



Royal Berkshire
NHS Foundation Trust

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Annual Report and Accounts 2018 to 2019

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

Annual Report 2018/19

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CHAIR'S REPORT

Throughout 2018/19 demand upon the NHS and our Trust, made the year frenetic and a tough challenge. As always, this pressure is placed squarely with the teams across the Trust who deliver such outstanding service to our patients and communities every single day; it is their incredible efforts, dedication and delivery that has enabled us to meet the highest standards of care possible and achievement of nearly all of our targets, well above most of our peers.

A few other highlights for the year also saw strong financial performance, we received an "outstanding" rating from the Care Quality Commission (CQC) for the hospital and we continued our significant transformation to further improve care and make every penny we spend more effective; it's an impressive performance.

2018/19 has been a good year for RBFT, but we must not be complacent. We are in a tough environment and we need to be ready to meet the challenges that face us; I believe we are one of the best Trusts in the Country and we will continue to be so!

Evolving and ready for the future

A key deliverable for the Board over the last three years has been the launch of a new strategy. Vision 2025 was launched in the year and is already driving our capital investment, people management and service provision for patients; everything we do is driven by this including our clear ambition and purpose and, our now familiar values – Compassionate; Aspirational; Resourceful; Excellent (CARE). Our values are not only at the heart of our strategy but underpin absolutely everything we do every day and is the foundation upon which we develop our plans and ensure we are ready for whatever the future may hold. As we celebrate our 180th anniversary in May 2019, we are scaling up for further investments and operational improvements across the entire Trust. We will provide the best care to our patients and strive to achieve long-term sustainable service and financial levels, driven by our unswerving determination to think and do things differently, however tough thing may be.

Going beyond our 180th year, we will of course continue to pursue the very principles that has underpinned the health services in Berkshire over those years. In the modern world our strategy seeks to embed the values we aspire to in an ever-changing world and ensure the promises and services we deliver will see us through another 180 years!

Our growing Governance

Building on the strong governance that we have established over recent years and, working with our managers, external stakeholders and partners, the RBFT Board will continue to support the evolution and delivery of our strategy, ensuring it drives continual and sustainable service improvement in all that we do.

We will be continually reviewing the existing and emerging risks and drive changes to strategy and performance to manage these. Our oversight of these risks is carried out through the work of our committees and where appropriate considered by the Board itself. As a Board we also know that we can only bring long-term value if we understand the needs of and, serve the communities in which we work. We will listen and be responsive to the voices of those communities, our stakeholders and of our own colleagues in all our decisions.

The RBFT Board is stable with strong accountability, transparency and good governance which makes a considerable contribution to the RBFT performance. I am also excited by the extensive value added by the wider engagement of our partners in the Integrated Care System (ICS) for West Berkshire. This will grow in importance as we take a more joined up approach to providing the very best care for every one of our communities and patients. Steve and his executive team have done a great job in building on past success and beginning the task of sustainable transformation of our Trust - I feel they are a mature and effective management team and are performing well. In his report which follows, Steve outlines more detail of the year past and the year to come, all of which I wholeheartedly endorse.

I am proud to be Chair of the Royal Berkshire NHS Foundation Trust and look forward to working with all the great teams and stakeholders in support of the delivery of outstanding care across our community and beyond.

Finally, my heartfelt thanks to my Executive and Non-Executive Directors, our Governors and our partners and, most of all to every colleague across the Trust for all their work during the year. Amazing performance – thank you!

CHIEF EXECUTIVE'S REPORT

Our Vision: 'Working together to provide outstanding care for our community'

It has been my immense privilege to lead the Royal Berkshire NHS Foundation Trust's team of dedicated and talented people for the past two years, and I remain enormously proud of the achievements delivered across the Trust by our staff, patient leaders, volunteers, and of the care and services we provide for the communities that we serve. As a leadership team we remain committed to supporting the development of our services and people, and aspire towards being outstanding everywhere, every day.

This year we have been sharing our refreshed Trust Strategy, 'Vision 2025' across the organisation and out into the community. We have embarked on an ambitious and important journey to achieve our organisational goals which are set out in our five strategic priorities described below:

- **Provide the highest quality care** and ensure that safety and quality for every patient is our top priority and all our services are outstanding every day of the week.
- **Invest in our staff and live out our values** to ensure that we can recruit, support, motivate, develop and reward the highest calibre staff.
- **Drive the development of integrated services**, working with our system partners and harnessing modern technology we will deliver more care closer to home, provide a seamless service for patients and support improvements in wellness and prevention.
- **Cultivate innovation and transformation** to make the most from advancements in medical practice and technology.
- **Achieve long-term financial sustainability**, which will allow the Trust to invest in developing and improving services for patients and renewing the buildings from which we operate.

It has been a year since we received the CQC rating of 'outstanding' for the Royal Berkshire Hospital and 'good' as a Trust overall and we continue to challenge ourselves to be 'Better than yesterday' in terms of the experience of care delivered across our hospitals. In October we were part of a system wide review that looked at every step of our elderly care pathway, from services delivered in the community, right through into the treatment and care we offer within the Trust. We were delighted to receive very good feedback on the services that we provide to this group of patients.

We have made significant progress against each of our strategic priorities and building on the work undertaken with staff to define our collective values and refresh our vision for the organisation, we launched our Behaviours Framework in September 2018. This informal 'code of conduct' describes the standards that we all can reasonably expect of one another and actively demonstrates us living our values. It also underlines our commitment to invest in our people and this year we expanded our leadership development programme to enrol a third cohort on the Chartered Management Degree Programme with the Henley Business School. Additionally we commenced a new institute of management and leadership programme for first line managers as we seek to support and equip our staff with the necessary education and skills to deliver for our communities. Retaining professional, committed, caring staff, and creating the right environment in which they choose to progress their careers is something we remain entirely committed to. It is pleasing to note that whilst recruitment remains a challenge right across the country, here at the Royal Berkshire hospital we have reported fewer staff leaving the organisation, than the number choosing to join us, resulting in a net gain of 17 whole time equivalent nurse posts in year.

It was also encouraging to see that that our 2018 Staff Survey results demonstrated continuous improvement from the already strong position established in 2017. In particular, there was a further improvement in staff engagement and staff perception of our safety culture at the Trust which secured our place as one of the top acute Trust performers on these measures. The survey also provided us with valuable insight regarding areas for further improvements and we are committed to making the Trust a place where people are proud to work and also feel supported, included and respected. Looking ahead to 2019/20, it is our goal to build momentum with everyone around equality and inclusion throughout the organisation.

We continue to build on the foundations that we have put in place to strengthen our relationships with partners across local health and care organisations as an integral part of the Berkshire West Integrated Care System (ICS). Working alongside Berkshire West Clinical Commissioning Group (CCG), Berkshire Healthcare NHS Foundation Trust (BHFT), our GP alliances and local authorities, we have embarked on a journey to develop services that will better meet the needs of a growing and diverse population. Additionally, we are successfully operating a single budget for the whole healthcare system, thereby making the most effective use of the Berkshire West pound in order to sustain our commitment into the quality and range of services we deliver to our community. As an organisation we strive to continually improve and maintain a strong desire to be the very best that we can be, and we are always looking for new and innovative ways of working to improve the care and services being delivered to our patients and wider community.

In our commitment to deliver care closer to home we continue to seek opportunities to offer services across our catchment area. This year we have increased the number of outpatient specialities available at Townlands Hospital in Henley and we are expanding the radiotherapy service in Bracknell. In February we were delighted to welcome Her Royal Highness, The Duchess of Gloucester to open Greenham Trust Wing in West Berkshire which hosts the Enborne Unit renal dialysis service and the Rosemary Centre delivering care to patients requiring chemotherapy and other intravenous therapies.

As we seek to constantly improve, we recognise the importance of partnership working. We have further strengthened our relationship with the University of Reading through Joint Academic Funding Awards and have embarked on an exciting University Accreditation programme bringing clinical and academic excellence with the expectation that we will be able to announce our first 'University department ...' during 2019.

In the pursuit of becoming a 'digital hospital' we have successfully transformed the way we manage our patient information by implementing an electronic patient record system. As a consequence of adopting digital transformation we have been included in the Global Digital Exemplar (GDE) programme which is designed to deliver improvements in the quality of care through the use of digital technologies. We are the first GDE fast follower to reach stage five, on a scale of one to seven, of the accreditation process. This was no small undertaking and the success is due to the incredible commitment and focus from staff right across the Trust.

We take our responsibility of being a financially sustainable organisation very seriously as this is a fundamental part of being able to invest in the delivery of outstanding care. There are always pressures to meet these targets in terms of improving services and maintaining high standards, against the pressure of capacity demands on our services. However, with continued focus on improving our financial performance, this year we returned a financial surplus position of £16.33m. It is important to note that whilst we achieved our year end financial plan for 2018/19, which resulted in us receiving additional money from the national provider sustainability fund (PSF), we still face a significant underlying deficit and we need to do further work to ensure continued financial sustainability for our organisation and our local systems.

Our operational performance is equally important and by working with our partners in primary, emergency, social care and the voluntary sector, we were better prepared for the additional pressure experienced right across the country during the winter period. This resulted in providing the best possible conditions to support both the patient and staff experience as we continued to work towards achieving the emergency department 4 hour waiting time standard. We also performed well in delivering the core NHS access standards including making changes to improve referral times for planned treatment and cancer care throughout the year.

As we look forward to celebrating the 180th year of the Royal Berkshire Hospital providing healthcare to our community in Reading and across Berkshire and its borders, we recognise that the progress that we make is down to our staff, governors, partner organisations and our large team of volunteers and charities that support us. We reflect on a remarkable 12 months and remain in a good position to further build on our achievements in the coming year.

Finally I would like to thank everyone for their contribution and support to the Trust and for living out our core values of being Compassionate, Aspirational, Resourceful, and Excellent.

PERFORMANCE REPORT

Overview of Performance

This section provides an overview of the purpose and activities of the Trust, setting out our performance during 2018/19 and key risks during 2019/20.

The Royal Berkshire NHS Foundation Trust is the main provider of secondary care services for the population of West Berkshire, and also serves people in East Berkshire and bordering areas.

At our heart we are a district general hospital working collaboratively with NHS and social care partners to provide excellent health and care services for the people who live in our community. We also provide specialist hospital services including hyper-acute stroke, cancer and maternity services.

We employ more than 5,500 staff from 39 different nationalities and deliver care from a network of facilities across sites in Bracknell, Henley-on-Thames, Reading (our main site), Thatcham and Windsor. Each year we are responsible for efficiently and effectively spending more than £400m of NHS resources on the services we provide.

Our 'Vision 2025' was adopted in May 2018 and sets out our long term goals for the organisation and the community we serve. Our core vision statement is “**working together to provide outstanding care for our community**”. Central to achieving this vision will be partnership working with patients, our colleagues across health and social care, as well as other local organisations that support our community. 2018/19 has seen the Trust further engage stakeholders on our Vision both internally but also externally, not only with Health and Oversight committees but also with public groups, for example, patient leaders, governors and members and with patient cancer groups. Further work has been undertaken on our supporting strategies which help underpin its delivery. The Trust has introduced a strategic monitoring framework to inform the progress that is being made on the implementation of Vision 2025. Vision 2025 focuses on the delivery of five strategic objectives:

- Provide the highest quality care
- Invest in our staff and live out our values
- Drive the development of integrated services
- Cultivate innovation and transformation
- Achieve long-term financial sustainability

Achieving this will require us to change the way we work within our clinical services, and to reshape our resources (people, estate, IT, research and finance). We will continue to develop and embed a transformation and change culture, ensuring we are connecting with, listening to and working alongside our community balancing our ambitions against the need to manage and support the day to day challenges experienced by an acute hospital.

- **Provide the Highest Quality Care.**

Ensuring safety and quality of care for every patient is our top priority. The Trust wants all our services to be outstanding every day of the week and to maintain our position as a top performer in delivering NHS access standards, and be one of safest and most caring healthcare organisations in the world. In order to achieve this we continue to invest in our quality processes, regularly assess service quality, work tirelessly to address areas of concern and be open about our record when we have fallen short of our standards.

During 2018/19 the Trust continued to work with partners within the ICS working closely across the sectors and with the Thames Valley Cancer Alliance (TVCA) to manage our adherence to the national standards. There is strong collaboration in place to identify areas for improvement and transformation across a range of pathways and enabling programmes. We continue to target opportunities to deliver improvements that will support;

- Shorter waiting times
- Earlier diagnosis (both identification and access to diagnostic tests)
- Support and management of patients 'Living with and Beyond Cancer
- Care Closer to Home
- The use of Digital technology to support improvements in care delivery and support.

Looking forward to 2019/20 we remain focused on delivering the highest quality care to patients with or suspected of having cancer, and continue to work towards our goal of all patients being seen, diagnosed and communicated with quickly and effectively, and where cancer is diagnosed, ensuring treatment is started as quickly and effectively as is clinically appropriate. We will continue to work closely with the TVCA and NHS England in relation to changes to the national cancer standards that are under discussion (e.g. 28 day diagnosis) to ensure we are able to respond effectively for the benefit of our patients.

2018/19 saw the opening of Endborne Dialysis Satellite Unit allowing patients from the West of our catchment area to be dialysed closer to home.

The Trust has actively participated in a number of national audits to identify opportunities to improve the efficiency and effectiveness of our services.

2018 saw the introduction of GP streaming and changes in acute oncology and the introduction of the Integrated Discharge Service which adopts a case management approach to assist with complex discharges. The Trust has seen improvements in weekend discharges and the average length of stay.

2018/19 saw very positive PLACE (Patient-Led Assessments of the Care Environment) results.

RBFT continues to deliver a good patient experience, which can be evidenced through our strong performance on the Friends and Family Test and the feedback we have received through NHS Choices. RBFT continues to look at the best ways to continue to support patients in times where staff numbers remains a challenge across the NHS and this has seen the development of new roles such as the Trust's use of Physician Associates.

- **Invest In Our Staff and Live Out Our Values**

Providing high quality healthcare services is reliant on a highly skilled and motivated workforce.

The Trust recognises that working in the NHS will continue to be both rewarding and challenging. We know that healthcare professionals will continue to be in short supply for the foreseeable future meaning it is important to create a culture and an offer that ensures we can recruit, support, motivate, develop and reward the highest calibre of staff. To deliver this we will invest in all staff groups to make sure we have the right skills and an engaged and motivated workforce. This includes increased efforts to improve the retention of staff by supporting the development of our employees, supporting the health and wellbeing of our staff and focussing on attracting new recruits. In addition we will continue to strengthen our

'What Matters' programme ensuring that all staff are aware of our values and recognise where we fall short. This will support them to change behaviours in the future.

RBFT has a higher percentage of staff recommending RBFT as a place to work than the national average. Please see page 54 for more information.

This year the Trust launched its Behaviours Framework which links to the introduction of a values based appraisal and recruitment process seeking to ensure that the organisational values are delivered consistently.

RBFT has seen improving staff survey results in 2018/19. Whilst this is pleasing this is not felt to be a reason to stop driving forward on these matters in 2019/20 and to support this we have started the next phase of our staff engagement programme "What Matters".

Diversity and inclusivity are important for the Trust and we have seen an increase in the percentage of BAME staff in Agenda for change (AFC) bands 8a-9 and Very Senior Manager positions compared to 2017 and there has been an increased focus on inclusivity in appraisal discussions and induction programmes.

Over 120 staff have accessed formal leadership and management development programme with a second cohort of staff joining the Chartered Manager Degree provided by Henley Business School provided under the Apprenticeship Levy. The Trust has received national and regional recognition for our approach and utilisation of the apprenticeship levy.

- **Drive the Development of Integrated Services**

As the largest employer of healthcare professionals in Berkshire West, and one of the best resourced organisations in the local health system, we have a responsibility to drive the development of integrated care envisaged by the Five Year Forward View, the NHS Long Term Plan and our Integrated Care System.

Our patients expect and need a more joined up, integrated and comprehensive healthcare service that focuses on preventing illness, improving wellbeing, and is available when they need it in locations that are convenient to them. Furthermore, they expect to be admitted to hospital only when it is absolutely required. This will require us to work in different ways and harness modern technology, so that patients and other professionals can benefit from our expertise. Where it is in the interests of patients and taxpayers we also have a responsibility to take a leadership role in overcoming the fragmentation of care delivery. With our partners we must improve the coordination of care and make the best use of our existing infrastructure.

RBFT is working with ICS partners to develop new ways of providing outpatient services affording a greater opportunity for patients to be cared for closer to home. This will be achieved by offering more capacity away from the Royal Berkshire Hospital and by seeking to use technology or patient initiated clinics to reduce the frequency with which patients have to visit the hospital. Also the year saw RBFT work with system partners in continuing to explore the development of a more integrated musculoskeletal (MSK) service.

2018/19 saw the Berkshire West ICS work to develop a system urgent and emergency care strategy which at its center is focused on a system approach to sustainable provision of urgent and emergency care for the long term with care being delivered in the right place at the right time. This strategy is underpinned by work undertaken to produce a system bed model, developed to ensure bedded care across the ICS will be fit for the future.

The drive for closer working and co-operation will be supported by the developing ICS infrastructure which has seen the introduction of new contract forms moving away from Payment by Results in 2018/19 using an innovative “blended payments” approach. The payment mechanism includes a fixed payment and a risk sharing agreement.

- **Cultivate Innovation and Transformation**

RBFT is clear that the successful and sustainable healthcare provider of the future will look different to today’s model. We must become more agile, less constrained by the four walls of the hospital, more adept at using technology to support our work, increasingly data-led and open to clinical innovation.

As a forward looking organisation RBFT accepts the challenge of transforming the way we work and embrace the opportunities that this will bring. 2018/19 has focused on development of the Trusts SUCCESS model for transformation which will be embedded throughout the organisation over the coming year.

RBFT has a strong history with regards to participating in research, being one of the most research active district general hospitals in the country. In February 2019 the Trust had 32 departments engaged in research.

2018/19 saw the Trust take significant steps on the journey to become an exemplar digitally enabled hospital. Following the introduction of electronic clinical documentation and electronic prescribing and medicines administration (ClinDocs/EPMA) all inpatient care has been digitally enabled and we now operate a paper-lite admitted care hospital. The Trust has deployed voice recognition technology which is transforming the turnaround of outpatient clinic letters, and we are planning how to take this further over the years to come. Towards the end of the year the Trust underwent its Healthcare Information and Management Systems Society (HIMSS) assessment and is very proud to have been assessed at a HIMSS stage 5 which is well on our way towards our goal of achieving HIMSS stage 7.

The Trust continues to strengthen its links with the University of Reading and 2018/19 saw the creation of the Joint Academic Board with match funding being provided by the organisations. This has led to the first round of projects receiving funding, and with a second cohort of projects shortly to go through the process. The Trust believes that being an academically approved service is an important step and an academic accreditation scheme is underway which should see the successful service/s being awarded this status during 2019.

- **Achieve Long-Term Financial Sustainability**

RBFT is committed to achieving financial sustainability which will allow the Trust to invest a proportion of its income in developing and improving services for patients.

RBFT's aspiration is to improve its financial position so that we are seen as a resource for other healthcare providers, both locally and regionally. At the same time we will need to make significant investments in our infrastructure and make improvements to patient and staff transport and access.

Delivering these objectives will depend on how the Trust works on a day-to-day basis, the delivery of cost improvement and transformation programmes, the effectiveness of the partnerships we enter into and the decisions we take over how and where we provide services.

The transition away from 'fee-for-service' based reimbursement towards population and pathway based payments presenting RBFT with new challenges and require the Trust to develop new skills and processes that build on existing strengths.

In 2018/19 the Trust finished the year in surplus (See finance section on page 19) and was able to deliver a significant capital programme which has seen investments in medical equipment, estates work and IT. Examples of this include investments in the cardiac catheterisation laboratory, pathology services, additional bed capacity, the development of our Electronic Patient Record (EPR) system and in our IT infrastructure.

RBFT's estate strategy was approved by the Board in 2018 and an Estates Programme Committee has been established to oversee the development of our estate in order that it can deliver the Trust strategy.

A strategy monitoring framework provides assurance to Board on the implementation of priorities and enabling strategies. The Integrated Performance Report (IPR) and Board Assurance Framework (BAF) are aligned to the 5 strategic priorities.

Risks

The risks the Trust faced are detailed throughout this report but it is worth noting that in common with many in the NHS the issue of workforce levels and the financial challenges faced are important for RBFT. Further information on the Trust's risks is laid out in the Annual Governance Statement. 2019/20 is likely to be a financially challenging time for the Trust as although we finished 2018/19 with a surplus this was in part achieved through the use of non-recurrent benefits such as the release of provisions which we will be unable to continue. The underlying run rate will require a larger savings plan to be put in place to be able to achieve our targeted financial position than may be thought of from the year end position.

Overview: Going Concern

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

The Trust seeks to position itself to be best placed to cope with the challenges that affect the environment within which it operates. These challenges include factors outside the control of the organisation, such as the economic and political environment and the general instability that accompanies public sector and political reform, and factors that are specific to the sector such as the penalty regime around non elective activity, the need to drive on-going efficiencies through savings programmes and the dependence of some elements of funding on achieving national targets, such as Accident & Emergency (A&E) wait times.

Performance Analysis

		National Standards	RBFT 2016/17	RBFT 2017/18	RBFT 2018/19
Referral to Treatment (RTT)	% of Incomplete Pathways within 18 weeks from referral	92%	94.10%	92.58%	92.53%
Diagnostic Monitoring (DM01)	% of service users waiting less than 6 weeks from referral for a diagnostic test	99%	99.39%	99.22%	97.69%
Emergency Department (ED)	% of ED attendances admitted or discharged within 4 hours of arrival	95%	92.29%	89.17%	91.90%
Cancer – Core Access	% of service users referred with suspected cancer from a GP waiting no more than two weeks for first appointment	93%	95.40%	95.61%	95.65%
	% of service users referred urgently with breast symptoms (where cancer is not initially suspected) waiting no more than two weeks for first appointment	93%	97.10%	96.29%	96.26%
	% of service users waiting no more than one month (31 days) from decision to treat to treatment for all cancers	96%	97.68	97.98%	97.45%
	% of service users referred with suspected cancer from a GP waiting no more than two months (62 days) from referral to first definitive treatment for cancer.	85%	85.07%	85.90%	83.25%
	% of service users waiting no more than two months (62 days) from referral from an NHS screening service to first definitive treatment for cancer	90%	87.08%	91.64%	89.46%
Cancer – Subsequent Treatments	% of service users waiting no more than one month (31 days) – Anti-Cancer Drug	98%	99.56%	99.61%	99.03%
	% of service users waiting no more than one month (31 days) – Surgery	94%	94.58%	95.82%	96.34%
	% of service users waiting no more than one month (31 days) – Radiotherapy	94%	96.53%	91.64%	94.46%

NB: Cancer information within the table above is subject to change due to reporting in arrears and is accurate to the date entered, not submitted.

The achievement of the constitutional standards is a priority for the Trust and we continue to balance the need to implement change against the need to maintain short waiting times. Ensuring that our staff are enabled to engage in significant transformation whilst continuing to provide the highest quality care to our patients.

Referral to Treatment (RTT):

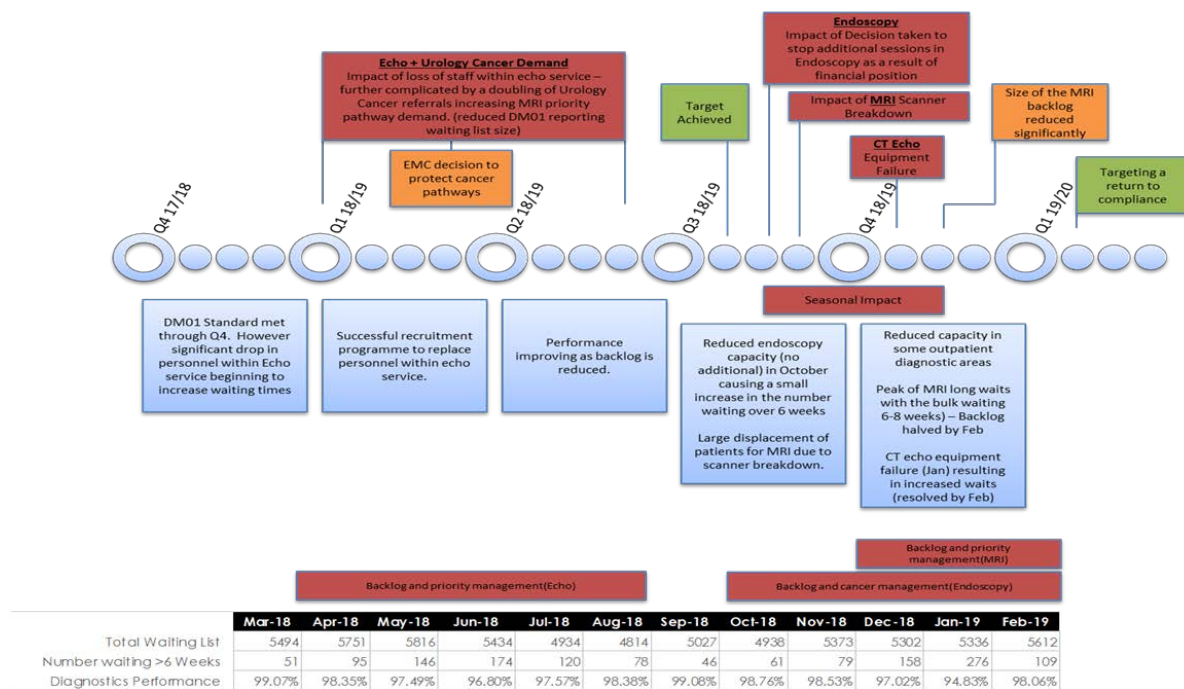
The Trust has been a strong performer against the RTT standards and we continue to pursue opportunities to ensure our staff has high quality information accessible to them to proactively coordinate patients through their elective pathways. Work to refine and operationalize our programme of automation and proactive management is well progressed and the Trust will be undertaking an external assurance review, through our successful Data Quality Assurance Programme, to ensure the process is inclusive of all appropriate pathways.

Cancer:

The Trust remains committed to the delivery of the national cancer access standards and we continue to work closely across both primary and secondary care to identify opportunities for further improvements and access to treatment for patients referred with a suspicion of cancer. Through 2018/19 the main acute provider has performed well across all standards cancer standards with the two 14 day and five 31 day standards expected to achieve above target performance for the year. The Cancer 62 day standards have been more challenging through 2018/19 following a significant unexpected increase in referral demand within one tumour site which when combined with the low volume nature of the 62 day standards has resulted in lower than targeted performance. However whilst performance has not been as high as we would like the Trust has robust processes in place to ensure that high quality care is maintained and wait times are kept to a minimum. The Trust remains significantly above the national average for the 62 day standard and will be targeting a compliant 62 day position through 2019/20.

Diagnostics DM01:

The Trust is conscious that performance against the diagnostic access standard has been a significant challenge through 2018/19 with performance attained at a lower level than in previous years. The complex mix of components monitored in this overarching standard means that volatility in any single or combination can have a detrimental impact. During 2018/19 a number of specific events have directly impacted performance resulting in a consistent pattern of underperformance. In addition, in certain areas tests supporting cancer diagnosis will be prioritised above routine tests at times when there is a capacity constraint. However the reasons for non-compliance have been separate and relate to different areas within the Trust. The illustration below shows the events that have caused a short term reduction in capacity resulting in a backlog of patients. Whilst each event has been responded to and resolved quickly within the service the resulting backlogs have all contributed to the pattern of underperformance.



*Data available at the time of including in the Annual Report.

Looking forwards, the Trust will be working with colleagues within the Berkshire West ICS and will be commencing a programme of work to inform planning for diagnostic services across the ICS for the next five years. This work will be undertaken in close communication with wider footprint stakeholders via the STP and Thames Valley Cancer Alliance.

Accident & Emergency:

During 2018/19 the Trust has improved performance against the 4 hour waiting time standard. However the Trust is not yet achieving the level of consistent compliance that we are targeting. Through the first two quarters of the year the Trust exceeded both the expectations of the Provider Sustainability Fund (PSF) and national standard, reporting over 95% for each quarter. Performance deteriorated sharply during Quarter 3 and whilst as a system we achieved the requirements of PSF performance against the 95% standard dropped below 90%. However Quarter 3, similar to the circumstances experienced nationally, the Trust experienced earlier than anticipated increases in both demand and acuity resulting from the very cold weather. The position was further complicated as a result of the implementation of a very significant change programme to deploy electronic inpatient clinical documentation and electronic prescribing and medicines administration as part of the Trust Global Digital Exemplar – Fast Follower Programme. Whilst planning and mitigation was in place it was anticipated that a programme of this scale would impact both flow through the hospital and efficiency at our front door. Throughout the go-live staff within the Trust maintained the outstanding level of care we strive towards every day. During Quarter 4 the Trust was successful in securing capital to increase acute medical capacity in the hospital in order to better manage urgent care demand. This investment alongside associated revenue funding and other investments across the system has supported a 39% reduction in 4hr breaches in Quarter 4 of 2018/19 when compared to the same period last year and has allowed us to support the best possible care for increasingly complex patients. Whilst Quarter 4 did fall short of our aim to return to 95% in March 2019, the Trust achieved the highest level of performance when compared against other local departments. The Trust reported no breaches of the 12 hour decision to admit to admission standard throughout 2018/19.

Financial Performance

The Trust group, which comprises The Trust, the Trust's wholly owned subsidiary and the Trust charity, made a surplus of £16.3m in 2018/19, including a reversal of impairment of £0.2m, compared to a surplus of £17.1m in 2017/18, which included reversal of impairment of £7.1m.

In 2018/19 we saw an increase in income from activities of 5.6% from £412m to £435m. The Sustainability and Transformation Fund introduced by NHS Improvement in 2016/17 was re-defined as the Provider Sustainability Fund (PSF) in 2018/19 and awarded payments based on performance against financial control total and A&E performance against an agreed trajectory towards 95% compliance with the 4 Hour Standard in March. The Trust achieved its full year financial control total and full year A&E measures and as a result secured £11.776m of Provider Sustainability Funding (PSF) and also £8.496m of 'Bonus PSF' monies.

The pay bill rose by £13.4m from £227.5m to £240.9m in 2018/19, an increase of 5.9% over 2017/18. During the year the Agenda for Change pay settlement was agreed and has driven £4.1m of the increase. Following good progress in reducing expenditure with third party agencies in 2017/18 the Trust maintained that level with a marginal reduction of £0.1m from £9.7m to £9.5m, 0.2%. £3m of the increase related to a re-coding of expenditure from non-pay relating to the Berkshire and Surrey Pathology Services (BSPS) contract.

The non-pay bill increased by £1.6m in 2018/19 (£156.0m in 2017/18) to £157.6m which was an increase of 1%. This was driven by increases in drugs of £1.8m, 3.9%, and the contribution to NHS Resolution for clinical negligence of £2.0m, 11.8% counterbalanced by Clinical Supplies and Services which included a re-coding of expenditure into pay relating to the BSPS contract.

Whilst the Trust maintained a surplus, further work remains to ensure continued financial stability. The Trust is working with NHS Improvement to plan a two year programme of financial improvement intended to result in an underlying financial surplus in future years.

Summary Financial Results – comparison to prior year

£m	2018/19	2017/18	Year on Year variance
Income	435.20	412.17	23.02
Pay	(240.92)	(227.51)	(13.42)
Non-pay excluding impairment	(157.60)	(156.01)	(1.60)
Expenses	(398.53)	(383.51)	(15.01)
EBITDA	36.67	28.66	8.01
Depreciation / Amortisation	(12.93)	(12.12)	(0.81)
Impairment including reversal	0.24	7.09	(6.85)
PDC Dividend	(6.76)	(5.18)	(1.58)
Net Interest payable	(0.55)	(0.76)	0.21
Other non-operating expenses incl loss on disposal	(0.34)	(0.55)	0.21
Reported surplus/(deficit) for the period	16.33	17.14	0.81)

Capital Expenditure

The Trust spent £26.9m on capital expenditure in 2018/19, of which £6.0m was funded by NHS England. The focus of the Trust's capital expenditure plan was on medical equipment, IT, Major Estates Works and investment in Engineering Compliance projects.

Cashflow and Statement of Financial Position

The Trust continues to hold a strong Statement of Financial Position mainly consisting of land and buildings owned by the Trust from which the Trust provides services to patients. Revaluation of the Trust estate has increased the value held by £6.9m. The liquidity of the Trust improved slightly in 2018/19, partially due to receipt of funds from external bodies and outstanding payments on capital expenditure completed in March 2018. At the end of the year the Trust had cash or cash equivalent assets of £43.1m.

The Trust has two loans totalling £39m, from the Independent Trust Financing Facility, one to finance the development of the Royal Berkshire Bracknell Clinic and one to finance the Trust's Cerner EPR system. Both of these loans have been fully drawn down and are being repaid. The balance outstanding at the 31 March 2019 was £17m.

As part of their review of going concern the Directors have considered the Trust's future cash flows and concluded that the Trust can continue in operation without any form of working capital facility.

The Trust manages its cash position closely.

Monitoring Trust Financial Performance

The Trust's financial performance is reviewed at the Executive Management Committee, the Finance & Investment Committee as well as at the monthly meeting of the full Trust Board, which takes a strategic view on the month's and annual financial results.

NHS Improvement assesses financial performance based on five criteria, capital service cover, liquidity, income and expenditure margin, income and expenditure variance from control total and agency. Overall the Trust achieved a risk rating of 1 at the end of the year, within the range of one to four where one is the best performance.

Overseas Operations

The Trust has no overseas operations.

Environmental, Social, Community, Anti-Bribery and Human Rights Issues

A full report on our environmental impact is included below. The Trust is keen to engage with the local community and does this in several ways. The main route is via the Trust membership which offers the local community the chance to attend Trust membership events and find out more about how we work. The Board are responsible for Anti-bribery processes as declared in the Standing Financial Instructions (SFIs) which are reviewed annually. The Trust has implemented the HR Local Counter Fraud Policy which includes a requirement to maintain a hospitality/gifts register. This policy is communicated via staff employment contracts. Fraud Awareness is provided at Trust Induction sessions and this includes guidance on anti-bribery. Each of our policies has an equality impact assessment to assess its impact on service users and staff.

Sustainability Report

The following table summarises the impact of the Trust's business on the environment. The figures include the effect of the on-going operation of the Combined Heat and Power (CHP) unit at the Royal Berkshire Hospital site. During this period, this unit generated 71% of the electricity used by the hospital, and utilised the waste heat from the generation process to provide 45% of the site's heating and hot water requirement.

Trust Sustainability Performance

Greenhouse Gas Emissions

Scope 1: Energy Direct Emissions

Imported Natural Gas:

For heating only:	3,140 tonnes CO ₂
For electricity generation:	<u>6,985</u> tonnes CO ₂
	10,125 tonnes CO ₂

Total cost: £1,455k

Scope 2: Energy Indirect Emissions

Imported Electricity 2,844 tonnes CO₂

Total cost: £844k

Scope 3: Official Travel Emissions

Business Travel by Clinicians and Staff

Business mileage claimed	565,670 miles
Leased car mileage	<u>7,595</u> miles
	573,265 miles

Total cost: £298k

Waste Minimisation and Management

Waste Streams

Clinical waste for incineration:	250 tonnes
Treated and general waste for energy	1,161 tonnes
Recycled waste	<u>294</u> tonnes
	1,705 tonnes

Total cost: £ 497k

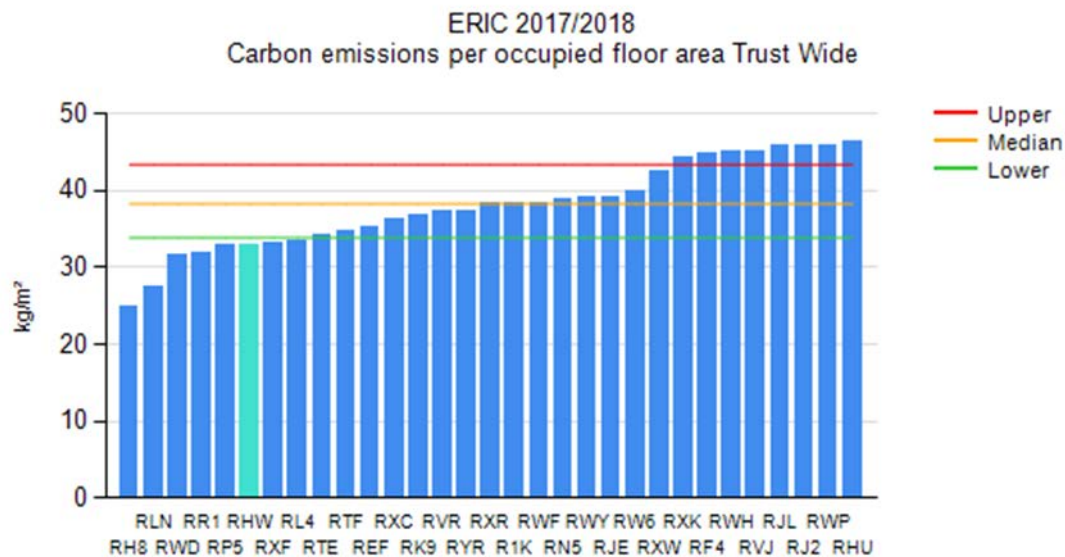
Finite Resources

Water Consumption

Water drawn from abstraction borehole:	72,903 cubic metres
Water drawn from mains supplies	<u>291,315</u> cubic metres
	364,218 cubic metres

Total cost: £603k

The Trust has 'low quartile' carbon emissions per occupied area when compared with all other UK NHS large acute hospitals, identified on the graph below (source: ERIC report 17/18)



Water consumption has increased over the last 12 months, by 12.5%. We expect this to improve over the coming years as plant and infrastructure is updated. The Trust is taking a number of steps to mitigate this in the next 12 months, and the coming years, via the delivery of the estate strategy; implementing more energy efficient plant and equipment to support the water distribution, heating and cooling of our buildings. Looking to the future our strategy will include sustainability requirements as an integral part of our development and refurbishment works.

Achievements within the Year

The Trust has achieved a reduction in energy related CO₂ emissions over the previous year.

We use electric pool cars to reduce carbon emissions related to official travel.

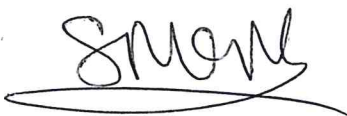
By improved waste segregation, we have reduced by more than half the amount of waste that goes for the energy intensive process of incineration. We have been able to increase the proportion of waste that goes for treatment and recycling, which are disposal processes which have a smaller carbon footprint. Overall, by improved management, our waste production has reduced by 14%.

During the year the Trust has made a number of sustainability driven decisions in relation to maintenance, repair and replacement of building related assets. Examples include lighting replacement programmes to LED bulbs and replacement of plant and infrastructure with more energy efficient solutions. During 2019/20, the Trust will further develop and integrate sustainable practices into design standardisation and into the Estate Strategy.

The Trust continues to review its sustainable development management plan and resulting targets and delivery plans. The aims include the following:

- minimising our carbon footprint
- reducing our energy usage and increasing our proportion of green energy
- ensuring water efficiency
- encouraging sustainable transport
- reducing food waste
- reducing food miles
- ensuring procurement that is both environmentally and socially sustainable, and is improving our preparations for adverse climate impacts.

Signed



Steve McManus
Chief Executive

Date 22.05.19

ACCOUNTABILITY REPORT

Directors' Report

Political or Charitable Donations

The Trust did not make any political or charitable donations during the period 1 April 2018 to 31 March 2019.

Private Finance Initiative Contracts

The Trust had no involvement in any Private Finance Initiative Contracts during the period 1 April 2018 to 31 March 2019

Charitable Funds

The Trust is supported by a number of charities. The Trust Charity is the Royal Berkshire NHS Foundation Trust Charity, which makes charitable grants to the Trust, often to contribute to capital projects.

Under IAS 27 the Trust, as the Corporate Trust of the Charity, consolidates the financial statement of the Charity into these Financial Statements.

The Royal Berkshire NHS Foundation Trust Charity does prepare its own financial statements, which are submitted to the Charity Commission.

