Twitter and Facebook and are shared with staff in internal communications, subject to patient consent. With an increasing reach, social media now forms another feedback channel together with Care Opinion, NHS Choices, postal surveys, focus groups, face-to-face engagement, PALS/customer relations and, of course, the Friends and Family Test.

The Trust's patient experience data is routinely shared and welcomed by clinical and operational teams in the form of monthly or bi-monthly reports. In addition, it is shared with the patient safety and quality team in recognition of the importance of patient experience in assessing the quality of NHS services alongside effectiveness and safety.

The work of the Trust is always changing and patient experience data is sometimes requested to understand the impact on patients of various transformation programmes. There is a continued and growing focus across Devon and more widely on supporting people as much as possible in their own homes and so the experience of patients being cared for in their own homes is very important in building public confidence in this model of care. We know patients are happy with our community services, because they regularly receive 95-100% satisfaction scores across the whole northern Devon community.

During the year, the Trust's patient experience strategy was reviewed and updated, the culmination of a process which had included community-based focus groups and group sessions with staff.

The Trust routinely publishes the Friends and Family Test results and detailed feedback on its website: www.northdevonhealth.nhs.uk/patient-experience

The Friends and Family Test programme gathers feedback from the following services:

North Devon District Hospital

Acute inpatient wardsh
Emergency department
Maternity services
Outpatients
Day cases

Community

Community therapy
Community nursing
Community hospital inpatient wards
Community hospital outpatients
Community hospital day cases
Community children's nursing
Pathfinder urgent care
Pathfinder complex discharge
Rapid response service
Minor injury units
Walk-in centres

Specialist community services

Sexual health
Podiatry
Bladder and bowel
Dental

Working with our non-clinical support services partner, Sodexo, to improve patient experience

We recognise that having a good experience of our services is about more than just the care you receive from a therapy, nursing or medical professional.

We work closely with Sodexo, our non-clinical support services partner, to ensure we provide the best services we possibly can to patients, visitors and staff. This includes carefully analysing Trust patient experience surveys, Sodexo surveys and any complaints we receive, so that we can address issues and improve our service.

Sodexo provides a range of services to the Trust, including catering, housekeeping and cleaning, portering, courier and post room, linen, car parking, reception management, security, waste management and retail.

Our aim is for a seamless service across all services, making the experience of our hospital as easy as possible, so that our patients, staff and visitors can focus on patient care.

Parking and travel

It is free to park at a number of our sites, and there are spaces at all sites which allow free parking for blue badge holders.

In 2017/18, we invested in upgrading our car parking at NDDH, purchasing new equipment and providing additional spaces for the public and staff. and we continually try to improve our services.

We recognise that not everybody wants to drive to our hospitals and, following some feedback on social media, we purchased Sheffield bike stands for public use outside of the main entrance to the acute site. We also responded to the Stagecoach consultation on bus timetables and this resulted in some changes to the proposed timetables to fit in with our staff shift patterns and improve access to NDDH using public transport.

Food

We support healthy food in hospitals and work closely with Sodexo to ensure that staff, visitors and patients have healthy food options on our sites.

In line with Government policy we have continued to work with Sodexo to ban price promotions and advertising of sugary drinks and foods high in fat, sugar and salt. Food retail areas have been rearranged so that healthy snacks and drinks are more prominent and vending machines have limited confectionery available, instead provide a range of healthy alternatives.

Our vending machine in the main foyer of NDDH, which is stocked purely with healthy snacks, water and healthier drinks, has proved very popular, so we have extended the range into other areas over the past year.

National targets are that 70% of drinks stocked must be sugar free, 60% of confectionary and sweets must not exceed 250 calories and 60% of sandwiches and other pre-packed meals must contain 400 calories or less per serving. Many people rate our food range as excellent and we continue to try to improve our food services with Sodexo, whilst ensuring we provide people with the opportunity to eat healthily.

PLACE assessments

We undertake patient-led assessments of the care environment (PLACE) annually in line with national requirements. These assessments give a snapshot of how a hospital is performing against a range of non-clinical factors which impact on how patients experience care. The results are reported publicly to help drive improvements to the care environment.

We ask local people to join our inspection team and come into our hospitals to assess how the environment supports patients' privacy and dignity, food, cleanliness and general building maintenance.

In 2017, inspections were carried out at North Devon District Hospital, Bideford Hospital and South Molton Community Hospitals. We again improved on our previous scores and our overall performance is higher than the national average.

We work closely with Sodexo to review the patient feedback we receive as part of these assessments and where necessary, to make improvements. We have identified some areas for improvement following the recent assessments relating to our food scores, particularly around ensuring patients have protected mealtimes.

PLACE score

	Cleanliness		Food and hydration overall		Organisational food		Ward food		Privacy, dignity and wellbeing		Condition, appearance and maintenance		Dementia		Disability	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016
National Average	**98.38**	98.06	**89.68**	88.24	**88.80**	87.01	**90.19**	88.96	**83.68**	84.16	**94.02**	93.37	**76.71**	75.28	**82.56**	78.84
Trust Score	**99.63**	98.13	**94.06**	88.12	**87.49**	82.72	**97.11**	90.74	**85.89**	80.27	**97.87**	92.55	**93.59**	75.94	**93.91**	79.72

The patient experience strategy uses the following model:

Capture the experience using all available and appropriate tools to capture the experience of patients, carers and staff.

Understand the experience by identifying the 'touch-points' of a service and gaining knowledge on what people feel when experiencing our services and when they feel it.

Improve the experience by ensuring the feedback is heard and understood by the relevant clinical and managerial teams. Receiving, analysing and presenting feedback and then involving users and staff in developing the solution completes the 'you said, we did' governance cycle.

Share the improvements made. Below are just some examples of how we have used patient feedback to make real changes.

You said we did

	You said	We did
1	Privacy could be improved on the Petter Day Treatment Unit at North Devon District Hospital if the whole of the door window linking the waiting area to the ward area was frosted, rather than just half of it.	The whole of the door window was frosted so that no-one can see through into the ward area.
2	The wooden seating in the emergency department waiting area is too hard and uncomfortable.	As part of the refurbishment of the emergency department, the wooden seating is being replaced with wipeable cushioned seating which will be much more comfortable.
3	Sandwiches given to patients in the emergency department are not labelled, resulting in distress and waste.	Sandwiches given to patients in the emergency department are now labelled.
4	Some patients on Fortescue Ward were not aware of the availability of physiotherapy.	A daily exercise group at 11am was already in place, with volunteers assisting to ensure continuity. Laminated notices were produced for each bay and reception area to inform patients and relatives that this takes place and to increase understanding that this is part of physiotherapy. Although the exercise group does not take place at weekends, there is a weekend physiotherapy list, details of which are now included in the laminated notices.
5	More visitor car parking spaces are needed.	Thirty additional visitor car parking spaces have been created.
6	More nursing staff are required in the Surgical Assessment Unit at North Devon District Hospital.	The Surgical Assessment Unit has taken the Surgical Emergency Clinic nurse staffing 'in house', leading to increased flexibility in the usage of nursing staff numbers and, indeed, skill mix.
7	Food served on the inpatient wards at North Devon District Hospital is not always hot enough.	Plate covers were introduced for food service to help keep food hot.
8	Relatives were complaining that, although the team did full assessments on patients to place them in nursing and residential homes, they then had to wait in hospital for the home to come out and assess them. This meant that they were often left waiting in hospital for quite a few days, especially if it was over a weekend. (Pathfinder urgent care)	Trusted assessor paperwork was put in place to enable the home to accept our referrals without the need to come and assess patients themselves.
9	Bicycle storage facilities at North Devon District Hospital require improvement.	Sheffield bike stands were installed at the front entrance to improve cycle storage.
10	Side rooms 5 and 6 on Glossop Ward are in need of refurbishment.	Both side rooms have been refurbished, including new windows and showers.

Complaints and patient feedback

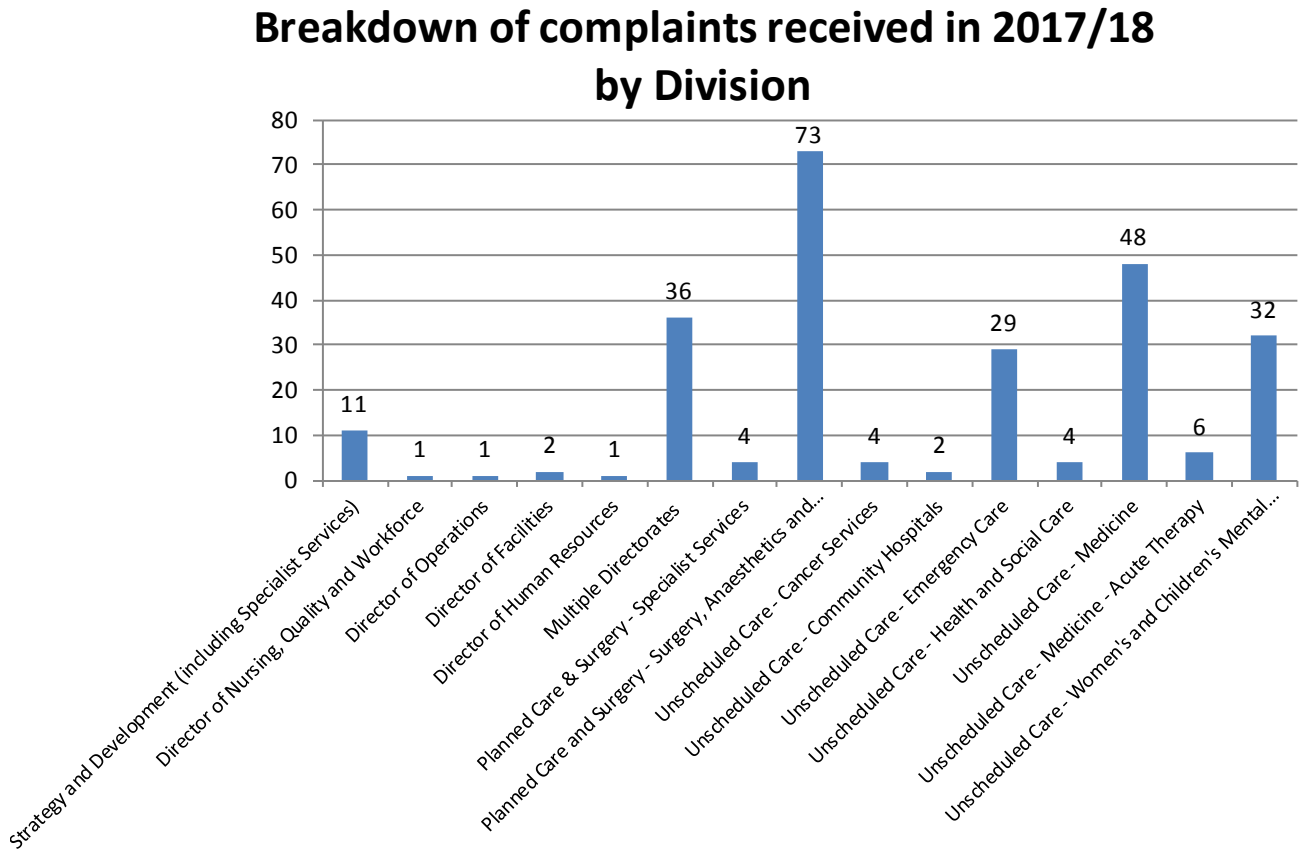
Complaints continue to be a vital source of feedback from our service users, carers and relatives and in line with Trust policy, a complaint becomes formal in accordance with the complainant's wishes. A complaint may originate from a concern (written or verbal) which was impossible to resolve through the Patient Advice and Liaison Service (PALS).

During the year period, 254 complaints were received, which is a decreased level of activity on 2016/2017 (264), due to the transfer of eastern community services to another provider during the previous financial year (2016/17). 4071 PALS enquiries were received, which is an increase of 883 on 2016/2017. The combined complaints and PALS activity is a positive reflection on how patients and service users feel able to provide feedback on their experiences, which the Trust welcomes and encourages. During the period, no complaints were received by the Care Quality Commission (CQC).

The top five complaint themes were clinical care and treatment (45%), access to clinical services (17%), attitude of staff (15%), communication (10%) and medical records (4%).

The division with the highest number of complaints for the financial year was planned care and surgery, anaesthetics and support services with 73 complaints. Unscheduled care for medicine received 48 complaints, unscheduled care, women and children's mental health interface received 32 complaints and unscheduled emergency care received 29 complaints. 36 multidivisional complaints were received, which are complaints that are related to more than one service area.

The graph below shows the breakdown of complaints received by division.



The two complaints received for community hospitals were received for Holsworthy and South Molton Hospitals.

All complaints are required to be acknowledged within three working days, in line with Trust policy and the statutory legislation. During the period, 98% of complaints were acknowledged within this timeframe, with only four cases being acknowledged outside the three day time period.

The customer relations managers continue to routinely telephone complainants on receipt of their complaint (where contact details are available) to discuss and agree a way forward, and a meeting with relevant senior staff/ clinicians involved in the patient's/complainant's care is offered at the outset. During this conversation, the issues for investigation and resolution are agreed with the complainant to ensure we adequately address the areas of concern.

Complaint response performance

During the period, 98% of complaints were responded to within the agreed timeframe or an agreed extension to the timeframe, which is an increase of 2% on the last reporting period (2016/2017). In order to monitor and prevent late responses to complainants, the Trust reviews the key performance indicators (KPIs) relating to the timeliness of investigations as part of the monthly performance review meetings with our service directorates and with our commissioners, NHS Northern, Eastern and Western Devon Clinical Commissioning Group (NHS NEW Devon CCG).

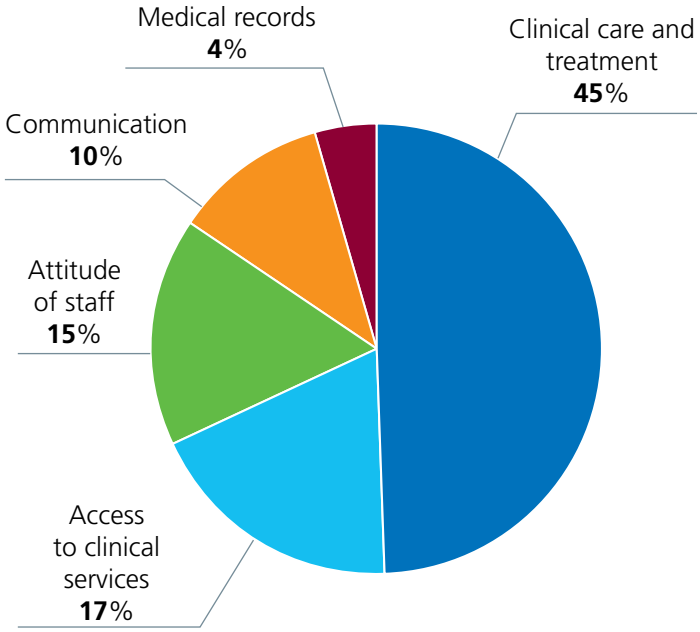
Closed complaints

During the period, 253 complaints were closed following investigation.

Breakdown of complaints by the top five subject matters

The chart below shows the top five subject matters for the complaints received during the financial year.

Top five subject themes for complaints received 1 April 2017 – 31 March 2018



The directorates mainly involved in the top five areas of care above were:

Clinical care and treatment – planned care and surgery, anaesthetics and support services (**32**)

Access to clinical services – planned care and surgery, anaesthetics and support services (**23**)

Attitude of staff – planned care and surgery, anaesthetics and support services (**11**)

Communication – planned care and surgery, anaesthetics and support services (**5**) and unscheduled care – medicine (**5**)

Medical records – unscheduled emergency care (**5**)

Parliamentary and Health Service Ombudsman complaints

Complaints referred by outcome	Apr	May	June	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	Total
Request received from Ombudsman	1	0	1	0	0	0	1	1	0	0	0	0	**4**
Issue not upheld with no further action	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Issue upheld and recommendations made	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Issue partially upheld	0	0	0	0	0	0	0	0	0	0	0	0	**0**

Summary of main themes of PALS issues/matters

The division with the highest amount of PALS feedback was the planned care and surgery, anaesthetics and support services service delivery unit (1884), followed by unscheduled care – medicine (1128), unscheduled care – acute therapy (201) and unscheduled care – emergency care (108). The overall number of PALS contacts was 4071.

The top five PALS themes were: access to clinical services (39%), communication (22%), information provision (21%), clinical care and treatment (5%), and attitude (3%).

The table below shows the number of PALS issues by subject matter/directorate for the year.

	2013/14	2014/15	2015/16	2016/17	2017/18
Access to services - clinical	629	1001	954	968	**1590**
Access to Services - physical	24	18	31	78	**97**
Admission arrangements	11	7	6	10	**8**
Attitude of staff	115	106	143	134	**110**
Benefits	11	5	3	0	**0**
Bereavement	9	7	2	2	**4**
Clinical care and treatment	213	246	204	205	**186**
Communication	218	260	569	600	**913**
Compliments	154	160	28	18	**57**
Confidentiality issues	6	14	3	12	**4**
Discharge arrangements	49	81	35	59	**50**
Equality and diversity	2	7	2	1	**0**
Quality of facilities	40	23	21	56	**49**
Hotel services	22	20	13	12	**8**
Information provision	1108	395	641	882	**861**
Medical records	32	45	61	68	**61**
Patient's property	17	31	16	34	**22**
Privacy and dignity	6	8	3	2	**1**
Security	8	8	2	1	**0**
Transport	103	62	50	48	**50**
Totals	**2777**	**2504**	**2787**	**3190**	**4071**

Our performance

The Trust's performance is monitored against key national standards, and the Trust board regularly reviews progress against a range of internal and external metrics.

