NHS

Royal Surrey County Hospital

NHS Foundation Trust

Annual Report and Accounts 2017–2018

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

INTRODUCTION

Statement of Chairman and Chief Executive

It's nearly two years since we joined the Trust as chair and chief executive and so far, it's been a fantastic journey.

Last year, we said: "Our staff are what make this organisation great," and the last 12 months have reinforced that view.

During 2017, we conducted a listening exercise, working with staff to agree a new mission, vision and values for the Trust. We wanted to create an organisation shaped by our people, and which reflected our determination to succeed in all we do, always achieving the best health outcomes and the best experience for our patients.

We're delighted to share the outcomes of this work which is the result of feedback from many focus groups, interviews, online surveys and comment cards.

Our vision: To provide **nationally celebrated**, community focussed **health and car**e.

Our mission: Together we deliver compassionate, safe care every day.

Our values: Caring together, learning together, continuously improving and excelling together.

We are now living these values every day and here we share just a few examples.

Caring together

For our staff, caring for our patients is often about more than just ensuring the best clinical outcomes but also the best possible experience.

People suffering from dementia can be prone to wander, something which staff on our Older People's Unit are acutely aware of. They worked with colleagues to make all the doors leading off the ward look like bookshelves. When patients approach the doors now, they simply turn and walk the other way, keeping them safe and within the ward area.

The team has also had created a "bus stop" and "train station" with seats where patients can sit to chat together; and they are in the process of shaping a park area too.

These small initiatives have significantly improved the experience that these vulnerable patients have and are a good example of how our staff are embracing caring together.

Learning together

In February, we successfully hosted the first annual Health and Social Care Careers Open Evening for local secondary school students and their parents.

The event, held in partnership with Health Education England, Surrey and Borders and Surrey County Council, saw staff from across the Trust hosting career stalls to talk about their roles. They invited students to participate in 'have a go' clinical simulation activities and gave guided tours of the simulation suite, St Luke's and theatre areas.

Our staff are always seeking out modern technologies, treatments and opportunities for medical advancement. We have an active research, development and innovation department here with many of our clinicians taking part in new studies and last year we recruited 1716 patients to these studies. We currently have 446 trials hosted at the Trust.

Learning together, internally and with healthcare and academic partners, and sharing information with our community is an integral part of how we work in this organisation.

Continuously improving

We are passionate about continuously improving. In our emergency department staff recognised that many of the patients they were seeing in the department were frail and elderly. So, they worked with our specialist geriatric team to formulate a specific pathway for this group of vulnerable patients. This helps us to ensure that they are receiving the most appropriate treatment in the best place for them, often resulting in an earlier discharge from hospital than would previously have been possible.

In October, we launched a campaign to help patients get up, get dressed and feel their best; encouraging our patients to get out of their pyjamas and into their everyday clothes which helps speed up their recovery and rehabilitation.

Continuously improving also means learning from when we could have done things better. We use multi-disciplinary teams who work together to thoroughly investigate when alternative actions could have resulted in a better outcome. Taking this approach and sharing what we have learned is vital to ensuring the best care.

Excelling together

We are immensely proud of our five nursing teams who were recognised for their innovation and excellent care after being shortlisted for five top awards by the Nursing Times Awards 2017.

Nursing staff from across Royal Surrey were named as finalists in the following categories: team of the year, surgical nursing, technology and data in nursing, emergency and critical care and children and adolescent services.

The teams were nominated by their colleagues, who praised them for ‘regularly going above and beyond for their patients’ and their in-depth ‘knowledge and understanding.’

At our annual staff awards, breast surgeon Tracey Irvine who transformed the cancer journey of a Paralympic gold medallist and world single scull champion was recognised as a Royal Surrey Star. Breast cancer patient Helene Raynsford credited oncoplastic breast surgeon Tracey Irvine with saving her life and helping her to maintain her independence.

Helen said “My cancer journey was moving in a pre-defined direction along a conveyer belt”.

“However, from my first appointment with Miss Irvine I came off that conveyor belt.”

This year we have had some additional challenges and again, our staff proved resilient and resolute in tackling them. Across the Trust staff have continued to look for innovative ways to reduce spend and to use our resources wisely. Since it was established in September 2014 our alcohol liaison team has saved the Trust over £780,000 by preventing unnecessary

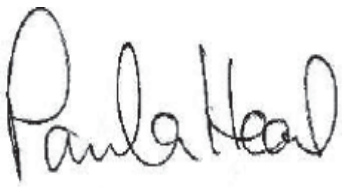
admissions, and our bobble hat campaign is helping keep babies out of the special care unit and with their mothers.

A special mention though must go to our IT team and patient administration system users who have had a particularly challenging year. The move to the new system did not go as smoothly as we had hoped and many staff, who have been determined to not let it affect the care and experience that our patients receive, have given time and skill to reducing the impact on patients.

Our IT team's swift and reasoned actions when many NHS Trusts were subject to the effects of a cyber-attack meant that we could protect our patients' information and keep disruption to services to a minimum.

During the year teams worked hard to ensure the smooth and safe transition of adult community health services from Virgin Care to the Trust on 1 April 2018. Working in partnership with Procare Health (a Federation for GP practices in Guildford and Waverley) we will be providing adult community healthcare services to people living in the area. This is the first time that an acute trust has joined forces with a GP Federation to provide adult community health services in this way. It will help us to transform services in response to patient need, delivering more care at home, preventing unnecessary hospital admissions and enhancing patient experience.

We have an exciting year ahead and we are in no doubt that again staff will rise to every challenge, create new opportunities, search for new advances and always go above and beyond to deliver the best possible care they can for our patients.



Sue Sjuve **Paula Head**

Date of authorisation for issue 25 May 2018

HIGHLIGHTS OF THE YEAR

May 2017

Royal Surrey won the CHKS Top Hospitals Programme National Patient Safety Award 2017. The patient safety award is a national award for outstanding performance in providing a safe hospital environment for patients. Royal Surrey was also named one of CHKS Top Hospitals for 2017, an accolade awarded to the top performing CHKS trusts.

June 2017

Royal Surrey and the Prostate Project announced that the new urology centre is to be named after tireless and dedicated fundraiser and Prostate Project Chairman, Colin Stokes. Upon completion the building will be known as 'The Stokes Centre for Urology'. Mr Stokes humorously said, "If you had told me back in 1998 that the Prostate Project would be helping to build this phenomenal facility and that it would be named after me, I know I would have laughed."

July 2017

Two Royal Surrey wards received the Elder-Friendly Quality Mark in recognition of the support staff give to older patients. Hindhead ward, which provides elderly care, and Ewhurst, one of the Trust's trauma and orthopaedic wards took part in a two-stage assessment process to achieve the Quality Mark, which included assessing the quality of care they provide and how the staff deal with feedback.

August 2017

Royal Surrey nursing teams have been recognised for their innovation and excellent care after being shortlisted for five top awards by the Nursing Times Awards 2017. Nursing staff from across the Trust were named finalists in the following categories: team of the year, surgical nursing, technology and data in nursing, emergency and critical care and children and adolescent services. The teams were nominated by their colleagues, who praised them for 'regularly going above and beyond for their patients' and their in-depth 'knowledge and understanding.'

September 2017

Royal Surrey was named the best patient-led assessment of care environment (PLACE), for dementia patients to receive treatment in the county, according to a patient led survey. It topped the chart of acute hospitals in Surrey for the way its environment supports the care of those with dementia. The assessment involved volunteers visiting hospitals as part of teams to examine how the environment supports patients' privacy and dignity, food, cleanliness and general building maintenance. Royal Surrey was rated alongside other hospitals, hospices and day treatment centres and its scores also placed it above the national average in all sections of the survey.

October 2017

The Trust launched a campaign to help patients get up, get dressed and feel their best. Staff believed that encouraging patients to get out of their pyjamas and into their everyday clothes will help speed up their recovery and rehabilitation. The campaign was launched at Royal Surrey on 4 October, with several of the Trust's senior leaders swapping their normal work clothes for their pyjamas.

November 2017

A breast surgeon who transformed the cancer journey of a Paralympic gold medallist and world single scull champion was recognised as a Royal Surrey Star of 2017 at the awards evening. Breast cancer patient Helene Raynsford credited oncoplastic breast surgeon Tracey Irvine with saving her life and helping her to maintain her independence.
Helen said, "My cancer journey was moving in a pre-defined direction along a conveyer belt."
"However, from my first appointment with Miss Irvine I came off that conveyor belt."

December 2017

A seven-year-old girl, who feared Santa would not find the children in the hospital over Christmas, raised money by cutting off her hair in order to buy presents.
Little Alisha Dodson from Woking, Surrey, raised £550 and bought presents for the children to open on Hascombe Ward on Christmas Day. Alisha, who is a pupil at Westfield Primary School, was joined by her mother, Zelma, and sister, Kasey, 10, to deliver eight sacks and two large boxes bursting with gifts.

January 2018

A new study led by researchers from Royal Surrey and the University of Surrey revealed that end-of-life cancer patients receiving assisted hydration had a 26 per cent greater survival, increasing life by an average of one-and-a-half days. Although the role of hydration in delaying the dying process remains unknown, the research results revealed a need for further studies to continue to evaluate the role that providing fluids plays in end-of-life care.

February 2018

The Trust successfully hosted the first annual Health and Social Care Careers Open Evening for local secondary school students and their parents.

The event, held in partnership with Health Education England, Surrey and Borders and Surrey County Council, saw staff from across the trust manning career stalls to talk about their roles, inviting students to participate in ‘have a go’ clinical simulation activities and giving guided tours of the simulation suite, St Luke’s and theatre areas.

March 2018

In the first partnership of its kind, the Trust joined forces with Procare, the federation of GP practices in the area, to provide Adult Community Healthcare Services in Guildford and Waverley. By designing services that are completely integrated, the focus is on keeping people well, caring for patients in the community, their own home or nursing home and wherever possible avoiding hospital admission.

PERFORMANCE REPORT

Summary from the Chief Executive

This section provides a summary about the organisation, its purpose, the key risks to its objectives and how it has performed during the year.

Over the last 12 months like many other hospital trusts across the country, we have faced many challenges. It is at this point that I really want to acknowledge the commitment and dedication of all our staff, who rise to such challenges with energy, enthusiasm and determination. They in turn are ably supported in their work by volunteers, governors, students, members and people from our community. Together, we have performed better than last year on both the Accident and Emergency four-hour Access and Referral to Treatment (RTT) standards, the former placing us amongst the Top 5 per cent of trusts nationally. Elective operations cancelled on the day of surgery were significantly reduced this year, with a 60 per cent reduction when compared with last year. This year, within our maternity service, an average of 88.6 per cent of mothers delivering with us were breastfeeding at the time of delivery, which is consistently above the target of 85 per cent. We have worked hard to decrease our vacancies and have engaged with staff regarding our revised strategic objectives. Recent national studies suggest a direct link between staff engagement, reduced sickness and agency use – over the last year our staff sickness has consistently been lower than 3 per cent.

Performance Analysis

The Trust Board (monthly) receives the Performance Report, Scorecard and associated exception reporting. It provides an overview and detail of the key measures of performance and supporting indicators to ensure that a balanced performance position is understood. It sets out over 100 measures and is posted to the Trust's website to allow for public scrutiny. This information is provided for the previous month, trends over time, and, where available or relevant, against a benchmark. These are linked explicitly to the Trust's strategic objectives, national priority indicators, NHS Improvement governance ratings, Commissioning for Quality and Innovation (CQUINNs) and local priorities.

These key measures are monitored through the Performance Framework by the organisation in both static and operational detailed reports through a series of daily, weekly and monthly performance reviews that provide a view of the current and past position.

Executives and divisional teams view information on recent performance on admissions, outpatient attendances, bed occupancy, A&E four-hour standard, RTT and financial data.

Our Scorecard is based around the CQC's domains of: safety, caring, responsiveness, effectiveness and well-led. Linkages are made between KPIs in order that a view can be drawn from these. An example might be where the hospital has been under pressure; bed occupancy, A&E four-hour standard, cancelled operations and increased length of stay (stranded and super-stranded metrics). These metrics can also link to an increase in mortality.

Responsiveness covers many national access standards for urgent, elective and cancer treatments. Safety and effectiveness covers issues such as never events, screening standards, infection control, safety triggers, serious incidents, medicines management and mortality. Measures for caring include friends and family testing results, complaints and concerns, whilst well-led includes, staff turnover, sickness absence, agency usage and mandatory training.

The information department, through a business partner model and comparative measures, also monitors and acts to improve data quality and assurance of reporting throughout the year. With the implementation of the new APAS patient administration system at the end of November 2017 all reporting went through a stabilisation period to assure that data collection through to reporting was consistent with the relevant data definition and the quantity of data collected. This work is still in progress and is expected to continue through the first half of 2018/19.

Activity Review

The Trust's key activity performance for 2017/18 is as follows;

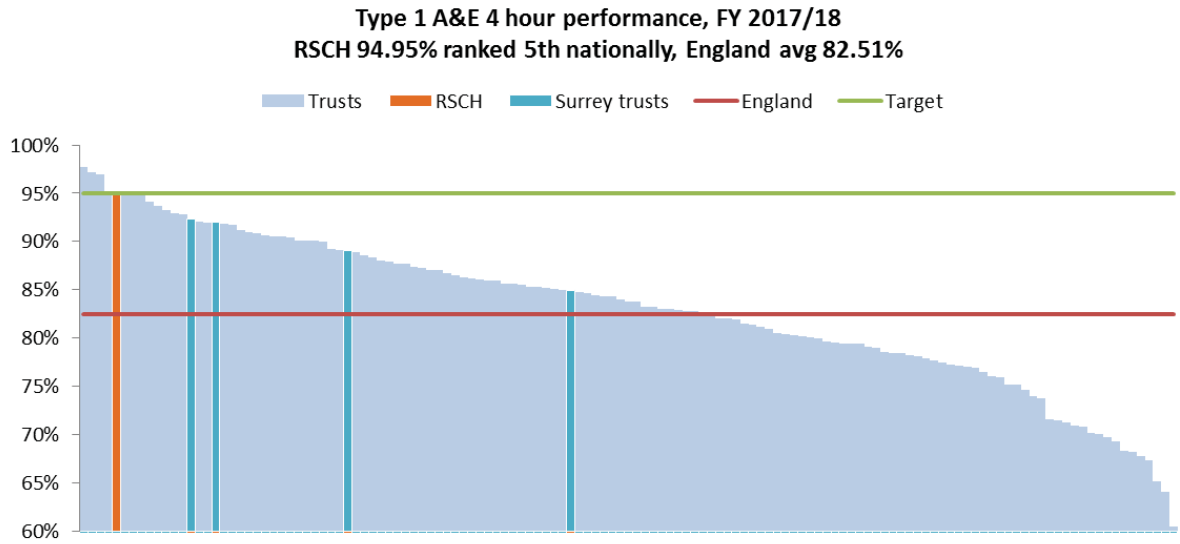
	Activity Numbers (Patients)
Outpatient attendances	404,297
Individual attending A&E	70,723
People admitted from A&E	25,718
Operations performed in theatre	18,201
Babies delivered	2,998
Diagnostics	Ultrasound examinations: 37,766 CT examinations: 39,554 MRI examinations: 15,527 Fluoroscopy examinations: 5,038 Plain film examinations: 107,866

Performance against key indicators

			Historic Data			
Indicator	Subsection	Target	Qtr 1 to Jun 2017	Qtr 2 to Sept 2017	Qtr 3 to Dec 2017	Qtr 4 to Mar 2018
Point of Referral to Treatment (18 weeks)		92%	Yes	Yes	Yes	No
All Cancers: 31-day wait for second or subsequent treatment, comprising:	Surgery	94%	Yes	Yes	Yes	Yes
	Anti-Cancer drug treatments	98%	Yes	Yes	Yes	Yes
	Radiotherapy	94%	Yes	Yes	Yes	Yes
All Cancers: 62-day wait for first treatment:	From urgent GP referral for suspected cancer	85%	No	No	No	No
	From NHS Cancer Screening Service referral	90%	Yes	Yes	No	No
All Cancers: 31-day wait from diagnosis to first treatment		96%	Yes	Yes	Yes	Yes
Cancer: 2-week wait from referral to date first seen, comprising:	All urgent referrals	93%	Yes	Yes	Yes	Yes
	For symptomatic breast patients (cancer not initially suspected)	93%	Yes	Yes	Yes	No
A&E: From arrival to admission / transfer / discharge		95%	Yes	Yes	No	No

Accident and Emergency

As noted, we have faced challenges throughout the year, particularly with increasing demand through our emergency department where we have seen a rise in attendances of 2.39 per cent when compared with last year (2016/17). Additionally, we have seen a 10 per cent rise in the number of patients being admitted through our emergency department over the past year. Despite this, we have continued to be amongst the top 5 per cent nationally over the last 12 months. Looking ahead into 2018/19 we expect to see a step-change in our overall attendance numbers and are reviewing our workforce accordingly.



Referral to Treatment (RTT)

The Referral to Treatment (RTT) standard was achieved for nine months out of 12 with a year-end achievement of 92.02 per cent. We have experienced significant challenges with our upgraded PAS system towards the end of the calendar year, which impacted on our ability to achieve the best experience for our patients and resulted in longer waits; we continue to experience some residual issues into the 2018/19 financial year and have a recovery plan in place. We have continued to perform above the national average consistently throughout the year.

Diagnostic DM01

Our diagnostic performance across the 15 key diagnostic tests (as reported in the national DM01 statutory return) has been pressured throughout the year, with workforce being the main contributing factor. However, despite this, 96.6 per cent of patients received their diagnostic procedure within six weeks against a target of 99 per cent (1 per cent threshold).

Cancer

The demand for cancer services has increased over the last year a trend which we expect to see into 2018/19. We have continued to focus on reducing the backlog of patients waiting to be treated and our multi-disciplinary teams are working through best practice timed pathways to see how these can be embedded.

Infection prevention and control

The Trust has seen consistent performance against infection control targets with only three hospital attributed cases of MRSA and 23 of C.difficile. This year, across the Trust 71.2 per cent of clinical staff took advantage of the flu vaccination, and whilst the Trust experienced sickness over the winter period, the overall sickness rate was less than 3 per cent.

Patient-Led Assessment of the Care Environment (PLACE)

Royal Surrey was named the best PLACE for dementia patients to receive treatment in the county, according to the patient-led survey. The Trust topped the table of acute hospitals in Surrey for the way its environment supports the care of those with dementia.

The assessment involves volunteers visiting hospitals as part of teams to examine how the environment supports patients' privacy and dignity, food, cleanliness and general building maintenance. It focuses entirely on the care environment and does not cover the clinical care provision or how well staff are performing their jobs.

In Surrey, the Trust came out on top for its organisational food, condition, appearance and maintenance, dementia and disability.

Overview of financial performance

The Trust ended the prior year 2016/17 with a deficit of £2.13m (£1.8m deficit on a control total basis) excluding all sustainability and transformation funding. Sustainability and transformation funding (STF) earned through meeting the operational and financial quarterly targets was £6.786m out of a possible £7.7m. In addition, the Trust qualified for year-end Sustainability and Transformation (STF) incentive and bonus payments due to its better than plan result. The STF incentive achieved was £14.3m and the bonus achieved was £1.57m. Including the core STF, incentive STF and the bonus STF the Trust reported a year end surplus of £20.52m. The budget for 2017/18 was set at a deficit of £2.93m (£5.33m deficit on a control total basis) including core STF funding and £12.05m deficit on a control total basis excluding core STF funding.
Further to the Trust coming out of turnaround in January 2017 the Trust exited licence breach with NHS Improvement in October 2017.

The Trust ended the year 2017/18 with a surplus of £3.907m (£3.883m on a control total basis) excluding all STF funding prior to asset impairments. Core STF earned through meeting the operational and financial quarterly targets was £6.013m out of a possible £6.72m. Including the core STF the Trust surplus was £9.92m (£9.896m surplus on a control total basis and £15.23m favourable variance compared to the £5.33m budget deficit on a control total basis). In addition, the Trust qualified for year-end STF incentive, bonus and general distribution payments due to its better than plan result. The STF incentive achieved was £15.932m, the STF bonus achieved was £1.786m and the STF general distribution was £2.160m. Including the 2017/18 core STF, incentive STF, bonus STF and general distribution STF, and including £0.419m STF relating to prior year 2016/17, the Trust reported a year end surplus of £30.217m (£29.774m on a control total basis). During

2017/18 the Trust reported a net-asset impairment of £1.1m which was included in the final reported year end surplus.

The Trust achieved £297m for revenue from patient care activities against a plan of £281m and prior year £277m. The Trust pay costs increased year on year by £7.95m. The Trust maintained expenditure on agency staff in line with prior year at £9.37m which helped to achieve a £4.9m underspend against the pay budget (prior year pay budget underspend £9.1m). The Trust agency spend was also £3.96m or 29 per cent below the NHS Improvement agency total annual spend cap imposed on the Trust of £13.697m. Non- pay was overspent by £3.6m compared to budget with a £1.8m adverse variance on consultancy costs.

The rigour and structure surrounding the 2016/17 turnaround programme has been sustained throughout 2017/18, with delivery of a £14m (prior year £16.4m) Cost Improvement Programme (CIP), 83 per cent of the target value. Of this total, £8.5m is from the CIP programme and £5.5m is from the Trust-wide transformation programme. The transformation programme is part of an overall five-year plan to redesign both clinical and non-clinical pathways to achieve a revised model of care across the local area.

The Trust's capital programme plan for the year was £17.081m and covered schemes for estates changes, information technology and clinical equipment. During the year the Trust was offered total public dividend capital (PDC) of £4.404m to aid the purchase of two replacement linear acceleratory (LINAC) machines (£3.404m) and fund the A&E refurbishment for GP assessment unit (£1.0m). The final capital plan spend for 2017/18 was £16.899m and was funded by internally generated cash through depreciation, the PDC and prior year STF.

A large proportion of the Trust’s employees are members of the NHS Pension Scheme, which is an unfunded defined benefit scheme. The scheme is accounted for as a defined contribution scheme. The Remuneration Report provides details of the executive directors’ pension entitlement.

Overall, the Trust’s 2017/18 performance continued to deliver financially and built on the improvements made in the prior year 2016/17, with the final reported surplus increasing year on year by £9.7m or 47 per cent. There was once again an unrelenting focus on CIP delivery, whilst simultaneously striving to meet operational and quality targets and maintaining high standards of patient care. 2017/18 was the first year of a five-year plan aimed at returning the Trust to a financially sustainable position.

Human rights

While the Trust does not have a specific human rights policy, it does have a wide range of human resources policies covering issues such as dignity at work, diversity, equality and inclusion.

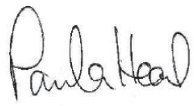
The environment and sustainability

The Trust actively considers its environmental impact and has a wide range of policies in place to help play its part in tackling climate change. Replacement of the original site boilers started in early 2018 under the backlog maintenance program; these are of modern high efficient type that will allow energy savings during the heating and cooling seasons.

The Trust undertook its annual waste audit, waste pre-acceptance audit and duty of care audits of practices and procedures for the disposal of healthcare and domestic waste streams and auctioned the outputs from the audit. Significant progress has been made to introduce more efficient waste streams which also reduce the impact on the environment. These changes have been completed in partnership with the Trust's hard and soft FM providers

The Estates Strategy has been updated in January 2018 and indicates the need for further expansion of the site; this will increase the overall consumption in all areas of utilities and the financial burden these will bring.

Area	Non-financial data	Non-financial data	Non-financial data	Finance (£)	Finance (£)	Finance (£)
	2015-16	2016-17	2017/18	2015-16	2016-17	2017/18
Waste minimisation and management						
	1,278 tonnes	1,353 tonnes	1,045.62 tonnes	427,850	392,692	367,863
Finite Resources						
Water	170,156 m3	198,253 m3	210,984 m3	283188	345,890	383,820
Electricity	13,307,969 kwh	14,321,600 kwh	14,067,152 kwh	1,426,00	1,486,773	1,539,711
Gas	18,324,165 kwh	22,849,538 kwh	22,215,517 kwh	515,026	546,937	515,881



Accountable Officer: Paula Head, Chief Executive

Organisation: Royal Surrey County Hospital, NHS Foundation Trust

25 May 2018

Our plans for the future

Emergency department refurbishment

Our emergency department is currently undergoing a significant refurbishment, which will create an improved environment for patients. The ambitious project will see the busy department increase in size by 46 per cent, and include a new out-of-hours GP Assessment Unit. It will also see A&E majors, minors and paediatrics be completely remodelled to further enhance patient care and experience.

Urology Centre

The building of a new urology centre, which will be named after tireless and dedicated fundraiser Colin Stokes, is now well underway. Once completed, the building will be known as 'The Stokes Centre for Urology,' honouring the work of the Prostate Project Chairman.

The centre will open in autumn 2018.

Community services

On 01 April 2018, adult community health services for people living in Guildford and Waverley transferred from Virgin Care to Royal Surrey County Hospital and Procare Health (a federation for local GP practices).

Adult community health services provide care to patients in the community; maintaining their health and independence and preventing unnecessary hospital admission. Services include district nursing, podiatry, rehabilitation beds, therapists and the Minor Injuries Unit at Haslemere Hospital. They complement the services provided by GP practices, Royal Surrey County Hospital and other healthcare organisations.

This is the first time that an acute trust has joined forces with a GP federation to provide adult community health services in this way. We are looking forward to working in partnership to transform services in response to patient need, delivering more care at home, preventing unnecessary hospital admissions and enhancing patient experience.

We will be working together towards a service with a single point of access so that any health professional working in the community, including GPs, nurses, therapists or paramedics and the hospital team will be able to refer patients into the service. Frail and vulnerable patients will have their health and social care coordinated, which will include a shared care plan personalised around their needs.

Our brilliant people

Our staff continue to amaze and inspire. Here are some highlights of their achievements over the past year.

Dr Shuchita Patel, clinical research fellow and specialist registrar in palliative medicine, was awarded the prestigious Twycross Research Prize 2016 by the Association for Palliative Medicine. She received the recognition for her study into how common vivid dreams, nightmares and night terrors are in patients with terminal cancer and how they are affected by pain relief medication.

Consultant ophthalmologist and the Trust's glaucoma lead, Dan Lindfield, was named a 'rising star' in his field by a worldwide publication. The Ophthalmologist Power List 2017 honours just 50 clinicians under 40-years of age with the potential to shape the future of eye care in the next decade. It is also believed to be the first time that the honour has been received in the UK by a consultant from outside one of the large London teaching hospitals.

The Trust received an international quality mark for its stereotactic radiotherapy treatment. The Trust is one of just a small number of centres in the UK to be Novalis Certified, which is a recognised standard for radiosurgery. Stereotactic radiotherapy is a cutting-edge technique that can be used on inoperable tumours and for patients not fit for an operation. It is highly accurate and allows patients to receive a high dose of radiotherapy in 3-5 visits to the hospital, rather than 20 or 30 visits.

The Trust was shortlisted for Student Placement of the Year at the Student Nursing Times Awards 2017. The nomination was made by Louie Nyuyse, a University of Surrey student nurse, who enjoyed a successful placement with the hospital's day surgery unit. Louie has now completed his nurse training and is now a Registered Nurse with the Trust. In its sixth year, the Student Nursing Awards celebrate the best in student nursing and education. The Trust is jointly nominated for the accolade alongside The University of Surrey.

A group of dedicated nurses, who provide chemotherapy to more than 100 patients each day, were named Royal Surrey's nursing team of the year. Nursing staff from the Chilworth day unit received the accolade at the Trust's annual nursing and midwifery conference. They were recognised for their 'commitment' and for providing a 'safe, positive and happy place to visit' for the 110 patients they treat per day. The awards recognise the nurse, midwife, health care assistant and team, who are true ambassadors of the 6Cs.

The Trust won the CHKS Top Hospitals Programme National Patient Safety award 2017. The CHKS Top Hospitals awards celebrate excellence throughout the UK and are given to acute sector organisations for their achievements in healthcare quality and improvement. The patient safety award is a national award for outstanding performance in providing a safe hospital environment for patients; it is based on a range of 16 indicators, including rates of hospital-acquired infections and mortality. Royal Surrey was also named one of CHKS Top Hospitals for 2017, an accolade awarded to the top performing CHKS trusts.

Medical physicist Lucy Warren was awarded the prestigious BJR Barclay Medal as a co-author of an article which compared the risks and benefits of screening. Co-authors included Professor Kenneth Young and Professor David Dance. Breast screening is performed using mammography, which produces an X-ray image of the breast and aims to detect cancer at an early stage. The paper found that the number of lives saved because of breast cancer screening greatly outweighed the very small risk of harm from the radiation used to image the breast. Dr Warren's paper was published in the British Journal of Radiology (BJR) and aimed at fellow clinical scientists.

Consultant Anaesthetist Nial Quiney was named Quality Lead of the Year at the Health Service Journal Patient Safety Awards. He was recognised for spearheading the Emergency Laparotomy Collaborative (ELC). This project built on the success of the Emergency Laparotomy Pathway Quality Improvement Care (ELPQuIC) bundle that was run from the Royal Surrey in 2012 with three other hospitals. This initial project decreased risk-adjusted mortality by 42 per cent.

Two wards at the Trust received the Elder-Friendly Quality Mark in recognition of the support staff give to older patients. Hindhead ward, which provides elderly care, and Ewhurst, one of the Trust's trauma and orthopaedics ward, have been successful in securing re-accreditation for the next three years. Royal Surrey is home to three of the 26 wards to hold the Quality Mark nationally. The Trust's Eashing Ward, which is also part of the Older Persons Unit, has also previously secured the accreditation.