Better Payment Practice Code – Measure of Compliance

Currently, the Trust is required to pay its all trade creditors in accordance with the Better Payment Practice Code. The target is to pay all trade creditors within 30 days of receipt of goods or a valid invoice (whichever is the later) unless other payment terms have been agreed with the supplier.

Currently the percentage number of invoices the Trust pays within 30 days is 85% (84% were paid within 30 days in 2017/18).

Analysis of this split by NHS and non-NHS payables can be found in the table below.

	31/03/2019 Number	31/03/2019 £'000
Non NHS		
Total bills paid in the year	84,514	147,437
Total bills paid within target	72,566	115,963
Percentage of bills paid within target	85.9%	78.7%
NHS		
Total bills paid in the year	1,916	67,099
Total bills paid within target	921	44,433
Percentage of bills paid within target	48.1%	66.2%
Total		
Total bills paid in the year	86,430	214,536
Total bills paid within target	73,487	160,396
Percentage of bills paid within target	85.0%	74.8%

The Trust paid interest of £96k (2017/18 - £34k) to discharge any liability relating to non-payment of invoices within the 30 day period. No interest was accrued in 2017/18 or 2018/19 relating to non-payment of invoices within the 30 day period where obligated to do so.

Statement as to Disclosure to Auditors (s418)

Each board director at the time that this report is approved does confirm that:

- so far as each director is aware, that there is no relevant audit information, defined as information needed by the NHS foundation trust's auditor in connection with preparing their report, of which the NHS foundation trust's auditor is unaware of; and
- each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information including:
 - making such enquiries of his/her fellow directors and of the Trust's auditors for that purpose; and
 - have taken such steps as are required by his/her duty as a director of the Trust to exercise reasonable care, skill and diligence.

External Auditor Details

The Trusts' External Auditors for 2018/19 were

Deloitte LLP
Abbots House
Abbey Street
Reading
RG1 3BD
United Kingdom

Deloitte were appointed as the Trusts External Auditors as of 1 April 2016. Over the course of the year they have delivered a range of reports to the Committee.

These include:

- Our Audit Plan for the period
- Progress update reports on the delivery of our audit work
- Technical update reports highlighting NHS FT and health sector issues of relevance for the Committee
- ISA 260 Audit Highlights Memorandum reports following our audit of the Group financial statements, and the financial statements of HFMS Limited and the Royal Berks Charity and
- The Limited Assurance Opinion on the Trust's Quality Accounts.

Deloitte's remuneration was £118k including VAT for the period 1 April 2018 to 31 March 2019 (£91k 2017/18). See Note 3.1 of Financial Statements for further details.

The external auditor's liability has been capped at £1m (2018: £1m)

Internal Auditor Details

The Trusts' Internal Auditors for 2018/19 were

Price Waterhouse Coopers LLP
Docklands
161 Marsh Wall
London
E14 9SQ

PwC's remuneration was £186k (£174k 2017/18) for the period 1 April 2018 to 31 March 2019.

Income Disclosures Required by Section 43(2A) of the NHS Act 2006

Details of the performance of the Trust including the results achieved during 2018/19 can be found in the performance analysis section above.

There is no impact of other income received by the Trust on its provision of goods and services for the purposes of the health service in England.

The Trust has met the requirement as per Section 43(2A) of the NHS Act 2006 that the income from the provision of goods and services for the purposes of the health service in England is greater than its income from the provision of goods and services for any other purposes."

Identifying Potential Financial Risks

The Trust has effective mechanisms in place to manage risk, in accordance with its risk management policy and strategy, supported by the Audit and Risk Committee, which has Board accountability.

The Trust has low exposure to market risk being the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market prices. In particular, the Trust is not exposed to price risk or credit risk and its exposure to interest risk is small because, with the exception of cash, its financial assets and liabilities are either at nil or fixed interest. The Trust's exposure to liquidity risk is only as a result of exposure to its challenging cost improvement programme.

- **Market risk**
This is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market prices.
- **Interest Rate risk**
All the Trust's financial assets and liabilities, with the exception of cash held in UK banks, carry a nil or fixed rate of interest. The Trust is not, therefore, exposed to significant interest rate risks.
- **Price risk**
The Trust does not deal with financial instruments other than loans with fixed interest rates and low value operating or finance leases. As a result the Trust is not exposed to a price risk.

- **Credit risk**
The Trust is not exposed to credit risk.
- **Liquidity / cash flow risk**
The Trust's exposure to liquidity / cashflow risk in relation to funding provided by the Commissioners is limited as it is government backed.

Enhanced Quality Governance Reporting

The Board is committed to quality governance and ensures that the combination of structures and processes at Board level and below support quality performance throughout the Trust. In October 2017 the Care Quality Commission (CQC) undertook an inspection of the Well Led domain. The Trust achieved a rating of 'good' demonstrating marked improvements in all areas of the Well Led framework as evidenced in the CQC Quality Report dated January 2018 <http://www.cqc.org.uk/location/RHW01/inspection-summary#welled>

Further details of the approach to quality governance within the Trust and the processes adopted to achieve high quality safe patient care may be found in the Annual Governance Statement on page 67 and the Quality Report on page 75.

Governance Arrangements

The Trust became a foundation trust in 2006. Foundation trusts are public benefit corporations. They remain part of the NHS and the public sector. The Trust was required to demonstrate excellence in a number of areas to be granted foundation trust status. The benefits of foundation status include greater freedom to manage and control the Trust outside of national and regional NHS structures as well as operational benefits like being able to retain surpluses for future investment and borrow money for expansion of services.

The staff and public members of the Trust elect governors to the Council. Other governors are appointed by key partners such as local authorities and our Clinical Commissioning Group (CCG). The Council of Governors hold the non-executive directors (NEDs), individually and collectively, to account for the performance of the Board of Directors. The Board of Directors comprises both Non-Executive and Executive Directors that lead the organisation and manage the key financial and strategic issues. On behalf of the Board, the Chief Executive and other senior staff, manage the Trust on a day to day basis.

The majority of governors on the Council are publicly elected by public members of the Trust. The Council of Governors appoint the Non-Executive Directors who have a voting majority on the Board. All Board members and governors meet the 'fit and proper person test' as described in our provider licence.

Further details on foundation trusts can be found on the regulator's website: <https://improvement.nhs.uk/>

Board of Directors

The Board of Directors of the Trust is a combined board, meaning that it comprises both Executive (paid staff) and Non-Executive (appointed external) Directors. Collectively, it has responsibility for:

- providing leadership to the organisation within a framework of prudent and effective controls
- sponsoring the appropriate culture, setting strategic direction, ensuring management capacity and capability, and monitoring and managing performance
- safeguarding values and ensuring the organisation's obligations to its key stakeholders are met
- facilitating the understanding on the part of governors of the role of the Board and the systems supporting its oversight of the Trust
- taking account of the NHS Constitution in all aspects of its work.

The Board carries out the role envisaged within the Monitor Code of Governance, namely that its role is to provide active leadership of the Trust within a framework of prudent and effective controls which enables risk to be assessed and managed.

As such, the Board:

- is responsible for ensuring compliance with the terms of authorisation, constitution, mandatory guidance issued by NHSI, relevant statutory requirements and contractual obligations
- sets the strategic aims, taking into consideration the views of the Council of Governors, ensuring that the necessary financial and human resources are in place for the Trust to meet its objectives and review management performance
- as a whole is responsible for ensuring the quality and safety of healthcare services, education, training and research delivered by the Trust and applying the principles and standards of clinical governance set out by the Department of Health, the Care Quality Commission (CQC), and other relevant NHS bodies. The Board ensures that the Trust exercises its functions effectively, efficiently and economically
- sets the Trust's overall culture, its values and standards of conduct and ensures that its obligations to the public, its members, patients and other stakeholders are understood and met.

The Trust has a code of conduct for Board Directors based on the values of the NHS.

Board Engagement with the Council and Members

The Board takes active steps to ensure it interacts appropriately with the Council of Governors. The Board has agreed protocols in respect of communication with the Council and to help discharge its statutory duties. There is a joint meeting between the Board and the Council which is held twice a year. Non-Executive Directors and the Chief Executive also attend Council of Governors meetings which are held four times a year. Non Executive Directors attend the Governors Assurance Committee to provide updates from Board Committees to governors. The Committee meets before each Joint Board/Council meeting and Council of Governors meeting.

Direct engagement with members takes place at the Trust's Annual General Meeting where a review of the year and forward plans are delivered and there is an open question and answer session.

The register of Board of Directors at 31 March 2019 is as follows. For the latest register please see the Trust's website.

Name	Designation
Steve McManus	Executive Director (Chief Executive)
Graham Sims	Non-Executive Director (Chair of the Trust)
Caroline Ainslie	Executive Director (Director of Nursing)
Nicky Lloyd	Executive Director (Chief Finance Officer)
Lindsey Barker	Executive Director (Medical Director)
Mary Sherry	Executive Director (Chief Operating Officer)
Julian Dixon	Non-Executive Director
Brian Hendon	Non-Executive Director
Helen Mackenzie	Non-Executive Director
Sue Hunt	Non-Executive Director (Deputy Chair)
John Petitt	Non-Executive Director (Senior Independent Director)

The following were also Board directors during the year:

- Craig Anderson – Director of Finance
- Alison Hill – Non Executive Director

All Non-Executive Directors are considered independent.

The Trust's Constitution specifies that Non-Executive Directors are appointed for three year terms of office. If a non-executive Director has held office for more than three years, any further appointment shall be for a term of one year. Appointments can be terminated in accordance with Monitor's Code of Governance.

Declarations of interest made by Board members are available on the Trust's website. Changes to the Board and Council during the year are set out on page 42.

Biographies

Chair of the Trust: Graham Sims, joined the Trust in August 2015, bringing a wealth of chair and corporate experience and knowledge in strategy, investment, operations and leadership. He has held roles as Chair and various directorships within large and small corporate businesses including BP, ExxonMobil, Compass, the Home Office, Little Chef and a number of PE backed businesses in the UK and internationally. Graham is also involved with a number of charity boards.

Chief Executive: Steve McManus joined the Trust in January 2017. Steve was previously a Divisional Director of Operations and then Chief Operating Officer at the University Hospital Southampton NHS Foundation Trust. As a member of the executive team, he led the Trust through the process to gain foundation trust status. In 2012 Steve took up post as Chief Operating Officer at Imperial College Healthcare and was appointed Deputy Chief Executive in 2014. During this period Steve has also been Chair of the NHS Providers Chief Operating Officer network, and was selected as part of the first cohort on the national Aspiring Chief

Executive Programme. During 2016 Steve moved from Imperial to take up the position of Managing Director at Basildon and Thurrock University Teaching Hospital FT. Steve is an active leader in the area of patient safety and is Chair of the Oxford Academic Health Science Network's Patient Safety Collaborative.

Director of Nursing: Caroline Ainslie, was appointed as Executive Director of Nursing in June 2012. Prior to this Caroline held a number of senior nursing positions including Deputy Chief Nurse at South Central Strategic Health Authority and Divisional Head of Nursing and Professions at University Hospitals Southampton.

Chief Finance Officer: Nicky Lloyd joined the Trust as Chief Finance Officer in January 2019. A Chartered Accountant, and experienced Director of Finance, she has worked across the commercial sector and the NHS, most recently at The Royal Orthopaedic Hospital NHS Foundation Trust, a specialist acute trust in Birmingham, where she held several positions from 2015-2018, including Assistant Chief Executive. She was selected to be part of the first cohort of the Aspiring Chief Executive Programme, completing this in 2017. Prior to this, Nicky was Director of Finance at South Warwickshire NHS Foundation Trust, an acute and community Trust with four hospital sites. In this role, from 2012/2015, she delivered strong financial management leadership with an executive portfolio including finance, contracting, procurement, information, and internal and external audit. Before this, she was Associate Director of Finance and Financial Performance at Walsall Healthcare NHS Trust (an Acute and Community Trust) from 2008/2012 and before that, a Non- Executive Director and Chair of Good Hope Hospital NHS Trust. Before joining the NHS, she held senior positions overseas for extended periods, both as a Finance Director for an automotive manufacturer in Brussels and as an auditor with Deloitte in Birmingham and Philadelphia. In a voluntary capacity, she also held a Board position at Birmingham City University for seven years, chairing Audit Committee and Charity Trustees and chaired the governing body of a secondary school in the West Midlands for six years.

Medical Director: Dr Lindsey Barker, was appointed Medical Director in November 2014. Lindsey joined the trust in 1990. She is a Consultant Nephrologist and Physician, trained in Bristol and Oxford. She has worked in medical managerial roles since 2008.

Chief Operating Officer: Mary joined the Trust in June 2015 as Deputy Chief Executive and Chief Operating Officer. Previously she was Chief Operating Officer at Moorfields Eye Hospital, a 23 site networked specialist hospital. Mary now has ten years of Board level experience in acute general hospital care, often across several sites and has held key roles at Poole Hospital, Portsmouth, Surrey & Sussex and St George's Teaching Hospital. She is known for working collaboratively with clinical and non-clinical teams to deliver a broad agenda which incorporates quality, performance and finance, and is particularly strong on partnership working. A non-clinical manager with a background in HR, and Lean and Systems Thinking trained, Mary is experienced in supporting staff to deliver high quality services and has been successful in doing so, including in financially challenged Trusts. Her focus for the last four years here at the Royal Berkshire has been supporting teams to deliver key quality, access and financial standards, with a continued drive to improve urgent and emergency services, including reducing patient time in hospital, and developing a consistent approach to transformation and change programmes; leading the change programmes associated with Digital Hospital. In parallel, Mary has developed strong relationships as part of the West Berkshire Integrated Care System, and has led the development of the Urgent and Emergency Care Strategy through her role as A&E Delivery Board Chair.

Non-Executive Director: Julian Dixon, joined the Trust in November 2014. Julian has worked in leadership roles in the academic, healthcare and commercial sectors. He worked for more than twenty years in global healthcare companies, most recently at GSK where he held a number of senior roles leading teams developing and launching new health technologies. He went on to become Chief Operating Officer at UCLPartners, an Academic Health Science partnership. Julian is now Managing Director at Strategic Health Connections, a consultancy which helps organisations to translate innovation into improved health and wealth outcomes.

Non-Executive Director: Brian Hendon joined the Trust in August 2012 and lives in Ascot. Prior to being appointed to his post at the Royal Berkshire Foundation Trust, Brian stepped down from NHS Berkshire East and NHS Berkshire PCT where he had spent six years as a Non Executive Director. He is a Chartered Accountant and an experienced executive and non-executive Board member holding roles as Executive Chairman, Managing Director and Finance Director with both plc and private sector companies. Brian is also a non-executive director of the newly merged Metropolitan Thames Valley Housing Association and Non-Executive Chairman of Fortress Global Group Limited.

Non-Executive Director: Helen Mackenzie joined the Trust as a clinical Non-Executive Director in January 2019. Prior to this she was Executive Director of Nursing with Berkshire Healthcare NHS Foundation Trust, the main provider of NHS mental health and community services in Berkshire. Helen qualified as a nurse in 1979 and has held various clinical and managerial roles in the provision and commissioning of local NHS services.

Non-Executive Director: Sue Hunt joined the Trust in October 2014. She is Deputy Chair of the Trust, chairs the Finance and Investment Committee and is the named non-executive director (NED) for the Organ Donation Committee. Sue is a chartered accountant whose long and varied career at KPMG spanned audit, mergers and acquisitions and healthcare consultancy. She led the team contracted by the Department of Health to advise trusts on all aspects of their foundation trust application and also provided due diligence services on potential investments in the independent healthcare sector. Sue is an experienced NED in the health, education, housing and space technologies sectors with current roles at The Satellite Applications Catapult Ltd and Connected Places Catapult Ltd. She was previously on the Board of CfBT Education Trust, Notting Hill Housing Trust and was also a NED and then Acting Chair of NHS Direct until its disestablishment in 2014.

Non-Executive Director: John Pettitt joined the Trust in May 2016. He is the named Non-Executive Director for Emergency Preparedness, Resilience and Response (EPRR). Prior to this he was Group Chief Executive of Housing Solutions, a leading provider of affordable homes in the South East, for 16 years. He is a Chartered Accountant and has been a Finance Director in both the private and not for profit sectors. He is also a Non-Executive Director of Slough Children's Services Trust.

Review of Board Performance

The Trust was inspected by the CQC in October 2017. During 2018/19 the Trust has continued to review its self-assessment against Well Led Framework.

Executive Board members are also appraised on an individual basis.

Board attendances – April 2018 to March 2019

	Board	Quality	Charity	Nominations and Remuneration	Finance and Investment	Audit and Risk	Council of Governors ^{^^^}	Workforce Committee
Graham Sims	7/7		4/4	5/5	12/12		4/4	2/4
Steve McManus[^]	7/7	4/6	4/4	5/5	10/12		4/4	3/4
Caroline Ainslie^{^^}	7/7	4/6			6/6			4/4
Craig Anderson	5/5		2/2		9/9		1/1	3/3
Lindsey Barker^{^^}	6/7	4/6			3/6		1/1	3/4
Don Fairley[*]	7/7							4/4
Mary Sherry	7/7	5/6			9/12			2/4
Julian Dixon	7/7	5/6		5/5			4/4	4/4
Brian Hendon	6/7			5/5	11/12	6/6	4/4	
Alison Hill	4/5	5/5		4/4		4/4	3/3	
Sue Hunt	6/7			3/5	12/12		4/4	4/4
John Petitt	7/7	5/6		5/5		6/6	4/4	
Nicky Lloyd	2/2		2/2		3/3	2/2		
Helen Mackenzie	2/2	1/1		1/1		1/2	1/1	1/1

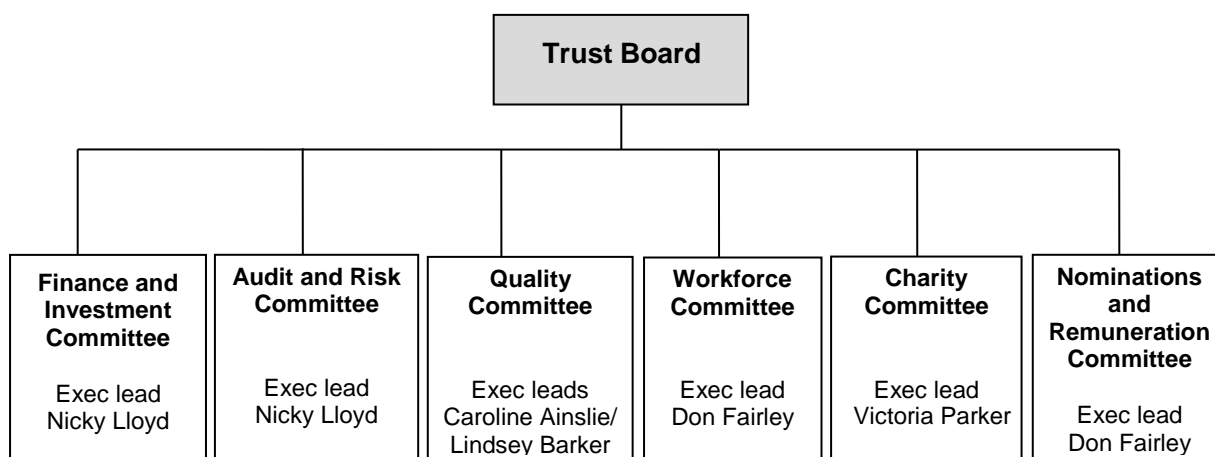
*Non-voting Director

[^] for nominations business only

^{^^} Either Medical Director or Director of Nursing required to attend Finance and Investment Committee

^{^^^} Executive Directors attend only upon request

The formal committee structure of the Board is shown below.



The main roles of each committee and group are as follows:

Audit and Risk Committee

The Committee oversees risk and audit issues within the Trust. It reviews the effectiveness of financial systems for internal control and reporting and reports to the Board of Directors on the levels of assurance. It is responsible for ensuring and monitoring the regular review of risks identified against the board assurance framework and corporate risk register in order to embed risk management within the organisation.

Charity Committee

The Royal Berks Charity (Royal Berks NHS Foundation Trust Charity Fund Registration Number 1052720) is governed by trustees acting through the Charity Committee. They are responsible for the overall management of charitable funds. There are two governor members on the Committee.

Quality Committee

The Committee gives detailed consideration to all components of the quality of care provided by the trust including clinical effectiveness, patient safety and patient experience.

Nominations and Remuneration Committee

The Committee oversees a formal, rigorous and transparent procedure for the appointment of the Chief Executive and the other Board Executive Directors. It advises and makes recommendations to the Board on Executive and senior management remuneration and remuneration policy. See the Board remuneration report on page 45.

Finance and Investment Committee

The Committee gives detailed consideration to operational, finance, estates, investment and IT. It advises the Executive and Board on issues to achieve the best value for money and use of resources. It seeks to ensure that agreed strategies for finance, estates and IT are developed, implemented, monitored and reviewed.

Workforce Committee

The Committee develops and oversees the delivery of the People Strategy and gives detailed consideration to workforce issues.

Audit and Risk Committee

Composition

The Audit and Risk Committee comprises Non-Executive Directors.

Discharging its responsibilities

The Committee discharges the responsibilities delegated to it by the Board in the following ways:

- the Committee has Board approved terms of reference
- the Committee submits an annual programme of work to the Board for its approval
- minutes of meetings are submitted to the Board
- the Chair of the Committee gives regular verbal updates at the Board meetings.
- the Committee prepares an annual report for the Board.

The terms of reference of the Committee are reviewed annually by the Board to ensure their appropriateness and that they incorporate best practice as it develops.

The work of the external auditors and the Committee has been carried out within a framework set by Monitor. The focus of this framework has been on the final accounts and the Statement of Internal Control. Over the course of the year our external auditors have delivered a range of reports to the Committee. These include:

- Reports under ISA260 setting out the external auditor's conclusions on the 2017/18 audits of the Group's financial statements
- Separate letters under ISA260 setting out the external auditor's conclusions on the audits of the Charity and HFMS for 2017/18
- Regular progress and technical update reports to the Audit and Risk Committee
- Report on the work performed on the limited assurance opinion on the quality report indicators; and
- The audit plan for 2018/19.

Responsibility for appointment of external auditors rests with the Council of Governors.

Ensuring external auditors' independence

The Trust has a policy in place for the engagement of the external auditors for non-audit work. This policy complies with all relevant auditing standards and follows industry practice in terms of defining prohibited work and setting out the approval and notification processes all non-audit work should be subject to. The policy is reviewed annually by the Audit and Risk Committee and they receive confirmation through Deloitte progress reports presented to each of their meetings that it has been complied with.

The Audit and Risk Committee believes that in this way the external auditors' independence is ensured.

It is the combined responsibility of the directors to prepare the annual financial statements and report. It is the auditors' responsibility to report on whether the Financial Statements and Annual Report give a true and fair view.

Auditors' statement on reporting responsibilities

It is the external auditors' responsibility on completion of their audit to issue:

- an opinion on financial statements: this confirms the accounts present a true and fair view of operations; and
- a conclusion on the Trust's use of resources: this confirms that no evidence has been identified to suggest resources are not being used effectively to deliver healthcare and other objectives.

External auditors are also required to confirm aspects of the Quality Account Report, including a sample of indicators have been correctly prepared and presented.

External auditors are required to report the findings of their audit to those charged with governance - for the Trust this is the Audit and Risk Committee. The Monitor Code of Governance states that this report must be sent to NHS Improvement by the Trust.

The Audit and Risk Committee report

The Trust Board have delegated authority to the Audit & Risk Committee, a non-executive committee of the Trust Board, to review the establishment and maintenance of an effective system of integrated governance, risk management and financial and non-financial non-clinical internal controls, which supports the achievement of the Trust's objectives.

The Committee has no executive powers. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

In addition the Committee is required to satisfy itself that the Trust has adequate arrangements for countering fraud, for managing security of resources and has to review arrangements by which staff of the Trust may raise concerns via the Trust's Freedom to Speak Up policy.

The Audit & Risk Committee consists of three Non-Executive Directors members supported by professional advisors with Trust attendance provided by the Chief Executive Officer, the Director of Finance and the Director of Nursing.

The Committee meets privately with the Trust's Internal and External Auditors as and when required.

During 2018/19 The Audit & Risk Committee has satisfied itself that the findings of assurance reports and other studies relating to the Trust, as drawn to its attention by the Board or by management, These reports include reports instigated by NHS Improvement and Care Quality Commission and other professional bodies with responsibility for the performance of staff or functions (e.g. Royal Colleges, accreditation bodies, etc.).

The Committee conducts an annual review of its effectiveness with its terms of reference and submits any findings and proposals for changes to the Board of Directors for consideration and once a year prepares an annual report. Both the review and the annual report are presented to the Board. No matters of concern were raised in the 2018/19 review.

Financial Reporting

The Committee reviewed the Trust's accounts and Annual Governance Statement and how these are positioned within the wider Annual Report. To assist this review the Committee considered reports from management and from the internal and external auditors to assist the consideration of:

- the quality and acceptability of accounting policies, including their compliance with accounting standards;
- key judgements made in preparation of the financial statements;
- compliance with legal and regulatory requirements
- the clarity of disclosures and their compliance with relevant reporting requirements; including the adoption of International Financial Reporting Standards (IFRS) 9 and 15 as of the 1 April 2019;
- whether the Annual Report as a whole is fair, balanced and understandable and provides the information necessary to assess the Trust's performance and strategy.

The Committee reviewed the content of the annual report and accounts and advised the Board that, in its view, taken as a whole:

- it is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Trust's performance, business model and strategy;
- it is consistent with the draft Annual Governance Statement, Head of Internal Audit Opinion and feedback received from the external auditors.

Significant financial judgments and reporting for 2018/19

The Committee considered a number of areas where significant financial judgments were taken which have influenced the financial statements:

The Committee identified through discussion with both management and the external auditor the key risks of misstatement within the Trust's financial statements. The Committee discussed these risks with the external auditor at the time the external auditor's audit plan was reviewed and at the conclusion of the audit. The Committee also discussed these risks with management during the year and received a paper from management in advance of the year end. Set out below is a summary of how the Committee satisfied itself that these risks of misstatement had been appropriately addressed.

- Valuation of land, buildings and dwellings and intangible assets: We reviewed reports from management which explained the basis of valuation and the consideration of the need to recognise any revaluation or impairment. We also considered the auditors' views on the accounting treatment of these assets. We are satisfied that the valuation of these assets within the financial statements is consistent with management intention and is in line with accepted accounting standards.
- The adequacy of provisions; for example in relation to debtor balances and contractual disputes.

External audit

Deloitte LLP was appointed as External Auditors to the Trust effective from 1 April 2016.

Audit and non-audit fees are set, monitored and reviewed throughout the year and are included in note 3.1 of the accounts. Deloitte have provided no non-audit services to the Trust during the year. In the event that any non-audit services were provided the Committee would consider whether these services might result in any impairment of the auditor objectivity and independence.

During the Audit & Risk Committee meeting on the 8 November 2018 the Committee reviewed and approved the external audit plan for the 2018/19 period. As part of the discussion at this meeting the Committee reviewed key risk areas highlighted by external audit in relation to the valuation of assets and recognition of NHS income.

During the Audit & Risk Committee meeting on the 15 May 2019 the Committee reviewed the 2018/19 financial statements and Deloitte's ISA260 Audit Highlights memorandum prepared as part of its audit of the Group and Trust financial statements. Following this, the Committee recommended to the Board that it approve the Annual Report and Financial Statements for the period ending 31 March 2019.

Internal audit and counter fraud services

The Board uses external parties to deliver the internal audit and counter-fraud services.

PwC has provided the Trust's internal audit service since March 2011. This service covers both financial and non-financial audits according to a risk-based plan agreed with the Audit Committee.

During the year internal audit issued 7 reports with a total of 23 findings (2 high, 12 medium and 9 low risk findings). 3 reports have not yet been issued. At each meeting the Committee receives a report from Management confirming the status of internal audit recommendations.

Internal controls

Through the internal audit plan the Committee reviews the financial and risk controls operating in the Trust, through and during the year also looked at the controls relating to data quality, estate and the patient environment, information governance and private patient activity. Action plans were put in place to address minor issues in operating processes.

Fraud detection processes and whistle-blowing arrangements

The Trust's counter fraud service is provided by TIAA, who provide fraud awareness training, carry out reviews of areas at risk of fraud and investigate any reported frauds including any disclosed via the Trust's Freedom to Speak Up policy.

The Committee reviewed the levels of fraud and theft reported and detected and the arrangements in place to prevent minimise and detect fraud and bribery. No significant fraud was uncovered in the past year.

Other areas reviewed

In addition to the above the Committee will also seek reports and assurances from directors and managers as appropriate, concentrating on the overarching systems of integrated governance, risk management and internal control, together with indicators of their effectiveness.

This includes, but is not limited to, receiving updates on the Corporate Risk Register and the Board Assurance Framework and the review of risk and control related disclosure statements (in particular the Statement on Internal Control and declarations of compliance with the CQC Standards).

In addition the Committee also reviews the underlying assurance processes that indicate the degree of the achievement of corporate objectives along with the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements. Whilst ensuring that the policies for ensuring compliance with relevant regulatory, legal and code of conduct meet all requirements.

Nominations and Remuneration Committees

There are two Nominations and Remuneration Committees – one established by the Board of Directors for the appointment of Executive Directors and one established by the Council of Governors for the appointment of Non-Executive Directors.

Board Nominations and Remuneration Committee

This consists of all Non-Executive Directors and the Chief Executive (for nominations business only). The Committee is chaired by the Chair of the Trust. Further information on the Board Nominations and Remuneration Committee can be found on page 42.

Council of Governors Nominations and Remuneration Committee

The Committee consists of governors and is chaired by the Lead Governor. The Committee makes recommendations to the Council regarding the appointment of, and remuneration, for Non-Executive Directors.

Responsibilities

The Committee oversees the development, implementation and review of the policy for Non-Executive Directors and the policy for governors. The Committee leads the process for the identification of Non-Executive Directors.

Remuneration duties

The Committee will make recommendations to the Council of Governors on the following:

- To develop, seeking the advice and recommendations of the Chief Executive, mechanisms to ensure that the Committee and the Council is informed of the up to date position on Non-Executive Director remuneration, in particular the practice in Foundation Trusts
- To recommend an overall remuneration and terms of service policy for the Non-Executive Directors
- To recommend levels and terms of service for individual Non-Executive Directors, taking into account the overall policy established by the Trust.

Nomination duties

The Committee will make recommendations to the Council of Governors on the following:

- To establish and keep under annual review a policy for the composition of the Non-Executive Directors, which takes account of the strategic needs of the Trust and the balance of the Board, and membership strategy
- To consider the skills and experience required in any Non-Executive Director appointment
- To identify appropriate candidates for appointment as Non-Executive Directors
- To establish and keep under annual review a policy for the composition of the Council of Governors, which takes account of the membership strategy
- To oversee the process for the appraisal of the Chair of the Trust and Non-Executive Directors as set out in the protocol agreed between the Board of Directors and Council of Governors
- To keep under review the protocol for the appraisal of the Chair of the Trust and Non-Executive Directors
- Act on behalf of the Council in the arrangements agreed with the Board for the appointment of a Chief Executive
- Keep under review the protocol for the appointment of a Chief Executive.

The Committee reviews these terms of reference annually, making recommendations to the Council of Governors as appropriate.

Board re-appointment process

The process agreed by the Council of Governors, with the support of the Board of Directors, for the re-appointment of Non-Executive Directors is as follows:

- a) The reappointment of a Non-Executive Director is considered by the Council's Nominations and Remuneration Committee, which will make a recommendation to the full Council
- b) The following information is submitted to the meeting at which the re-appointment is considered:
 - A summary of the individual's last three years' appraisals, submitted by the Chair of the Trust. In the case of the re-appointment of the Chair, this information will be submitted to the Committee by the Senior Independent Director
 - A summary of the individual's attendance at Board and committee meetings since their appointment
 - An assessment, provided by the Chair of the Trust (or Senior Independent Director in the case of the re-appointment of the Chair), of the balance of skills of the Non-Executive team on the Board and the individual's contribution to this
 - As background information to the discussion, the Committee will be provided with the Charter of Expectations, which sets out the skills required from, and the expectations of, Board members, and any employment advice from the Director of Workforce
 - A statement by the individual seeking reappointment.
- c) The Nominations Committee will be entitled to request any further information that it deems necessary to be able to make a recommendation to the Board.

Council of Governors

The Council of Governors have two key duties which are:

- To hold the Non-Executive Directors to account for the performance of the Board
- Representing the interests of members and the public.

Other duties include:

- Approving the appointment of the Chief Executive
- Appointing and, if appropriate, removing the Chair and Non-Executive Directors
- Appointing the Trust's auditors
- Approving amendments to the Trust's Constitution.

Register of Governors

The following is the Register of Governors of the Royal Berkshire NHS Foundation Trust as at 31 March 2019. It is maintained by the Trust Secretary. Contact details for governors are on the Trust's external website or can be obtained via the Trust Secretary. For the latest register please see the Trust's website.

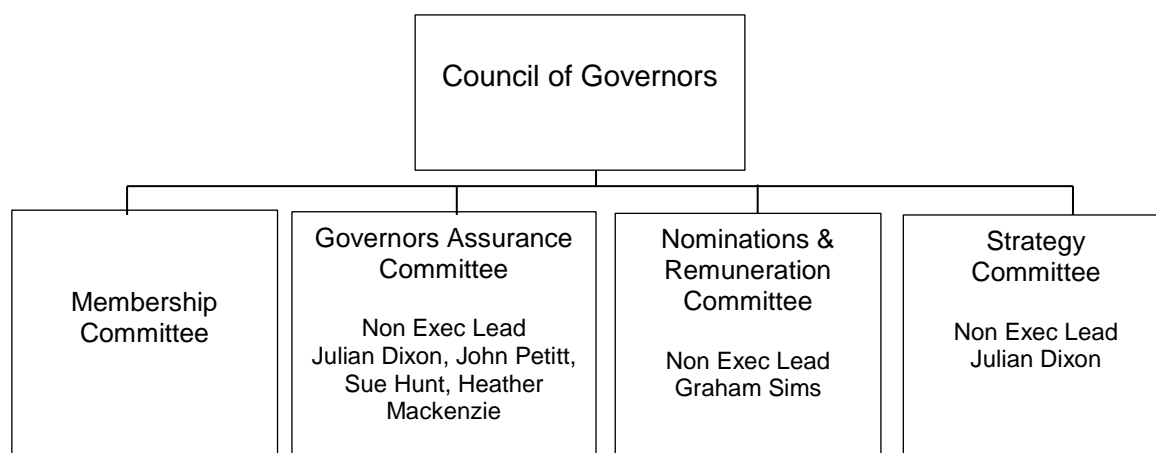
Name	Constituency	Term of office	Attendance at Council meetings
Dr. Sunila Lobo	Reading	2019	4/5
Mr. Jonathan Barker	Reading	2020	5/5
Prof. Michael Garman	Reading	2020	4/5
Mr. Andrew Dugdale	Reading	2020	4/5
Mr. Kevin Boyle	Reading	2021	3/4
Dr. Malcolm Edwards	Wokingham	2019	3/5
Mr. Tony Lloyd	Wokingham	2020	5/5
Ms. Sayani Drury	Wokingham	2021	3/4
Mr. Spike Humphrey	East Berkshire & Borders	2019	2/5
Ms. Lynda Taylor	East Berkshire & Borders	2020	4/5
Mr John Bagshaw	West Berkshire & Borders	2019	4/5
Mr. William Murdoch	Southern Oxfordshire	2021	4/4
Dr. John Crossman	Staff: Medical/Dental	2020	4/5
Ms. Wendy Bower	Partner Governor: Berkshire West CCG	2019	4/5
Mr. Peter Dooley	Appointed by Berkshire Carers Service	2019	3/5
Councillor Graeme Hoskin	Appointed by Reading Borough Council	2019	0/5
Councillor Jennifer Cheng	Appointed by Wokingham Borough Council	2019	2/5
Councillor Gordon Lundie	Appointed by West Berkshire Council	2019	1/5
Prof. Adrian Williams	Appointed by University of Reading	2019	3/5

* Governors are elected by members of the relevant constituency unless stated otherwise.

Declarations of interest made by governors are available on the Trust website.

Changes to the Council during the year are set out on page 42.

Governors work to influence the Trust and have an impact in several informal and formal ways. The formal 'committee structure' of the Council is shown below.



The main roles of each group are as follows:

Governors Assurance Committee

- The Committee receive updates from the Non-Executive Directors who highlight significant matters of interest or concern, and the Board's response, to governors
- The Committee keeps under review a range of assurance information submitted to the Board.

Membership Committee

- To develop a policy, implement agreed proposals and keep under review the Trust approach to engaging with the membership community
- To recommend appropriate relationships and methods of communicating between Governors and the membership
- To develop, implement and review, annually, a membership strategy for the Trust and prepare an annual report for the Council and the Annual General Meeting with regard to the steps taken to secure representative membership, the progress of the membership strategy and any changes to the membership strategy
- To keep under review the membership of the Trust to ensure that the actual membership is representative of those eligible to be members of each constituency
- To oversee preparations for the Annual Members' Open Day
- To seek the views of members and the public on material issues being discussed by the Trust and to conduct arrangements for collecting and reviewing views of members and the public on key issues and their experience of the Trust in general.

Strategy Committee

- To recommend objectives to the Council of Governors which are achievable and within the resources available
- To keep under review the implementation of the objectives
- To oversee the annual evaluation of the Council and its performance and to recommend any subsequent action
- To make recommendations on areas that could improve the Council's capability to achieve its objectives
- To monitor the effectiveness of the Council, its committees and groups and to submit proposals for improvement
- To recommend a governor training and annual development programme.

Nominations and Remuneration Committee

The Nominations and Remuneration Committee considers the salaries and appointments of the Non-Executive Directors of the Board.

Board attendance at Council of Governor meetings can be found on page 32.

Changes to the Board and Council of Governors

The following were also Board Directors during the year:

- Craig Anderson – Director of Finance
- Alison Hill – Non Executive Director

The following were also governors during the year:

- Deborah Sander, Public Governor, Reading
- Tom Neill, Public Governor, East Berkshire & Borders
- Gwen Mason, Public Governor, West Berkshire & Borders
- Colin Lee MBE, Public Governor, West Berkshire & Borders
- Shirley Anstis, Partner Governor, Alliance for Cohesion and Racial Equality
- Ian Clay, Volunteer Governor

Our Membership

This section sets out who is eligible to become a member of the Trust, our current membership numbers and our strategy and targets for recruiting new members.

Our members can stand as governors, and are responsible for electing our governors. They get involved in the Trust through our membership newsletters, events, annual members meeting and as issues or topics arise that could be of interest such as consultation on services.

Eligibility

Membership is open to two main groups:

- (a) Public, including patients and carers
 - people living within the five constituencies
 - people aged 16 and over.

(b) Staff employed by the Trust

- all staff on a permanent contract or a contract of 12 months or more
- all staff who are not already public members.

Categories of staff membership:

- medical and dental staff
- nursing and midwifery staff
- allied health professions and scientific and technical staff
- healthcare support workers (all disciplines) and ancillary staff
- administrative, clerical and management staff.

Boundaries of public membership

Reading

- All the electoral wards in Reading Borough Council (unitary authority) area.

West Berkshire and borders

- All the electoral wards in West Berkshire Council (unitary authority) area.
- The following electoral wards from the Basingstoke and Deane Borough Council area of North Hampshire: Baughurst, Burghclere, Calleva, East Woodhay, Highclere and Bourne, Kingsclere, Pamber, Tadley North and Tadley South.
- The following electoral ward from the Test Valley Borough Council area of North Hampshire: Bourne Valley.

East Berkshire and borders

- All the electoral wards in Bracknell Forest Borough Council (unitary authority) area.
- All the electoral wards in Slough Borough Council (unitary authority) area.
- All the electoral wards in the Royal Borough of Windsor and Maidenhead (unitary authority) area.
- The following electoral wards from South Bucks District Council area: Burnham, Beeches, Burnham Church, Burnham Lent Rise, Dorney and Burnham South, Farnham, Royal, Iver Heath, Iver Village and Rickings Park, Stoke Poges, Taplow, Wexham and Iver West.

Southern Oxfordshire

- The following electoral wards from South Oxfordshire District Council area: Chiltern Woods, Cholsey and Wallingford South, Crowmarsh, Didcot All Saints, Didcot Ladygrove, Didcot Northbourne, Didcot Park, Goring, Hagbourne, Henley North, Henley South, Shiplake, Sonning Common, Wallingford North and Woodcote.