It is really important to us that our patients have confidence in the quality of care we provide and we do everything we can to ensure we meet our targets. In 2017/18 this was a challenge, with our service managing a rise in acute inpatient demand and increased attendances to our emergency department. The hard work of our staff meant that we performed in line with the national trend and we were not an outlier for the majority of standards. However, we acknowledge that our performance has generally deteriorated since 2016/17.

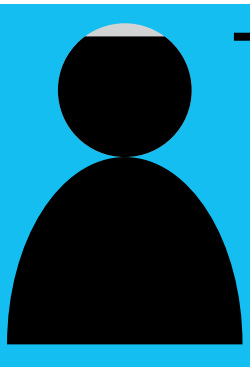
This winter was particularly difficult across the country and this is reflected in many of our performance figures, where they deteriorated as the year progressed. The clinical time we lost to extremely challenging weather conditions in March had a knock-on impact for the remainder of March and we expect to see this continue to impact our performance as we head into 2018/19. We are extremely grateful both to staff and to the public for their support throughout this particularly difficult period.

We experienced data quality issues following the implementation of our electronic health record (EHR) in April 2017 and the Trust could not have confidence in the performance figures relating to RTT. This resulted in the Trust suspending national reporting of RTT performance in July 2017. The figures starred (*) in the table below should therefore be treated as approximate.

As always, we are focused on providing the best possible care to our patients and we will be doing everything we can in 2018/19 to address the performance challenges we are facing.

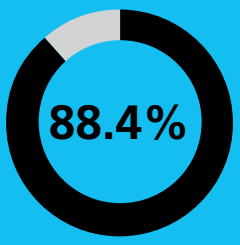
		Performance			Quarterly trend 2017-2018			
		Target	2016-17	**2017-18**	Q1	Q2	Q3	Q4
Infection control	C.difficile over three days – avoidable (NDDH)	0	0	**1**	0	1	0	0
	C.difficile over three days (NDDH)	7	6	**13**	5	6	2	0
Referral to treatment times	Percentage incomplete pathways less than 18 weeks	92.0%	92.4%	**83.1%**	89.5%	87.6%*	79.1%*	78.8%*
Waiting times	Percentage of ED, MIU and WIC attendances waiting less than 4 hours	95%	94.8%	**90.1%**	92.2%	92.6%	89.4%	85.1%
Cancer access initial treatments	Percentage treated within 62 days of urgent GP referral	85%	91.1%	**83.9%**	88.1%	84.2%	81.1%	83.9%
	Percentage treated within 62 days from urgent GP referral (including shared pathways)	85%	87.2%	**78.7%**	85.8%	79.4%	78.3%	73.2%
	Percentage of patients treated within 62 days from screening referral	90%	77.8%	**70.6%**	80%	75%	33%	80%
	Percentage treated within 62 days following consultant decision to upgrade priority	90%	99.3%	**90.6%**	92.3%	83.1%	97.1%	90.8%
	From diagnosis to first treatment within 31 days	96%	99.1%	**98.4%**	98.9%	98.1%	95.6%	96.6%
Cancer access subsequent treatments	Surgical treatments within 31 days	94%	97.4%	**97.3%**	100%	94.9%	93.2%	100%
	Drug treatments within 31 days	98%	99.6%	**98.8%**	100%	100%	98.3%	96.4%
Cancer access initial appointments	Urgent referrals seen within 2 week wait	93%	90.5%	**91.6%**	92.4%	89.8%	92.2%	91.5%
	Symptomatic breast patients seen within 2 week wait	93%	71.3%	**88.9%**	77.8%	94.3%	91.0%	90.6%

Trust's performance against the four-hour target



90.1%

Target = 95%
National average =



Percentage of patients we saw, admitted or treated within four hours

It has been an extremely busy year in our emergency department and urgent care services, with an increase in numbers coming through the doors. It is a real testament to our hard working teams across the Trust that, against this backdrop, we saw, admitted or treated and discharged 90.1% of patients within four hours in 2017/18. This fell shy of the national target of 95%, but outperformed the national average performance of 88.4%.

Meeting the four-hour target is not just the responsibility of our emergency department teams, but requires all of our teams across the Trust to ensure patient flow through the hospital is efficient and avoids delays. We also depend on the support of our health and social care community teams and our social care service, Devon Cares. These teams and the social care providers we work with play a fundamental role in supporting people's independence at home, preventing hospital admissions and getting people back home as quickly as possible, with the right support, after a hospital stay.

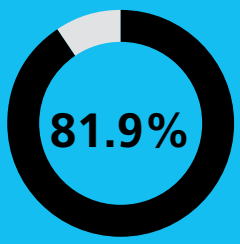
In 2017/18, we received a £1m investment from the department of health to refurbish our emergency department and to introduce a Primary Care Streaming service. This service will help us to use our resources in the best possible way to make things better for everybody, by allowing us to identify the most appropriate professional to see patients who attend the emergency department. Some patients will be streamed to return to their own GP, others may see a GP onsite and those requiring emergency care will be seen in the emergency department. As part of this, we are currently refurbishing the department to include two GP rooms and a separate waiting area for GP patients. The department is also getting a new entrance and single reception, with the whole area being modernised.

In April 2018, the walk-in centres we ran in Exeter on the RD&E hospital site and at Sidwell Street transferred to the RD&E. This was in line with new national rules which transferred the accountability for the performance of walk-in centres to the organisation providing the main emergency department for that catchment area. These walk-in centres established a reputation for providing an excellent standard of care under NDHT and performed well against the four hour target. This contributed to the Trust's overall four-hour performance and we therefore expect that the transfer will have an impact on our performance in this area as we go into 2018/19.

Cancer treatment standards

78.7%

Target = 85%
National performance =

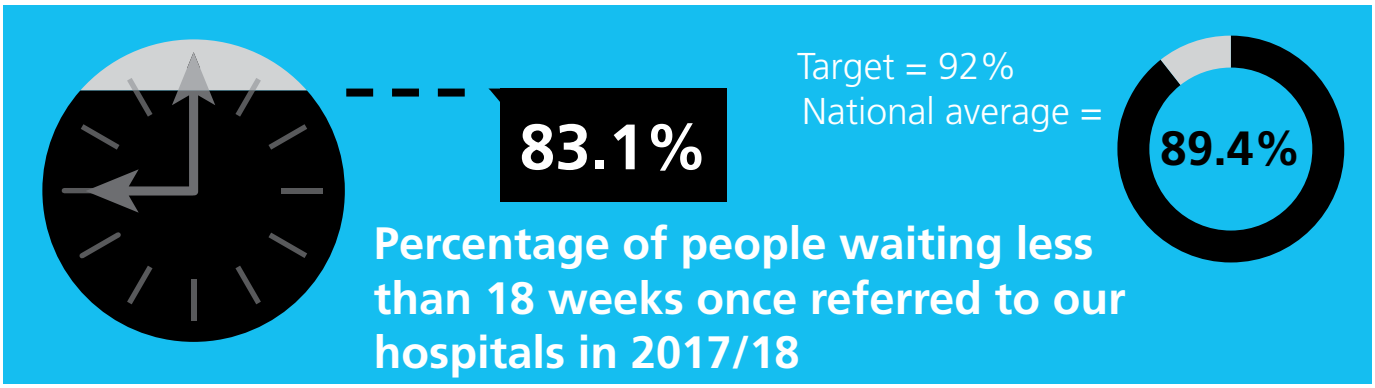


Percentage of patients treated within 62 days from urgent referral (including shared pathways)

Cancer care can be complex, and patients often need appointments with more than one provider and at times that are suitable for them. A number of our breaches in relation to cancer standards relate to patient choice and many are where the patient also needs appointments with other providers. We have also seen a huge increase in the number of patients requiring diagnostics as part of their pathway due to national developments in cancer care. We are currently looking at bringing in a second CT scanner to help meet this demand. Many of the patients we see breaching the 62-day standard are in specific areas where it is particularly challenging to meet this target, for example in urology and colorectal specialties, which have very complex patient pathways requiring lots of diagnostics and support from other providers. As a relatively small trust seeing smaller numbers of patients with cancer, we find that breaches relating to individual patients have a bigger overall impact on our performance than would be the case in a larger trust treating more patients.

Our performance shows that once a decision is made on surgical and drug treatment, we exceed the targets for administering the treatment. We have enhanced the service in our chemotherapy unit, the Seamoor Unit, to cover weekends and this supports patients to receive treatments in a timely fashion.

Referral to treatment target



At the end of 2016/17 we had to switch our resources to ensure emergency and cancer care were protected, and this had an impact in increasing the waiting times for people with less urgent needs. This was also the case over the busy winter period in 2017/18, when we had to cancel some routine elective surgery due to extreme pressure on our urgent services. This was supported by a national directive from NHS England in January, advising trusts to cancel routine operations to focus on urgent and cancer care. During the snow, patients were unavoidably unable to attend their appointments and this also impacted our waiting times as we rebooked them.

The launch of our electronic health record in April 2017 also wasn't without its challenges and we have had to do significant work throughout the year to validate our data and to review the information we hold about patients to ensure it is up to date and correct.

Clinicians undertake reviews of patients who have been waiting a long time to ensure they are not coming to clinical harm as a result, and we monitor any patients who have been waiting for more than forty weeks on a weekly basis. That being said, we know this doesn't represent the best care for our patients and we are doing everything we can to get our waiting lists down. As we go into 2018/19 we are focusing on reducing our numbers of long-waiters.

Due to the challenges with TrakCare, we agreed with our regulators, NHS Improvement, that we would suspend submitting data nationally in early 2017/18, and with their support we are now on track to start submitting data again as we go into 2018/19.

More information about our performance can be found on our website:
www.northdevonhealth.nhs.uk/about/performance

Sustainability statement

The Trust has a corporate duty to maintain safe and efficient services, but recognises that as a large user of resources it must also adopt practices that allow it to be environmentally sustainable in the services it provides. By delivering healthcare in an environmentally sustainable way, it ensures there is minimal impact on the local community and infrastructures. In addition, adopting an environmentally sustainable approach can ensure the efficient use of resources, thereby supporting the Trust's aim to reduce operational costs.

In the past to demonstrate this, we adopted the NHS software the Good Corporate Citizen guide (GCC). In recognition of the need to target all healthcare activity, the NHS has improved this software and have now issued the 'Sustainable Development Assessment Tool' (SDAT). Within SDAT, there are now ten domains identified that trusts should focus on, with each domain requiring a score for compliance. The benefit of using this approach is that the Trust can demonstrate improvement each year and the scores achieved can also be used as a performance indicator to benchmark the trust against other NHS organisations. This is a new program and the Trust is in the process of applying SDAT to its business activity. Listed below are the domains and the Trust's expected status at present:

1. Corporate approach

This requires the Trust to demonstrate a culture of environmental sustainability in all of its activities, with clear lines of responsibilities and support from all levels of management. This includes policies and reporting, and through the application of benchmarking, we can demonstrate a compliance level.

Our status:

The Trust is committed to reducing its environmental impact and has an executive lead that champions this approach. Throughout 2018/19, this approach will be more formalised and documented to ensure that we can demonstrate an improved compliance level to this domain.

2. Asset management and utilities

The Trust is required to demonstrate that all utility services, including water, are monitored and managed to avoid waste and that where possible the Trust invests in technology that allows local generation of heat, electricity and the efficient use of utilities. An assessment of the estate is required to ensure that all areas are used effectively and efficiently, and that building development is carried out with an environmentally sustainable approach, adopting not only improved controls and design, but also using sustainable and renewable materials.

Our status:

The Trust has declared in its 2018 Estates Strategy where it is in relation to the above domain. A partnership with a technology specialist Cynergin resulted in a £4,000,000 investment in energy projects. This investment was funded by SALIX, a government-backed organisation, with payback anticipated in less than 8 years. The Trust is looking at further development using SALIX funding to procure greater savings. Within the 2018 Estates Strategy, the estate has been assessed and future plans declared to support the Trust's anticipated future services. This will support the changing delivery of healthcare services.

3. Travel and logistics

The Trust is required to consider transport costs and the implications of service delivery based on travel and access. In addition, through logistics, it must consider the impact of need to do journeys both in the form of goods deliveries to its estate and the attendance of appointments/delivery of services to remote locations.

Clear policies and their adoption are two key requirements, as well as partnering with like organisations to share resources in promoting our services to service users and staff.

Our status:

The Trust has in place many initiatives for both the staff and public and is committed to reducing its environmental impact through transport and travel. Throughout 2018/19, this approach will be more formalised and documented to ensure that we can demonstrate an improved compliance level to this domain.

4. Adaptation

This is a domain that includes the Trust's emergency planning, building design protocols and service planning. It challenges the Trust to consider how the potential effects of climate change can affect our ability to deliver healthcare services.

There must be due consideration in all of the areas above, addressing potential influences such as floods, extreme hot/cold temperatures, storms etc. Such planning is key to ensuring that any impact of climate change can be managed with a minimal effect on healthcare service delivery.

Our status:

The Trust meets a great deal of this requirement through its processes for service and area development, through business case approval, then ultimately by the design and delivery of projects. The reference to emergency planning has been covered, but will be more formalised and documented in 2018/19 to ensure that we can demonstrate an improved compliance level to this domain.

5. Capital projects

This domain requires trusts to develop estates with buildings and facilities that are fit for purpose and functionally suitable. It also requires us to consider all stakeholders in the specification process when developing the estate either through new builds or refurbishment. We must ensure we are not only designing services in an environmentally sustainable way but that we are also ensuring local social values are maintained through the use of engagement with the public.

Our status:

The Trust meets a great deal of this domain already. Development of the estate is carried out with key stakeholders in place to ensure developments are fit for purpose. For example, the Trust was awarded the national standard of "Excellent" through the Building Research Establishment Environmental Assessment Methodology (BREEAM) for its Chemotherapy build. The key aim throughout 2018/19 will be to ensure this is more formalised and documented so we can demonstrate an improved compliance level to this domain.

6. Green space and biodiversity

This domain has a wider remit as it assesses the Trust's ability to manage the impact of the provision of all of its services on the local biodiversity and what mitigating actions we have put in place to reduce these impacts.

Our status:

The Trust ensures its new builds and developments are sensitively designed when using green spaces with a preferred option to use of brown field development. Consideration is given to the potential impact of our day to day services, and this is strictly controlled to ensure the Trust stays within guidelines and statutory requirements. One example of success has been the Trust's management of its waste streams, where it continues to be proactive in waste management. The key aim throughout 2018/19 will be to address all the remits within the Trust's business activity to ensure we can demonstrate an improved compliance level to this domain.

7. Sustainable care models

This domain relates to how the Trust and its services assist the local population to build healthy, sustainable lives and communities. It relates to what partnerships we have formed with local organisations, what potential there is to share assets and resources with local communities, and how we engage with service users about their experience of our services.

Health education is given to staff, the public, and visitors around the benefits of healthy lifestyles and this contributes to more environmentally sustainable models of care, particularly in relation to long term conditions, chronic disease or those who are vulnerable. Integrated care is a key factor in reducing duplication, unnecessary interactions and unnecessary tests, and when new models of integrated care are developed, consideration will be given as to whether they reduce environmental impact.

Our status:

Staff involvement will be key to implementing a more sustainable model of care where we can introduce:

- A reduction in waste from certain resources i.e. pharmaceutical waste
- The re-use of medicines, control and efficient stock management.

This will only be achievable through patient-clinician engagement during patient care and treatment.

Another key aim of the Trust is to deliver safe and effective care 'closer to home' and this has an indirect environmental impact by assisting in the reduction in vehicle-produced CO_2, as patients and the public have fewer and shorter journeys when treated in their own home or local outpatient facilities. This also assists in reducing the impact of vehicle congestion on the NDDH acute site.

A more formalised and documented approach in 2018/19 will allow the Trust to demonstrate an improved compliance level to this domain.

8. Our people

This domain looks at the Trust's most valuable asset, its staff, their involvement and the support we give them. It encourages focussed training, staff surveys, and education on sustainability at induction and as part of annual with healthy options, such as fitness, smoking cessation, food choices, carers and child care. It requires good communication that highlights the Trust's sustainable goals, and that encourages staff through to be sustainable in their approach within their own specialisms. It also looks for support from the Trust Board in promoting a more sustainable approach to the services we provide.

Our status:

The Trust has many support mechanisms and feedback routes available for staff, and monitors and treats staff welfare as a key area to ensuring an efficient and satisfied workforce. Improved communication and the cultural element will be two areas that will be tackled in 2018/19 to ensure the sustainable message is communicated to all. In the first instance the aim will be to ensure that staff apply sustainability within their specialisms. In 2018/19 we will produce an action plan to address the many issues of this domain, such as:

- Raising awareness of the sustainability agenda throughout the Trust
- Engaging managers and staff within the Trust
- A comments process to allow all users of our sites the ability to engage and suggest ways the Trust could improve its sustainable reputation
- Possibly adopting new processes by changing the way we work and deliver services

9. Sustainable use of resources

This domain looks at how the Trust directly and indirectly impacts on the use of resources and the production of carbon. For example, does the Trust have good sustainable purchasing, medicine management, food management, energy management and waste management? In some cases, this would involve partner organisations as they are essential to both supporting and validating our progress. This domain also asks how we treat items that are surplus to requirements, such as through reusing or disposal. It also identifies the need to purchase fresh local produce, saving road miles. It also requires us to understand our carbon footprint and to highlight the importance of sustainability amongst staff, so they take good practice home with them, thereby living a more environmentally friendly life.