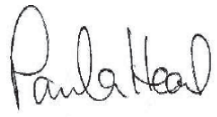
Nursing teams were recognised for their innovation and excellent care after being shortlisted for five top awards at the prestigious Nursing Times Awards 2017. The awards recognise innovation and excellent nursing care. The Trust's Alcohol Liaison Service was named as a finalist for Team of the Year. Emergency surgical specialist nurses, Victoria Hemmings and Fiona Rust, were shortlisted in both the surgical nursing and emergency and critical care categories. Advanced neonatal nurse practitioner, Jo Macleod, and the bobble hat care bundle were shortlisted in the children and adolescent services category. Simon Pawlin was

named as a finalist for his safe staffing process redesign project in the Technology and Data in Nursing Award.

The Trust was named a centre of excellence for the treatment of a rare liver disease. It received the accolade in recognition of the care and treatment that it provides to patients suffering from Wilson's Disease. Wilson's Disease is a very rare condition where sufferers have a higher than normal amount of copper in their body, which can damage their liver, brain and other organs.

An oral presentation of a clinical trial, which sees patients taking part in a four-week exercise regime prior to theatre was awarded first place at the prestigious CPX International European Practicum. Clinical research fellow Dr Jason George, picked up the prize at the conference.

Not a day goes by at Royal Surrey without someone doing something amazing. From the compassionate care of our nurses, midwives, care assistants and therapists; the excellent team work and innovation of our doctors and surgeons; or the tireless efforts of those behind the scene; it is unquestionably Royal Surrey's people that make it the leading hospital and tertiary cancer centre that it is.



Paula Head
Chief Executive

Signature
Date 25th May 2018.

About the Royal Surrey

The Royal Surrey County Hospital NHS Foundation Trust is a public benefit corporation authorised since December 2009, under the National Health Service Act 2006. It is a single-site hospital, based in Guildford, which serves a population of more than 330,000 across south west Surrey; and a tertiary cancer centre, offering state of the art diagnostic and treatment services to a population of 1.2million.

As a NHS Foundation Trust, we have a 26-strong Council of Governors and over 8,000 public members. We employ 3500 members of staff making us one of Guildford's largest employers. In addition, the hospital is supported by a thriving group of 500 volunteers all of whom provide valuable services on an independent, voluntary basis.

The Trust's management structure comprises five divisions led by management and clinician partnerships:

- Medicine and Access
- Women and Children
- Surgery
- Oncology
- Diagnostics and Clinical Support Services

These divisions re supported by Corporate Services led by Executive Directors.

From 1 April 2018 the Trust will also provide adult community healthcare services for people in Guildford and Waverley with Procare Health (the federation for GP practices). This is the first time an acute trust has joined forces with a GP federation to provide adult community health services in this way.

The Trust's executive committee meets weekly. The clinical executive comprising executive directors, chiefs of service and professional directors meets monthly.

The primary location of the Trust is Egerton Road, Guildford, GU2 7XX. It also offers outreach services as follows:

- St. Luke's Radiotherapy Unit, East Surrey Hospital, Canada Avenue, Redhill, Surrey RH1 5RH
- St. Luke's Chemotherapy Unit, Ashford Hospital, London Road, Ashford, Middlesex TW15 3AA

- Outpatient services, Cranleigh Village Hospital, 6 High Street, Cranleigh, Surrey, GU6 8AE
- Outpatient services, Haslemere Hospital, Church Lane, Haslemere, Surrey, GU27 2BJ
- Outpatient services, Woking Community Hospital, Heathside Road, Woking, Surrey, GU22 7HS

During the year in response to the governance review the Trust has undertaken a thorough review of its approach to risk management which continues to develop into 2018/19.

Going concern disclosure

The Trust achieved an outturn surplus position of £3.883m on a control total basis excluding sustainability and transformation funding (STF) for 2017/18 compared to a budgeted control total deficit (excluding STF) of £12.049m. However, including core STF earned through meeting financial and operational targets the position is a surplus of £9.896m. The Trust was also entitled to incentive and bonus STF payments of £19.878m and £0.419m of STF relating to 2016/17. Including this and adding back the adjustments made to calculate the control total, increased its reported surplus to £30.217m.

The budgeted surplus for 2018/19 is £0.350m (including STF). The Trust will be continuing its focus on cost control and driving efficiency and value and aims to improve on this position. The cash payment of the incentive and bonus STF is expected to be received in Q1 2018/19 and will further improve the Trust's cash position.

The Trust delivered a cost improvement programme of £14.1m during the year which further contributed to the overall improved financial performance.

International Accounting Standard (IAS1) requires management to assess, as part of the accounts preparation process, the NHS foundation trust's ability to continue as a going concern. Table 6.2 of the FReM states that the anticipated continuation of the provision of a service in the future as evidenced by inclusion of financial provision for that service in published documents, is normally sufficient of going concern. Therefore, as the Trust is anticipated to have sufficient provision of services in the foreseeable future, management have continued to adopt the going concern basis in preparing the financial accounts.

ACCOUNTABILITY REPORT

Directors' report - year ending 31 March 2018

The directors present their annual report together with the audited financial statements for the year 1 April 2017-31 March 2018. The directors' report incorporates an analysis of the delivery of the 2017/18 strategic plan and the vision for 2018/19. The better payment practice code is disclosed within the accounts.

As can be seen from the directors' biographies below and from our compliance with the requirements of the Foundation Trust Code of Governance, the Board has an appropriate composition, balance of skills and depth of experience to lead the Trust for the good of patients, staff and the communities it serves.

Details of the directors who held and relinquished office during the year are listed below:

- Helen Clanchy – Independent non-executive director and chair of quality committee (3 March 2016 – 28 February 2018)
- Dr Andy Mitchell – Independent non-executive director (April 2017 – 25 September 2017). Retired due to ill health.
- Alf Turner -director of human resources and business development (October 2012 – March 2018)
- Roberta Barker – Interim human resources director (Nov 2017 – April 2018)

Board directors

As at 31 March 2018 are as follows:

Sue Sjuve – Chair

Sue Sjuve was appointed Chair of the Trust on 1 March 2017. Prior to her appointment she was Chair for five years at Sussex Community NHS Foundation Trust and has been a non-executive director of Surrey Primary Care Trust. Sue is also Chair of the Makaton Charity and was a non-executive director and Chair of audit and risk committee at Saxon Weald from 2012 to 2017.

Sue started her career at Guy's Hospital Paediatric Research Unit as a research technician, but her executive career was spent mostly in financial services where she held director level roles in The Woolwich, Barclay's plc and the National Australia Group. Her skills and experience cover programme management, risk management, marketing, sales, customer relationship management and diversity and inclusion.

Andrew Prince –Deputy Chair

Andrew Prince is a healthcare professional specialising in non-clinical support for integrated care across acute and community settings. He is development director in the Serco Global Healthcare Centre of Excellence. In this role he is responsible for the migration of good practice across Serco's healthcare operations in the Middle East, Asia Pacific and the UK. This brings responsibility for strategic partnerships, particularly with technology firms, for thought leadership and the development of new service propositions.

Andrew is deputy chair of the Royal Surrey County Hospital NHS Foundation Trust and has served on the boards of two other trusts: as senior independent director of Frimley Health and as deputy chair of North Hampshire Hospitals.

Martin Hedley - Independent Non-Executive Director

Martin was appointed as a non-executive director of the Trust on 3 March 2016. He also manages an advisory company providing executive coaching, mentoring, business transformation and customer experience development, based in his hometown of Guildford. Having enjoyed an extensive expatriate career, primarily in the United States and the Gulf Countries, he brings experience from British Airways, American Airlines, JP Morgan Chase and Citibank. Having led consulting companies since 2002 he has brought his expertise in transformation, enterprise technology, service excellence and quality to several industries. His involvement in healthcare started at St Louis University in 2004 when he led transitional learning about safety from airlines to medicine.

He is a member of a Board Advisory firm based in New York City and runs the Peak Performer Forum, an online service dedicated to building leadership skills in remote parts of the world. He is a director of two start-up companies involved in social media and edtech. Martin graduated from Newcastle University in Geomatics, is a published author and a senior member of the American Society for Quality.

Lakh Jemmett – Non-Executive Director

Lakh Jemmett was appointed as a non-executive director of the Trust in April 2017 and is Non-Executive Chairman of Portsmouth Water CCG (Customer Challenge Group).

He is an experienced CEO and Board Director, having successfully built and led international technology businesses for the past 30 years in FTSE main market, multiple European jurisdictions and private equity environments.

Lakh's experience includes the leadership of organisations in the US, Asia, Europe and South America managing culturally diverse teams in Tier 1 Technology vendors (Alcatel Lucent/Nokia) and Service providers (COLT Plc., BT Plc, US Sprint).

Lakh has a background in IT intensive businesses, telecommunications and digital services and has worked in both regulated and unregulated environments. He has a BSc (Hons) in physics and a diploma in company direction from the London Institute of Directors.

Gaenor Bagley – Non-Executive Director

Gaenor is a qualified chartered accountant, with over 30 years of experience in professional services. She recently retired from a role as Head of Corporate Purpose at PwC, where she was responsible for convening PwC's work around trust and corporate responsibility. She is currently assembling a portfolio of non-executive roles.

Earlier in her career, she spent five years as head of people on the executive board of PwC, responsible for all HR matters for the 19,000 employees of PwC in the UK, including recruitment, training, performance management and engagement. As a client partner, Gaenor specialises in tax advice to corporate clients, and was on the leadership team for the tax line of service between 2008 and 2011.

She has a number of non-executive/independent advisory roles mainly in the education sector.

Gaenor graduated from Cambridge University with a first-class degree in Mathematics and Management. She trained in audit and spent three years in an investment bank corporate finance team before joining the tax department of PwC in 1992.

Howard Webber – Non- Executive Director

Howard Webber began his career in the Home Office and worked in a variety of roles in departments and quangos including the Cabinet Office and the Arts Council. He was Chief Executive of the Consumer Council for Postal Services and of the Criminal Injuries Compensation Authority.

Howard has had a range of non-executive, charity trustee and voluntary roles, and currently serves as Chair of Lambeth and Southwark Housing Association, a Council member of his local synagogue and a volunteer grant assessor for the Henry Smith Charity.

Howard has degrees in law, public administration and history, and is currently completing a PhD.

Nicholas Lemoine – Non- Executive Director

Professor Nicholas Lemoine was appointed as a non-executive director of the Trust on 1 March 2018**.** Nick brings a wealth of clinical, academic and research experience to the Board and is currently Director, Barts Cancer Institute and Cancer Research UK Centre; Director, Research & Development for Cancer and Surgery, at Barts Health NHS Trust, and national medical director, NIHR Clinical Research Network.

In November 2017 Professor Lemoine was elected as a foreign academician by the Chinese Academy of Engineering. Academician is the highest academic title in China, and elected members are considered to have made significant and creative achievements and contributions in the fields of engineering and technological sciences.

Nick's election is in recognition of his work on engineering new therapies for cancer in the Sino-British Centre for Molecular Oncology, established as a joint venture between Queen Mary University of London and Zhengzhou University in 2006.

At RSCH Nick will be able to use his expertise to support the Trust in its ambition to develop its research function and its academic aspirations.

Paula Head – Chief Executive

Paula trained as a pharmacist and started working in the NHS in 1989, initially at St Thomas' Hospital and then at health authorities within London.

Paula's first board position was at Kingston Hospital before moving on to work in commissioning at Kingston Primary Care Trust as director of strategy and deputy chief executive. Her next role was also in commissioning as deputy chief executive and director of commissioning at NHS East Berkshire, before moving back into the acute sector as director of transformation at Frimley Park Hospital. Paula was then appointed as chief executive of Sussex Community NHS Foundation Trust in April 2013. She guided the Community Trust to become a Foundation trust with a good CQC rating before joining RSCH as Chief Executive in September 2017.

Ross Dunworth – Director of Finance, Informatics and Estates

Ross joined the Trust as interim Finance Director in 2017 and during the year was appointed director of finance and informatics. He qualified as a chartered accountant with Price Waterhouse in Leeds, joining the local NHS as a finance manager in 1992. He worked in Plymouth, Hertfordshire and Hampshire in senior financial manager roles until he left the NHS to run his own interim and consultancy service in 2007. Over the following 10 years he worked in a diverse range of NHS organisations, including University College London

Hospital, Great Western and Sherwood Forest Foundation Trusts, as well as Tower Hamlets Clinical Commissioning Group.

Giles Mahoney – Director of Strategic Marketing and Business Development / Director of Strategy and Partnerships

Giles joined the Trust in June 2013 from PA Consulting where he had led a major reconfiguration of hospital services in North Central London. Giles also brings commercial experience from his time as an executive director at The Priory Group. Giles first joined the NHS as a management trainee and held several senior management and operational roles in NHS trusts and strategic health authorities, mostly in London, including a period working with a US based hospital.

Louise Stead – Director of Nursing and Patient Experience

Louise joined the Board in November 2011 and is the executive lead responsible for maintaining clinical standards, patient safety and governance. She also has accountability for safeguarding and is the Trust's appointed Caldicott Guardian.

Louise qualified as a registered nurse in 1988. She uses her clinical experience across a range of specialties to lead a nursing, midwifery and healthcare assistant team focussed on delivering the highest quality care and best patient experience, in an environment of continuous improvement. In addition, she effectively applies the knowledge gained as part of her MSc in Professional Practice (Leadership and Management) to ensure coaching, shared leadership and best practice are applied across her wider team.

Prior to joining the Trust Louise had a varied career that spanned several specialties in several London's leading teaching hospitals and as such she is an experienced nurse in cardiology, cardiovascular surgery, hepatobiliary and pancreatic medicine and surgery, haematology and coronary care.

Dr Christopher Tibbs – Medical Director and from 1 May 2017, Deputy Chief Executive

Christopher has been a Consultant gastroenterologist and physician at the Trust since 2005, having previously been Consultant at St George's Hospital and Queen Mary's Roehampton, with honorary contracts at the Liver Unit, Kings College Hospital and the Royal Marsden. He has extensive management experience as clinical director at both Queen Mary's Roehampton and St George's. His main clinical interests are in liver disease and advanced therapeutic endoscopy. He is deputy chief executive from 1 May 2017 to 1 May 2018.

Dr Marianne Illsley – Medical Director

Dr Marianne Illsley is an experienced oncologist who combines her clinical work with an interest in leadership and management. She was appointed as consultant clinical oncologist at Royal Surrey in January 2000 and her main clinical interest is in the treatment of lung and oesophageal cancer. Marianne has contributed to clinical leadership for most of her consultant career; initially as Head of Service for radiotherapy, and subsequently clinical director for oncology. As Trust cancer lead, she was instrumental in the development and growth of Royal Surrey's St Luke's Cancer Centre. She was appointed as joint medical director at the Trust on 1 July 2017. She is also on the Professional Standards Board at the Royal College of Radiologists, where she is Radiotherapy Governance Lead, and sits on the South-East Clinical Senate, advising on broader healthcare issues within the Kent, Surrey and Sussex area. She has a founding fellowship from the Faculty of Medical Leadership and management.

Marianne's first degree was from the University of Cambridge in 1984 and she then qualified MB BS from Guy's Hospital Medical School in 1987. Marianne trained in oncology in London at Barts, St Thomas', The Royal Marsden (where she was a research fellow) and in Brighton.

Bob Peet – Chief Operating Officer (appointed 1 June 2017)

Bob Peet joined Royal Surrey in June 2017 as Chief Operating Officer from the Surrey Heartlands STP (Sustainability and Transformation Partnership) where he held the role of transformation director. Previously, Bob has undertaken senior roles covering both operations and strategy, most recently at Ashford St Peter's Hospitals and prior to that at Buckinghamshire Hospitals and at Guy's and St Thomas's Hospitals. Bob's early career was in the Army.

Alf Turner – Deputy Chief Executive (until 30 April 2017) and Director of Human Resources and Business Support (until March 2018)

Alf joined the Royal Surrey in October 2012 as operational lead on a range of corporate and support services including human resources and corporate and estates developments, with a focus on transformation. He was appointed to the additional role of deputy chief executive on 1 November 2015, and held this post until 30 April 2017.

Declarations of Interest of the Board of Directors

The Board undertakes an annual review of its register of declared Interests. At each meeting of the Board a standing agenda item also requires all directors to make known any interests in relation to the agenda. The Register is available for inspection during normal office hours in the company secretary's office.

Statement as to disclosure to auditors

For each individual director who was a director at the time this report was approved:

- So far as the director is aware there is no relevant audit information of which the Trust's auditor is unaware and
- The director has taken all the steps they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

A director is regarded as having taken all these steps that they ought reasonably to have taken as a director in order to do the things mentioned above and:

- Made such enquiries of his/her fellow directors and of the Trust's auditors for that purpose; and

Taken such steps (if any) for that purpose, as are required by his/her duty as a director of the Trust to exercise reasonable care, skill and diligence.

Section 43 (2A) NHS Act 2006 statements

The Trust has fulfilled its principal purpose as its total income from the provision of goods and services for the purposes of the health service in England has been greater than its total income for the provision of good and services for any other purposes.

Historically the Trust has been limited in the range of private services it can offer, but due to our growing reputation for quality care we are increasingly being approached by those looking for private treatment.

Private practice complements the NHS services provided by the Trust and makes up a very small amount of our overall activity.

Our facilities are only used by private patients when they are not required for the NHS and this generates extra income, which is used to enhance services and in turn, benefit thousands of NHS patients every year.

Cost allocation and charging guidance

The Trust has complied with the above guidance issued by HM Treasury.

The Trust has produced its Annual Quality Account which sets out its priorities and objectives in relation to quality improvements for the year.

Remuneration Report 2017/18

This report includes details regarding senior managers remuneration in accordance with the following:

- Sections 420 to 422 of the Companies Act 2006 as they apply to foundation trusts;
- Regulation 11 and Parts 3 and 5 of Schedule 8 of Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI2008/410);
- Parts 2 and 4 of Schedule 8 of the Regulations as adopted by Monitor and
- Elements of the NHS Foundation Trust Code of Governance.

The Trust considers that disclosures in this report and the staff report meet the requirements

Annual statement on remuneration by the Chair of the Remuneration Committee (Trust Chair, Sue Sjuve)

The Trust's Board Remuneration Committee (BRC) advises and assists the Board in meeting its responsibilities to ensure appropriate remuneration and terms of service for the chief executive and executive directors, in line with NHS Foundation Trust Code of Governance, membership of the committee consists of the Trust's chair and at least four non-executive directors. The human resources director, provides advice and support to the Board Remuneration Committee.

Non-executive director remuneration, including that of the chair, is determined by the Council of Governors. To support this there is a governors' Nominations Committee which considers and makes recommendations to the Council of Governors. The HR director provides advice to both committees on remuneration information, including best practice and benchmarking of salaries.

Executive Director and Senior Manager Remuneration and roles during the year

The Chief Executive and Executive Director remuneration is determined on the basis of a combination of a number of factors. These include affordability, market conditions and external comparisons, NHS wide pay reviews, rules and guidelines, and the Trust's policy on senior management remuneration. Reports are also made to the BRC taking account of any evaluation of the posts and national and local benchmarking of total pay for similar roles. Every year executive pay is benchmarked against other foundation trusts across the country by using the NHS Providers National survey and comparisons with other local trusts.

The Trust also has in place a scheme of variable pay for the Chief Executive and Executive Directors to ensure alignment between organisational performance and reward. an additional 5% payment of basic pay for achievement of targets affecting patient care, performance, finance and governance. Variable pay is not due for periods where the executive director is

not in post during the year. The BRC also has discretion on payment of the variable element, should targets not be achieved for special, unforeseen or exceptional reasons. No award under the scheme was made in April 2017 for the previous year.

The Trust had three substantive Very Senior Manager with remuneration outside Agenda for Change terms and conditions of employment:

- Mike Savage, Director of Operational Finance.
- Nicky Croxon, Head of Performance
- Alison Whitehorn, Director of Transformation – Adult Community Health Services.

Non-Executive remuneration and role changes during the year

Non-executive remuneration is also benchmarked each year in accordance with the annual survey mentioned above. Comparisons are also made with other local trusts.

Position	2017/18 £
Chairman	£43,000
NED x7 (see page 70 for terms in office)	£13,000

Senior Managers' Remunerations Policy

The Trust's remuneration policy for senior managers is determined by the BRC. For all other substantive staff groups, the Trust utilises national Agenda for Change (AfC) (Nursing, Allied Health Professionals, Research and Development, Management and Administrative staff) and Consultants (Doctors and other medical staff) terms and conditions arrangements. There is minor local variation as permitted outside these national arrangements.

In respect, of the Executive Directors, the Trust reviews and benchmarks remuneration each year.

The following table provides an overview of the BRC's remuneration policy which has been designed to reflect the principles described above. This shows both the current and future remuneration policy table.

Roles	Element of remuneration	Purpose and link to strategy	Operation	Maximum opportunity	Performance criteria
Non-Executive Directors (NEDs)	**Basic remuneration**	Provide a competitive base remuneration which will attract and retain high calibre NEDs to oversee Trust strategy and performance.	Basic salaries are reviewed annually by the governors' nominations committee which makes a recommendation to the Council of Governors which makes a final decision on remuneration. Changes are normally effected from 1 April. Basic remuneration reflects different levels of responsibility and time commitment for the various NED roles. The annual review considers comparisons with other local Trusts, the position in the NHS Providers Remuneration Survey, and affordability by the Trust.	Basic remuneration only	The governors' nominations committee reviews the appraisals of the NEDs and considers individual and team performance in its recommendation to the Council of Governors on basic pay.
	Other – none except payment for reasonable expenses in accordance with the Trust 's expenses arrangements				

Roles	Element of remuneration	Purpose and link to strategy	Operation	Maximum opportunity	Performance criteria
Executive Directors (EDs)	**Basic Salary**	Provide a competitive base salary which will attract and retain high calibre EDs to devise and implement Trust strategy and performance.	Basic salaries are reviewed each year by the Board Remuneration Committee (BRC). Target remuneration is the 75th percentile of remuneration for equivalent roles in the annual NHS Provider's remuneration survey for Trusts with a turnover between £250 - £500m. Additionally, affordability and levels of increases for other NHS pay groups are considered. Target remuneration includes basic salary and variable pay of up to 5% of basic salary (see below). Any agreed changes are normally made in April each year. Basic salaries reflect the level of experience, skills and market conditions for particular roles and individuals. Where an individual is part time the basic salary is pro-rated.	The 75th percentile target has not yet been achieved because the committee agreed progress to target should be phased in light of NHS pay restraint.	The BRC reviews the performance of EDs in the remuneration review.

Roles	Element of remuneration	Purpose and link to strategy	Operation	Maximum opportunity	Performance criteria
	Pension	To provide a basic, cost –effective long –term retirement benefit	The Trust participates in the NHS Pension Scheme.	The Trust contributes 14.3% of basic salary and the employee contributes between 13.5 & 14.5% of basic salary dependant on salary level.	Not applicable
	Variable pay scheme	To incentivise and recognise execution of the Trust's strategy on an annual basis *	An additional 5% of basic pay available for the delivery of stretch performance targets. Scheme framework shown below. Variable pay is not due for periods where ED is not in post during the year. The BRC has discretion on payment of the variable element should targets not be achieved for special, unforeseen or exceptional reasons.	5% of basic pay	The variable pay award is determined based on performance against the key indicators shown under operation

Roles	Element of remuneration	Purpose and link to strategy	Operation	Maximum opportunity	Performance criteria	
			Objective	**Weight**	**Payment %**	
			Quality – CQC registration	All threshold targets to be achieved before stretch targets pay out.		
			Governance - Compliance of annual targets of Major KPIs: • A&E 4-hour waits (month of March 2018 • RTT/18 week (Q4 2017/18) • Cancer targets – 62 days (Q4 2017/18)			
			Finance – Achievement of Control Total for FY17/18			
			Stretch target 1 Quality – Good rating from a pre CQC assessment by a peer hospital	0.25	1.25	
			Stretch target 2 Quality & People – 95% appraisal completion and 90% statutory training compliance by end of March 2018	0.25	1.25	
			Stretch target 3 Governance – NHSI withdrawal of license conditions by end of March 2018	0.25	1.25	

Roles	Element of remuneration	Purpose and link to strategy	Operation	Maximum opportunity	Performance criteria	
			Stretch target 4 Financial - Overall delivery of the CIPs £17m target by end of March 2018	0.25	1.25	

Each of these can be aligned with our 5 strategic goals which are:

- Staying at the cutting edge of safety and quality improvement
- Thriving in a changing health and care environment
- Being a great place to work
- Building productive partnerships
- Having a positive impact on population health and wellbeing

Roles	Element of remuneration	Purpose and link to strategy	Operation	Maximum opportunity	Performance criteria
Other Senior Managers	**Basic Salary**	Salary level reflects role, banding, service and experience in accordance with terms and conditions under Agenda for Change (AfC) for non-Medical staff and Consultant for Medical staff. Minor variations exist outside this under VSM arrangements	Basic salaries are reviewed in accordance with changes to the national agreement - normally April each year Any VSM or changes to VSM arrangements are required to be agreed by the BRC.	Basic salary only	Senior managers are appraised each year in accordance with the Trust's Appraisal policy. Increments can be withheld and withdrawn in accordance with AfC rules.
	Allowances / Awards	Additional remuneration appropriate activity e.g. on call arrangements; clinical excellence awards; high cost of living. Clinical Excellence Awards to promote research and best practice for consultant staff.	Such arrangements are determined locally	Allowance only	Clinical Excellence Awards subject to joint review committee.

No new components and no changes to existing components have been introduced during the year.

The following substantive post attracted remuneration above the thresh/old (currently £150,000) used in the Civil Service for approval by the Chief Secretary to the Treasury, as set out in guidance issued by the Cabinet office:

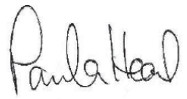
- Chief Executive
- Finance Director

Other elements of remuneration policy and arrangements are as follows:

Element	Non-Executive Directors	Executive Directors	Senior Managers – EC (not EDs)
Notice Periods	None	6 months either side	3 to 6 months either side
Payment for loss of office	No payment due	Any payment subject to negotiation at the time, subject to Treasury rules, and BRC approval.	Any payment subject to negotiation at the time and subject to Treasury rules

Tables attached show details of total pay, benefits and any other remuneration and pension entitlements of senior managers. No compensation is payable to former senior managers and no amounts included in the above are payable to third parties for the services of senior managers.

Due to the lead time required to perform calculations and prepare annual reports, the CETV figures quoted in this report for members of the NHS Pension scheme are based on the previous discount rate and have not been recalculated.