Wokingham

- All electoral wards in Wokingham Borough Council (unitary authority) area.

About our current membership

At 31 March 2019 our public membership stood at 3,380 and our total membership at 9,119. The membership remains under represented in the younger age groups – and the imbalance exists until we reach the 30+ age groups. The 60-74 age category remain the highest represented. However, the Council of Governors agreed to maintain the membership at its current level for the year – the Trust membership remains in line with the average foundation trust membership.

Constituency	Public	% of public membership
East Berkshire and Borders	854	25
Reading	946	28
Southern Oxfordshire	191	6
West Berkshire and Borders	552	16
Wokingham	837	25
Total	3,380	

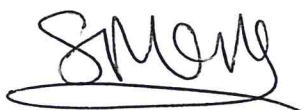
Get in touch

If you would like to contact our governors or directors, or to find out more about how you might get involved, please contact our membership office:

Foundation Trust Membership Office
 Corporate Governance
 Physiotherapy East
 Craven Road
 Reading
 RG1 5AN

Tel: 0118 322 7405 or: foundation.trust@royalberkshire.nhs.uk or visit our website
www.royalberkshire.nhs.uk

Signed



Steve McManus
 Chief Executive

Date: 22-05-19

REMUNERATION REPORT

Annual Statement on Remuneration

The Nominations and Remuneration Committee met on 30 January 2019 in order to decide the remuneration of the Executive Directors for the 2018/19 financial year. The committee approved the payment of a fixed amount of £2,075 to Executive and other directors effective from 1 April 2018. This was comparable to the pay award implemented to other staff.

The salary of the Chief Executive was reviewed as the salary given on appointment was below the median level of a large District General Hospital and that the Chief Executive had achieved his objectives. An increase of £6,500 was agreed effective from 3 January 2018.

The Chief Finance Officer started in post in January 2019. The appointment of the Chief Operating Officer was ratified by the Nominations and Remuneration Committee on the 19 December 2018.

Senior Managers' Remuneration Policy

Attracting and retaining talented directors and senior managers is essential for the successful delivery of the Trust's strategy and objectives within an increasingly competitive market place. The remuneration policy is designed with that in mind. The Trust undertakes benchmarking to set senior manager remuneration levels and looks to be in the top quartile for pay.

The table on page 49 shows the remuneration package for senior managers (Executive Directors) including pension related benefits. The remuneration package for senior managers is decided in line with Trust policy. The salary paid is inclusive of any overtime or allowances. The table shows the salary/fees paid to Non-Executive Directors. No additional fees or other items, that could be considered to be remuneration in nature, are paid to the Non-Executive Directors. The Trust is satisfied, having undertaken benchmarking, that the salaries of its executives, including those earning above £150k per annum, are in line with trusts of a similar size.

The definition of "senior managers" is 'those persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS Foundation Trust'. For the purpose of reporting senior manager's remuneration in the table (below) and the pension benefits table this has taken to mean those Executive Directors holding voting rights on the board and also the Trust's Non-Executive Directors.

The senior manager's salary is payment for delivering the Executive Director role and for delivering the short and long-term strategic objectives of the Trust. Each Executive Director post is paid on a spot salary. The salaries are reviewed on an annual basis when a decision is made whether to implement a pay award.

There have been no new components added to the remuneration package or any changes to the existing components in this period therefore senior managers have not been consulted regarding their remuneration policy.

There are provisions for the recovery of sums paid to the most recently appointed directors. There are no provisions for withholding payments to senior managers other than re-earnable steps for staff on Agenda for Change terms and conditions.

Service Contracts Obligations

A contract for service is in place for any senior managers obtained via temporary, agency or contractor arrangements. The contract for service details the standard terms of business. The Trust will outline separately any specific obligations e.g. key deliverables. There are no further disclosures.

Policy on Payment for Loss of Office

The notice period for Executive Directors is currently six months. A month is classed as four weeks. The notice period for other personnel in senior positions is three months.

Payment for loss of office (redundancy) would be in line with national terms and conditions of employment (Agenda for Change).

Payment for any other type of loss of office would be made in line with contractual requirements and appropriate authorisation would be obtained as outlined in the Trust's Severance Protocol. The main components of the payment for loss of office would be unused annual leave and payment in lieu of notice.

Statement of Consideration of Employment Conditions Elsewhere in the Foundation Trust

The majority of Trust employees are employed on national terms and conditions of employment. Any pay awards given to staff on national terms and conditions are taken into account, along with benchmarking data, when setting the remuneration levels for staff on Trust salaries.

In addition to employing staff on national terms and conditions of employment, the Trust has a limited number of staff on Trust or Spot Salaries.

Service Contracts

Details of the Non-Executive Directors' service contracts are detailed below.

Name	Designation	Date Appointed	End of Term of Office
Mr Brian Hendon	Non-Executive Director	April 2012	July 2020
Dr Alison Hill	Non-Executive Director	December 2013	December 2018
Mr Julian Dixon	Non-Executive Director	November 2014	November 2020
Ms Sue Hunt	Non-Executive Director	October 2014	October 2020
Mr Graham Sims	Chair of the Trust	August 2015	August 2021
Mr John Petitt	Non-Executive Director	May 2016	May 2022
Mrs Helen Mackenzie	Non-Executive Director	January 2019	January 2022

The notice period for Non-Executive Directors is one month.

Remuneration Committee

The Nominations and Remuneration Committee is responsible for agreeing, on behalf of the Board, the Trust's remuneration policy for directors and for determining the total individual remuneration package for these directors. Senior staff earning over £70,000 per annum are considered by the Chief Executive. Other staff employed in the Trust are on national terms and conditions of employment and are therefore determined at a national level.

The Nominations and Remuneration Committee consists of all Non-Executive Directors and the Chief Executive attends for nominations business only. The number of Nominations and Remuneration Committee meetings and individuals' attendance at each meeting can be found on page 32.

The Director of Workforce provides advice or services to the Remuneration Committee. The Nominations and Remuneration Committee uses the following survey guidance:

- Health and Social Care Information Centre
- Salary surveys conducted by NHS Providers

Disclosures required by Health and Social Care Act

'Fair Pay' multiple

The "Fair Pay Disclosure" section of this report has been subject to audit.

	Year to 31 March 2019	Year to 31 March 2018
Band of Highest Paid Director's Total Remuneration - £000	200 - 205	190 - 195
Median Total Remuneration	29,364	27,368
Ratio	6.85	6.98

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 annualised remuneration of the highest-paid director in Trust in the financial year 2018/19 was £200,000 - £205,000 (2017/18 was £190,000 - £195,000). This was 6.85 times (2017/18 - 6.98) the median remuneration of the workforce including medical consultants remuneration, which was £29,364 (2017/18 - £27,368). The increase applied to the directors pay in 2018/19 was in line with all other staff.

In 2018/19, one employee (2017/18 one employee) received remuneration, on an annualised basis, in excess of the annualised remuneration of the highest-paid director.

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

Expenses paid to Directors and Governors

The Expenses paid to Directors and Governors section of this report has been subject to audit.

The table below lists the total of re-imbursive expenses paid to Directors and Governors.

	Year to 31 March 2019	Year to 31 March 2018
Directors	4,121	4,761
Governors	261	1049

Of the amount stated in respect of Directors expenses £2,691 was paid to Non-Executive Directors (2017/18 £2,288).

During the year, inclusive of Non-Executives, there were 13 Directors in post (2017/18,11). Of these 4 received expenses payments (2017/18, 4).

Additionally there were 31 governors in post during the year (2017/18, 30) of which 2 were paid expenses (2017/18, 2).

Remuneration

The 'Remuneration' section of this report has been subject to audit.

The pension related benefits for those Directors who have been in post for only part of the year have been calculated on a pro-rated basis to reflect that periodicity.

Name and Title	Year to 31 March 2019		
	Salary and fees	Pension related benefits	Total
	Bands of £5,000 £000	Bands of £2,500 £000	Bands of £5,000 £000
EXECUTIVE DIRECTORS			
Steve McManus Chief Executive Officer	200 - 205	70 - 72.5	270 - 275
Mary Sherry Chief Executive Officer	145 - 150	- 2	145 - 150
Lindsey Barker Medical Director	185 - 190	- 2	185 - 190 ₁
Craig Anderson (To 28th February 2019) Director of Finance	125 - 130	22.5 - 25	145 - 150
Nicky Lloyd (From 14th January 2019) Chief Finance Officer	30 - 35	- 3	30 - 35
Caroline Ainslie Director of Nursing	130 - 135	0 - 2.5	135 - 140
NON-EXECUTIVE DIRECTORS			
Graham Sims - Chair	45 - 50	0	45 - 50
Brian Hendon	15 - 20	0	15 - 20
Alison Hill (To 31st December 2018)	10 - 15	0	10 - 15
Helen Mackenzie (From 16th January 2019)	0 - 5	0	0 - 5
Susan Hunt	15 - 20	0	15 - 20
Julian Dixon	15 - 20	0	15 - 20
John Petitt	15 - 20	0	15 - 20

Notes

1. The total remuneration for Lindsey Barker (Medical Director) is inclusive of both directorial and clinical duties. The remuneration for clinical duties alone is in the banding £25,000 - £30,000.
2. Mary Sherry (Chief Executive Officer) and Lindsey Barker (Medical Director) opted out of the pension scheme with effect from 1st April 2017.
3. Nicky Lloyd was in post as Chief Finance Officer from 14th January 2019 to 31st March 2019. Data for 2017/18 is not available to enable the pension related benefits to be calculated.

None of the directors received any benefits in kind, annual performance related bonuses or long-term performance related bonuses.

Name and Title	Year to 31 March 2018		
	Salary and fees	Pension related benefits	Total
	Bands of £5,000 £000	Bands of £2,500 £000	Bands of £5,000 £000
EXECUTIVE DIRECTORS			
Steve McManus Chief Executive Officer	190 - 195	152.5 - 155	340 - 345
Mary Sherry Chief Executive Officer	140 - 145	- 2	140 - 145
Lindsey Barker Medical Director	185 - 190	- 2	185 - 190 ¹
Craig Anderson Director of Finance	140 - 145	40.0 - 42.5	180 - 185
Caroline Ainslie Director of Nursing	130 - 135	17.5 - 20.0	150 - 155
NON-EXECUTIVE DIRECTORS			
Graham Sims - Chair	45 - 50	0	45 - 50
Brian Hendon	15 - 20	0	15 - 20
Alison Hill	15 - 20	0	15 - 20
Susan Hunt	15 - 20	0	15 - 20
Julian Dixon	15 - 20	0	15 - 20
John Petitt	15 - 20	0	15 - 20

1. The total remuneration for Lindsey Barker (Medical Director) is inclusive of both directorial and clinical duties. The remuneration for clinical duties alone is in the banding £25,000 - £30,000.
2. Mary Sherry (Chief Executive Officer) and Lindsey Barker (Medical Director) opted out of pension on 1st April 2017.

None of the directors received any benefits in kind, annual performance related bonuses or long-term performance related bonuses.

Total Pension Entitlement

The "Pension Benefits" section of this report has been subject to audit.

Name and Title	Real increase in pension at age 60 Bands of £2500	Real increase in pension lump sum at age 60 Bands of £2500	Total accrued pension at age 60 at 31 March 2019 Bands of £5000	Total accrued pension at age 60 at 31 March 2018 Bands of £5000	Lump sum at age 60 at 31 March 2019 Bands of £5000	Lump sum at age 60 at 31 March 2018 Bands of £5000	Cash equivalent transfer value at 31 March 2019	Cash equivalent transfer value at 31 March 2018	Real increase in cash equivalent transfer value
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Executive Directors									
Steve McManus ¹ Chief Executive Officer	2.5 - 5	2.5 - 5.0	80 - 85	70 - 75	200 - 205	190 - 195	1,587	1,313	201
Mary Sherry ² Chief Operating Officer	_3	_3	_3	_3	_3	_3	0	0	0
Lindsey Barker ² Medical Director	_3	_3	_3	_3	_3	_3	0	0	0
Craig Anderson ^{4,6} Director of Finance	0 - 2.5	_4	15 - 20	15 - 20	_4	_4	276	213	36
Nicky Lloyd ^{4,5} Chief Finance Officer	_5	_4	15 - 20	15 - 20	_4	_4	235	_5	_5
Caroline Ainslie Nursing Director	0 - 2.5	2.5 - 5.0	50 - 55	50 - 55	160 - 165	130 - 135	1,137	971	117

Notes

1. The factors used to calculate a CETV (Cash Equivalent Transfer Value) increased on 29 October 2018. This will affect the calculation of the real increase in CETV. This does not effect the calculation of the real increase in pension benefits, column (b) and (c) of the above table.
2. As a result of age related factors Mary Sherry and Lindsey Barker's pensions have no cash equivalent transfer value as at 31st March 2019.
3. Mary Sherry (Chief Executive Officer) and Lindsey Barker (Medical Director) opted out of pension since 1st April 2017.
4. Craig Anderson and Nicky Lloyd are not members of the 1995 scheme and therefore have no automatic lump sum entitlement.
5. Nicky Lloyd was in post as Chief Finance Officer from 14th January 2019. Data for 2017/18 and full data for 2018/19 is unavailable to calculate the real increase in pension and real increase in cash equivalent transfer value.
6. Although Craig Anderson was only in post from 1st April 2018 to 28th February 2019 figures shown for "Real increase in pension at age 60", and "Real increase in pension lump sum at age 60" have not been pro-rated for this time period as the reduced length of service was due to retirement.

NHS Pensions are still assessing the impact of the McCloud judgement in relation to changes to benefits in 2015. The benefits and related CETVs disclosed do not allow for any potential future adjustments that may arise from this judgement

Staff Exit Packages

This section of this report has been subject to audit.

Severance Payments 2018/19

Exit package cost band	Number of compulsory redundancies	Cost of compulsory redundancies £000	Number of other departures agreed	Cost of other departures agreed £000	Total number and cost of exit packages
<£10,000	0	£0	6	£37	
£10,000 - £25,000	4	£73	3	£45	
£25,001 - £50,000	2	£55	9	£307	
£50,001 - £100,000	2	£129	0	£0	
£100,000 - £150,000	1	£138	0	£0	
Total number of exit packages by type	9	£0	18	£0	27
Total resource cost		£395		£389	£784

Exit Packages: Non-Compulsory Departure Payments 2018/19

	Payments agreed	Total value of agreements £000
Voluntary redundancies including early retirement contractual costs	15	£362
Early retirements in the efficiency of the service contractual costs		
Contractual payments in lieu of notice	3	£27
Total:	18	£389

Severance Payments 2017/18

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	0	4	4
£10,000 - £25,000	1	0	1
£25,001 - £50,000	3	1	4
£50,001 - £100,000	2	1	3
Total number of exit packages by type	6	6	12
Total resource cost	£247k	£124k	£371k

Exit packages: Non-Compulsory Departure Payments 2017/18

	Agreement Number	Total Value of Agreements
Voluntary redundancies including early retirement contractual costs	1	£78
Contractual payments in lieu of notice	5	£46
Total:	6	£124

Signed



Steve McManus
Chief Executive

Date: 22.05.19

STAFF REPORT

The Staff Report provides an analysis of staff costs by staff group. The analysis is broken down by those permanently employed and others, which includes, those on fixed term contracts and agency/temporary staff.

Staff costs	Total 31 Mar 2019 2018/19	Permanent 31 Mar 2019 2018/19	Other 31 Mar 2019 2018/19	Total 31 Mar 2018 2017/18	Permanent 31 Mar 2018 2017/18	Other 31 Mar 2018 2017/18
	£000s	£000s	£000s	£000s	£000s	£000s
Medical and dental	71,850	44,406	27,444	69,667	41,916	27,751
Ambulance staff	0	0	0	0	0	0
Administration and estates	32,887	29,441	3,446	30,904	27,346	3,558
Healthcare assistants and other support staff	32,621	25,570	7,051	31,160	28,248	2,911
Nursing, midwifery and health visiting staff	71,601	62,049	9,552	70,322	60,792	9,529
Nursing, midwifery and health visiting learners	284	199	85	93	62	31
Scientific, therapeutic and technical staff	17,193	14,690	2,503	17,115	14,744	2,371
Healthcare science staff	13,593	12,630	962	7,220	6,624	595
Social care staff	0	0	0	0	0	0
Other	14	0	14	40	0	40
Total cost	240,042	188,985	51,057	226,520	179,733	46,787

Staff WTE	Permanent WTE 2018/19	Other WTE 2018/ 19	Permanent WTE 2017/18	Other WTE 2017/18
	Medical and dental	323.69	325.16	321.19
Ambulance staff	0	0	0	0
Administration and estates	856.62	58.31	857.68	64.43
Healthcare assistants and other support staff	1122.98	21.16	1122.80	22.58
Nursing, midwifery and health visiting staff	3.00	5.00	1437.46	45.19
Nursing, midwifery and health visiting learners	1517.59	27.67	6.00	2.00
Scientific, therapeutic and technical staff	399.41	17.80	363.60	24.20
Healthcare science staff	144.13	8.00	128.81	11.00
Social care staff	0	0	0	0
Other	0	11	0	22

Status	Female	Male
Director	7.00	4.00
Employee	4712	1489
Senior Manager	36	34
Grand Total	4755	1527

Sickness Absence Data

Cumulative Absence Full Time Equivalent (FTE)	FTE (days)	Cumulative Available (FTE days)	Cumulative % Absence Rate (FTE)
	56,149.40	1,747,972.81	3.21%

The Trust's expenditure on consultancy during 2018/19 was £659k.

A total of 25 HR policies were reviewed and ratified during 2018/19. The policies apply to staff within the Trust. The Recruitment and Selection Policy gives full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities.

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Trust continues and that appropriate training is arranged. It is the policy of the Trust that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

The Trust has a Human Resources and Local Counter Fraud Policy which covers counter fraud and corruption. The policy was last updated in January 2018.

The Occupational Health Service continues to deliver a full range of services to the Trust' and it's staff from pre-employment health check, immunisations to health surveillance and return to work advice. The dedicated staff physiotherapy service is now well established. It continues to demonstrate a positive impact on helping staff with musculoskeletal related absence return to work quicker than expected or remain at work thus avoiding absence occurring. The department delivered the annual seasonal influenza vaccine campaign and achieved an uptake of 61.7% of frontline staff having the flu vaccine.

In addition, further work has been delivered on health and wellbeing within the Trust with New Health & Wellbeing champions being established to promote the various activities being delivered for staff physical and mental health. Health promotion campaigns continue to be communicated to staff on a monthly basis including for example, skin awareness, mens health, mental health, dry January, blood pressure awareness. Promotion of the Trust Employee Assistance Programme, which provides confidential support services for staff on a range of topics has also helped to improve its awareness and utilisation amongst staff.

The Trust meets with employee representatives on a regular basis, through the Joint Staff Consultative Committee, the Joint Negotiating Committee and the Local Negotiating Committee. These mechanisms enable the views of employees to be taken into account when decisions are made which are likely to affect their interests.

In 2018, the overall measure of staff engagement at the RBFT has positively increased, with our position on this measure and we remain above the 2018 National Average for Acute Trusts. The Trust performed significantly better in 2018 in the following areas; Quality of Appraisal, Safety Culture and Staff Engagement. The Trust's performance is better than the Acute Trust average is all bar one of the survey themes.

The Trust encourages staff involvement through initiatives such as the Quality, Innovation, Productivity and Prevention (QIPP) Programme, CEO Transformation Fund, the Quality Improvement Programme and the 'What Matters' engagement programme. This enables staff to put forward ideas to improve efficiency and performance.

Staff Survey: Summary of Performance

Response Rate

Response Rates	2018		2017		Trust Improvement/Deterioration
	Trust	National Average	Trust	National Average	
	46.3%	44%	42.7%	44%	

Summary of Performance

Survey Theme*	2018 RBFT	2018 Acute Average	2017 RBFT	2017 Acute Average	2016 RBFT	2016 Acute Average
Equality, Diversity and Inclusion	8.9	9.1	9.0	9.1	9.0	9.2
Health and Wellbeing	6.2	5.9	6.3	6.0	6.0	6.1
Immediate Managers	6.9	6.7	6.7	6.7	6.7	6.7
Morale	6.2	6.1	n/a	n/a	n/a	n/a
Quality of Appraisals	5.8	5.4	5.4	5.3	5.2	5.3
Quality of Care	7.6	7.4	7.6	7.5	7.5	7.6
Safe Environment – Bullying and Harassment	8.0	7.9	8.2	8.0	8.1	8.0
Safe Environment – Violence	9.5	9.4	9.5	9.4	9.5	9.4
Safety Culture	6.9	6.6	6.8	6.6	6.6	6.6
Staff Engagement	7.3	7.0	7.2	7.0	7.0	7.0

**Each theme is scored on a scale of 0-10, with 10 indicating the highest level of performance*

Action Plans to Address Areas of Concerns

The 2018 survey does highlight areas where we need to focus our efforts into the future. Trust level and local action plans for 2019/20 - addressing key themes from the survey - will be aligned with key interventions as part of the delivery of our People Strategy. Key areas of focus will include:

- Continue to deliver our widening range of interventions to improve perceptions of career development opportunities within the Trust.
- Focus on Staff Health and Wellbeing to support staff in the context of continued operational demands
- Delivery of a wide range of interventions to support an inclusive organisational culture
- Continue the delivery phase of our What Matters staff engagement programme – focussing on embedding our Trust Behaviours Framework.

Commentary and Future Priorities and Targets

Our operating environment continues to be very challenging, so it is pleasing that in 2018 we are able to evidence continuing improvements in our survey results. We report better than average performance in nine out of the ten survey findings and in 2018 reported statistically significant improvement in key themes such as Staff Engagement and Safety Culture at the Trust.

Staff continue to provide a positive endorsement of the Trust, with improvements in recommendation rates of the Trust both as a place to receive treatment and as a place to work again evident in 2018.

Through the delivery of our People Strategy - which sets out our bold aspirations for improvements in our organisational culture – we will continue to develop staff and nurture talent; enhance staff health and wellbeing; promote inclusivity and continue to engage and involve the workforce in key areas of our strategic development.

Monitoring of the 2019 Trust level improvement plan will be overseen by the Workforce Board Subcommittee and other forums such as the Executive Performance reviews, Joint Staff Side Committee and the Staff and Patient Experience Committee. Local improvement plans will be monitored through local performance and governance structures.

Equality Reporting

Throughout 2018/19, we have continued to deliver equality and inclusion improvements for our patients and our staff alike. Some highlights from our work over the past year include:

Project SEARCH 2018: In September 2018, the Trust welcomed its 7th cohort of Project SEARCH students. Project SEARCH is a unique collaboration which supports young people with learning disabilities transition from education into the world of paid employment. This year we welcomed 10 students from Reading College and Brookfield's SEN School. Since the start of the project, 19 young people graduating from the programme have secured employment at the Trust, working in a variety of full time and part time roles in departments including the mattress library, endoscopy, medical records and portering services. Additionally, eight graduates have secured paid roles within their local communities with employers outside the NHS.

Community Engagement: Continued community engagement throughout 2018 enabled us to connect with our diverse communities and representative patient groups alike. Understanding the needs of our communities enables us to shape improvements based on their feedback.

Partnership Working: Our collaboration with community partners through the 'Join the Dots' programme has provided opportunities to develop integrated solutions and services for Reading's most vulnerable communities. We have begun to develop proposals on how we can work with voluntary sector organisations to provide pathways into work and opportunities for skills development for Readings homeless.

Values and Behaviours: Equality and inclusion are central to our new Trust Behaviours Framework (launched September 2018). The framework sets our expectations and responsibilities around our behaviours in key areas such as respect; dignity, professionalism; communication and inclusion.

Accessibility of Information: In April 2018 the Trust launched BrowseAloud on our website. BrowseAloud adds speech and reading support tools to online content to extend the reach of information for those who require reading support. This includes those with dyslexia, learning disabilities, visual impairments and those with English as a second language.

Black, Asian and Minority Ethnic Staff Forums (BAME): These forums continue, providing an effective platform for BAME staff voices to be heard and also an opportunity for us to receive feedback on our improvement plans. IN 2018, we were pleased to report a positive increase in the number of BAME staff in senior leadership positions and now report a slightly higher % than the National Average. We have utilised Positive Action principles to specifically encourage and recruit BAME and female staff onto leadership development programmes and continue to ensure positive representation - across the totality of programmes.

Expenditure of Consultancy/Off Payroll

Reporting High Paid Off-Payroll Arrangements

The Trust's Temporary Staffing Policy refers to the use of off-payroll workers and in particular the use of intermediaries and IR35. The policy outlines the process for managers to follow.

The Trust monitors, on a monthly basis, the reliance on off-payroll engagements by reviewing engagement costs more than £245 per day.

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

No. of existing arrangements as of 31 March 2019	89
<i>Of which:</i>	
No. that have existed for less than one year at time of reporting	76
No. that have existed for between one and two years at time of reporting	10
No. that have existed for between two and three years at time of reporting	2
No. that have existed for between three and four years at time of reporting	1
No. that have existed for four or more years at time of reporting	0

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

All new off-payroll engagements or those that reached six months duration, between 1 April 2018 and 31 March 2019, for more than £245 per day and that last longer than 6 months

All new off-payroll engagements or those that reached six months in duration, between 1 April 2018 and 31 March 2019, for more than £245 per day and that last longer than six months	76
No. of the above which include contractual clauses giving the Trust the right to request assurance in relation to income tax and National Insurance obligations	76
No. of whom assurance has been requested	0
<i>Of which:</i>	
No. for whom assurance has been received	0
No. for whom assurance has been requested but not been received	0
No. that have been terminated as a result of assurance not being received	0

The Trust has not engaged any individual without including contractual clauses allowing the Trust to see assurance as to their tax obligations.

Any off-payroll engagement of board members and/or senior officials with significant financial responsibility, between 1 April 2018 and 31 March 2019

Any off-payroll engagements of board members and/or senior officials with significant financial responsibility, between 1 April 2017 and 31 March 2018	0
No. of individuals that have been deemed "board members and/or senior officials with significant financial responsibility" during the financial year. This figure should include both off-payroll and on-payroll engagements.	7

Relevant union officials

The figures below relate to the period August 2018 - March 2019.

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
17	15.00

Percentage of time spent on facility time

Percentage of Time	Number of employees
0%	12
1-50%	5
51-99%	0
100%	0

Percentage of pay bill spent on facility time

First Column	Figures
Provide the total cost of facility time	£6,620.85 (figures cover August 2018-March 2019)
Provide the total pay bill	£222.356,000
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time + total pay bill) / 100	0.003%

Paid Trade Union Activities

Time spent on paid trade union activities as a percentage of total pay facility time hours calculated as:
(Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100)

Signed 

Steve McManus
Chief Executive

Date: 22 - 05 - 19

NHS FOUNDATION TRUST CODE OF GOVERNANCE

The Royal Berkshire NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

The Board declares that, with the exception of the statement below, the Trust has met the requirements of the Monitor Code of Governance for the year 2018/19.

Code provision	Requirement	Location in Annual Report
A.1.1	The schedule of matters reserved for the board of directors should include a clear statement detailing the roles and responsibilities of the council of governors. This statement should also describe how any disagreements between the council of governors and the board of directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the board of directors and the council of governors operate, including a summary of the types of decisions to be taken by each of the boards and which are delegated to the executive management of the board of directors.	This is located in the Trust's Standing Financial Instructions Board Committees and Council of Governors Pages 33 and 41
A.1.2	The annual report should identify the chairperson, the deputy chairperson (where there is one), the chief executive, the senior independent director (see A.4.1) and the chairperson and members of the nominations, audit and remuneration committees. It should also set out the number of meetings of the board and those committees and individual attendance by directors.	Directors' Report Page 29
A.5.3	The annual report should identify the members of the council of governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated lead governor.	Directors' Report Page 40
FT ARM	The annual report should include a statement about the number of meetings of the council of governors and individual attendance by governors and directors.	Directors' Report Pages 32 and 40
B.1.1	The board of directors should identify in the annual report each non-executive director it considers to be independent, with reasons where necessary.	Directors' Report Page 29
B.1.4	The board of directors should include in its annual report a description of each director's skills, expertise and experience. Alongside this, in the annual report, the board should make a clear statement about its own balance, completeness and appropriateness to the requirements of the NHS foundation trust.	Directors' Report Page 29

FT ARM	The annual report should include a brief description of the length of appointments of the non-executive directors, and how they may be terminated	Directors' Report Page 29
B.2.10	A separate section of the annual report should describe the work of the nominations committee(s), including the process it has used in relation to board appointments.	Directors' Report Pages 33, 38 and 42
FT ARM	The disclosure in the annual report on the work of the nominations committee should include an explanation if neither an external search consultancy nor open advertising has been used in the appointment of a chair or non-executive director.	Not applicable. Open advertising has been used for Non-Executive appointments during the year
B.3.1	A chairperson's other significant commitments should be disclosed to the council of governors before appointment and included in the annual report. Changes to such commitments should be reported to the council of governors as they arise, and included in the next annual report.	Directors' Report Page 29
B.5.6	Governors should canvass the opinion of the trust's members and the public, and for appointed governors the body they represent, on the NHS foundation trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the board of directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied.	Governor representation of members' views is discussed at Governor's Strategy Committees. The strategic planning process includes formal dissemination of forward plan (annual and five year) to Governors. All feedback is reported to the Board prior to approval and, where relevant, is used to inform forward plan.
FT ARM	If, during the financial year, the Governors have exercised their power* under paragraph 10C** of schedule 7 of the NHS Act 2006, then information on this must be included in the annual report.	This power has not been exercised in 2017/18
B.6.1	The board of directors should state in the annual report how performance evaluation of the board, its committees, and its directors, including the chairperson, has been conducted.	Directors' Report Page 31
B.6.2	Where there has been external evaluation of the board and/or governance of the trust, the external facilitator should be identified in the annual report and a statement made as to whether they have any other connection to the trust.	Directors' Report Page 31
C.1.1	The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS foundation trust's performance, business model and strategy. Directors should also explain their approach to	Annual Governance Statement Page 67

	quality governance in the Annual Governance Statement (within the annual report).	
C.2.1	The annual report should contain a statement that the board has conducted a review of the effectiveness of its system of internal controls.	Annual Governance Statement Page 67
C.2.2	A trust should disclose in the annual report: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Directors' Report Page 26 Annual Governance Statement Page 67
C.3.5	If the council of governors does not accept the audit committee's recommendation on the appointment, reappointment or removal of an external auditor, the board of directors should include in the annual report a statement from the audit committee explaining the recommendation and should set out reasons why the council of governors has taken a different position.	Not applicable
C.3.9	A separate section of the annual report should describe the work of the audit committee in discharging its responsibilities. The report should include: <ul style="list-style-type: none"> the significant issues that the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed; an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of external audit services and information on the length of tenure of the current audit firm and when a tender was last conducted; and if the external auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded.	Directors' Report Page 34
D.1.3	Where an NHS foundation trust releases an executive director, for example to serve as a non-executive director elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the director will retain such earnings.	Not applicable
E.1.4	Contact procedures for members who wish to communicate with governors and/or directors should be made clearly available to members on the NHS foundation trust's website and in the annual report.	Directors' Report Page 40

E.1.5	The board of directors should state in the annual report the steps they have taken to ensure that the members of the board, and in particular the non-executive directors, develop an understanding of the views of governors and members about the NHS foundation trust, for example through attendance at meetings of the council of governors, direct face-to-face contact, surveys of members' opinions and consultations.	Directors' Report Page 28
E.1.6	The board of directors should monitor how representative the NHS foundation trust's membership is and the level and effectiveness of member engagement and report on this in the annual report.	Directors' Report Page 43
FT ARM	<p>The annual report should include:</p> <ul style="list-style-type: none"> • a brief description of the eligibility requirements for joining different membership constituencies, including the boundaries for public membership; • information on the number of members and the number of members in each constituency; and <p>a summary of the membership strategy, an assessment of the membership and a description of any steps taken during the year to ensure a representative membership [see also E.1.6 above], including progress towards any recruitment targets for members.</p>	Directors' Report Page 42
FT ARM	The annual report should disclose details of company directorships or other material interests in companies held by governors and/or directors where those companies or related parties are likely to do business, or are possibly seeking to do business, with the NHS foundation trust. As each NHS foundation trust must have registers of governors' and directors' interests which are available to the public, an alternative disclosure is for the annual report to simply state how members of the public can gain access to the registers instead of listing all the interests in the annual report.	Directors' Report Pages 29 and 41

FINANCE AND USE OF RESOURCES

As a foundation trust our activities are overseen by NHS Improvements, (NHSI) the independent regulator of Foundation Trusts. NHSI uses the Trust's Annual Plan and its in-year submissions to assign a risk rating for finance and governance for the Trust. NHS Improvements use these ratings to assess the risk of compliance with the Trust's Terms of Authorisation, to guide the intensity of its monitoring and to signal its degree of concern with the specific issues identified and evaluated.

The 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. A foundation trust will only be in segments 3 or 4 where it has been found to be in breach or suspected breach of its licence.

The current segmentation information for the Trust is published on the NHS Improvement website.

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.

By Use of Resources Rating Assessment – 2018/19

Area	Metric	2018/19				2017/18			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Financial stability	Capital service capacity	4	2	2	1	4	2	2	2
	Liquidity	3	2	2	2	3	2	2	3
Financial efficiency	I&E Margin	4	3	1	1	4	4	3	2
Financial controls	Distance from financial plan	1	1	2	1	1	1	2	2
	Agency spend	2	2	1	1	1	1	1	2
Overall scoring		3	2	2	1	3	3	2	2

The Q1 Financial Sustainability Risk Rating score of 2 was an improvement to the Annual Plan score of 3 for the quarter which was maintained and in line with the Annual Plan for Q2 with a score of 2. The score of 2 was maintained during Q3 improving to a rating of 1 at Q4.

STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE ACCOUNTING OFFICER OF ROYAL BERKSHIRE NHS FOUNDATION TRUST

The NHS Act 2006 states that the chief executive is the accounting officer of the NHS foundation trust. The relevant responsibilities of the accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the NHS Foundation Trust Accounting Officer Memorandum issued by NHS Improvement.

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Royal Berkshire NHS foundation trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Royal Berkshire NHS foundation trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

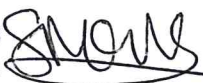
In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Department of Health Group Accounting Manual and in particular to:

- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health and Social Care Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance
- confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS foundation trust's performance, business model and strategy and
- prepare the financial statements on a going concern basis.

The accounting officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS foundation trust and to enable him/her to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS foundation trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Steve McManus
Chief Executive



Date: 22 May 2019

ANNUAL GOVERNANCE STATEMENT

Scope of Responsibility

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

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

The Board of Directors has overall responsibility for the management of risk within the Trust.

As Chief Executive, I am directly accountable to the Board of Directors in relation to the performance of the Trust. The authority within risk management is, however, delegated to individual Directors who are supported in this, by their own teams.

- Chief Finance Officer – financial, purchasing, business development, health and safety and information governance
- Medical Director – clinical governance
- Chief Operating Officer – clinical services and objectives delivery
- Executive Director of Nursing – patient safety, patient experience, infection control, safeguarding, assurance, litigation and for the development and oversight of the Trust's strategic risk management processes, with support being provided by the Head of Risk for the Corporate Risk Register and the Trust Secretary for the Board Assurance Framework.
- Director of Workforce – human resources and organisational development
- Director of Estates and Facilities – the built environment, external estate, environment, travel, security and hotel support services
- Director of Information Management and Technology – IT infrastructure, security, support, data systems, hardware and software.

The Risk Management Policy identifies further role responsibilities for risk management through the Care Groups and corporate equivalent directorates who have the responsibility for leadership in risk management for their areas of responsibility.

The Trust has provided and still provides training on risk assessing and the use of its electronic risk management database. There are now over 500 staff trained in these components of the risk management process. The Trust looks to improve and learn from

good practice from both internal and external sources. Internally, risk registers are reviewed and good practice is shared through performance, governance and risk committees. Risks are also linked to incident and serious incident report investigations. The risk management process is reviewed and assessed against fellow NHS Trusts and private sector organisations.

The awareness of risk registers, an individual's role and responsibilities are also included in the Trust's mandatory refresher training days.

Support and advice to all staff is provided via the Trust intranet site and by the Head of Risk Management.

The Risk Identification and Control Framework

Risk Identification

In line with other NHS organisations the largest risks faced in 2018/19 relate to finance, delivering on the NHS clinical standards, workforce recruitment and retention and further integration of information and technology.

The Trust has in place a risk management policy which clearly sets out the accountability and reporting arrangements. Operational responsibility for the implementation of risk management including ways in which risk is identified, evaluated, controlled escalated and de-escalated has been delegated to executive and other named directors.

All risks are linked to the Trusts strategic objectives with a risk management matrix used to support a consistent approach to assessing and responding to clinical and non-clinical risks.

All risks, whether they be clinical, business, financial, safety in nature and in the present financial year or with a longer identified lead time are identified through a variety of sources. These sources include incident reports, serious incident investigations, audits, NHS wide alerts and internal and external standards, performance indicators.

The identification of mitigating measures, their monitoring and whether these are sufficient and effective is the responsibility of risk owners and overview committees. The risk governance structure allows for risk to sit at four levels with the most significant risks to the Trust identified at level 4 on the Corporate Risk Register. The governance structure allows for risk monitoring and registers deep dives to occur at various levels within the Trust and where necessary risks can be escalated or de-escalated.

The Board has identified the principal operational risks faced by the Trust via its corporate risk register which it aligns to its strategic objectives, and its principal strategic risks via the Board Assurance Framework.

The Board are assured of the suitability and effectiveness of the various mitigating actions via the risk management governance structure. The Trust Audit and Risk Committee monitors the overall risk management process and reviews monitors assurances on the identified mitigation work streams and actions for those risks on the Corporate Risk Register.

The Trust carried out a self-assessment of the Well Led Framework during 2018/19 and in year and future risks were identified as part of this assessment. In addition, the Board of Directors considers strategic and operational risks to the Trust as part of the Board Assurance Framework and Corporate Risk Register. The Board Assurance Framework is reviewed at Board Sub-Committee level and reported at the Board on a bi-annual basis.

1. Providing the Highest Quality of Care

The two present clinical service risks are *'the Meeting agreed ED Clinical standards per quarter'* and the *'Management of consistently high numbers Mental Health patients presenting in ED, Paediatric Wards and admitted to adult wards.'*

Through the mitigation actions taken, the Trust's ED performance is favorable when compared to locally and nationally. Mitigation actions that have been implemented include the internal focus and engagement with external partners to improve the patient flow, stay and discharge processes.

For the second identified risk, the Trust has had positive and supportive engagement with its external partners and stakeholders to identify and start addressing the system wide implications that manifest at, and impact the Trust. Internally, numerous internal mitigation actions have been identified and implemented.

With data management becoming more integral in the delivery of care, three overarching risks have been identified on the Corporate Risk Register. These are *'Inadequate Data Quality'*, *'Inadequate infrastructure and services management (IM&T)'* and *'Cyber Security'*. A considerable number of mitigating work streams have been identified and or implemented. These work streams are periodically audited. Through the implemented controls, it is expected that the data quality risk will be de-escalated and become business as usual in early 2019/20.

2. Invest in Our Staff and Live Out Our Values

There are three corporate risks identified under this strategic objective *'Staff Recruitment'*, *'Staff Retention'* and *'Training Compliance.'* There are numerous work streams linked to these risks including retention and recruitment programmes that are also linked to the Trust's What Matters, CARE values and #LoveOurEUstaff – a response 'Brexit.'

The average training compliance for trust wide statutory or mandatory training is 87.9% against a Trust target of 90%.

3. Drive the Development of Integrated Services

The Trust is part of the Berkshire and Surrey Pathology Services (BSPS), one of the first and largest NHS pathology networks in the country. The Trust has implemented numerous mitigating actions around the risk *'Pathology Service Quality and Standards.'* These relate to the integration into BSPS of the in house diagnostic processes and services and the impact on delivering front line care. The CEO and Clinical Director are members of the BSPS Board, which holds its own risk register. Additional work streams are in place and monitored to mitigate this risk further including improving and updating the diagnostic and work environment. In the 2018/19 financial year, the service hosted on the Trust site retained its external accreditation.