Our status:

The Trust already tackles many activities where there is a clear link between carbon production and the service provided. Utility consumption, travel, food preparation, and waste management are all areas where the Trust has excelled in the past. This will be built on in 2018/19 to improve compliance.

10.Carbon / GHGs

This domain requires the Trust to have a target in place and a monitoring program for all its properties across all utilities, to ensure that they are managed and not wasted. It requires us to be aware of consumption and cost in all areas, thereby identifying potential waste. This will then allow investment and resources to be allocated to the most beneficial areas. From this approach there will be a reduction in costs and the CO2 produced. It is important that this CO2 footprint is communicated to all staff to allow them to apply sustainability to their areas.

Our status:

The Trust has recently invested £4.3 million in schemes to reduce (CO2), with more planned as new technologies become available. Past investment by the Trust will ensure it meets and betters the national NHS CO2 target placed on the NHS. To date, with the schemes completed, the Trust's energy usage is expected to decrease by at least 20% of its present annual usage. It is anticipated that this energy reduction will place the Trust in line with the best performers within the NHS. Proof of this will be by benchmarking with other NHS organisations of a similar size.

It is also recognised that the Trust has other activities that influence the amount of CO2 produced and these need to be challenged, such as procurement routes, clinical services, food preparation, waste disposal, private and business travel, isolation of power-using equipment when not in use, new builds/refurbishments and their design, procurement of services and materials and so on.

The Trust recognises that carbon reduction involves everybody and this will be a key driver in 2018/19 as we address this domain.

Emergency preparedness, resilience and response

The Civil Contingencies Act

The Civil Contingencies Act (2004) ensures that the United Kingdom is prepared to deal with major disruptive challenges and emergencies, however they might occur. Under the act, the Trust is classed as a category one responder and has the following key responsibilities:

- To assess the risks of an emergency occurring and use this information to inform contingency planning
- To put emergency plans in place
- To have business continuity arrangements in place
- To put in place arrangements to make information available to the public and maintain arrangements to warn, inform and advise the public in the event of an emergency
- To share information with other local responders to enhance coordination
- To cooperate with other local responders to enhance coordination and efficiency

The Trust's interim director of operations has the overall strategic responsibility for emergency preparedness, resilience and response across the Trust, and for providing assurance to the Trust Board that the organisation is meeting its statutory and legal requirements.

NHS Core Standards

NHS England's core standards for emergency preparedness, resilience and response are the minimum standards which NHS organisations and providers of NHS-funded care must meet to comply with the requirements of NHS England's planning framework, the NHS Contract and the Civil Contingencies Act 2004.

The Trust undertook a self-assessment against the named core standards in September 2017 and of the 66 applicable standards, the Trust identified as being:

- Fully compliant with 65 of the 66 standards (green)
- Partially compliant with one of the standards (amber)

Where the Trust was not fully compliant with a standard, work was undertaken to assess the gaps and identify what work would be required for the Trust to become fully compliant. In each of these cases, this work has been included as part of the Trust's ongoing work programme to support its emergency preparedness, resilience and response.

Incident response plan

The Trust's incident response plan sets out how it will respond to a major incident or an emergency which requires the involvement of one or more healthcare organisations. The Trust's plan fully complies with national guidance for emergency preparedness, resilience and response and is presently being reviewed and updated.

Fraud policies and procedures

The Trust has a clear strategy for tackling fraud, corruption and bribery. This is documented in the counter-fraud policy, which details responsibilities and how to report suspicions of fraud or bribery.

The Trust has support from an independent local counter fraud specialist (LCFS) to ensure risks are mitigated and systems are resilient to fraud and corruption. An annual anti-fraud work plan is approved by the audit committee.

The director of finance and the audit committee oversee the work of the LCFS. Reports on progress with delivery, together with details of referrals received and investigations are provided to the audit committee. The LCFS also highlights to committee any issues that have arisen so that appropriate action can be taken.

The risk-based programme of anti-fraud work was delivered in 2017/18, addressing all strategic areas of the national counter-fraud strategy. The LCFS has developed key relationships across the Trust and this, coupled with the work undertaken by the LCFS, has resulted in the development of an anti-fraud culture within the Trust.

Disclosure of personal data related incidents

In accordance with NHS Digital, supported by the Department of Health (DH), the Information Commissioner's Office (ICO), Care Quality Commission (CQC), NHS England and the Information Governance Alliance (IGA), the Trust is required to publicly report all information governance and cyber security serious incidents requiring investigation (SIRIs) which are assessed as meeting level two.

For the 2017/18 financial year, the Trust reported:

Zero information governance SIRIs.

Zero cyber security SIRIs.

Health and safety

Twice a year, the Trust board receives a report from the internal health and safety committee in order to highlight the key issues, decisions taken and risks discussed over the previous six months.

Members of the committee include union appointed safety representatives, management representatives and specialist advisors. The committee chair is the director of nursing, quality and workforce.

The Board oversees this work to ensure that health and safety matters are being appropriately identified and managed in accordance with Health and Safety Executive (HSE) legislation.

The Trust has duties under law including:

- Health and Safety at Work Act 1974
- Management of Health and Safety at Work Regulations 1999
- Regulatory Reform Fire Safety Order 2005
- Health and Social Care Act 2008 (Regulated Activities) Regulations 2014

Over the last financial year, we had the following focus:

1. Receiving and responding to staff incident reporting:

We encourage all staff to report any incidents or near misses that occur at work. We consider this an essential part of providing safe, effective and high quality services.

All health and safety related incidents are reviewed by the health and safety manager and other specialists e.g. back care advisor, fire and security advisor or infection prevention and control nurse, to ensure managers have taken appropriate actions.

Incidents categorised under health and safety are reviewed by the health and safety manager to ensure any incidents are identified for the purposes of statutory external reporting e.g. RIDDOR (see next section).

During the financial year (1 April 2017 to 31 March 2018), the following incidents relating to health and safety were reported and presented in the quarterly incident reports to the health and safety committee (see table 1 for the number and percentage per quarter of incidents).

Table 1

Incident category	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Patient accidents (including falls)	**196** (55%)	**188** (56%)	**206** (56%)	**241** (66%)
Staff accidents	**56** (16%)	**58** (17%)	**62** (17%)	**52** (14%)
Violence and aggression	**81** (23%)	**63** (19%)	**77** (21%)	**55** (15%)
Fire	**14** (4%)	**20** (6%)	**20** (5%)	**14** (4%)
Visitor / contractor accidents	**6** (2%)	**5** (1%)	**6** (2%)	**5** (1%)
Total	**353**	**334**	**371**	**367**

Patient accidents, including falls, are also reviewed by the head of physiotherapy and occupational therapy and are presented at the patient safety operational group to provide a Trust-wide approach to the management of patient accidents.

2. RIDDOR regulations:

Under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR), certain categories of incident are reported externally to the Health and Safety Executive (HSE). During 2017/18, a total of 31 incidents were reported to the HSE under RIDDOR.

An example of an incident that meets RIDDOR reportable criteria would be a patient who suffers a fall and sustains a significant injury such as a hip fracture, where management, procedural and/or equipment failings are identified as contributory factors.

Under the memorandum of understanding that exists between the HSE and the Care Quality Commission (CQC), information contained within RIDDOR reports submitted to the HSE for patient accidents that meet the RIDDOR reporting criteria can be shared with the CQC (by the HSE). The CQC may then choose to lead on any subsequent externally-led investigation that may be deemed appropriate by either organisation.

- Quarter 1 2017/18, 7 incidents were reported under RIDDOR
- Quarter 2 2017/18, 6 incidents were reported under RIDDOR
- Quarter 3 2017/18, 13 incidents were reported under RIDDOR
- Quarter 4 2017/18, 5 incidents were reported under RIDDOR

The incidents reported to the HSE fell under the RIDDOR categories indicated in table 2. It can be noted that 7 RIDDORs submitted were following patient accidents.

Table 2

RIDDOR categories - reports submitted to HSE, 2016-17	Report of an injury	Report of a dangerous occurrence	Report of a case of disease	Total
Bone fracture excluding finger, thumb or toe	4	0	0	4
Loss of consciousness due to head injury or asphyxia	1	0	0	1
Off work for more than 7 days	11	0	0	11
Light duties for more than 7 days	4	0	0	4
Member of public taken directly to hospital	1	0	0	1
Occupational disease	0	0	2	2
Dangerous occurrence	0	1	0	1
Patient suffering specified injury	7	0	0	7
Total	28	1	2	31

More information on the Trust's approach to health and safety can be found in the bi-annual reports to the Northern Devon Healthcare NHS Trust Board on the Trust website, www.northdevonhealth.nhs.uk.

Remuneration report

Introduction

Section 243B and Schedule)7A of the Companies Act, as interpreted for the public sector, requires NHS bodies to prepare a remuneration report containing information about directors' remuneration. In the NHS, the report will be in respect of the senior managers of the NHS body. The definition of a senior manager is:

"Those persons in senior positions having authority or responsibility for direction or controlling the major activities of the NHS body. This means those who influence the decisions of the entity as a whole rather than the decisions of individual directorates or departments."

For the purposes of this report, this covers the Trust's non-executive directors, associate non-non executive directors, executive directors and associate directors.

Signed ..... Date: 22 May 2018

Chief executive

A) Remuneration

2017-18

Name and title	(a) Salary (bands of £5,000)	(b) Expense payments (taxable) total to nearest £100	(c) Performance pay and bonuses (bands of £5,000)	(d) Long term performance pay and bonuses (bands of £5,000)	(e) All pension-related benefits (bands of £2,500)	(f) TOTAL (a to e)
A Diamond – chief executive (1)	170-175	1400			5-7.5	175-180
C Dart - acting director of finance (2)	90-95	800			50-52.5	155-160
A Hibbard – director of finance (3)						
G Thomson – medical director	225-230	1300			62.5-65	290-295
N Ryley – director of nursing (4)	5-10	400				5-10
I Roy – director of facilities	90-95	1800			15-17.5	105-110
D Allcorn – director of nursing, quality and workforce (5)	120-125	0			132.5-135	250-255
A Ibbs – director of operations and strategy	120-125	1800			177.5-180	300-305
J Nash – director of IM&T (6)	70-75	1000			17.5-20	85-90
R French – chair	15-20	2,600				20-25
T Douglas-Riley – non-executive director	5-10	2,000				5-10
P Geen – non-executive director	5-10	1,000				5-10
N Lewis – non-executive director (7)	0-5	1,000				5-10
R Down – non-executive director	5-10	400				5-10
T Neal – non-executive director	5-10	1,000				5-10
J Jones – non-executive director (8)	0-5	500				5-10

(1) The chief executive left on 31st March 2018
(2) The acting director of finance stepped down on 6th March 2018
(3) The director of finance commenced on a part time basis on 19th March 2018 on secondment and will be reported accordingly next year
(4) The director of nursing left 18 April 2017 and no pension data is available for the year
(5) The director of nursing, qaulity and workforce transferred to the current role in April 2017
(6) The director of IM&T started attending the Board meetings from 6th June 2017
(7) The non-executive director left on 31st August 2017
(8) The non-executive director was appointed on 6th September 2017

B) Pension Benefits

	2017-18								2016-17							
Name and title	Real increase in pension at age 60	Real increase in pension lump sum at age 60	Total accrued pension at age 60 at 31 March 2018	Lump sum at age 60 related to accrued pension at 31 March 2018	Cash Equivalent Transfer Value at 31 March 2018	Cash Equivalent Transfer Value at 31 March 2017	Real Increase in Cash Equivalent Transfer Value	Employers Contribution to Stakeholder Pension	Real increase in pension at age 60	Real increase in pension lump sum at age 60	Total accrued pension at age 60 at 31 March 2016	Lump sum at age 60 related to accrued pension at 31 March 2016	Cash Equivalent Transfer Value at 31 March 2016	Cash Equivalent Transfer Value at 31 March 2015	Real Increase in Cash Equivalent Transfer Value	Employers Contribution to Stakeholder Pension
	(bands of £2500) £000	(bands of £2500) £000	(bands of £5000) £000	(bands of £5000) £000	£000	£000	£000	To nearest £100	(bands of £2500) £000	(bands of £2500) £000	(bands of £5000) £000	(bands of £5000) £000	£000	£000	£000	To nearest £100
A Diamond – chief executive	0-2.5	2.5-5	30-35	95-100	0	637	0	0	0-2.5	5-7.5	30-35	90-95	637	556	57	0
C Dart – acting director of finance	2.5-5	2.5-5	20-25	45-50	339	278	45	0	0-2.5	2.5-5	15-20	45-50	278	244	26	0
A Hibbard – director of finance																
Dr G Thomson – medical director	2.5-5	0-2.5	75-80	200-205	1,415	1,273	101	0	2.5-5	0-2.5	70-75	195-200	1,273	1,191	53	0
N Ryley – director of nursing							0	0	5-7.5	20-22.5	45-50	145-150	1,060	879	166	
I Roy – director of facilities	0-2.5	2.5-5	40-45	125-130	937	855	57	0	0-2.5	5-7.5	40-45	120-125	855	792	47	0
D Allcorn – director of nursing, quality and workforce	5-7.5	12.5-15	35-40	85-90	514	391	104	0	0-2.5	0-2.5	25-30	70-75	391	359	18	0
A Ibbs – director of operations and strategy	7.5-10	17.5-20	40-45	110-115	780	590	168	0	0-2.5	0-2.5	30-35	90-95	590	548	27	0
J Nash – director of IM&T	0-2.5	0-2.5	5-10	10-15	182	154	15	0								0

Notes:

(1) As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members.

(2) A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2004-05 the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

(3) Real Increase in CETV – This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

(4) The Trust pension values are recorded using Consumer Price Index (CPI) rather than Retail Price Index (RPI) in previous years.

(5) For directors employed during the year prior year figures not available.

(6) The chief executive took retirement at the end of the year and therefore no CETV is available.

(7) The director of nursing left on 18 April 2017 and no pension data is available for the year.

C) Fair 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 Northern Devon Healthcare Trust in the financial year 2017-18 was £170,000 – £175,000 (2016-17 was £170,000 – £175,0000) This was 6.49 (2016-17 6.51) times the median remuneration of the workforce which was £26,565 (2016-17, £26,302).

Total remuneration includes salary, non-consoldiated performance related pay, benefits in kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer values of pensions.

In 2017/18 0 (2016-17 0) employees received remuneration in excess of the highest paid director. Remuneration ranged from £15,000 – £175,000 (2016-17 £15,000 – £175,000).

D) Non-executive directors

The dates of contracts and unexpired terms of office for the non-executive directors (NEDs) are as follows:

Name	Appointment start date	Appointment end date
Roger French (chair)	01.02.11	31.01.19
Nick Lewis^ (NED)	01.08.11	31.08.17
Pauline Geen* (NED)	03.03.11	02.03.19
Tim Douglas-Riley (NED)	28.05.13	27.05.19
Robert Down (NED)	09.02.15	08.02.19
Tony Neal (NED)	05.01.16	04.01.20
Judy Jones (NED)	06.09.17	05.09.19

^ Audit committee chair
* Audit committee member

Non-executive directors are paid an allowance for their work on the board and do not hold a contract of employment with the Trust. There is no period of notice required for non-executive directors and their appointment is organised by NHS Improvement.

E) Executive directors

Name	Position	Contract Type	Start date	Employment status
Alison Diamond	Chief executive	Permanent	01.05.14	
Colin Dart	Acting director of finance	Permanent	01.09.16	
Angela Hibbard	Director of finance	Permanent	19.03.18	
George Thomson	Medical director	Permanent	03.11.14	
Nicola Ryley	Director of nursing	Interim	19.10.15	Fixed term to 18.04.17
Iain Roy	Director of facilities	Permanent	19.04.99	
Darryn Allcorn	Director for workforce and development	Permanent	11.02.15	
Andy Ibbs	Director of operation and strategy	Permanent	01.10.12	

Annual governance statement 2017/18

1. Scope of responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the 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 NHS Trust is administered prudently and economically and that resources are applied effectively. I also acknowledge my responsibilities are 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 Northern Devon Healthcare 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 Northern Devon Healthcare NHS Trust for the year ended 31 March 2018 and up to the date of approval of the annual report and accounts.

3. Capacity to handle risk

The Risk Management Committee reports to the Audit and Assurance Committee which is a sub-committee of the Board. Membership includes both Non-Executive and Executive Directors. The minutes of the Audit and Assurance Committee are reported at Trust Board meetings.

Risks can be added to the risk register by any member of staff, after agreement within teams. All risks entered onto the risk register are monitored and viewed by the Risk Management Committee. Control measures are implemented for each risk and actions taken to mitigate the risk or lower the score to a point where it is tolerated. The Risk Management Strategy and Policy is widely consulted on and once approved by the Risk Management Committee, published on the Trust website for all staff.

Risk management sits within the portfolio of the Director for nursing, quality and workforce who provides management support to the process which is delivered operationally by a central team, with oversight provided by two nonexecutive directors through the Risk management committee.

All staff receive training in risk management appropriate to their role, this commences at induction and delivered frequently through various programmes of training, these are provided through a mixture of face to face sessions and e-learning. Bespoke training is also available to individuals and teams through the central team and specific training is provided to managers through the leadership development programmes.

4. The risk and control framework

4.1. The Governance Framework of the Organisation

4.1.1 Responsibilities of directors and subcommittees

The responsibilities of directors and sub-committees is clearly defined in the structure of the Trust Board and the terms of reference of all sub-committees.

4.1.2 Reporting lines and accountabilities between the board, its subcommittees and the executive team

Reporting lines and accountabilities are part of the compliance reports of all sub-committees submitted to Trust Board annually.