Signed:

Paula Head, Chief Executive - 25 May 2018

Name and Title	2017-18					
	Salary	Taxable Benefits	Annual performance-related bonus	Long-term performance-related bonus	Pension-related benefits	Total
	(bands of £5,000)	Rounded to the nearest £100	(bands of £5,000)	(bands of £5,000)	(bands of £2,500)	(bands of £5,000)
Mrs S Sjuve - Chairman	40-45	0	0	0	0	40-45
Mrs P Head - Chief Executive	190-195	0	0	0	62.5-65.0	255-260
Dr C Tibbs - Medical Director (Shared) & Deputy Chief Executive	170-175	0	0	0	0	170-175
Dr M Illsley - Medical Director (Shared)	180-185	0	0	0	27.5-30.0	205-210
Mr A Turner - Director of HR & Organisational Transformation	130-135	0	0	0	25.0-27.5	155-160
Mr R Dunworth - Director of Finance and Informatics	135-140	0	0	0	27.5-30.0	165-170
Mr G Mahoney - Director of Strategic Marketing	120-125	0	0	0	57.5-60.0	180-185
Mrs L Stead - Director of Nursing & Patient Experience	120-125	0	0	0	15.0-17.5	135-140
Mr R Peet - Chief Operating Officer	110-115	0	0	0	72.5-75.0	185-190
Mrs R Barker - Director of HR & Organisational Transformation	50-55	3,800	0	0	0	55-60
Mrs G Bagley - Non-Executive Director	10-15	0	0	0	0	10-15
Mrs H Clanchy - Non-Executive Director	10-15	0	0	0	0	10-15
Mr M Hedley - Non-Executive Director	10-15	0	0	0	0	10-15
Mr L Jemmett - Non-Executive Director	10-15	0	0	0	0	10-15
Mr A Prince - Non-Executive Director	10-15	0	0	0	0	10-15
Mr H Webber - Non-Executive Director	10-15	0	0	0	0	10-15
BAND OF HIGHEST PAID DIRECTOR'S TOTAL REMUNERATION (£000)	190-195					
MEDIAN TOTAL REMUNERATION (£)	31,089					
RATIO	6.2					

Name and Title	2016-17					
	Salary	Taxable Benefits	Annual performance-related bonus	Long-term performance-related bonus	Pension-related benefits	Total
	(bands of £5,000)	Rounded to the nearest £100	(bands of £5,000)	(bands of £5,000)	(bands of £2,500)	(bands of £5,000)
Mr E J Denning - Chairman	35-40	0	0	0	0	35-40
Mrs S Sjuve - Chairman	0-5	0	0	0	0	0-5
Mr P Dunt - Chief Executive	65-70	0	0	0	0	65-70
Mrs P Head - Chief Executive	105-110	0	0	0	102.5-105.0	210-215
Dr C Tibbs - Medical Director	180-185	0	0	0	0	180-185
Mr A Turner - Director of Organisational Transformation	130-135	0	0	0	27.5-30.0	160-165
Mr P Ridley - Director of Finance and Informatics	15-20	0	0	0	2.5-5.0	20-25
Mr G Mahoney - Director of Strategic Marketing	115-120	0	0	0	0	115-120
Mrs L Stead - Director of Nursing & Patient Experience	120-125	0	0	0	0	120-125
Mr G Hobson - Chief Operating Officer	40-45	0	0	0	0	40-45
Mr R Dunworth - Interim Director of Finance and Informatics (see below)	255-260	0	0	0	0	255-260
Mr J D Coleman - Interim Chief Operating Officer (see below)	30-35	0	0	0	0	30-35
Mrs J Burke - Non-Executive Director	5-10	0	0	0	0	5-10
Ms D Glenn - Non-Executive Director	5-10	0	0	0	0	5-10
Mr G Crouch - Non-Executive Director	5-10	0	0	0	0	5-10
Mrs S Trundle - Non-Executive Director	0-5	0	0	0	0	0-5
Mrs H Clanchy - Non-Executive Director	10-15	0	0	0	0	10-15
Mr M Hedley - Non-Executive Director	10-15	0	0	0	0	10-15
BAND OF HIGHEST PAID DIRECTOR'S TOTAL REMUNERATION (£000)	255-260					
MEDIAN TOTAL REMUNERATION (£)	30,036					
RATIO	8.6					

Notes:	
Mr P Ridley	resigned as Director of Finance & Informatics on 29/05/2016
Mrs S Trundle	resigned as a Non-Executive Director on 30/06/2016
Mr P Dunt	resigned as Chief Executive on 31/08/2016
Mrs P Head	commenced as Chief Executive on 01/09/2016
Mrs J Burke	resigned as a Non-Executive Director on 06/01/2017
Ms D Glen	resigned as a Non-Executive Director on 28/02/2017
Mr G Crouch	resigned as a Non-Executive Director on 28/02/2017
Mr J Denning	resigned as Chairman on 28/02/2017
Mrs S Sjuve	commenced as Chairman on 01/03/2017
Mr G Hobson	commenced as Chief Operating Officer on 01/11/2016 and resigned on 31/03/2017
Mr J D Coleman	commenced as Interim Chief Operating Officer on 23/01/2017. His assignment ended on 31/03/2017
Mr R Dunworth	commenced as Interim Director of Finance & Informatics on 06/06/2016 with the assignment ending on 31/03/2017
Mr R Dunworth	commenced as Director of Finance & Informatics (permanent position) on 01/05/2017
Mrs G Bagley	commenced as a Non-Executive Director on 20/04/2017
Mr L Jemmett	commenced as a Non-Executive Director on 20/04/2017
Mr A Prince	commenced as a Non-Executive Director on 20/04/2017
Mr H Webber	commenced as a Non-Executive Director on 20/04/2017
Mr R Peet	commenced as Chief Operating Officer on 05/06/2017
Dr C Tibbs	amended his role as Medical Director to a shared role on 01/07/2017
Dr M Illsley	commenced as Medical Director (in a shared capacity) on 01/07/2017
Mr A Turner	seconded into a set up role for a new subsidiary company, Healthcare Partners Ltd, on 01/11/2017. Resigned as Director of Organisational Transformation on 31/03/2018
Mrs R Barker	commenced as Director of Human Resources on 06/11/2017
Mrs H Clanchy	resigned on 28/02/2018
Dr A Mitchell	Joined Trust on 04/17 - left 09/17. received no payment for his role as a Non-Executive Director

Remuneration received by directors in 2017/18 totalled £1,348,546 (2016/17 £889,614 to directly employed directors and £290,610 paid to an agency and personal service company for two interim Executive Directors). £301,678 (2016/17 £140,532 paid to one director) was paid to the two directors sharing the Medical Director position in respect of their clinical roles.

The 'Median Total Remuneration' value calculation only includes employees that have been employed on a permanent contract of employment. Staff employed on a bank contract have been excluded from the calculation. In calculating the Median Ratio the highest paid director's banding excludes pension related benefits to ensure a like for like comparison is made. The highest paid director in the 2017/18 financial year was the Chief Executive.

In the 2016/17 financial year, the highest paid director was the Director of Finance who was employed on an interim contract through an agency. The reported salary was significantly higher than that for the equivalent substantive position, which resulted in the median ratio being higher in 2016/17 than the median value being reported for 2017/18.

Expenses incurred by directors and governors during 2017/18 were as follows:
Directors £14,312 (2016/17 £12,538)
Governors £1,974 (2016/17 £1,664)

Salary and Pension entitlements of senior managers cont.

Pension Benefits

Name and title	Real increase in pension at age 60	Real increase in lump sum at age 60	Total accrued pension at age 60 at 31 March 2018	Total related lump sum at age 60 at 31 March 2018	Cash Equivalent Transfer Value at 31 March 2018	Cash Equivalent Transfer Value at 31 March 2017	Real Increase in Cash Equivalent Transfer Value	Employers Contribution to Stakeholder Pension
	(bands of £2,500)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)	£000	£000	£000	To nearest £100
Mrs P Head - Chief Executive	2.5 - 5.0	2.5 - 5.0	50 - 55	160 - 165	1,085	941	134	0
Mr R Dunworth - Director of Finance and Informatics	0 - 2.5	0	10 - 15	35 - 40	330	286	38	0
Dr M Illsley - Medical Director (Shared)	0 - 2.5	5.0 - 7.5	40 - 45	130 - 135	897	828	61	0
Mr G Mahoney - Director of Strategic Marketing	2.5 - 5.0	0	15 - 20	25 - 30	325	272	50	0
Mr R Peet - Chief Operating Officer	2.5 - 5.0	0 - 2.5	30 - 35	20 - 25	389	307	59	0
Mrs L Stead - Director of Nursing & Patient Experience	0 - 2.5	2.5 - 5.0	40 - 45	125 - 130	817	737	72	0
Mr A Turner - Director of HR & Organisational Transformation	0 - 2.5	0	10 - 15	0	236	193	41	0

Non-Executive Directors and Interim Executive Directors paid through an agency or personal service company are not shown above as they receive non-pensionable remuneration.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with SI 2008 No.1050 Occupational Pension Schemes (Transfer Values) Regulations 2008.

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. A CETV is not provided once a scheme member reaches age 60.

Analysis of staff costs

Staff costs

	Group			
			2017/18	2016/17
	Permanent	Other	Total	Total
	£000	£000	£000	£000
Salaries and wages	132,880	14,110	**146,990**	141,404
Social security costs	15,309	-	**15,309**	14,661
Apprenticeship levy	713	-	**713**	-
Employer's contributions to NHS pensions	17,039	-	**17,039**	16,644
Pension cost - other	9	-	**9**	6
Other post-employment benefits	-	-	**-**	-
Other employment benefits	-	-	**-**	-
Termination benefits	169	-	**169**	56
Agency/contract staff	-	9,709	**9,709**	9,225
NHS charitable funds staff	-	-	**-**	-
Total gross staff costs	**166,119**	**23,819**	**189,938**	**181,996**
Recoveries in respect of seconded staff			**-**	
Total staff costs	**166,119**	**23,819**	**189,938**	**181,996**
Of which				
Costs capitalised as part of assets	172	-	**172**	179
Average number of employees (WTE basis)				
	Group			
			2017/18	2016/17
	Permanent	Other	Total	Total
	Number	Number	Number	Number
Medical and dental	550	40	**590**	590
Ambulance staff	1	-	**1**	-
Administration and estates	770	110	**880**	849
Healthcare assistants and other support staff	440	93	**533**	519
Nursing, midwifery and health visiting staff	1,052	119	**1,171**	1,174
Nursing, midwifery and health visiting learners	-	-	**-**	-
Scientific, therapeutic and technical staff	605	72	**677**	686
Healthcare science staff	-	-	**-**	-
Social care staff	7	0	**7**	-
Other	-	-	**-**	7
Total average numbers	**3,425**	**434**	**3,859**	**3,825**
Of which:				
Number of employees (WTE) engaged on capital projects	2	1	**3**	3

Reporting of compensation schemes - exit packages 2017/18								
	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages	Number of departures where special payments have been made	Cost of special payment element included in exit packages
	Number	£'s	Number	£'s	Number	£'s	Number	£'s
Exit package cost band (including any special payment element)								
<£10,000	-	-	9	20,230	**9**	**20,230**	-	-
£10,001 - £25,000	1	24,867	2	25,463	**3**	**50,330**	1	13,171
£25,001 - 50,000	1	35,862	-	-	**1**	**35,862**	-	-
£50,001 - £100,000	-	-	1	62,765	**1**	**62,765**	1	42,506
£100,001 - £150,000	-	-	-	-	**-**	**-**	-	-
£150,001 - £200,000	-	-	-	-	**-**	**-**	-	-
>£200,000	-	-	-	-	**-**	**-**	-	-
Total number of exit packages by type	**2**	**60,729**	**12**	**108,458**	**14**	**169,187**	**2**	**55,677**

Redundancy and other departure costs have been paid in accordance with the provisions of Agenda for Change. Exit costs in this note are the full costs of departures agreed in the year. Ill health retirement costs are met by the NHS Pension Scheme and are not included in the table.

Exit packages: other (non-compulsory) departure payments		
	2017/18	
	Payments agreed	Total value of agreements
	Number	£000
Voluntary redundancies including early retirement contractual costs	-	-
Mutually agreed resignations (MARS) contractual costs	-	-
Early retirements in the efficiency of the service contractual costs	-	-
Contractual payments in lieu of notice	10	32
Exit payments following Employment Tribunals or court orders	2	76
Non-contractual payments requiring HMT approval	-	-
Total	**12**	**108**
Of which:		
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	-	-

Staff Report

Resourcing

Resourcing activity in the year has seen clinical staff increase from 2630 whole time equivalents (WTE) to 2647 WTE, an increase of 17 WTE clinical staff.

Staff in post March 2017 v March 2018		
Permanent staff in post (WTEs)	**March 17**	**March 18**
Consultants	214.1	223.7
Junior medical	335.9	333.8
Nursing, midwifery & health visitors	1072.5	1057.5
Dental	0	0
Scientific, therapeutic, & technical	689.8	702.2
Other clinical staff	318.1	330.2
Non clinical staff	752.9	807.7
Total	**3383.3**	**3455.1**

Staff gender distribution

A breakdown of the number of persons who were directors of the Trust, senior managers and other employees is shown below; figures for previous year appear in brackets:

	March 17	**March 18**
Directors (including clinical directors)		
Male	(22)	27
Female	(11)	13
Senior Managers		
Male	(82)	92
Female	(172)	192
Employees		
Male	(751)	772
Female	(2787)	2830

Note: In the absence of any specific guidance regarding the classification of "Senior Manager" we have counted staff at Band 8a and above in this category.

Staff monitoring

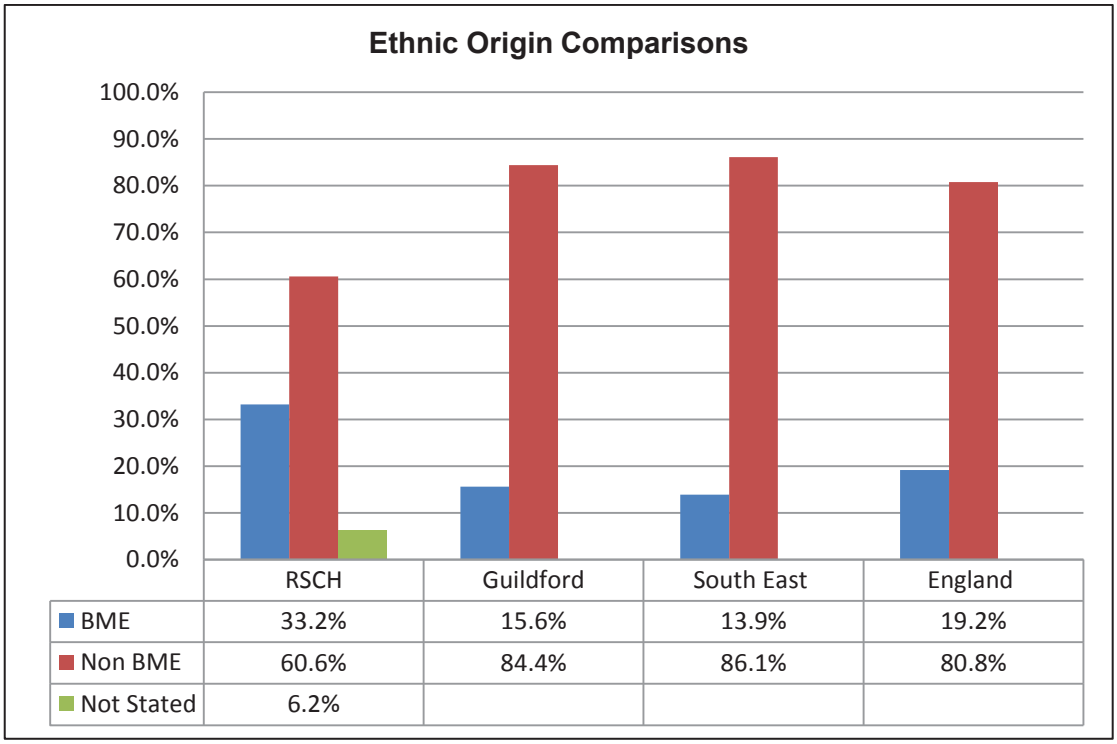
The age, ethnic breakdown, staff gender distribution and number of staff with recorded disabilities is shown below:

	Number of staff	As a %	Number of staff	As a %	Number of staff	As a %	Number of staff	As a %	Number of staff	As a %
	2013/14		2014/15		2015/16		2016/17		2017/18	
	31st March 2014		31st March 2015		31st March 2016		31st March 2017		31st March 2018	
Age										
0-16	0	0	0	0	0	0	1	0.0	0	0
17-21	43	1.2	46	1.4	71	1.9	41	1.1	43	1.1
22+	3457	98.8	3548	98.6	3738	98.1	3783	98.8	3883	98.9
Ethnicity										
White	2504	71.5	2578	70.2	2708	69.8	2662	69.6	2685	68.4
Mixed	53	1.5	63	1.7	67	1.7	54	1.4	69	1.8
Asian or Asian British	385	11	429	11.7	446	11.5	456	11.9	504	12.8
Black or Black British	94	2.7	82	2.2	88	2.3	93	2.4	103	2.6
Other	465	13.3	521	14.2	573	14.8	560	14.6	565	14.4
Gender										
Male	735	21	758	21	873	22.5	855	22.4	891	22.7
Female	2766	79	2886	79	3009	77.5	2970	77.6	3035	77.3
Transgender	0	0	0	0	0	0	0	0	0	0
Recorded Disability	30	0.86	33	0.9	43	1.1	57	1.5	54	1.4

Current Workforce

The Trust's workforce profile is more diverse than the local population, with a higher proportion of Black and Minority Ethnic (BME) staff compared to both Guildford and the wider South East area (source: ONS Census 2011).

Trust workforce demographic data shows that approximately 74 per cent of employees live within the Guildford postcode area; the higher BME representation is therefore not unexpected as staff commute from a wider geographical area to come to work.



	RSCH	Guildford	South East	England
BME	33.2%	15.6%	13.9%	19.2%
Non BME	60.6%	84.4%	86.1%	80.8%
Not Stated	6.2%			

The overall Trust profile has changed slightly in recent years, with the number of BME staff employed at the Trust as a percentage of the total workforce, increasing year on year since 2015 from 25.4 per cent to 33.2 per cent. This reflects the successful international recruitment of nursing staff from overseas during the last three years, and in addition the number of "Not Stated" records has also improved during the same period, from 11.1 per cent in 2015 to 6.2 per cent in 2018.

Sickness absence 1 January 2017 to 31 December 2017

The Trust's sickness rate for the calendar year 2017 of 3.03 per cent continues to compare favourably with the NHS national average of 4.0 per cent* and is 0.1 per cent lower than the previous year. This is a direct result of the focus on staff wellbeing and the supporting actions and initiatives we now have in place.

The following table provides summary data for both this year and the previous year.

	2017	2016
Total Days Lost	23,376	23,271
Total Staff Years	3,396	3,398
Average Working Days Lost (per WTE)	6.9	7

*source Health & Social Care Information Centre, Sickness Absence Rates in the NHS - July to September 2017

Staff policies

The Trust has a Recruitment and Selection policy in place, which supports our employees whilst also encouraging delivery of the highest standards of care and service to patients and services users. The Trust aims to be the 'employer of choice' locally, and draws on a wide and diverse range of people with a variety of skills and talents to deliver and manage its services, concentrating positively on the real requirements of
jobs and the individual abilities of people who seek employment with the Trust. The Trust uses NHS Jobs to advertise all posts and applicants are asked about disabilities as part of the process. Close links take place with our occupational health team to ensure we do all we can to support staff with disabilities at work. The Trust continues to demonstrate its commitment to disability, taking positive action by displaying the Positive about Disabled People symbol which includes:

- Interviewing applicants with disabilities who meet the minimum job criteria
- Consulting annually with individual staff with disabilities through the appraisal process about how the Trust can develop and support them
- Making every effort to redeploy staff who become disabled and cannot continue in their current role
- Raising awareness of disability amongst staff
- Monitoring and communicate achievements in relation to commitments

During the year, the Trust received 427 applications for jobs from candidates with disabilities. Of these, 185 candidates were shortlisted and 22 interviewees were appointed

Health and Safety (H&S)

The Trust strives to promote and achieve excellence by ensuring, so far as is reasonably practicable, the safety of all patients, staff and visitors.

Health and safety across the Trust continues to be overseen by the health and safety committee, which has membership from both management and staff side.

The committee scrutinises and ratifies health and safety policies, discusses and decides on health and safety issues affecting staff and patients of the Trust and in addition to traditional health and safety reports, receives reports from a variety of health and safety disciplines such as security, fire, manual handling and occupational health.

The committee is informed of local issues by a network of health and safety representatives. The health and safety representatives can contact the health and safety advisor, and every quarter a health and safety reps drop in session is held where representatives can discuss issues that arise in the workplace and what action they would like the Trust to take. Their attendance at committee meetings is by rota and is considered important to assist the committee to make appropriate decisions in the best interests of staff and patients.

Moving forward health and safety will take a more proactive role with the divisions by attending their meetings to highlight to the associate directors and senior managers, their responsibilities regarding health and safety inspections, security risk assessments, COSHH risk assessments, and training. This involvement with the directors and managers as well as continuing with reminders for departments should allow us to meet our targets for 2018/19.

Every year the Trust sets key performance indicators to monitor its health and safety performance and the 17/18 indicators are outlined below along with a summary of the Trust's performance against them:

Objective	2016/17 Performance	2017/18 Target	Measure	2017/18 Performance	Comment
Policy					
Ensure all H&S Policies are up to date	100%	100%	Policies on TrustNet	87.5% 	The Trust has achieved 87.5% of this target with 14 out of its 16 core H&S policies being up to date. The polices waiting to be ratified are: Fire Safety, & Manual Handling.

Objective	2016/17 Performance	2017/18 Target	Measure	2017/18 Performance	Comment
Organisation					
Achieve a compliance of 95% compliance with H&S Statutory and Mandatory Training	86.5%	95%	Training data	87.5% 	The Trust has refined the training programme to make it more accessible to staff and have continued using quizzes. The compliance of 87.5% achieved for 17-18 compares to 86.5% in 2016/17 and 88.5% in 2015/16.
Risk Assessment / Safety Inspections					
Maintain 100% compliance with fire risk assessments	100%	100%	Monitoring and audit Results	100% 	**MET** All assessments are completed by the Trust's Fire Officer annually.
Achieve 95% compliance with security risk assessments	96.4%	95%	Monitoring and audit results	73% 	For 2017-18 a compliance of 73% was reached compared to 96.40% in 2016-17. Despite the Health & Safety team continuing to remind departments and escalating to the Associate Directors their compliance, the Trust has not met this target. More work will need to be continued to improve this compliance in 2018/2019.
Introduce a quarterly H&S report for Divisions	N/A	1 report per Division (6) per year	Reviewed at H&S Committee	5 	All Divisions provided reports to the H&S Committee except for Corporate Support for the H&S Committee meeting Nov 2017.

Objective	2016/17 Performance	2017/18 Target	Measure	2017/18 Performance	Comment
Achieve 95% compliance in Control of Substances Hazardous to Health (COSHH) risk assessments	97.2%	95%	Tracking data	61.1%	For 2017-18 a compliance of 61.1% was reached compared to 97.20% in 2016-17. Despite the Health & Safety team continuing to remind departments and escalating to the Associate Directors their compliance, the Trust has not met this target. More work will need to be continued to improve this compliance in 2018/2019.
Achieve 95% compliance with H&S inspections	98%	95%	Tracking data	73% 	For 2017-18 a compliance of 73% was reached compared to 98% in 2016-17. Despite the Health & Safety team continuing to remind departments and escalating to the Associate Directors their compliance, the Trust has not met this target. More work will need to be continued to improve this compliance in 2018/2019.
Achieve 75% completion of all actions arising from H&S inspections	91.7%	90%	Tracking data	91% 	**MET**
Adverse Events Management					
Maintain 100% completion of actions arising from learning panels	100%	100%	Tracking data	100% 	**MET**

Objective	2016/17 Performance	2017/18 Target	Measure	2017/18 Performance	Comment
Achieve a year on year reduction in avoidable falls	29 falls	<30	Incident data	26 	**MET**
Reduce incidents reported as 'other' to less than 5%	2.86%	<5%	Incident data	1.03% 	**MET**
Achieve 75% compliance with RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) reporting requirements	67%	75%	Reporting Data	0%  (1 incident reported by Bramshott Ward)	The compliance is 0% as there was only one RIDDOR incident reported in FY 2017-18. Incident occurred in October but department did not let H&S know until Nov regarding amount of time staff member took off work. Compliance for 17-18 was 0% compared to 67% in 16-17.
Achieve a year on year reduction on the average falls rate	0.669	<0.776	Incident Data / Workforce Data	0.472 	**MET**
Achieve a reduction in health and safety claims over the next 3 years	2	<2	Claims Data	2 	Whilst the Trust has received 2 claims this financial year, the level of claims remains the same that was seen in 2016/17 and therefore overall the Trust has achieved this KPI.
Managing Violence and Aggressions					
Achieve a year on year increase in reporting of abuse incidents by A&E	48	>19	Incident Data	43 	**MET**

Objective	2016/17 Performance	2017/18 Target	Measure	2017/18 Performance	Comment
95% compliance with Conflict resolution training for the top reporters of physical and verbal abuse	73.5%	95%	Training Data	81.4% 	Some progress has been made compared to 2016/17, although further work is required to reach the required level of compliance.

The above red, amber or green (RAG) rating is allocated according to the progress made with achieving the target. Green = achievement of the KPI, amber = year on year improvement, red = failed KPI and no improvement on previous year.

Staff Health and Wellbeing 2018/2019

Promoting the health and wellbeing of staff across the Trust is a key priority for the organisation.

There is a strong link between employee engagement and health and wellbeing. Highly engaged staff deliver excellent quality of care to patients and the 2017 staff survey reported that 70 per cent of staff would recommend a friend or relative for treatment at the Trust. Staff in the Trust take a responsible attitude towards their own health and work in partnership with the health and wellbeing department to ensure that they are fully fit and motivated to undertake their responsibilities. In the third quarter of 2017 the Trust achieved 71per cent completion rate for flu vaccination. This was a CQUIN target which the trust has consistently achieved over the last two years.

The Trust has recently appointed a new health and wellbeing manager who will be undertaking a comprehensive review of occupational health and health and wellbeing needs for the Trust for the next 12 months and for the longer term. The Trust is mindful of the link between high levels of health and wellbeing, staff engagement, and delivery of high quality services to patients.

Current Status

The Trust reports low levels of staff sickness (2.8 per cent), and report low levels of musculoskeletal problems, and staff feeling unwell due to stress. There are areas however that will benefit from greater health promotion across the Trust and significant efforts are being made to improve ways of communicating the benefits of general health awareness. Staff are encouraged to take steps to monitor their own key health indicators and address areas where appropriate thorough nutrition, exercise and screening.

The Trust runs weekly walk in 'Healthy Numbers' clinics where staff can have their cholesterol, body mass index, and blood pressure levels measured. Members of the health and wellbeing department then work with individual staff to design a personalised plan to address areas of concern if appropriate.

Initiatives for next 12 months

- The Trust is committed to promoting initiatives to sustain high levels of mental health across the organisation and has introduced a mental health awareness programme with the aim of educating staff on these issues. A new training programme has been developed for managers who are encouraged to attend the training so that they are better informed about how to identify the signs of stress amongst their team members. The Trust works in partnership with Mersey Care who provide independent counselling services to those members of staff who require assistance.
- The monthly induction training sessions now include a workshop on health and wellbeing with a special focus on sustaining strong levels of resilience, important in a pressured environment.
- Improved methods of communication to promote health and wellbeing initiatives including use of social media and a health awareness communication framework has been designed to improve access to health information. External sources for support have been identified to include the voluntary sector and local authorities who can both act as knowledge hubs to support the Trust. Monthly ward 'walk abouts' have been introduced to promote the Trust's health and wellbeing services and to provide support to clinical areas.
- A calendar of health and wellbeing events has been established and is widely promoted throughout the Trust.
- A series of health screening programmes have been introduced for staff which include bowel cancer awareness and ovarian cancer awareness. The Trust is also partnering with Diabetes UK later in the year to raise awareness of the condition with staff across the Trust.
- The Trust has also put in place a comprehensive mentoring programme for managers which is anticipated will raise levels of staff engagement and impact health and wellbeing in a positive way.

Metrics for measurement

Staff sickness levels

- Staff attrition levels
- Staff survey reports
- Internal focus groups and surveys

Raising Concerns and countering fraud and corruption

The Trust has a Raising Concerns (whistle-blowing) Policy and Bribery and Counter Fraud Policies.

- Freedom to Speak Up Guardian – Raj Bhamm
- Guardian of Safe Working – Dr Steve Cookson

Expenditure on consultancy

Off-payroll arrangements

- The Trust only resorts to use of off-payroll arrangements where there are specific and immediate shortages or specific skill requirements that it cannot fulfil from the substantive workforce. By their nature these arrangements are of a short, definitive period with clearly defined objectives and outcomes. In all circumstances the Trust complies with HMRC and NHS Improvement rules and procedures
- The following table details all off-payroll engagements as of 31 March 2018, for more than £220 per day and that last for longer than six months:

No. of existing engagements as of 31 March 2018	8
Of which:	
Number that have existed for less than one year at the time of reporting	5
Number that have existed for between one and two years at the time of reporting	3
Number that have existed for between two and three years at the time of reporting	
Number that have existed for between three and four years at the time of reporting	
Number that have existed for four or more years at the time of reporting	

- All interim staff have been reviewed in line with IR35 requirements and appropriate assurances have been sought.
- The following table details all new off-payroll engagements, or those that reached six months in duration, between 1 April 2017 and 31 March 2018, for more than £220 per day and that last for longer than six months:

Number of new engagements, or those that reached six months in duration between 1 April 2017 and 31 March 2018	17
Number of the above which include contractual clauses giving the trust the right to request assurance in relation to income tax and national insurance obligations	17
Number for whom assurance has been requested	17
Of which:	
Number for whom assurance has been received	17
Number for whom assurance has not been received	0
Number that have been terminated as a result of assurance not being received	0

- The following table details off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2017 and 31 March 2018:

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	2
Number of individuals that have been deemed "board members and/or senior officials with significant financial responsibility". This figure includes both off-payroll and on-payroll engagements.	26

- The following table details off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2017 and 31 March 2018:

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	2
Number of individuals that have been deemed "board members and/or senior officials with significant financial responsibility". This figure includes both off-payroll and on-payroll engagements.	26

Staff exit packages

- There were nine staff exit packages during the year one related to voluntary redundancy and eight related to payment in lieu of notice: During the 2016/17 financial year there was one voluntary redundancy arrangement agreed and eight contractual payments made in lieu of notice

	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
Exit package cost band (including any special payment element)			
<£10,000	-	8	**8**
£10,001 - £25,000	-	1	**1**
£25,001 - 50,000	-	-	**-**
£50,001 - £100,000	-	-	**-**
£100,001 - £150,000	-	-	**-**
£150,001 - £200,000	-	-	**-**
>£200,000	-	-	**-**
Total number of exit packages by type	**-**	**9**	**9**
Total resource cost (£)	-	£55,802	**£55,802**

Staff engagement

As a major local employer, the Trust is committed to the principles of partnership working and staff engagement.

The Trust strongly believes that involving its staff in decision making processes draws upon their knowledge and expertise from their work environment to generate ideas that will help develop and modernise NHS services.

The Trust has a range of mechanisms to involve staff in making decisions about future developments. For example, the Trust has a Staff Council which meets regularly. It provides an effective method of regular consultation between managers and staff representatives and is intended to form the basis of a constructive and co-operative approach towards achieving corporate goals.

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

- Business planning, involving managers and staff

- The clinical governance infrastructure, which enables multidisciplinary discussion of clinical issues and service improvement
- Regular face-to-face update briefings from the Chief Executive, executive director management briefings through which key points are cascaded to teams and departments, with the opportunity for staff to ask questions and raise concerns
- A weekly e mail bulletin (E Roundup) to which all staff are encouraged to contribute
- A well-used intranet which includes departmental mini-sites and a live news feed incorporating a comments section allowing staff to feedback on items of staff news
- Staff following the Trust on its official Facebook and Twitter sites and contributing to exchanges as appropriate

Following a comprehensive and extensive listening and engagement exercise during 2017, we worked with staff to agree a new mission, vision and values for the Trust. We wanted to create an organisation shaped by our people, and which reflected our determination to succeed in all we do, always achieving the best health outcomes and the best experience for our patients. Our new mission vision and values were launched in December.

Our vision: To provide **nationally celebrated**, community focussed **health and care**.

Our mission: Together we deliver **compassionate**, **safe** care **every day**.

Our values: **Caring** together, **learning** together, continuously **improving** and **excelling** together.