4. Cultivate innovation and transformation

The Trust has not presently identified any risks that are of a significant grading to sit on the Corporate Risk Register

5. Achieve long term financial sustainability

The risk of *'Not achieving financial stability through the delivery of the 2018/19 budget'* is time sensitive and a number of actions to mitigate this risk where implemented resulting in the trust meeting its target.

The risk 'Achieving agreed performance trajectory re the ED 4 hour standard access PSF monies' relates to the financial implications of the corporate risk 'Meeting agreed ED Clinical standards per quarter' and has similar mitigating actions as identified in that commentary.

The Trust made preparations through 2018/19 for the potential impact of the UK's exit from the European Union, including planning for the case of a 'no deal' EU Exit, including following recommendations in the Department of Health and Social Care's EU Exit Operational Guidance. The NHS's overall approach includes planning and contingency measures being taken centrally, as well as actions that are the responsibility of individual providers.

The Trust has an overarching *'Brexit'* risk. The impact of the referendum for the UK to leave the European Union has not at present, produced any sizeable impacts on recruitment or retention, with the Trust still successfully recruiting staff from Europe. It is thought that any consequence on recruitment and retention for the Trust will crystallise once agreement has been reached on the exit arrangements.

To mitigate other impacts, the Trust has commenced with a number of work streams and overview committees regarding this various risk to its ability to deliver its' services which link with the 8 government led nationwide NHS work streams. The Board receives regular updates on its arrangements and has nominated an Executive Director to be its Brexit lead.

Risk Management Framework

Risks are monitored by committees identified in our governance structure to ensure mitigating actions are undertaken to reduce risks to an acceptable level. Operational and thematic risk registers are subjected to at least one deep dive per year by the Trust Integrated Risk Committee. Horizon scanning occurs quarterly through a review of sub board committees. A summary of the Trust risk register is available to staff on the intranet.

The Audit and Risk Committee has oversight of the Trusts risk management and is responsible for providing assurance to the Board, who reviewed the Corporate Risk Register five times in the year.

The Trust risk appetite statements aim is to encourage risk taking within the boundaries identified by the Board as tolerable and so not negatively impact on the Trust's quality, safety, financial, and operational performance or its reputation.

The key risks to delivery of the Trust's strategic objectives are recorded in detail in the Board Assurance Framework.

The Board Assurance Framework

The Board Assurance Framework provides the mechanism for the Board to monitor risks, controls and the assurances that controls are effective. The development of Board Assurance Framework is an extension of the Trust's risk management arrangements. The Board recognises the importance of the Board Assurance Framework in mitigating the Trust's strategic risks. During 2018/19 the format of the Board Assurance Framework was reviewing by the Board and sections reviewed by the relevant Board sub-committees.

The Board has identified the following strategic risks on the Board Assurance Framework:

- If we allow material lapses in the quality of care, the Trust will not meet its regulatory standards for quality and safety
- If we do not deliver our clinical and quality ambitions at the intended pace we will lose opportunities to improve patient outcomes and experience
- If we do not recruit and retain a competent workforce we will fail to deliver on the Trust's strategic objectives
- If we do not deliver our clinical and quality ambitions at the intended pace we will lose opportunities to improve patient outcomes and experience
- Our involvement in ICS plans and programmes fail to deliver the envisaged improvements in care and value.
- Government policy direction becomes inconsistent with BW ICS programme
- The Trust's gaps in capability and capacity to assume the lead provider roles / and or transform services inside and outside of the hospital
- The capability and capacity in the organisation to deliver change
- Digital Maturity
- Failure to act on innovation opportunities in the Thames Valley
- Failure to realise benefits/secure commercial advantage from innovation
- Non-delivery of the budget and or failure to achieve PSF monies
- Non-delivery of the ICS control total and subsequent loss of PSF monies
- Estate is not suitable for our current or future needs
- Use of NHS funds for appropriate purposes
- Accurate reporting of financial position

The Foundation Trust has published an up-to-date register of interests for decision-making staff within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance. The register is available on the Trust website: <http://www.royalberkshire.nhs.uk/list-and-registers.htm>

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 in to the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

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

NHS England has published NHS Core Standards for Emergency Preparedness, Resilience and Response (EPRR) arrangements. These are the minimum standards which NHS organisations and providers of NHS funded care must meet. The Accountable Emergency Officer in each organisation is responsible for making sure these standards are met.

As part of the national EPRR assurance process for 2018/19, The Royal Berkshire Hospital NHS Foundation Trust has been required to assess itself against these core standards. The outcome of this self-assessment shows that against 69 of the core standards which are applicable to the organisation, the Trust will become fully compliant with all of these core standards on publication of the Trust's Annual Report 2018/19.

Review of Economy, Efficiency and Effectiveness of the Use of Resources

There are a number of processes used to deliver economy, efficiency and effectiveness of the use of resources. These include:

- Use of Standing Financial Instructions
- Efficient use of electronic procurement with workflow
- Regular, systematic and risk based Internal Audit
- Detailed bottom-up process for budget setting and business cases
- Benchmarking techniques for services
- Financial and efficiency benchmarking at Trust level against other NHS foundation trusts
- Service level information, with an emphasis on service level reporting and service level management

Data Security

Audits

The Trust has continued to strengthen data security working in partnership with our new service suppliers. We have conducted a complete review of the Trust's IT estate, control processes and vulnerabilities which have informed the forward plan for the next 5 years. Specific areas that have been identified as not conforming to appropriate standards and these have now been stabilised and resilience improved.

Data Communications

The next few years will see a complete overhaul of hardware, software, back-up and recovery protocols including a review of processes which is supported by a controlled change environment. There is an improved process for safely deploying patches and upgrades in agreement with operational services.

The Trust has put in place measures to ensure the security of data and reduce the risk of data loss. This is achieved in the following ways:

Access to data:

- All applications are password controlled, the password policy issued by IT details the password requirements and the need to change passwords, and this is further enforced through forced password changes after 90 days on key applications
- Remote connectivity to the Trusts applications is strictly controlled and only achieved by two factor authentication - user name / password plus RSA (Remote secure access) token with a 60 second refresh time. This has been updated to use a smart phone authentication app.
- The Trust complies with Information Governance Statement of Compliance issued by the NHS for third party access; this has been fully documented in the Access Control policy.

Backup of data:

- The systems managed by IT have a daily, weekly, monthly backup cycle that is managed by the operations team in line with their operating procedures
- Tape back-ups are stored in a fireproof safe, critical systems and monthly tapes are stored for a period of one year should the need arise to retrieve historical data

- These back-up tapes would be used if there is a need to recover in the event of a disaster.
- We have an off-site backup solution (Solid State) backing up a small number of critical systems

Threat intrusion:

- All PCs and servers have antivirus software installed which is regularly updated and in addition a three-layer firewall is in place to reduce the risk of intrusion
- The latest version of anti-virus software is distributed through an automated software deployment tool, and the supplier monitors and provides reports regularly to ensure that newly identified threats are dealt with
- Following a serious virus attack in quarter 1 2017/18, the Trust has strengthened and updated its Antivirus on its residual vulnerable hardware. IT has also accelerated its program to replace this hardware and its dated Windows XP/2003 operating system. The Trust now only has a handful of PCs with these outdated systems running specialist software which will be migrated in 2019.

Disposal of equipment:

- Disposal of equipment: any computer equipment or media that is replaced either through end of life refresh or due to a fault that cannot be repaired has the hard drive removed and granulated.
- Computer disposal follow Waste Electrical and Electronic Equipment recycling (WEEE) guidelines and decommission forms completed.

Encryption / removable media:

In addition, the following policies are in the process of being implemented:

- Encryption Policy - all new laptops will be delivered with encryption software pre-loaded, this cannot be removed. All existing laptops are now encrypted
- Removable Media Policy - this policy is in place and the Trust is planning to lock out any non-encrypted media devices such as memory sticks to ensure that if any patient data is copied it is secured.

Information Governance

During 2018/19 there were no information governance incidents recorded by the Trust as a 'serious incident'.

The Trust is committed to encouraging staff to report and investigate all relevant issues, even where the loss is considered minor. Over the last year, the number of issues reported has increased. This demonstrates a greater awareness of information governance across the organisation and that staff understand their responsibilities. In each instance issues are investigated and actions taken where appropriate to mitigate against further occurrences.

Governance Structures

Risk is managed on behalf of the Board through the Trust's governance structure. The committee structure was last reviewed in 2016 and risk is managed through the following Board committees:

- Audit and Risk Committee
- Quality Committee
- Finance and Investment Committee.
- Workforce Committee

The Audit & Risk Committee oversees the delivery of effective risk management arrangements in the Trust. The key aims and objectives for risk management include:

- complying with legal and statutory requirements and meeting the requirements of external regulators and other relevant bodies
- providing guidance to assist with proactive risk management and risk reduction
- supporting the organisation in its approach to ensuring the safety of staff, patient and visitors.

The Quality Committee (QC), a Board sub-committee chaired by one of our Non-Executive Directors enables the Board of Directors to obtain assurance that high standards of quality care are provided by the Trust and in particular that adequate and appropriate clinical governance structures, processes and controls are in place throughout the Trust. All data and information within the Quality Report is reviewed through this committee. The key responsibilities of the Quality Committee are:

- to ensure compliance with CQC essential standards and NICE guidance
- to be assured that risks to clinical quality are proactively identified, prioritised and managed
- to ensure effective learning is embedded from serious incidents, complaints and patient feedback
- to oversee the Trust's quality strategy, quality account and quality governance framework.

The Quality Assurance and Learning Committee (QALC) which reports to the Quality Committee was introduced during 2014/15. The QALC has strengthened an integrated approach to the management of risk and shared learning across the organisation.

The Trust has a regular programme of CQC peer reviews which monitors compliance against CQC quality requirements at ward level on a monthly basis. The outcomes of these reviews are fed back directly to the Care Groups to action and note. The CQC Insight reports are routinely reviewed and the Trust undertakes self-assessments of compliance with CQC requirements which are reported to the Executive Management Committee.

Data Quality Assurance Programme

The Trust Data Assurance Programme (DQAP) continues to systematically review all key data sets within the Trust Integrated Performance Report (IPR) which is received and reviewed by the Trust Board each month. Each dataset is reviewed based on a clear methodology and results in a baseline data assurance score which can be established as a business as usual tool for monitoring data quality and assurance. Established during 2015/16 following the identification of a number of concerns, the purpose of the DQAP has been to blend both internal knowledge of systems and process to support data capture and

processing improvements, with the desire to undertake independent evaluation of a number of key datasets. To date a number of key datasets, either as a result of the importance of a dataset to collection of wait times reporting or as an assurance of the resulting performance report, have undergone independent review. The output being a report detailing; Identified risks, areas for improvement and recommendations for review ultimately resulting in an action plan. The DQAP action plans are managed and coordinated by the Data Quality Assurance Group (DQAG), which includes senior representation across operational, informatics, data quality and technical teams and reports into the Data Quality Steering Group (DGSG). The DQSG is an executive led group who oversee the progress of the programme as well as provide a point of escalation.

DQSG had been reporting progress to Audit and Risk and through 2018/19, following regular update and demonstration of the transition to business as usual Data Assurance Score (DAS) monitoring to Non-Executive Directors members, the Audit and Risk Committee felt assured that significant improvement had been made and clear governance was in place to ensure continued progress.

Quality Report

The Trust's Quality Report 2018/19 reflects a balanced assessment of our performance in respect of the last year and the priorities for 2019/20.

Our assessment of the quality of our care reflects a balanced view of:

- the action taken to deliver ever improving standards of quality in the care we provide (including the Clinical Audit & Quality Improvement Programme; patient safety initiatives and transformation projects)
- the learning and experiences from major issues, initiatives and reports (such as NHS Improvement's drive towards providing 7-day hospital services; and implementation of the National Quality Board's "Guidance on Learning from Deaths")
- the views and conclusions of our regulators such as the Care Quality Commission and NHS Improvement
- feedback received from patients, partners and stakeholders in the community.

The culmination of this is reflected in our Quality Strategy which has been revised for 2018-2023 and our Quality Account achievements and priorities. The consultation undertaken with stakeholders and the public on our Quality Account priorities for 2019/20, and the feedback provided on our progress during 2018/19 provides the Board with confidence and assurance that the document, included within this Annual Report, presents a balanced review.

The Quality Strategy, and our Quality Account, set out our plans for delivering care of the highest standards, which reflect the highest standards of patient safety, clinical effectiveness and provide an excellent patient experience. Both documents will be monitored over the course of the year to ensure that our ambitions are turned into reality. Underpinning this will be a comprehensive monitoring process to ensure that we know we are delivering quality care. This will encompass:

- the Executive and Care Groups meeting monthly to discuss and monitor progress against our quality indicators
- the monthly quality performance report to the Board
- periodic quality and safety reports
- regulatory assurance
- patient feedback

It is important to note, as in previous years, that there are a number of inherent limitations in the preparation of quality reports which may impact the reliability or accuracy of the data reported.

- Data is derived from a large number of different systems and processes. Only some of these are subject to external assurance or included in internal audit's programme of work each year.
- Data is collected by a large number of teams across the Trust alongside their main responsibilities, which may lead to differences in how policies are applied or interpreted.
- In many cases, data reported reflects clinical judgement about individual cases, where another clinician might have reasonably classified a case differently.
- National data definitions do not necessarily cover all circumstances, and local interpretations may differ.
- Data collection practices and data definitions are evolving, which may lead to differences over time, both within and between years.

The volume of data means that, where changes are made, it is usually not practical to reanalyse historic data. Notwithstanding these inherent limitations, to the best of my knowledge the information in this report is accurate.

The Trust has a People Strategy which has five key workforce themes. The first theme is Attracting, Staying and Thriving and is aimed at ensuring we are known as a place where staff want to come, want to stay and want to be even better. The Trust utilises workforce systems in order to continuously monitor safe staffing levels.

As part of the Developing Workforce Safeguards a ward based nursing staffing skill mix review is carried out annually following the National Quality Board (January 2018) guidance. An update was provided to the Board Workforce Committee and Board of Directors in November 2018. A triangulated approach is used:

- The Shelford Group Safer Nursing Care Tool (SNCT 2013) to establish patient acuity with scores periodically validated by senior nurses.
- Professional Judgement – structured meeting between each Ward Manager, Matron, Care Group Director of Nursing, Associate Director of Nursing, and the Corporate Director of Nursing to discuss individual ward requirements.
- Outcomes – quality indicators of Friends and Family, formal complaints, avoidable serious harm falls and avoidable hospital acquired grade 3 and 4 pressure ulcers.
- Care Hours Per Patient Day- benchmarked against peers where possible

In addition a report of staffing levels is generated twice a day from the Trust rostering system. Staffing is discussed at the daily bed meeting and staff are utilised flexibly. Matrons create safe staffing plan for out of hours. At weekends and bank holidays there are two senior duty nurses who provide an overview of staffing across the organisation and move staff based on clinical need.

New roles such as the Nursing Associate have been implemented and have had a quality impact assessment to ensure that the role is deployed safely. A safe deployment of Nursing Associates guidance has been written and provided to ward managers

The Guardian of Safe Working submits a quarterly report to the Board workforce committee, monitoring exception reporting and reflecting this back to departments regarding workload. In mitigation of unpredicted rota gaps, the junior doctor contract group has established a

dedicated rota co-ordinator and a robust internal FY3 programme. The rota co-ordinator ensures that gaps are filled internally wherever possible, reducing the agency requirement. The internal FY3 programme provides twelve additional trainees who cover ward based activities, unexpected rota gaps and some emergency out of hours cover and receive excellent additional training.

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the Executive managers and clinical leads within the NHS Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the Quality Account Report included in this Annual Report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit and Risk Committee (and Quality committee, if appropriate) and a plan to address weaknesses and ensure continuous improvement of the system is in place.

I have been specifically informed on the effectiveness of the system of internal control and the validity of the Corporate Governance Statement by the:

- Trust Board: through the regular review, adoption and approval of the Trust Corporate Risk Register, the 'Quality and Patient Safety reports' and the 'Integrated Performance reports'
- Audit and Risk Committee: through internal and external audit, reviewing the adequacy of internal control systems designed to minimise risk. Also, ensuring overall co-ordination of risk management and monitoring of the action plans to address the risks identified in the Trust Corporate Risk Register
- Quality Committee: ensuring the effective working of clinical governance, both corporately and at care group level, including clinical audit and risk management. It also reviews reports on the quality assurance process and Quality Accounts data requirements demonstrating effectiveness and improvements in the quality and safety of our care for patients.

The Care Quality Commission (CQC) conducted a review of Well Led during their inspection of the Trust in October 2017. The Trust achieved a rating of 'good' from this review with no compliance actions. Many areas of good practice were identified by the CQC and the significant improvements made since the previous inspection in 2014 were highlighted.

The opinion reached by the Head of Internal Audit has remained "generally satisfactory with some improvements required".

There were no critical findings in 2018/19, and two high risk findings from our Health and Safety report, which was rated as high risk overall. We note the Cyber Security and Business Continuity Management reports have not yet been finalised.

Our Estates Procurement Follow Up review recognised progress has been made by the Trust; this was rated medium risk overall (reduced from high risk in 2017/18).

The Trust recognises the need to address the issues identified within our Health and Safety report; a follow up review is included within the 2019/20 Internal Audit plan to offer independent confirmation.

CQC REGISTRATION COMPLIANCE

The Royal Berkshire NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is 'good'. The Royal Berkshire Hospital location is currently rated as 'outstanding'.

The Royal Berkshire NHS Foundation Trust does not have any conditions of registration. The Care Quality Commission has not taken enforcement action against the Royal Berkshire NHS Foundation Trust during the reporting period 2018/19.

The Royal Berkshire NHS Foundation Trust has not been subject to any special reviews or investigations by the CQC under section 48 of the Health and Social Care Act 2008 during 2018/19.

The Foundation Trust will be undertaking a risk assessment and a sustainable development plan will be developed during 2019/20 that will take account of UK Climate Projections 2018 (UPCP18). The Trust ensures that its obligations under the Climate Change Act and the Adaption Reporting Requirements will be complied with.

The Trust carries out a self-certification process that ensures the Trust complies with the Foundation Trusts' licence conditions. This is submitted to the Board of Directors on an annual basis. This includes reviewing the effectiveness of governance structure, the responsibilities of Directors and Sub-committees, reporting lines and accountabilities between the board, its subcommittees and the executive team, the submission of timely and accurate information to asses risks to compliance with the Trust's licence and the degree and rigour of oversight the Board has over the Trust's performance.

Disclosure of Public Interest

The Trust has complied with the cost allocation and charging guidance issues by HM Treasury. The Directors consider the Annual Report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the Trust's performance, business model and strategy.

Conclusion

This report sets out an open and balanced reflection of the Trust's progress over the past year. The Board and Executive have a clear understanding of the issues facing the Trust and the work they must focus on during the 2019/20 financial year. There are no significant internal control issues that have been identified during 2018/19.

Signed:



Steve McManus
Chief Executive

22 May 2019

Royal Berkshire NHS Foundation Trust Quality Report 2018/19

Chief Executive Statement on Quality

At the Royal Berkshire NHS Foundation Trust, our vision is 'working together to provide outstanding care for our community'. We are committed to driving improvement across the organisation through a culture of excellence.

In 2018/19 our Quality Strategy was refreshed to align with the Trust's new overarching vision and values and strategy for the organisation.

Ensuring safety and quality of care for every patient is our top priority. We want to continue to be ambitious about the quality of care we provide. We want all of our services to be outstanding every day of the week.

We have continued to build on our quality achievements throughout the year and this report highlights some of the improvement work which has taken place:

- Achieving a 77% reduction in the number of falls with harm
- Maintaining excellent 90% screening and administration of antibiotics for patients with sepsis
- Implementation of National Early Warning Score (NEWS)2 and a 41% reduction in our avoidable cardiac arrests

We are committed to being an organisation which strives to continually learn and improve with a strong desire to ensure that every day is better than yesterday. We are always looking for new and innovative ways of working to improve the care being delivered to our patients.

In many areas, the Trust is nationally recognised as delivering exceptional care and our ambition is to continue to develop this excellent work.

We are proud of our achievements and see these as the basis for further improvement as we work towards outstanding care every day, everywhere, for the community we serve.

I would like to take this opportunity to thank all of our staff and volunteers for their dedication and living out of our core values of being compassionate, aspirational, resourceful, and excellent.

I am pleased to present our 2018/19 Quality Report and confirm that, to the best of my knowledge, the information contained within this report is accurate.

Signed



Steve McManus
Chief Executive

Date: 22 May 2019

Glossary of Technical Terms & Acronyms

CCG	Clinical Commissioning Group Clinically-led statutory NHS bodies responsible for the planning and commissioning of health care services for their local area.
CQC	Care Quality Commission The independent regulator of health and adult social care
CQUIN	Commissioning for Quality and Innovation A scheme to encourage quality improvement by setting targets and rewarding achievements of those targets.
CRAB	Copeland's Risk Adjusted Barometer A clinical informatics software used to analyse mortality and clinical outcomes for hospital patients
DNACPR	'Do not attempt cardiopulmonary resuscitation' A document issued and signed by a doctor, which tells your medical team not to attempt cardiopulmonary resuscitation.
EPR	Electronic Patient Record An electronic system to record patient information
ePMA	Electronic Prescribing and Medicines Administration Electronic system for prescribing medicines
FFT	Friends and Family Test A survey which asks patients who have received NHS care whether they would recommend the Trust to their friends and family if they needed similar care and treatment.
HSMR	Hospital Standardised Mortality Ratio A ratio of the number of actual deaths ('observed deaths') with the number of deaths that the statistical model would predict or expect, having adjusted for the population characteristics (such as age and gender), the patient's presenting condition, the type of admission (elective/emergency) and any comorbidities.
ICS	Integrated Care System A collaboration of local health-related services where NHS organisations in partnership with local councils and others take collective responsibility for managing resources, delivering NHS standards and improving the health of the population.
MAP	Medical Advanced Plan A form which sets out what medical interventions you wish to have, and which you do not, should your condition deteriorate
NatSSIPS	National Safety Standards for Invasive Procedures Set of national standards to provide governance around the performance of invasive procedures
NEWS	National Early Warning Score A scoring system, based on aggregate physiological measurements (e.g. heart / breathing rate), to identify acutely ill patients
NRLS	National Reporting and Learning System A database of patient safety incident reports used to analyse hazards, risks

	and opportunities to improve patient care.
PROMS	Patient Reported Outcome Measures Pre- and post- operative surveys used to assess the quality of care delivered to NHS patients from the patient perspective by calculating the health gains after surgical treatment.
ReSPECT	Recommended Summary Plan for Emergency Care and Treatment A plan detailing personalised recommendations for a person's clinical care in a future emergency in which they are unable to make or express choices developed with patients/ carers.
RTT	Referral to Treatment Targets set by the government of the maximum waiting times patients should experience when waiting for treatment
SHMI	Summary Hospital-level Mortality Indicator An indicator which reports on mortality at trust level across the NHS in England. It is the ratio between the actual number of patients who die and the number that would be expected to die on the basis of average England figures, given the characteristics of the patients treated.

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Introduction

The Royal Berkshire NHS Foundation Trust is the main provider of hospital services for the population of Reading, Newbury, Wokingham and the towns and villages of west Berkshire. At our heart we are a local hospital that works with NHS and social care partners to provide excellent healthcare services for over 500,000 people who live in our catchment area. We also provide specialist hospital services beyond the county's borders.

Our specialist centre is the Royal Berkshire Hospital in Reading, a large district general hospital with the expertise to treat patients requiring urgent or hyper-acute care. Additionally, we have a number of community sites in Windsor, Bracknell, Henley-on-Thames and Thatcham where we deliver ambulatory care and diagnostics.

We are a designated specialist centre in renal, cancer, bariatric care, heart attack and stroke. We also provide specialist care as part of a care network through a local neonatal unit, maternity unit, an interventional radiology unit and a trauma unit. We are part of the critical care and vascular care networks.

We employ more than 5,500 staff from 39 different nationalities. Each year we are responsible for efficiently and effectively spending more than £400m of NHS resources on the services we provide. As a founder member of the Berkshire West Integrated Care System (ICS), we are one of NHS England's demonstrator sites for integration between primary, community, mental health and acute healthcare services.

Our Quality Vision & Priorities for 2019/20...

The Trust's overarching vision is, "working together to provide outstanding care for our community". Ensuring safety and quality of care for every patient is our top priority. We are ambitious about the quality of care we provide. We want all our services to be outstanding every day of the week. We also strive to be one of the most safe and caring NHS organisations in the country.

This year's Quality Report reflects on some of the ways in which we have worked to deliver outstanding care for our community over the last year. It also sets out our priorities for improving the quality of our care delivery in the forthcoming financial year. We have developed these quality priorities through:

- Review of progress against last year's priorities, carrying forward any work streams which have scope for on-going improvement;
- Analysis of themes arising from internal quality indicators (complaints, incidents, clinical audits, outcomes data);

- Patient engagement – seeking the views of our governors and patient leaders at the annual Patient Standing Conference and Patient Leader Network;
- Staff engagement – seeking the views of all of our staff (who may also be our patients);
- Key stakeholder engagement – seeking the views of our regulators, Healthwatch and other community partners via an online survey;
- Ensuring alignment with national priorities and those defined by the Academic Health Science Network patient safety collaborative.

As a result, we are confident that the priorities we have selected are those which are meaningful and important to our community.

Progress against these priorities will be monitored on a bi-monthly basis through a quality dashboard presented to the Quality Assurance and Learning Committee, chaired by the Executive Director of Nursing / Medical Director; and the Quality Committee, a Board sub-committee chaired by one of our Non-Executive Directors. This will allow appropriate scrutiny against the progress being made with these quality improvement initiatives, and also provides an opportunity for escalation of issues. This will ensure that improvement against each priority remains a focus for the year and will give us the best chance of achievement.

Part 1: Our Quality Priorities 2019/20

PATIENT SAFETY

1. Improve the Trust safety culture through implementation of “Safety Huddles”

A “safety huddle” is a short multidisciplinary briefing, held at a predictable time and place, focused on the patients at risk. They give an opportunity for staff to take a step back to take stock, debrief, and consider safety issues for their patients. Safety huddles also provide the opportunity to celebrate success in reducing harm through regular feedback of safety incident data and for staff to check in with each other to provide support and promote staff wellbeing. Ultimately, the aims are to:

- *enhance teamwork through communication and co-operative problem-solving*
- *share understanding of the focus and priorities for the day*
- *improve situational awareness of safety concerns*
- *help staff to feel physically and emotionally supported*

Across the country, safety huddles have been implemented in many hospitals to great effect by improving safety culture and reducing harm for patients. Currently in the Trust, a few wards have been undertaking some form of ‘huddle’ on an ad-hoc basis. In 2019/20, it is planned to pilot the roll out of structured safety huddles across 6 wards (2 from each Care Group). Each area will pick their own safety focus

depending on the key risks for their patients. Across all areas, however, there will be a focus on staff wellbeing and giving staff opportunities to share concerns, debrief and celebrate successes.

Targets for Improvement:

- Implementation of regular safety huddles in at least 6 wards
- Improvement in staff wellbeing questionnaire

2. Reduce “Never Events”

“Never Events” are patient safety incidents that are considered preventable when national guidance or safety recommendations that provide strong systemic protective barriers are implemented by healthcare providers. In 2018/19, the Trust experienced 7 “Never Events” including: retained foreign object post procedure, wrong site surgery, and unintentional connection of a patient requiring oxygen to an air flowmeter. For each incident, a thorough investigation has taken place in order to determine root causes and implement preventative actions, including capping of air outlets and removal of airflow meters on all non-respiratory wards.

In 2019/20, the Trust intends to raise awareness amongst all frontline staff of the Never Events which have occurred in the Trust in order to share this learning and ensure that robust prevention measures are in place across the whole organisation. This will include:

- *Launch of a Trust-wide awareness raising campaign*
- *Production of patient/ staff story videos bringing experiences of these incidents to life*
- *Promotion of human factors training*
- *Reinvigoration of ‘NatSSIPs’ to ensure that safety checklists are in place for all interventional procedures across all sites of the Trust.*

Targets for Improvement:

- Zero “Unintentional connection of a patient requiring oxygen to an air flowmeter” Never Events reported
- Improvement in staff awareness of previously reported “Never Events” and learning for their areas

CLINICAL EFFECTIVENESS

1) Improve recognition of the deteriorating patient

Our quality improvement work last year saw a 41.2% reduction in avoidable cardiac arrests (see page 102). This year we aim to take this further by implementing the following improvement initiatives:

- Safety Huddles: (see page 84) focusing on patients at risk of deterioration to improve recognition

- ReSPECT: last year the Trust moved to the use of ReSPECT forms for documenting discussions with patients and their families about their preferences for future care plans and treatment limitations. We plan to continue embedding this process across the organisation, auditing the completeness of the forms; and supporting staff with training in having difficult conversations.
- NEWS2: this was implemented last year. In 2019/20 we will undertake regular reviews of how many patients with a NEWS2 score of >6 have been recognised and have appropriate treatment plans in place. In areas where this is not happening, focused teaching will be delivered by our Outreach Team.
- Post Cardiac Arrest Structured Reviews: following incidences of cardiac arrests on wards, the Resuscitation Team will meet with the staff involved to discuss and learn from what happened and what should have happened for the patient leading up to the cardiac arrest event.

Targets for Improvement:

- Improvement in completion of ReSPECT forms
- Reduction in patients with a NEWS2 >6 without an appropriate treatment plan in place
- Post-cardiac arrest structured reviews to take place after every ward-based avoidable cardiac arrest

2) Improve Sepsis performance

Sepsis is the immune system's overreaction to an infection or injury. If not treated immediately, sepsis can be deadly, yet with early diagnosis, it can be treated with antibiotics. The early identification and treatment of sepsis has been a high national priority for the last 3 years and has featured in the Trust's Quality Priorities since 2016. The Trust has made excellent progress and consistently achieves over 90% compliance with screening and administration of antibiotics within 1 hour (see page 101). However, in line with the continued focus on sepsis in the NHS Long Term Plan and NHS Clinical Standards Review, the Trust believes continuing to strive to improve our sepsis performance is the right thing to do for our patients and will help us become one of the safest NHS organisations in the UK.

In 2019/20, work will continue on sepsis awareness raising and education of frontline clinical staff, particularly for junior doctors who may be new to the Trust. A key focus this year will be ensuring blood cultures are taken for all patients with suspected sepsis to ensure the most clinically effective type of antibiotics are prescribed; currently the Trust is averaging 40%. Partnership working will continue with our ambulance colleagues in particular, with support for a pilot to provide training for paramedics to administer antibiotics when red-flag sepsis is recognised before admission to hospital.

Targets for Improvement:

- Sustain 90% compliance with screening and administration of antibiotics within 1 hour for suspected sepsis
- Increase to 60% taking of blood cultures for red flag sepsis

PATIENT EXPERIENCE

1) Improve patient experience of car parking

Improving patient experience of car parking has been a quality priority for the past 2 years. The Royal Berkshire Hospital site is located in a busy town centre with restricted space available for parking. It is clear that the parking capacity on site is insufficient to support the current needs of our patients, visitors and staff. The Trust acknowledges that difficulties with parking can cause additional stress to our patients and visitors who may already be facing emotionally or physically distressing circumstances. As part of the Trust's Vision 2025, there are long-term plans in place to reduce the peaks in demand on site through the Outpatient Transformation programme. This aims to reduce outpatient attendances on site by 50% by moving clinics to spoke sites; developing virtual clinics and use of telemedicine; and streamlining pathways and processes.

In 2018/19, an external review of our car parking improvement plans indicated that some of our planned actions would not make the improvements in patient experience we were hoping for. Therefore, in 2019/20 we are resetting this programme. We are awaiting the second part of the external review and proposed management plan to help us to evaluate which options would have the greatest impact in improving car parking for patients and visitors with an intention to develop a realistic and resourced delivery plan.

Targets for Improvement:

- To develop an agreed and resourced action plan resulting from an external expert review of the hospital site. *Additional in year targets will be included once the action plan has been agreed and funded.*

2) Improve patient flow

Improving patient flow is a continuation of the "Last 1,000 days" 2018/19 priority. This is fundamental to the effective running of our services and has a significant impact on our patients' experience of care. Our key areas of focus for 2019/20 will be:

- More efficient referrals to community beds by embedding improved communication and better collaborative working between Acute and Community teams.

- The Model ward project will look at all aspects of ward day-to-day management, identifying good practice to be shared and standardised throughout the trust. The initiative will also incorporate relevant national schemes e.g. Red2Green to overall establish efficient ward management and reduce non-value added time.
- Identifying new ways of working by exploring new roles to support patient flow and ultimately reduce length of stay. Such roles include Physician Associates, Medical Support Workers, Patient Flow Coordinators, and full utilisation of the Integrated Discharge Support Team.
- Inviting community hospitals to contribute and work with us on relevant Patient Flow initiatives as well as highlight their ongoing projects at our joint Patient Flow Events.

Targets for Improvement:

- 5% increase in same day discharges
- 8% reduction in number of patients staying greater than 21 days
- 10% increase in weekend discharges

Part 2: Statement of Assurance from the Board

During 2018/19 the Royal Berkshire NHS Foundation Trust provided and/or sub-contracted 33 relevant health services

The Royal Berkshire NHS Foundation Trust has reviewed all the data available to them on the quality of care in all of these relevant health services.

The income generated by the relevant health services reviewed in 2018/19 represents 100% of the total income generated from the provision of relevant health services by the Royal Berkshire NHS Foundation Trust for 2018/19. At the time of writing the finalised CQUIN was not available from all Commissioners.

PARTICIPATION IN NATIONAL CLINICAL AUDITS AND NATIONAL CONFIDENTIAL ENQUIRIES

National clinical audit provides assurance that the care being delivered by our services is of the highest quality in terms of clinical effectiveness, patient outcomes and patient experience, compared to both national best practice standards and other service providers nation-wide. Where the care being delivered does not meet these standards, it provides a stimulus for improvement in the quality of treatment and care. National clinical audit also provides a measure for organisations to be compared with other care providers across the country. National confidential enquiries are national reviews of high risk medical or surgical conditions which produce recommendations to be implemented to improve the quality of care being delivered to patients.

During 2018/19, 56 National Clinical Audits and 3 National Confidential Enquiries covered relevant health services that the Royal Berkshire NHS Foundation Trust provides.

During 2018/19 the Trust participated in 89% of National Clinical Audits (50/56) and 100% of National Confidential Enquiries of the National Clinical Audits and National Confidential Enquiries which it was eligible to participate in.

The National Clinical Audits and National Confidential Enquiries that the Royal Berkshire NHS Foundation Trust participated in, and for which data collection was completed during 2018/19, are listed in Annex 2 alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

Results of National Clinical Audits and National Confidential Enquiries

The reports of 15 National Clinical Audits and National Confidential Enquiries were reviewed by the provider in 2018/19 and the Royal Berkshire NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided:

National Paediatric Diabetes Audit 2016/17 (published July 2018).

- Introduction of a group education programme in order to promote the importance of maintaining blood glucose sugar levels amongst young people

In addition to being a driver for quality improvement work, national audit also provides assurance about the quality of care being delivered where the Trust is already performing to the highest standard, or where significant improvements have been made year on year. In some cases, the Trust is one of the highest performers in the country. Some of the highlights of our national audit performance are given below:

National Hip Fracture Database (published November 2018)

- 99.4% (top 10) completion of a prompt assessment by a senior orthogeriatrician
- 99.8% (top quartile) recording of mental test scores.
- 15.5 day average length of stay, 25% shorter than the national average of 20.6 days.
- 77.8% (top quartile) patients returned to their original residence within 120 days
- 5.4% mortality rate, decreased from 6% in the previous year, and 1.5% less than national average of 6.9%.

National Parkinson's Audit (published May 2018)

- Elderly Parkinson's patients are seen in a Specialist Multidisciplinary Clinic which combines clinical care with therapist input
- Standardised assessment tools are routinely used in clinics to assess and monitor cognitive function and mood.

- All patients classed the quality of the service from their Elderly Care Consultant as excellent or good and 46.2% of respondents felt the Parkinson's Service was improving in comparison with the national rate of 25.1%
- 100% of all physiotherapy and occupational therapy assessments are reported back to the referring Clinician.

Results of Local Clinical Audits and Quality Improvement Projects

Local-level clinical audit and quality improvement projects tend to be more specialised and smaller in scope than the national audit projects, but have the advantage of rapid cycles of data collection and quality improvement work; this means patients can experience the benefits of the changes implemented more quickly.

The reports of 41 local clinical audit and quality improvement projects were reviewed by the provider in 2018/19 and the Royal Berkshire NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided:

Paediatric Tonsillectomy: Where Does the Analgesia Go?

The Ear Nose and Throat (ENT) Team identified up to 1 in 5 of their patients were visiting their GP after routine tonsillectomy and that parents were not complying with advice regarding administration of analgesia. To address this, an educational approach to support parents was adopted. Updated information leaflets were provided with analgesia timetables and a telephone enquiry system was offered. The result was a reduction in re-attendance rates from 17% to 13%; and a reduction in readmission rates from 16% to 9%.

Electronic Discharge Letters (EDLs) for Deceased Patients

The Electronic Discharge Letter is a summary document that is produced when a patient leaves hospital and is the method by which key information is passed from the Hospital to the GP. The Elderly Care Team discovered these were not being completed to a high quality and did not necessarily include all pertinent clinical information. To address this, a new standardised EDL for deceased patients was created and advertised. The result was a significant improvement in the completion of key information contained in the EDLs from 13% to 81%.

Clinical Audit and Quality Improvement Annual Poster Competition 2018

In June 2018 the Trust held a poster competition to celebrate quality improvement and share learning across the Trust.

- First prize: Implementing a Highly Specialist Speech & Language Therapy (SALT) Service for Patients with Parkinson's
- Second Prize: Frequent Attenders Project in the Emergency Department

- Third Prize: Electronic “Discharge” Letters (EDL) for Deceased Patients

PARTICIPATION IN CLINICAL RESEARCH

The number of patients receiving relevant health services provided or sub-contracted by the Trust in 2018/19 that were recruited during that period to participate in research approved by a research ethics committee was 7041.

CQUIN PAYMENT FRAMEWORK

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

The monetary total for income in 2018/19 conditional on achieving quality improvement and innovation goals is £7,408,659.

The monetary total for the associated payment in 2017/18 was £7,157,635.

Further details of the agreed goals for 2018/19 and for the following 12-month period are available electronically at: <https://www.england.nhs.uk/nhs-standard-contract/cquin/>

CQC REGISTRATION COMPLIANCE

The Royal Berkshire NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is ‘good’. The Royal Berkshire Hospital location is currently rated as ‘outstanding’.

The Royal Berkshire NHS Foundation Trust does not have any conditions of registration.

The Care Quality Commission has not taken enforcement action against the Royal Berkshire NHS Foundation Trust during the reporting period 2018/19.

The Royal Berkshire NHS Foundation Trust has not been subject to any special reviews or investigations by the CQC under section 48 of the Health and Social Care Act 2008 during 2018/19.

The Trust has participated in the following local Ofsted reviews:

- Wokingham Local Authority’s referral, assessment and Multi-Agency Safeguarding Hub services 17 – 18 October 2018. *No recommendations for RBFT.*

- Special Educational Needs and Disability services in West Berkshire Local Authority area 14 – 18 May 2018. Recommendations for RBFT in relation to transition to adulthood, developing a SEND data set and our referral criteria.
- Bracknell Joint Targeted Area Inspection of the multi-agency response to sexual abuse in the family. January 2019 - *No recommendations for RBFT.*
- Special Educational Needs and Disability Services inspection 11 - 15 March 2019 – *report not yet published.*

Local System Review of Reading, 29 October to 2 November 2018:

The CQC was asked by the Secretaries of State for Health and Social Care and for Communities and Local Government to undertake a programme of targeted reviews in 20 local systems. The purpose of the review was to look at how well people move through the health and social care system, with a particular focus on the interface, and what improvements could be made, focussing on the needs of people over 65. There were a number of system-wide recommendations; those pertaining specifically to the Trust related to a review of all care pathways to provide a clear understanding of the hospital discharge journey for residents and the need to provide information for the public in relation to clarify the pathway choices for patients.