Trust board

The Trust Board has overall responsibility for the strategy, activity and integrity of the Trust. During 2017/18, the Trust Secretary role was part of the portfolio of the Director of Nursing Quality and Workforce until August 2017 when this transferred to the Director of IM&T. Both directors provided senior leadership in corporate governance.

The Trust Board met on seven occasions during the financial year of 201718 on the following dates:

- 4 April 2017
- 6 June 2017
- 1 August 2017
- 3 October 2017
- 5 December 2017
- 6 February 2018

Figure 1 – Attendance at Trust Board

Name	Role	Attendance
Non-executive directors		
Roger French	Chair	6/6
Tim Douglas-Riley	Non-executive director	6/6
Robert Down	Non-executive director	5/6
Pauline Geen	Non-executive director	6/6
Judy Jones[2]	Non-executive director	3/3
Nick Lewis[1]	Non-executive director	2/3
Tony Neal	Non-executive director	6/6
Executive directors		
Alison Diamond	Chief executive	6/6
Darryn Allcorn	Director of nursing, quality and workforce (from April 2017)	5/5
Colin Dart	Acting director of finance (from March 2018)	5/6
Andy Ibbs	Director of operations and strategy	4/6
Nicola Ryley[3]	Interim director of nursing (until April 2017)	1/1
George Thomson	Medical director	5/6
In attendance		
Darryn Allcorn	Director of workforce and development	1/1
Jenny Nash	Director of IM&T (from June 2017)	4/5
Iain Roy	Director of facilities	5/6

1. Nick Lewis left the Trust in August 2017
2. Judy Jones joined the Trust in September 2017
3. Nicola Ryley left the Trust on 18 April 2017

The board conducts its business in accordance with the Standing Orders and Standing Financial Instructions. The papers of the Trust board are published on the Trust website.

Membership of the Board consists of the Chairman, five Non-Executive Directors and five Executive Directors (including the Chief Executive. The Director of Facilities and the Director of IM&T also attend Trust Board meetings.

Board briefings

The Trust Board meets in between Board meetings for Board Briefings where issues are discussed in detail prior to being presented at Trust Board.

Eight Board Briefings have been held through the financial year 2017/18 where items have been discussed, updated and challenged. These are the large operational and financial issues that affect the daily function of the Trust, including:

- CQC Fundamental Standards
- Changes to the Regulatory Approach – CQC
- Trust Annual Report 2016-17
- Delivery of Performance Targets and Constitutional Standards
- Reduction of Elective Demand
- Length of Stay in Acute and Community
- Devon Footprint Financial Sustainability
- IM&T Strategy
- Plan on a Page
- Annual Work Programme and Board Assurance
- Sustainability and Transformation Programme Updates
- Promoting Independence with Devon County Council
- TrakCare – Electronic Healthcare Record
- Getting it Right First Time
- Model Hospital
- Safer Staffing
- Maternity Services Updates
- Perception Audit Research Project Outcome
- Review of Vision, Values and Strategic Objectives
- HSJ Nomination Presentation
- CIP Programme
- Apprentice Levy
- Flexible Workforce Programmes
- RTT Reporting
- Service Tenders
- General Data Protection Regulations – Data Protection Act 2018
- Corporate Services Review
- One Northern Devon
- Devon Cares
- NHS Workforce Race Equality Standards
- Well Led Framework and Self-Assessment

Board strategy and development days

Four Board Development Days have been held during the year. These days are used to assess the performance of the Board as well as its own effectiveness.

Sub-committees of the Trust board

The Trust Board is supported by sub-committees whose membership includes Non-Executive Directors. For some sub-committees the membership only includes Non-Executive Directors and Executive Directors are in attendance (these are marked '*' below). Others have members of staff who act as specialist advisors (marked '#' below). The Sub-Committees are:

- Audit and assurance committee *
- Quality assurance committee # (NB this changed to the Quality Outcomes and Assurance Committee in March 2018)
- Finance committee
- Workforce and organisational development committee #
- Charitable funds committee #
- Remuneration and terms of service committee *

Non-Executive Directors also sit on the Risk Management Committee which reports to both the Audit and Assurance and Quality Assurance Committees.

The Board has overall responsibility for the effectiveness of the governance framework and requires that each of its sub-committees has:

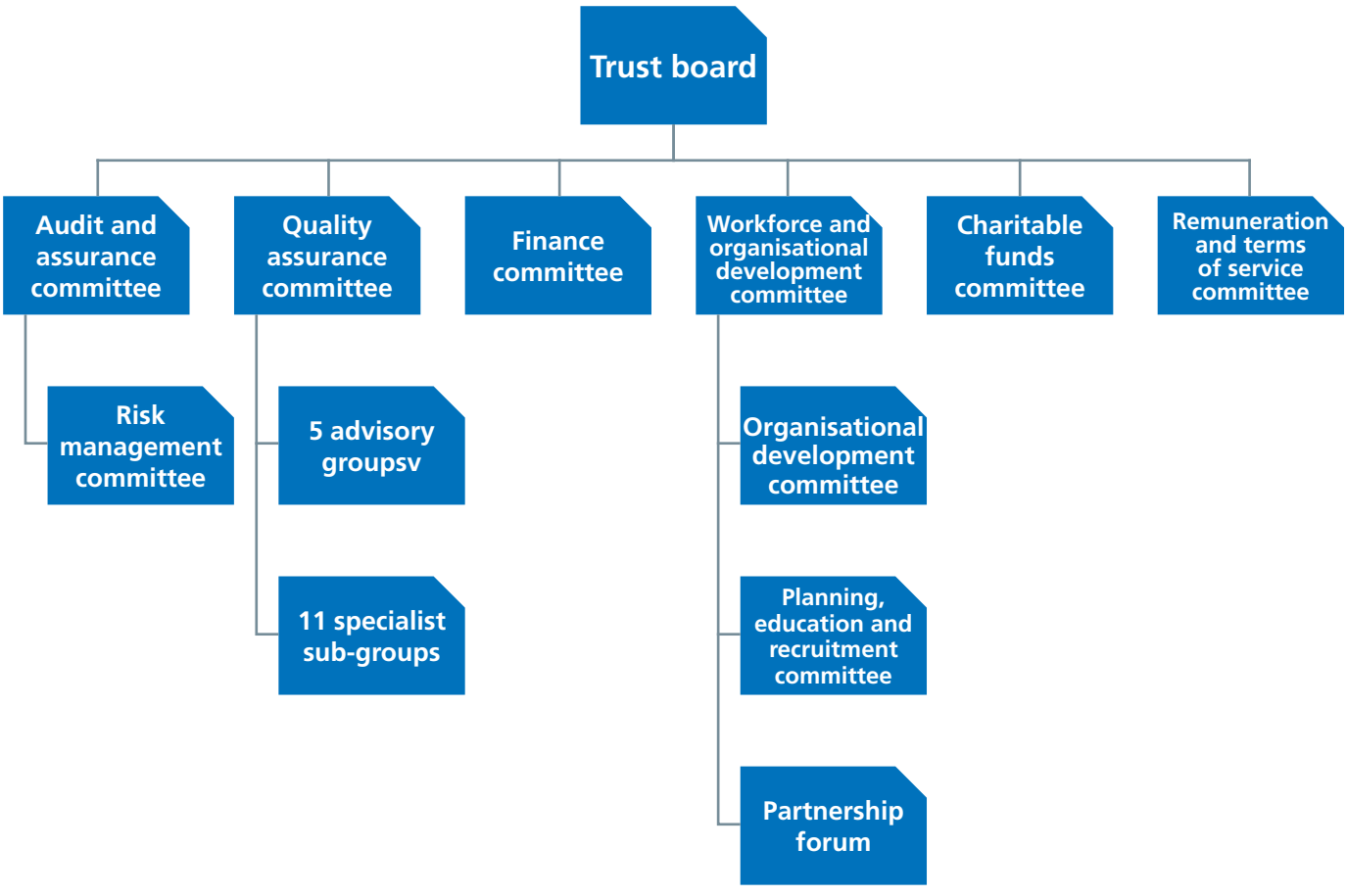
- agreed terms of reference which describe their duties, responsibilities and accountabilities together with the process for assessing and monitoring effectiveness.
- at least one Non-Executive member.
- Non-Executive Director as Chair. The Chairs of the sub-committees routinely present written and verbal reports to the Board highlighting key issues and decisions at their meetings.
- A formal compliance report for each sub-committee is reported to Board annually, outlining the activity undertaken during the year against the individual committee's terms of reference.

Audit and assurance committee

The Audit Committee has provided the Board with assurance on the key aspects of their work, including:

- An effective system of internal control and risk management

Figure 2 – Trust Board sub-committee structure



- An effective internal audit function that meets NHS Internal Audit Standards
- Reviewing the findings of the External Auditor and other significant assurance functions
- Reviewing and reporting on the Annual Report and Financial Statements

Quality assurance committee

The Quality Assurance Committee provides leadership and assurance that clinical governance systems and processes are in place and effective in providing safe, high quality care. The Committee's main functions include:

- Clinical governance management
- Clinical governance compliance
- Risk management
- Quality governance assurance

Finance committee

The Finance Committee maintains robust financial management by monitoring financial performance and making recommendations to the Executive Team or to the Trust Board as appropriate. The Committee's main functions include:

- Receiving and approving financial strategy and policy documents
- Monitoring the financial management of income and expenditure
- Approving and monitoring the financial management of the balance sheet
- Approving and assessing the commercial management issues

Workforce and organisational development committee

The Workforce & Organisational Development Committee provides advice and assurance to the Trust Board on all matters relating to the workforce, including workforce strategy and planning and pay and rewards. It also has responsibility for organisational development, including health and well-being and equality and diversity. The Committee's main functions include:

- Approving the Workforce and Organisational Development Strategies and action plans
- Approving pay and reward strategies
- Approving a strategic workforce plan
- Providing assurance on the delivery of the workforce strategic and corporate objectives and performance against key performance indicators

Receiving assurance on the management and mitigation of workforce risks.

Charitable funds committee

The Charitable Funds Committee manages and monitors all aspects concerned with the charitable funds within Northern Devon Healthcare NHS Trust. The Committee's main functions include:

- Approving charitable funds policies and procedures
- Considering and monitoring the risk profile of charitable fund investments
- Receiving spending plans for each charitable fund and approving them on behalf of the Trust Board
- Supporting and monitoring fundraising on behalf of the Trust's charities

Remuneration and terms of service committee

The Remuneration and Terms of Service Committee determines the remuneration and conditions of service of the Chief Executive, Executive Directors, other Directors who report to the Chief Executive and staff not on National Terms and Conditions of Service, ensuring that it complies with current statutory and NHS requirements. The Committee's main functions include:

- Determination of Performance Awards
- Determination of Contractual Arrangements

4.1.3 Quality Governance Arrangements

Quality within the Trust is managed through governance arrangements which include the Quality Improvement Board (Terms of ref to pick up reasons) which reports into the Quality Outcomes and Assurance Committee (Terms of Ref) which is a sub-committee of the Trust Board providing a two stage platform for discussion and escalation of quality assurance issues.

Quality performance is assessed through a series of dashboards, monitored through the Quality Improvement Board to ensure senior management are sighted on quality data.

4.1.4 Board oversight of the trust's performance

An integrated performance report is presented at each Trust Board meeting and a weekly report is discussed at the Triumvirate operational management meeting. Any variation in performance is challenged and discussed.

4.1.5 Referral to treatment target

In April 2017 the Trust began the implementation of its new Electronic Health Record (EHR), commencing with the installation of a patient administration system.

This wasn't without its challenges and we experienced some issues with data quality within this system, which meant that the Trust did not have confidence in some of the reports that were generated, most notably that which identified how well the Trust was performing against the national Referral to Treatment target (RTT). These data issues became apparent between May and June.

The Trust Board therefore took the decision to suspend the reporting nationally of its performance against this target. We invited NHS Improvement to provide regulator input, with assurance that the Trust had:

- Identified and quantified all data quality issues
- A clear process in place to assess whether or not there had been any instances of patient harm as a result of the data quality issues
- A clear action plan for the resolution of the issues
- A timetable to return to national reporting
- Training plans in place to prevent recurrence of the data quality issues

We initially intended to return to national reporting in January 2018. Unfortunately, due to the impact of winter pressures, we were unable to achieve this. At the time of writing, the Trust is on course to return to national reporting in June 2018.

There have been **no** instances of patient harm as a result of these data quality issues.

4.2. Risk

4.2.1 Principal risks

The Trust has 12 principal risks that are agreed by the board and monitored through the Risk Management Committee.

PR1 – Financial planning & management

PR2 – Strategic & business planning

PR3 – Workforce numbers

PR4 – Workforce skills

PR5 – Procedural management

PR6 – Equipment & facilities arrangements

PR7 – Clinical records management

PR8 – Leadership & management

PR9 – Unsafe behaviour

PR10 – External demands

PR11 – Partnership arrangements

PR12 – Communication

4.2.2 Risk anagement

The key elements of the risk management strategy is to have a risk management process by 2019 that:

- Produces SMART and strong action plans to mitigate risks;
- Uses best practice Types of risk control (Terminate, Transfer, Treat and Tolerate);
- Ensures that the corporate risk register is developed to reflect risks to the organisation and the achievement of the strategic objectives;
- Is accessible to staff to produce reports, update risks and action progress in real time;
- Has developed and defined a risk appetite for each strategic objective.

All risks entered are added to the Trust-wide risk register, this is an electronic process which is web-based. Once entered, the risk is evaluated to ensure that the risk score that has been allocated is correct and then aligned with the Strategic Objectives.

It is important to understand the Trusts risk appetite and measuring risk appetite has been discussed through Board development sessions in 2017. This has strengthened how the Trust measures and assesses its risk appetite to ensure robust and appropriate decision making when escalating, reducing or tolerating risk.

Each of the major risks are individually assessed by the Risk Management Committee and monitored.

Major organisational risks, such as the implementation of the electronic healthcare record, are measured through a specific project group and the risks are monitored and mitigated and reported upon.

Other major risks, such as staffing and recruitment, are measured and monitored through workforce and organisational development committees.

Significant clinical risks, usually identified to the Executive Directors' Group, are assessed and registered on the risk register and monitored through key specialty groups such as the Ophthalmology Task and Finish Group.

The Trust Board has self-assessed against the NHSI well-led framework in preparation for the CQC well led inspection in which it received a judgement score of "Good". The Trust Board has scheduled further self-assessments against the well-led framework for future improvement.

Risk management is embedded across the whole organisation and part of training and reporting.

Quality impact assessments are completed for each of the projects implemented as part of the CIP programme to ensure all aspects of impact are assessed on service provision.

Incident reporting is openly encouraged and any member of staff can report an incident or near miss which is evaluated and categorised and reviewed to identify any risk of harm to patients or staff.

4.2.3 Data security

Data security is managed through the IM&T division and Information Governance department. The Trust has a suite of Information Management policies published on the staff intranet (BOB). Cyber security is managed and reported to NHS centrally to provide required assurance and raise appropriate challenges. This is supported by the Trust's Risk and IM&T Steering committees for approval.

4.3. CQC

4.3.1 CQC registration

Assurance of compliance with the CQC registration requirements is through a Compliance Report to the Quality Assurance Committee bi-monthly.

Quarterly relationship meetings are held with the CQC inspection team.

Monthly management discussions take place between the relationship manager of the Trust and the CQC.

The Trust is fully compliant with the registration requirements of the Care Quality Commission

4.3.2 CQC inspection

In the recent CQC inspection the effectiveness of governance structures was identified as not robust and significant work has been undertaken and is being implemented. A more robust structure with testing and assurance has been added.

Following the CQC inspection conducted in October 2017 a robust action plan to improve quality built upon a foundation of robust governance has been introduced.

The Trust has responded to the improvements identified by the inspection through internal scrutiny overseen via an Integrated Delivery Meeting (IDM) where stakeholders have held the Trust to account.

Actions were undertaken throughout 2017/18 and the Trust is now auditing and assessing the impact of the actions taken.

There has been a complete review of clinical governance resulting in central team functions, devolving central teams to support operational governance, assured through weekly huddles, monthly Quality Improvement Boards and Assured through a Quality Outcomes and Assurance Committee.

Additional support of a quality Improvement project lead has been introduced to strengthen floor to Board clinical governance.

The Trust was issued with a Warning Notice from the CQC inspection that the internal controls for the management of the following services that did not reach CQC compliance standards:

- Maternity;
- Emergency Department;
- Outpatients; and
- End of Life Care

Overall the Trust remained in a position of 'requires improvement'.

The action plan has delivered significant improvements across all areas with those areas identified by the CQC already being strengthened and improved by the Trust prior to inspection.

The plan was submitted with the majority of actions complete in March 2018 and assurance is now being delivered through audit and observation to ensure the delivery of the required improvements in a sustainable way.

4.4. NHS Provider licence

A NHS Provider Licence is issued to a NHS Foundation Trust.

Whilst as a NHS Trust Northern Devon Healthcare NHS Trust is exempt from needing the provider licence, directions from the Secretary of State require NHS Improvement to ensure that NHS Trusts comply with conditions equivalent to the licence as it deems appropriate.

Because the Single Oversight Framework is based on the NHS provider licence, NHS Trusts are legally subject to the equivalent of certain provider licence conditions and must self-certify that they can meet the obligations set out in the provider licence.

Two declarations are required:

- G6 and CoS7 – Providers must certify that their Board has taken all precautions necessary to comply with the licence, NHS Acts and NHS Constitution as required by General Condition 6 (GC6) and Continuity of Service condition 7 (CoS7).
- FT4 – Providers must certify compliance with required governance standards and objectives.