Recognising our exceptional staff – the Surrey Stars Awards

The Trust has an amazing team of staff and the Trust recognises this with an annual awards ceremony. The Royal Surrey Stars Awards is an opportunity to acknowledge publicly and celebrate individuals and teams who have made an outstanding contribution to the Trust's care for patients.

The Trust received more than 140 nominations from both patients and staff and the winners were:

Employee of the year	Tanya Klopper
Leading by example	Victoria Mumford /Mark Evans
Diagnostics and clinical support services	HCA pre-employment programme
Women and Children	Abigail Cook
Surgery	Compton Ward team
Volunteer of the year	Blaise Copeland
Patient's choice	ICU
Access and Medicine	Emergency Department Nursing Team
Innovation of the year	Jo Macleod & Claire Worthington
Just get it done	Silvana Di Palma
Corporate support functions	Cyber Attack Recovery Team
Oncology	Teenage and Young Adult Cancer Team
Chair's Award	Tracey Irvine

Staff Survey results

In September 2017 the National NHS Survey was undertaken, it is designed to collect the views of staff about their work and the Trust. The overall aim of the survey is to gather information to help improve the working lives of NHS Staff and so provide better care for patients.

There was a response rate of 44 per cent compared with a response rate of 34 per cent for this Trust in the 2016 survey which is encouraging. The findings of the survey are arranged under seven headings – the four staff pledges from the NHS Constitution, and the three additional themes of equality and diversity, errors and incidents, and patient experience

measures. The survey is designed nationally to reflect the four themes that staff have said matter to them. These themes informed the Next Stage Review and the NHS Constitution.

The Trust is delighted that the 2017 staff survey results show another year of continued good performance with an overall staff engagement score of 3.89 and it is encouraging that the Trust's score is above average when compared to Trusts of a similar type.

Top and bottom ranking scores

Top scores	Trust Score 2017	Average Score across Trusts 2017	Trust score in 2016
KF9 Effective Team Working (higher score better)	3.80	3.72	3.85
KF26 Percentage of staff experiencing harassment bullying or abuse from staff in the last 12 months (lower score better)	23	25	20
KF21 Percentage of staff believing that the organisation provides equal opportunities for career progression or promotion (higher score better)	89	85	90
KF29 Percentage of staff reporting errors, near misses, or incidents witnessed in the last 12 months (higher score better)	92	90	93
KF12 Quality of Appraisals (higher score better)	3.31	3.11	3.28
Bottom scores	**Trust Score 2017**	**Average Score across Trusts**	**Trust Score 2016**
KF16 Percentage of staff working extra hours (lower score better)	76	72	78
KF 18 Percentage of staff attending work in the last 3 months despite feeling unwell because they felt pressure from their manager, colleagues or themselves. (lower score better)	62	56	61
KF 24 percentage of staff/colleagues reporting most recent experience of violence. (higher score better)	63	67	65
KF 20 Percentage of staff experiencing discrimination at work in the last 12 months (lower score better)	13	11	11
KF28 Percentage of staff witnessing potentially harmful errors, near misses, or incidents in last month. (lower score better)	32	31	31

Next steps

The Trust has shared the 2017 results with all key stakeholders including the Board, managers and staff. Over the coming year the Trust will work with staff and staff side colleagues to act to improve in a number of identified areas. The current environment in which the Trust operates is challenging and constantly changing, and to continue to get top scores in many important indicators shows the Trust is continuing in the right direction for staff and, ultimately, patients.

The Trust has been placed in the top 20 per cent of acute trusts and compared to the 2016 Staff Survey results RSCH scored significantly better on 12 questions.

The Trust has designed an implementation and feedback plan and is undertaking more in-depth analysis in certain areas. Emphasis will be placed on ensuring that staff are involved in developing action plans to address areas of concern and all action plans identified will be coterminous with Health and Wellbeing initiatives currently being introduced across the Trust. Regular feedback will be provided to staff on the progress of all steps taken to address areas where there are opportunities for improvement.

NHS Foundation Trust Code of Governance Disclosures

Statement of compliance with the NHS Foundation Trust Code of Governance

The 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 Trust is a public benefit corporation established under Section 35 of the National Health Service Act 2006.

The Board attaches significant importance to ensuring that the Trust operates to high ethical and compliance standards. In addition, it seeks to observe the principles set out in the Monitor NHS Foundation Trust Code of Governance. Having been found, in 2016, to be in breach of its Licence by NHS Improvement the Trust complied with regulatory action which included a full review of the Trust's governance. All recommendations were accepted and a detailed action plan was developed and executed, resulting in the trust emerging from licence breach on 16 October 2017.

The Board is responsible for the management of the Trust and for ensuring proper standards of corporate governance are maintained. The Board accounts for the performance of the hospital and consults on its future strategy with its members through the Council of Governors.

The Council of Governors' role is to influence the strategic direction of the Trust to consider the needs and views of the members, local community and key stakeholders, to hold the Board to account for its performance, to develop a representative, diverse and well-involved membership and to make a noticeable improvement to the patient experience.

It must undertake other statutory and formal duties, including the appointment of the Chairman and Non-Executive Directors of the Trust and appointment of the external auditors. In the event of a dispute between the Board and the Council a disputes procedure is described in the Constitution.

In accordance with its Licence, the Trust has in place mechanisms in its Constitution to ensure that no person who is an unfit person may become or continue as a governor, except with the approval in writing of NHS Improvement. The Board has established governance policies that reflect the principles of the NHS Foundation Trust Code of Governance, these include:

- Corporate Governance Framework incorporating the Standing Orders of the Board of Directors, Standing Orders of the Council of Governors, Scheme of Reservation and Delegation of Powers, and Standing Financial Instructions.
- Established role of senior independent director.
- Regular private meetings between the chair and the non-executive directors.
- Performance Appraisal Process for all non-executive directors, including the chair, developed and approved by the council of governors.
- Attendance records for directors and governors at key meetings.
- Register of Interests – directors, governors and senior staff
- Established role of lead governor.
- Regular communication between the chair and governors to advise matters reviewed at Board meetings.
- Effective council of governors' sub-committee structure.
- Council of governors' agenda-setting process.
- Board remuneration committee.
- Nominations committee of the council of governors.
- Agreed recruitment process for non-executive directors.
- High quality reports to the Board and council of governors.
- Council of governors' presentation of performance and achievement delivered by the lead governor at Annual Members Meeting.
- Code of conduct for governors.
- Robust audit committee arrangements

Governance Structure

The Trust continues to be open and transparent with the community through the public Council of Governors' meetings, public Board meetings, the various health events held during the year, the local interest groups e.g. Healthwatch and the large amount of information on the Trust's website.

Directors and their independence

The Board has reviewed and confirmed the independence of all the non-executive directors who served during the year, none of whom have any conflicting relationships and who

individually confirmed that they meet the Fit and Proper Person requirements of the Care Quality Commission.

Brief biographies of the directors who held office during the year appear on page 24 - 29

The Board

The Board strives to operate according to the highest corporate governance standards. It is a unitary Board with collective responsibility for all aspects of the performance of the Trust, including financial performance, clinical and service quality, management and governance. The Board is legally accountable for the services provided by the Trust and key responsibilities include:

- Setting the strategic direction (having considered the Council of Governors' views).
- Ensuring that adequate systems and processes are maintained to deliver the Trust's plan.
- Ensuring that its services provide safe, effective, personal care for patients.
- Ensuring robust governance arrangements are in place supported by an effective assurance framework that supports sound systems of internal control.
- Ensuring rigorous performance management which ensures that the Trust continues to achieve all local and national targets.
- Seeking continuous improvement and innovation.
- Measure and monitor the Trust's effectiveness and efficiency.
- Ensuring that the Trust, always, is compliant with its Licence, as issued by the sector regulator NHS Improvement.
- Exercising the powers of the Trust established under statute, as described within the Trust's Constitution

The Board is also responsible for establishing the values and standards of conduct for the Trust and its staff in accordance with NHS values and accepted standards of behaviour in public life including selflessness, integrity, objectivity, accountability, openness, honesty and leadership (The Nolan Principles). This is clearly set out within the Corporate Governance Manual published on TrustNet (the Trust's intranet).

The Board has resolved that certain powers and decisions may only be exercised or made by the Board in formal session. These powers and decisions, and those of the Trust's Council of Governors, are set out in the Reservation of Powers to the Board and Scheme of Delegation.

The Board met in formal session on 23 occasions during the year. These sessions were held in public apart from where the Board resolved to meet in private session, because of the confidential nature of business. Regular contact, including with the Non-Executive Directors, is maintained between formal meetings.

The Board is of sufficient size and the balance of skills and experience is appropriate for the requirements of the business and the future direction of the Trust. Arrangements are in place to enable appropriate review of the Board's balance, completeness and appropriateness to the requirements of the Trust.

All Executive and Non-Executive Directors undergo annual performance evaluation and appraisal. Where appropriate, newly appointed Executive Directors are provided with executive coaching and support. The outcomes of the Executive Director appraisals are reported to the Board Remuneration Committee. The outcomes of Non-Executive Director appraisals are provided to the Council of Governors' Nominations Committee, and then, in summary, to a general meeting of the Council of Governors.

Board performance is evaluated further through focused discussions at strategy meetings, on-going, in-year review of the Board Assurance Framework, and an annual published self-assessment of the Board and each of its committees. Every third year an external assessment is undertaken. This enables continuous and comprehensive review of the performance of the Trust, against the agreed plans and objectives.

Board meetings follow a formal agenda which includes a review of strategy, progress towards delivery of strategic goals a full integrated performance report covering clinical, financial and performance against both national and local targets, and risk management. The Board has discussed the development of the Trust's Strategic Plan with governors on several occasions. Directors have also routinely attended the Council of Governors' meetings. This ensures that all parties maintain an understanding of the views and aspirations of the Trust and can contribute to the forward thinking for the future development of the Trust. During this year the Non-Executive Directors have continued to meet with governors, on several occasions to discuss the Trust's ambitions and performance.

The Executive Directors are responsible for the day to day operational management of the Trust, whilst the Non-Executive Directors share the corporate responsibility for ensuring that the Trust is run efficiently, economically and effectively. Non-Executive Directors use their expertise, interest and experience to achieve this.

The composition of the Board is in accordance with the Trust's Constitution, which sets out the qualifications and reasons for disqualification of directors. It is appropriately composed to fulfil its statutory and constitutional function and remain within its Provider Licence The

directors have timely access to all relevant management, financial and regulatory information. On being appointed to the Board, Non-Executive Directors are fully briefed as to their responsibilities and inducted, with meetings arranged with the Executive Directors and other senior managers within the Trust.

On-going development and training requirements are assessed through the appraisal process.

Chair

From 1 March 2017, the Chair of the Trust was Sue Sjuve a Non-Executive Director who has no conflicting relationships.

The Chair also chairs the Council of Governors' meetings and is responsible for ensuring that there is effective communication between the Board and the Council of Governors and that, where appropriate, the views of the governors are obtained.

Deputy Chairman

The Deputy Chairman appointed on 25 May 2017 is Andrew Prince.

Senior Independent Director

The Senior Independent Director, until he left the Trust due to ill health in September 2017 was Dr Andrew Mitchell, a Non-Executive Director. Following Dr Mitchell's resignation, Andrew Prince was appointed to the role after careful consideration by the Council of Governors and the Board of Directors. Part of the role is to provide another route for communication with governors if they feel unable to raise a concern through the Chairman for any reason. The Senior Independent Director also undertakes the Chairman's appraisal, after seeking feedback from the rest of the Board and from governors.

Appointments, terms of office and attendance

The directors are responsible for assessing the size, structure and skill requirements of the board and considering any changes necessary or new appointments.

The council of governors is responsible for the appointment of non-executive directors. The Trust has a nominations committee comprising governors to deal with the appointment of non-executive directors, and a board remuneration committee which deals with remuneration and benefits for the executive directors and very senior managers, and which convenes an appointments committee from its membership to consider and agree the appointment of executive directors and their equivalents. The governors' committee is chaired by the Trust chair (unless a conflict of interest arises) and is assisted by company secretary.

The committee met on several occasions to discuss the process for appointment and a of the non-executive directors and their remuneration. The committee's recommendations were subsequently agreed by the Council of Governors. The Council of Governors approved the process for appraisal of the non-executive directors and chair in December 2017 and completed the process after the end of the fiscal year.

There were several changes to non-executive directors during the year. Andrew Prince, Gaenor Bagley and Dr Andrew Mitchell we appointed in early April 2017 and Lakh Jemmett and Howard Webber later in the same month. Following the retirement of Dr Mitchell in September 2017, recruitment began for a new clinical non-executive director culminating in the appointment of Professor Lemoine, which was announced in January 2018, with his term beginning on 1 March 2018. Helen Clancy came to the end of her term as non-executive director on 28 February 2018.

The Code of Governance provides for non-executive directors to be appointed for terms of office of up to three years and to be re-appointed for a second term, subject to a maximum of two terms. The appointment can be extended beyond a second term for one year at a time on a case by case basis by the Council of Governors. This is subject to particularly rigorous review and considers the need to refresh the Board and subject to annual reappointment.

If any of the grounds for exclusion or disqualification, set out in the Constitution are found to apply to a non-executive Director during their term of office, their appointment may be terminated. The Chair, other Non-Executive directors and the chief executive (except in the case of the appointment of a new chief executive) are responsible for deciding the appointment of executive directors. The chair and the other non-executive directors are responsible for the appointment and removal of the chief executive, whose appointment requires the approval of the Council of Governors.

Committees of the Board of Directors

During the year the Board of Directors had the following committees:

- Audit
- Finance
- Board Remuneration Committee
- Quality Committee

Membership of Board Committees at 31 March 2018

Director and Position	*Audit	Finance	Board Remuneration	Quality
Sue Sjuve Chair			Chair	
Andrew Prince **Deputy Chair** (appointed 26 April 2017)			Member	
Lakh Jemmett Non-Executive Director (appointed 26 April 2017)		Member		
Howard Webber Non-Executive Director (appointed 26 April 2017)				Member
Gaenor Bagley Non-Executive Director (appointed 26 April 2017)	Chair			
Martin Hedley Non-Executive Director	Member	Chair		
Nick Lemoine Non-Executive Director (appointed 1 March 2019)	Member			Chair
Paula Head Chief Executive		Member		Member
Ross Dunworth Director of Finance from May 2017		Member		
Giles Mahoney Director of Strategic Marketing		Member		

Director and Position	*Audit	Finance	Board Remuneration	Quality
and Business Development				
Louise Stead Chief Operating Officer/ Director of Nursing and Patient Experience		Member (alternates with M.D.)		Member
Dr Christopher Tibbs Medical Director/Deputy Chief Executive		Member (Alternates with DoNPE)		Member
Dr Marianne Illsley **Medical Director**		Member (Alternates with DoNPE)		Member
Roberta Barker **Interim HR Director**				Member

Trust Board Register of Declarations of Interests as at 31 March 2018

Name	Position	Date declared	Organisation and position	Potential Interest	Date Acquired	By Whom
Sue Sjuve	Chair	13 February 2018	Chairman of Makaton Charity	Used by Speech and Language Therapist, Dementia Nurses for communications.	October 2016	Sue Sjuve
			Associate with "Inaccord Ltd" Management Consultancy	None	October 2013	Sue Sjuve
			Director of Drovers Lane Residents Association	None	October 2013	Sue Sjuve
Andrew Prince	Deputy Chair	28 March 2018	Development Director at Serco Global Healthcare Centre of Excellence Serco Group plc.	None	1 January 2016	Andrew Prince
			Chair, Healthcare Partners Limited (HPL)	HPL is a wholly owned subsidiary of the Trust that provides services in relation to contract management, procurement and equipment provision.	1 April 2018	Andrew Prince
Professor Nick Lemoine	Non-Executive Director	24 March 2018	Queen Mary University of London; Executive Director of Barts Cancer Institute	Academic collaborations	May 2004	Nick Lemoine
			Barts Health NHS Trust; Director of R&D for Cancer	NHS service provider	June 2014	Nick Lemoine
			Queen Mary University of London; Executive Director of Barts Cancer Institute	Academic collaborations	May 2004	Nick Lemoine

Name	Position	Date declared	Organisation and position	Potential Interest	Date Acquired	By Whom
Professor Nick Lemoine	Non-Executive Director	24 March 2018	NIHR Clinical Research Network; Medical Director	RSCH hosts Kent, Surrey & Sussex LCRN	June 2014	Nick Lemoine
			NIHR i4i Challenge Programme; Chair of Challenge Awards Panel	NIHR i4i programme funds research in the NHS	Septemb er 2014	Nick Lemoine
			Medical Research Foundation; Chair of Trustees	Organisation funds medical research	June 2009	Nick Lemoine
Martin Headley	Non-Executive Director	2 April 2018	Vision Achievement Limited Managing Director	None	February 2013	Martin Headley
			Board Advisory Services LLC (New Jersey, USA) Non-Executive Director (Aviation Committee Chair)	None	Septemb er 2006	Martin Headley
Lakh Jemmett	Non-Executive Director	14 February 2018	Chairman Portsmouth Water Customer Challenge Group	None	October 2015	Lakh Jemmett

Attendance record for the year ending 31 March 2017

The table below sets out the number of Board and Board Committee meetings held during the year and the number attended by each director:

Director	Board (12)	Audit * (5)	Finance (11)	Board Remuneration (2)	Quality (6)	Council of Governors (4)
Sue Sjuve	12	1	6	2	5	3
Andrew Prince	11	n/a	9 (10)	2	n/a	3
Helen Clanchy (until 28 February 2018)	9(10)	2(4)	1(3)	1(1)	5	2(3)
Dr Andy Mitchell (until 27 September 18)	3(6)	0(3)	n/a	n/a	0	0
Howard Webber	11	n/a	n/a	n/a	4	2
Martin Hedley	11	5	11	2	n/a	3
Gaenor Bagley	11	4	n/a	0(1)	1(1)	2
Lakh Jemmett	10	n/a	8	1(1)	n/a	3

Director	Board (12)	Audit * (5)	Finance (11)	Board Remuneration (2)	Quality (6)	Council of Governors (4)
Paula Head	12	2	7	2	5	4
Ross Dunworth	11	5	11	n/a	n/a	3
Bob Peet (1 June 2017)	10(10)	n/a	3(9)	n/a	n/a	1 (3)
Giles Mahoney	10	1	6	n/a	n/a	4
Louise Stead	9	1	6	n/a	6	3
Christopher Tibbs	12	0	2	n/a	4	3
Alf Turner (until 1 March 2018)	8(8)	2	6	2	4	2 (3)
Marianne Illsley	7(10)	0	0	n/a	4	0
Roberta Barker	4(5)	n/a	n/a	n/a	2 (2)	0 (2)

Trust auditors

On behalf of the Trust the Council of Governors must appoint an external auditor to undertake statutory duties in auditing the financial and quality accounts of the Trust. This involves ensuring that:

- The accounts are prepared in accordance with all relevant directions set by NHSI and any other statutory provisions
- Proper practices have been observed in the compilation of the accounts and
- The Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The Trust's internal audit function was carried out by BDO. The annual internal audit plan was proposed in draft to the Audit Committee including the timing of each audit and was prepared based on the resource input of 180 audits days for 2017/18.

The purpose of internal audit is to provide the Trust, via the audit committee and the chief executive, with an independent and objective opinion on risk management, control and governance and their effectiveness in achieving the Trust's agreed objectives. To provide this opinion, the internal auditor reviews the risk management and governance processes annually within the Trust and on a three-year cyclical basis the operation of internal control systems within the Trust.

A major factor in the effective operation and management of the internal audit service is the proper assignment of its resources to key areas meriting audit review. Initially these areas are identified by reference to the Trust's Board assurance framework and risk register which identify those risks which threaten the delivery of strategic and operational targets. Specific terms of reference for each audit are discussed and agreed with the lead executive director as part of the more detailed planning process; however, the plan provides a summary/purpose of the audits. The audit plan is discussed with each executive director and with the audit committee, to enable audit resource to be focused on providing assurance against the key risks and areas of concern.

The schedule of reviews for each financial year is agreed by the audit committee. Reports on the issues raised and any follow up action are considered, together with management responses and the steps to be taken to avoid similar issues arising again. The day to day relationship with the internal auditor is managed by the director of finance, informatics and estates.

Audit Committee

The Audit Committee provides an independent and objective review of the Trust's system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical). The committee is comprised entirely of independent non-executive directors, the biographical details of which can be found on pages 24 to 29. The first meeting of the year was chaired by Martin Hedley, non-executive director, as this was before the appointment of the permanent audit chair. The committee is now chaired by Gaenor Bagley, non-executive director and the Board is satisfied that she has recent and relevant financial skills and experience necessary to fulfil her role as chair of the committee.

Attendance during 2017/18 is shown on pages 76 to 77. The chair of the audit committee regularly provides an overview of key issues reviewed by the committee to the Board.

Following self-assessment in March 2018, the Board is satisfied that the committee is operating effectively and meets the needs of the Board.

The committee is responsible to the Board for reviewing the adequacy of the governance and internal control processes within the Trust. In undertaking this work the committee primarily utilises the work of internal and external audit and the counter-fraud service.

The committee met its responsibilities during 2017/18, significant areas of work included:

- Reviewing all risk and control related disclosure statements (the Annual Governance Statement), together with the accompanying Head of Internal Audit statement and External Audit Opinion, prior to endorsement by the Board.
- Reviewing the 2017/18 Board Assurance Framework /Corporate Risk Register.
- Reviewing the adequacy of the policies and procedures for all work related to fraud and corruption as set out in Secretary of State Directions and as required by the Counter-Fraud and Security Management Service.
- Utilising the work of internal audit, external audit and the local counter fraud specialist. Reviewing the work and findings of the external auditor, assessing the effectiveness of the external audit process.
- Reviewing the assessment that had been undertaken of the Trust as a 'going concern' to support the production of the annual accounts
- Reviewing Losses and Special Payments Reports.
- Reviewing the 2017/18 annual report and financial statements before submission to the Board.

Executive directors, the financial controller and company secretary normally attend the meetings as well as the external auditor, KPMG LLP, internal auditor (BDO) and counter fraud specialist (Grant Thornton). Other relevant people from the Trust are also invited to attend certain meetings to provide a deeper level of insight into certain key issues and developments. The committee regularly meets separately, in the absence of management, with the external auditor, internal auditor and the counter fraud specialist.

The committee ensures that there is an effective internal audit function established by management that meets mandatory NHS internal audit standards and it reviews the work and findings of the internal auditor.

The committee receives and monitors the policies and procedures associated with counter fraud and corruption. An independent local counter fraud service provided by Grant Thornton produces a counter fraud progress report giving updates on both reactive and proactive work undertaken in the Trust.

The committee reviews and monitors the external auditor's independence, effectiveness and objectivity at least once a year. The Trust's external auditors received £71,667+ VAT for the statutory audit of the consolidated financial statements, quality report and Value for money (VFM) opinion.

KPMG are also the auditors for RSCH Pharmacy Ltd, a fully owned subsidiary of the Trust and during the year on the request of the RSCH Directors did a review of the operation and efficiency of RSCH Pharmacy Ltd. In receiving the accounts, the committee was not required to consider any significant issues.

Directors' responsibilities statement

The directors are responsible under the National Health Service Act 2006 for preparing financial statements for each financial year. The Secretary of State, with the approval of the Treasury, directs that these financial statements give a true and fair view of the state of the Trust for that period. In preparing those financial statements, the directors are required to: apply on a consistent basis, accounting policy laid down by the Secretary of State with the approval of the Treasury; make judgements and estimates which are reasonable and prudent and state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors confirm to the best of their knowledge and belief that they have complied with the above requirements in preparing the financial statements. The directors also consider that the annual report and accounts, taken, 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.

Board, committee and directors' performance appraisal

The directors recognise the importance of evaluating the performance and effectiveness of the Board, of the committees and of individual directors. The performance is appraised in terms of:

- Attendance at Board and committee meetings
- The independence of individual directors
- The ability of directors to make an effective contribution to the Board and committees through the range and diversity of skills and experience each director brings to the role
- Individual performance objectives
- The Board's ability to make strategic decisions and to manage the Trust effectively

In terms of individual appraisals, the chair undertakes the appraisal of the chief executive and the non-executive directors, having sought feedback from the other directors and the Council of Governors; the chief executive undertakes the appraisal of the other executive directors, having sought feedback from the chair and, as mentioned above, the senior independent director(SID) undertakes the appraisal of the chair. The outcome of executive director appraisals is considered by the Board Remuneration Committee.

Although a few non-executives are still developing in their roles, the chair has reported to the Council of Governors that there are no performance issues with the current cohort of non-executives.

As required by the Constitution, the SID would normally have undertaken the chair's appraisal in May 2017, however since both appraisee and SID were relatively new in role the first formal appraisal of the chair took place following the 2017/18 year end and will be reported to the Council of Governors in June 2018 as satisfactory.

Breach of Licence and Return to Compliance

During 2016, after an unprecedented deterioration in its financial position, following investigation, NHS Improvement (NHSI) found the Trust to be in breach of its Licence. One of the undertakings placed on the Trust because of the breach was to commission, along with NHS Improvement, a review of the governance of the Trust. Deloitte carried out the review between July and September 2016 and made several recommendations to improve governance. At its meeting in October 2016 the Board accepted all the recommendations and subsequently executed these plans with the result that in October 2017 NHSI confirmed

that the Trust was no longer in breach of its provider Licence and had returned to compliance.

Company Secretary

The Board has direct access to the advice and services of the company secretary (secretary), who is responsible for ensuring that the Board and committee procedures are followed. The secretary is also responsible for ensuring the timely delivery of information and reports. The secretary is responsible for advising the Board, through the chair, on all corporate governance matters.

Council of Governors and membership

The basic governance structure of all NHS foundation trusts includes the:

- Membership
- Council of Governors (COG) and
- Board of Directors

The Board reports to the COG on the performance of the Trust and its progress against agreed objectives and consults on its future direction. At least four COG meetings are held each year in public. Governors may report matters of concern raised by members to the COG meetings and directors. Members of the public have an opportunity to ask questions of the governors and any directors in attendance at these meetings. Copies of the minutes from these meetings are available on the Trust's website.

During the year the Trust revised its Constitution and decided to create a 'Rest of England' public constituency and discontinue the patient constituency. It also reduced the minimum age for membership to 14 and reduced the number of appointed governors from eight to five.

Membership

Members are represented on the COG by governors from the constituencies below and other stakeholder groups. More than half of the COG is elected from the Trust's membership, which means the over 10,000 members have a significant influence on the hospital's future strategy. The Trust is constantly exploring wider stakeholder engagement through its governors.

Membership comprises individuals in the following categories:

Public constituency

All members of the public who are over 14 years of age living in one of the following eight public constituencies (the Trust's catchment area) can become a member:

- Guildford
- Waverley
- Woking
- Mole Valley
- East Hants
- Chichester
- Elmbridge
- Rest of England

There are five appointed Governors representing the following key stakeholders for the Trust

- Guildford Borough Council
- Waverley Borough Council
- Surrey County Council
- The University of Surrey
- Local cancer charities (the Fountain centre, the Prostate project and the RSCH Charitable Funds)

Governors

During the year there were 26 governor places on the Council of Governors.

Staff constituency

Staff, automatically become members of the Trust, unless they opt out. That is, any member of staff employed by the Trust under a contract of employment which has no fixed term, or has a fixed term of at least 12 months, or has been continuously employed by the Trust for at least 12 months, or is an individual who exercises functions for the purposes of the Trust otherwise than under a contract of employment with the Trust becomes a member. This includes academic staff, volunteers, and staff employed by independent contractors, and subsidiaries of the Trust.

The five staff governors are elected following self-nomination for the following constituencies:

- Medical and dental
- Nursing and midwifery
- Scientific, technical and allied health professionals
- Ancillary, Administrative and other staff
- Other eligible staff e.g. volunteers

Appointed governors

The Trust has representatives from several partnership organisations e.g. local authorities, cancer charities, and the University of Surrey.

Role of the governors

The Trust's governors are the direct representatives of local communities. They do not manage the operation of the Trust; rather they challenge the Board of Directors and hold them to account for the Trust's performance. Two acts of Parliament, the National Health Service Act 2006 (the 2006 Act) and the Health and Social Care Act 2012 (the 2012 Act), provide governors with statutory responsibilities and the rights to help them deliver these.

The governors are the link between the members and the Trust. Together they form the Council of Governors (COG) and have a collective responsibility to support the Trust in developing plans and services and representing members' views to the Trust's Board of Directors.

The statutory powers and duties of the COG include:

- To appoint, remove and decide upon the terms of office of the chair and non-executive directors of the Trust
- To determine the remuneration of the chair and non-executive directors
- To appoint or remove the Trust's auditor
- To approve or not approve the appointment of the Trust's chief executive
- To receive the annual report and accounts and auditor's report at a general meeting
- To hold the non-executive directors to account for the performance of the Board
- To represent the interests of members and the public
- To approve or not approve increases to non-NHS income of more than 5 per cent of total income

- To approve or not approve acquisitions, mergers, separations and dissolutions
- To jointly approve changes to the Trust's constitution with the Board
- To express a view on the Board's plans for the trust in advance of the Trust's implementation of these plans
- To consider a report from the Board each year on the use of income from the provision of goods and services from sources other than the NHS in England.

Governors have:

- The power to require one or more directors to attend a meeting to answer questions
- The right to receive board agendas before the meeting and minutes as soon as practicable after the meeting.

Also, the Trust has the duty to ensure that governors are equipped with the skills to perform this role, as required by the 2012 Act. As part of their induction, governors are provided with an induction course and materials which include an outline of the Trust and the NHS in general, a copy of the Constitution and Monitor's 'Your duties: a brief guide for NHS foundation trust governors'. They are each individually invited to meet with the chair, all the executive directors and the company secretary. The chair meets regularly with any governors who wish to see her. The governors are routinely advised about training available from NHS Providers, and during the year, several governors have taken the opportunity to attend NHS providers, Governwell and Sustainability and Transformation Partnership events and training sessions.