CQC Outliers: There have been no CQC Outlier Alerts received during 2018/19.

NHS NUMBER AND GENERAL MEDICAL PRACTICE CODE VALIDITY

The Royal Berkshire NHS Foundation Trust submitted records during 2018/19 to the Secondary Uses Service for inclusion in the Hospital Episode Statistics which are included in the latest published data.

The percentage of records in the published data which included the patient's valid NHS number was:

- 99.82% for admitted patient care
- 99.89% for outpatient care and
- 98.41% for accident and emergency care.

which included the patient's valid General Medical Practice Code was:

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

DATA SECURITY & PROTECTION (DSP) TOOLKIT ATTAINMENT LEVELS (PREVIOUSLY INFORMATION GOVERNANCE TOOLKIT)

In 2018/19, the Royal Berkshire NHS Foundation Trust met 36 of the 40 assertions in the DSP Toolkit Assessment. The 4 assertions that were not met have project

plans in place to ensure compliance for DSP Toolkit submission next year. These plans have been reviewed and agreed by internal auditors, and have been sent to NHS Digital for approval.

CLINICAL CODING ERROR RATE

The Royal Berkshire NHS Foundation Trust was not subject to the Payment by Results clinical coding audit during 2018/19.

DATA QUALITY

In 2018/19 the Trust continued to expand its data warehouse by incorporating further datasets and decommissioned less assured data sources. This year Informatics has provided improved, widely available and timely reporting, including dashboards, this builds on a sound data structure that has been established over the past few years. This also supports enhanced quality clinical information sharing as the Trust works with partners in the wider Berkshire Health economy.

In 2019/20 The Trust will be taking the following actions to improve data quality:

- Global PAS (GPAS): from the Cerner data quality reports manage the 6 phases of data quality improvements in preparation for GPAS implementation.
- Audit support: support for clinical data quality audits which exploit the depth of clinical data available following the deployment of ClinDocs and EPMA in Electronic Patient Record.
- Mobile Apps: further development of mobile apps, that are customisable to alert operational staff of performance or activity outside of defined parameters.
- Live data assurance: there will be an extension of data assurance checks to supplement the existing routine snapshots to give live data health check status.

LEARNING FROM DEATHS

Hundreds of patients come through our doors on a daily basis. Most receive treatment, get better and are able to return home or go to other care settings. Sadly and inevitably, some patients will die here. Whilst most deaths are unavoidable and would be considered to be “expected”, there will be a small number of cases where care in hospital was sub-optimal and contributed to the death or provided lessons for the future.

The Trust is committed to continuously monitoring the quality of its care provision through the mortality review process. In order to identify themes and areas for improvement, as well as areas of good practice, in-depth reviews are undertaken

where indicated. These allow us to understand contributory factors and root causes, to draw lessons from these experiences, and share learning across the organisation as well as the wider healthcare economy.

During 2018/19 1495 of the Trust's patients died (*inpatients only*). The total deaths by quarter are given in Annex 3.

By 29 April 2019, 523 case record reviews and 17 investigations have been carried out in relation to 527 of the deaths noted above.

In 1 case a death was subjected to both a case record review and an investigation. The number of deaths in each quarter for which a case record review or an investigation was carried out are given in Annex 3.

Three deaths representing 0.2% of the patient deaths during the reporting period are judged to be more likely than not to have been due to problems in the care provided to the patient. In relation to each quarter the numbers are given in Annex 3

These numbers have been estimated using the Trust's mortality review processes. All adult, inpatient deaths are screened by the doctor completing the death certificate against a standardised checklist of 'triggers' which was designed by the Trust Mortality Surveillance Group based on the national guidance 'Learning from Deaths'. All deaths which 'trigger' are subject to a full review by a consultant using a template incorporating elements from the Standardised Judgement Review methodology. All reviews conclude with a grading on the overall care given to the patient to assess whether there was any suboptimal care and, if so, whether or not this may have contributed to the patient's death. Any deaths assessed as "more likely than not to have been due to problems in the care provided to the patient" are subject to a full Root Cause Analysis as part of a serious incident investigation and the final grading discussed and agreed at the Trust Mortality Surveillance Group.

Learning and actions taken as a result of mortality reviews:

All mortality reviews are reviewed at specialty level mortality & morbidity or clinical governance meetings. In addition, any reviews with suboptimal care identified are reviewed at the Mortality Surveillance Group to identify learning and themes to share within the organisation.

Over the last year the key learning themes have included:

- Consultant review / handover over weekends
- Issues around DNACPR / medical advance planning
- Failure to recognise deterioration / reacting to National Early Warning Scores (NEWS)
- Timely administration of antibiotics for patients with suspected sepsis and the need to take blood cultures

- General communication issues
- Inaccuracy of death certification
- Importance of clear documentation
- Venous thromboembolism (VTE) prophylaxis
- Medication errors relating to opioids

Actions taken to address specific and thematic learning points have included:

- Continued implementation of the “7 day services” national standards (see page 107 for further details)
- Roll out of the “ReSPECT” form, to replace the DNACPR form in September 2018 with ongoing training support for staff and further adoption in the wider West Berkshire region.
- Ongoing workstream to improve recognition of the deteriorating patient (see page 85)
- Ongoing workstream to improve sepsis recognition and timely administration of antibiotics, as part of national CQUIN programme and Trust quality priority (see page 86)
- Implementation of electronic noting and prescribing in September 2018 improving communication, quality and availability of patient records
- Implementation of NEWS2 in September 2018
- Poster regarding opioid prescribing produced and shared in junior doctor training sessions

In addition to these actions and improvement workstreams, any serious incident investigation has a detailed action plan to address specific concerns and learning points unique to those incidents which are followed up by the Patient Safety Team and monitored by our Commissioners.

In 2019/20, the Trust will aim towards full compliance with the 7 day service standards; and improving sepsis care and improving recognition of the deteriorating patient are being taken forward as quality priorities as laid out on page 85. In April 2019, the Trust is implementing a new Medical Examiner role in line with the Learning from Deaths best practice guidance. This will ensure senior, independent, clinical scrutiny of deaths at the point of death certification; better involvement and liaison with bereaved families and carers; and a robust triage of deaths requiring mortality review. The Trust will also move to the standard Structured Judgement Review forms for undertaking mortality reviews.

Impact of actions:

“Recognition of the Deteriorating Patient” - the Trust has seen a 41.2% reduction in avoidable cardiac arrests in 2018/19

Sepsis – compliance with screening and timely antibiotic administration is continuously monitored and remains above 90%. The Trust’s HSMR for sepsis was on a decreasing trend until October 2018; and its sepsis SHMI mortality rates are also monitored to ensure these are not increasing.

EPR – in January 2019 an audit of electronic inpatient documentation was implemented in order to monitor the impact of EPR on the quality of clinical documentation. It is too early to identify trends, but this will be monitored on a monthly basis throughout 2019/20.

We will continuously monitor the frequency of all mortality review themes to assess the effectiveness of the improvement actions and revise plans where indicated.

Reviews and investigations completed in 2018/19 for deaths in 2017/18:

186 case record reviews and 9 investigations were completed after 31/03/2018 which related to deaths which took place before the start of the reporting period.

1 death, representing 0.07% of the patient deaths before the reporting period, is judged to be more likely than not to have been due to problems in the care provided to the patient. This number has been estimated using the Trust’s mortality review processes described above. The revised total for 2017/18, including the case above, is 1 death, representing 0.07% of the patient deaths during 2017/18, judged to be more likely than not to have been due to problems in the care provided to the patient.

The complete mortality numbers for 2017/18 and 2018/19 are given in Annex 3.

Part 3: Our Quality Performance 2018/19

Priority	Quality Targets	Achievement	Overall Achievement
1) Reduction of avoidable falls with harm	• 50% reduction in avoidable falls with harm	<i>Achieved</i>	Achieved
	• Less than 5 patient falls per 1,000 bed days per month	<i>Achieved</i>	
2) Reduction of hospital-acquired, avoidable pressure ulcers	• 10% reduction in hospital acquired, avoidable, grade 2 pressure ulcers	<i>Achieved</i>	Partially achieved
	• 50% reduction in hospital acquired, avoidable, grade 3 & 4 pressure ulcers	<i>Not achieved</i>	

3) Reduction of mortality due to sepsis	<ul style="list-style-type: none"> 90% of patients meeting the screening criteria for sepsis screened in ED 	<i>Achieved</i>	Achieved
	<ul style="list-style-type: none"> 90% of patients with sepsis should receive antibiotics within 1 hour of diagnosis 	<i>Achieved</i>	
	<ul style="list-style-type: none"> Sepsis mortality rate 	<i>N/A – see text</i>	
4) Improving recognition of the deteriorating patient	<ul style="list-style-type: none"> NEWS2 implementation 	<i>Achieved</i>	Achieved
	<ul style="list-style-type: none"> Reduction in number of avoidable cardiac arrest calls raised 	<i>Achieved</i>	
5) Improving patient experience of car parking	<ul style="list-style-type: none"> Implementation of automatic number plate recognition (ANPR) system 	<i>Not achieved</i>	Not achieved
	<ul style="list-style-type: none"> Increase the number of drop off/pick up points on site 	<i>Not achieved</i>	
	<ul style="list-style-type: none"> Improve patient information relating to travel and transport options 	<i>Partially achieved</i>	
6) Last 1,000 days: facilitating the patient journey	<ul style="list-style-type: none"> 5% increase in weekend discharges 	<i>Partially achieved</i>	Partially achieved
	<ul style="list-style-type: none"> A 0.25 per day reduction in length of stay 	<i>Achieved</i>	
7) Improving involvement of patients and carers in managing their own care	<ul style="list-style-type: none"> Successfully running an adult patient & carer focus group 	<i>Not achieved</i>	Partially achieved
	<ul style="list-style-type: none"> Successfully running a paediatric patient & carer focus group 	<i>Achieved</i>	
	<ul style="list-style-type: none"> Full implementation of ‘John’s Campaign’ 	<i>Achieved</i>	

Reduction of avoidable falls with harm

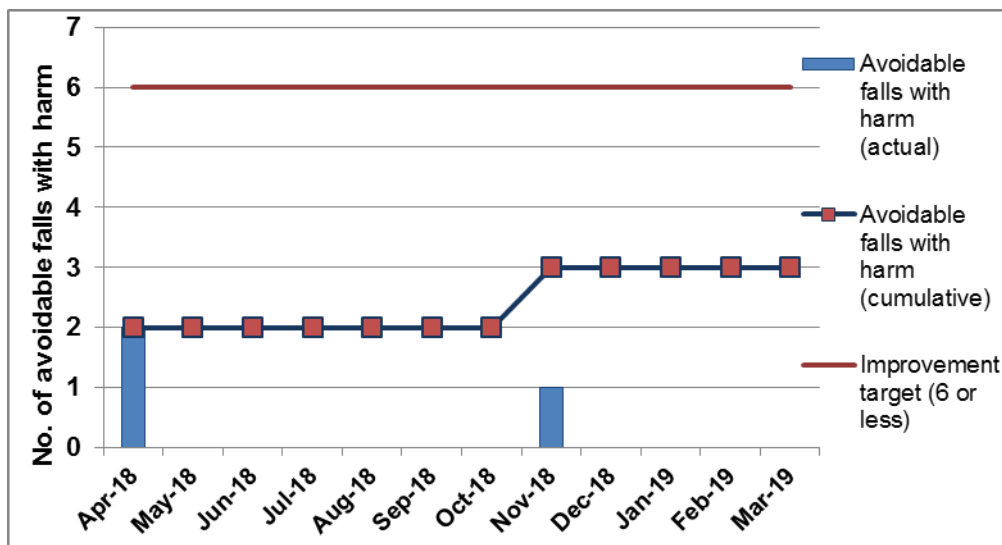
We chose reduction in avoidable falls with harm as a quality priority for 2018/19 as the Trust had seen an increase in these falls in 2017/18. Our target was to reduce these by 50% as well as maintain our Trust target of <5 falls per 1,000 bed days each month. Overall, we achieved a 77% reduction in falls with harm and maintained <5 falls per 1,000 bed days in all months except July (5.01).

Our falls improvement workstream is led by our Falls Prevention Steering Group which meets bi-monthly. An in-depth analysis of all the falls resulting in moderate or

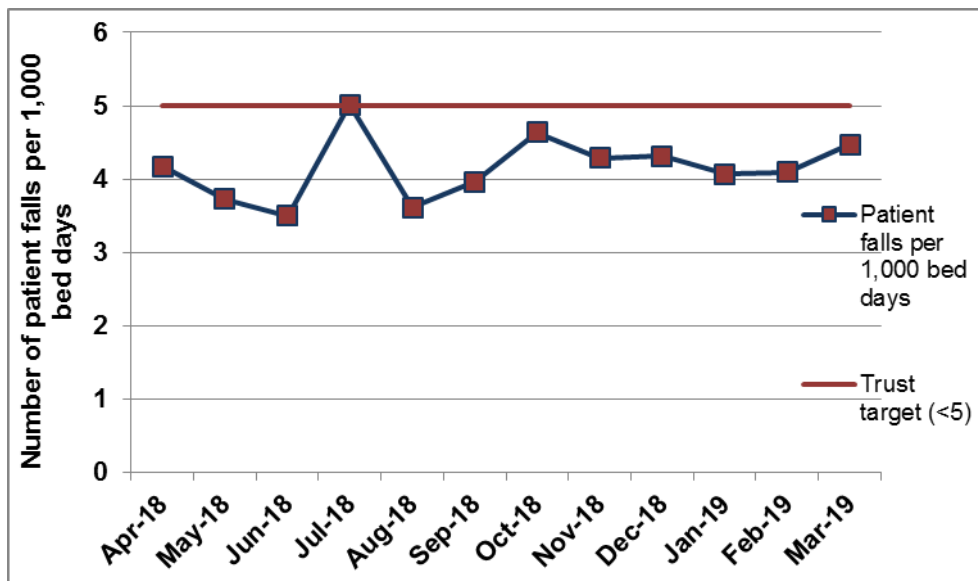
severe harm identified several key themes which formed the basis of our improvement programme.

- **Bed rails:** the previous bed rails risk assessment document was replaced with one which is simpler and easier to use and training provided to all staff on how to complete it. This is now available in the electronic patient record. In addition, posters have been put up on visitor information boards informing them of the risks associated with the use of bed rails. This has helped to improve the accuracy of bed rails assessments and compliance with bed rail positioning.
- **Falls alarms:** it was identified that there was a lack of falls alarms for our patients so additional falls alarms were purchased and have been distributed where needed across the hospital. This has included ensuring falls alarms are installed in toilets and bathrooms which are high risk falls areas for our patients.
- **“Dignified Throne” Campaign:** the “Dignified Throne” Campaign has now been rolled out across 6 wards. This campaign aims to increase the safety of patients at risk of falls using the bathroom whilst maintaining their privacy and dignity. It involves a review of the provision of dignity curtains, shelving, perching stools and falls alarms in bathrooms and toilets as well as posters reminding patients to “Call, Don’t Fall”.

1) Target: 50% reduction in avoidable falls with harm



2) Target: <5 falls per 1,000 bed days a month



Data source: Trust internal Datix data; validated by internal patient safety review processes

Reduction of hospital-acquired, avoidable pressure ulcers

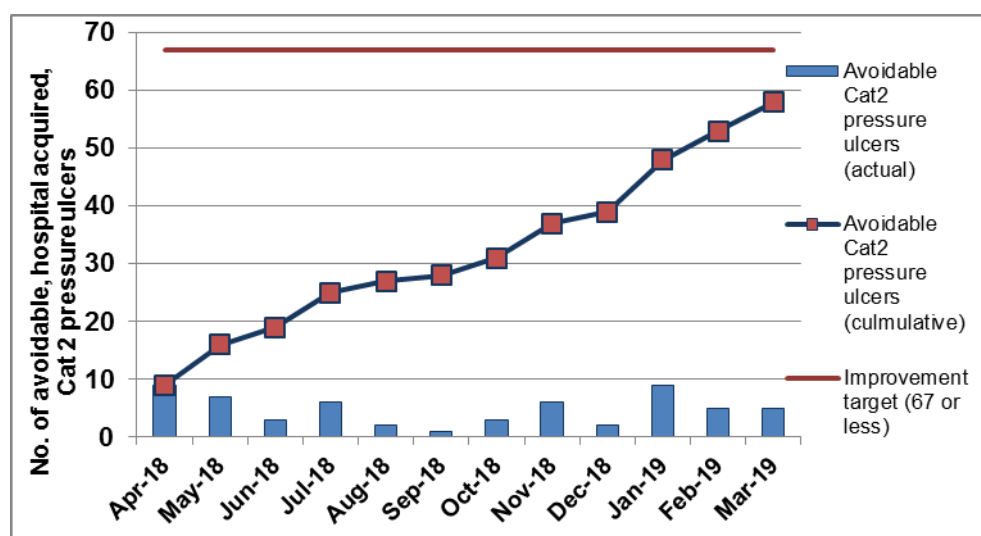
In previous years, the Trust had made significant improvements in the reduction of the most serious categories of hospital acquired, avoidable pressure ulcers. It was agreed for 2017/18 our reduction targets should be expanded to include the less serious category 2 pressure ulcers in order to push ourselves towards our goal of harm-free care for all our patients.

The Tissue Viability team have led on the Trustwide improvement programme. They have provided intensive weekly training sessions for wards – prioritising those which have experienced recent pressure ulcers. Education/ teaching boards have been made for these wards with information on recent pressure ulcers acquired in that area. Audits on the pressure ulcer care pathway were also undertaken during these weeks and fed back to staff during teaching.

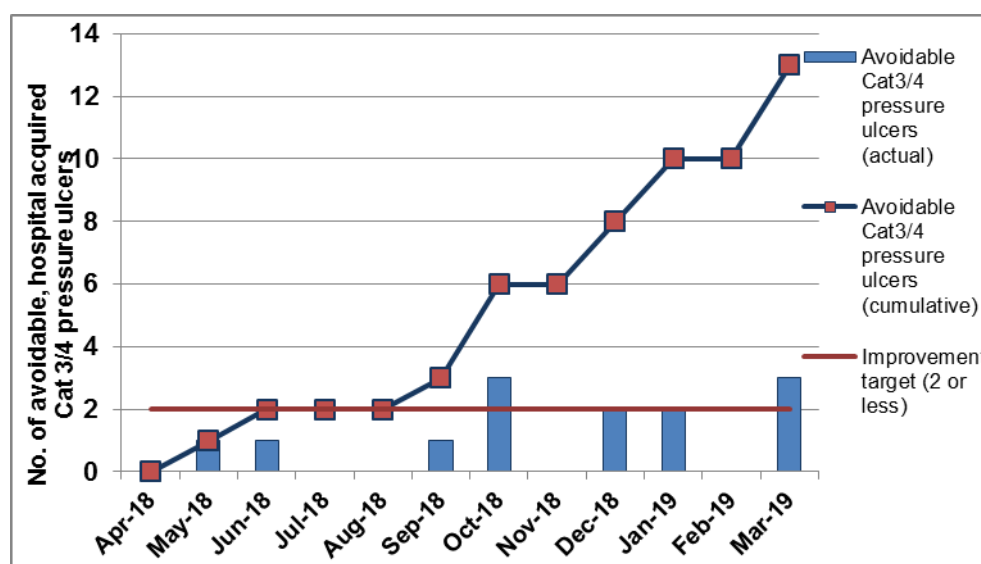
The “100 days free from avoidable pressure ulcers” campaign has been continued throughout the year. This campaign has seen great results with some wards far exceeding the initial “100 day” target; 7 of our wards have celebrated 1 year free of avoidable pressure ulcers. These areas were presented with certificates and chocolates to acknowledge their success.

We have had mixed results in this campaign in 2018/19. Whilst we have achieved a 23% reduction in the category 2 pressure ulcers; there has been a disappointing increase in hospital acquired, avoidable category 3 and 4 pressure ulcers. Whilst this will not be continued as a quality priority next year as we wish to focus on other areas, work will be continued to reduce the number of category 3/4 pressure ulcers monitored by the Tissue Viability Steering Group and Patient Safety Committee.

1) Target: 10% reduction in hospital acquired, avoidable cat. 2 pressure ulcers



Target 2: 50% reduction in hospital acquired, avoidable cat. 3/4 pressure ulcers



Data source: Trust internal Datix data; validated by Tissue Viability Team as per national standard definitions

Reduction of mortality due to sepsis

The Trust has adopted “Improving the recognition and timely treatment of sepsis” as a priority for the last 3 years. Much progress has been made with the appointment of a dedicated Sepsis Clinical Nurse Specialist leading the improvement programme. In 2018/19 the improvement actions that were undertaken included:

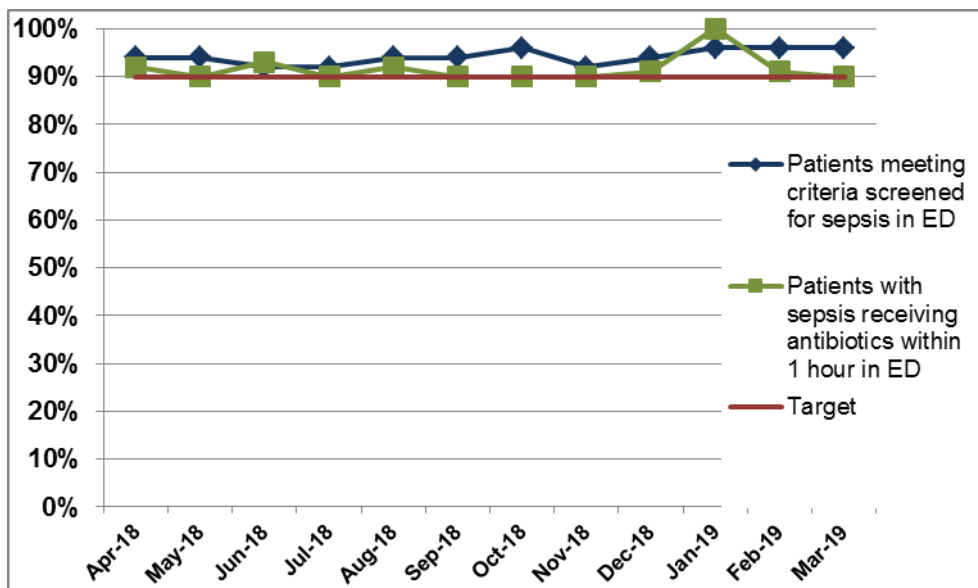
- Adoption of electronic identification and screening through Electronic Patient Record
- Continued targeted teaching and recognition campaigns including night-time teaching sessions

- Implementation of NEWS2 for the identification of deteriorating patients (see page below)
- Use of electronic data to target teaching in areas of high sepsis prevalence
- Mortality reviews undertaken on all patients who died with a 1a cause of death recorded as sepsis to identify areas of learning and common themes
- Regular monitoring of KPIs through the Sepsis and Antimicrobial Committee

The Trust has been achieving 90% compliance with screening of patients with suspected sepsis and administration of antibiotics within 1 hour of diagnosis consistently month on month. Last year the Trust sought to demonstrate a reduction in its hospital standardised mortality ratio (HSMR) due to sepsis to “better than expected”. However, part way through the year our mortality benchmarking provider was changed and we were no longer able to measure this. The latest available SHMI data for sepsis Oct 17 – Sept 18 (including patients who died within 30 days of discharge) gives a rate of 1.01 for sepsis where 1.00 is exactly as expected.

Due to the importance to patient safety, work to improve our sepsis performance further will continue as a quality priority in 2019/20.

1&2) Targets: 90% of patients meeting the screening criteria screened in ED / 90% of patients with Sepsis receive antibiotics within 1 hour of diagnosis



Data source: Trust internal audit data in line with national CQUIN standard definitions

3) Reduction of Sepsis mortality rate to ‘better than expected’ – N/A

Improving recognition of the deteriorating patient

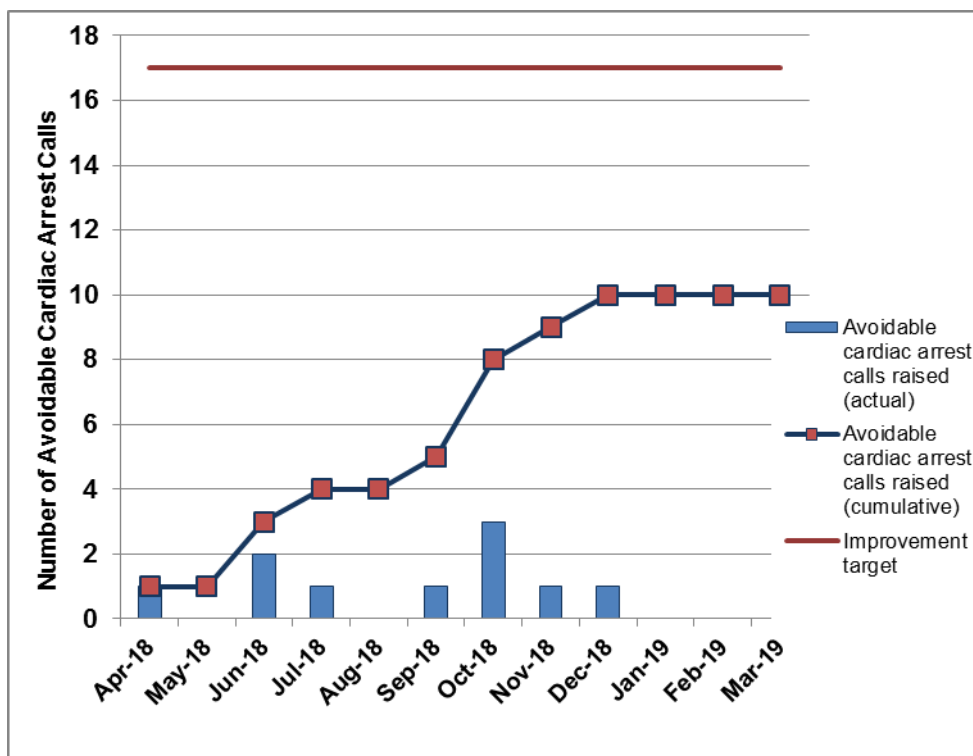
In 2018/19, all emergency cardiac arrest call incidents were reviewed by the Resuscitation Team. These reviews examined the patients’ care and condition leading up to their deterioration and subsequent cardiac arrests. These reviews identified whether there were any aspects of patient care that were suboptimal, or

examples of excellence in practice to be emulated, and lessons to be learned. Any cardiac arrests deemed to be “avoidable” (where signs of deterioration were missed, or end of life decisions not in place) were reported on the Trust incident reporting system “Datix” to be fed back to the clinical teams for learning. Themes arising from the reviews have also been incorporated into Trust-wide resuscitation education and training programmes. In 2017/18, there were 17 avoidable cardiac arrests. In 2018/19 there was a 41.2% reduction with just 10 cardiac arrests judged to be avoidable.

In September 2018, the Trust introduced “NEWS2”, the updated version of the national early warning score system. The NEWS2 system provides a risk score of deterioration based on 6 physiological parameters (heart rate, blood pressure, oxygen rate, consciousness level, respiratory rate and temperature). The latest version includes 3 new elements of ‘new confusion’, a specialist oxygen chart, and a threshold of 5 for “Think Sepsis”. This system has been recommended nationally as best practice for early recognition of patient deterioration, and has been shown to reduce in hospital mortality and cardiac arrest rates.

Whilst we have fully achieved our targets for 2018/19, this work will be expanded in 2019/20 to further improve recognition of the deteriorating patient as a continued quality priority.

1) Target: Reduction in number of avoidable cardiac arrests



Data source: Trust internal audit data validated by Resuscitation Team

2) Target: Trust-wide implementation of NEWS2 – ACHIEVED

Improving patient experience of car parking

The Royal Berkshire Hospital site is located in a busy town centre with very restricted space available for parking. It is clear that the parking capacity on site is insufficient to support the needs of our current patients, visitors and staff. The Trust acknowledges that difficulties with parking can cause additional stress to our patients and visitors who may already be facing emotionally or physically distressing circumstances.

As part of the Trust's Vision 2025, there are long-term plans in place to reduce the peaks in demand on site through the outpatient transformation programme. This aims to reduce outpatient attendances on site by 50% by 2025 through moving clinics to spoke sites; developing virtual clinics and use of telemedicine; and redesigning pathways and streamlining processes. Our site redevelopment plans will also include green travel and parking plans.

Over the last year, the Trust has been developing a car parking and transport strategy in order to provide a framework for improvements in travel options for patients and visitors. These have included:

- Automatic Number Plate Recognition system – preparatory works have taken place, including installation of data lines and equipment, to facilitate this system going on line. Unfortunately, the project was delayed due to unavoidable third party issues.
- Specialist advisor review of the Royal Berkshire Hospital site has taken place to advise on site-wide improvements. One key objective coming from this was the segregation of patient and staff parking. Options for this are currently being reviewed.
- Improvement of patient information - agreement has been reached with Reading Buses to have locate information 'kiosks' at key locations (e.g. entrances) within the hospital containing maps and timetables. The Trust internet pages regarding travel and parking have been updated to highlight the difficulties with parking on site and asking people to consider other forms of transport. The page includes useful links to encourage other ways of getting to hospital; links to other parking locations in the vicinity; the park and ride service; and to a journey planner.
- Review of staff parking – this has resulted in a 1/3 reduction in onsite staff permits. Staff identified who do not need to park on site are being transitioned over to alternative car parking. However, there is a need to move a further 200 staff permit holders off site to release additional capacity for patients.

We have not made as much progress as we would have liked with this priority in 2018/19. It is therefore going to be taken forward as a quality priority for 2019/20 with a reinvigorated improvement plan.

1) Target: Implementation of automatic number plate recognition (ANPR) system – *NOT ACHIEVED*

2) Target: Increase the number of drop off/ pick up points on site – *NOT ACHIEVED*

3) Target: Improve patient information relating to travel and transport options – *PARTIALLY ACHIEVED*

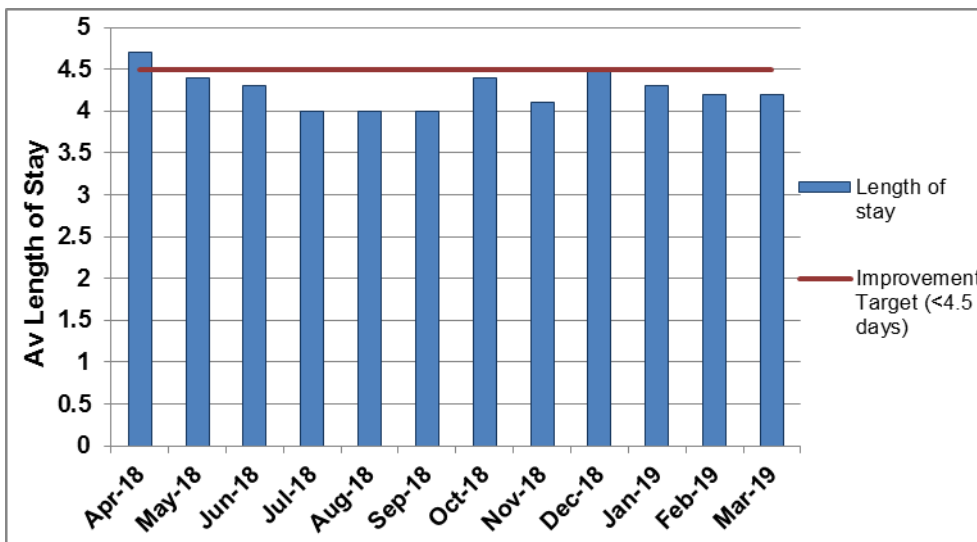
Last 1,000 Days: facilitating the patient journey

Throughout the year, the Trust has kept a sharp focus on improving patient pathways and reducing delays to the patient journey. Some of the key programmes of work have included:

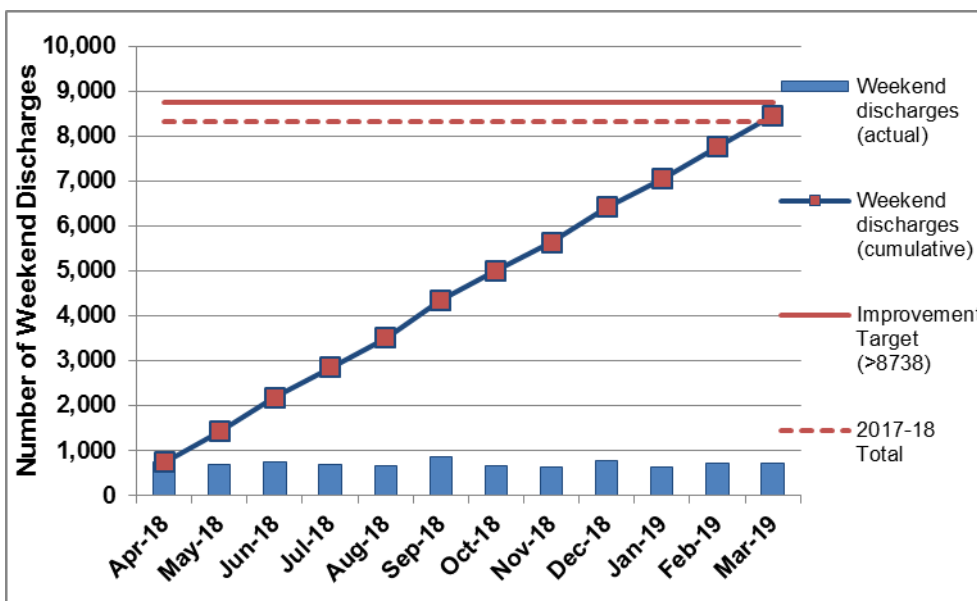
- Weekly meetings with a ward representative to review discharge plans for “stranded” patients
- Development and implementation of criteria-led discharges, which has enabled patients to be discharged by nursing staff over the weekends
- Review of the movement of patients within the hospital to ensure appropriate use of portering services and release extra capacity
- Improving outreach to community care to facilitate smoother transition from secondary to primary care
- ‘Golden Patient’ initiative looking at theatre pathways and efficiencies
- Focus on board rounds and afternoon huddles, ensuring effective use of EPR and enabling personnel to raise issues
- ‘Early Bird’ initiative which incorporates early patient identification for discharge, efficient TTO (‘to take out’ medications) processing, and preparation of patients for transport to discharge lounge

Our aim was to achieve an average 0.25 per day reduction in length of stay. It can be seen that we achieved this every month after April 2018, maintaining an average length of stay of 4 - 4.5 days each month. We also aimed to achieve a 5% increase in weekend discharges. Cumulatively in 2018/19, we have increased the number of weekend discharges in comparison to 2017/18. However, we have not quite achieved the full 5% target with a total increase of 1.6% in weekend discharges. This will be continued as a quality priority in 2019/20.

1) Target: An average 0.25 per day reduction in length of stay



2) Target: 5% increase in total number of weekend discharges



Data source: Trust EPR data

Improving involvement of patients and carers in managing their own care

1) Target: Successfully running an adult patient & carer focus group – NOT ACHIEVED

During the year we reconsidered our approach as we felt there was already a considerable amount of work taking place around the Trust. We undertook a scoping exercise to identify all the projects and patient involvement groups in

existence. Some examples of these and the work they have undertaken this year are as follows:

- Berkshire Cancer Centre: Supporting and involving patients and carers in the holistic management of their conditions through the “Patient Reference Group” and establishment of the Macmillan Cancer Information & Support Centre on site providing financial advice and a benefit support service in collaboration with Citizen’s Advice.
- ReSPECT: Introduction of the *Recommended Summary Plan for Emergency Care and Treatment* to facilitate more meaningful engagement with patients and carers to create personalised future care plans according to their needs and preferences.
- Appointment of an Eye Clinic Liaison Officer, working with patients across the Trust to offer practical and emotional support to understand their diagnoses and maintain their independence.
- Initiatives such as the Laryngectomy Club; Urology Bladder Cancer Group; and the Enhanced Recovery Programme provide patients and carers with support and information about their treatment before they come into hospital, during their stay and afterwards, empowering them to be more engaged and involved in their care.

It was identified that it would be beneficial to widen the scope of the project to work more closely with our partners across the ICS and Healthwatch. A carers’ task and finish group has therefore been established with a remit to collaborate with our external stakeholders to improve engagement and support for carers. Whilst not continuing as a specific quality priority project in 2019/20, work to improve involvement of patients and carers will continue through the ongoing work of our patient experience team.

2) Target: Successfully running a paediatric patient & carer focus group - ACHIEVED

A successful paediatric patient and carer event was held over 2 days in our outpatient clinic with 114 children participating. Interactive games were used to gain feedback on what goes well, what could be improved, and how children wanted to be communicated with. Parents were given a separate questionnaire to ask for their feedback. The feedback gathered will be used to inform service improvements including: use of age specific ‘mood’ cards by the bedside for children to indicate how they are feeling so that nursing staff can pick up on this and discuss with the children; exploration of use of volunteers on the ward to offer parents drinks/ food if they are unable to leave their children unattended, or to sit with children whilst parents take a break.

3) Target: Implementation of ‘John’s Campaign’ – ACHIEVED

John’s Campaign champions the right of carers of patients with dementia. The Trust has implemented open visiting hours across all its elderly care wards to ensure carers can be with patients as long as they want to be. The Trust has also created more relatives’ rooms and quiet spaces to support relatives and carers to be able to stay with their loved ones. We were privileged to have Nicci Gerrard, co-founder of John’s Campaign, visit the hospital early in the year to open one of these carers’ rooms and further promote the Campaign with our staff.

Part 4: Other Achievements and Quality Improvements in 2018/19

Freedom to Speak Up

The Royal Berkshire NHS Foundation Trust is committed to ensuring that staff who have concerns can openly raise their concerns without fear of retribution. The Trust has a Raising Concerns (Whistleblowing Policy) that closely aligns to the NHSI national Freedom to Speak Up Policy and clearly outlines the process for raising concerns. The Trust employs a “Freedom to Speak Up Guardian” (FTSUG) who has run engagement sessions with staff over the past two years to ensure that they know how to raise concerns. ‘Freedom to Speak Up’ is one of the sessions provided to all new staff as part of their induction programme. The FTSUG keeps staff informed of the actions taken for any concerns that have been raised with her and feedback is sought from those who raise concerns which includes a key question around suffering detriment.

In addition, staff can raise patient safety concerns through our electronic incident reporting system where they can request feedback.

Seven Day Services

In April, 2018 the Trust was compliant with 3 of the 4 priority clinical standards.

Standard	National Target	Trust Achievement
Standard 2, consultant review within 14 hours for all emergency admissions	90%	72%
Standard 5 Consultant directed diagnostic tests	90%	100%
Standard 6 Consultant directed interventions	90%	94%
Standard 8 Consultant review	90%	96%

Standard 2, consultant review within 14 hours for all emergency admissions has not been met in all areas. Overall, the Trust has a high level of out of hours and weekend consultant on-site presence but this is not reflected in the audit figure. Detailed improvement plans have been developed to address data issues, the need

for formalisation of non-consultant pathways and some changes to working practice, particularly around Saturday evening ward rounds.

The Trust has adopted the new Hospital Services Board Assurance Framework, with the first report to the board made in February 2019. The Trust is making good progress in developing its new EPR system to provide the data for regular monthly reporting of compliance against both Standards 2 and 8. It is envisaged that systems and processes will be in place for full implementation of the framework by 28th June 2019.

Medical Staffing – Rota Gaps

Gaps in training grade rotas are problematic as they occur at deanery level and are out with the trust's control. The Guardian of Safe Working submits a quarterly report to the Board Workforce Committee, monitoring exception reporting and reflecting this back to departments regarding workload. In mitigation of unpredicted rota gaps, the junior doctor contract group has established a dedicated rota co-ordinator and a robust internal FY3 programme. The rota co-ordinator ensures that gaps are filled internally wherever possible, reducing the agency requirement. The internal FY3 programme provides twelve additional trainees who cover ward based activities, unexpected rota gaps and some emergency out of hours cover and receive excellent additional training.

Other Good News Stories

Digital Hospital

In September 2018, the Trust launched its electronic inpatient record and electronic prescribing systems known as EPR as part of its digital hospital programme. This was a huge change in Trust processes and required a mammoth effort in planning, training staff, and equipping wards with the appropriate hardware. Introducing EPR has led to the digitising of patient data thereby enabling better, more efficient patient care, paperless working, design and delivery of new models of care and enabling sharing of patient information across the community.