NHS Improvement has provided templates for the self-certification that are replicated in the body of the report.

The Board can take assurance of compliance with the relevant conditions of the licence through the information it receives directly and through its sub-committees (in relation to compliance with regulatory requirements, fit and proper persons, and availability of resources for example).

The Annual Report and Annual Governance Statement also cover very similar ground to the conditions described in the provider licence, including the established systems and processes which are in place to identify and manage risks.

Additional assurance of effectiveness is gained through independent reviews by External and Internal Audit, and visits/inspections from regulators.

Additional controls and assurance includes:

- The Trust's risk management arrangements are reviewed by the external auditors and are reported in the Annual Audit Letter. The arrangements are also assessed by Internal Audit as part of the annual Head of Internal Audit Opinion based on the Chief Executive's Annual Governance Statement.
- The Board Assurance Framework (BAF) and quarterly reports provide assurance that the systems, policies and procedures in place are operating effectively and are focussed on the key principal risks which might prevent the Trust strategic objectives being achieved.

- Following its CQC inspection the Trust is implementing an action plan that is reviewed regularly through the Board and also through re-focussed monthly performance IDM's with NHSI and other stakeholders including CQC and NEW Devon CCG. This will see a complete revision of floor to board governance and assurance.

The Trust has self-certified that the required conditions for a NHS Trust have been met.

4.5. NHS Pension Scheme

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

4.6. Equality, diversity and human rights

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

All policies and procedural documents have an Equality Impact Assessment which must be completed to assess impact against the protected characteristics.

4.7. Carbon reduction delivery

The trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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

2017/18 has been a challenging operational environment resulting in an equally challenging economic environment across the NHS due to:

- ever increasing demand on health and social care,
- static working age population
- difficulties in recruiting sufficient substantive staff
- increasing demand and the complexity of patient conditions
- significant increase in the number of delayed transfers of care has resulted in a challenged economic environment across the NHS

The Trust has a history of excellent operational performance and sound financial management.

In the short-term, and as a consequence of the financial deficit in 2016/17, the Trust required short term financial support in the way of a working capital loan from the Department of Health.

To ensure on-going monitoring and scrutiny, operational and strategic plans are reviewed by the Board.

Budget setting each year involves detailed analysis by qualified accountants within the finance team using current year actuals as a baseline. The team then works with departments and managers to review their proposed budgets, making amendments based on their input as required.

Non-executive and Board challenge, including thorough consideration by the Finance Committee ensures that resources are planned on an economic, efficient and effective basis.

Overall performance is monitored via the Board meetings with delegated authority to operational sub-committees for Finance, Quality, Workforce and Audit and Assurance.

Operational management and the co-ordination of services are delivered by the business units which comprise Associate Directors of Operations, Associate Medical Directors and Divisional Nurses. Performance is reviewed weekly through the 'Executive Tri-U' meeting chaired by the Director of Operations and Strategy and supported by the Medical Director and Director of Nursing, Quality and Workforce.

The Trust's internal audit operational plan includes sections on financial assurance and managing resources effectively; the findings of all audits are reported to the Audit and Assurance Committee.

There is also scrutiny as to the economy, efficiency and effectiveness of the use of resources as part of the external audit plan.

During 2017/18 the Trust implemented phase one of TrakCare, its electronic patient record system as part of the SmartCare project. TrakCare provides for safer and better coordinated care through one united healthcare information system allowing a complete view of the patient's journey and is the first major step toward becoming paperless. Governance and Assurance is obtained via the SmartCare Project Board that includes Executive Directors within its membership.

The second phase due to go live in 2018/19 will allow the hospital to realise the real benefits of become a paperless hospital, with enhanced clinical functionality, electronic notes and electronic prescribing.

Single oversight framework

NHS Improvement's Single Oversight Framework provides the framework for overseeing providers and identifying potential support needs.

The framework looks at five themes:

- Quality of care
- Finance and use of resources
- Operational performance
- Strategic change
- Leadership and improvement capability (well-led)

Based on information from these themes, providers are segmented from 1 to 4, where '4' reflects providers receiving the most support, and '1' reflects providers with maximum autonomy.

Northern Devon Healthcare NHS Trust has been placed in segment 2. This segmentation information is the Trust's position as at 31 March 2018.

Current segmentation information for NHS trusts is published on the NHS Improvement website.

Finance and Use of Resources

The finance and use of resources theme is based on the scoring of five measures from '1' to '4', where '1' reflects the strongest performance. These scores are then weighted to give an overall score.

Given that finance and use of resources is only one of the five themes feeding into the Single Oversight Framework, the segmentation of the trust disclosed above might not be the same as the overall finance score here:

Area	Metric	2017/18 score
Financial sustainability	Capital service capacity	2
	Liquidity	2
Financial efficiency	I&E margin	1
Financial controls	Distance from financial plan	1
	Agency spend	2
Overall scoring		2

In October 2017 the Trust undertook the combined NHS Improvement and Care Quality Commission assessment of use of resources and received a in January 2018 was awarded a rating of "Good".

6. Information Governance

There were no serious incidents relating to information governance at Level 2 or which required reporting to the Information Commissioner's Office during 2017-18.

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 annual quality account is prepared using data and information from each of the relevant departments. The Quality Account content is presented to the Trust Board for approval and assurance that the content represents the organisation.

Data Quality is overseen by the Trust's Data Assurance Group in accordance with the Data Quality Policy, which defines data quality as the ability to supply accurate, reliable, timely, valid, relevant and complete data. These principles are applied to data used to assure the delivery of safe and high quality care. Internal Audit undertook a review of data quality relating to the Integrated Performance Report (IPR) in 2016/17 and their recommendations are being implemented to improve further the robustness of the Trust's data. Data included in the IPR is referenced to standard national contracts so that there is visibility of performance against waiting time standards and also key quality standards such as cancelled operations and VTE assessments.

Waiting time data has always been subject to validation so that Referral to Treatment data is accurate, with checks on clock starts, stops and treatment standardised across specialties. The level of this scrutiny has increased following the implementation of the TrakCare system in April 2017. This led in turn to an increase in data quality errors that was swiftly identified as affecting the accuracy of waiting time data and having the potential to cause patients unintended harm. An action plan has been in place since national reporting was suspended in July 2017, making steady progress towards the resumption of reporting in June 2018.

8. Review of effectiveness

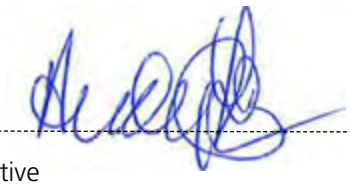
As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS 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 internal 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, quality committee and the remaining subcommittees of the board.

Plans to address weaknesses and ensure continuous improvement of the system is in place.

9. Conclusion

The following significant internal control issues have been identified in the body of the AGS above together with the actions and assurance to deliver recovery:

- CQC Core Service Inspection in October 2017;
- Suspension of in-year RTT reporting.



Signed .....

Chief Executive

Date: 22 May 2018

Head of internal audit opinion

on the effectiveness of the system of internal control at Northern Devon Healthcare NHS Trust for the year ended 31 March 2018

Roles and responsibilities

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

The Annual Governance Statement is an annual statement by the Accountable Officer, on behalf of the Board, setting out:

- how the individual responsibilities of the Accountable Officer are discharged with regard to maintaining a sound system of internal control that supports the achievement of policies, aims and objectives;
- the governance framework of the organisation including the board's committee structure, the structure and use of the Board Assurance Framework, as assessment of the board's effectiveness and its compliance with the Corporate Governance Code;
- how risk is assessed and managed including a description of the risk management and review processes;
- the conduct and results of the review of the effectiveness of the system of internal control including any disclosures of significant control deficiencies together with assurances that actions are or will be taken where appropriate to address issues arising.

The organisation's assurance framework should bring together all of the evidence required to support the annual governance statement requirements.

In accordance with Public Internal Audit Standards and the Core Principles for the Professional Practice of Internal Auditing, the Head of Internal Audit (HoIA) is required to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes (i.e. the organisation's system of internal control).

This is achieved through a risk-based plan of work, agreed with management and approved by the Audit and Assurance Committee, which should provide a reasonable level of assurance, subject to the inherent limitations described below.

The opinion does not imply that internal audit have reviewed all risks and assurances relating to the organisation. The opinion is substantially derived from the conduct of risk-based plans generated from a robust and organisation-led assurance framework. As such, it is one component that the board takes into account in making its annual governance statement.

The head of internal audit opinion

The purpose of my annual HoIA Opinion is to contribute to the assurances available to the Accountable Officer and the Board which underpin the Board's own assessment of the effectiveness of the organisation's system of internal control. This Opinion will, in turn, assist the Board in the completion of its Annual Governance Statement, and may also be taken into account by the Care Quality Commission in relation to compliance with Outcomes.

My opinion is set out as follows:

1. Basis for the opinion;
2. Commentary;
3. Overall opinion.

The **basis** for forming my opinion is as follows:

1. An assessment of the design and operation of the underpinning assurance framework and supporting processes;
2. An assessment of the range of individual opinions arising from risk-based audit assignments contained within internal audit risk-based plans that have been reported throughout the year. This assessment has taken account of the relative materiality of these areas and management's progress in respect of addressing control weaknesses;
3. Any reliance that is being placed upon third party assurances.

My **overall opinion** is that

Limited assurance can be given as weaknesses in the design, and inconsistent application of controls put the achievement of the organisation's objectives at risk in a number of areas reviewed.

Although our work on the key financial systems and a number of corporate systems have provided significant or satisfactory assurance ratings, in considering the Trust's overall governance, risk management, and financial management arrangements we have concluded that the current overall effectiveness of the Trust's governance, risk management and control arrangements required improvement. We recognise that the Trust is taking action to address these concerns during 2018.

The **commentary** below provides the context for my opinion and together with the opinion should be read in its entirety.

The Trust was rated as "Requires Improvement" in the October 2017 CQC inspection with concerns raised around "safe", "effective", "responsive" and "well-led". The CQC determined that governance arrangements were not well-embedded within the maternity unit and not aligned with the trust structure, not all risks associated with end of life care provision were identified or recorded, not all outpatient risks were captured on the risk register and risks were not always reviewed and updated. The governance system was found not to support the delivery of good quality care. Action plans have been submitted to the CQC detailing the actions it is to take to remedy the CQC's findings. This includes addressing CQC warning notices relating to how risks are managed at divisional levels throughout the Trust. The Trust has monthly meetings with the CQC, NEW Devon CCG, NHSE and NHSI where their response to the CQC action plan and all areas of Trust performance is considered.

The Trust's Use of Resources review in October 2017 awarded the Trust an overall "Good" rating in the following areas: clinical services; people; clinical support services; corporate services, procurement, estates and facilities; and finance.

In relation to this opinion, we also carefully considered the following:

- The significance of the 'Assurance Ratings' given in Internal Audit Reports.
- The Trust's action plans to address the findings of its October 2017 CQC inspection.
- The Trust's Cost Improvement Programme. For 2017/18, the Trust delivered £10.0m of the £12m CIP target, of which £8.0m was recurrent. The governance framework that had been established to deliver CIP savings for 2018 was not robust. This is to be improved during 2018.
- The capacity at board and senior management level to provide robust sustainable governance arrangements so the Trust can appropriately respond to strategic, operational and emerging governance needs. Key individuals have left the Trust. Interim roles have been and are being used to fill these roles and Executives have large portfolios of responsibility. The Trust experienced this in 2016/17 but the ability to sustain this was seen to be more challenging in 2017/18.
- The Trust's current risk management arrangements require improvement. The Trust has acknowledged this and is looking to strengthen the arrangements during 2018. We did not therefore undertake a detailed assessment of the Trust's risk management arrangements for 2017/18.

Internal Audit's work has been taken forward in three broad categories. The following summarises the opinions and assurances from the reviews undertaken in these areas. We have included those audits for which we have issued a draft report and are awaiting responses from Trust management, as our work has concluded. The gradings provided for these reviews will not change and, therefore, there will be no change to the Opinion on issuing these reports as final.

Assurance framework – corporate governance and risk management

In concluding on our opinion on the Trust's Assurance Framework – Corporate Governance and Risk Management arrangements, we have considered the following:

Board assurance report (BAR)

The overall objective of this review was to assess the operation of the BAR as a mechanism for providing assurance to the Board on the achievement of, and risk to, corporate and strategic objectives.

In order to provide assurance on the above, the review considered whether:

- The BAR links clearly to the Trust's Strategic Objectives, strategies and risk management systems.
- Any gaps in control are identified on the BAR.
- The Board receives appropriate and timely information regarding assurances provided in meeting Trust Objectives.
- The BAR links clearly to the Trust's Strategic Objectives, strategies and risk management systems.
- Any gaps in control are identified on the BAR.
- The Board receives appropriate and timely information regarding assurances provided in meeting Trust Objectives.

The BAR clearly links to the Trust's Strategic Objectives, strategies and provides timely and appropriate assurances to the Board that identified risks to the Corporate and Strategic Objectives are being appropriately managed. This is in line with DoH best practice.

The Annual Work Programme, introduced in the year, made the process of capturing the evidence of delivering the strategy more comprehensive. Key Risks to Delivery have been highlighted within the BAR and identify where there are gaps in assurance. There has been much discussion and progress against developing the Annual Work Programme at Board Briefings and the Board Development Day.

The BAR, including progress against the Annual Work Programme, has been presented regularly to Confidential Board meetings.

The Trust should consider whether any changes made to the risk management process following the CQC inspection may affect the operation of the BAR and whether any enhancements should be made.

Risk management arrangements

When taking into consideration the CQC's findings and our knowledge of the Trust's risk management arrangements, we consider the overall strategic risks to the Trust need to be reconsidered in the light of CQC's findings, the Executives capacity to deliver the Trust's objectives and the Devon STP acknowledgement of the issues the Trust faces in continuing to provide acute services. The CQC noted the following from their most recent visit, which included required improvements with how risks are managed.

- Maternity services had got worse since the previous CQC inspection and were rated as "Requires Improvement" overall.
- End of life care stayed the same following the previous CQC inspection and was rated "Requires Improvement" overall.
- Outpatients got worse since the previous CQC inspection and were rated "Inadequate" overall.

Conflicts of interest

The arrangements for the management of conflicts of interest were generally robust and well publicised.

The current Trust Standards of Business Conduct Policy complies with NHSE guidance, however, some additions to the policy could be made before the impending revised version is completed to enhance it further in clarifying the involvement of procurement officers and in describing the investigation of breaches process.

The recording of staff declarations of interest did not fully comply with NHSE guidance in that a list of decision-making staff was not currently identified or included in the annual declaration to the Trust Board and, therefore, not made available to the public.

CQC action plans (draft)

The Trust has established governance arrangements regarding its response to the CQC December 2017 Section 29A Warning Notice and February 2018 Inspection Report.

There is evidence of strong executive leadership and ownership of the overall process and a process of effective reporting to, and engagement with the CQC, and other key healthcare stakeholders. To ensure sustained quality improvement, the Trust has focussed on the quality of evidence to not only substantiate completion of the CQC action, but to also ensure delivery of required outcomes.

These arrangements could be enhanced through the positive reporting of progress with CQC actions and the scrutiny and sign-off of actions and through monitoring and the receipt of assurances demonstrating sustainable improvements.

Duty of candour (DoC)

In 2016/17 we concluded that overall, the Trust's Duty of Candour Policy was in line with national guidance, but documentation for DoC incidents was not maintained, as required in respect of initial contact, follow-up meetings and investigation reports. Additionally, due to inadequate key data prompted on Datix, the Trust was unable to accurately report on the compliance, monitoring and evaluation of DoC incidents.

Since our review, the Trust has informed us that:

- DoC compliance is now reported quarterly to the Quality Assurance Committee.
- The DoC questions on Datix have been amended to link to required compliance data.
- DoC audits have been added to the Clinical Audit programme.
- DoC training has been added as mandatory training to the Trust's training matrix.

Financial assurance

The table below details the work completed by internal audit on the Trust's financial control systems.

Audit	Assurance rating
High Level Financial Controls	Significant
Creditors	Significant
Debtors	Significant
Payroll	Satisfactory

We highlight the significant challenges the Finance Team faced during the year with regards to staff resources, which has impacted the service in the following ways:

- Stretched resources within the Payroll Team has contributed to the delay in rolling out e-expenses, the timely completion of payroll control account reconciliations and the prompt invoicing of overpayments.
- Due to the spread of work to cover the staff absences within the Financial Services Team, effective separation of duties between the key stages of the debtor invoicing process was not always maintained and the ability to manage credit control robustly in some cases was diminished.

Additionally, we acknowledged at the time of our review that the Trust had not met the 95% BPPC payment target for Non-NHS creditors in Months 1-7 due to challenges in cash flow. This necessitated the careful management of creditor payments on each pay-run. The impact on cash flow from the delayed receipt of Sustainability and Transformation Fund (STF) necessitated delayed payments to some creditors and the use of the DoH capital loan.

CIP

The findings from our review of the proposed CIP arrangements for 2018/19 indicated that there were not enough CIP plans to deliver the required £17.7m CIP target for 2018/19. The governance framework to deliver CIP savings was not well-defined. The intention to build the CIP at divisional level did not appear to be fully realised/ implemented. Steps have been taken to strengthen the arrangements. We suggested areas where these could be enhanced.

ISAE3402 Third Party Assurance report in respect of Payroll General Controls operated by NHS Shared Business Services in respect of the Electronic Staff Record (ESR)

Not received at the time of writing this final opinion.