Governors were involved again in working with the hospital on the annual Patient Led Assessment of the Care Environment and the Trust's RESET weeks and peer reviews with other hospitals.

Governors are unpaid; however, they receive reimbursement of expenses, the detail of which appears in the Remuneration Report.

Lead Governor

The lead governor for Monitor's purposes is Dr Jan Whitby (Public governor – Woking).

Governor elections and resignations (April 2017 to March 2018)

Candidate	Constituency	Election result	Date
Gillian Rix	Guildford Public	Elected by majority vote	January 2018
David Whitby	Woking Public	Elected by majority vote	January 2018
Sue Herson	Nursing and Midwifery staff	Elected by majority vote	January 2018
Claude Fielding	Other eligible staff e.g. volunteers	Elected unopposed	December 2017
Vacant	Elmbridge Rest of England constituency	No nominations No nominations	January 2018 – the election will be repeated in 2018 January 2018 – the election will be repeated in 2018

During the year two governors decided to resign, Natalie Straughn, staff, other constituency, (April), Claire Richardson, nursing and midwifery staff, (December). Dr Jay Woogara, public governor in Guildford, came to the end of his term as a public Governor and was not re-elected. Elspeth Allpress came to the end of her term as a patient Governor, a constituency which no longer exists under the revised constitution. A full list of governors as at 31 March 2018 is set out on pages 89-90 with details of the number of COG meetings attended by each governor.

Register of governors' interests

A register of governors' interests is maintained and may be inspected during normal office hours at the Company Secretary's office.

Governors and community activity

During the year governors have been involved in several activities to help improve the patient experience within the Trust. Several governors have also been involved in stakeholder engagement for the Sustainability and Transformation Plan and the commissioners' consultation on future provision of stroke services. The Trust was also represented at Innovate Guildford, Gofest and Guildford Games.

Several Trust staff continue to attend meetings of various community groups within the catchment e.g. Surrey Older Peoples' Network and the Trust continues to respond to Surrey Healthwatch and the Surrey Coalition of Disabled People, which has help the Trust to

improve its facilities for people with disabilities and with whom the Chair and CEO meet periodically.

Contacting a governor

Any member of the Trust who wishes to discuss any issues about the Council of Governors should make contact via the web site or by contacting the Company Secretariat, 01483 571122 ext. 2318.

The Board of Directors' relationship with the Council of Governors and members

The Board works closely with the COG. The chair is also the chair of the COG and is supported at every meeting by other members of the Board. The chair works closely with the nominated lead governor. Governors meet prior to each meeting of the Council of Governors to agree items to be discussed and review key issues.

The senior independent director and the other non-executive directors attend each meeting of the Council of Governors, together with all executive directors, and take part in open discussions that form part of each meeting.

The following members of the Board attended Council of Governors' committee meetings:

Patient Experience Committee – Mr Howard Webber, non-executive director, Dr Marianne Illsley, Medical Director, and Mrs L Stead, Director of Nursing and Patient Experience, Sue Sjuve, Chair.

Membership and Community Engagement Committee, Mr Andrew Prince, Non-executive director and SID**,** Sue Sjuve, Chair.

Nominations Committee – The Chair and the Company Secretary

Membership strategy

During the year the following have been implemented:

- Health events
- Exploring links with other organisations
- A community event for members in the Guildford area seeking to attract a wider audience than we get for the health events
- A different format for the annual members meeting

In addition to the above activities the Trust continues to:

- Ask new applicants for membership to identify areas of interest to inform future communications
- Circulate a tri-annual membership newsletter (the Royal Supporter) and regular monthly e newsletter (E- supporter).

Membership size and movements

The membership totals at 31 March 2018 were as follows:

- Public members: 8,831
- Staff: 3,840

Membership engagement

- During the year the Trust held the following health events for its members at Surrey Sports Park:
- May 2017: Respiratory health
- July 2017: Cancer
- November 2017: Men's health
- March 2018: Women's health
- April 2018: Public engagement event with the governors

Proposals to increase membership

In common with many other trusts, the Trust's membership is under represented in areas such as people under 22 years old and some minority ethnicities and is overrepresented in social groups ABC1. However, it should be borne in mind that category ABC 1 covers 55 per cent of the nation's population and 64 per cent of the Trust's eligible population.

The governors' Membership and Community Engagement Committee looks at ways to recruit and engage with these groups, using their local knowledge to identify the best methods.

Council Meetings Attended (April 2017 to March 2018)

Name	Role	May 2017	July 2017	Dec 2017	March 2018	No. of attendances	% of attendances
Jim Blake	Guildford	✓	×	✓	✓	3 of 4	75
Ray Rogers	Guildford	✓	✓	✓	✓	4 of 4	100
Gillian Rix	Guildford				×	0 of 1	0
Joan Howell-Jones	Mole Valley	✓	✓	✓	✓	4 of 4	100
John Moyer	Mole Valley	✓	✓	✓	✓	4 of 4	100
Joan Juniper	Waverley	✓	✓	✓	✓	4 of 4	100
Martin Read	Waverley	✓	✓	✓	✓	4 of 4	100
Chris Storey	Waverley	✓	×	×	×	1 of 4	25
Valerie Kubale	East Hants	✓	✓	✓	✓	4 of 4	100
Jerry Ogilvie	East Hants	✓	✓	✓	✓	4 of 4	100
Jan Whitby	Woking	✓	✓	✓	✓	4 of 4	100
David Whitby	Woking				✓	1 of 1	100
Andrew Moncrieff	Chichester	✓	✓	✓	✓	4 of 4	100

Name	Role	May 2017	July 2017	Dec 2017	March 2018	No. of attendances	% of attendances
Tom Jordan	Staff	×	✓	✓	✓	3 of 4	75
Maryam Khan	Staff	✓	×	×	✓	2 of 4	50
Vas Manoharan	Staff	✓	×	×	×	1 of 4	25
Sue Herson	Staff				×	0 of 1	0
Claude Eric Fielding	Staff				✓	1 of 1	100
Professor Vince Emery	Appointed	✓	×	×	✓	2 of 4	50
Cllr Peter Isherwood	Appointed	×	✓	✓	×	2 of 4	50
Cllr Paul Spooner	Appointed	×	✓	✓	✓	3 of 4	75

Regulatory Ratings

NHS Single Oversight Framework

NHS Improvement's Single Oversight Framework provides the framework for overseeing providers and identifying potential support needs. The framework looks at five themes:

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

Based on information from these themes, providers are segmented from 1 to 4, where '4' reflects providers receiving the most support, and '1' reflects providers with maximum autonomy. 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 Single Oversight Framework applied from Quarter 3 of 2016/17. Prior to this, Monitor's *Risk Assessment Framework* (RAF) was in place. Comparative information relating to the RAF has not been presented as the basis of accountability was different. This is in line with NHS Improvement's guidance for annual reports.

Segmentation

At the start of the year the Trust was in breach of license due to its deteriorating financial position and failure to meet operational targets. The Trust was therefore placed in segment 3. The Trust came out of license breach in October 2017 and was placed in segment **X** as a result.

Finance and use of resources

The finance and use of resources theme is based on the scoring of five measures from '1' to '4', where '1' reflects the strongest performance. These scores are then weighted to give an overall score. Given that finance and use of resources is only one of the five themes feeding into the Single Oversight Framework, the segmentation of the Trust disclosed above might not be the same as the overall finance score here.

The Trust's better than plan financial performance resulted in the Trust achieving an overall 'Use of Resources' score of 1 at the end of quarter 3 and 1 at the end of quarter 4.

Area	Metric	2017/18 Q3 Score	2017/18 Q4 Score
Financial Sustainability	Capital Service Capacity	2	1
	Liquidity	1	1
Financial Efficiency	I&E Margin	2	1
Financial Controls	Distance from Financial Plan	1	1
	Agency Spend	1	1
Overall Scoring		**1**	**1**

Care Quality Commission (CQC)

In line with the requirements of the Health and Social Care Act 2008, the Trust continues to be registered with the Care Quality Commission, the regulators of health and social care in England, without any enforcements or conditions, to provide the following services:

- Assessment or medical treatment for persons detained under the 1983 Mental Health Act
- Diagnostic and screening procedures
- Family planning services
- Maternity and midwifery services
- Surgical procedures
- Termination of pregnancies
- Treatment of disease, disorder or injury

To maintain registration as a healthcare provider, the Trust is required to demonstrate that it is meeting the 5 key domains of quality:

1. Safe
2. Caring
3. Responsiveness
4. Effective
5. Well led

The Trust continued to undertake self-assessments of performance against outcomes to confirm compliance in all the areas of quality and safety providing the Board via the Chairman, with assurance on levels of compliance. The Trust was last inspected by the CQC in October 2013 when it was awarded a rating of “Good”. In accordance with CQC requirements the Trust now displays its CQC ratings on its premises and on the Trust’s website.

Statement of the Chief Executive's responsibilities as the Accounting Officer of Royal Surrey County Hospital NHS Foundation Trust

Statement of directors' responsibilities in respect of the accounts

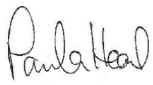
The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of HM Treasury, directs that these accounts give a true and fair view of the state of affairs of the Trust and of the income and expenditure, other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

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- assess the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

By order of the Board



Paula Head
Chief Executive
25 May 2018

Annual Governance Statement 2017/18

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 NHS Foundation Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the *NHS Foundation Trust Accounting Officer Memorandum.*

The Purpose of the System of Internal Control

The system of internal control described herein has been subject to a number of changes in the leadership and management of the Trust for the year ending 31 March 2018 and up to the date of approval of the Annual report and Accounts. It 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 Royal Surrey County Hospital NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact of those risks should they be realised and to manage them efficiently, effectively and economically. The system of internal control has been in place in Royal Surrey County Hospital NHS Foundation Trust for the year ended 31 March 2018 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Trust has in place an established Risk Management Strategy which outlines the Trust's vision for risk management and sets out the approach which has been endorsed by the Board of Directors. The strategy has been distributed throughout the Trust and is also available on the Trust's Intranet. The Risk Management Strategy was reviewed and updated in 2017. We have continued to focus on risk management training to facilitate a better understanding of risk management by all managers at Board level and below. This has been underpinned by the full integration of the Datix Management system. The Trust approaches risk in an integrated manner at all levels and risk is managed under the Quality Governance Team. One Trustwide Risk Register is held which the organisation can access and is overseen by the team. The Strategy delegates responsibility to lead in risk management to the following executive directors:

- The director of nursing and patient experience has overall responsibility for risk management across the Trust; within a joint quality directorate with the medical director, this includes corporate risk and clinical risk.
- All claims are overseen by the medical director.
- The director of nursing and patient experience has delegated responsibility for complaints. She is also the Caldicott Guardian.
- The director of finance has delegated responsibility for financial risk management, including the Standing Financial Instructions and the Scheme of Delegation. He is the lead executive director for counter fraud.
- The director of human resources has delegated responsibility for workforce management and development.
- The director of finance is the Senior Information Risk Owner and effectively owns the Trust's overall information risk policy and assessment as well as the information incident management framework. He is also the lead executive director for security management.

The Strategy encourages proactive management of risks at local team levels, whilst ensuring appropriate and effective risk management processes are in place. This is underpinned with statutory and mandatory training, which includes risk assessments and other management obligations.

The risk and control framework

The Trust's Risk Management Strategy sets out the framework and method the Trust uses to identify and manage risks which exist within the organisation and its environment. The Risk Management Strategy was reviewed in 2017. It provides a clear outline of individual and committee level roles and responsibilities and describes the systems and processes for effective risk management. It contains the following key elements: what risk management is, organisational arrangements, identification, assessment, treatment and management of risk. It covers risk registers at all levels of the organisation including the Board Assurance Framework.

The Board is committed to ensuring there is effective management of risks providing robust assurance and scrutiny and furthermore to ensuring that it forms an integral part of the Trust's strategic objectives, plans and management systems.

The Trust believes that all members of staff have a role to play in risk management and its approach to risk management is one of proactive identification, mitigation, monitoring and review. All managers and senior managers within the Trust receive training on each of these elements of the Trust's risk management process and are required to ensure that risk

assessment and audit is undertaken with their areas of responsibility and that findings are acted up on and adequately monitored. The Trust has set out an expectation that its managers and senior managers undertake risk management training on a three-yearly basis to ensure that they remain competent to identify, assess, treat and monitor risks within their remit. During the year the Trust achieved 86 per cent compliance with this amongst its senior managers and 86 per cent within its managers. In addition to the requirements set out in the Trust's statutory and mandatory training scheme for risk management training, the Governance Team continued their programme of education for divisional staff. This has seen an increase in the understanding and management of risk and a wide engagement in risk management across the organisation.

The Trust is committed to ensuring the effect of any risk is minimised to an acceptable level or negated completely if possible and uses both internal and external expertise, as required, to decide on the most appropriate options to treat risks.

The Trust utilises an online risk management database to escalate risks up and down through the organisation in accordance with the matrix outlined in the Risk Management Strategy. In 2017 this database (Datix) was remodelled to allow a more logical approach to the assessment and management of risk. A standardised process for scoring risk was set out in the database, utilising a recognised risk matrix. This ensures risks are scored objectively and allows the organisation at each level to understand its risk priorities.

The Trust strives to promote and achieve excellence by ensuring, as far as is reasonably practicable, the safety of all patients, staff and visitors. The Risk Management Strategy is designed to support this by providing a rigorous organisational framework to co-ordinate and oversee risk management activities.

The governance framework of the organisation

The Trust has developed its governance structures over a period to deliver an integrated governance agenda. Integrated governance is the combination of systems, processes and behaviours which the Trust uses to lead, direct and control its functions to achieve its organisational objectives.

The Trust developed this approach into 2017/18.

A new Board Assurance Escalation Framework was developed during the year which sets out responsibility and accountability for the Trust's governance structure through which the Board receives assurance or escalated risks/concerns related to quality of services, performance targets, service delivery and achievement of strategic objectives. This is coupled with a new Trustwide framework that facilitates risk and quality management and assurance through defined tiers, promoting divisional resolution and escalation.

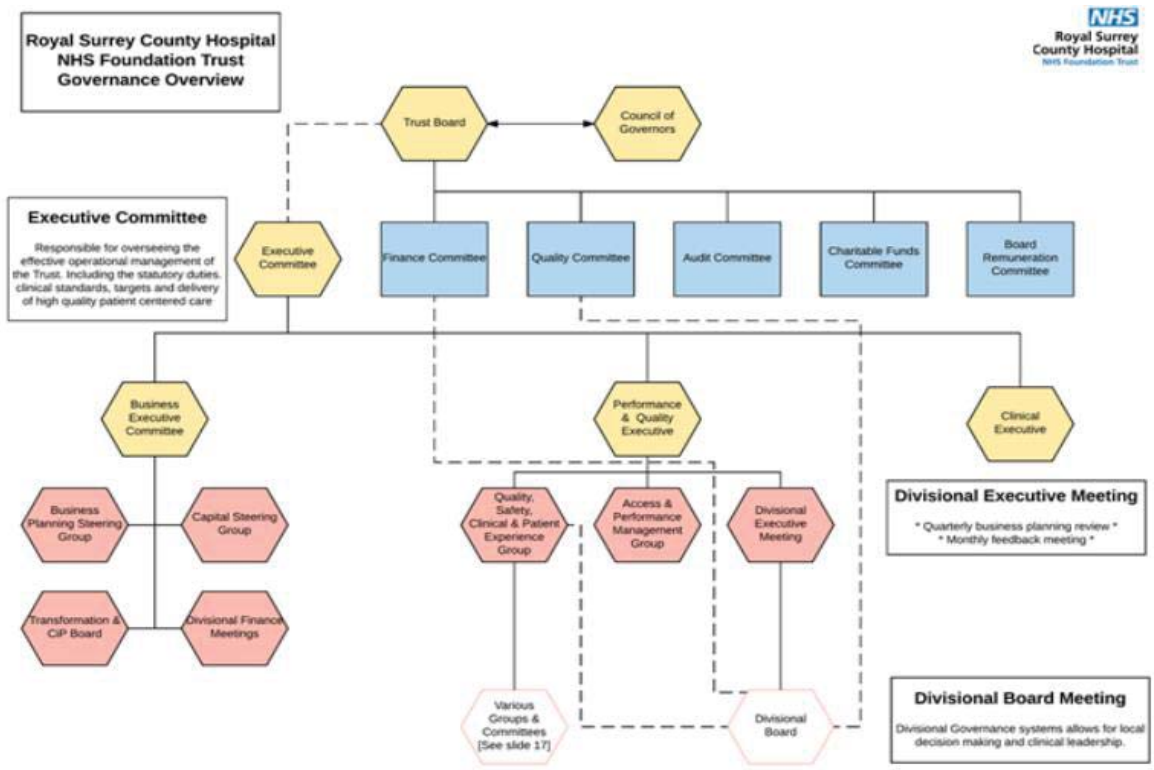
The clinical divisions manage their own risk registers and review these monthly through divisional governance meetings. Each clinical division produces a monthly Quality Performance Report to provide assurance against several key governance performance indicators and these are fed into the newly formed Quality & Safety, Clinical Effectiveness and Patient Experience Committee. This committee meets monthly and reviews quality and safety indicators with divisional and Executive level input. It reports into the Quality Committee, a sub-committee of the Trust Board.

The recruitment of new non-executive directors during the year has resulted in a strengthening of the Board's sub-committees with new chairs appointed to these committees with relevant skills.

The Trust executive meets weekly through the executive committee. Monthly this committee receives the full risk register, which includes all divisional and Trustwide risks, and the Board Assurance Framework (BAF). Risks that have changed significantly as well as new and closed risks are highlighted along with any themes arising out of risks, either divisionally or cross-divisionally.

The Board of Directors leads on integrated governance and delegates key duties and functions to its sub-committees. In addition, the Board reserves certain decision-making powers including decisions on strategy and budgets.

The diagram below gives an overview of the governance structure:



The Board Assurance Framework (BAF)

The Trust Board reviews the BAF and it provides assurance on organisational governance and accountability. It allows the Board to understand the risks faced by the organisation in pursuit of its strategic goals, how these are controlled, the effectiveness of the controls and the type of assurance available to the Board to assess this.

Strategic risks 2018/19

The Trust faces a number of challenges associated with the changes happening locally and in the wider healthcare economy, which in turn has created 11 key strategic risks moving forward into 2018/19. The Board has reviewed the key risks facing the Trust and has agreed that these are as follows:

1. Failure to embed learning from incidents or complaints could lead to significant patient harm, regulatory intervention and reputational damage.
2. Failure to develop and deliver clinical and translational research and capability, performance and reputation
3. Failure to resolve ease of access for referrers and patients resulting in a loss of market share
4. Failure to establish a sustainable workforce capability and capacity to deliver the Trust strategic objectives
5. Failure to meet regulatory standards in respect of quality, performance – constitutional requirements, financial and legal
6. Not having digital infrastructure (people, kit and culture) to deliver our digital strategy
7. Failure to develop leadership capacity and capability, particularly in clinical leadership to develop and respond to transformation and innovation
8. Uncertainty of the commissioner landscape, in particular specialist commissioning, affecting our ability to deliver services in line with our strategy
9. Local Integrated Care Partnerships don't develop in a timely way to support system wide transformation
10. Lack of clarity and continuing uncertainty regarding the acute solution for Epsom and St Helier
11. Adult community services stabilisation and transformation takes longer than planned

External Sources of Risk Identification

The Trust manages key risks not only through the Board and its sub-committees but also through the divisional governance meetings. Other internal stakeholders are involved via working groups and committees; for example: Quality and Safety Group, Clinical Effectiveness Group, Patient Experience Group and the Infection Control Committee.

The Trust recognises external agencies as an effective source of risk identification e.g. Care Quality Commission (CQC), Medicines and Healthcare Products Regulatory Agency (MHRA), National Patient Safety Agency (NPSA), the Health and Safety Executive (HSE), NHS Litigation Resolution (previously the NHS Litigation Authority) NHS Protect and Internal and External Audit. The Trust maintains a close relationship with the Care Quality Commission, including regular visits, including several walk rounds of the A&E department. The Trust submitted its annual self-assessment to NHS Protect in November 2016. NHS Protect did not select the Trust for audit due to good progress being made against the NHS Protect Security Standards since their last audit in 2014. NHS Protect are undergoing major changes from April 2017 and as a result it is likely that they will be less involved going forward. The Trust has an annual security work plan which is regularly updated by the security committee and the security management director, (Deputy Chief Executive). There is also a monthly formal security committee meeting which is minuted and used to monitor progress.

PharmCo

During 2014, the Trust set up a wholly owned subsidiary of the Trust named 'RSCH Pharmacy Ltd' (PharmCo). This company is limited by shares and is registered with the General Pharmaceutical Council as a licensed Pharmacy. The purpose was to provide a separate and more focused pharmacy service to Trust out-patients thereby improving the patient experience, whilst achieving legitimate VAT efficiencies from the drugs dispensed.

There are three directors on the PharmCo Board. All are appointed by the Trust:

- The chair of the Board is a non-executive director with no formal links to the Trust.
- The Trust's associate director of operations (Diagnostics & Clinical Support) is appointed as operations director of the company.
- The Trust's former director of HR & business support remains a Board member, being an active director of another wholly owned subsidiary of the Trust.

There is presently no appointed finance director; however, the Trust's director of operational finance is designated to attend board meetings, and the company recently appointed a full time business finance manager to oversee day-to-day financial operations. The Trust intends to appoint the director of operational finance to the PharmCo board in 2018.

The role of superintendent pharmacist is currently being carried out by the Trust's chief pharmacist due to a current vacancy, and the Trust's chief pharmacist also attends Board meetings. PharmCo have been unable to appoint to the superintendent role so the subsidiary is pursuing other options for appointing to this post.

The PharmCo Board meets monthly. The operations lead is setting up two sub committees - the first will review finance and activity and the second will review governance and probity.

The Trust's Board receives regular reports on the performance of PharmCo during the year, with detailed reviews being requested by the Trust's finance committee as required.

The company has made significant progress over the last financial year in stabilising its financial and operational functions and in delivering effective patient care. The 2016/17 accounts were audited by KPMG, being qualified only in relation to the 2015/16 comparatives as was anticipated, and this is indicative of the improvements to systems and controls having been implemented.

Audit Committee

The Audit Committee is accountable to the Board and is responsible for ensuring an effective system of internal control is in place across the Trust. It comprises three non-executive directors and provides an independent review of the Trust's system of governance, risk management and internal control.

The external auditor provides an independent view on the financial regularity of the Trust and expresses this via their annual audit opinion and through frequent management updates. In so doing they consider and advise on the principal risks faced by the Trust throughout the year.

The internal auditor provides independent and objective advice on the risk assurance framework of the Trust and on the controls in place over core financial systems.

The Committee also monitors the effectiveness of the policies and procedures for all work related to fraud and corruption as set out in Secretary of State Directions and as required by the Counter Fraud Service. In carrying out its work, the committee utilises the work of Internal and external audit but is not limited to these audit functions. Reports and assurances from directors and managers related to the effectiveness of internal control are provided as appropriate.

Quality Committee

As part of the governance review the terms of reference for this committee are being thoroughly reviewed. In future the role of this key committee will be to enable the Board to obtain assurance that high standards of care are provided by the Trust and, in particular, that adequate and appropriate governance structures, procedures and controls are in place throughout the Trust to:

- Promote safety and excellence in patient care;

- Identify, prioritise and manage risk arising from clinical care;
- Ensure the effective and efficient use of resources through evidence-based clinical practice;
- Seek assurance that safe staffing levels are maintained always and protect the health and safety of Trust employees.

The committee meets at least six times a year. Membership comprises three non-executive directors, the director of nursing and patient experience, medical director, director of HR and chief executive.

The Finance Committee

The Finance Committee is accountable to the Board and is responsible for conducting an independent and objective review of financial and investment policy and financial performance issues. The Committee is also responsible for:

- Overseeing the Trust's medium term financial strategy
- Considering the Trust's annual financial targets and performance against them;
- Reviewing the annual budget
- Reviewing and monitoring the progress of cost improvement plans
- Reviewing proposals for major business cases and their respective funding sources
- Setting and maintaining oversight of the Trust's investment strategy and policy.

The committee meets at least 10 times a year. Membership comprises three non-executives, the chief executive and the director of finance, informatics and estates.

The Executive Committee

The purpose of the executive committee is to oversee the effective operational management of the Trust including the achievement of statutory duties, clinical standards and targets and the delivery of high quality patient centred care.

The executive committee meets on a four-week cycle (a fifth week for the three months of the year where there is a five-week month) whereby two of the four weeks have a business agenda, the second week is quality and performance and the fourth week is the clinical executive (with the chiefs of service attending).

Membership comprises the chief executive and all executive directors on a weekly basis and all chiefs of service and professional directors monthly.

Council of Governors

The Trust's governors are the direct representatives of local communities and together form the Council of Governors (COG) which is an integral part of the governance framework of the Trust. They do not manage the operation of the Trust; rather they challenge the Board of

Directors and hold them to account for the Trust's performance. They have a collective responsibility to support the Trust in developing plans and services and representing members' views to the Trust's Board of Directors.

They maintain an active role in the development of the Trust and activities are monitored through three separate and distinct formal committees: Membership and Community Engagement; Patient Experience and Nominations.

The statutory powers and duties of the COG include:

- To appoint, remove and decide upon the terms of office of the chair and non-executive directors of the Trust
- To determine the remuneration of the chair and non-executive directors
- To appoint or remove the Trust's auditor
- To approve or not approve the appointment of the Trust's chief executive
- To receive the annual report and accounts and auditor's report at a general meeting
- To hold the non-executive directors to account for the performance of the Board
- To represent the interests of members and the public
- To approve or not approve increases to non-NHS income of more than 5% of total income
- To approve or not approve acquisitions, mergers, separations and dissolutions
- To jointly approve changes to the Trust's constitution with the Board
- To express a view on the Board's plans for the trust in advance of the Trust's submission to NHSI
- To consider a report from the Board each year on the use of income from the provision of goods and services from sources other than the NHS in England.

Governors have:

- The power to require one or more directors to attend a meeting to answer questions
- The right to receive board agendas before the meeting and minutes as soon as practicable after the meeting.

Also, the Trust has the duty to ensure that governors are equipped with the knowledge and understanding to perform this role. As required by the Health and Social Care Act 2012 Act, during the year all governors were provided with the opportunity to attend induction and other training courses developed by the Trust; training courses provided by NHS Providers;

and joint training sessions on the CQC requirements, risk and performance reporting with the non-executives. Course attended included:

- Effective questioning and challenge skills
- Lead Governor forum

The Board works closely with the COG. The chair of the Board also chairs the COG and is supported at every meeting by other members of the Board. The chair works closely with the nominated lead governor. Governors meet prior to each meeting of the Council of Governors to agree items to be discussed and review key issues.

The senior independent director is Andrew Prince, a non-executive director who took on the role on the resignation of Dr Andrew Mitchell in September 2017. Andrew is also vice chairman of the Board and in accordance with the constitution the Board and the CoG considered whether it was appropriate for one person to hold both roles, agreeing that it was appropriate. Part of the role is to provide another route for communication with governors if they feel unable to raise a concern through the chair for any reason. The senior independent director also undertakes the chair's appraisal, after seeking feedback from the rest of the Board and from governors.

During the year the following members of the Board attended Council of Governors' committee meetings:

Patient Experience Committee – Mr Howard Webber, non-executive director and Mrs L Stead, director of nursing and patient experience, Mrs S Sjuve, chair of the Board and the interim company secretary

Membership and Community Engagement Committee – the chair of the Trust, Mr Andrew Prince non-executive director; Mr G Mahoney, director of strategic marketing and business development, the head of communications and marketing and company secretary.

Nominations Committee – The chair of the Board; deputy chief executive and company secretary

Although meetings of the Board of Directors are held in public and governors can and do attend, the chair provides feedback to governors comprehensively describing the matters discussed and decisions made within the public and private sessions of the Board meetings, and responds to any questions or concerns that governors may have.

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

The Trust has not been the subject of any Health and Safety Executive inspections in 2017/18.

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

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

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

Trust Board Review of Effectiveness

As mentioned above during the year the Trust responded to the governance review and continues to implement all the recommendations providing regular updates to the Board on progress against the supporting action plan.

Review of economy, efficiency and effectiveness and use of resources

The budget for 2017/18 was set at a £12.05m deficit on a control total basis excluding Sustainability and Transformation funding. During 2017/18 the Trust was able to significantly improve on its budgeted financial position and has recorded a surplus of of £3.883m excluding sustainability and transformation funding. Sustainability and transformation funding (STF) earned through meeting the operational and financial quarterly targets was £6.013m out of a possible £6.718m. In addition, we qualified for year-end STF incentive and bonus payments due to our better than plan result. The STF incentive achieved was £15.932m, the bonus achieved was £1.786m and there was an additional General Distribution of £2.160m. Including all these STF elements, including a £0.419m STF payment relating to 2016/17, we reported a year end surplus of £30.217m.

During 2016/17 NHSI introduced a Single oversight framework which provides the framework for overseeing providers and identifying potential support needs. Providers are segmented from 1 to 4, where '4' reflects providers receiving the most support, and '1' reflects providers with maximum autonomy. During the year the Trust moved out of breach of license due to its improved financial position and meeting of operational targets. The Trust has now been placed in segment 1 due to no longer being in breach of license.

The finance and use of resources rating was also introduced as one of the components of the single oversight framework. It is calculated by scoring five measures from '1' to '4', where '1' reflects the strongest performance. These scores are then weighted to give an overall score. The score for RSCH at the end of 2017/8 was a 1.