The key benefits of the programme are:

- Release of administrative staff time transporting records across the hospital and beyond;
- Enabling patient records to be viewed simultaneously by different healthcare professionals;
- Release of clinical staff time through reduction in duplication of clerking;
- Increasing the precision of patient records as all entries are automatically time stamped, authored, legible, and can pull from various electronic systems;

- Reducing the risk of patient records being lost or damaged;
- Increasing the ease of auditing patient records, saving staff time and increasing the robustness of quality assurance activity;
- Improvements in patient safety through immediately accessible records and care decision pathways built into the system which can assist clinical staff with screening and treating patients appropriately.

National Transplant Games

As featured on our front cover, this year the 'Berkshire Royals' Renal Transplant Team performed amazingly well and won eight medals at the National Transplant Games including: tennis, table tennis, darts, archery, shot putt, 100 metres sprint, and ball throw. As a result of their success at national level, three members of the Berkshire Royals have been selected to represent the UK in next year's World Transplant games.

The Trust Renal Transplant Service provides support to a wide range of patients across Berkshire pre- and post-transplant, and patients currently on the dialysis programme who are preparing for a transplant. Patients on dialysis are required to be on either three times a week or daily for eight hours per night and the impact this can have on family life, dietary restrictions, employment and education is severe. In the Royal Berkshire Hospital, patients fortunate enough to find a matching donor undergo transplant surgery at Oxford before repatriation back to the Trust after 6 months for ongoing care. So far, the Trust has had over 450 patients who have had successful transplants under their care. A transplant is an amazing gift of life and the positive impacts for a patient and their family are incredible; releasing them from the restrictions of end stage renal dialysis and its associated side effects. With a transplant, patients can go back to living normal, full lives.

"Twelve years ago, my life was transformed when I received a kidney. I have formed fantastic relationships with people that I would otherwise not have met, including a beautiful partner and hospital staff who are totally dedicated. We have sadly lost friends along the way, which makes me realise how fortunate I am. I want to thank the family who, at probably their worst time, gave their consent to a family member's wishes to donate their organs. I think about the donor and her family every day."

[Berkshire Royals Team Member]

On the back of their success at this year's games, the Berkshire Royals are determined to grow the team and raise the profile of organ donation in Berkshire and highlight the enormous benefits the games bring to both patients and their families and friends.

New Rainbow Clinic

The new “Rainbow Clinic” has been opened this year to offer specialist antenatal care to women in pregnancy following the loss of a baby due to late miscarriage, stillbirth or early neonatal death. The clinic is managed by a multi-disciplinary team which includes Consultant Obstetrician Jane Siddall, Fetal Medicine Associate Specialist Suruchi Arora, and Rainbow Specialist Midwife Juliette Ward. The idea for the clinic came from the Bereavement Midwifery Team, who noted that parents often spoke about how challenging it was to be pregnant again after losing a baby, saying that it was difficult not to be consumed by anxiety and fear as the pregnancy progressed. Parents worked with the Midwifery Team every step of the way to ensure their voices were heard and their stories and experiences were incorporated into the development of the service. It is hoped that this clinic will make a significant difference to parents who have gone through such traumatic times.

Innovation for our Patients with Dementia

The Trust is the first district general hospital in the UK to equip itself with 5 innovative “Tovertafel” or “magic tables” for patients with dementia. The Tovertafel projects a series of interactive light games specifically designed to motivate the mind and inspire those living with mid-to-late stage dementia to be more active.

The colourful images respond instantly to participants’ reactions creating a highly engaging opportunity for individual or group play. The series of gentle, playful games elicit sensations, relaxation and reminiscence in people with dementia and encourage stimulation socially, cognitively and physically. Experiences include observing and growing flowers that float across the table, playing with a beach ball, bursting balloons, directing swimming goldfish and even singing nursery rhymes. The Trust now has one on each of its elderly care wards; the latest addition to its resources to help inpatients living with dementia.

Local, National & International Award Winners

Once again the Trust has received a number of accolades over the last year for its staff and teams. These have included:

- Stuart Fox, “Health Worker of the Year”, Get Reading Awards. Stuart has been an Assistant Practitioner on the Acute Medical Unit for the past eight years and now a trainee nurse on Sidmouth Ward. Stuart was described as a great reassurance to patients and relatives who thanked him for his kind and calm nature.
- Christine Harding, Consultant Midwife, “Contribution to Midwifery Education” - British Journal of Midwifery Awards. Christine was awarded first place for her work with Wendy Randall, Consultant Midwife at Oxford University Hospitals on intermittent auscultation of the fetal heart.

- Dr Antoni Chan, Consultant Rheumatologist & Associate Medical Director, “Best Care by a Rheumatologist” - National Ankylosing Spondylitis Society. Voted for by patients, the Patients’ Choice Awards recognise those health professionals who have gone above and beyond to help people with axial spondyloarthritis including ankylosing spondylitis.
- Urology Team, awarded the prestigious title of “European Centre of Excellence for Robotic Surgery”, by the European Association of Urology (EAU). This means the training fellowship we offer in this field has official EAU accreditation, and will now be advertised internationally. There are only 27 other recognised EAU robotic centres of excellence across Europe.

Feedback from our Local Community

The Trust is proud, yet again, to have maintained its 4.5 star rating on NHS Choices in 2018/19. Our Friends and Family Test (FFT) results have been similarly positive with a 100% inpatient recommendation rate. We are regularly overwhelmed by the kind words from our service users about the care they have received; here are just a few of them:

“I attended the Adult Day Surgery Unit ... the Consultant knee surgeon... was excellent in every way, calm and reassuring... the Consultant anaesthetist... was very kind and put me at ease... the care I received was outstanding in every way. Our NHS is staffed by incredibly kind, caring staff who looked after me brilliantly. They were professional, efficient and the ward was clean.”

“What a fabulous ward [Burghfield Ward]! I cannot rate it highly enough. All staff, whatever their role were just so hardworking, kind, helpful, sensitive and professional in the way they cared for my mother recently.”

“I visited the [Diabetes] team to be assessed for, and later fitted and trained in the use of an Insulin pump... The whole experience was fantastic with all the Diabetic specialist nurses I met taking the time and care to explain all to me and leave me confident I could use and work with this new technology...the [Diabetes Team] staff... are awesome!”

“[Paediatrics] We cannot praise the staff of the RBH highly enough, from the emergency procedures, liaison with other departments, consultation and care...we are hugely grateful to some dedicated, talented and professional individuals... Everything was explained, we were consulted and care shown to us as parents. Our child was treated with dignity and respect... The team was focused and brilliant.”

“No one wants to have to go to A&E but the staff were really professional and helpful and the male Consultant who saw me was kind, efficient and sympathetic to my medical issues. Clearly a fantastic medical and nursing team all pulling together. A credit to the hospital.”

“I attended the Endoscopy Unit... for a Colonoscopy procedure... I received excellent care and most importantly, I felt very valued as a patient... I have no hesitation in recommending the RBH as an excellent hospital. First class service, every time.”

Annex 1: Core Performance Indicators 2018/19

The latest data periods given are the latest available data for each indicator. The national averages, NHS best and NHS worst figures are all given for the latest available time periods unless otherwise stated.

1) Standardised Hospital-Level Mortality Indicator (SHMI)

Indicator	Oct 2015 – Sept 2016	Oct 2016 – Sept 2017	Oct 2017 – Sept 2018	Nat Average	NHS Best	NHS Worst
Summary of SHMI (Value)	0.99	1.05	1.05	1.00	0.69	1.27
Banding	2	2	2	2	3	1
Deaths coded with palliative care	46.5%	44.9%	50.4%	33.4%	n/a	n/a

The Royal Berkshire NHS Foundation Trust considers that this data is as described for the following reasons: the Trust mortality data is subject to significant data quality checks and coding review before being submitted nationally for publication.

The Royal Berkshire NHS Foundation Trust has taken the following actions to improve this proportion, and so the quality of its services, by: maintaining regular reviews of its mortality data to identify and address coding issues, before undertaking clinical reviews where areas of concern are raised. In addition a more centralised and standardised methodology for specialty mortality review has been implemented to ensure lessons learned are effectively shared across the Trust.

2) Patient Reported Outcome Measures (PROMS)

Indicator	2015/16	2016/17	2017/18	Nat Average	NHS Best	NHS Worst
Hip Replacement (Primary) EQ-5D Adjusted Av Health Gain	0.440	0.456	0.484	0.470	0.581	0.398
Knee Replacement (Primary) EQ-5D Adjusted Av Health Gain	0.325	0.360	0.351	0.340	0.425	0.217

The Royal Berkshire NHS Foundation Trust considers that this data is as described for the following reasons: data is collected by a contracted external organisation and then provided to NHS Digital.

The Royal Berkshire NHS Foundation Trust has taken the following actions to improve this proportion, and so the quality of its services, by: monitoring the hip and knee PROMs within the Orthopaedic Clinical Governance and business meetings for hip and knee replacement surgery.

3) Readmissions within 28 Days

Indicator	2016/17	2017/18	2018/19
Paediatrics (0-15)	2.60%	2.69%	2.52%
Adults (16+)	9.87%	10.74%	9.32%

NHS Digital data are not available for this indicator therefore national comparator data are not available.

Data are subject to change post-year end due to the publication timescales for the Quality Report. Therefore figures may be slightly different to those reported in the previous year.

The Royal Berkshire NHS Foundation Trust considers that this data is as described for the following reasons: the Trust has completed readmission activity reconciliations with both the CCG and national Secondary Uses Service readmission data extracts and has found its data to be in line with these external readmission sources.

The Royal Berkshire NHS Foundation Trust has taken the following actions to improve this proportion, and so the quality of its services, by: regularly reviewing the emergency readmissions that appear to be related to the previous admission and ensuring that the care and treatment of these patients is reviewed by the relevant clinical team.

4) The Trust's Responsiveness to the Personal Needs of Patients

This indicator is based on a composite score of 5 questions from the national inpatient survey:

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

Indicator	2015	2016	2017	Nat Average	NHS Best	NHS Worst
The Trust's responsiveness to the Personal Needs of Patients	70.8%	67.6%	70%	68.6%	85.0%	60.5%

The Royal Berkshire NHS Foundation Trust considers that this data is as described for the following reasons: the data are collected by a contracted external organisation and provided to NHS Digital.

The Royal Berkshire NHS Foundation Trust has taken the following actions to improve this proportion, and so the quality of its services, by: promoting staff in charge on wards who are available to answer queries; re-launching the 'call for concern' initiative; promoting and ensuring the effective use of the discharge envelope scheme.

5) Staff Recommendation Rate

Indicator	2016/17*	2017/18*	Q1-Q2 2018/19	Nat Average	NHS Best	NHS Worst
Staff recommendation rate	84.8%	86.6%	88.5%	81.6%	98.7%	55.6%

**The FY data 2016/17 and 2017/18 are based on 3 quarters, Q1, Q2 and Q4. NHS England does not undertake the Staff FFT in Q3.*

The Royal Berkshire NHS Foundation Trust considers that this data is as described for the following reasons: the data are collected by a contracted external organisation and provided to NHS Digital.

The Royal Berkshire NHS Foundation Trust has taken the following actions to improve this proportion, and so the quality of its services, by: implementing the action plans to improve the quality of our care and services outlined in this report. We will actively engage staff with these quality priorities and improvement workstreams and improve communication of our quality achievements with all staff.

6) Patient Recommendation Rate

Indicator	2016/17	2017/18	2018/19*	Nat Average	NHS Best	NHS Worst
Inpatient FFT Recommendation Rate	99%	100%	100%	96%	100%	76%
ED FFT Recommendation Rate	94%	98%	98%	85%	100%	57%

**2018/19 data are based on April 2018 – February 2019 inclusive as March 2019 not published at time of writing*

***Based on Feb 2019 Data*

The Royal Berkshire NHS Foundation Trust considers that this data is as described for the following reasons: the data are collected by a contracted external organisation and provided to NHS Digital.

The Royal Berkshire NHS Foundation Trust has taken the following actions to improve this proportion, and so the quality of its services, by: encouraging patients to complete the FFT and incentivising the ward staff to strive to improve on their scores through the ward accreditation scheme.

7) Venous Thromboembolism (VTE) Risk Assessment

Indicator	2016/17	2017/18	2018/19*	Nat Average**	NHS Best**	NHS Worst**
Patients risk assessed for VTE	95.46%	96.14%	96.76%	95.65%	100%	54.86%

*2018/19 data based on Q1-3 data as Q4 data not published at time of writing

**Based on 2018/19 Q3 data

The Royal Berkshire NHS Foundation Trust considers that this data is as described for the following reasons: it is collected electronically and monitored on a monthly basis by the Board.

The Royal Berkshire NHS Foundation Trust has taken the following actions to improve this proportion, and so the quality of its services, by: involving key clinical staff to train others in the importance of risk assessment, collecting the risk assessment data electronically, and monitoring the indicator in the monthly Board performance reports. The Trust also has a VTE Prevention Committee in order to provide a forum to review learning and ensure VTE prevention processes were effectively embedded across the organisation.

8) Clostridium Difficile (C.diff)

Indicator	2015/16	2016/17	2017/18	Nat Average	NHS Best	NHS Worst
Rate of C.diff per 100,000 bed days	14.82	8.41	11.16	13.65	0.00	91.00

Data are subject to change post-year end due to the publication timescales for the Quality Report. Therefore figures may be slightly different to those reported in the previous year.

The Royal Berkshire NHS Foundation Trust considers that this data is as described for the following reasons: all positive results are reviewed and verified by the Infection Control Team and a root cause analysis investigation undertaken to identify the contributory factors and actions for improvement.

The Royal Berkshire NHS Foundation Trust has taken the following actions to improve this proportion, and so the quality of its services, by: implementing actions

focused on appropriate stool sampling, improved microbial prescribing, environmental cleaning, hand hygiene and prompt isolation of affected patients. In addition, the Director of Infection Prevention and Control chairs the *C.diff* Investigation meeting to review the RCA reports completed for each incidence of *C.diff*, identifying lapses in care and actions for improvement.

9) Patient Safety Incidents (PSIs)

Indicator	2015/16	2016/17	2017/18	Nat average*	NHS Best*	NHS Worst*
No of PSIs reported	10,253	9,886	8,769	10,714	38,242	2,444
Rate per 1000 bed days	49.2	46.5	42.5	42.2	117.9	23.9
No of PSIs resulting in severe harm / death	22	28	1	37	0	220
% of PSIs resulting in severe harm or death	0.22%	0.28%	0.01%	0.34%	0	1.76%

**Based on all non-specialist, acute trusts (England). Nb. denominator data based on total no. of trusts for the period Oct17/Mar18.*

The Royal Berkshire NHS Foundation Trust considers that this data is as described for the following reasons: the Trust encourages an open reporting patient safety culture. All incidents reported are reviewed and validated by the Quality Governance Team prior to upload to the NRLS.

The Royal Berkshire NHS Foundation Trust has taken the following actions to improve this proportion, and so the quality of its services, by: encouraging the reporting of patient safety incidents. All severe harm/ death patient safety incidents are subject to potential Serious Incident Requiring Investigation (SIRI). Those meeting the criteria have a thorough root cause analysis investigation undertaken and an action plan developed to put mitigation in place to prevent the incident happening again and to share lessons learned across the Trust.

SINGLE OVERSIGHT FRAMEWORK

Indicator for disclosure	2018/19 performance
Maximum time of 18 weeks from point of referral to treatment (RTT) in aggregate – patients on an incomplete pathway	92.53%
A&E: maximum waiting time of 4 hours from arrival to admission/transfer/discharge	91.90%
<i>Type 1 attendances only</i>	90.34%
All cancers: 62-day wait for first treatment from: <ul style="list-style-type: none"> Urgent GP referral for suspected cancer NHS Cancer Screening Service referral 	<ul style="list-style-type: none"> 83.25% 89.46%
<i>C. difficile</i> : variance from plan	17 cases, against an upper limit of 26
Summary Hospital-level Mortality Indicator (also included in quality accounts regulations)	See page 112
Maximum 6-week wait for diagnostic procedures	97.69%

Annex 2: National Clinical Audits & Confidential Enquiries

Title	Participation Rate
National Clinical Audits	
1. Adult Community Acquired Pneumonia	Data collection ongoing until 31 May 2019
2. BAUS Urology Audits: Cystectomy	100%
3. BAUS Urology Audits: Nephrectomy	100%
4. BAUS Urology Audits: Percutaneous nephrolithotomy	100%
5. BAUS Urology Audits: Radical prostatectomy	100%
6. Cardiac Rhythm Management (CRM)	100%
7. Case Mix Programme (ICNARC)	100%
8. Elective Surgery (National PROMs Programme)	Hip replacement:65.3% Knee replacement: 57.1%
9. Falls and Fragility Fractures Audit Programme (FFFAP) - National Hip Fracture Database (NHFD)	100%
10. Falls and Fragility Fractures Audit Programme (FFFAP) – Fracture Liaison Service (FLS)	782 to date - no denominator
11. Falls and Fragility Fractures Audit Programme (FFFAP) - National Audit of Inpatient Falls (NAIF)	100%
12. Feverish Children (CEM)	136 - no denominator but audit requirement met
13. Learning Disability Mortality Review programme (LeDeR)	100%
14. Major Trauma Audit (TARN)	100%
15. Mandatory Surveillance of Bloodstream Infections and Clostridium Difficile Infection	100%
16. Myocardial Ischaemia National Audit project (MINAP)	100%
17. National Chronic Obstructive Pulmonary Disease (COPD) Audit programme - COPD Secondary care	70%
18. National Chronic Obstructive Pulmonary Disease (COPD) Audit programme - Adult Asthma	73%
19. National Audit of Breast Cancer in Older Patients	100%
20. National Audit of Care at the End of Life (NACEL)	81 - no denominator but audit maximum requirement met
21. National Audit of Dementia	51 – minimum audit requirement of 50 met
22. National Audit of Percutaneous Coronary Interventions (PCI)	100%
23. National Audit of Seizures and Epilepsies in Children and Young People	100%
24. National Bariatric Surgery Registry (NBSR)	100%
25. National Bowel Cancer Audit (NBOCA)	100%
26. National Cardiac Arrest Audit (NCAA)	100%

27. National Clinical Audit for Rheumatoid and Early Inflammatory Arthritis (NCAREIA)	175 to date – no denominator data
28. National Comparative Audit of Blood Transfusion programme – Massive Haemorrhage	100%
29. National Comparative Audit of Blood Transfusion programme – Maternal Anaemia	100%
30. Diabetes (Adult) - Inpatient Harms (NADIA)	100%
31. Diabetes (Adult) - National Pregnancy in Diabetes Audit (NPID)	100%
32. National Emergency Laparotomy (NELA)	100%
33. National Heart Failure Audit	100%
34. National Joint Registry	100%
35. Lung Cancer Audit (NLCA)	100%
36. National Maternity & Perinatal Audit	100%
37. National Mortality Case Record Review Programme	100%
38. National Neonatal Audit Programme (NNAP)	100%
39. National Ophthalmology Audit	2524 cases submitted representing 100% participation from satellite sites (PCEU & WBCH). <i>Plans in place for software development to enable RBH to participate in 2019/20</i>
40. National Paediatric Diabetes Audit (NPDA)	100%
41. National Prostate Cancer audit	100%
42. Non-Invasive Ventilation - Adults	Data collection ongoing until 30 June 2019
43. Reducing the impact of serious infections - Antimicrobial Stewardship	100%
44. Reducing the impact of serious infections – Antibiotic Consumption	100%
45. Sentinel Stroke National Audit programme (SSNAP)	100%
46. Serious Hazards of Transfusion (SHOT): UK National haemovigilance scheme	100%
47. Seven Day Hospital Services	88%
48. Surgical Site Infection Surveillance Service	100%
49. Vital Signs in Adults (care in emergency departments)	136 - no denominator but audit requirement met
50. VTE risk in lower limb immobilisation (care in emergency departments)	81 - no denominator but audit requirement met
<i>National Confidential Enquiries:</i>	
1. Child Health Clinical Outcome Review Programme (NCEPOD)	100%
2. Medical & Surgical Clinical Outcome Review Programme (NCEPOD)	100%
3. Maternal, Newborn and Infant Clinical Outcome Review Programme (MBRRACE-UK)	100%

<i>National Clinical Audits and Confidential Enquiries not participated in:</i>	
National Diabetes Audit – Adult	Only partially relevant to the RBFT
National Audit of Intermediate Care	Only partially relevant to the RBFT
Oesophago-Gastric Cancer (NOGCA)	Only partially relevant to the RBFT
BAUS Urology Audits: Female Stress Urinary Incontinence	
Inflammatory Bowel Disease programme/IBD Registry	Unable to submit data due to resource constraints. Plans to submit data in 2019/20.
National Comparative Audit of Blood Transfusion programme – Use of plasma in neonates and children	No applicable cases identified to submit

Annex 3: Learning from Deaths

		Q1 2018/19 (Apr/Jun)	Q2 2018/19 (Jul/Sep)	Q3 2018/19 (Oct/Dec)	Q4 2018/19 (Jan/Mar)	Total 2018/19
	Total Inpatient Deaths	334	363	377	421	1495
	Total Case note reviews completed	144	167	133	78	522
	Total Investigations completed	2	9	3	3	17
	Casernote review or investigation completed	146	176	135	81	538
	Deaths assessed to be more likely than to be due to problems in care	1	2	0	0	3
	% deaths assessed more likely than not due to problems in care	0.30%	0.55%	0%	0%	0.20%

	Reported in Quality Accounts 2017/18	Additional reviews completed in 2018/19 for deaths in 2017/18	Revised Total 2017/18
Total Inpatient Deaths	1508	-	1508
Total Case note reviews completed	489	186	675
Total Investigations completed	14	9	23
Casernote review or investigation completed	498	190	688
Deaths assessed to be more likely than to be due to problems in care	2	1	1*
% deaths assessed more likely than not due to problems in care	0.13%	0.07%	0.07%

*The 2 deaths assessed more likely than not due to problems in care, reported in the 2017/18 Quality Report, were subject to further investigation in 2018/19 and downgraded

Annex 4: Statements from Commissioners/ Healthwatch/ Overview and Scrutiny Committees

NHS Berkshire West Clinical Commissioning Group (CCG)

Executive Summary

NHS Berkshire West Clinical Commissioning Group (CCG) has reviewed the Royal Berkshire NHS Foundation Trust 2018/19 Quality Account, and provides this formal response also on behalf of the associate commissioners of the contract.

The Quality Account 2018/19 provides information across a wide range of quality measures and gives a comprehensive view of quality of care; it furthermore details the upcoming priorities to be undertaken by the Trust during 2019/20. The Quality Account has reinforced the Trust's commitment to being an organisation which embraces continuous learning and improvement through innovation and development.

The CCGs are satisfied with the accuracy of the data, as presented at the time, and information contained in the 2018/19 Quality Account. Priorities are those which will continue to support The Royal Berkshire NHS Foundation Trust's renewed strategic overarching vision "*working together to provide outstanding care to our community*". It is evident from within the report that the Trust has continued to build on the achievements throughout the year and details the ambition to continue to do so during 2019/20.

History

The Royal Berkshire NHS Foundation Trust is one of the largest general Hospital Foundation Trusts in the country. The Trust provides high quality acute medical and surgical services for over 500,000 people in Reading, Wokingham, West Berkshire and surrounding areas. The main site and specialist centre is the Royal Berkshire Hospital in Reading, a large district general hospital with the expertise to treat patients requiring urgent and acute care. Additionally there are a number of community sites in Windsor, Bracknell, Henley-on-Thames and Newbury where there is delivery of ambulatory care and diagnostics. The Trust is a designated specialist centre in renal, cancer, bariatric care, heart attack and stroke. The Trust provides specialist care as part of a care network through a local neonatal unit, maternity unit, an interventional radiology unit and a trauma unit.

The Trust very much values the partnership working across the local health economy, and with patients and public. As a member of the Berkshire West Integrated Care System, the Trust are part of one of NHS England's demonstrator sites for integration between primary, community, mental health and acute healthcare services and Berkshire West CCG are pleased to continue working in partnership with them as the healthcare architecture becomes increasingly defined.

Quality Account 2018/19

The Quality Account for 2018/19 clearly identified the Trust's successes and challenges to date and also areas for further improvement with continuing focus for delivery, a detailed review of the achievements are provided inclusive of areas of challenge and future ambitions. The CCGs support the Trust's openness and transparency and is committed to working with the Trust to achieve further progression and celebrate the successes.

The Trust had selected seven areas to prioritise for quality improvement in 2018/19 across the 3 quality domains of patient safety, clinical effectiveness and patient experience as detailed below:

Patient Safety Priority 1: Reduction of avoidable falls with harm

The CCGs are delighted this has been achieved by actions implemented and driven by the falls improvement workstream. There was an ambitious Trust target for achievement driven by the notable increase in falls with harm during 2017/18, a total of 13. The target was set to reduce these by 50% in 2018/19 as well as maintain the Trust target of <5 falls per 1,000 bed days each month. The improvement programmes centred around Bed Rails assessment and documentation, falls alarms provision and instillation and the dignified throne campaign which has been rolled out across six wards. The learning and findings of various action implementations has been shared and discussed within the ICS Serious Incident panel.

Patient Safety Priority 2: Reduction of avoidable pressure ulcers

Over the last few years the Trust has made great strides in significantly reducing the most serious grade 3 and 4 hospital acquired, avoidable pressure ulcers. The CCG notes the success of the campaigns which support avoidable pressure ulcers within the Trust initiatives such as the '100 days free' of which 7 of the wards have celebrated 365 days free of avoidable pressure ulcers. The CCG supports the Trust decision to focus quality improvement efforts on the reduction of hospital-acquired, avoidable grade 2 pressure ulcers. This has been led by the Tissue Viability team inclusive of ward based training, educational boards, audits and information. While the CCG recognises the reduction in grade 2 pressure damage, it is to note that there has been an increase in category 3 and 4, therefore the CCG welcomes the continuation of this priority through 2019/20.

Clinical Effectiveness Priority 3: Reduction of mortality due to sepsis

The Trust has adopted "Improving the recognition and timely treatment of sepsis" as a priority for the last 3 years. The CCGs note that much progress has been made, the Trust has been achieving a 90% compliance with screening of patients with suspected sepsis alongside the administration of antibiotics within 1 hour of diagnosis consistently month on month. Throughout 2018/19 the Trust sought to

demonstrate a reduction in its Hospital Standardised Mortality Ratio (HSMR) due to sepsis to “better than expected”. However, the mortality benchmarking provider was changed which posed a risk to continuity of measurement, the latest available SHMI data for sepsis Oct 17 – Sept 18 gives a rate of 1.01 for sepsis where 1.00 is exactly as expected.

Clinical Effectiveness Priority 4: Improving recognition of the deteriorating patient

The CCG supported the inclusion of this priority for 2018/19 and are delighted that the Trust has achieved the target of the Trust wide implementation of NEWS2 risk score of deterioration. This system has been recommended nationally as best practice for early recognition of patient deterioration, and has been shown to reduce in hospital mortality and cardiac arrest rates. Therefore, the CCGs support the Trust with the target to reduce the number of avoidable cardiac arrest calls. The reviews examined the patients’ care and condition leading up to their deterioration and subsequent cardiac arrest. Cases deemed to be “avoidable” were reported on the Trust incident reporting system “Datix” for learning and education.

Patient Experience Priority 5: Improving patient experience of car parking

This has been one of the Trusts quality improvement priorities first established during 2016/17, but due to the complexities involved with improvement, the decision was made to continue. The Trust recognises that there was limited progress made through 2017/18, and 2018/19 of which the CCGs welcome this as an on-going priority for 2019/20. Specific targets for improvement have been previously established and these will continue to be of focus; Automatic number plate recognition system, review of site, improvement of patient information and review of staff parking.

Patient Experience Priority 6: Last 1,000 Days: expediting the patient journey

The “Last 1,000 Days” is a national campaign, of which the CCGs are in support of the Trust with its local application regarding improvements of pathways and reductions in the patient journey. The CCGs are delighted with the achievement of the 0.25 per day reduction in length of stay, as this has been achieved every month after April 2018 and the partial achievement of 5% increase in the total number of weekend discharges which cumulatively has exceeded 2017/18.

Patient Experience Priority 7: Improving involvement of patients and carers in managing their own care

The CCGs welcomed the three targets associated with this one priority and notes there has been significant challenge to achievement. The three targets were to successfully run an adult and paediatric patient and carer focus group and full implementation of ‘John’s Campaign’. It is to note that the latter target has been fully

achieved by the Trust. However, following a scoping exercise there were already patient involvement groups in existence therefore, the Trust have taken the decision to widen the scope of the project to work more closely with our partners across the ICS and Healthwatch, the Berkshire West CCG supports that this engagement priority will continue through 2019/20.

Overall

The CCGs are pleased with the performance and attainment of the seven stated priorities for 2018/19 and it is recognised that a significant amount of work has been undertaken over the past year, with tangible achievements and successes in addition to noting the challenges faced as detailed above.

Overall, there have been many positive highlights for the Trust as outlined above, and with reference to the significant improvement highlighted through the participation in national clinical audits, learning from deaths, improvement of clinical coding and data quality in addition to participation in clinical research. The CCGs have gained assurance via a number of quality forums and by the undertaking of Quality Assurance visits. Therefore, remain positive that the Trust is committed to offering high quality and safe care to our patients through innovation and dynamic practices.

The CCGs look forward to the successes within the identified six quality priorities for 2019/20 within the three domains of patient safety, clinical effectiveness and patient experience, some of which have been derived from direct patient and staff experience, others as stated, continued for an additional year which are both locally driven and support the national agenda.

We support the Trust in its continuing focus on the results from 2018/19 priorities and the on-going requirement to further those improvement and strengthen priorities over the coming financial year through the Integrated Care System landscape.

Annex 5: Limited Assurance by External Auditors

Independent auditor's report to the council of governors of Royal Berkshire NHS Foundation Trust on the quality report

We have been engaged by the council of governors of Royal Berkshire NHS Foundation Trust to perform an independent assurance engagement in respect of Royal Berkshire NHS Foundation Trust's quality report for the year ended 31 March 2019 (the 'quality report') and certain performance indicators contained therein.

This report, including the conclusion, has been prepared solely for the council of governors of Royal Berkshire NHS Foundation Trust as a body, to assist the council of governors in reporting Royal Berkshire NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2019, to enable the council of governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the council of governors as a body and Royal Berkshire NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

Scope and subject matter

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

- Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge, and
- Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers, reported in accordance with official performance statistics based on 50:50 breach allocation rules.

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

Respective responsibilities of the directors and auditors

The directors are responsible for the content and the preparation of the quality report in accordance with the criteria set out in the 'NHS foundation trust annual reporting manual' issued by NHS Improvement.

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

- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS foundation trust annual reporting manual' and supporting guidance;
- the quality report is not consistent in all material respects with the sources specified in section 2.1 of the NHS Improvement 2018/19 Detailed guidance for external assurance on quality reports; and
- the indicators in the quality report identified as having been the subject of limited assurance in the quality report are not reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual' and the six dimensions of data quality set out in the 'Detailed guidance for external assurance on quality reports'.

We read the quality report and consider whether it addresses the content requirements of the 'NHS foundation trust annual reporting manual' and supporting guidance, and consider the implications for our report if we become aware of any material omissions.

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

- board minutes for the period April 2018 to the date of signing of the limited assurance opinion;
- papers relating to quality reported to the board over the period April 2018 to the date of signing of the limited assurance opinion;
- feedback from Commissioners, dated 11/04/2019;
- feedback from governors, dated 30/01/2019;
- feedback from local Healthwatch organisations, (none received);
- feedback from Overview and Scrutiny Committee, (none received);
- the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009;
- the latest national patient survey, dated 01/06/2018;
- the latest national staff survey, dated 26/02/2019; and
- the Head of Internal Audit's annual opinion over the trust's control environment, dated May 2019.

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

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicators;
- making enquiries of management;
- testing key management controls;
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- comparing the content requirements of the 'NHS foundation trust annual reporting manual' to the categories reported in the quality report; and
- reading the documents.

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

Limitations

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

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and

methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the 'NHS foundation trust annual reporting manual' and supporting guidance.

The scope of our assurance work has not included testing of indicators other than the two selected mandated indicators, or consideration of quality governance.

Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2019:

- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS foundation trust annual reporting manual' and supporting guidance;
- the quality report is not consistent in all material respects with the sources specified in section 2.1 of the NHS Improvement 2018/19 Detailed guidance for external assurance on quality reports; and
- the indicators in the quality report subject to limited assurance have not been reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual' and supporting guidance.

Deloitte LLP

Deloitte LLP

St Albans, United Kingdom

23 May 2019

Annex 6: Statement of Directors' Responsibility for Quality Report

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

NHS Improvement has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that NHS foundation trust boards should put in place to support the data quality for the preparation of the quality report.

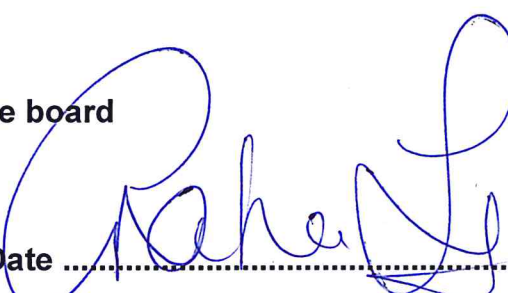
In preparing the Quality Report, directors are required to take steps to satisfy themselves that:

- the content of the Quality Report meets the requirements set out in the NHS foundation trust annual reporting manual 2018/19 and supporting guidance
- the content of the Quality Report is not inconsistent with internal and external sources of information including:
 - board minutes and papers for the period April 2018 to May 2019
 - papers relating to quality reported to the board over the period April 2018 to May 2019
 - feedback from commissioners dated 11 April 2019
 - feedback from governors dated 30 January 2019
 - feedback from local Healthwatch organisations [none received]
 - feedback from Overview and Scrutiny Committee [none received]
 - the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, Q1 – 3 2018/19
 - the national patient survey 01 June 2018
 - the national staff survey 26 February 2019
 - the Head of Internal Audit's annual opinion of the trust's control environment dated May 2019
 - CQC inspection report dated 11 January 2018
- the Quality Report presents a balanced picture of the NHS foundation trust's performance over the period covered
- the performance information reported in the Quality Report is reliable and accurate
- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice

- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review and
- the Quality Report has been prepared in accordance with NHS Improvement's annual reporting manual and supporting guidance (which incorporates the Quality Accounts regulations) as well as the standards to support data quality for the preparation of the Quality Report.

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

By order of the board

22/5/2019 Date  Chair

22.05.19 Date  Chief Executive



Royal Berkshire
NHS Foundation Trust

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

Royal Berkshire NHS Foundation Trust

Consolidated Financial Statements for the year ended

31 March 2019

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INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS AND BOARD OF DIRECTORS OF ROYAL BERKSHIRE NHS FOUNDATION TRUST

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Royal Berkshire NHS Foundation Trust (the 'foundation trust') and its subsidiaries (the 'group'):

- **give a true and fair view of the state of the group's and foundation trust's affairs as at 31 March 2019 and of the group's and foundation trust's income and expenditure for the year then ended;**
- **have been properly prepared in accordance with the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts; and**
- **have been prepared in accordance with the requirements of the National Health Service Act 2006.**

We have audited the financial statements which comprise:

- the group and foundation trust statement of comprehensive income;
- the group and foundation trust statement of financial position;
- the group and foundation trust statements of changes in taxpayers' equity;
- the group and foundation trust statement of cash flow; and
- the related notes 1 to 24.



The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the foundation trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key audit matters	<p>The key audit matters that we identified in the current year were:</p> <ul style="list-style-type: none">• Valuation of the Trust's estate• Management override of controls. <p>Within this report, any new key audit matters are identified with  and any key audit matters which are the same as the prior year identified with .</p>
Materiality	<p>The materiality that we used for the group financial statements was £8.4m which was determined on the basis of 2% of forecast operating income.</p>
Scoping	<p>The focus of our audit work was on the Trust. We performed limited procedures on the Trust's other components, Healthcare Facilities Management Services Ltd and the Royal Berkshire NHS Foundation Trust Charity, where the extent of our testing was based on the risks of material misstatement to the Group as whole. Our audit therefore</p>

	covered all the entities within the Group, which account for 100% of the Group's net assets, operating income and surplus.
Significant changes in our approach	There were no significant changes to our approach compared with the previous year.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:




- the accounting officer's use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the accounting officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the foundation trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of the Trust's Estate 	
 <p>Key audit matter description</p>	<p>The Group holds property assets within Property, Plant and Equipment at a modern equivalent use valuation of £206.8m (2018: £198.4) as disclosed in note 8. Following the full revaluation in the prior year, a desktop review of the whole estate took place in the current year. The valuations are by nature significant estimates which are based on specialist and management assumptions (in particular the inputs to the land values) and which can be subject to material changes in value.</p> <p>The key judgements are detailed in Note 1.5. Additionally, as detailed in note 1.9 the Group has not changed any significant valuation assumptions in the current year.</p>
 <p>How the scope of our audit responded to the key audit matter</p>	<p>We evaluated the design and implementation of controls over property valuations.</p> <p>We used Deloitte internal valuation specialists to review and challenge the appropriateness of the key assumptions used in the valuation of the Group's properties.</p> <p>We have reviewed the disclosures in notes 1.5 and 1.9 and evaluated</p>

whether these provide sufficient explanation of the basis of the valuation and the judgements made in preparing the valuation.

We considered the impact of uncertainties relating to the UK's exit from the EU upon property valuations in evaluating the property valuations and related disclosures.

We assessed whether the valuation and the accounting treatment of the impairment are compliant with the relevant accounting standards, and in particular whether impairments should be recognised in the Income Statement or in Other Comprehensive Income.

Key observations



The key judgements are within the acceptable range. There were no significant findings arising from our work on property valuations.

Management override of controls

Key audit matter description



We consider that in the current year there is a heightened risk across the NHS that management may override controls to manipulate fraudulently the financial statements or accounting judgements or estimates. This is due to the increasingly tight financial circumstances of the NHS and close scrutiny of the reported financial performance of individual organisations.

The Group was allocated £12.0m of the Provider Sustainability Fund ("PSF"), contingent on achieving financial and operational targets each year, equivalent to a "control total" for the year of a deficit (adjusted for certain items, including the impact of the "system control total" for the Berkshire West Integrated Care System) of £3.7m. The final amount of PSF received was £20.3m.

Details of critical accounting judgements and key sources of estimation uncertainty are included in note 1.5.

How the scope of our audit responded to the key audit matter



Manipulation of accounting estimates

We tested the design and implementation of controls over accounting estimates.

In testing each of the relevant accounting estimates, we considered their findings in the context of the identified fraud risk. Where relevant, the recognition and valuation criteria used were compared to the specific requirements of IFRS.

We tested accounting estimates and judgements (including NHS revenue provisions, consideration of any adjustments required for the transition to the new standards (IFRS 15 *Revenues from contracts with customers* and IFRS 9 *Financial Instruments*), property valuations (see above), useful economic lives, capitalisation and any other one-off accruals), focusing on the areas of greatest judgement and value. Our procedures included comparing amounts recorded or inputs to estimates to relevant supporting information from third party sources.

We evaluated the rationale for recognising or not recognising balances in the financial statements and the estimation techniques used in calculations, and considered whether these were in accordance with accounting requirements and were appropriate in the circumstances of the Group.

Manipulation of journal entries

We tested the design and implementation of controls over journal entries.

We risk assessed journals and selected a sample of items for detailed follow up testing. The journal entries were selected using computer-

assisted profiling based on areas which we considered to be of increased interest.

We tested the appropriateness of journal entries recorded in the general ledger, and other adjustments made in the preparation of financial reporting.

We used our data analytics software to review ledger postings throughout the year, and particularly at each quarter end, with focus on identifying any manual adjustments to revenue at the period end, or reversing entries that could be indicative of manipulation and management override.

Accounting for significant or unusual transactions

We considered whether any transactions identified in the year required specific consideration and did not identify any requiring additional procedures to address this key audit matter.