Corporate assurance

The table below details the work completed by internal audit that has been considered in forming an opinion on the Trust's corporate systems.

Audit	Assurance rating
Senior Doctor Claims for Additional Work	Limited
Business Cases	Limited
Patient Transport	Limited
Clinical Governance (16/17)	Satisfactory
Procurement Operations (16/17)	Satisfactory
Domiciliary Care (16/17)	Satisfactory
Data Quality/ Board Reporting (16/17)	Satisfactory
IM&T Service Desk	Satisfactory
Safeguarding Children	Satisfactory
Medicines Management/ Reconciliation	Satisfactory
Use of Volunteers	Satisfactory
Security, Access and Storage of Records	Satisfactory

Senior doctor claims for additional work

We conducted a review of Trust-wide arrangements for senior doctor additional claims jointly with our Local Counter Fraud Specialist (LCFS), following a similar earlier in-depth review the LCFS completed within the Obs & Gynae Department. The Trust is looking to strengthen the arrangements for the making and approval of doctors' claims and asked for a review to assist them in this exercise. Overall we concluded that it would be difficult to verify that a senior doctor's contractual obligations have been fulfilled, as rotas are inconsistently designed/ utilised, are not aligned with job plans and do not record planned activity; job plans are not specific enough regarding activity allocated to "non-specified day", and additional activity is not monitored. We were unable to evidence that all sampled additional work had been completed and that pre-approval of this work was obtained or the rationale for requiring additional clinical activity.

The Trust has responded positively to this review and will tighten controls around job plans, "time-shifting" and rota management through a co-ordinated response from the Medical Director and Directors of Operations and Finance.

Business cases

Business cases reviewed were completed using the Trust's existing business case template and were presented at and considered for approval by various Trust committees, however the arrangements for business case management were not robust in that:

- The Trust does not have an investment policy / guidance detailing the types of investment the Trust will support and how to bid for such investment, how investment requests should be managed or the approval process for business cases.
- The Trust's Standing Orders, Standing Financial Instructions, corresponding Scheme of Delegation (last updated 2014) and Reservation of Powers to the Board and Delegation of Powers document (May 2016) need updating to reflect current working practice, in terms of committees, designated individuals and their delegated limits.
- Risks associated with investment opportunities are not routinely included in business case submissions.
- A complete central register of business cases is not maintained and reviewed with each business case proposal to ensure that new business cases are not approved in isolation, resulting in over-commitment of limited Trust resources.
- Potential benefits from investments are not well-defined to allow suitable measurement/ monitoring at a future date.
- Plans for post evaluation/Implementation reviews of approved business cases are not considered.

A clearly-defined and structured process is required to ensure that:

- The Trust can make decisions regarding potential investments based on sound reasoning.
- Those approved investments have been subject to appropriate scrutiny.
- Investments are reviewed after a suitable period to ensure that any previously identified benefits have been realised.
- Lessons learnt can be applied to future investment proposals.

Patient transport

There are no clear and consistent records to demonstrate that the Trust is undertaking proper eligibility checks for the journeys provided and that Non-Emergency Patient Transport (NEPT) journeys are booked in accordance with agreed NEW Devon CCG procedures. This could result in unnecessary, although minor, cost being borne by the Trust.

Although the potential financial risk to the Trust of NEPT journeys being incorrectly charged to the Trust is relatively low, the potential risks resulting from poor service; patient experience, reduced patient flow and the possibility of bed day loss are higher. Our analysis of NEPT journeys highlighted that a significant number of bookings for transport arrive late.

Other work

Information Governance (IG) Toolkit V14.1

This was a compliance review of the Trust's evidence to support the Information Governance Toolkit V14.1 self-assessment and no assurance rating was provided. The review provided an assessment of the evidence presented at a point in time, (February 2018), for 10 toolkit requirements.

We concluded that of the ten requirements examined, one was assessed at Level 1 and the remaining nine, were assessed at Level 0. All ten requirements, therefore, either needed elements of their evidence refreshed or new evidence supplied in order to demonstrate the required minimum of Level two compliance with the IG Toolkit.

Use of Locums

We reviewed locum usage across the five NHS Providers in Devon. Our review suggested that there may be scope for efficiencies in using just one provider for the region.

Follow-up of recommendations

In respect of all reviews undertaken during the year, recommendations have been agreed with management to address gaps in control and assurance. We have monitored the status of these recommendations over the year and can report that recommendations are positively accepted and implemented. The Audit and Assurance Committee has been informed of those recommendations which are outstanding. We are in discussion with the Trust to look to enhance the arrangements for ensuring recommendations are implemented promptly, to improve controls arrangements in the coming year.

Jenny McCall
Director of audit
Audit South West

Accounts

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.

NB: sign and date in any colour ink except black

Signed .....
Chief executive

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, recognised gains and losses 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 relating 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 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.

By order of the board

22/5/18 ..... Date

..... Chief executive

22/05/18 ..... Date

..... Finance director

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF NORTHERN DEVON HEALTHCARE NHS TRUST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Northern Devon Healthcare NHS Trust ("the Trust") for the year ended 31 March 2018 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 2018 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 Group Accounting Manual 2017/18.

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.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

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 Group Accounting Manual 2017/18. 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 Group Accounting Manual 2017/18.

Directors' and Accountable Officer's responsibilities

As explained more fully in the statement set out on page 75, the directors are responsible for: the preparation of financial statements that give a true and fair view; 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 75 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

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.

We have nothing to report in this respect.

Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and

As explained in the statement set out on page 75, 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 refer a matter to the Secretary of State under section 30 of the Local Audit and Accountability Act 2014 because 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; or
- 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.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Board of Directors of Northern Devon Healthcare 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 Northern Devon Healthcare NHS Trust in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Jonathan Brown
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE

24-May-18

Statement of Comprehensive Income

	Note	2017/18 £000	2016/17 £000
Operating income from patient care activities	3	188,416	199,578
Other operating income	4	21,783	18,088
Operating expenses	5, 8	(201,420)	(215,143)
Operating surplus/(deficit)		**8,779**	**2,523**
Finance income	11	21	12
Finance expenses	12	(1,191)	(1,199)
PDC dividends payable		(2,030)	(2,941)
Net finance costs		**(3,200)**	**(4,128)**
Other gains / (losses)	13	(3)	2
Gains / (losses) arising from transfers by absorption	39	(8,213)	(51,526)
Surplus / (deficit) for the year		**(2,637)**	**(53,129)**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	7	(105)	504
Revaluations	17	953	555
Total comprehensive income / (expense) for the period		**(1,789)**	**(52,070)**
Financial performance for the year			
Retained surplus/(deficit) for the year		(2,637)	(53,129)
IFRIC 12 adjustment (including IFRIC 12 impairments)		0	1,702
Impairments (excluding IFRIC 12 impairments)		897	1,950
Adjustments in respect of donated gov't grant asset reserve elimination		7	183
Adjustment re absorption accounting		8,213	51,526
Adjusted retained surplus/(deficit)		**6,480**	**2,232**

The comparator year reflects that on 1st October 2016 community services in Eastern Devon transferred to Royal Devon and Exeter Foundation Trust. The transfer was cost neutral to the Trust, however income and expenditure have had an equal reduction of £47.4m per annum.

Statement of Financial Position

	Note	31 March 2018 £000	31 March 2017 £000
Non-current assets			
Intangible assets	14	8,886	8,052
Property, plant and equipment	15	67,515	83,955
Trade and other receivables	20	1,036	1,110
Total non-current assets		**77,437**	**93,117**
Current assets			
Inventories	19	3,049	3,094
Trade and other receivables	20	13,800	11,062
Cash and cash equivalents	21	4,051	1,602
Total current assets		**20,900**	**15,758**
Current liabilities			
Trade and other payables	22	(14,437)	(15,568)
Borrowings	25	(711)	(1,052)
Provisions	27	0	(19)
Other liabilities	23	(2,903)	(3,515)
Total current liabilities		**(18,051)**	**(20,154)**
Total assets less current liabilities		**80,286**	**88,721**
Non-current liabilities			
Borrowings	25	(8,247)	(16,186)
Provisions	27	(29)	0
Total non-current liabilities		**(8,276)**	**(16,186)**
Total assets employed		**72,010**	**72,535**
Financed by			
Public dividend capital		56,304	55,040
Revaluation reserve		7,562	14,125
Income and expenditure reserve		8,144	3,370
Total taxpayers' equity		**72,010**	**72,535**

The notes on pages 7 to 49 form part of these accounts.

Name
Position Interim Chief Executive
Date **22 May 2018**

Statement of Changes in Equity for the year ended 31 March 2018

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' equity at 1 April 2017 - brought forward	**55,040**	**14,125**	**3,370**	**72,535**
Surplus/(deficit) for the year	0	0	(2,637)	**(2,637)**
Transfers by absorption: transfers between reserves	0	(7,411)	7,411	**0**
Impairments	0	(105)	0	**(105)**
Revaluations	0	953	0	**953**
Public dividend capital received	1,264	0	0	**1,264**
Taxpayers' equity at 31 March 2018	**56,304**	**7,562**	**8,144**	**72,010**

Statement of Changes in Equity for the year ended 31 March 2017

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' equity at 1 April 2016 - brought forward	**52,740**	**35,147**	**34,418**	**122,305**
Surplus/(deficit) for the year	0	-	(53,129)	**(53,129)**
Transfers by absorption: transfers between reserves	0	(22,040)	22,040	**0**
Other transfers between reserves	0	(41)	41	**0**
Impairments	0	504	0	**504**
Revaluations	0	555	0	**555**
Public dividend capital received	2,948	0	0	**2,948**
Public dividend capital repaid	(648)	0	0	**(648)**
Taxpayers' equity at 31 March 2017	**55,040**	**14,125**	**3,370**	**72,535**

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.

Available-for-sale investment reserve
This reserve comprises changes in the fair value of available-for-sale financial instruments. When these instruments are derecognised, cumulative gains or losses previously recognised as other comprehensive income or expenditure are recycled to income or expenditure.

Other reserves
The Trust has no other reserves.

Income and expenditure reserve
The balance of this reserve is the accumulated surpluses and deficits of the trust.

Statement of Cash Flows

	Note	2017/18 £000	2016/17 £000
Cash flows from operating activities			
Operating surplus / (deficit)		8,779	2,523
Non-cash income and expense:			
Depreciation and amortisation	5	6,214	7,396
Net impairments	7	897	1,950
Income recognised in respect of capital donations	4	(263)	(219)
(Increase) / decrease in receivables and other assets		(2,508)	(2,332)
(Increase) / decrease in inventories		45	297
Increase / (decrease) in payables and other liabilities		(1,540)	(624)
Increase / (decrease) in provisions		10	(41)
Net cash generated from / (used in) operating activities		**11,634**	**8,950**
Cash flows from investing activities			
Interest received		21	12
Purchase of intangible assets		(1,870)	(2,458)
Purchase of property, plant, equipment and investment property		(4,726)	(6,410)
Sales of property, plant, equipment and investment property		2	0
Receipt of cash donations to purchase capital assets		263	219
Net cash generated from / (used in) investing activities		**(6,310)**	**(8,637)**
Cash flows from financing activities			
Public dividend capital received		1,264	2,948
Public dividend capital repaid		0	(648)
Movement on loans from the Department of Health and Social Care		412	1,850
Movement on other loans		(712)	300
Capital element of PFI, LIFT and other service concession payments		(341)	(341)
Interest paid on PFI, LIFT and other service concession obligations		(1,056)	(1,034)
Other interest paid		(128)	(151)
PDC dividend (paid) / refunded		(2,314)	(2,923)
Net cash generated from / (used in) financing activities		**(2,875)**	**1**
Increase / (decrease) in cash and cash equivalents		**2,449**	**314**
Cash and cash equivalents at 1 April - brought forward		**1,602**	**1,291**
Cash and cash equivalents transferred under absorption accounting	39	**0**	**(3)**
Cash and cash equivalents at 31 March	21.1	**4,051**	**1,602**

Notes to the Accounts

Note 1 Accounting policies and other information

Note 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 2017/18 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 accounts.

Note 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.

Note 1.1.2 Going concern

These accounts have been prepared on a going concern basis
The Trust achieved a surplus of £4.027m this year (2017:£2.232m surplus) and its net current assets are £396k as at 31.03.18 (2017: Net current liabilities £4.396m) which demonstrates the Trust's strong financial controls in improving its position and achieving its control total.

The most significant future risk to the Trust is the unknown impact of the strategic collaborative programme of work through the System Transformation Partnership (STP) in Devon and the pace to which the STP organisations are required to respond to meet the control totals issued through the NHS mandate for 2018/19.

It is reasonable to assume that the STP organisations will make sufficient cash management plans such that the individual organisations will be able to meet their current liabilities, and therefore supports the Trust view that the accounts are prepared on a going concern basis.

Therefore, there are material uncertainties related to external events or conditions that may cast significant doubt about the Trust's ability to continue as a going concern but the going concern basis remains appropriate.

Note 1.2 Critical judgements in applying accounting policies

In the application of the NHS trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Note 1.2.1 Sources of estimation uncertainty

The trust has none.

Note 1.3 Interests in other entities

Northern Devon Healthcare Trust is the corporate Trustee of Over and Above, Northern Devon Healthcare Trust Charitable Fund.

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.

In accordance with IAS1 Presentation of Financial Statements the Trust has reviewed the accounts of its NHS Charitable Fund and deemed it not material to be consolidated within the Trust's own accounts.

Note 1.4 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the trust is contracts with commissioners in respect of health care services. At the year end, the trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete.

Where income is received for a specific activity which is to be delivered in a subsequent financial year, that income is deferred.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

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.

Note 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.

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.

Note 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.

Note 1.7 Property, plant and equipment

Note 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.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, eg, plant and equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.

Note 1.7.2 Measurement
Valuation
All property, plant and equipment are measured initially at cost, representing the cost 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. Assets that are held for their service potential and are in use are measured subsequently at their current value in existing use. Assets that were most recently held for their service potential but are surplus are measured at fair value where there are no restrictions preventing access to the market at the reporting date.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use.
- Specialised buildings – depreciated replacement cost, modern equivalent asset basis.

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.

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.

Fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure. Gains and losses recognised in the revaluation reserve are reported as other comprehensive income in the Statement of Comprehensive Income.

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.

Property, plant and equipment which has been reclassified as 'held for sale' ceases to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the trust, respectively.

Revaluation gains and losses
Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Impairments
In accordance with the *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. Reversals of 'other impairments' are treated as revaluation gains.

Note 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.

Note 1.7.4 Donated and grant funded assets
Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

Note 1.7.5 Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) transactions
PFI and LIFT transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's *FReM*, are accounted for as 'on-Statement of Financial Position' by the trust. In accordance with IAS 17, the underlying assets are recognised as property, plant and equipment, together with an equivalent finance lease liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for services.

The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

Note 1.7.6 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
Land	0	99
Buildings, excluding dwellings	2	75
Dwellings	5	38
Plant & machinery	5	15
Transport equipment	7	7
Information technology	3	5
Furniture & fittings	10	10

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.

Note 1.8 Intangible assets

Note 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
Software
Software which is integral to the operation of hardware, eg 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, eg application software, is capitalised as an intangible asset.

Note 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 or 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.

Note 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 Years	Max life Years
Development expenditure	5	10
Software licences	5	10
Licences & trademarks	5	5

Note 1.9 Inventories

Inventories are valued at the lower of cost and net realisable value using the weighted average cost formula. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

Note 1.10 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the trust's cash management. Cash, bank and overdraft balances are recorded at current values.

Note 1.11 Carbon Reduction Commitment scheme (CRC)
The Trust does not have any CRC or similar allowances.

Note 1.12 Financial instruments and financial liabilities
Recognition
Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs, ie, when receipt or delivery of the goods or services is made.

De-recognition
All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the trust has transferred substantially all of the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Classification and measurement
Financial assets are categorised as fair value through income and expenditure or loans and receivables.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market.

The trust's loans and receivables comprise: cash and cash equivalents, NHS receivables, accrued income ,other receivables and loans.

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

Available-for-sale financial assets
The Trust has no available for sale financial assets.

Financial liabilities
All financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

They are included in current liabilities except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as long-term liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to finance costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

Impairment of financial assets
At the Statement of Financial Position date, the trust assesses whether any financial assets, other than those held at "fair value through income and expenditure" are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

The Trust does not have any financial assets carried at amortised costs.

Note 1.13 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.

Note 1.13.1 The trust as lessee
Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in calculating the trust's surplus/deficit.

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.

Where a lease is for land and buildings, the land and building components are separated and individually assessed as to whether they are operating or finance leases.

Note 1.13.2 The trust as lessor
The Trust does not act as a lessor.

Note 1.14 Provisions

Provisions are recognised when the NHS trust has a present legal or constructive obligation as a result of a past event, it is probable that the NHS trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rates.

Early retirement provisions are discounted using HM Treasury's pension discount rate of positive 0.10% (2016-17: positive 0.24%) in real terms. All other provisions are subject to three separate discount rates according to the expected timing of cashflows from the Statement of Financial Position date:

- A short term rate of negative 2.42% (2016-17: negative 2.70%) for expected cash flows up to and including 5 years
- A medium term rate of negative 1.85% (2016-17: negative 1.95%) for expected cash flows over 5 years up to and including 10 years
- A long term rate of negative 1.56% (2016-17: negative 0.80%) for expected cash flows over 10 years.

All percentages are in real terms.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

A restructuring provision is recognised when the NHS trust has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

Note 1.15 Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the NHS trust, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the NHS trust. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

Note 1.16 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS 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.