Information Governance

Information Governance (IG) is a framework for the Trust to handle all organisational information, in particular the personal, confidential and sensitive information of patients, clients, service users and employees.

It ensures that information, no matter in which form it is processed by the Trust is dealt with legally, securely, efficiently and effectively.

The IG framework provides a way for the Trust to deal consistently with the many different laws and guidance about how information is handled, for example, from the Data Protection

legislation, the common law duty of confidentiality, information security standards, Records Management Code of Practice for Health and Social Care 2016, Freedom of Information Act 2000 and many more.

To ensure that the Trust IG framework is meeting the statutory requirements set by NHS Digital, the Trust is required to provide an annual submission to the IG Toolkit (IGT) and is required to complete 45 requirements and reach a compliance level rating of 2. For IGT 2017/18 (v.14.1) the Trust recorded 71% overall score (satisfactory).

Serious data/loss confidentiality breaches (NHS Governance)

In 2017/18 a total of 21 incidents in relation to information governance were reported in line with the Trust's incident reporting policy. These incidents were in relation to confidentiality breaches and security of information.
The Trust is also required to follow NHS Digital guidance for reporting, managing and investigating Information Governance Serious Incidents Requiring Investigation (IG SIRI). The reporting system alerts the Department of Health and the Information Commissioner's Office (ICO) of IG SIRIs and for 2017/18 the Trust did not have any reportable IG SIRIs. The ICO is the UK's independent public authority set up to uphold information rights and in 2017/18, the Trust did not receive any enquires or notices from the ICO.

Annual Quality Report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. NHS Improvement (in exercise of the powers conferred on Monitor) has issued guidance to NHS foundation trust boards on the form and content of annual Quality Reports which incorporate the above legal requirements in the *NHS Foundation Trust Annual Reporting Manual*.

The Quality Report has been produced in consultation with patients, staff, patient representatives (such as Healthwatch, our Patient Panel and Governors), and other stakeholders (Clinical Commissioning Group, County Council and NHS England). The account is monitored via a stakeholder engagement workshop which is held each quarter to review progress against quality priorities. Key aspects of the Quality Report are subject to the various foundation trust policies and procedures which ensure the quality of care provided. These are clinically audited on a regular basis and the results reported to the above-mentioned group and other relevant committees as required (Audit Committee, Patient Experience Committee)

KPMG LLP provides external assurance on the Quality Account by issuing a limited assurance report (limited in scope) on compliance with the Regulations (this is included in the Quality Account). Also, data quality/accuracy in the Quality Account is subjected to an external audit by KPMG LLP and to an internal audit by BDO. Improving data quality was identified as a priority this year. The report is also subject to detailed review by the medical director and director of nursing and patient experience and approved by the Board of Directors.

The Trust regularly reviews systems and processes as part of its commitment to ensure data quality and has a programme of internal and external audits to assess data quality

As chief executive I am confident in the quality of services we provide across our services and that for most of our quality and performance targets we meet the standards expected by and acceptable to our regulator and commissioner. Further, the information within the Quality Account is provided from our data management systems and our quality improvement systems and to the best of my knowledge is accurate, and provides a true reflection of our organisation, apart from two mandated indicators or the local indicator which KPMG LLP (our Statutory Auditor) has tested as part of their work on the Quality Account and is detailed within that Account.

Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by the work of the internal auditors and clinical audit as well as the delivery of the NHS Operating Framework and the executive managers and clinical leads within the Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the contents of the Annual Quality Account and other performance information available to me and 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, Audit Committee, Finance and Performance Committee and the Quality Committee and am assured that there are plans in place to address weaknesses and ensure continuous improvement of the system. The effectiveness of the system of internal control is monitored and maintained through:

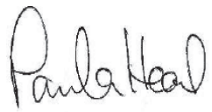
- Monthly financial and operational performance reviews by the Board;
- Regular review of the Corporate Risk Register
- Input into the controls and risk management processes from Executive Directors, senior managers and clinicians;
- Regular review of the Board Assurance Framework by the Board;
- Internal and external audit reviews;
- Comment on the internal controls from the Head of Internal Audit in their annual report.

The Trust's Head of Internal Audit (BDO) provides an annual opinion on the assurance framework. This opinion for the financial year to 31 March 2018 is summarised as:

"Significant assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently. However, some weakness in the design and/or inconsistent application of controls put the achievement of particular objectives at risk"

Compliance with the Trust's Licence

During the year ended 31 March 2017, enforcement undertakings actions were given to commit the Trust to taking corrective actions and assuring NHS Improvement (NHSI) that it was proactively prioritising a response through a Breach of Undertakings Action Plan. All actions were successfully complied with, with satisfactory evidence being provided to complete and close each one as required by NHSI. As a consequence, the Trust exited Breach of Licence in October 2017.



Accountable Officer: Paula Head, Chief Executive.

Organisation: Royal Surrey County Hospital, NHS Foundation Trust

25 May 2018

Voluntary Disclosures

Equality and diversity

The Trust is committed to encouraging equality and diversity so that our workforce reflects the diverse population that it serves. It has a responsibility to eliminate discrimination, harassment and victimisation to advance equality of opportunity and to foster good relations between different groups and individuals who have protected characteristics. The Trust's aim continues to be to improve the way frontline health services deliver good health outcomes for the protected groups who experience the greatest inequalities
and to support an inclusive and fair workplace.

Royal Surrey County Hospital NHS Foundation Trust

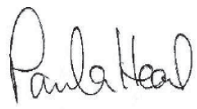
Annual Accounts for the financial year 2017/18

FOREWORD TO THE ACCOUNTS

Royal Surrey County Hospital NHS Foundation Trust

The accounts for the year ended 31 March 2018 have been prepared in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006 and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006.

Signed:



Paula Head
Chief Executive

25 May 2018

KPMG

Independent auditor's report

to the Council of Governors of Royal Surrey County Hospital NHS Foundation Trust

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

1. Our opinion is unmodified

We have audited the financial statements of Royal Surrey County Hospital NHS Foundation Trust ("the Trust") for the year ended 31 March 2018 which comprise the Group and the Trust's Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Taxpayers Equity, Statement of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion:

— the financial statements give a true and fair view of the state of the Group and the Trust's affairs as at 31 March 2018 and of the Group and Trust's income and expenditure for the year then ended; and

— the Group and the Trust's financial statements have been properly prepared in accordance with the Accounts Direction issued under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006, the NHS Foundation Trust Annual Reporting Manual 2017/18 and the Department of Health Group Accounting Manual 2017/18.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Overview	
Materiality: Group financial statements as a whole	£5.5m (2017:£5.5m) 1.6% (2017: 1.6%) of total income from operations
Coverage	100% (2017:100%) of total income from operations

Risks of material misstatement		vs 2016/17
Recurring risks	Recognition of NHS and non-NHS income and receivables	◄►

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on:the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. 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. In arriving at our audit opinion above, the key audit matter was as follows:

This key audit matter relates to the Group and the parent Trust.

	The risk	Our response
Recognition of NHS and non-NHS income and receivables Income £372 million; 2017: £347million NHS Receivables £11.0 million; 2017 £18.3 million	2017/18 income: In 2017/18 the Group reported total income of £372m (2016/17 £347m). Of this, £273m (2016/17: £266m) relates to contracts with commissioners. This represents 73% of total income (2016/17: 77%). Income is contracted based on expected levels of activity and standard tariff prices for procedures, however the actual income for the year is based on the actual levels of activity completed during the year. Other performance based income is received from NHS Improvement (via local CCGs). This results in estimates being required at the year end. Income from NHS England and CCGs is captured through the Agreement of Balances (AOB) exercises performed at months 6, 9 and 12 to confirm amounts received and owed. Mismatches in income and expenditure, and receivables and payables are recognised by the Trust and its counterparties to be resolved. Where mismatches cannot be resolved they can be reclassified as formal disputes.	Our procedures included: — **Data comparison:** We assessed the outcome of the agreement of balances exercise with other NHS bodies. Where there were mismatches over £300,000 we challenged management's assessment of the level of income they were entitled to and the receipts that could be collected — **Tests of detail:** For the 5 largest commissioners of the Trust's activity we agreed that signed contracts were in place; — **Tests of detail:** We agreed that invoices had been issued in line with the contracts signed with 5 of the Trust's largest commissioners; — **Comparisons:** We compared the agreements reached between the Trust and the commissioners at the end of the year to actual activity; — **Comparisons**: We checked the levels of over and under performance reported agreed to the records held on the Trust's activity system; — **Tests of detail:** We tested a sample of non-NHS income items to bank statements and third party notifications confirming that income has been recorded in the correct accounting period. We tested a sample of cash received after the year end to confirm the completeness of the recorded income.

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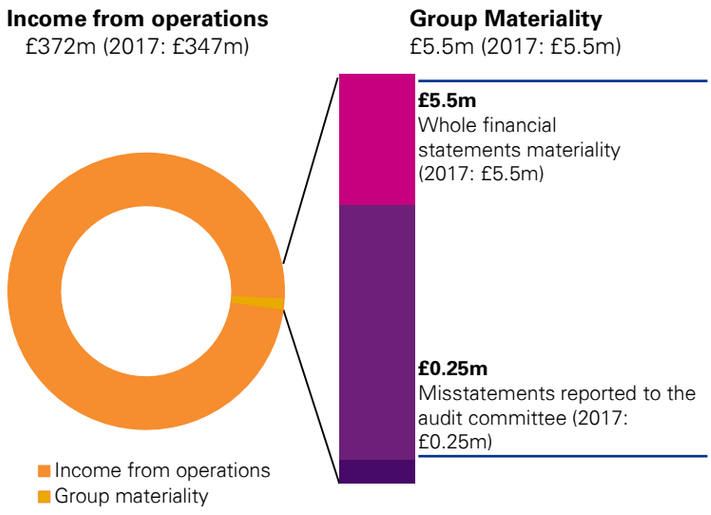
3. Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at £5.5 million (2016/17: £5.5 million), determined with reference to a benchmark of income from operations (of which it represents approximately 1.6%). We consider income from operations to be more stable than a surplus- or deficit-related benchmark.

Materiality for the parent Trust's financial statements as a whole was set at £5.5 million (2016/17: £5.5 million), determined with reference to a benchmark of income from operations (of which it represents approximately 1.6%).

We agreed to report to the Audit Committee any corrected and uncorrected identified misstatements exceeding £0.25 million (2016/17:(£0.25 million), in addition to other identified misstatements that warranted reporting on qualitative grounds.

For the group's 2 (2017:2) reporting components, we subjected 2 (2017:2) to a full scope audit for group purposes. The second component within the scope of our work is RSCH Pharmacy Ltd. The audit of RSCH Pharmacy Ltd is performed by the Group team.



4. We have nothing to report on going concern

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

5. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

In our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements.

Remuneration report

In our opinion the part of the remuneration report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2017/18.

Corporate governance disclosures

We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Group's position and performance, business model and strategy; or
- the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or
- the Annual Governance Statement does not reflect the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2017/18, is misleading or is not consistent with our knowledge of the Group and other information of which we are aware from our audit of the financial statements.

We have nothing to report in these respects.

6. Respective responsibilities

Accounting Officer's responsibilities

As explained more fully in the statement set out on page 94, the Accounting Officer is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Group and parent Trust without the transfer of its services to another public sector entity.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

We have nothing to report on the statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice issued by the Comptroller and Auditor General ('the Code of Audit Practice') to report to you if:

— any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006.

— any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit.

We have nothing to report in these respects.

We have nothing to report in respect of our work on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

Under the Code of Audit Practice we are required to report to you if the Trust has not made proper arrangement for securing economy, efficiency and effectiveness in the use of resources..

We have nothing to report in this respect.

Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

The Trust is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources..

Under Section 62(1) and Schedule 10 paragraph 1(d), of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in the use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the specified criterion issued by the Comptroller and Auditor General (C&AG) in November 2017, as to whether the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. We planned our work in accordance with the Code of Audit Practice and related guidance. Based on our risk assessment, we undertook such work as we considered necessary.

Report on our review of the adequacy of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required by guidance issued by the C&AG under Paragraph 9 of Schedule 6 to the Local Audit and Accountability Act 2014 to report on how our work addressed any identified significant risks to our conclusion on the adequacy of the Trust's arrangements to secure economy, efficiency and effectiveness in the use of resources. The 'risk' in this case is the risk that we could come to an incorrect conclusion in respect of the Trust's arrangements, rather than the risk of the arrangements themselves being inadequate.

We carry out a risk assessment to determine the nature and extent of further work that may be required. Our risk assessment includes consideration of the significance of business and operational risks facing the Trust, insofar as they relate to 'proper arrangements'. This includes sector and organisation level risks and draws on relevant cost and performance information as appropriate, as well as the results of reviews by inspectorates, review agencies and other relevant bodies.

The significant risk identified during our risk assessment is set out overleaf together with the findings from the work we carried out on this area.

Significant Risk	Description	Work carried out and judgements
Financial resilience	Following the Trust's rapid and significant decline in 2015/16, in June 2016 NHSI ruled that the Trust was in breach of its licence for failings around governance, financial performance and operational targets. As a result the Trust agreed to a series of enforcement undertakings which they have completed in order to be removed from breach of licence on 27 October 2017. In 2016/17 the Trust reported a retained surplus of £20.3M against a planned deficit of £8.4M, a £28.7M positive variance between outturn and budget. In 2017/18 the Trust reported a retained surplus of £29.9M against a planned control total deficit of £5.3M	Our work included: - Review of communications from NHSI to confirm the move out of breach of licence and the sustainability of this through review of progress throughout the year. - Review of budget and forecast for 2017/18 and 2018/19 to confirm how savings are planned to be made. - Review of CIP plans for 2017/18 and assess to what extent these have been achieved. Review the 2018/19 CIP target and schemes to understand the value and volume of savings planned to be made. Our findings on this risk area: We did not find any indication that the Trust has not had regard to its responsibilities to secure economy, efficiency and effectiveness in its use its resources.

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

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006 and the terms of our engagement by the Trust. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust, as a body, those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the Trust, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust, as a body, for our audit work, for this report, or for the opinions we have formed.

CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of Royal Surrey County Hospital NHS Foundation Trust in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice issued by the National Audit Office.

Neil Hewitson
for and on behalf of KPMG LLP (Statutory Auditor)
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL
25 May 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

		Group		Trust	
		2017/18	2016/17	**2017/18**	2016/17
	NOTE	**£000**	£000	**£000**	£000
Revenue					
Revenue from patient care activities	3	**296,943**	276,963	**296,843**	276,963
Other operating revenue	4	**74,685**	70,396	**74,740**	74,331
Operating expenses	6	**(336,614)**	(321,965)	**(336,830)**	(326,000)
Operating surplus		**35,014**	**25,394**	**34,753**	**25,294**
Finance costs:					
Finance income	11	**84**	23	**99**	43
Finance expense - financial liabilities	12	**(283)**	(471)	**(283)**	(471)
Finance expense - unwinding of discount on provisions		**0**	(2)	**0**	(2)
Public dividend capital dividends payable		**(4,578)**	(4,427)	**(4,578)**	(4,427)
Corporation tax expense		**(63)**	1	**0**	0
Retained surplus for the period		**30,174**	20,518	**29,991**	20,437
Other comprehensive income					
Impairments and reversals		**(13)**	(191)	**(13)**	(191)
Gains on revaluations		**9,862**	2,109	**9,862**	2,109
Other recognised gains and losses		**(2)**	68	**(2)**	0
Total comprehensive income for the period		**40,021**	22,504	**39,838**	22,355

The notes on pages 122 to 155 form part of these accounts.
All income and expenditure is derived from continuing operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

		Group		Trust	
	NOTE	**31 March 2018**	31 March 2017	**31 March 2018**	31 March 2017
Non-current assets		**£000**	£000	**£000**	£000
Intangible assets	14	**719**	761	**719**	761
Property, plant and equipment	15	**174,451**	156,097	**174,451**	156,097
Trade and other receivables	19	**410**	372	**410**	372
Other financial assets		**0**	0	**100**	200
Total non-current assets		**175,580**	157,230	**175,680**	157,430
Current assets					
Inventories	18	**5,334**	6,880	**5,253**	6,765
Trade and other receivables	19	**54,183**	47,169	**54,016**	47,508
Other financial assets		**0**	0	**100**	100
Cash and cash equivalents	27	**35,039**	8,772	**34,746**	8,400
Total current assets		**94,556**	62,821	**94,115**	62,773
Current liabilities					
Trade and other payables	21	**(33,667)**	(27,347)	**(33,704)**	(27,648)
Borrowings	23	**(1,248)**	(1,248)	**(1,248)**	(1,248)
Provisions	28	**(1,515)**	(1,460)	**(1,515)**	(1,460)
Tax payable	21	**(4,140)**	(3,748)	**(4,094)**	(3,748)
Other liabilities	22	**(1,932)**	(1,776)	**(1,932)**	(1,776)
Total current liabilities		**(42,502)**	(35,579)	**(42,493)**	(35,880)
Total assets less current liabilities		**227,634**	184,472	**227,302**	184,323
Non-current liabilities					
Trade and other payables	21	**(97)**	(94)	**(97)**	(94)
Borrowings	23	**(16,513)**	(17,761)	**(16,513)**	(17,761)
Provisions	28	**(174)**	(180)	**(174)**	(180)
Other liabilities	22	**(888)**	(900)	**(888)**	(900)
Total non-current liabilities		**(17,672)**	(18,935)	**(17,672)**	(18,935)
Total assets employed		**209,962**	165,537	**209,630**	165,388
Financed by taxpayers' equity:					
Public Dividend Capital		**68,460**	64,056	**68,460**	64,056
Revaluation Reserve		**62,887**	53,219	**62,887**	53,219
Income and Expenditure Reserve		**78,615**	48,262	**78,283**	48,113
Total Taxpayers' Equity		**209,962**	165,537	**209,630**	165,388

The financial statements on pages 118 to 155 were approved by the Board on 24th May 2018 and signed on its behalf by:

Signed: Paula Head

Paula Head
Chief Executive

25th May 2018

CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

Group	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve	Total
	£000	£000	£000	£000
Taxpayers' Equity at 1 April 2017	**64,056**	**53,219**	**48,262**	**165,537**
Changes in taxpayers' equity for period 01/04/17 to 31/03/18				
Total Comprehensive Income for the year:				
Retained surplus/(deficit) for the year	0	0	30,174	30,174
Impairments and reversals	0	(13)	0	(13)
Gains on revaluation	0	9,862	0	9,862
Other recognised gains and losses	0	(2)	0	(2)
Transfer ro retained earnings on disposal of assets	0	(179)	179	0
New Public Dividend Capital received	4,404	0	0	4,404
Taxpayers' Equity at 31 March 2018	**68,460**	**62,887**	**78,615**	**209,962**
Taxpayers' Equity at 1 April 2016	**62,313**	**51,347**	**27,630**	**141,290**
Changes in taxpayers' equity for period 01/04/16 to 31/03/17				
Total Comprehensive Income for the year:				
Retained surplus/(deficit) for the year	0	0	20,518	20,518
Impairments and reversals	0	(191)	0	(191)
Gains on revaluation	0	2,109	0	2,109
Other recognised gains and losses	0	0	68	68
Transfers between reserves	0	(46)	46	0
New Public Dividend Capital received	1,743	0	0	1,743
Balance at 31 March 2017	**64,056**	**53,219**	**48,262**	**165,537**

Trust	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve	Total
	£000	£000	£000	£000
Taxpayers' Equity at 1 April 2017	**64,056**	**53,219**	**48,113**	**165,388**
Changes in taxpayers' equity for period 01/04/17 to 31/03/18				
Total Comprehensive Income for the year:				
Retained surplus/(deficit) for the year	0	0	29,991	29,991
Impairments and reversals	0	(13)	0	(13)
Gains on revaluation	0	9,862	0	9,862
Other recognised gains and losses	0	(2)	0	(2)
Transfer ro retained earnings on disposal of assets	0	(179)	179	0
New Public Dividend Capital received	4,404	0	0	4,404
Taxpayers' Equity at 31 March 2018	**68,460**	**62,887**	**78,283**	**209,630**
Taxpayers' Equity at 1 April 2016	**62,313**	**51,347**	**27,630**	**141,290**
Changes in taxpayers' equity for period 01/04/16 to 31/03/17				
Total Comprehensive Income for the year:				
Retained surplus/(deficit) for the year	0	0	20,437	20,437
Impairments and reversals	0	(191)	0	(191)
Gains on revaluation	0	2,109	0	2,109
Transfers between reserves	0	(46)	46	0
New Public Dividend Capital received	1,743	0	0	1,743
Balance at 31 March 2017	**64,056**	**53,219**	**48,113**	**165,388**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

	Group		Trust	
	2017/18	2016/17	**2017/18**	2016/17
	£000	£000	**£000**	£000
Cash flows from operating activities				
Operating surplus from continuing operations	**35,014**	25,394	**34,753**	25,294
Operating surplus	**35,014**	25,394	**34,753**	25,294
Non-cash income and expense:				
Depreciation and amortisation	**7,299**	7,323	**7,299**	7,323
Impairments and reversals	**1,137**	(97)	**1,137**	(97)
Income recognised in respect of capital donations (cash and non-cash)	**(1,565)**	**(29)**	**(1,565)**	**(29)**
(Increase)/Decrease in Trade and Other Receivables	**(6,037)**	(17,321)	**(5,531)**	(17,660)
(Increase)/Decrease in Inventories	**1,546**	(13)	**1,512**	102
Increase/(Decrease) in Trade and Other Payables	**2,418**	(6,271)	**2,151**	(5,971)
Increase/(Decrease) in Other Liabilities	**144**	425	**144**	425
Increase/(Decrease) in Provisions	**49**	(1,164)	**49**	(1,164)
Corporation Tax paid	**(20)**	0	**0**	0
Other movements in operating cash flows	**0**	468	**0**	0
NET CASH GENERATED FROM/(USED IN) OPERATIONS	**39,985**	8,715	**39,949**	8,223
Cash flows from investing activities				
Interest received	**73**	23	**88**	43
Purchase of financial assets	**0**	0	**0**	0
Sales of financial assets	**0**	0	**100**	100
Purchase of intangible assets	**(275)**	(14)	**(275)**	(14)
Sales of intangible assets	**0**	0	**0**	0
Purchase of Property, Plant and Equipment	**(12,174)**	(5,063)	**(12,174)**	(5,063)
Sales of Property, Plant and Equipment	**0**	0	**0**	0
Receipt of cash donations to purchase capital assets	**741**	59	**741**	59
Net cash generated from/(used in) investing activities	**(11,635)**	(4,995)	**(11,520)**	(4,875)
Cash flows from financing activities				
Public dividend capital received	**4,404**	1,743	**4,404**	1,743
Loans received from the Department of Health and Social Care	**0**	13,400	**0**	13,400
Loans repaid to the Department of Health and Social Care	**(1,248)**	(10,402)	**(1,248)**	(10,402)
Capital element of finance lease rental payments	**0**	0	**0**	0
Interest paid	**(281)**	(445)	**(281)**	(445)
Interest element of finance lease	**0**	0	**0**	0
PDC Dividend paid	**(4,958)**	(4,189)	**(4,958)**	(4,189)
Net cash generated from/(used in) financing activities	**(2,083)**	107	**(2,083)**	107
Increase in cash and cash equivalents	**26,267**	3,827	**26,346**	3,455
Cash and Cash equivalents at 1 April	**8,772**	4,945	**8,400**	4,945
Cash and Cash equivalents at 31 March	**35,039**	**8,772**	**34,746**	**8,400**

NOTES TO THE ACCOUNTS

Accounting policies and other information

NHS Improvement, in exercising the statutory functions conferred on Monitor, is responsible for issuing an accounts direction to NHS foundation trusts under the NHS Act 2006. NHS Improvement has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the Department of Health Group Accounting Manual (DH GAM) which shall be agreed with the Secretary of State. Consequently, the following financial statements have been prepared in accordance with the DH GAM 2017/18 issued by the Department of Health. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual to the extent that they are meaningful and appropriate to NHS foundation trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

Consolidation

Subsidiaries

The Trust wholly owns RSCH Pharmacy Ltd which forms part of the consolidated group accounts. RSCH Pharmacy Ltd was established in June 2014 and provides outpatient pharmacy services. Its turnover for the period ended 31st March 2018 was £5.7m, inclusive of sales to the Trust.

A second subsidiary, Healthcare Partners Limited, was established during the course of the 2017/18 financial year and incorporated on the 10th November 2017. The value of transactions carried out by the new subsidiary is not material in relation to the group and as a result they have not been consolidated into the group position.

Subsidiary entities are those over which the Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines. Where subsidiaries' accounting policies are not aligned with those of the trust (including where they report under UK FRS 102) then amounts are adjusted during consolidation where the differences are material. The amounts consolidated are drawn from the financial statements of RSCH Pharmacy Ltd. Intra-entity balances, transactions and gains/losses are eliminated in full on consolidation.

Joint Operations

The Trust has a joint operational arrangement with Frimley Health NHS Foundation Trust, Ashford & St Peter's Hospital NHS Foundation Trust and Royal Berkshire NHS Foundation Trust to provide Pathology services to the Hampshire, Berkshire and Surrey localities. All

the organisations account for their own assets and liabilities relating to this joint operation with income and expenditure recognised in equal shares. This arrangement is then subject to a reconciliation process by the four organisations to identify and account for small local variations, such as medical staffing and leases. The main deviation to this allocation arrangement relates to Direct Access Referrals by General Practitioners, whereby 100% of the income is retained by the Trust providing the service but the costs are shared equally.

A bowel cancer screening service is operated jointly with Frimley Health NHS Foundation Trust where the income and expenditure is recognised in equal shares. Each organisation accounts for their own assets and liabilities.

Income recognition

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the Group is contracts with commissioners in respect of healthcare services. Revenue relating to patient care spells that are part-completed at the year-end are apportioned across the financial years on the basis of length of stay at the end of the reporting period compared to expected total length of stay.

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

The Group 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 e.g. by an insurer. The Group 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 a provision for unsuccessful compensation claims and doubtful debts.

Revenue in respect of goods supplied is recognised when the goods are supplied, at the fair value of the consideration receivable.

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.

Employee Benefits

Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

Retirement benefit costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. It is not possible for the NHS foundation trust to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme.

Employers pension cost contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the trust commits itself to the retirement, regardless of the method of payment.

Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that, they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied 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
- the item has a cost of at least £5,000; or
- 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, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

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

Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All assets are measured subsequently at fair value.

Land and buildings used for the Trust's services or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost

Until 31 March 2008, the depreciated replacement cost of specialised buildings has been estimated for an exact replacement of the asset in its present location. HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. The Trust has carried out a full revaluation of land and buildings on this basis since 30 November 2009, with the latest taking place on 31 March 2014. Full revaluations are planned for every five years. They are supplemented annually by either an interim valuation or desktop valuations in between each formal valuation.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

Until 31 March 2008, fixtures and equipment were carried at replacement cost, as assessed by indexation and depreciation of historic cost. From 1 April 2008 indexation ceased. Fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is added to the asset's carrying value. Where subsequent expenditure is simply restoring the asset to the specification assumed by its economic useful life then the expenditure is charged to operating expenses.

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. Equipment is depreciated on current cost evenly over the estimated life of the asset using the following lives:

	Years
Property	5 to 90
Medical equipment and engineering plant and equipment	5 to 15
Furniture	10
Mainframe information technology installations	7
Soft furnishings	7
Office and information technology equipment	5
Set-up costs in new buildings	10
Vehicles	7

Property, Plant and Equipment which has been reclassified as ‘Held for Sale’ ceases to be depreciated upon the reclassification. Assets in the course of construction and residual

interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the trust, respectively.

Revaluation gains and losses

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

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

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

Impairments

In accordance with the DH GAM, impairments that are due to a loss of economic benefits or service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of:

- the impairment charged to operating expenses; and
- the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment arising from a loss of economic benefit or service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating 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.

Derecognition

Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable i.e.:
    - management are committed to a plan to sell the asset;
    - an active programme has begun to find a buyer and complete the sale;
    - the asset is being actively marketed at a reasonable price;
    - the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and

- the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'Held for Sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

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.

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 when it is probable that future economic benefits will flow to, or service potential be provided to, the Trust, where the cost of the asset can be measured reliably and where the cost is at least £5,000.

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets. Expenditure on research is not capitalised. Expenditure on development is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- the Trust intends to complete the asset and sell or use it;
- the Trust has the ability to sell or use the asset;
- how the intangible asset will generate probable future economic or service delivery benefits e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset; and
- the Trust can measure reliably the expenses attributable to the asset during development.

Software 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.

Following initial recognition, intangible assets are carried at fair value by reference to an active market, or, where no active market exists, at amortised replacement cost (modern equivalent assets basis), indexed for relevant price increases, as a proxy for fair value. Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances. Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in operating expenses, in which case they are recognised in operating income. Decreases in asset values and impairments are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses. Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'. Revaluation gains and losses and impairments are treated in the same manner as for Property, Plant and Equipment.

Intangible assets held for sale are measured at the lower of their carrying amount or 'fair value less costs to sell'.

Amortisation

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Revenue government and other grants

Government grants are grants from Government bodies other than income from NHS England, Clinical Commissioning Groups or NHS trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

Leases

Operating leases

Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

The Trust as Lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the trust's net investment in the leases. Finance lease income is allocated to accounting

periods so as to reflect a constant periodic rate of return on the trust's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the First In, First Out method except for drugs where a dedicated stock system is used applying the weighted average cost method.

Cash and cash equivalents

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

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group 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 rate of (2.42%) for 0-5 years and (1.85%) for 6-10 years in real terms, except for early retirement provisions and injury benefit provisions which both use the HM Treasury's pension discount rate of 0.10% in real terms.