Key observations



Accounting estimates were within a reasonable range, and no significant issues arose from our testing in this area.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Foundation trust financial statements
Materiality	£8.4m (2018: £8.1m)	£8.2m (2018: £8.0m)
Basis for determining materiality	2% of forecast operating income (2018: 2% of operating income). Final operating income was above forecast and we concluded that no change to materiality was required.	
Rationale for the benchmark applied	Operating Income was chosen as a benchmark as the Trust is a non-profit organisation, and revenue is a key measure of financial performance for users of the financial statements.	

We agreed with the Audit & Risk Committee that we would report to the Committee all audit differences in excess of £300k (2018: £250k), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit & Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

The scope of our group audit was determined by obtaining an understanding of the Group and its environment, including an understanding of the group-wide controls.

The focus of our audit work was on the Trust as this entity carries out the majority of the group's operations. We performed limited procedures on the Group's other components, Healthcare Facilities Management Services Ltd and the Royal Berkshire NHS Foundation Trust Charity, where the extent of our testing was based on the risks of material misstatement to the Group as whole. Our audit therefore covered all the entities within the Group, which account for 100% of the Group's net assets, operating income and surplus.

Other information

The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

We have nothing to report in respect of these matters.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of accounting officer

As explained more fully in the accounting officer's responsibilities statement, the accounting officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the accounting officer is responsible for assessing the group's and the foundation trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the group or the foundation trust or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to

influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the National Health Service Act 2006

In our opinion:

- the parts of the Remuneration Report and Staff Report to be audited have been properly prepared in accordance with the National Health Service Act 2006; and
- the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Annual Governance Statement, use of resources, and compilation of financial statements

Under the Code of Audit Practice, we are required to report to you if, in our opinion:

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is inconsistent with information of which we are aware from our audit;
- the NHS Foundation Trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources; or
- proper practices have not been observed in the compilation of the financial statements.

We have nothing to report in respect of these matters.

We are not required to consider, nor have we considered, whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

Reports in the public interest or to the regulator

Under the Code of Audit Practice, we are also required to report to you if:

- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit; or
- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the foundation trust, or a director or officer of the foundation trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency.

We have nothing to report in respect of these matters.

Certificate

We certify that we have completed the audit of the accounts in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Use of our report

This report is made solely to the Board of Governors and Board of Directors ("the Boards") of Royal Berkshire NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards 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 foundation trust and the Boards as a body, for our audit work, for this report, or for the opinions we have formed.



Ben Sheriff, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Reading, United Kingdom

23 May 2019

FOREWORD TO THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements for the year ending 31 March 2019 have been prepared by Royal Berkshire NHS Foundation Trust in accordance with Paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006 and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) of the National Health Service Act 2006.

Steve McManus

A handwritten signature in black ink, appearing to read 'SMcManus', with a horizontal line underneath.

Chief Executive Officer
22 May 2019

STATEMENT OF COMPREHENSIVE INCOME

		Trust 2018/19	Group 2018/19	Trust 2017/18	Group 2017/18
	Notes	£000	£000	£000	£000
Operating income from continuing operations	2	435,592	435,194	410,627	412,172
Operating expenses of continuing operations	3	(413,196)	(411,216)	(399,766)	(388,542)
OPERATING SURPLUS		22,396	23,978	10,861	23,630
Finance costs					
Finance income	6	954	257	820	94
Finance expenses	6	(807)	(807)	(852)	(852)
Other tax movements	1.19	0	(183)	0	(365)
Losses on disposal of fixed assets		(157)	(157)	(190)	(190)
PDC Dividends payable		(6,757)	(6,757)	(5,177)	(5,177)
NET FINANCE COSTS		(6,767)	(7,647)	(5,399)	(6,490)
SURPLUS FOR THE YEAR		15,629	16,331	5,462	17,140
Other income:					
Revaluation gains and impairment losses of property, plant and equipment	8	6,487	7,107	45,643	47,511
Fair value gains on financial investments		0	1	0	1
Total other comprehensive income		6,487	7,108	45,643	47,512
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		22,116	23,439	51,105	64,652

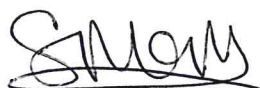
None of the other comprehensive income would be reclassified to surplus and Deficit.

The notes on pages 16 to 54 form part of these accounts.

STATEMENT OF FINANCIAL POSITION
AS AT 31 March 2019

		Trust 31 March 2019	Group 31 March 2019	Trust 31 March 2018	Group 31 March 2018
	Notes	£000	£000	£000	£000
NON-CURRENT ASSETS					
Intangible non-current assets	7	19,096	19,099	15,275	15,276
Property, Plant and Equipment	8	215,314	242,055	197,415	223,213
Investments	9	10,600	15	10,600	14
Deferred Tax	1.19	0	0	0	48
Trade and other receivables	11	14,445	686	14,789	677
TOTAL NON-CURRENT ASSETS		259,455	261,855	238,078	239,228
CURRENT ASSETS					
Inventories	10	6,542	6,542	6,801	6,801
Trade and other receivables	11	32,190	30,071	26,549	24,235
Cash and cash equivalents	12	36,689	43,096	40,591	46,822
TOTAL CURRENT ASSETS		75,421	79,709	73,941	77,858
TOTAL ASSETS		334,876	341,564	312,019	317,086
CURRENT LIABILITIES					
Trade and other payables	13.1	(60,791)	(60,948)	(60,419)	(60,278)
Borrowings	13.1	(3,282)	(3,282)	(3,312)	(3,312)
Provisions	14	(1,115)	(1,115)	(3,448)	(3,448)
Tax payable		(4,741)	(4,741)	(4,563)	(4,563)
TOTAL CURRENT LIABILITIES	13.1	(69,929)	(70,086)	(71,742)	(71,601)
TOTAL ASSETS LESS CURRENT LIABILITIES		264,947	271,478	240,277	245,485
NON-CURRENT LIABILITIES					
Borrowings	13.1	(14,228)	(14,228)	(17,231)	(17,231)
Other Long Term payables	13.1	(255)	(255)	(326)	(326)
Deferred Tax Liability		0	0	0	0
Provisions	14	(178)	(178)	(221)	(221)
TOTAL NON CURRENT LIABILITIES	13.1	(14,661)	(14,661)	(17,778)	(17,778)
TOTAL ASSETS EMPLOYED		250,286	256,817	222,499	227,707
TAXPAYERS' EQUITY					
Public Dividend Capital		169,302	169,302	163,229	163,229
Revaluation Reserve		69,996	72,483	65,140	67,008
Charitable funds		0	4,539	0	4,836
Income and Expenditure Reserve		10,988	10,493	(5,870)	(7,366)
TOTAL TAXPAYERS' EQUITY		250,286	256,817	222,499	227,707

The notes on pages 16 to 54 form part of these accounts. The Financial Statements on pages 11 to 15 were approved by the Board on 22 May 2019 and signed on its behalf by:



Steve McManus, Chief Executive Officer
22 May 2019

GROUP STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

	Revaluation Reserve £000	Public Dividend Capital £000	Charitable Funds Reserve £000	Income and Expenditure Reserve £000	Total £000
Taxpayers' equity/(deficit) at 1 April 2018	67,008	163,229	4,836	(7,366)	227,707
Impact of IFRS 9 on opening reserves	0	0	0	(402)	(402)
Taxpayers' equity/(deficit) at 1 April 2018 after adjusting for impact of transition to IFRS 9	67,008	163,229	4,836	(7,768)	227,306
Surplus for the year *	0	0	3,382	12,949	16,331
Total comprehensive income for the year *	7,107	0	0	0	7,107
Transfer of excess of current cost depreciation to the Income and Expenditure Reserve	(1,632)	0	0	1,632	0
Transfer of retained reserve on disposal of assets	0	0	0	0	0
Public Dividend Capital received	0	6,073	0	0	6,073
Taxpayers' equity/(deficit) at 31 March 2019	72,483	169,302	8,218	6,814	256,817
Taxpayers' equity/(deficit) at 1 April 2017	23,840	157,839	3,324	(27,338)	157,665
Surplus for the year *	0	0	1,512	15,629	17,141
Total comprehensive income for the year *	47,511	0	0	0	47,511
Transfer of current cost depreciation to the Income and Expenditure Reserve	(609)	0	0	609	0
Transfer of retained reserve on disposal of assets	(3,734)	0	0	3,734	0
Public Dividend Capital received	0	5,390	0	0	5,390
Taxpayers' equity/(deficit) at 31 March 2018	67,008	163,229	4,836	(7,366)	227,707

* Surplus for the year and Total comprehensive income for the year in prior years have been disclosed as one item. To provide additional clarity for 2018/19 and 2017/18 these have been split out in to two separate disclosures.

The notes on pages 16 – 54 form part of these accounts

TRUST STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

	Revaluation Reserve	Public Dividend Capital	Income and Expenditure Reserve	Total
	£000	£000	£000	£000
Taxpayers' equity/(deficit) at 1 April 2018	65,140	163,229	(5,870)	222,499
Impact of IFRS 9 on opening reserves	0	0	(402)	(402)
Taxpayers' equity/(deficit) at 1 April 2018 after adjusting for impact of transition to IFRS 9	65,140	163,229	(6,272)	222,097
Surplus for the year *		0	15,628	15,628
Total comprehensive income for the year *	6,488	0	0	6,488
Transfer of excess of current cost depreciation to the Income and Expenditure Reserve	(1,632)	0	1,632	0
Transfer of retained reserve on disposal of assets	0	0	0	0
Public Dividend Capital received	0	6,073	0	6,073
Taxpayers' equity/(deficit) at 31 March 2019	69,996	169,302	10,988	250,286
Taxpayers' equity/(deficit) at 1 April 2017	23,840	157,839	(15,675)	166,004
Surplus for the year *	0	0	5,462	5,462
Total comprehensive income for the year	45,643	0	0	45,643
Transfer of current cost depreciation to the Income and Expenditure Reserve	(609)	0	609	0
Transfer of retained reserve on disposal of assets	(3,734)	0	3,734	0
Public Dividend Capital received	0	5,390	0	5,390
Taxpayers' equity/(deficit) at 31 March 2018	65,140	163,229	(5,870)	222,499

* Surplus for the year and Total comprehensive income for the year in prior years have been disclosed as one item. To provide additional clarity for 2018/19 and 2017/18 these have been split out in to two separate disclosures.

The notes on pages 16 – 54 form part of these accounts

STATEMENT OF CASH FLOWS

		Trust 2018/19	Group 2018/19	Trust 2017/18	Group 2017/18
	Notes	£000	£000	£000	£000
CASH FLOWS FROM OPERATING ACTIVITIES					
Net cash generated from operations	15	27,009	28,179	42,668	45,582
CASH FLOWS USED IN INVESTING ACTIVITIES					
Interest received		954	257	820	94
Payments to acquire tangible non-current assets		(20,076)	(20,369)	(11,645)	(11,659)
Proceeds from sale of tangible non-current assets		12	12	4,322	4,322
Payments to acquire intangible non-current assets		(6,492)	(6,496)	(6,465)	(6,465)
Net cash generated used in investing activities		(25,602)	(26,596)	(12,968)	(13,707)
CASH FLOWS USED IN FINANCING ACTIVITIES					
Loans repaid to Foundation Trust Financing Facility		(3,002)	(3,002)	(3,002)	(3,002)
Leases and Loan interest		(31)	(31)	(31)	(31)
Interest paid		(807)	(807)	(852)	(852)
Capital Element of Finance Lease Rental		(66)	(66)	(90)	(90)
PDC Capital received		6,073	6,073	5,390	5,390
PDC Dividends paid		(7,476)	(7,476)	(4,301)	(4,301)
Net cash generated from used in financing activities		(5,309)	(5,309)	(2,886)	(2,885)
Increase in cash and cash equivalents		(3,902)	(3,726)	26,814	28,991
Cash and cash equivalents at 01 April		40,591	46,822	13,777	17,831
Cash and cash equivalents at 31 March	12	<u>36,689</u>	<u>43,096</u>	<u>40,591</u>	<u>46,822</u>

NOTES TO THE ACCOUNTS

1 Accounting Policies

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2018-19, issued by the Department of Health and Social Care.

The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the NHS foundation trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Going concern

The Trust's annual report and accounts have been prepared on a going concern basis. Management reviews the economic environment and financial conditions that may affect the Trust on an annual basis to confirm that the basis of a going concern is appropriate. Non-trading entities in the public sector are assumed to be going concerns where the continued provision of a service in the future is anticipated, as evidenced by inclusion of financial provision for that service in published documents.

Additional details can be found on page 15 of the Annual Report above.

1.2 Accounting convention

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of property, plant and equipment, and certain financial assets and financial liabilities.

1.3 Basis of consolidation

These consolidated financial statements have been prepared incorporating the accounts of Healthcare Facilities Management Services Ltd (HFMS), a wholly owned subsidiary of Royal Berkshire NHS Foundation Trust, and Royal Berkshire NHS Foundation Trust Charity (the Charity).

Subsidiary entities are those over which the Trust has the power to exercise control or a dominant influence so as to gain economic or other benefits. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines.

HFMS provides fully managed healthcare facilities to the healthcare community. The company has two principal assets which are the Royal Berkshire Bracknell Healthspace at Brants Bridge in Bracknell and Princes House in Reading.

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

The charitable fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on Financial Reporting Standard 102 (FRS 102). On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:

- recognise and measure them in accordance with the Trust's accounting policies; and
- eliminate intra-group transactions, balances, gains and losses.

The amounts consolidated are based on the unaudited 2018/19 financial statements of the subsidiaries.

1.4 Revenue from contracts with customers

IFRS 15 Revenue from Contracts with Customers as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to the income and expenditure reserve on 1 April 2018.

IFRS 15 introduces a new model for the recognition of revenue from contracts with customers replacing the previous standards IAS 11, IAS 18 and related Interpretations. The core principle of IFRS 15 is that an entity recognises revenue when it satisfies performance obligations through the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services.

As directed by the GAM, the Trust has applied the practical expedient offered in C7A of the standard removing the need to retrospectively restate any contract modifications that occurred before the date of implementation (1 April 2018).

This change is reflected in these financial statements. The adoption of IFRS 15 does not have a material impact on the current period.

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to these performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

Credit terms in relation to revenue from contracts with customers are 30 days other than for those NHS contract receivables that are on 15 day payment terms.

The main source of revenue for the Trust is contracts with commissioners in respect of healthcare services. Revenue in respect of services provided is recognised when (or as) performance obligations are satisfied by transferring promised services to the customer, and is measured at the amount of the transaction price allocated to that performance obligation. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where a patient care spell is incomplete at the year end, revenue relating to the partially complete spell is accrued in the same manner as other revenue.

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied.

The Trust receives income under the NHS Injury Cost Recovery Scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit that the individual has lodged a compensation claim. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

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 in respect of services provided is recognised when (or as) performance obligations are satisfied by transferring promised services to the customer, and is measured at the amount of the transaction price allocated to that performance obligation.

Where income is received for a specific performance obligation to be satisfied in the following year, that income is deferred.

The value of the benefit received when the Trust accesses funds from the Government's apprenticeship service are recognised as income in accordance with IAS 20, Accounting for Government Grants. Where these funds are paid directly to an accredited training provider, notional income and corresponding notional training expense are recognised at the point of recognition of the benefit.

1.4.1 Operating segments

The Trust considers that it has one operating segment, the provision of healthcare services, and therefore no segmental information is reported.

1.5 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies, management is required to make various judgements, estimates and assumptions. These are regularly reviewed.

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The Trust has made no key judgement and two estimated uncertainties at the Statement of Financial Position date and these are detailed below.

In line with the Trust's Property Plant and Equipment policy, a valuation of all land and property owned by the Trust was undertaken in March 2019 by the Valuers. This valuation was carried out in accordance with the Valuation – Global Standards 2017 of the Royal Institution of Chartered Surveyors (RICS) and was consistent with the requirements of HM Treasury, the Department of Health and Social Care and NHS Improvement and International Financial Reporting Standards (IFRS).

Key sources of estimation uncertainty included the following:-

Land and building valuations

The Valuers carried out an extensive search for appropriately sized sites of industrial land and business park land in Reading and on the outskirts of the town but the evidence was limited so were not able to find any recent comparable transactions on which to rely. In the absence of suitable comparables a residual valuation for industrial land methodology was used which provided a land value range of £1,320k to £1,375k per acre. This provided a final result giving a land value of £1,350k per acre. The impact on the valuation of using the extremes of the range would have been a site value of the Reading site of between £27.24 million and £28.46 million as compared to a reported land value of £27.85 million.

Other factors also considered were build cost inflation, differing choice of cost rates for individual assets, differing non-physical obsolescence judgements, positive adjustments or impairments on capital improvements held at cost until revaluation, differing assumptions on professional fees levels, finance costs etc. the majority of which are inter-linked and are not analysed here.

In addition consideration was also given to the current political environment associated with the effects of Brexit on the valuation and the impact of the UK leaving the European Union. At the present time with the uncertainty of the final exit agreement terms it is not possible to really determine what impact it may have on the valuation of land or properties.

1.6 Expenditure on Other Goods and Services

Other operating expenses are recognised when, and to the extent that, the goods and services been received. They are measured at the fair value of the consideration payable. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

1.7 Employee Benefits

International Accounting Standard 19 (IAS 19) on Employee Benefits sets out the requirements for accounting for short-term employee benefits, post-employment benefits and termination benefits. The 'Employee benefits expense' includes all three of these costs.

Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees, including non-consolidated performance pay earned but not yet paid. The cost of leave 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.

Termination benefits

Termination benefits are recognised as an expense when the Trust is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement age, or to provide termination benefits as result of an offer made to encourage voluntary resignations. Termination benefits for voluntary resignations are recognised as an expense if the Trust has made an offer of voluntary resignation, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If the benefits are payable more than twelve months after the reporting period, then they are discounted to their present value.

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 for Health 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:

Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

a) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% from 14.38% of pensionable pay from this date.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

b) Scheme provisions

The NHS Pension Scheme provided defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained:

The Scheme is a “final salary” scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. The scheme has also added a new 2015 section for all members not on protection, whereby their pension is based on a career average for future pension benefits based on their pension calculated for each year at the rate of 1/54th of their earnings, with each year revalued at the rate of 1.5% + CPI. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) has been used which replaced the Retail Prices Index (RPI). Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year’s pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the Trust commits itself to the retirement, regardless of the method of payment.

Members can purchase additional service in the NHS Scheme and contribute to money purchase Additional Voluntary Contributions (AVC) run by the Scheme’s approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

Workplace auto enrolment pension scheme

Employees who are not contributing to the NHS Pension Scheme are auto enrolled in the Government Workplace pension, National Employment Savings Trust (NEST), which was created by the government to make sure that every employer has access to an auto enrolment workplace pension scheme. Details of the scheme including benefits payable and rules of the Schemes can be found on the NEST website <https://www.nestpensions.org.uk/schemeweb/nest.html>

1.8 Value added tax

Most of the activities of the Trust are outside the scope of value added tax (VAT), and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.9 Property, plant and equipment

Capitalisation

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 will 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 and
 - a) individually have a cost of at least £5,000; or
 - b) collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
 - c) form part of the initial setting-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost

Where a large asset, for example, a building, includes a number of components with significantly different asset lives, the components are treated as separate assets and depreciated over their individual useful economic lives.

Measurement

All property, plant and equipment is 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.

Property, plant and equipment assets are stated at the lower of replacement cost or recoverable amount. The carrying values of property, plant and equipment assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable. The costs arising from financing the construction of the property, plant and equipment assets are not capitalised but are charged to the Statement of Comprehensive Income in the year to which they relate.

- All land and buildings are revalued using professional valuers in accordance with IAS 16. A three year interim valuation is also carried out. All specialist buildings were independently revalued by professionally qualified valuers under the Modern Equivalent Asset basis.
- Valuations are carried out by professionally qualified valuers in accordance with the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual. A full valuation took place in March 2019. Changes in value that were identified have been recognised in these financial statements.
- Additional alternative open market value figures have only been supplied for operational assets scheduled for imminent closure and subsequent disposal.
- Assets in the course of construction are valued at cost and are valued by professional valuers as part of the five or three-yearly valuation or when they are brought into use.
- Plant and equipment is not revalued at the Trust except specialist assets, which the Trust does not currently possess.

An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

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 Trust 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 reclassified as 'Held for Sale' cease to be depreciated upon the reclassification.

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".

Assets which are held for their service potential and are in use are measured at current value in existing use.

Economic life of property, plant and equipment	Min Life	Max Life
	Years	Years
Buildings excluding Dwellings	1	136
Dwellings	1	136
Plant & machinery	5	20
Furniture & Fittings	5	10
Transport equipment	5	5
Information Technology equipment	3	10

All property plant and equipment are depreciated on a straight line basis. Buildings are dwellings are based on components and the life is dependent upon the type of component.

Impairments

In accordance with the Department of Health 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 are reversed. Reversals are recognised in operating income to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

De-recognition of non-current assets

Assets intended for disposals are reclassified as 'Held for Sale' once both 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.;
 1. management are committed to a plan to sell the asset
 2. an active programme has begun to find a buyer and complete the sale
 3. the asset is being actively marketed at a reasonable price
 4. the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
 5. 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.

Donated, government grant and other grant funded assets

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

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

1.10 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of the asset can be measured reliably.

Intangible non-current assets are capitalised when they are capable of being used in Trust's activities for more than one year, they can be valued, and they have a cost of at least £5,000.

Expenditure on research is not capitalised.

Software & Licences

Software which is integral to the operation of hardware, e.g., an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, e.g., application software, is capitalised as an intangible asset.

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

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. All intangible assets are depreciated between 5 to 16 years on a straight line basis.

1.11 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.

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 to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Statement of Comprehensive Income.

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.

1.12 Investments

Investments in subsidiary undertakings, associates and joint ventures are treated as non-current asset investments and valued at market value. Non-current asset investments are reviewed annually for impairments. Deposits and other investments that are readily convertible into known amounts of cash at or close to their carrying amounts are treated as liquid resources in the Statement of Cash Flows. These assets, and other current assets, are valued at cost less any amounts written off to represent any impairment in value. They are reviewed annually for impairments.

1.13 Revenue from government and other grants

Government grants are grants from Government bodies other than income from NHS Commissioners for the provision of services. Where a grant is used for funding revenue expenditure, including research and development, it is taken to the Statement of Comprehensive Income to match that expenditure. It is recognised at the point that the Trust is entitled to the grant income unless the grantor has imposed a condition that requires the income to be recognised in a later period at which point it is held as deferred income and released to the Statement of Comprehensive Income once the grantor's conditions are met.

1.14 Inventories

Prosthetics and drugs inventories are valued on a first-in, first-out (FIFO) basis.

This is considered to be a close approximation to the lower of cost and net realisable value due to the high turnover of these inventories. Consignment inventory is not valued.

1.15 Cash and cash equivalents

Cash, bank and overdraft balances are recorded at the current values of these balances in the Trust's cash book. These balances exclude monies held in the Trust's bank account belonging to patients (see "third party assets" below). Account balances are only set off where a formal agreement has been made with the bank to do so. In all other cases overdrafts are disclosed within payables. Interest earned on bank accounts and interest charged on overdrafts is recorded as, respectively, "interest receivable" and "interest payable" in the periods to which they relate. Bank charges are recorded as operating expenditure in the periods to which they relate.

1.16 Provisions

Provisions are recognised when the Trust has a present legal or constructive obligation as a result of a past event, it is probable that the Trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. 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 0.29% (2017-18: positive 0.10%) in real terms.

All other provisions are subject to three separate discount rates according to the expected timing of cash flows from the Statement of Financial Position date.

1.17 Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution which in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 14.0 but is not recognised in the Trust's accounts.

1.18 Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions and any excesses payable in respect of particular claims are charged to operating expenses when they become due.

1.19 Corporation tax

Section 148 of the Finance Act 2004 amended S519A of the Income and Corporation Taxes Act 1988 to provide power to the HM Treasury to make certain non-core activities of Foundation Trusts potentially subject to corporation tax. This legislation became effective in the 2005/06 financial year.

In determining whether or not an activity is likely to be taxable a three-stage test may be employed:

- The provision of goods and services for purposes related to the provision of healthcare authorised under Section 14(1) of the Health and Social Care Act 2003 (HSCA) is not treated as a commercial activity and is therefore tax exempt;
- Trading activities undertaken in-house which are ancillary to core healthcare activities are not entrepreneurial in nature and not subject to tax. A trading activity that is capable of being in competition with the wider private sector will be subject to tax; and
- Only significant trading activity is subject to tax. Significant is defined as annual taxable profits of £50,000 per trading activity.

The majority of the Trust's activities are related to core healthcare and are not subject to tax. However, the Trust's subsidiary, Healthcare Facilities Management Services Ltd, incurred corporation tax of £183k during 2018/19 (2017/18 £271k).

	Trust	Group	Trust	Group
	2018/19	2018/19	2017/18	2017/18
	£000	£000	£000	£000
Deferred Tax	0	(42)	0	48
Corporation tax	0	225	0	(365)
Tax movements	0	183	0	(317)

1.20 Research and development (R&D)

Expenditure on research is not capitalised. Expenditure on development is capitalised if it meets the following criteria:

- there is a clearly defined project
- the related expenditure is separately identifiable
- the outcome of the project has been assessed with reasonable certainty as to its technical feasibility and its resulting in a product or services that will eventually be brought into use; and
- Adequate resources exist, or are reasonably expected to be available, to enable the project to be completed and to provide any consequential increases in working capital.

Expenditure so deferred is limited to the value of future benefits granted by the R&D funding organisation and is amortised through the Statement of Comprehensive Income on a systematic basis over the period expected to benefit from the project. It is re-valued on the basis of current cost. Expenditure which does not meet the criteria for capitalisation is treated as an operating cost in the year in which it is incurred. Where possible, the Trust discloses the total amount of research and development expenditure charged in the Statement of Comprehensive Income separately. However, where research and development activity cannot be separated from patient care activity it cannot be identified and is therefore not separately disclosed.

Non-current assets acquired for use in research and development are amortised over the life of the associated project.

1.21 Contingent liabilities and contingent assets

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the Trust's control) are not recognised as assets, but are disclosed in the Notes to the Accounts where an inflow of economic benefits is probable.

Contingent liabilities are provided for where a transfer of economic benefits is probable. Otherwise, they are not recognised but are disclosed unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- a) Possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Trust's control; or
- b) Present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

A contingent liability is disclosed unless the possibility of a payment is remote.

Where the time value of money is material, contingent liabilities and contingent assets are disclosed at their present value.

1.22 Financial assets

IFRS 9 Financial Instruments as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to reserves on 1 April 2018. IFRS 9 replaces IAS 39 and introduces a revised approach to classification and measurement of financial assets and financial liabilities, a new forward-looking 'expected loss' impairment model and a revised approach to hedge accounting.

Under IFRS 9, borrowings from the Department of Health and Social Care, which were previously held at historic cost, are measured on an amortised cost basis. Consequently, on 1 April 2018 borrowings increased by £220k, and trade payables correspondingly reduced.

Reassessment of allowances for credit losses under the expected loss model resulted in a £402k decrease in the carrying value of receivables.

The GAM expands the definition of a contract in the context of financial instruments to include legislation and regulations, except where this gives rise to a tax. Implementation of this adaptation on 1 April 2018 has led to the classification of receivables relating to Injury Cost Recovery as a financial asset measured at amortised cost. The carrying value of these receivables at 1 April 2018 was £3,413k.

Recognition

Financial assets are recognised when the Trust becomes party to the contractual provision of the financial instrument or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or when the asset has been transferred and the Trust has transferred substantially all of the risks and rewards of ownership or has not retained control of the asset.

Financial assets are initially recognised at fair value plus or minus directly attributable transaction costs for financial assets not measured at fair value through profit or loss. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices, where possible, or by valuation techniques.

Financial assets are classified into the following categories: financial assets at amortised cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit and loss. The classification is determined by the cash flow and business model characteristics of the financial assets, as set out in IFRS 9, and is determined at the time of initial recognition.

For all financial assets measured at amortised cost or at fair value through other comprehensive income, lease receivables and contract assets, the Trust will recognise a loss allowance, previously classified as impairment or bad debt provisions, representing expected credit losses on the financial instrument.

The Trust will adopt the simplified approach to impairment, in accordance with IFRS 9, and measure the loss allowance for trade receivables, contract assets and lease receivables at an amount equal to lifetime expected credit losses.

For other financial assets, the loss allowance is measured at an amount equal to lifetime expected credit losses if the credit risk on the financial instrument has increased significantly since initial recognition (stage 1), and otherwise at an amount equal to 12-month expected credit losses (stage 2).

The Department of Health and Social Care (DHSC) provides a guarantee of last resort against the debts of its arm's length bodies and NHS bodies and the Trust will not recognise loss allowances for stage 1 or stage 2 impairments against these bodies.

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Where the risk of non recovery is certain due to death with no assets held by the estate, insolvency or where all avenues of recovery have been exhausted the debt is considered for write off.

1.22.1 Financial assets at amortised cost

Financial assets measured at amortised cost are those held whose objective is to hold financial assets in order to collect contractual cash flows and where the cash flows are solely payments of principal and interest. This includes most financial assets at amortised costs and other simple debt instruments. Provide brief details of any other financial assets in this category. After initial recognition, these financial assets are measured at amortised cost using the effective interest method, less any impairment. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the life of the financial asset to the gross carrying amount of the financial asset.

Financial assets at amortised costs are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets. The Trust's financial assets at amortised cost comprise current investments, cash and cash equivalents, NHS receivables, accrued income and 'other receivables'.

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

De-recognition

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

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

Impairment of financial assets

For all financial assets measured at amortised cost or at fair value through other comprehensive income (except equity instruments designated at fair value through other comprehensive income), lease receivables and contract assets, the Trust recognises a loss allowance representing expected credit losses on the financial instrument.

The Trust adopts the simplified approach to impairment, in accordance with IFRS 9, and measures the loss allowance for trade receivables, contract assets and lease receivables at an amount equal to lifetime expected credit losses. For other financial assets, the loss allowance is measured at an amount equal to lifetime expected credit losses if the credit risk on the financial instrument has increased significantly since initial recognition (stage 2), and otherwise at an amount equal to 12-month expected credit losses (stage 1).

HM Treasury has ruled that central government bodies may not recognise stage 1 or stage 2 impairments against other government departments, their executive agencies, the Bank of England, Exchequer Funds, and Exchequer Funds' assets where repayment is ensured by primary legislation. The Trust therefore does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies. Additionally, the Department of Health provides a guarantee of last resort against the debts of its arm's length bodies and NHS bodies (excluding NHS charities), and the Trust does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies. For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

1.23 Financial liabilities

Financial liabilities are recognised when the Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been extinguished – that is, the obligation has been discharged or cancelled or has expired. Loans from the Department of Health are recognised at historic cost. Otherwise, financial liabilities are initially recognised at fair value plus or minus directly attributable transaction costs for financial liabilities not measured at fair value through profit or loss.

1.23.1 Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method, except for loans from the Department of Health, which are carried at historic cost. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the amortised cost of the financial liability.

1.24 Public dividend capital (PDC) and PDC dividend

Public dividend capital (PDC) is a type of public sector equity finance, which represents the Department of Health's investment in the Trust. HM Treasury has determined that, being issued under statutory authority rather than under contract, PDC is not a financial instrument within the definition 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.

An annual charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health as PDC dividend. The charge is calculated at the real rate set by the Secretary of State with the consent of HM Treasury (currently 3.5%) on the average relevant net assets of the trust. Relevant net assets are calculated as the value of all assets less all liabilities, except for:

- donated assets (including lottery funded assets)
- average daily cash balances held with the Government Banking Service (GBS) and National Loans Fund (NLF) deposits (excluding cash balances held in GBS accounts that relate to a short term working capital facility)
- Any PDC dividend balance receivable or payable.

The average relevant net assets are calculated as a simple average of opening and closing relevant net assets.

In accordance with the requirements laid down by the Department of Health, the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts. The PDC dividend calculation is based upon the Trust's group accounts (i.e. including subsidiaries), but excluding consolidated charitable funds.

1.25 Foreign exchange

The Trust's functional currency and presentational currency is pounds sterling, and figures are presented in thousands of pounds unless expressly stated otherwise. Transactions denominated in a foreign currency are translated into sterling at the spot exchange rate on the date of the transaction. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March. Exchange gains and losses on monetary items (arising on settlement of the transaction or on retranslation at the Statement of Financial Position date) are recognised in the Statement of Comprehensive Income / Net Expenditure in the period in which they arise.

1.26 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. Details of third party assets are given in a note to the accounts.

1.27 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 its own risks (with insurance premiums then being included as normal revenue expenditure).

1.28 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

1.29 Accounting standards that have been issued but have not yet been adopted

The Department of Health GAM does not require the following IFRS Standards and Interpretations to be applied in 2018/19. These Standards are still subject to HM Treasury FReM adoption, with IFRS 16 being for implementation in 2019/20, and the government implementation date for IFRS 17 still subject to HM Treasury consideration.

- IFRS 14 Regulatory Deferral Accounts (see page 141 of GAM)
- IFRS 16 Leases – Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted. The Trust expects there to be significant impacts of the implementation of IFRS 16 as a number of leased assets are brought on to the Trusts Statement of Financial Position. It is not yet possible to accurately quantify the potential impact of the adoption of this standard.
- IFRS 17 Insurance Contracts – Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.
- IFRIC 23 Uncertainty over Income Tax Treatments – Application required for accounting periods beginning on or after 1 January 2019.

1.30 Accounting standards, amendments and interpretations issued that have been adopted early

The Trust has not early adopted any new accounting standards, amendments or interpretations in 2018/19.

1.29 Carbon Reduction Commitment (CRC) Energy Efficiency Scheme

The CRC scheme is a mandatory cap and trade scheme for non-transport CO2 emissions. The Trust is registered with the CRC scheme, and is therefore required to surrender to the Government an allowance for every tonne of CO2 it emits during the financial year. A liability and related expense is recognised in respect of this obligation as CO2 emissions are made.

The carrying amount of the liability at the financial year end will therefore reflect the CO2 emissions that have been made during that financial year, less the allowances (if any) surrendered voluntarily during the financial year in respect of that financial year.

The liability will be measured at the amount expected to be incurred in settling the obligation. This will be the cost of the number of allowances required to settle the obligation.

Allowances acquired under the scheme are recognised as intangible assets.

	Trust 2018/19	Group 2018/19	Trust 2017/18	Group 2017/18
2 Income from continuing operations				
	£000	£000	£000	£000
NHS Foundation Trusts	1,632	1,632	1,393	1,393
NHS Trusts	12	12	3	3
Clinical Commissioning Groups (CCGs)	310,525	310,525	300,798	300,798
NHS England	63,923	63,923	64,654	64,654
Local Authorities	3,032	3,032	3,597	3,597
Department of Health and Social Care	3,646	3,646	0	0
NHS Other	345	345	230	230
Non NHS:				
- Private Patients	2,328	2,328	1,722	1,722
- Overseas Patients (non-reciprocal)	821	821	887	887
- NHS Injury Scheme (previously Road Traffic Act)	884	884	736	736
- Other	129	129	702	702
Income from patient care activities	387,277	387,277	374,722	374,722
Research and Development	2,176	2,176	1,501	1,501
Education and training - non CCG	11,479	11,479	10,879	10,879
Charitable Funds	3,681	3,382	1,975	1,663
Provider Sustainability Fund (PSF)	20,272	20,272	11,950	11,950
Other income	10,707	10,608	9,600	11,457
Total other operating income	48,315	47,917	35,905	37,450
Total income from continuing operations	435,592	435,194	410,627	412,172

Other income includes the following balances: clinical excellence awards £270k (2017/18 £324k), Non-NHS clinical services £2,608k (2017/18 £4,161k, car parking £1,483k (2017/18 £1,286k) and catering £726k (2017/18 £629k).

The Trust other income increased by £2,813k. This is mainly related to Charity Grant £1,706k, Car Parking £197k and Services provided by Clinical staff £659k.

The Trust charity income was £3,681k (2017/18 £1,975k).

The Trust has one segment that provides healthcare facilities to healthcare providers.

2.1 Income from Activities by type

	Trust 2018/19 £000	Group 2018/19 £000	Trust 2017/18 £000	Group 2017/18 £000
Elective Income	53,824	53,824	54,814	54,814
Non Elective Income	96,921	96,921	90,495	90,495
Outpatient Income	74,777	74,777	74,882	74,882
Other NHS Clinical Income	134,214	134,214	131,654	131,654
A&E Income	20,746	20,746	20,268	20,268
Private Patient Income	3,149	3,149	2,609	2,609
AFC Pay Award	3,646	3,646	0	0
Other income	48,315	47,917	35,905	37,450
Total	<u>435,592</u>	<u>435,194</u>	<u>410,627</u>	<u>412,172</u>

2.2 Overseas visitors (relating to patients charged directly by the Trust)

	Trust 2018/19 £000	Group 2018/19 £000	Trust 2017/18 £000	Group 2017/18 £000
Income recognised this year	821	821	887	887
Cash payments received in-year	488	488	481	481
Amounts added to provision for impairment of receivables	102	102	901	901
Amounts written off in-year	69	69	145	145

2.3 Commissioner Requested Services (CRS)

	Trust	Group	Trust	Group
	2018/19	2018/19	2017/18	2017/18
	£000	£000	£000	£000
Commissioner Requested Services	374,448	374,448	365,452	365,452
Non-Commissioner Requested Services	61,144	60,746	45,175	46,720
Total income from continuing operations	<u>435,592</u>	<u>435,194</u>	<u>410,627</u>	<u>412,172</u>

Consistent with 2017/18 all CCG and NHS England services have been designated as CRS for 2018/19.

Note 2.4 Additional information on contract revenue (IFRS 15) recognised in the period

	2018/19
	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	4,647
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	0

Note 2.5 Transaction price allocated to remaining performance obligations

	31 March 2019
	£000
Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:	
within one year	3,869
after one year, not later than five years	0
after five years	0
Total revenue allocated to remaining performance obligations	<u>3,869</u>

The trust has exercised the practical expedients permitted by IFRS 15 paragraph 121 in preparing this disclosure. Revenue from (i) contracts with an expected duration of one year or less and (ii) contracts where the trust recognises revenue directly corresponding to work done to date is not disclosed.

3 Operating Expenses

3.1 Operating expenses comprise:

	Trust 2018/19	Group 2018/19	Trust 2017/18	Group 2017/18
	£000	£000	£000	£000
Executive directors' costs	827	827	794	794
Non-executive directors' costs	138	138	139	139
Staff costs	<u>239,404</u>	<u>239,404</u>	<u>226,246</u>	<u>226,246</u>
Total staff costs	<u>240,369</u>	<u>240,369</u>	<u>227,179</u>	<u>227,179</u>
Drug costs	46,907	46,907	45,129	45,129
Purchase of healthcare from NHS and DHSC bodies	2,213	2,213	609	609
Purchase of healthcare from non-NHS and non-DHSC bodies	10,652	10,652	18,752	18,752
Supplies and services - clinical	35,391	36,998	32,599	32,894
Supplies and services - general	4,299	4,303	4,154	4,163
Establishment	3,781	3,794	3,640	3,656
Transport	440	467	488	485
Premises	32,271	28,997	28,432	25,764
Bad debts	376	376	519	519
Depreciation and amortisation	12,296	12,928	11,569	12,121
Statutory audit services	59	89	58	73
Other auditor's remuneration	17	17	17	17
Accounting & Consultancy fees - other	1,407	1,410	305	305
Internal Audit and Local Counter Fraud Service	186	186	174	174
Clinical negligence	18,045	18,045	16,538	16,538
Redundancy costs	692	692	325	325
Loss on disposal of non-current assets	157	157	190	190
Other	3,216	2,855	6,738	6,740
	<u>172,405</u>	<u>171,086</u>	<u>170,236</u>	<u>168,454</u>
Total expenses	<u>412,774</u>	<u>411,455</u>	<u>397,415</u>	<u>395,633</u>
Impairment (including reversal)	422	(239)	2,351	(7,091)
Operating expenses of continuing operations	<u>413,196</u>	<u>411,216</u>	<u>399,766</u>	<u>388,542</u>

The impairment expense of £0.4m disclosed in these financial statements relates to valuation of Trust's land, buildings, plant and equipment undertaken at 31 March 2019.