Note 1.17 Value added tax

Most of the activities of the trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

Note 1.18 Foreign exchange

The NHS trust's functional and presentational currency is sterling. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March. Resulting exchange gains and losses for either of these are recognised in the trust's surplus/deficit in the period in which they arise.

Note 1.19 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the 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*.

Note 1.20 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had 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.

Note 1.21 Gifts

The Trust has no gifts.

Note 1.22 Transfers of functions to other NHS bodies

For functions that the trust has transferred to another NHS body, the assets and liabilities transferred are de-recognised from the accounts as at the date of transfer. The net loss corresponding to the net assets/ liabilities transferred is recognised within expenses / income, but not within operating activities. Any revaluation reserve balances attributable to assets de-recognised are transferred to the income and expenditure reserve.

Note 1.23 Early adoption of standards, amendments and interpretations
No new accounting standards or revisions to existing standards have been early adopted in 2017/18.

Note 1.24 Standards, amendments and interpretations in issue but not yet effective or adopted

The HM Treasury FReM does not require the following Standards and Interpretations to be applied in 2017-18. These standards are still subject to HM Treasury FReM interpretation, with IFRS 9 and IFRS 15 being for implementation in 2018-19, and the government implementation date for IFRS 16 still subject to HM Treasury consideration.

- IFRS 9 Financial Instruments – Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted

- IFRS 15 Revenue from Contracts with Customers - Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted

- 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.

Note 2 Operating Segments

The Trust has considered the requirements in IFRS8 for segmental analysis. Having reviewed the operating segments reported internally to the Board, the Trust is satisfied that it is appropriate to aggregate these as, in accordance with IFRS8 Operating Segments, they are similar in each of the following aspects:

- The nature of the products and services;
- The type of customer for their products and services;
- The methods used to distribute their products or provide their services; and
- The nature of the regulatory environment.

The trust therefore has just one segment, "healthcare".

	Healthcare		Total	
	2017-18	2016-17	**2017-18**	2016-17
	£000's	£000's	£000's	£000's
Income	**210,199**	217,580	**210,199**	217,580
Surplus/(Deficit)				
Common costs	**(201,420)**	(215,143)	**(201,420)**	(215,143)
Operating surplus/(deficit)	8,779	1,338	8,779	1,338
Net Assets:				
Segment net assets	**72,010**	72,535	**72,010**	72,535

Note 3 Operating income from patient care activities

Note 3.1 Income from patient care activities (by nature)	2017/18 £000	2016/17 £000
Acute services		
Elective income	17,058	20,417
Non elective income	37,482	33,013
First outpatient income	10,736	10,112
Follow up outpatient income	11,459	12,574
A & E income	4,992	4,594
High cost drugs income from commissioners (excluding pass-through costs)	16,959	18,521
Other NHS clinical income	34,026	13,918
Community services		
Community services income from CCGs and NHS England	36,114	72,486
Income from other sources (e.g. local authorities)	18,355	13,079
All services		
Private patient income	634	437
Other clinical income	601	427
Total income from activities	**188,416**	**199,578**

Note 3.2 Income from patient care activities (by source)		
Income from patient care activities received from:	**2017/18 £000**	**2016/17 £000**
NHS England	19,517	18,327
Clinical commissioning groups	149,216	167,396
Department of Health and Social Care	20	26
Other NHS providers	174	326
NHS other	155	7
Local authorities	18,355	12,495
Non-NHS: private patients	634	437
Non-NHS: overseas patients (chargeable to patient)	30	27
NHS injury scheme	276	420
Non NHS: other	39	117
Total income from activities	**188,416**	**199,578**

Income from CCGs has reduced due to the transfer of community services to Royal Devon & Exeter Foundation Trust on 1st October 2016.

Note 3.3 Overseas visitors (relating to patients charged directly by the provider)

	2017/18	2016/17
	£000	£000
Income recognised this year	30	27
Cash payments received in-year	20	16
Amounts written off in-year	0	6

Note 4 Other operating income

	2017/18	2016/17
	£000	£000
Research and development	399	469
Education and training	4,638	3,879
Receipt of capital grants and donations	263	219
Charitable and other contributions to expenditure	223	223
Non-patient care services to other bodies	3,580	3,894
Sustainability and transformation fund income	6,066	4,415
Income in respect of staff costs where accounted on gross basis	1,996	800
Other income	4,618	4,189
Total other operating income	**21,783**	**18,088**

Other income includes property rental income, car parking income, sponsorship and various other items

Note 5 Operating expenses

	2017/18 £000	2016/17 £000
Purchase of healthcare from NHS and DHSC bodies	2,867	3,349
Purchase of healthcare from non-NHS and non-DHSC bodies	770	355
Purchase of social care	11,810	4,401
Staff and executive directors costs	120,836	136,100
Remuneration of non-executive directors	51	57
Supplies and services - clinical (excluding drugs costs)	14,576	16,379
Supplies and services - general	6,578	6,925
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	15,719	16,021
Consultancy costs	30	0
Establishment	4,370	4,181
Premises	4,675	5,955
Transport (including patient travel)	1,363	1,978
Depreciation on property, plant and equipment	5,178	6,645
Amortisation on intangible assets	1,036	751
Net impairments	897	1,950
Increase/(decrease) in provision for impairment of receivables	43	150
Audit fees payable to the external auditor		
audit services- statutory audit	54	48
other auditor remuneration (external auditor only)	10	12
Internal audit costs	162	156
Clinical negligence	5,664	4,939
Legal fees	146	212
Insurance	129	141
Research and development	461	444
Education and training	2,130	2,235
Rentals under operating leases	253	401
Redundancy	136	107
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT) on IFRS basis	409	375
Car parking & security	22	41
Hospitality	53	66
Losses, ex gratia & special payments	5	10
Other services, eg external payroll	365	241
Other	622	518
Total	**201,420**	**215,143**

Note 6 Op EXP

	2017/18 £000	2016/17 £000
Other auditor remuneration paid to the external auditor:		
Other non-audit services	10	12
Total	**10**	**12**

Note 6.1 Limitation on auditor's liability

There is no limitation on auditor's liability for external audit work carried out for the financial years 2017/18 or 2016/17.

Note 7 Impairment of assets

	2017/18 £000	2016/17 £000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	897	1,924
Other	0	26
Total net impairments charged to operating surplus / deficit	**897**	**1,950**
Impairments charged to the revaluation reserve	105	(504)
Total net impairments	**1,002**	**1,446**

Note 8 Employee benefits

	2017/18 Total £000	2016/17 Total £000
Salaries and wages	98,847	107,413
Social security costs	9,228	9,630
Apprenticeship levy	413	0
Employer's contributions to NHS pensions	11,570	13,115
Pension cost - other	11	10
Other post employment benefits	36	0
Temporary staff (including agency)	6,054	11,011
Total gross staff costs	**126,159**	**141,179**
Recoveries in respect of seconded staff	**(999)**	-
Total staff costs	**125,160**	**141,179**
Of which		
Costs capitalised as part of assets	2,491	3,382
Costs charged to Statement of Comprehensive Income	122,669	137,797

Note 8.1 Retirements due to ill-health

During 2017/18 there was 1 early retirement from the trust agreed on the grounds of ill-health (1 in the year ended 31 March 2017). The estimated additional pension liabilities of these ill-health retirements is £66k (£8k in 2016/17).

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

Note 9 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

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 2018, is based on valuation data as 31 March 2017, updated to 31 March 2018 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 last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012. The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and employee and employer representatives as deemed appropriate.

Note 10 Operating leases

Note 10.1 Northern Devon Healthcare NHS Trust as a lessor

The trust has no lessor agreements.

Note 10.2 Northern Devon Healthcare NHS Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Northern Devon Healthcare NHS Trust is the lessee.

	2017/18 £000	2016/17 £000
Operating lease expense		
Minimum lease payments	253	401
Total	**253**	**401**

	31 March 2018 £000	31 March 2017 £000
Future minimum lease payments due:		
- not later than one year;	204	151
- later than one year and not later than five years;	265	149
Total	**469**	**300**

Note 11 Finance income

Finance income represents interest received on assets and investments in the period.

	2017/18	2016/17
	£000	£000
Interest on bank accounts	21	12
Total	**21**	**12**

Note 12 Finance expenditure

Finance expenditure represents interest and other charges involved in the borrowing of money.

	2017/18	2016/17
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	94	159
Interest on late payment of commercial debt	41	6
Main finance costs on PFI and LIFT schemes obligations	602	628
Contingent finance costs on PFI and LIFT scheme obligations	454	406
Total interest expense	**1,191**	**1,199**
Total finance costs	**1,191**	**1,199**

Note 12.1 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

	2017/18	2016/17
	£000	£000
Total liability accruing in year under this legislation as a result of late payments	0	0
Amounts included within interest payable arising from claims made under this legislation	41	6

Note 13 Other gains / (losses)

	2017/18	2016/17
	£000	£000
Gains on disposal of assets	0	2
Losses on disposal of assets	(3)	0
Total gains / (losses) on disposal of assets	**(3)**	**2**

Note 14 Intangible assets - 2017/18

	Software licences £000	Licences & trademarks £000	Development expenditure £000	Total £000
Valuation / gross cost at 1 April 2017 - brought forward	**3,343**	**1,855**	**6,711**	**11,909**
Additions	373	154	1,343	**1,870**
Reclassifications	6,055	0	(6,055)	**0**
Disposals	(95)	(300)	0	**(395)**
Gross cost at 31 March 2018	**9,676**	**1,709**	**1,999**	**13,384**
Amortisation at 1 April 2017 - brought forward	**2,452**	**1,346**	**59**	**3,857**
Provided during the year	827	209	0	**1,036**
Reclassifications	0	0	0	**0**
Disposals	(95)	(300)	0	**(395)**
Amortisation at 31 March 2018	**3,184**	**1,255**	**59**	**4,498**
Net book value at 31 March 2018	**6,492**	**454**	**1,940**	**8,886**
Net book value at 1 April 2017	**891**	**509**	**6,652**	**8,052**

Note 14.1 Intangible assets - 2016/17

	Software licences £000	Licences & trademarks £000	Development expenditure £000	Total £000
Valuation / gross cost at 1 April 2016 - as previously stated	**3,288**	**1,804**	**4,321**	**9,413**
Additions	171	51	2,413	**2,635**
Impairments	(26)	0	0	**(26)**
Reclassifications	0	0	0	**0**
Transfers to/ from assets held for sale	0	0	0	**0**
Disposals	(90)	0	(23)	**(113)**
Valuation / gross cost at 31 March 2017	**3,343**	**1,855**	**6,711**	**11,909**
Amortisation at 1 April 2016 - as previously stated	**2,073**	**1,072**	**74**	**3,219**
Provided during the year	**510**	**233**	**8**	**751**
Impairments	0	0	0	**0**
Reclassifications	(41)	41	0	**0**
Transfers to/ from assets held for sale	0	0	0	**0**
Disposals	(90)	0	(23)	**(113)**
Amortisation at 31 March 2017	**2,452**	**1,346**	**59**	**3,857**
Net book value at 31 March 2017	**891**	**509**	**6,652**	**8,052**
Net book value at 1 April 2016	**1,215**	**732**	**4,247**	**6,194**

Note 15 Property, plant and equipment - 2017/18

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2017 - brought forward	**7,530**	**67,097**	**524**	**3,228**	**18,427**	**12**	**5,205**	**610**	**102,633**
Transfers by absorption	(1,200)	(15,026)	0	0	0	0	0	0	**(16,226)**
Additions	0	1,902	0	1,266	538	0	737	201	**4,644**
Impairments	0	(1,410)	0	0	0	0	0	0	**(1,410)**
Reversals of impairments	0	394	14	0	0	0	0	0	**408**
Revaluations	0	(1,544)	(14)	0	0	0	0	0	**(1,558)**
Reclassifications	0	3,435	0	(3,435)	0	0	0	0	**0**
Transfers to/ from assets held for sale	0	0	0	0	0	0	0	0	**0**
Disposals	0	0	0	0	(1,546)	0	(1,384)	(43)	**(2,973)**
Valuation/gross cost at 31 March 2018	**6,330**	**54,848**	**524**	**1,059**	**17,419**	**12**	**4,558**	**768**	**85,518**
Accumulated depreciation at 1 April 2017 - brought forward	**0**	**0**	**0**	**0**	**14,925**	**12**	**3,468**	**273**	**18,678**
Transfers by absorption	**0**	**(374)**	**-**	**0**	**0**	**0**	**0**	**0**	**(374)**
Provided during the year	**0**	**2,821**	**64**	**0**	**1,436**	**-**	**800**	**57**	**5,178**
Impairments	0	0	0	0	0	0	0	0	**0**
Reversals of impairments	0	0	0	0	0	0	0	0	**0**
Revaluations	0	(2,447)	(64)	0	0	0	0	0	**(2,511)**
Reclassifications	0	0	0	0	0	0	0	0	**0**
Transfers to / from assets held for sale	0	0	0	0	0	0	0	0	**0**
Disposals	0	0	0	0	(1,541)	0	(1,384)	(43)	**(2,968)**
Accumulated depreciation at 31 March 2018	**0**	**0**	**0**	**0**	**14,820**	**12**	**2,884**	**287**	**18,003**
Net book value at 31 March 2018	**6,330**	**54,848**	**524**	**1,059**	**2,599**	**0**	**1,674**	**481**	**67,515**
Net book value at 1 April 2017	**7,530**	**67,097**	**524**	**3,228**	**3,502**	**0**	**1,737**	**337**	**83,955**

Note 15.1 Property, plant and equipment - 2016/17

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation / gross cost at 1 April 2016 - as previously stated	**18,976**	**106,506**	**571**	**1,380**	**21,902**	**27**	**5,689**	**679**	**155,730**
Transfers by absorption	**(11,446)**	**(39,068)**	**0**	**0**	**(1,495)**	**0**	**(206)**	**(43)**	**(52,258)**
Additions	0	2,696	7	3,031	775	0	146	0	**6,655**
Impairments	0	(1,667)	(17)	0	(404)	0	0	(7)	**(2,095)**
Reversals of impairments	0	504	0	0	0	0	0	0	**504**
Revaluations	0	(3,045)	(37)	0	0	0	0	0	**(3,082)**
Reclassifications	0	1,171	0	(1,183)	12	0	0	0	**0**
Transfers to / from assets held for sale	0	0	0	0	0	0	0	0	**0**
Disposals	0	0	0	0	(2,363)	(15)	(424)	(19)	**(2,821)**
Valuation/gross cost at 31 March 2017	**7,530**	**67,097**	**524**	**3,228**	**18,427**	**12**	**5,205**	**610**	**102,633**
Accumulated depreciation at 1 April 2016 - as previously stated	**0**	**0**	**0**	**0**	**16,400**	**27**	**3,035**	**241**	**19,703**
Transfers by absorption	**0**	**0**	**0**	**0**	**(905)**	**0**	**(126)**	**(10)**	**(1,041)**
Provided during the year	**0**	**3,568**	**69**	**-**	**1,958**	**0**	**983**	**67**	**6,645**
Impairments	0	0	0	0	(165)	0	0	(6)	**(171)**
Reversals of impairments	0	0	0	0	0	0	0	0	**0**
Revaluations	0	(3,568)	(69)	-	0	0	0	0	**(3,637)**
Reclassifications	0	0	0	0	0	0	0	0	**0**
Transfers to/ from assets held for sale	0	0	0	0	0	0	0	0	**0**
Disposals	0	0	0	0	(2,363)	(15)	(424)	(19)	**(2,821)**
Accumulated depreciation at 31 March 2017	**0**	**0**	**0**	**0**	**14,925**	**12**	**3,468**	**273**	**18,678**
Net book value at 31 March 2017	**7,530**	**67,097**	**524**	**3,228**	**3,502**	**0**	**1,737**	**337**	**83,955**
Net book value at 1 April 2016	**18,976**	**106,506**	**571**	**1,380**	**5,502**	**0**	**2,654**	**438**	**136,027**

Tiverton Hospital PFI was transferred to NHS property services on 31st March 2018 under transfer by absorption.

Note 15.2 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	6,330	52,265	524	1,046	2,156	0	1,674	412	**64,407**
On-SoFP PFI contracts and other service concession arrangements	0	0	0	0	0	0	0	0	**0**
Owned - donated	0	2,583	0	13	443	0	-	69	**3,108**
NBV total at 31 March 2018	**6,330**	**54,848**	**524**	**1,059**	**2,599**	**0**	**1,674**	**481**	**67,515**

Note 15.3 Property, plant and equipment financing - 2016/17

	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 2017									
Owned - purchased	7,530	49,703	524	3,228	3,152	0	1,735	259	**66,131**
On-SoFP PFI contracts and other service concession arrangements	0	14,468	0	0	-	0	0	0	**14,468**
Owned - donated	0	2,926	0	0	350	0	2	78	**3,356**
NBV total at 31 March 2017	**7,530**	**67,097**	**524**	**3,228**	**3,502**	**0**	**1,737**	**337**	**83,955**

Note 16 Donations of property, plant and equipment

Various donors have funded assets during the year, including Over and Above and League of Friends of all hospitals.

Note 17 Revaluations of property, plant and equipment

All land and buildings are restated to current modern equivalent asset value using professional valuations in accordance with IAS16 every five years and in the intervening years by annual desk top exercise undertaken by the District Valuer, an arm of the Valuation Office, which is an executive agency of HM Revenue and Customs. A professional valuation from D Corbett MRICS, District Valuer has been undertaken at the end of the year and the revaluation has been applied to all land and buildings. The District Valuer undertook a full revaluation on 31st March 2015 of all land and buildings and the next full valuation will be due on 31st March 2020. Asset values have overall decreased this year by £49,000.