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

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arsing from the restructuring, which are those amounts that are both

necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the Trust pays an annual contribution to the NHSLA which, in return, settles all clinical negligence claims. The contribution is charged to operating expenses. Although the NHSLA is administratively responsible for all clinical negligence cases the legal liability remains with the Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the Trust is disclosed at note 28 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to the NHS Litigation Authority 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 as and when they become due.

Contingencies

Contingent liabilities are not recognised, but are disclosed in note 29.1, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 29.2 where an inflow of economic benefits is probable.

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

Financial instruments and financial liabilities

Recognition

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

Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described above.

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

Derecognition

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

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

Classification and Measurement

Financial assets are classified into the following categories: financial assets at fair value through profit and loss; loans and receivables; held to maturity investments; and available for sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial liabilities are classified as either 'at fair value through profit and loss' or as 'other financial liabilities'.

Financial assets and financial liabilities at 'Fair Value through Income and Expenditure'

Financial assets and financial liabilities at 'fair value through income and expenditure' are financial assets or financial liabilities held for trading. A financial asset or financial liability is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Derivatives which are embedded in other contracts but which are not 'closely-related' to those contracts are separated-out from those contracts and measured in this category. Assets and liabilities in this category are classified as current assets and current liabilities.

These financial assets and financial liabilities are recognised initially at fair value, with transaction costs expensed in the income and expenditure account. Subsequent movements in the fair value are recognised as gains or losses in the Statement of Comprehensive Income.

Loans and receivables

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

The Group's loans and receivables comprise: current investments, cash and cash equivalents, NHS debtors, accrued income and 'other debtors'.

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

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

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, and there is a positive intention and ability to hold to maturity.

After initial recognition, they are held at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Available for sale financial assets

Available-for-sale financial assets are non-derivative financial assets which are either designated in this category or not classified in any of the other categories. They are included in long-term assets unless the Group intends to dispose of them within 12 months of the Statement of Financial Position date.

Available-for-sale financial assets are recognised initially at fair value, including transaction costs, and measured subsequently at fair value, with gains or losses recognised in reserves and reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'. When items classified as 'available-for-sale' are sold or impaired, the accumulated fair value adjustments recognised are transferred from reserves and recognised in 'Finance Costs' in the Statement of Comprehensive Income.

Other financial liabilities

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

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

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

Loans from the Department of Health are not held for trading and are measured at historic cost with any unpaid interest accrued separately and charged to the Statement of Comprehensive Income.

Determination of fair value

For financial assets and financial liabilities carried at fair value, the carrying amounts are determined from quoted market prices where possible, otherwise by valuation techniques.

Impairment of financial assets

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

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The

loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced directly.

Value Added Tax

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

Trading undertaken by the Trust's subsidiary company RSCH Pharmacy Ltd will be subjected to the VAT rules applying at the time of the transactions, with output tax charged and input tax recovered at the applicable VAT rates."

Corporation Tax

Section 148 of the Finance Act 2004 amended S519A of the Income and Corporation Taxes Act 1988 to provide power to the Treasury to make certain non-core activities of Foundation Trusts potentially subject to corporation tax. This legislation became effective in the 2005/06 financial year.

In determining whether or not an activity is likely to be taxable a three-stage test may be employed:

- Is the activity an authorised activity related to the provision of core healthcare?

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."

- the activity actually or potentially in competition with the private sector?

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."

- Are the annual profits significant?

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. Where trading activities are undertaken that are commercial in nature they are considered insignificant with profits per activity below the £50,000 tax threshold.

The Trust's subsidiary company RSCH Pharmacy Ltd is a trading company which is subjected to corporation tax at the rates applying at the reporting date. The tax amount included in the 2017/18 financial period is £63k."

Foreign exchange

The functional and presentational currencies of the Group are sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the Group has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items (other than financial instruments measured at 'fair value through income and expenditure') are translated at the spot exchange rate on 31 March;
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction; and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

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. The Trust has no third party assets to disclose.

Accounting Estimates and Judgements

International accounting standard IAS1 requires estimates, assumptions and judgements to be continually evaluated and to be based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The purpose of the evaluation is to consider whether there may be a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year, compared to the carrying value in these accounts. The following significant assumptions and areas of estimation and judgement have been considered in preparing these financial statements.

Value of land and buildings as detailed in note 15: This estimate is based upon the professional judgement of the Trust's Valuer who has extensive knowledge of the physical estate and market factors. The value does not take into account potential future changes in market value which cannot be predicted with any certainty.

Income from patient care activities: Invoicing deadlines for NHS income prevent actual activity data from being used for non-contracted work performed in March. Income for March is estimated using the February activity data and adjusting this value for the number of working days in March.

Incomplete inpatient episodes as at 31 March: Where a patient occupies a bed at the financial year end an estimated value for the partially completed spell is calculated using a bed day rate multiplied by the number of days that bed has been occupied. The total value calculated for 2017/18 was £3,160k (2016/17 £2,636k).

Untaken annual leave: At the end of each financial year enquiries are made of business managers to gather data on the number of days annual leave earned that are being carried forward into the new financial year. In 2017/18 this information was obtained using a 26% representative sample of the Trust's workforce, giving an extrapolated estimate of £574k. This compares to an estimate of £259k obtained in 2016/17 using a 26% sample. The year on year increase/decrease is accounted for as a salary cost/benefit and reported within note 8.1.

Provisions: Values for provisions are based upon data received from the NHS Pensions Agency, the NHS Litigation Authority, expert opinion from within the Trust and external professional advisors regarding when settlement will be made. The basis of those estimates is set out in note 28.

Public Dividend Capital (PDC) and PDC dividend

Public Dividend Capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

A charge, reflecting the cost of capital utilised by the NHS foundation trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the NHS foundation trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for donated assets, average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility and any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the 'pre-audit' version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts.

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, and special notation in the accounts to draw them to the attention of Parliament. 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. The note on losses and special payments is compiled directly from the losses and compensations register which reports amounts on an accruals basis with the exception of provisions for future losses.

Subsidiaries

Material entities over which the Trust has the power to exercise control so as to obtain economic or other benefits are classified as subsidiaries and are consolidated, if their value is considered material. Their income and expenses; gains and losses; assets, liabilities and

reserves; and cash flows are consolidated in full into the appropriate financial statement lines. Appropriate adjustments are made on consolidation where the subsidiary's accounting policies are not aligned with the Trust's or where the subsidiary's accounting date is before 1 January or after 30 June.

Subsidiaries that are classified as 'held for sale' are measured at the lower of their carrying amount or 'fair value less costs to sell'.

In both 2017/18 and 2016/17 The Trust has not consolidated the NHS charitable funds, for which it is the corporate trustee. The wholly owned subsidiary RSCH Pharmacy Ltd has been consolidated into the 2017/18 and 2016/17 financial statements.

In 2017/18 a new subsidiary, Healthcare Partners Limited, was established. Although some costs have been incurred during the 2017/18 financial year these are not material in relation to the group. As a result the costs have not been consolidated into the group position. The subsidiary will be consolidated in the 2018/19 financial year.

Going Concern

The Group achieved an outturn surplus position of £30.1m for 2017/18 although this figure includes incentive and bonus payments of £19.9m and a prior year payment of £0.4m, from the central Sustainability & Transformation Fund (STF). Excluding this non-recurrent receipt the Group achieved a surplus of £9.9m. This figure includes core, recurrent STF funding of £6.1m, without which the underlying position would have been a surplus of £3.9m.

A five year plan is currently in progress which is aiming to build on the financial achievements of the past two years and provide the Trust with long term financial sustainability.

The Trust appointed a Turnaround Director in 2016/17 and focused on its cost improvement programme (CIP). Against a CIP plan of £15.2m the Trust delivered £17.6m, aiding the overall better than plan performance. The Trust continued to focus on cost improvement and transformation plans in 2017/18 and set a delivery target of £16.8m. Against this target savings of £14.0m were achieved. The focus on sustainable transformation and strengthening of the underlying run rate are the core elements that will deliver a long term sustainable surplus financial position.

IAS 1 requires management to assess, as part of the accounts preparation process, the NHS foundation trust's ability to continue as a going concern. Table 6.2 of the FReM states that the anticipated continuation of the provision of a service in the future as evidenced by inclusion of financial provision for that service in published documents, is normally sufficient of going concern. Therefore, as the Trust is anticipated to have sufficient provision of services in the foreseeable future, management have continued to adopt the going concern basis in preparing the financial accounts.

Accounting standards that have been issued but have not yet been adopted		
The following accounting standards, amendments and interpretations have been issued by the IASB but are		
Effective for future financial years:		
IFRS 9 Financial instruments		Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted.
IFRS 14 Regulatory Deferral Accounts		Not yet EU-endorsed. Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable to DH group bodies.
IFRS 15 Revenue from contracts with customers		Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted.
IFRS 16 Leases		Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted.
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 22 Foreign Currency Transactions and Advance Consideration		Application required for accounting periods beginning on or after 1 January 2018.
IFRIC 23 Uncertainty over Income Tax Treatments		Application required for accounting periods beginning on or after 1 January 2019.
Accounting standards, amendments and interpretations issued that have been adopted early		
The Trust has not early adopted any new accounting standards, amendments or interpretations.		

2. Operating segments

The contribution variance for each Portfolio and Specialty Business Unit (SBU) is reported to the Chief Operating Decision Maker (CODM) monthly;
Operating results are not used by the CODM to make decisions about resource allocation to SBUs;
Discrete financial information is available by SBU monthly to the CODM.

		Access and Medicine 2017/18 £000	Diagnostics & Clinical Support 2017/18 £000	Surgery 2017/18 £000	Oncology 2017/18 £000	Women and Children 2017/18 £000	Community Services 2017/18 £000	Corporate 2017/18 £000	Reserves 2017/18 £000	Grand Total 2017/18 £000
Income	Car Parking income	0	0	0	0	0	0	1,426	0	1,426
	Cash donations / grants for the purchase of capital assets	0	0	1	0	0	0	0	249	250
	Catering	0	0	0	0	0	0	6	0	6
	CCG & NHSE Comm Income	68,766	17,682	97,015	64,037	29,004	0	1,331	6,937	284,772
	Charitable and other contributions to expenditure	0	0	0	0	0	0	0	1,565	1,565
	Department of Health	0	0	0	0	0	0	30	35	65
	Education and training	1,548	752	2,226	1,040	686	0	3,958	0	10,210
	Injury cost recovery scheme	0	0	0	0	0	0	0	485	485
	Local Authorities	0	0	0	0	0	0	0	0	0
	NHS Foundation Trusts	254	1,534	1,618	728	(10)	0	6	0	4,130
	NHS Other (including Public Health England)	0	0	10	0	0	0	0	0	10
	NHS Trusts	38	0	87	561	0	0	0	0	686
	Non NHS: Other	0	4	7	0	202	0	0	174	387
	Non NHS: private patients	158	334	2,274	3,261	84	0	0	0	6,111
	Non-NHS: Overseas Patients (non-reciprocal, chargeable to patient)	0	0	0	0	0	0	298	0	298
	Other income generation schemes	851	6,489	1,302	2,653	29	0	1,893	232	13,449
	Pharmacy sales	133	1,715	0	0	0	0	0	0	1,848
	Rental revenue from finance leases	74	149	230	0	1	0	2,174	13	2,641
	Research and development	82	172	0	376	0	0	16,289	60	16,979
	Staff accommodation rental	0	0	0	0	0	0	2	0	2
	STF Funding	0	0	0	0	0	0	0	26,310	26,310
Pay	Non-executive directors	0	0	0	0	0	0	(133)	0	(133)
	Pay Costs	(38,047)	(30,513)	(57,359)	(21,117)	(15,562)	(20)	(26,279)	(657)	(189,554)
										0
Non-Pay	Audit fees and other auditor remuneration	0	0	0	0	0	0	(161)	(14)	(175)
	Clinical negligence	0	0	0	0	0	0	(11,694)	0	(11,694)
	Consultancy	(49)	(161)	(101)	(7)	0	0	(2,061)	(163)	(2,542)
	Drugs costs (drug inventory consumed and purchase of non-inventory drugs)	(9,572)	(3,123)	(4,084)	(23,186)	(692)	0	(2)	821	(39,838)
	Education and training - non-staff	(20)	(43)	(77)	(89)	(8)	0	(634)	(29)	(900)
	Establishment	(359)	(1,231)	(358)	(168)	(112)	0	(1,927)	(7)	(4,162)
	Increase/(decrease) in impairment of receivables	0	0	0	0	0	0	0	(180)	(180)
	Operating lease expenditure	0	(504)	(670)	(481)	(55)	0	(808)	0	(2,518)
	Other	(51)	53	(682)	35	(17)	0	(855)	(118)	(1,635)
	Premises - business rates payable to local authorities	0	0	0	0	0	0	(1,007)	0	(1,007)
	Premises - other	(130)	(429)	(267)	(316)	(12)	(2)	(8,101)	85	(9,172)
	Purchase of healthcare from NHS bodies	(113)	(514)	(1,953)	(824)	(397)	0	(296)	(104)	(4,201)
	Purchase of healthcare from non-NHS bodies	(532)	(1,434)	(827)	(1,651)	(1)	0	(592)	(35)	(5,072)
	Redundancy costs - non-staff	0	(14)	(25)	(20)	0	0	(47)	(18)	(124)
	Research and development - non-staff	0	0	0	0	0	0	(10,392)	0	(10,392)
	Supplies and services – clinical (excluding drugs costs)	(4,502)	(7,122)	(15,323)	(3,671)	(1,144)	0	(451)	(170)	(32,383)
	Supplies and services - general	(253)	(373)	(801)	(386)	(78)	0	(9,953)	(171)	(12,015)
	Transport	(3)	(418)	(4)	(18)	0	0	(39)	0	(482)
	Amortisation: donated and government granted assets	0	0	0	0	0	0	(10)	(1)	(11)
Depreciation	Amortisation: owned assets	0	0	0	0	0	0	(305)	0	(305)
	Depreciation: donated and government granted assets	(3)	(89)	(36)	(186)	(2)	0	(78)	0	(394)
	Depreciation: owned assets	(180)	(551)	(737)	(1,187)	(60)	0	(3,986)	112	(6,589)
	Impairments net of (reversals)	0	0	0	0	0	0	0	(1,137)	(1,137)
Financing	Finance income	0	0	0	0	0	0	11	72	83
	Interest on finance leases	0	0	0	0	0	0	0	0	0
	Loans from the Department of Health: capital loans	0	0	0	0	0	0	0	(282)	(282)
	Other finance costs	0	0	0	0	0	0	(1)	0	(1)
	PDC dividends payable/refundable	0	0	0	0	0	0	0	(4,578)	(4,578)
	Tax	0	0	0	0	0	0	0	(63)	(63)
Total		18,090	(17,635)	21,466	19,384	11,856	(22)	(52,388)	29,423	30,174

2. Operating segments (Continued)

2016/17 Comparison		Access and Medicine 2016/17 £000	Diagnostics & Clinical Support 2016/17 £000	Surgery 2016/17 £000	Oncology 2016/17 £000	Women and Children 2016/17 £000	Corporate 2016/17 £000	Reserves 2016/17 £000	Grand Total 2016/17 £000
Income	Car Parking income	0	0	0	0	0	1,389	0	1,389
	Cash donations / grants for the purchase of capital assets	4	0	0	0	0	0	194	198
	Catering	0	0	0	0	0	10	0	10
	CCG & NHSE Comm Income	63,061	18,151	61,826	101,909	26,763	768	(6,941)	265,537
	Charitable and other contributions to expenditure	0	0	0	0	0	0	29	29
	Department of Health	0	0	0	0	0	30	0	30
	Education and training	1,506	456	1,098	2,274	704	3,763	596	10,397
	Injury cost recovery scheme	0	0	0	0	0	0	386	386
	Local Authorities	(2)	0	0	0	0	0	0	(2)
	NHS Foundation Trusts	196	1,374	809	1,526	20	3	(231)	3,697
	NHS Other (including Public Health England)	0	0	0	16	0	0	(1)	15
	NHS Trusts	41	0	561	106	(1)	0	0	707
	Non NHS: Other	0	(12)	0	0	173	0	304	465
	Non NHS: private patients	219	337	3,554	1,887	33	0	0	6,030
	Non-NHS: Overseas Patients (non-reciprocal, chargeable to patient)	0	0	0	0	0	189	0	189
	Other income generation schemes	990	6,617	2,297	1,245	47	1,297	23	12,516
	Pharmacy sales	0	7,433	0	0	0	0	(3,924)	3,509
	Rental revenue from finance leases	40	0	0	264	0	1,895	13	2,212
	Research and development	73	120	403	0	0	16,801	0	17,397
	Staff accommodation rental	0	0	0	0	0	0	0	0
	STF Funding	0	0	0	0	0	0	22,652	22,652
Pay	Non-executive directors	0	0	0	0	0	(102)	0	(102)
	Pay Costs	(36,263)	(30,081)	(20,338)	(56,416)	(14,264)	(24,177)	(222)	(181,761)
									0
Non-Pay	Audit fees and other auditor remuneration	0	0	0	0	0	(225)	(15)	(240)
	Clinical negligence	0	0	0	0	0	(10,631)	0	(10,631)
	Consultancy	0	0	(18)	(103)	(6)	(1,278)	(521)	(1,926)
	Drugs costs (drug inventory consumed and purchase of non-inventory drugs)	(8,899)	(8,137)	(22,014)	(4,082)	(473)	(19)	4,564	(39,060)
	Education and training - non-staff	(39)	(36)	(80)	(73)	(21)	(677)	(11)	(937)
	Establishment	(229)	(1,186)	(200)	(270)	(129)	(1,800)	(15)	(3,829)
	Increase/(decrease) in impairment of receivables	0	0	0	0	0	0	(86)	(86)
	Operating lease expenditure	0	(490)	(534)	(670)	(46)	(503)	(63)	(2,306)
	Other	(37)	(211)	(177)	(494)	(34)	(505)	1,103	(355)
	Premises - business rates payable to local authorities	0	0	0	0	0	(1,014)	(5)	(1,019)
	Premises - other	(45)	(430)	(279)	(162)	(10)	(7,705)	(286)	(8,917)
	Purchase of healthcare from NHS bodies	(89)	(488)	(615)	(1,650)	(246)	(212)	(39)	(3,339)
	Purchase of healthcare from non-NHS bodies	(386)	(1,511)	(1,442)	(1,003)	10	(439)	(54)	(4,825)
	Redundancy costs - non-staff	0	(9)	(1)	(12)	(4)	(24)	(24)	(74)
	Research and development - non-staff	0	0	(23)	0	0	(10,677)	0	(10,700)
	Supplies and services – clinical (excluding drugs costs)	(3,930)	(6,822)	(3,614)	(16,325)	(1,195)	(633)	693	(31,826)
	Supplies and services - general	(265)	(1,416)	(192)	(819)	(65)	(9,689)	159	(12,287)
	Transport	(7)	(469)	(35)	(8)	(1)	(3)	0	(523)
	Amortisation: donated and government granted assets	0	0	0	0	0	(10)	0	(10)
Depreciation	Amortisation: owned assets	0	0	0	0	0	(421)	0	(421)
	Depreciation: donated and government granted assets	(19)	(93)	(226)	(35)	(1)	(85)	0	(459)
	Depreciation: owned assets	(194)	(618)	(1,031)	(688)	(36)	(3,866)	0	(6,433)
	Impairments net of (reversals)	0	0	0	0	0	0	97	97
Financing	Finance income	0	0	0	0	0	13	10	23
	Interest on finance leases	0	0	0	0	0	0	0	0
	Loans from the Department of Health: capital loans	0	0	0	0	0	0	(410)	(410)
	Other finance costs	0	0	0	0	0	0	(4)	(4)
	Other finance costs	0	0	0	0	0	0	(59)	(59)
	PDC dividends payable/refundable	0	0	0	0	0	0	(4,427)	(4,427)
	Tax	0	0	0	0	0	0	1	1
Total		15,726	(17,521)	19,729	26,417	11,218	(48,537)	13,486	20,518

3.1 Income from healthcare activities (by nature)	Group		Trust	
	2017/18	2016/17	**2017/18**	2016/17
	£000	£000	**£000**	£000
Acute services				
Elective income	**52,288**	50,071	**52,288**	50,071
Non elective income	**71,673**	60,510	**71,673**	60,510
Outpatient income	**42,433**	44,145	**42,433**	44,145
A & E income	**9,077**	8,363	**9,077**	8,363
Other NHS clinical income	**114,090**	106,894	**114,090**	106,894
All services				
Private patient income	**6,112**	6,030	**6,112**	6,030
Other clinical income	**1,270**	950	**1,170**	950
Total income from activities	**296,943**	276,963	**296,843**	276,963

3.2 Income from healthcare activities (by source)	Group		Trust	
	2017/18	2016/17	**2017/18**	2016/17
	£000	£000	**£000**	£000
NHS Foundation Trusts	**4,131**	3,696	**4,131**	3,696
NHS Trusts	**685**	707	**685**	707
NHS England	**105,168**	95,184	**105,168**	95,184
Clinical Commissioning Groups	**179,603**	170,352	**179,603**	170,352
Local Authorities	**0**	(2)	**0**	(2)
Department of Health and Social Care	**64**	30	**64**	30
Public Health England	**10**	16	**10**	16
Non-NHS:				
Private Patients	**6,112**	6,030	**6,112**	6,030
Overseas Patients (charged directly by the Trust)	**298**	189	**298**	189
Injury Costs Recovery Scheme	**485**	386	**485**	386
Other	**387**	375	**287**	375
	296,943	276,963	**296,843**	276,963

Injury cost recovery income is subject to a provision for impairment of receivables of 22.84% to reflect expected rates of collection.

3.3 Income from Overseas Patients	Group		Trust	
	2017/18	2016/17	**2017/18**	2016/17
	£000	£000	**£000**	£000
Income recognised this year	**298**	189	**298**	189
Cash payments received in-year (relating to invoices raised in current and previous years)	**144**	118	**144**	118
Amounts added to provision for impairment of receivables (relating to invoices raised in current and prior years)	**52**	47	**52**	47
Amounts written off in-year (relating to invoices raised in current and previous years)	**43**	6	**43**	6

4. Other Operating Revenue	Group		Trust	
	2017/18	2016/17	**2017/18**	2016/17
	£000	£000	**£000**	£000
Research and Development	**16,979**	17,397	**16,979**	17,397
Education and Training	**10,212**	10,397	**10,212**	10,397
Charitable and other contributions to expenditure - revenue	**250**	198	**250**	198
Charitable and other contributions to expenditure - capital	**1,565**	29	**1,565**	29
Sustainability and Transformation Fund income	**26,310**	22,652	**26,310**	22,652
Clinical tests	**5,226**	5,421	**5,226**	5,421
Pharmacy sales	**1,715**	3,509	**1,849**	7,433
Property rentals	**2,640**	2,212	**2,640**	2,212
Other revenue	**9,788**	8,581	**9,709**	8,592
	74,685	70,396	**74,740**	74,331

Included in Research & Development income is £9,970k (2016/17 £10,474k) where the Trust has acted as a host for the service and distributed the income to other third party organisations.

5. Revenue analysis

5.1 Revenue from goods and services

	Group		Trust	
	2017/18	2016/17	**2017/18**	2016/17
	£000	£000	**£000**	£000
Rendering of services	**369,779**	339,926	**369,734**	343,861
Sale of goods	**1,849**	7,433	**1,849**	7,433
	371,628	347,359	**371,583**	351,294

5.2 Revenue arising from commissioner requested services and non-commissioner requested services

	Group		Trust	
	2017/18	2016/17	**2017/18**	2016/17
	£000	£000	**£000**	£000
Commissioner requested services	**272,557**	254,755	**272,557**	254,755
Non-Commissioner requested services	**99,071**	92,604	**99,026**	96,539
	371,628	347,359	**371,583**	351,294

The Trust is working with its commissioners to determine the level of commissioner requested services currently provided. Within the 2017-18 financial statements management has taken the view to define the following as commissioner requested services:

- where the Trust has a service level agreement with a commissioner there are indicative levels of activity contained within that agreement, which may or may not be exceeded;
- all activity linked to those agreements is a commissioner requested service and the value has been calculated accordingly;
- where no agreement exists with a commissioner any activity that is due to be paid for is assumed to be a non-commissioner requested service.

5.3 Fees and charges (income generation)

	Group		Trust	
	2017/18	2016/17	**2017/18**	2016/17
	£000	£000	**£000**	£000
Fees and charges raised under legislation - prescription charges	**105**	88	**4**	12

6. Operating Expenses

	Group		Trust	
	2017/18	2016/17	**2017/18**	2016/17
	£000	£000	**£000**	£000
Services from NHS Foundation Trusts	**2,907**	2,743	**2,907**	2,743
Services from NHS Trusts	**498**	563	**498**	563
Services from CCGs & NHS England	**0**	84	**0**	84
Services from other NHS bodies	**0**	3	**0**	3
Purchase of healthcare from non NHS bodies	**5,071**	4,846	**5,071**	4,846
Employee Expenses - Executive directors	**1,294**	1,260	**1,294**	1,260
Employee Expenses - Non-executive directors	**128**	102	**128**	102
Employee Expenses - Staff	**188,303**	180,501	**187,820**	180,180
Drug costs	**39,838**	39,055	**40,669**	43,201
Supplies and services - clinical	**32,387**	31,827	**32,387**	31,824
Supplies and services - general	**12,796**	12,287	**12,745**	12,456
Rentals under operating leases - minimum lease payments	**2,519**	2,330	**2,519**	2,330
Establishment	**4,303**	3,969	**4,299**	4,023
Research and Development	**10,392**	10,699	**10,392**	10,699
Transport	**475**	516	**475**	516
Premises	**10,116**	9,915	**10,114**	9,915
Increase/(decrease) in provision for impairment of receivables	**180**	86	**180**	86
Increase/(decrease) in other provisions	**47**	(1,176)	**47**	(1,176)
Change in provisions discount rate(s)	**1**	11	**1**	11
Depreciation	**6,982**	6,892	**6,982**	6,892
Amortisation on intangible assets	**317**	431	**317**	431
Impairments/(Reversal of Impairments) of property, plant and equipment	**1,137**	(97)	**1,137**	(97)
Audit fees - Statutory audit	**80**	81	**65**	72
Other auditor's remuneration:				
Further assurance services - Quality Accounts review	**12**	17	**12**	17
Advisory Services	**0**	31	**0**	31
Internal Audit & Counter Fraud services	**83**	105	**83**	105
Clinical negligence - amounts payable to the NHSLA (premiums)	**11,694**	10,631	**11,694**	10,631
Legal Fees	**178**	36	**149**	36
Consultancy costs	**2,543**	1,850	**2,543**	1,850
Training, courses and conferences	**899**	937	**899**	937
Insurance	**215**	234	**214**	233
Redundancy & early retirements	**79**	21	**79**	21
Losses, ex gratia and special payments	**467**	729	**433**	729
Other	**673**	446	**677**	446
	336,614	321,965	**336,830**	326,000

Included in Research & Development expenditure is £9,970k (2016/17 £10,474k) where the Trust has acted as a host for the service and distributed the income to other third party organisations.

Audit liability cap

The contract dated 22 December 2017 states that the liability of KPMG, its members, partners and staff (where in contract, negligence or otherwise) shall in no circumstances exceed £1,000,000, aside from where the liability cannot be limited by law. This is in aggregate in respect of all services.

6. Continued

Auditor's remuneration	Group		Trust	
	2017/18	2016/17	**2017/18**	2016/17
	£000	£000	**£000**	£000
Audit services - statutory audit	**69**	68	**54**	59
Audit services - audit related regulatory reporting	**10**	14	**10**	14
Advisory services	**0**	31	**0**	31
	79	113	**64**	104

This disclosure of auditors remuneration excludes irrecoverable VAT.

7. Operating Leases

7.1 As lessee

	Group		Trust	
Payments recognised as an expense	**2017/18**	2016/17	**2017/18**	2016/17
	£000	£000	**£000**	£000
Minimum lease payments	**2,519**	2,330	**2,519**	2,330
Total	**2,519**	2,330	**2,519**	2,330

Total future minimum lease payments				
Payable:	**£000**	£000	**£000**	£000
Not later than one year	**1,402**	1,370	**1,402**	1,346
Between one and five years	**2,083**	3,395	**2,083**	2,178
After 5 years	**8,731**	7,197	**8,731**	7,461
Total	**12,216**	11,962	**12,216**	10,985

7.2 As Lessor

A number of lease agreements have been entered into by the Trust allowing the use of land and/or buildings on the main Royal Surrey County Hospital site. The provisions of IAS 17 have been considered with the conclusion that all of these leases should be accounted for as operating leases.

Rental Revenue	Group		Trust	
	2017/18	2016/17	**2017/18**	2016/17
	£000	£000	**£000**	£000
Other	**2,640**	2,212	**2,640**	2,212
Total rental revenue	**2,640**	2,212	**2,640**	2,212

Total future minimum lease payments				
	£000	£000	**£000**	£000
Not later than one year	**826**	814	**826**	814
Between one and five years	**3,304**	3,254	**3,304**	3,254
After 5 years	**34,267**	34,097	**34,267**	34,097
Total	**38,397**	38,165	**38,397**	38,165

8. Employee benefits

8.1 Employee benefits

	Group		Trust	
	2017/18	2016/17	**2017/18**	2016/17
	£000	£000	**£000**	£000
Salaries and wages	**146,990**	141,404	**146,858**	141,276
Social Security Costs	**15,309**	14,661	**15,298**	14,653
Apprenticeship levy	**713**	0	**713**	0
Employer contributions to NHS Pension scheme	**17,039**	16,644	**17,039**	16,644
Pension cost - other	**9**	6	**8**	6
Termination benefits	**169**	56	**169**	56
Agency/contract staff	**9,709**	9,225	**9,370**	9,040
Total staff costs	**189,938**	181,996	**189,455**	181,675
Of which				
Costs capitalised as part of assets	**172**	179	**172**	179

Within the accounts payable note £574k (2016/17 £259k) has been included as an estimate of annual leave not taken as at 31/03/2018. The adjustment of £315k has had the impact of increasing staff costs within the accounting period.