	Trust 2018/19	Group 2018/19	Trust 2017/18	Group 2017/18
	£000	£000	£000	£000
Fees paid and payable to the Trust's external auditor				
Audit Services - Statutory Audit	<u>59</u>	<u>89</u>	<u>58</u>	<u>73</u>
Other Non Statutory Services -				
1. the auditing of accounts of any associate of the Trust	0	0	0	0
2. Audit assurance services-Quality Accounts Assurance	<u>17</u>	<u>17</u>	<u>17</u>	<u>17</u>
Other Non Statutory Services sub total:	<u>17</u>	<u>17</u>	<u>17</u>	<u>17</u>
Total fees paid and payable to the Trust's external auditor:	<u>76</u>	<u>106</u>	<u>75</u>	<u>90</u>
VAT payable	<u>15</u>	<u>21</u>	<u>15</u>	<u>18</u>
Total fees paid and payable to the Trust's external auditor including VAT:	<u>91</u>	<u>127</u>	<u>90</u>	<u>108</u>

The Statutory Audit liability limits are:

- Audit Liability – £1m
- All other work – £1m

3.2 Arrangements containing an operating leases

	Trust 2018/19	Group 2018/19	Trust 2017/18	Group 2017/18
	£000	£000	£000	£000
Other operating lease rentals	<u>1,352</u>	<u>1,352</u>	<u>1,521</u>	<u>1,521</u>
	<u>1,352</u>	<u>1,352</u>	<u>1,521</u>	<u>1,521</u>

3.2.1 Total future minimum operating lease payments

	Other leases	Other leases	Other leases	Other leases
	Trust 2018/19	Group 2018/19	Trust 2017/18	Group 2017/18
	£000	£000	£000	£000
Operating leases payments which are payable:				
Within 1 year	1,259	1,259	987	987
Between 1 and 5 years	3,494	3,494	3,515	3,515
After 5 years	362	362	524	524
	<u>5,115</u>	<u>5,115</u>	<u>5,026</u>	<u>5,026</u>

The Trust has short term operating leases for various types of equipment and the payments for these are included in the minimum lease payments for the financial year.

4. Staff costs and numbers

4.1 Staff costs

	Trust 2018/19	Group 2018/19	Trust 2017/18	Group 2017/18
	£000	£000	£000	£000
Salaries and wages	183,590	183,590	171,811	171,811
Social security costs	17,198	17,198	16,573	16,573
Employer contributions to NHSPA	21,867	21,867	20,916	20,916
Bank staff	7,966	7,966	7,169	7,169
Agency staff	8,729	8,729	9,725	9,725
Redundancy costs	692	692	325	325
Apprenticeship levy	881	881	846	846
	<u>240,923</u>	<u>240,923</u>	<u>227,365</u>	<u>227,365</u>

The figures above exclude non-executive directors' costs but includes redundancy costs.

4.2 Average number of persons employed

	Trust 2018/19	Group 2018/19	Trust 2017/18	Group 2017/18
	Number	Number	Number	Number
Medical and dental	661	661	676	676
Administration and estates	925	925	917	917
Healthcare assistants & other support staff	1,141	1,141	1,140	1,140
Nursing, midwifery & health visiting staff	1,508	1,508	1,490	1,490
Nursing, midwifery & health visiting staff - learners	8	8	5	5
Scientific, therapeutic and technical staff	401	401	376	376
Health care Science staff	150	150	150	150
Bank & agency staff	235	235	271	271
Total	<u>5,029</u>	<u>5,029</u>	<u>5,025</u>	<u>5,025</u>

The average number of employees is calculated as the whole time equivalent (WTE) number of employees under contract of service in each month, divided by the number of months in a year.

Agency staff numbers are based on time worked per actual invoices converted to WTEs.

4.3 Retirements due to ill-health

During the year to 31 March 2019 there was one early retirement from the Trust agreed on the grounds of ill-health (two in the year to 31 March 2018). The estimated additional pension liabilities of these ill-health retirements are £65k (£177k in the year to 31 March 2018). This information has been supplied by NHS Pensions Agency.

4.4 Salary and pension entitlements of senior managers

Total remuneration paid to directors for the year ended 31 March 2019 (in their capacity as directors) totalled £827k (year ended 31 March 2018 £794k). No other remuneration was paid to directors in their capacity as directors. There were no advances or guarantees entered into on behalf of directors by the Trust. Employer

contributions to the NHS Pension Scheme for Executive Directors for the year ended 31 March 2019 totalled £71k (for year ended 31 March 2018 £67k). The total number of directors to whom benefits are accruing under the NHS defined benefit scheme (the NHS Pension Scheme) was 4 (for year ended 31 March 2018 - 3).

4.5 Restructuring costs

Restructuring costs which are made up of compulsory redundancy and voluntary redundancy of which compulsory redundancy amounted to £395k in respect of 9 members of staff (2017/18 – 6 members of staff incurring payments of £247k) are included within the table below which shows the total cost of staff exit packages during the year.

Exit package cost by band	No. of compulsory redundancies	No. of other departures agreed	Total no. of exit packages by cost band
£			
<10,000	0	6	6
10,000 - 25,000	4	3	7
25,000 - 50,000	2	9	11
50,000 - 100,000	2	0	2
100,000 - 150,000	1	0	1
150,000 - 200,000	0	0	0
Total number of exit packages by type	9	18	27
Total cost (£000)	£395	£389	£784

5 Late Payment of Commercial Debts (Interest) act 1998

Amounts included within Interest Payable arising from claims under this legislation - £96k (2017/18 - £34k). Compensation paid to cover debt recovery costs arising under this legislation – nil (2017/18 – nil).

6 Finance income and expenses

6.1 Finance income

Interest income

In the year to 31 March 2019 interest of £257k (31 March 2018 - £94k) was received by the Group and £954k (31 March 2018 - £820k) was received by the Trust respectively. These amount of £257k (31 March 2018 - £94k) and £954k (31 March 2018 - £820k) were earned from working capital balances in interest bearing bank accounts and from investments in National Loan Funds.

6.2 Finance expense

In the year to 31 March 2019 interest charges of £807k (2017/18 £852k) were paid by the Group in line with the loan agreement and finance leases, and £807k (2017/18 £852k) were paid by the Trust.

7 Group Intangible Non-current Assets

Intangible Non-current Assets at the Statement of Financial Position date 31 March 2019 comprise the following elements:

	At 31 March 2019			At 31 March 2018		
	Software & Licences	Assets under Construction	Total	Software & Licences	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000
Gross cost at 1 April	27,366	1,437	28,803	21,631	707	22,338
Reclassifications	1,068	(1,068)	0	680	(680)	0
Additions - purchased	6,060	429	6,489	5,055	1,410	6,465
Additions - donated by the Charity	7	0	7	0	0	0
Disposals	(20)	0	(20)	0	0	0
Gross cost at 31 March	34,481	798	35,279	27,366	1,437	28,803
Accumulated amortisation at 1 April	13,528	0	13,528	11,233	0	11,233
Provided during the year	2,672	0	2,672	2,295	0	2,295
Disposals	(20)	0	(20)	0	0	0
Accumulated amortisation at 31 March	16,180	0	16,180	13,528	0	13,528
Net book value						
Purchased at 31 March	18,241	798	19,039	13,778	1,437	15,215
Donated at 31 March	60	0	60	60	0	60
Total at 31 March	18,301	798	19,099	13,838	1,437	15,275

7 Trust Intangible Non-current Assets

Intangible Non-current Assets at the Statement of Financial Position date 31 March 2019 comprise the following elements:

	At 31 March 2019			At 31 March 2018		
	Software & Licences	Assets under Construction	Total	Software & Licences	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000
Gross cost at 1 April	27,211	1,437	28,648	21,476	707	22,183
Reclassifications	1,068	(1,068)	0	680	(680)	0
Additions - purchased	6,056	429	6,485	5,055	1,410	6,465
Additions - donated by the Charity	7	0	7	0	0	0
Disposals	(20)	0	(20)	0	0	0
Gross cost at 31 March	34,322	798	35,120	27,211	1,437	28,648
Accumulated amortisation at 1 April	13,372	0	13,372	11,077	0	11,077
Provided during the year	2,672	0	2,672	2,295	0	2,295
Disposal	(20)	0	(20)	0	0	0
Accumulated amortisation at 31 March	16,024	0	16,024	13,372	0	13,372
Net book value						
Purchased at 31 March	18,238	798	19,036	13,778	1,437	15,215
Donated at 31 March	60	0	60	60	0	60
Total at 31 March	18,298	798	19,096	13,838	1,437	15,275

8 Property Plant and Equipment

8.0 Group Property, Plant and Equipment assets at the Statement of Financial Position date 31 March 2019 comprise the following elements:

	Land	Buildings excluding dwellings	Assets under construction & payments on account	Plant & machinery	Transport Equipment	I.T.	Furniture & fittings	Total
Cost or valuation:	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2018	22,859	175,851	9,137	51,342	107	24,732	3,310	287,338
Additions - purchased	0	4,800	9,645	3,843	0	2,543	21	20,852
Additions - donated by the Charity	0	555	0	506	0	0	7	1,068
* Reclassifications	0	2,506	(6,566)	2,615	0	1,431	14	0
Other in-year revaluation	4,991	(3,246)	0	0	0	0	0	1,745
Impairment	0	(422)	0	0	0	0	0	(422)
Reversal Impairment	0	661	0	0	0	0	0	661
Net Impairment	0	(1,463)	0	0	0	0	0	(1,463)
Disposals	0	0	(155)	(3,020)	0	(1,434)	(2)	(4,611)
At 31 March 2019	27,850	179,242	12,061	55,286	107	27,272	3,350	305,168
Accumulated depreciation:								
At 1 April 2018	0	268	0	39,315	76	21,446	3,020	64,125
Charged during the period	0	6,851	0	2,250	13	1,070	72	10,256
Other in-year revaluation	0	(6,825)	0	0	0	0	0	(6,825)
Disposals	0	0	0	(3,008)	0	(1,434)	(1)	(4,443)
Depreciation at 31 March 2019	0	294	0	38,557	89	21,082	3,091	63,113
Net book value 31 March 2018								
- Purchased at 31 March 2018	22,859	175,029	8,706	10,109	31	3,201	290	220,225
- Purchased by the Charity at 31 March 2018	0	554	431	1,918	0	85	0	2,988
Total at 31 March 2018	22,859	175,583	9,137	12,027	31	3,286	290	223,213
Net book value 31 March 2019								
- Purchased at 31 March 2019	27,850	177,437	12,059	14,650	18	6,135	251	238,400
- Purchased by the Charity at 31 March 2019	0	1,511	2	2,079	0	55	8	3,655
Total at 31 March 2019	27,850	178,948	12,061	16,729	18	6,190	259	242,055

*Transfer from AUC to Non-current Assets.

8 Property Plant and Equipment cont'd

8.1 Trust Property, Plant and Equipment assets at the Statement of Financial Position date 31 March 2019 comprise the following elements:

	Land	Buildings excluding dwellings	Assets under construction & payments on account	Plant & machinery	I.T.	Furniture & fittings	Total
Cost or valuation:	£000	£000	£000	£000	£000	£000	£000
At 1 April 2018	19,520	153,516	9,143	49,650	24,593	3,310	259,732
Additions - purchased	0	4,800	9,352	3,843	2,543	21	20,559
Additions - donated by the Charity	0	555	0	506	0	7	1,068
* Reclassifications to/from	0	2,506	(6,566)	2,615	1,431	14	0
Other in-year revaluation	4,370	(2,693)	0	0	0	0	1,677
Impairment	0	(422)	0	0	0	0	(422)
Net Impairment	0	(1,463)	0	0	0	0	(1,463)
Disposals	0	0	(155)	(3,020)	(1,434)	(2)	(4,611)
At 31 March 2019	23,890	156,799	11,774	53,594	27,133	3,350	276,540
Accumulated depreciation:							
At 1 April 2018	0	262	0	37,728	21,307	3,020	62,317
Charged during the period	0	6,298	0	2,184	1,070	72	9,624
Other in-year revaluation	0	(6,272)	0	0	0	0	(6,272)
Disposals	0	0	0	(3,008)	(1,434)	(1)	(4,443)
Depreciation at 31 March 2019	0	288	0	36,904	20,943	3,091	61,226
Net book value 31 March 2018							
- Purchased at 31 March 2018	19,520	152,705	8,712	10,004	3,201	290	194,432
- Donated at 31 March 2018	0	549	431	1,918	85	0	2,983
Total at 31 March 2018	19,520	153,254	9,143	11,922	3,286	290	197,415
Net book value 31 March 2019							
- Purchased at 31 March 2019	23,890	155,005	11,772	14,611	6,135	251	211,664
- Donated at 31 March 2019	0	1,506	2	2,079	55	8	3,650
Total at 31 March 2019	23,890	156,511	11,774	16,690	6,190	259	215,314

*Transfer from AUC to Non-current Assets.

8 Property Plant and Equipment

8.1 Group Property, Plant and Equipment assets at the Statement of Financial Position date 31 March 2018 comprise the following elements:

	Land	Buildings excluding dwellings	Dwellings	Assets under construction & payments on account	Plant & machinery	Transport Equipment	I.T.	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation:									
At 1 April 2017	22,354	157,128	222	4,809	49,405	107	22,467	3,261	259,753
Additions - purchased	0	2,805	0	7,260	1,683	0	987	49	12,784
Additions - donated by the Charity	0	229	0	428	677	0	0	0	1,334
Impairments	(2,292)	7,091	0	0	0	0	0	0	4,799
* Reclassifications	17	1,711	(17)	(3,360)	350	0	1,345	0	46
Other in-year revaluation	2,780	6,887	0	0	0	0	0	0	9,667
Disposals	0	0	(205)	0	(773)	0	(67)	0	(1,045)
At 31 March 2018	22,859	175,851	0	9,137	51,342	107	24,732	3,310	287,338
Accumulated depreciation:									
At 1 April 2017	0	34,844	202	0	36,398	63	20,976	2,940	95,423
Charged during the period	0	5,555	8	0	3,633	13	537	80	9,826
Other in-year revaluation	0	(40,136)	0	0	0	0	0	0	(40,136)
* Reclassifications	0	5	(5)	0	46	0	0	0	46
Disposals	0	0	(205)	0	(762)	0	(67)	0	(1,034)
Depreciation at 31 March 2018	0	268	0	0	39,315	76	21,446	3,020	64,125
Net book value 31 March 2017									
- Purchased at 31 March 2017	22,354	122,016	20	4,783	11,264	44	1,377	321	162,179
- Purchased by the Charity at 31 March 2017	0	268	0	26	1,743	0	114	0	2,151
Total at 31 March 2017	22,354	122,284	20	4,809	13,007	44	1,491	321	164,330
Net book value 31 March 2018									
- Purchased at 31 March 2018	22,859	175,029	0	8,706	10,109	31	3,201	290	220,225
- Donated by the Charity at 31 March 2018	0	554	0	431	1,918	0	85	0	2,988
Total at 31 March 2018	22,859	175,583	0	9,137	12,027	31	3,286	290	223,213

*Transfer from AUC to Non-current Assets.

8 Property Plant and Equipment cont'd

8.1 Trust Property, Plant and Equipment assets at the Statement of Financial Position date 31 March 2018 comprise the following elements:

	Land	Buildings excluding dwellings	Dwellings	Assets under construction & payments on account	Plant & machinery	I.T.	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation:								
At 1 April 2017	20,883	141,531	222	4,812	47,713	22,328	3,261	240,750
Additions - purchased	0	2,789	0	7,260	1,682	987	49	12,767
Additions - donated by the Charity	0	229	0	431	676	0	0	1,336
Impairments	(2,292)	(2,351)	0	0	0	0	0	(4,643)
* Reclassifications	17	1,712	(17)	(3,360)	350	1,345	0	47
Other in-year revaluation	912	9,606	0	0	0	0	0	10,518
Disposals	0	0	(205)	0	(771)	(67)	0	(1,043)
At 31 March 2018	19,520	153,516	0	9,143	49,650	24,593	3,310	259,732
Accumulated depreciation:								
At 1 April 2017	0	32,417	202	0	35,052	20,837	2,940	91,448
Charged during the period	0	5,262	3	0	3,392	537	80	9,274
* Reclassifications	0	0	0	0	46	0	0	46
Other in-year revaluation	0	(37,417)	0	0	0	0	0	(37,417)
Disposals	0	0	(205)	0	(762)	(67)	0	(1,034)
Depreciation at 31 March 2018	0	262	0	0	37,728	21,307	3,020	62,317
Net book value 31 March 2017								
- Purchased at 31 March 2017	20,883	108,846	20	4,786	10,918	1,377	321	147,151
- Donated at 31 March 2017	0	268	0	26	1,743	114	0	2,151
Total at 31 March 2017	20,883	109,114	20	4,812	12,661	1,491	321	149,302
Net book value 31 March 2018								
- Purchased at 31 March 2018	19,520	152,705	0	8,712	10,004	3,201	290	194,432
- Donated at 31 March 2018	0	549	0	431	1,918	85	0	2,983
Total at 31 March 2018	19,520	153,254	0	9,143	11,922	3,286	290	197,415

*Transfer from AUC to Non-current Assets.

8 Property, Plant and Equipment cont'd

8.2 The net book value of land, buildings and dwellings comprises:

	At 31 March 2019		At 31 March 2018	
	Trust £000	Group £000	Trust £000	Group £000
Freehold	<u>180,401</u>	<u>206,798</u>	<u>172,774</u>	<u>198,442</u>
Total	<u>180,401</u>	<u>206,798</u>	<u>172,774</u>	<u>198,442</u>

8.3 Loss on Disposal/Derecognition of Non-current Assets

Loss on the disposal/derecognition of non-current assets is made up as follows:

	Trust 2018/19 £000	Group 2018/19 £000	Trust 2017/18 £000	Group 2017/18 £000
Loss on disposal/derecognition of other non-current assets	<u>(157)</u>	<u>(157)</u>	<u>(190)</u>	<u>(190)</u>

9 Investments

	At 31 March 2019		At 31 March 2018	
	Trust £000	Group £000	Trust £000	Group £000
Investment in subsidiary - HFMS	10,600	0	10,600	0
Charity Investments - Chariguard Fund	0	15	0	14
Total	<u>10,600</u>	<u>15</u>	<u>10,600</u>	<u>14</u>

HFMS is 100% wholly owned subsidiary of the Trust, providing healthcare facilities to healthcare providers. It is registered at Princes House, 73A London Road, Reading, Berkshire, RG1 5UZ.

The carrying value of the Trust's investment in the subsidiary HFMS is reviewed by the Trust on a regular basis by considering the forward financial projections of the Company and the open market value of the company's non-current assets. Following further review of the investment in the subsidiary, there are no indications of impairment.

Ordinary shares of £1.00 each held by the Trust in Healthcare Facilities Management Services Limited (HFMS)

	At 31 March 2019	At 31 March 2018
- Number of ordinary shares of £1.00 each held by the Trust	<u>15,000,100</u>	<u>15,000,100</u>
- Cost of ordinary shares held	<u>£000 15,000</u>	<u>£000 15,000</u>

10 Inventories

	Trust	Group	Trust	Group
	At 31 March 2019		At 31 March 2018	
	£000	£000	£000	£000
Raw materials and consumables	6,542	6,542	6,801	6,801
Total inventories	6,542	6,542	6,801	6,801

11 Trade and other receivables

	Trust	Group	Trust	Group
	At 31 March 2019		At 31 March 2018	
	£000	£000	£000	£000
NHS receivables	5,061	5,177	4,597	4,658
Prepayments	3,494	3,384	3,242	3,131
Accrued income	18,070	17,910	12,303	12,264
Intercompany receivables - HFMS	352	0	352	0
Other receivables	8,268	6,821	8,560	6,687
Total	35,245	33,292	29,054	26,740
Provision for impaired contract receivables	(3,055)	(3,221)	(2,505)	(2,505)
Total trade and other current receivables	32,190	30,071	26,549	24,235
Non-current receivables				
Other receivables	878	878	878	878
Inter-company loans	13,759	0	14,112	0
Provision for impaired receivables	(192)	(192)	(201)	(201)
Total trade and other non-current contract receivables	14,445	686	14,789	677
Total trade and other receivables	46,635	30,757	41,338	24,912

PSF accrued income of £12,035k (2017/18 £6,904k) is included in the accrued income above.

Other receivables (falling due after more than one year) represents costs that the Group is claiming from insurance companies for treating injuries from road traffic accidents, via the Injury Cost Recovery Scheme and £878k (31 March 2018 - £878k) is expected to be recovered after 12 months.

Provision for impairment of receivables

	Trust At 31 March 2019 £000	Group At 31 March 2019 £000	Trust At 31 March 2018 £000	Group At 31 March 2018 £000
At 1 April	2,706	2,706	2,137	2,137
Adoption of IFRS 9 adjustment	402	402	0	0
At 1 April - revised	3,108	3,108	2,137	2,137
Increase in provision	210	376	519	519
Amounts released/(utilised)	(71)	(71)	50	50
At 31 March	3,247	3,413	2,706	2,706

Ageing of impaired receivables

Up to three months	197	197	49	49
In three to six months	416	416	262	262
Over six months	2,634	2,800	2,395	2,395
Total	3,247	3,413	2,706	2,706

Ageing of non-impaired receivables past their due date

Up to three months	4,329	4,329	1,544	1,544
In three to six months	923	923	1,332	1,332
Over six months	2,437	2,437	3,942	3,942
Total	7,689	7,689	6,818	6,818

IFRS 9 and IFRS 15 are adopted without restatement therefore this analysis is prepared in line with the requirements of IFRS 7 prior to IFRS 9 adoption. As a result it differs in format to the current period disclosure.

12 Cash and cash equivalents

	Trust At 31 March 2019 £000	Group At 31 March 2019 £000	Trust At 31 March 2018 £000	Group At 31 March 2018 £000
Cash	£000	£000	£000	£000
Cash at commercial banks	725	4,537	40,118	4,901
Cash with the Government Banking Service	3,964	4,968	473	40,334
Total	4,689	9,505	40,591	45,235

Current asset investments

Short-term National Loan Fund investments	32,000	32,000	0	0
Scottish Widows 90 day notice account	0	1,591	0	1,587
	32,000	33,591	0	1,587

At 1 April	40,591	46,822	13,776	17,830
Net change in year	(3,902)	(3,726)	26,815	28,992
Total Cash and cash equivalents	<u>36,689</u>	<u>43,096</u>	<u>40,591</u>	<u>46,822</u>
Broken down into:				
Cash at commercial banks and in hand	725	4,537	371	4,901
Cash with the Government Banking Service	3,964	4,968	40,220	40,334
Deposits with National Loan Fund	32,000	32,000	0	0
Other investments	0	1,591	0	1,587
Cash and cash equivalents as in Statement of Financial Position	<u>36,689</u>	<u>43,096</u>	<u>40,591</u>	<u>46,822</u>

13 Trade and other Payables

13.1 Payables at the Statement of Financial Position date comprise:

		Trust	Group	Trust	Group
		At 31 March 2019		At 31 March 2018	
	Notes	£000	£000	£000	£000
Current payables:					
Payments received on account		2,397	2,397	2,442	2,442
NHS payables		1,770	1,770	1,263	1,263
Capital payables		6,732	6,732	5,181	5,181
Deferred Income		1,472	1,472	2,205	2,205
Other payables		12,881	12,741	12,597	13,003
Accruals		35,539	35,836	36,731	36,184
Total Trade and other payables		<u>60,791</u>	<u>60,948</u>	60,419	60,278
Loans - capital repayable		3,002	3,002	3,002	3,002
Loans - interest payable		185	185	220	220
Obligations under finance leases and HP contracts		95	95	90	90
Total Borrowings		<u>3,282</u>	<u>3,282</u>	3,312	3,312
Tax and social security costs		4,741	4,741	4,563	4,563
Provisions	14	1,115	1,115	3,448	3,448
Total Current Payables		<u>69,929</u>	<u>70,086</u>	71,742	71,601
Other payables:					
Loans		14,228	14,228	17,231	17,231
Obligations under Finance Lease		255	255	326	326
Total Borrowings		<u>14,483</u>	<u>14,483</u>	17,557	17,557
Provisions	14	178	178	221	221
Total		<u>14,661</u>	<u>14,661</u>	17,778	17,778
Total Payables		<u>84,590</u>	<u>84,747</u>	89,520	89,379

Following adoption of IFRS 9 on 1 April 2018, loans are measured at amortised cost. Any accrued interest is now included in the carrying value of the loan. IFRS 9 is applied without restatement therefore comparatives have not been restated.

Both prior year and current year deferred income and payments on accounts relate to contract liability and accrued income relate to contract receivables.

13.2 Loans and other long-term financial liabilities

Loans - Payment of principal falling due:	At 31 March 2019		At 31 March 2018	
	£000	£000	£000	£000
Within one year	3,282	3,282	3,092	3,092
Between one and two years	3,109	3,109	3,097	3,097
Between two and five years	6,905	6,905	7,737	7,737
After five years	4,469	4,469	6,723	6,723
TOTAL	17,765	17,765	20,649	20,649

13.3 Reconciliation of Liabilities arising from Financial Liabilities

	Loans from DHSC £000	Other loans £000	Finance leases £000	PF and LIFT schemes £000	Total £000
Carrying value at 1 April 2018	20,233	0	416	0	20,649
Financing cash flows - repayments	(3,003)	0	(66)		(3,069)
Interest accrued	185	0	0	0	185
Carrying value at 31 March 2019	17,415	0	350	0	17,765

14 Provisions for liabilities and charges

Current	Trust	Group	Trust	Group
	At 31 March 2019		At 31 March 2018	
	£000	£000	£000	£000
Pensions relating to staff	35	35	40	40
Other	1,080	1,080	3,408	3,408
Total Current	1,115	1,115	3,448	3,448
Non-current				
Pensions relating to staff	178	178	221	221
Total Non-Current	178	178	221	221
Total Provisions	1,293	1,293	3,669	3,669

Group and Trust	Pensions relating to staff £000	Other Provisions £000	At 31 March 2019 £000	At 31 March 2018 £000
	At 1 April 2018	261	3,408	3,669
Arising during the year	0	5,422	5,422	11,741
Released during the year	0	(5,047)	(5,047)	(8,520)
Utilised during the year	(39)	(2,703)	(2,742)	(856)
Unwinding discount and reversed unused	(9)	0	(9)	(14)
Total	213	1,080	1,293	3,669

Expected timing of cash flows:

	Trust	Group	Trust	Group
Within 1 year	35	1,080	1,115	3,448
1 - 5 years	178	0	178	221
Over 5 years	0	0	0	0
Total	213	1,080	1,293	3,669

All provisions relate to the Trust and there are none in the subsidiaries. The category of other provisions is comprised fully of contract income.

In addition to the above provisions, £460,579k, was included in the provisions in the accounts of NHS Resolution for clinical negligence liabilities of the Trust at 31 March 2019 (31 March 2018 - £405,321k).

Other Provisions comprise:	Trust	Group	Trust	Group
	At 31 March 2019		At 31 March 2018	
	£000	£000	£000	£000
Legal provisions	550	550	0	0
Contract Income	530	530	3,408	3,408
	<u>1,080</u>	<u>1,080</u>	<u>3,408</u>	<u>3,408</u>

15 Notes to the Statement of Cash Flows

15.1 Reconciliation of operating surplus to cash flow from operating activities

	Trust	Group	Trust	Group
	At 31 March 2019		At 31 March 2018	
	£000	£000	£000	£000
Operating surplus - including impairment	22,396	23,978	10,861	23,630
Impairment of PPE	422	(239)	2,351	(7,091)
Depreciation and amortisation	12,296	12,928	11,569	12,121
Corporation Tax	0	(183)	0	(365)
Decrease/(increase) in inventories	259	259	(1,025)	(1,025)
Decrease/(increase) in receivables	(5,699)	(6,198)	2,417	2,053
Increase/(decrease) in current payables	(282)	16	14,145	13,909
Increase/(decrease) in provisions for liabilities and charges	(2,383)	(2,382)	2,350	2,350
Cash flows from operating activities	<u>27,009</u>	<u>28,179</u>	<u>42,668</u>	<u>45,582</u>

15.2 Reconciliation of Liabilities arising from financing activities.

	DHSC loans 2018/19 £000	Finance leases - with a non- DHSC group counterparty 2018/19 £000	Total liabilities from financing activities 2018/19 £000
Carrying value at 1 April 2018 - brought forward	20,233	416	20,649
Impact of applying IFRS 9 as at 1 April 2018	220	0	220
Financing cash flows - principal	(3,002)	(66)	(3,068)
Financing cash flows - interest (for liabilities measured at amortised cost)	(735)	(22)	(757)
Interest charge arising in year (application of effective interest rate)	699	22	721
Carrying value at 31 March 2019	17,415	350	17,765

15.3 PDC payable

PDC payable at 31 March 2019 is £222k (31 March 2018 £941k).

16 Capital Commitments

Commitments under capital expenditure contracts at the Statement of Financial Position date were £4,348k (31 March 2018, £3,253k).

17 Events after the reporting period

There were no material events after the reporting period (at 31 March 2018 - none reported).

18 Contingencies

There were no material contingencies at the Statement of Financial Position date.

19 Related Party Transactions

Royal Berkshire NHS Foundation Trust is an independent body not controlled by the Secretary of State. It is therefore considered that Government departments and agencies are not related parties. However, the Trust has material dealings with the NHS bodies below.

At 31 March 2019

	Income (Services Provided)	Expenditure (Supplies & Services purchased)	Accounts Receivable balance	Accounts Payable balance
	£000	£000	£000	£000
NHS Blood and Transplant	2	1,588	0	113
Berkshire Healthcare NHS Foundation Trust	2,139	3,910	280	528
Frimley Health NHS Foundation Trust	1,775	10,202	574	3,918
Oxford University Hospitals NHS Foundation Trust	2,364	1,497	1,920	1,305
NHS Berkshire West CCG	252,610	0	3,751	2,225
NHS Berkshire East CCG	26,630	0	151	1,030
NHS Resolution	0	18,045	0	0
NHS Oxfordshire CCG	21,536	0	36	91
NHS England	84,231	0	12,919	2,861

The Trust's Ultimate Controlling party is the Department of Health and Social Care.

The Trust has received donations and revenue receipts from a number of charitable bodies.

During the year none of the Trust Board members or members of the key management staff or parties related to them has undertaken any material transactions with Royal Berkshire NHS Foundation Trust.

During the year none of the Trust Board members or members of the key management staff received any form of short-term employee benefits; post-employment benefits; other long term benefits; termination benefits or share-based payments.

Staff at the Royal Berkshire NHS Foundation Trust are part of the board of Healthcare Facilities Management Services Ltd and the Charity Committees of Royal Berkshire NHS Foundation Trust Charity and Reading and District Hospitals Charity. None of these staff receive any form of remuneration for these positions.

20 Private Finance Transactions

The Trust had no involvement in any Private Finance Initiative contracts during the year 2018/19 or 2017/18.

21 Pooled Budget Projects

The Trust did not enter into any pooled budget arrangements during the year to 31 March 2019 or the year to 31 March 2018.

22 Financial Instruments

A financial instrument is defined in IAS 32 as a 'contract that gives rise to a financial asset of one Trust and a financial liability or equity instrument of another Trust'. NHS Foundation Trusts could have financial instruments under any area of the following Statement of Financial Position categories - investments, trade receivables (but not prepayments), cash at bank and in hand, trade payables (but not deferred income), loans and provisions (Note 11).

Once financial assets and liabilities have been identified and recognised, they are initially and subsequently measured at fair value through income and expenditure. Fair value is the amount at which an asset can be exchanged, or liability settled, between knowledgeable, willing parties in an arms-length transaction.

IFRS 7 requires a disclosure relating to the risks associated with financial instruments. These are defined below.

Market risk

This is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market prices. The Trust is exposed to minimal market risks.

Interest Rate Risk

All the Trust's financial assets and liabilities, with the exception of cash held in UK banks, carry a nil or fixed rate of interest. The Trust is not, therefore, exposed to significant interest rate risks. The following tables show the interest profiles of the Trust's assets and liabilities.

22.1 Financial Assets

	Trust	Group	Trust	Group
	31 March 2019		31 March 2018	
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	41,750	26,087	42,339	21,781
Other Financial Assets	0	0	0	0
Investments	10,600	15	10,600	14
Cash and cash equivalents (at bank and in hand)	36,689	43,096	40,591	46,822
Total	<u>89,039</u>	<u>69,198</u>	<u>93,530</u>	<u>68,617</u>

All financial assets are fixed rate.

22.2 Financial Liabilities

	Trust	Group	Trust	Group
	At 31 March 2019		At 31 March 2018	
	£000	£000	£000	£000
Borrowings excluding finance lease	17,415	17,415	20,233	20,233
Obligations under finance leases	350	350	416	416
Trade and other payables excluding non financial assets	52,653	52,810	66,409	62,636
Total	70,418	70,575	87,058	83,285

All financial liabilities are fixed rate.

Under IAS 32 and IAS 39 Public Dividend Capital is not a financial instrument. It continues to be classified within 'Taxpayers' Equity'.

The Trust had negligible foreign currency income or expenditure.

The Trust knows of no other specific risks relating to individual instruments.

Liquidity risk

The Group's operating income is predominantly from contracts with local Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The Group has minimised its exposure to any liquidity risks.

Credit risk

This is the risk that one party to a financial instrument will cause financial loss to another party by failing to discharge an obligation.

The majority of the financial contracts entered into by the Group are with other NHS bodies. These are bound by the Better Payment Practice Code and funded by taxpayer's equity, which significantly reduces the risk of non-payment.

Cash and cash equivalents are held within a combination of financial institutions (National Loan Fund, Government Banking Service and Lloyds Plc.) all of which have investment grade ratings.

22.3 Fair Values

Book values of the Trust's and Group's financial assets and liabilities are not considered to be materially different than their fair values and consequently the fair values have not been disclosed separately

23 Third Party Assets

The Trust held Nil at bank and in hand at 31 March 2019 (£nil as at 31 March 2018) on behalf of patients.

24 Losses and Special Payments

These payments are charged to the Statement of Comprehensive Income and are recorded in the losses and special payments register on an accruals basis.

Clinical negligence cases are managed by the National Health Service Litigation Authority and transactions relating to such cases are held in their accounts. The Trust pays a contribution for their services and excesses on some cases. Therefore, these cases have not been accounted for in the Trust's accounts.

During the reporting period there were 212 cases of losses and special payments totalling £1,408k (83 cases totalling £564k for the year ending 31 March 2018). Within this total there were a number of debts written off totalling £544k (£153k 31 March 2018). The losses figures also includes obsolete stock write offs from 4 areas totalling £6k (31 March 2018 - 2 cases totalling £1k).

Losses	2018/19		2017/18	
	Number	Value £000	Number	Value £000
Bad debts and claims abandoned	157	544	43	153
Other	7	6	2	1
Total Losses	164	550	45	154

Special payments	2018/19		2017/18	
	Number	Value £000	Number	Value £000
Compensation payments	13	41	15	10
Employment related payments	30	815	14	398
Ex gratia payments	5	2	9	2
Total Special payments	48	858	38	410
Total Losses and Special Payments	212	1,408	83	564

The amounts quoted are reported on an accruals basis but exclude provisions for future losses.

There are no cases that were £300,000 or more in 2018/19 or 2017/18.

Supplementary Information 1.0

Royal Berkshire NHS Foundation Trust Charity Unaudited Summary Statement of Financial Activities

	Total 2018/19 £000	Total 2017/18 £000
Total incoming resources	<u>1,209</u>	<u>3,058</u>
Total cost of generating funds	0	(288)
Charitable activities including support costs	(1,507)	(1,259)
Total resources expended	<u>(1,507)</u>	<u>(1,547)</u>
Net incoming outgoing resources before other recognised gains and losses	(298)	1,511
Other recognised gains and losses:	1	1
Net movement in funds	<u><u>(297)</u></u>	<u><u>1,512</u></u>
Reconciliation of Funds:		
Total funds brought forward from previous year	4,836	3,324
Net movement in funds	(297)	1,512
Total Fund balances carried forward	<u><u>4,539</u></u>	<u><u>4,836</u></u>

Transfer of undertakings from Reading & District Hospital Charity to the Royal Berkshire Charity took place in November 2017. £1.8m funds relating to this transfer are included within the 2017/18 Income resources above.

These financial statements are prepared under the Charity SORP

Royal Berkshire NHS Foundation Trust Charity

Registered in England and Wales

Charity registration number 1052720

Charity registered address

London Road

Reading

RG1 5AN

The Charity is a controlled subsidiary of Royal Berkshire NHS Foundation Trust and as such the accounts were consolidated as a subsidiary.

Supplementary Information Cont'd 1.0

Royal Berkshire NHS Foundation Trust Charity Unaudited Summary Balance Sheet at Year End

	31 March 2019 £000	31 March 2018 £000
Total Non-current Assets	<u>15</u> 15	<u>14</u> 14
Total Current Assets	4,801	5,637
Current Liabilities	(277)	(815)
Net Current Assets	<u>4,524</u>	<u>4,822</u>
Total Assets less Current Liabilities	<u>4,539</u>	<u>4,836</u>
Net Assets	<u>4,539</u>	<u>4,836</u>
The Funds of the Charity:		
Restricted Income Fund	1,326	1,562
Unrestricted Income Fund	3,175	3,236
Endowment Funds	38	38
Total Charity Funds	<u>4,539</u>	<u>4,836</u>

Supplementary Information 2.0

HFMS Unaudited Summary Statement of Financial Activities

	Total 2018/19 £000	Total 2017/18 £000
Operating income	<u>4,286</u>	<u>4,207</u>
Operating Expenditure	(2,480)	(2,751)
Other gains	262	1,730
Corporation Tax (Expenditure)/Income	(183)	(271)
Profit for the year	<u>1,885</u>	<u>2,915</u>

Healthcare Facilities Management Services Ltd (HFMS)

Registered in England and Wales

Company registration number 6657007

HFMS registered address
Princes House
73A London Road
Reading
RG1 5UZ

HFMS is 100% wholly owned subsidiary of Royal Berkshire NHS Foundation Trust and as such the accounts were consolidated as a subsidiary.

Supplementary Information Cont'd 2.0

HFMS Unaudited Summary Balance Sheet at Year End

	31 March 2019 £000	31 March 2018 £000
Total Non-current Assets	28,956	27,749
Total Current Assets	2,611	879
Current Liabilities	(3,005)	(1,601)
Net Current Liabilities	<u>(394)</u>	<u>(722)</u>
Total Assets less Current Liabilities	28,562	27,027
Non Current Liabilities	(13,761)	(14,111)
Net Assets/(Liabilities)	<u>14,801</u>	<u>12,916</u>
Called up Shareholder capital	15,000	15,000
Profit and Loss (Prior Year)	(2,084)	(4,999)
Profit and Loss (Current year)	1,885	2,915
Total Shareholders' Equity/(Deficit)	<u>14,801</u>	<u>12,916</u>

As shown in note 9.0 the Trust has a £15.0m investment in HFMS. The carrying value of this investment is reviewed by the Trust on an annual basis by considering the forward financial projections of the company and the open market value of the company's non-current assets.

The non-current assets within the summary disclosure are valued in accordance with IAS16 in accordance with Monitor's ARM. In producing the Trust's Group Accounts a consolidation adjustment is required from the HFMS accounts submitted separately to Companies House in relation to the valuation for the investment property assets held by the company. In the HFMS accounts this valuation is based upon the long term income projections resulting from legally binding rent agreements (which, in turn, are based on the market value of the freehold interest as at 31 March 2015). Therefore the value of these assets in the HFMS accounts are £7.4m higher than the value of non-current assets reflected in the Trust's Consolidated Group Accounts.

The non-current assets within the summary disclosure are valued in accordance with IAS16 in accordance with NHS Improvements DH GAM. In producing the Trust's Group Accounts a consolidation adjustment is required from the HFMS accounts submitted separately to Companies House in relation to the valuation for the investment property assets held by the company. In the HFMS accounts this valuation is based upon the long term income projections resulting from legally binding rent agreements (which, in turn, are based on the market value of the freehold interest as at 31 March 2014).

At 31 March 2019, Bracknell House and Princes House were valued by Gerald Eve LLP. There were revaluation gains of £983k and £299k respectively.