	£000	31 March 2018 £000
Impact of Revaluation:		
Impairments taken to SOCI	(1,272)	
Reversal of impairments previously taken to SOCI	375	
		(897)
Impairments taken to Revaluation Reserve	(138)	
Reversal of impairments previously taken to Revaluation Reserve	33	
		(105)
Revaluation taken to Revaluation Reserve		953
		(49)

Note 18 Investment Property

The Trust has no investment property.

Note 19 Inventories

	31 March 2018 £000	31 March 2017 £000
Drugs	866	1,208
Consumables	2,082	1,797
Energy	101	89
Total inventories	**3,049**	**3,094**

Inventories recognised in expenses for the year were £36,913k (2016/17: £30,470k).

Note 20 Trade receivables and other receivables

	31 March 2018 £000	31 March 2017 £000
Current		
Trade receivables	11,627	8,789
Provision for impaired receivables	(5)	(5)
Prepayments (non-PFI)	1,529	1,707
PDC dividend receivable	156	0
VAT receivable	437	393
Other receivables	56	178
Total current trade and other receivables	**13,800**	**11,062**
Non-current		
Trade receivables	1,345	1,441
Provision for impaired receivables	(309)	(331)
Total non-current trade and other receivables	**1,036**	**1,110**
Of which receivables from NHS and DHSC group bodies:		
Current	8,660	6,555
Non-current	0	0

Note 20.1 Provision for impairment of receivables

	2017/18	2016/17
	£000	£000
At 1 April as previously stated	**336**	**272**
Increase in provision	81	197
Amounts utilised	(65)	(86)
Unused amounts reversed	(38)	(47)
At 31 March	**314**	**336**

Note 20.2 Credit quality of financial assets

	31 March 2018		31 March 2017	
	Trade and other receivables	Investments & Other financial assets	Trade and other receivables	Investments & Other financial assets
Ageing of impaired financial assets	£000	£000	£000	£000
0 - 30 days	12	0	8	0
30-60 Days	8	0	9	0
60-90 days	6	0	6	0
90- 180 days	3	0	7	0
Over 180 days	285	0	306	0
Total	**314**	**0**	**336**	**0**
Ageing of non-impaired financial assets past their due date				
0 - 30 days	3390	0	3581	0
30-60 Days	284	0	322	0
60-90 days	54	0	61	0
90- 180 days	199	0	558	0
Over 180 days	874	0	1,176	0
Total	**4801**	**0**	**5,698**	**0**

Note 21 Non-current assets held for sale and assets in disposal groups

	2017/18 £000	2016/17 £000
NBV of non-current assets for sale and assets in disposal groups at 1 April	**0**	**201**
Prior period adjustment		**0**
NBV of non-current assets for sale and assets in disposal groups at 1 April - restated	**0**	**201**
Transfers by absorption	0	**(201)**
NBV of non-current assets for sale and assets in disposal groups at 31 March	**0**	**0**

Note 21.1 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.

	2017/18	2016/17
	£000	£000
At 1 April	**1,602**	**1,291**
Transfers by absorption	0	(3)
Net change in year	2,449	314
At 31 March	**4,051**	**1,602**
Broken down into:		
Cash at commercial banks and in hand	9	9
Cash with the Government Banking Service	4,042	1,593
Total cash and cash equivalents as in SoFP	**4,051**	**1,602**
Total cash and cash equivalents as in SoCF	**4,051**	**1,602**

Note 21.2 Third party assets held by the trust

The Trust held cash and cash equivalents which relate to monies held by the NHS Trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts, the balances held currently are less than £1,000.

Note 22 Trade and other payables

	31 March 2018 £000	31 March 2017 £000
Current		
Trade payables	7,269	10,461
Capital payables	416	498
Accruals	2,740	2,175
Social security costs	2,297	1,219
Other taxes payable	1,598	991
PDC dividend payable	0	128
Accrued interest on loans	21	14
Other payables	96	82
Total non-current trade and other payables	**14,437**	**15,568**
Of which payables from NHS and DHSC group bodies:		
Current	1,913	5,343
Non-current	0	0

Note 22.1 Early retirements in NHS payables above

There are none to report.

Note 23 Other financial liabilties

	31 March 2018 £000	31 March 2017 £000
Current		
Deferred income	2,903	3,515
	2,903	**3,515**

Note 24 Other liabilities

The Trust has no other liabilities to report.

Note 25 Borrowings

	31 March 2018 £000	31 March 2017 £000
Current		
Loans from the Department of Health and Social Care	0	0
Other loans (SALIX loan)	711	711
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	0	341
Total current borrowings	**711**	**1,052**
Non-current		
Loans from the Department of Health and Social Care	6,929	6,517
Other loans (SALIX loan)	1,318	2,030
Obligations under PFI, LIFT or other service concession contracts	0	7,639
Total non-current borrowings	**8,247**	**16,186**

Tiverton Hospital PFI was transferred to NHS Property Services on 31st March 2018 under transfer by absorption.

Note 26 Finance leases

Note 26.1 Northern Devon Healthcare NHS Trust as a lessor

The Trust has no current lease obligations as a lessor.

Note 26.2 Northern Devon Healthcare NHS Trust as a lessee

The Trust has no current lease obligations as a lessee.

Note 27 Provisions for liabilities and charges analysis

	Legal claims	Total
	£000	£000
At 1 April 2017	**19**	**19**
Transfers by absorption	0	**0**
Change in the discount rate	0	**0**
Arising during the year	21	**21**
Utilised during the year	(11)	**(11)**
Reclassified to liabilities held in disposal groups	0	**0**
Reversed unused	0	**0**
Unwinding of discount	0	**0**
At 31 March 2018	**29**	**29**
Expected timing of cash flows:		
- not later than one year;	0	**0**
- later than one year and not later than five years;	29	**29**
- later than five years.	0	**0**
Total	**29**	**29**

Note 28 Clinical negligence liabilities

At 31 March 2018, £123,066k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Northern Devon Healthcare NHS Trust (31 March 2017: £71,196k).

Note 29 Contingent assets and liabilities

	31 March 2018 £000	31 March 2017 £000
Value of contingent liabilities		
NHS Resolution legal claims	(16)	(7)
Net value of contingent liabilities	**(16)**	**(7)**

Note 30 Contractual capital commitments

	31 March 2018 £000	31 March 2017 £000
Property, plant and equipment	586	462
Intangible assets	0	0
Total	**586**	**462**

Note 31 Other financial commitments

The Trust has no other financial commitments.

Note 32 Defined benefit pension schemes

There are no specific disclosures to make around the defined benefit pension scheme.

Note 33 On-SoFP PFI, LIFT or other service concession arrangements

Note 33.1 Imputed finance lease obligations

Northern Devon Healthcare NHS Trust has the following obligations in respect of the finance lease element of on-Statement of Financial Position PFI and LIFT schemes:

	31 March 2018 £000	31 March 2017 £000
Gross PFI, LIFT or other service concession liabilities	**0**	**14,823**
Of which liabilities are due		
- not later than one year;	0	944
- later than one year and not later than five years;	0	3,066
- later than five years.	0	10,813
Finance charges allocated to future periods	0	(6,843)
Net PFI, LIFT or other service concession arrangement obligation	**0**	**7,980**
- not later than one year;	0	341
- later than one year and not later than five years;	0	848
- later than five years.	0	6,791

Note 33.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

Total future obligations under these on-SoFP schemes are as follows:

	31 March 2018 £000	31 March 2017 £000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	0	30,208
Of which liabilities are due:		
- not later than one year;	0	1,807
- later than one year and not later than five years;	0	7,229
- later than five years.	0	21,172

Note 33.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the trust's payments in 2017/18:

	2017/18 £000	2016/17 £000
Unitary payment payable to service concession operator	1,806	1,750
Consisting of:		
- Interest charge	602	628
- Repayment of finance lease liability	341	341
- Service element and other charges to operating expenditure	354	345
- Capital lifecycle maintenance	0	0
- Revenue lifecycle maintenance	55	30
- Contingent rent	454	406
- Addition to lifecycle prepayment	0	0
Other amounts paid to operator due to a commitment under the service concession contract but not part of the unitary payment	0	0
Total amount paid to service concession operator	**1,806**	**1,750**

Note 34 Off-SoFP PFI, LIFT and other service concession arrangements

Northern Devon Healthcare NHS Trust incurred the following charges in respect of off-Statement of Financial Position PFI and LIFT obligations:

	31 March 2018 £000	31 March 2017 £000
Charge in respect of the off SoFP PFI, LIFT or other service concession arrangement for the period	0	0
Commitments in respect of off-SoFP PFI, LIFT or other service concession arrangements:		
- not later than one year;	0	0
- later than one year and not later than five years;	0	0
- later than five years.	0	0
Total	**0**	**0**

Tiverton Hospital transferred to NHS Property Services on 31st March 2018.

Note 35 Financial instruments

Note 35.1 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 the CCG and the way those CCG'S 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 board of directors. The Trust's treasury activity is subject to review by the Trust's internal auditors.

Currency risk

The Trust is principally a domestic organisation with the great 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, subject to affordability as confirmed by NHS Improvement. The borrowings are for 1 – 25 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 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's has low exposure to credit risk. The maximum exposures as at 31 March 2017 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 CCGs, which are financed from resources voted annually by Parliament . The trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks.

Note 35.2 Carrying values of financial assets

	Loans and receivables	Assets at fair value through the I&E	Held to maturity at	Available-for-sale	Total book value
	£000	£000	£000	£000	£000
Assets as per SoFP as at 31 March 2018					
Trade and other receivables excluding non financial assets	9,574	0	0	0	**9,574**
Cash and cash equivalents at bank and in hand	4,051	0	0	0	**4,051**
Total at 31 March 2018	**13,625**	**0**	**0**	**0**	**13,625**

	Loans and receivables	Assets at fair value through the I&E	Held to maturity	Available-for-sale	Total book value
	£000	£000	£000	£000	£000
Assets as per SoFP as at 31 March 2017					
Trade and other receivables excluding non financial assets	8,837	0	0	0	**8,837**
Cash and cash equivalents at bank and in hand	1,602	0	0	0	**1,602**
Total at 31 March 2017	**10,439**	**0**	**0**	**0**	**10,439**

Note 35.3 Carrying value of financial liabilities

	Other financial liabilities	Liabilities at fair value through the I&E	Total book value
	£000	£000	£000
Liabilities as per SoFP as at 31 March 2018			
Borrowings excluding finance lease and PFI liabilities	8,958	0	**8,958**
Trade and other payables excluding non financial liabilities	9,058	0	**9,058**
Total at 31 March 2018	**18,016**	**0**	**18,016**

	Other financial liabilities	Liabilities at fair value through the I&E	Total book value
	£000	£000	£000
Liabilities as per SoFP as at 31 March 2017			
Borrowings excluding finance lease and PFI liabilities	9,258	0	**9,258**
Obligations under PFI, LIFT and other service concession contracts	7,980	0	**7,980**
Trade and other payables excluding non financial liabilities	10,803	0	**10,803**
Total at 31 March 2017	**28,041**	**0**	**28,041**

Note 35.4 Fair values of financial assets and liabilities

All financial assets & liabilities are recorded at fair value.

Note 35.5 Maturity of financial liabilities

	31 March 2018	31 March 2017
	£000	£000
In one year or less	9,770	12,572
In more than one year but not more than two years	2,357	1,053
In more than two years but not more than five years	605	2,341
In more than five years	5,284	12,075
Total	**18,016**	**28,041**

Note 36 Losses and special payments

	2017/18		2016/17	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Cash losses	1	0	1	2
Fruitless payments	0	0	0	0
Bad debts and claims abandoned	39	2	51	2
Stores losses and damage to property	0	0	5	9
Total losses	**40**	**2**	**57**	**12**
Special payments				
Ex-gratia payments	12	12	31	118
Total special payments	**12**	**12**	**31**	**118**
Total losses and special payments	**52**	**14**	**88**	**131**

Details of cases individually over £300k

There are none to report.

Note 37 Gifts

The Trust has no gifts.

Note 38 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 Northern Devon Healthcare NHS Trust.

The Department of Health is regarded as a related party. During the year Northern Devon Healthcare 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. For example :

	2017-2018		2016-2017	
	Income £000's	Expenditure £000's	Income £000's	Expenditure £000's
NEW Devon CCG	139,784	120	157,720	41
NHS England and Local Area Teams	23,244	4	22,687	17
NHS Kernow CCG	6,241	0	6,508	0
NHS South Devon and Torbay CCG	1,343	0	1,535	0
Royal Devon & Exeter NHS Foundation Trust	2,810	5,306	2,979	6,410
Torbay and South Devon NHS Foundation Trust	4	283	35	284
North Bristol NHS Trust	40	106	0	123
Devon Partnership Trust	2,986	208	2,520	165
NHS Pensions Agency	0	11,570	0	13,115
Health Education England	4,353	13	4,126	56
NHS Litigation Authority	0	5,766	0	5,033
NHS Blood and Transplant	13	628	21	542

	2017-2018		2016-2017	
	Debtors £000's	Creditors £000's	Debtors £000's	Creditors £000's
NEW Devon CCG	1,149	17	1,044	300
NHS England and Local Area Teams	2,903	431	2,862	5
NHS Kernow CCG	29	0	0	0
NHS South Devon and Torbay CCG	0	58	0	0
Royal Devon & Exeter NHS Foundation Trust	769	1,035	1,845	2,636
Torbay and South Devon NHS Foundation Trust	28	11	284	41
North Bristol NHS Trust	16	31	0	42
Devon Partnership Trust	424	59	313	9
NHS Pensions Agency	0	1,598	0	1,551
Health Education England	201	0	5	1
NHS Litigation Authority	0	0	0	0
NHS Blood and Transplant	0	10	3	51

In addition, the trust has had a number of material transactions with other government departments, other central and local government bodies plus its linked charity, as referred to it note 36.

	2017-2018		2016-2017	
	Income £000	Expenditure £000	Income £000	Expenditure £000
Most of these transactions have been with:				
Devon County Council in respect of Public Health Services and Domiciliary Care	18,412	84	1,405	12,395
Inland Revenue in respect of tax and national insurance; and	2,297	21,211	0	31,346
HMRC in respect of VAT payable and recoverable.	3,390	0	4,310	0
NHS Professionals	0	4,638	0	4,734
NHS Supplies Authority	0	3,226	0	3,590
Northern Devon Healthcare Trust Charitable Fund	140	0	402	0

Note 39 Transfers by absorption

Transfer by absorption costing relates to the transfer of Tiverton Hospital PFI to NHS Property Services. This relates to the services transferred on 1st October 2016. Tiverton Hospital did not transfer in 2016/17 due to delays.

	31 March 2018 £000	31 March 2017 £000
Value of Property, plant and equipment transferred	(15,852)	(51,419)
Value of inventories transferred	0	(104)
Value of cash balances transferred		(3)
Less		
Amount of PFI liability transferred	7,639	0
	(8,213)	**(51,526)**

Note 40 Events after the reporting date

On 1st April 2018 the Walk In Centre services at Sidwell Street and Wonford Hospital transferred to Royal Devon & Exeter Foundation Trust. The transfer was cost neutral to the Trust, however income and expenditure will have an equal reduction of £1.389m per annum.

Note 41 Better Payment Practice code

	2017/18 Number	2017/18 £000	2016/17 Number	2016/17 £000
Non-NHS Payables				
Total non-NHS trade invoices paid in the year	54,996	76,399	49,803	66,540
Total non-NHS trade invoices paid within target	41,770	65,367	36,777	55,699
target	75.95%	85.56%	73.84%	83.71%
NHS Payables				
Total NHS trade invoices paid in the year	2,051	70,230	1,621	63,375
Total NHS trade invoices paid within target	940	61,556	746	57,612
Percentage of NHS trade invoices paid within target	45.83%	87.65%	46.02%	90.91%

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.

Note 42 External financing

The trust is given an external financing limit against which it is permitted to underspend:

	2017/18 £000	2016/17 £000
Cash flow financing	**(1,826)**	**3,795**
External financing requirement	**(1,826)**	**3,795**
External financing limit (EFL)	(1,590)	4,157
Under / (over) spend against EFL	**236**	**362**

Note 43 Capital Resource Limit

	2017/18 £000	2016/17 £000
Gross capital expenditure	6,514	9,290
Less: Disposals	(5)	0
Less: Donated and granted capital additions	(263)	(219)
Plus: Loss on disposal of donated/granted assets	0	0
Charge against Capital Resource Limit	6,246	9,071
Capital Resource Limit	6,265	9,076
Under / (over) spend against CRL	19	5

Note 44 Breakeven duty financial performance

	2017/18 £000
Adjusted financial performance surplus / (deficit) (control total basis)	6,480
IFRIC 12 breakeven adjustment	-
Breakeven duty financial performance surplus / (deficit)	6,480

Note 45 Breakeven duty rolling assessment

	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
Breakeven duty in-year financial performance	-	252	1,719	2,205	2,240	2,337	(4,647)	2,232	6,974
Breakeven duty cumulative position	251	503	2,222	4,427	6,667	9,004	4,357	6,589	13,563
Operating income	128,509	134,710	211,041	220,680	225,787	234,685	233,235	217,580	210,199
Cumulative breakeven position as a percentage of operating income	0.20%	0.37%	1.05%	2.01%	2.95%	3.84%	1.87%	3.03%	6.45%

The amounts in the above tables in respect of financial years 2006/07 to 2008/09 inclusive have not been restated to IFRS and remain on a UK GAAP basis.