8.2 Retirements due to ill-health

During the accounting period there was 1 (2016/17 there were 2) early retirements from the NHS Foundation Trust agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements is £89k. (2016/17 £114k). The cost of ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

8.3 Directors' remuneration and other benefits - Group and Trust

	2017/18					2016/17
	Remuneration	Employers National Insurance	Employers Pension Contribution	Benefits In Kind	Total	Total
	£000	£000	£000	£000	£000	£000
Executive Directors	1,230	161	144	3	1,538	969
Interim-Executive Directors	0	0	0	0	0	291
Non-Executive Directors	118	10	0	0	128	102
Total	1,348	171	144	3	1,666	1,362

There were no performance bonuses paid in either 2017/18 or 2016/17 although a provision of £46k has ben made for a potential bonus relating to the 2017/18 financial year. Remuneration of £302k (2016/17 £49k) was paid to the two individuals sharing the Medical Director position in respect of their clinical roles. The total number of directors to whom benefits are accruing under the NHS defined benefit scheme (the NHS Pension Scheme) was seven (2016/17 five).

9. Pension costs

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

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2018, is based on valuation data as 31 March 2017, updated to 31 March 2018 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account its recent demographic experience), and to recommend contribution rates payable by employees and employers.

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

The next actuarial valuation is to be carried out as at 31 March 2016 and is currently being prepared. The direction assumptions are published by HM Treasury which are used to complete the valuation calculations, from which the final valuation report can be signed off by the scheme actuary. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

10. Better Payment Practice Code - Group and Trust

10.1 Better Payment Practice Code - measure of compliance

	2017/18		2016/17	
	Number	**£000**	Number	£000
Total Non-NHS trade invoices paid in the year	**95,297**	**121,577**	91,946	114,920
Total Non NHS trade invoices paid within target	**89,447**	**108,233**	85,571	99,561
Percentage of Non-NHS trade invoices paid within target	**94%**	**89%**	93%	87%
Total NHS trade invoices paid in the year	**1,574**	**8,450**	1,644	9,787
Total NHS trade invoices paid within target	**1,227**	**5,627**	1,158	4,597
Percentage of NHS trade invoices paid within target	**78%**	**67%**	70%	47%

The Better Payment Practice Code requires the Trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.

10.2 The Late Payment of Commercial Debts (Interest) Act 1998

Claims totalling £1,027 were made and paid under this legislation in this financial year (2016/17 £0).

11. Finance Income

	Group		Trust	
	2017/18	2016/17	**2017/18**	2016/17
	£000	£000	**£000**	£000
Interest on bank accounts	**84**	23	**84**	43
Interest on held-to-maturity financial assets	**0**	0	**15**	0
Total	**84**	23	**99**	43

12. Finance Costs

	Group		Trust	
Finance Costs - interest expense	**2017/18**	2016/17	**2017/18**	2016/17
	£000	£000	**£000**	£000
Interest on Loans from Department of Health	**282**	410	**282**	410
Finance leases	**0**	0	**0**	0
Other - payment penalty	**1**	61	**1**	61
Total	**283**	**471**	**283**	**471**

13. Corporation Tax

	Group		Trust	
	2017/18	2016/17	**2017/18**	2016/17
	£000	£000	**£000**	£000
UK corporation tax expense	**43**	0	**0**	0
Adjustments in respect of prior years	**20**	(1)	**0**	0
Current tax expense	**63**	(1)	**0**	0

14. Intangible assets - Group and Trust

2017/18	Computer software - purchased	Development expenditure (internally generated)	Intangible Assets under construction	Total
	£000	£000	£000	£000
Gross cost at 1 April 2017	1,739	546	0	2,285
Impairments charged to revaluation reserve	0	0	0	0
Reclassifications	0	0	0	0
Revaluation surpluses	0	0	0	0
Additions - purchased	0	275	0	275
Additions - donated	0	0	0	0
Additions - internally generated	0	0	0	0
Transferred to disposal group as asset held for sale	0	0	0	0
Disposals	0	0	0	0
Gross cost at 31 March 2018	**1,739**	**821**	**0**	**2,560**
Amortisation at 1 April 2017	978	546	0	1,524
Provided during the year	316	1	0	317
Impairments recognised in the income and expenditure account	0	0	0	0
Reversal of impairments recognised in the income and expenditure account	0	0	0	0
Reclassifications	0	0	0	0
Revaluation surpluses	0	0	0	0
Transferred to disposal group as asset held for sale	0	0	0	0
Disposals	0	0	0	0
Amortisation at 31 March 2018	**1,294**	**547**	**0**	**1,841**
Net book value				
Purchased	433	274	0	707
Donated	12	0	0	12
Government granted	0	0	0	0
Total at 31 March 2018	**445**	**274**	**0**	**719**

Only purchased computer software, that has a financial benefit to the Trust, has been capitalised. These assets are amortised over a maximum period of five years.

Prior Year - Group and Trust

2016/17	Computer software - purchased	Development expenditure (internally generated)	Intangible Assets under construction	Total
	£000	£000	£000	£000
Gross cost at 1 April 2016	1,862	546	0	2,408
Impairments charged to revaluation reserve	0	0	0	0
Reclassifications	0	0	0	0
Revaluation surpluses	0	0	0	0
Additions - purchased	10	0	0	10
Additions - donated	0	0	0	0
Additions - internally generated	0	0	0	0
Transferred to disposal group as asset held for sale	0	0	0	0
Disposals	(133)	0	0	(133)
Gross cost at 31 March 2017	**1,739**	**546**	**0**	**2,285**
Amortisation at 1 April 2016	790	436	0	1,226
Provided during the year	321	110	0	431
Impairments recognised in the income and expenditure account	0	0	0	0
Reversal of impairments recognised in the income and expenditure account	0	0	0	0
Reclassifications	0	0	0	0
Revaluation surpluses	0	0	0	0
Transferred to disposal group as asset held for sale	0	0	0	0
Disposals	(133)	0	0	(133)
Amortisation at 31 March 2017	**978**	**546**	**0**	**1,524**
Net book value				
Purchased	730	0	0	730
Donated	31	0	0	31
Government granted	0	0	0	0
Total at 31 March 2017	**761**	**0**	**0**	**761**

15. Property, plant and equipment - Group and Trust

2017/18	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2017	23,167	114,632	0	327	49,877	54	11,912	265	200,234
Additions - purchased	0	4,557	0	2,351	6,324	0	1,828	0	15,060
Additions - donated cash receipts	0	31	0	1,421	112	0	0	0	1,564
Additions - donated non-cash receipts	0	0	0	0	0	0	0	0	0
Impairments charged to operating expenses	0	0	0	0	(2,570)	0	0	0	(2,570)
Impairments charged to revaluation reserve	0	0	0	0	(13)	0	0	0	(13)
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluation surpluses	0	9,862	0	0	0	0	0	0	9,862
Reversal of impairments credited to operating expenses	0	363	0	0	0	0	0	0	363
Transferred to disposal group as asset held for sale	0	0	0	0	0	0	0	0	0
Disposals / Derecognition	0	0	0	0	(2,299)	0	0	0	(2,299)
Cost or valuation at 31 March 2018	**23,167**	**129,445**	**0**	**4,099**	**51,431**	**54**	**13,740**	**265**	**222,201**
Depreciation at 1 April 2017	0	5,950	0	0	31,033	51	6,945	158	44,137
Provided during the year	0	2,260	0	0	3,122	1	1,589	10	6,982
Impairments recognised in operating expenses	0	0	0	0	(1,070)	0	0	0	(1,070)
Reversal of impairments	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluation surpluses	0	0	0	0	0	0	0	0	0
Transferred to disposal group as asset held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(2,299)	0	0	0	(2,299)
Depreciation at 31 March 2018	**0**	**8,210**	**0**	**0**	**30,786**	**52**	**8,534**	**168**	**47,750**
Net book value									
Owned at 31 March 2018	23,167	116,432	0	2,678	19,241	2	5,197	57	166,774
Finance Leased at 31 March 2018	0	0	0	0	0	0	0	0	0
Donated at 31 March 2018	0	4,803	0	1,421	1,404	0	9	40	7,677
Total at 31 March 2018	**23,167**	**121,235**	**0**	**4,099**	**20,645**	**2**	**5,206**	**97**	**174,451**

A full valuation of the land and buildings was last carried out on the 31st March 2014. The next full revaluation is planned for 31st March 2019. In between formal valuations a desktop or interim valuation, using relevant land and building indices, is carried out. For the 2017/18 financial year a desktop valuation was carried out.

The valuation was carried out for the Trust by Cushman & Wakefield Debenham Tie Leung Ltd, with the valuing partner being an RICS registered valuer.

Prior Year - Group and Trust 2016/17	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2016	23,167	109,490	0	1,842	45,955	54	11,333	225	192,066
Additions - purchased	0	1,743	0	21	4,168	0	707	0	6,639
Additions - donated cash receipts	0	0	0	0	29	0	0	0	29
Additions - donated non-cash receipts	0	0	0	0	0	0	0	0	0
Impairments charged to operating expenses	0	0	0	0	0	0	0	0	0
Impairments charged to revaluation reserve	0	(191)	0	0	0	0	0	0	(191)
Reclassifications	0	1,536	0	(1,536)	0	0	0	0	0
Revaluation surpluses	0	2,069	0	0	0	0	0	40	2,109
Reversal of impairments	0	97	0	0	0	0	0	0	97
Transferred to disposal group as asset held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	(112)	0	0	(275)	0	(128)	0	(515)
Cost or valuation at 31 March 2017	**23,167**	**114,632**	**0**	**327**	**49,877**	**54**	**11,912**	**265**	**200,234**
Depreciation at 1 April 2015	0	3,905	0	0	28,119	50	5,538	148	37,760
Provided during the year	0	2,157	0	0	3,189	1	1,535	10	6,892
Acquisition through business combination	0	0	0	0	0	0	0	0	0
Impairments recognised in operating expenses	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluation surpluses	0	0	0	0	0	0	0	0	0
Transferred to disposal group as asset held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	(112)	0	0	(275)	0	(128)	0	(515)
Depreciation at 31 March 2017	**0**	**5,950**	**0**	**0**	**31,033**	**51**	**6,945**	**158**	**44,137**
Net book value									
Owned at 31 March 2017	23,167	104,383	0	327	17,233	3	4,955	67	150,135
Finance Leased at 31 March 2017	0	0	0	0	0	0	0	0	0
Donated at 31 March 2017	0	4,299	0	0	1,611	0	12	40	5,962
Total at 31 March 2017	**23,167**	**108,682**	**0**	**327**	**18,844**	**3**	**4,967**	**107**	**156,097**

16. Impairments

Impairment of assets (PPE & intangibles)	Group		Trust	
	2017/18	2016/17	**2017/18**	2016/17
	£000	£000	**£000**	£000
Equipment assets identified for transfer to subsidiary co.	**1,500**	0	**1,500**	0
Changes in market price	**(363)**	(97)	**(363)**	(97)
Total net impairments charged to operating surplus/deficit	**1,137**	(97)	**1,137**	(97)
Impairments charged to the revaluation reserve	**13**	191	**13**	191
Total net impairments	**1,150**	94	**1,150**	94

The Trust Board has approved the transfer/sale of a proportion of equipment assets to the newly formed subsidiary Healthcare Partners Limited. The subsidiary is permitted to recover VAT on equipment purchases and, as a result of advice received by the Trust regarding the proposed sale, an impairment of those equipment assets is applicable for the irrecoverable VAT incurred on the original purchase cost. This has resulted in an impairment cost of £1,513k, with £13k charged to the revaluation reserve and £1,500k to the SOCI.
The revaluation of land and buildings has enabled £363k (2016/17 £97k) of prior year impairments, charged to the SOCI, to be reversed.

17. Capital commitments

Contracted capital commitments at 31 March not otherwise included in these financial statements:

	31 March 2018	31 March 2017
	£000	£000
Property, plant and equipment	**1,381**	4,027
Total	**1,381**	4,027

The major commitments are:	£000	
Urology Centre	1,207	Complete in 2018/19
St Luke's CT Room Refurbishment	166	Complete in 2018/19

18. Inventories

18.1 Inventories	Group		Trust	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017
	£000	£000	**£000**	£000
Drugs	**2,332**	3,603	**2,251**	3,488
Consumables	**2,861**	3,154	**2,861**	3,154
Energy	**141**	123	**141**	123
Total	**5,334**	6,880	**5,253**	6,765

18.2 Inventories recognised in expenses	**31 March 2018**	31 March 2017	**31 March 2018**	31 March 2017
	£000	£000	**£000**	£000
Inventories recognised as an expense in the period	**1,074**	331	**1,072**	331
Write-down of inventories (including losses)	**490**	650	**456**	650
Total	**1,564**	981	**1,528**	981

19. Trade and other receivables

19.1 Trade and other receivables	Group		Trust	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017
Current	**£000**	£000	**£000**	£000
Trade receivables	**15,051**	21,558	**15,060**	23,051
Capital receivables	**839**	13	**839**	13
Accrued income	**35,431**	22,081	**35,431**	22,081
Provision for impaired receivables	**(535)**	(415)	**(535)**	(415)
Prepayments	**1,710**	1,551	**1,710**	1,551
PDC dividend receivable	**182**	0	**182**	0
VAT receivable	**798**	1,387	**622**	233
Other receivables	**707**	994	**707**	994
Total Current	**54,183**	47,169	**54,016**	47,508
Non-current				
Non NHS receivables	**528**	474	**528**	474
Non NHS capital receivables	**3**	7	**3**	7
Provision for the impairment of receivables	**(121)**	(109)	**(121)**	(109)
Total Non-current	**410**	372	**410**	372
Total Trade and other receivables	**54,593**	47,541	**54,426**	47,880

19.2 Provision for impairment of receivables	Group		Trust	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017
	£000	£000	**£000**	£000
At 1 April	**524**	633	**524**	633
Increase in provision	**255**	136	**255**	136
Amount utilised during the period	**(48)**	(195)	**(48)**	(195)
Amount reversed unused	**(75)**	(50)	**(75)**	(50)
Balance at 31 March	**656**	524	**656**	524

Outstanding invoiced receivables are reviewed monthly and any invoices that are greater than 60 days past their due date are assessed for impairment. Debtor type and length of association are factors taken into account when deciding whether the receivable should be impaired. The Trust does not hold collateral for any of its receivables.

19.3 Analysis of impaired receivables

	31 March 2018	31 March 2017
Ageing of impaired receivables:	**£000**	£000
Up to three months	**96**	32
In three to six months	**27**	33
Over six months	**191**	125
Total	**314**	190

19.4 Receivables past their due date but not impaired

	31 March 2018	31 March 2017
	£000	£000
By up to three months	**6,933**	8,993
By three to six months	**2,782**	2,526
By more than six months	**1,364**	1,261
Total	**11,079**	12,780

20. Other financial assets

	Group		Trust	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017
	£000	£000	**£000**	£000
Loan and receivables - current	**0**	0	**100**	100
Loan and receivables - non-current	**0**	0	**100**	200
Total	**0**	0	**200**	300

21. Trade and other payables

	Group		Trust	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017
Current	**£000**	£000	**£000**	£000
Receipts in advance	**332**	328	**332**	328
NHS payables	**2,752**	3,541	**2,752**	3,541
Trade payables - capital, including capital accruals	**8,129**	3,679	**8,129**	3,679
Other trade payables	**9,290**	6,591	**8,897**	6,467
Taxes payable	**4,140**	3,748	**4,094**	3,748
Other payables	**4,456**	3,646	**4,454**	3,646
Accruals	**8,708**	9,364	**9,140**	9,789
PDC payable	**0**	198	**0**	198
Total Current	**37,807**	31,095	**37,798**	31,396
Non Current				
Other payables	**97**	94	**97**	94
Total Non Current	**97**	94	**97**	94
Total Trade and other payables	**37,904**	31,189	**37,895**	31,490

Other payables include:
£2,427k outstanding pensions contributions at 31 March 2018 (£2,324k at 31 March 2017).

22. Other liabilities

	Group		Trust	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017
Current	**£000**	£000	**£000**	£000
Deferred Income - grants	**1,897**	1,760	**1,897**	1,760
Deferred Income - goods and services	**23**	4	**23**	4
Deferred Income - rent of land	**12**	12	**12**	12
Total Current	**1,932**	1,776	**1,932**	1,776
Non-current				
Deferred Income - rent of land	**888**	900	**888**	900
Total Non-current	**888**	900	**888**	900
Total Other liabilities	**2,820**	2,676	**2,820**	2,676

23. Borrowings

	Group		Trust	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017
Current	**£000**	£000	**£000**	£000
Capital loans from Department of Health	**1,248**	**1,248**	**1,248**	1,248
Total Current	**1,248**	**1,248**	**1,248**	1,248
Non-current				
Capital loans from Department of Health	**7,213**	8,461	**7,213**	8,461
Working capital loans from Department of Health	**9,300**	9,300	**9,300**	9,300
Total Non-current	**16,513**	17,761	**16,513**	17,761
Total Borrowings	**17,761**	19,009	**17,761**	19,009

24. Finance lease obligations

Neither the Group nor the Trust have any finance lease obligations.

25. Finance lease commitments

Neither the Group nor the Trust have any finance lease commitments.

26. Private Finance Initiative contracts

There are no PFI schemes to report for the year ending 31 March 2018.

27. Cash and cash equivalents

	Group		Trust	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017
	£000	£000	**£000**	£000
At 1 April	**8,772**	4,945	**8,400**	4,945
Net change in year	**26,267**	3,827	**26,346**	3,455
At 31 March	**35,039**	8,772	**34,746**	8,400
Broken down into:				
Cash at commercial banks and in hand	**532**	597	**239**	225
Cash with the Government Banking Service	**34,507**	8,175	**34,507**	8,175
Cash and cash equivalents as in Statement of Financial Position	**35,039**	8,772	**34,746**	8,400
Bank overdraft	**0**	0	**0**	0
Cash and cash equivalents as in Statement of Cash Flows	**35,039**	8,772	**34,746**	8,400

28. Provisions for liabilities and charges - Group and Trust

	Current	Non-current	Current	Non-current
	31 March 2018	**31 March 2018**	31 March 2017	31 March 2017
	£000	**£000**	£000	£000
Pensions relating to other staff	**18**	**174**	17	180
Legal claims	**20**	**0**	23	0
Redundancy	**0**	**0**	0	0
Other	**1,477**	**0**	1,420	0
Total	**1,515**	**174**	1,460	180

	Pensions relating to former directors	Pensions relating to other staff	Legal claims	Redundancy	Other	Total
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
At 1 April 2017	0	197	23	0	1,420	**1,640**
Change in Discount Rates	0	1	0	0	0	**1**
Arising during the period	0	12	16	0	1,150	**1,178**
Utilised during the period	0	(17)	(16)	0	(237)	**(270)**
Reversed unused	0	(1)	(3)	0	(856)	**(860)**
Unwinding of discount	0	0	0	0	0	**0**
At 31 March 2018	0	192	20	0	1,477	**1,689**
Expected timing of cash flows:						
not later than one year;	0	18	20	0	1,477	**1,515**
later than one year and not later than five years;	0	71	0	0	0	**71**
later than five years.	0	103	0	0	0	**103**

The provision for pensions relating to other staff is in respect of the early retirement of staff before 6 March 1995. Each year the provision is recalculated using the most recent quarterly payment made to the NHS Pensions Agency, life expectancy tables and the applicable Treasury discount rate. This provision will gradually diminish over an estimated period of 14 years.

The legal claims provision of £20k relates to third party liability claims received by the Trust. These are administered by the NHS Litigation Authority with the Trust's liability being limited to the value of the excess on each claim. Payment is expected to be made within one year.

Other provisions is made up of the following:

- a sum of £199k has been included for potential back pay to staff who were due incremental increases/banding reviews during the course of the financial year. This estimate is based upon payments made in 2017/18;
- a provision of £192k has been made for the purchase of allowances under the Carbon Reduction Commitment Energy Scheme relating to the actual volume of CO_2 emissions made during the first three quarters of the 2017/18 financial year and an estimate for the fourth quarter;
- a provision of £100k has been made for the costs of litigation claims and employment tribunals likely to be entered into during 2018/19;
- a provision of £96k has been made for employee liability costs relating to a suspended HMRC penalty for off payroll payments since the 2010/11 financial year;
- a provision of £843k has been made for potential contract penalties/disputes; and
- a provision of £46k has been made for potential Executive Directors' bonuses to be determined by the Trusts' Remuneration Committee in early 2018/19.

£165,550k is included in the provisions of the NHS Litigation Authority at 31 March 2018 in respect of clinical negligence liabilities of the NHS Foundation Trust (£153,472k as at 31 March 2017).

29. Contingencies - Group and Trust

29.1 Contingent liabilities	2017/18	2016/17
	£000	£000
Other	7	16
Total	7	16

Within note 28 a provision for third party liability claims has been calculated using an estimation technique which assesses the probability of such claims being successful. £7k (£16k 2016/17) has been included as a contingent liability, being the difference between the maximum estimated value of the claim, up to an insurance policy excess limit, and the value of the provision calculated.

29.2 Contingent assets

The Trust does not have any contingent assets.

30. Financial Instruments

30.1 Financial assets	Loans and receivables	Assets at fair value through Income & Expenditure	Held to maturity	Available-for-sale	Total
Assets as per SoFP at 31 March	£000	£000	£000	£000	£000
Trade and other receivables (excluding non financial assets) - with NHS and DH bodies	44,236	0	0	0	44,236
Trade and other receivables (excluding non financial assets) - with other bodies	6,873	0	0	0	6,873
Cash and cash equivalents (at bank and in hand)	35,039	0	0	0	35,039
Total at 31 March 2018	86,148	0	0	0	86,148

30.2 Financial liabilities	At fair value through Income & Expenditure	Other Financial Liabilities	Total
Liabilities as per SoFP at 31 March	£000	£000	£000
Borrowings excluding Finance lease and PFI liabilities	0	17,761	17,761
Obligations under finance leases	0	0	0
Trade and other payables (excluding non financial liabilities) - with NHS and DH bodies	0	3,955	3,955
Trade and other payables (excluding non financial liabilities) - with other bodies	0	29,194	29,194
Total at 31 March 2018	0	50,910	50,910

30.3 Maturity of financial liabilities	31 March 2018
	£000
In one year or less	34,333
In more than one year but not more than two years	10,579
In more than two years but not more than five years	3,782
In more than five years	2,216
Total	50,910

30.4 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the NHS foundation trust has with CCGs and NHS England and the way those organisations are financed, the NHS foundation trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The NHS foundation trust has power to borrow and invest surplus funds.

The foundation trust's treasury management operations are carried out by the finance department, within parameters defined formally within the foundation trust's standing financial instructions and policies agreed by the Board of Directors. Treasury activity is subject to review by the foundation trust's internal auditors.

Currency risk

The foundation trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. It has no overseas operations and consequently has low exposure to currency rate fluctuations.

Interest rate risk

The foundation trust's main exposure to interest rate fluctuations will arise from external borrowings. The Trust has borrowed both Capital Loans and Working Capital Loans from the Department of Health at agreed fixed rates of interest which removes the risk of interest rate fluctuations. The Trust does not have any other borrowings.

Credit risk

Because the majority of the trust's income comes from contracts with other public sector bodies, the trust has low exposure to credit risk. The maximum exposures as at 31 March 2017 are in receivables from customers, as disclosed in the Trade and other receivables note. As a foundation trust activity performance over and above contracted levels will be subject to agreement with the contracting organisation after the service has been provided. This factor is taken into account when assessing the impairment of receivables.

Liquidity risk

The foundation trust's operating costs are incurred under contracts with NHS England and Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. Capital expenditure is financed from internally generated funds or from loans obtained from the Independent Trusts Financing Facility. The trust is not, therefore, exposed to significant liquidity risks.

31. Related Party Transactions

Under the requirements of the international accounting standard IAS 24 senior staff are required to declare any material transactions by themselves or any related party or any entities owned by themselves or any related party and the Trust. There are no declarations for 2017/18.

During the period the Royal Surrey County Hospital NHS Foundation Trust has had a significant number of material transactions with other NHS Bodies which can be classed as related parties. These entities are listed below:

For the Financial year 2017/18	Income	Expenditure	Receivables	Payables
	£000	£000	£000	£000
Ashford and St Peter's Hospitals NHS Foundation Trust	2,946	1,757	1,012	982
Brighton and Sussex University Hospitals NHS Trust	0	1,678	0	3
Department of Health and Social Care	14,310	2	0	0
East Kent Hospitals University NHS Foundation Trust	0	1,145	0	0
East Sussex Healthcare NHS Trust	0	423	0	0
Frimley Health NHS Foundation Trust	3,364	2,931	1,291	1,891
Hampshire Hospitals NHS Foundation Trust	177	55	76	0
Health Education England	9,820	2	317	0
Kent and Medway NHS and Social Care Partnership NHS Trust	0	322	0	10
Maidstone And Tunbridge Wells NHS Trust	0	919	0	4
Medway NHS Foundation Trust	0	917	0	0
NHS Bracknell and Ascot CCG	665	0	91	0
NHS Brighton and Hove CCG	409	0	0	79
NHS Coastal West Sussex CCG	4,691	0	102	0
NHS Crawley CCG	942	0	212	0
NHS East Surrey CCG	1,214	0	116	0
NHS Eastbourne, Hailsham and Seaford CCG	360	0	171	0
NHS England	132,108	0	30,161	38
NHS Guildford and Waverley CCG	119,410	0	7,202	48
NHS Hastings and Rother CCG	226	0	49	0
NHS High Weald Lewes Havens CCG	344	0	274	0
NHS Horsham and Mid Sussex CCG	2,698	0	0	43
NHS Hounslow CCG	318	0	43	0
NHS Improvement	200	0	200	0
NHS Kingston CCG	284	0	6	0
NHS North East Hampshire and Farnham CCG	7,293	0	0	22
NHS North Hampshire CCG	1,264	0	56	0
NHS North West Surrey CCG	14,290	38	372	38
NHS Property Services	35	240	37	220
NHS Resolution	0	11,845	0	0
NHS South Eastern Hampshire CCG	12,372	0	383	0
NHS Surrey Downs CCG	6,891	0	338	0
NHS Surrey Heath CCG	2,857	0	38	0
NHS Sutton CCG	187	0	44	0
NHS Wandsworth CCG	183	0	0	20
NHS West Hampshire CCG	176	0	0	28
NHS Windsor, Ascot and Maidenhead CCG	166	0	53	0
Public Health England	280	6	0	0
Royal Berkshire NHS Foundation Trust	18	176	8	0
St George's University Hospitals NHS Foundation Trust	51	177	51	361
Surrey and Borders Partnership NHS Foundation Trust	28	599	69	107
Surrey And Sussex Healthcare NHS Trust	828	1,098	446	95
Sussex Community NHS Foundation Trust	8	325	3	3
Sussex Partnership NHS Foundation Trust	0	818	0	5
Western Sussex Hospitals NHS Foundation Trust	362	995	236	51

In addition, the Trust has had a number of material transactions with other Government Departments and other central and local Government bodies. The majority of these transactions have been with HM Revenue & Customs (VAT recoverable), National Insurance Fund (Employers NI contributions), NHS Pension Scheme (Employers contributions) and the Scottish and Welsh Governments (Healthcare services provided to Local Health Boards).

	Income	Expenditure	Receivables	Payables
	£000	£000	£000	£000
HM Revenue & Customs	0	0	798	0
National Insurance Fund	0	16,022	0	4,097
NHS Pension Scheme	0	17,039	0	2,427
Welsh Government	41	0	35	2
Scottish Government	24	0	3	0

The Trust has also received a revenue grant of £165k and a capital grant of £249k from the foundation trust's charitable funds. As at 31st March 2018 £171k is reported as an outstanding receivable. The Corporate Trustee of The Funds Held on Trust is the Board of the Royal Surrey County Hospital NHS Foundation Trust.

32. Third Party Assets

The Trust holds a nominal value of third party assets, in the main related to patient property when patients are admitted for treatment.

33. Losses and Special Payments - Group and Trust

These payments are charged to the Statement of Comprehensive Income and are recorded in the losses and special payments register on an accruals basis but exclude any provisions for future losses. Set out below are the losses and special payments incurred by the Group for this and the previous financial year.

	2017/18		2016/17	
	Number	**£000**	Number	£000
Losses				
Bad debts and claims abandoned	**50**	**48**	70	196
Stores losses and damage to property	**2**	**490**	1	651
Total losses	**52**	**538**	71	847
Special payments				
Ex gratia payments	**38**	**197**	29	82
Total special payments	**38**	**197**	29	82
Total losses and special payments	**90**	**735**	**100**	**929**

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 premium for their services and excesses on some cases. Therefore, these cases have not been accounted for in the Trust's accounts.

34. Events after the reporting period

The Group and Trust impaired a proportion of its equipment assets, as reported in Note 16, ahead of the sale/transfer of those assets to a new subsidiary company, Healthcare Partners Limited The sale/transfer will take place as two separate transactions with wave one expected to take place during the first quarter and wave two at the start of the third quarter of the 2018/19 financial year.

Quality Account 2017/18

Introduction

The safety and quality of the care that we deliver at Royal Surrey County Hospital NHS Foundation Trust is our priority and this is reflected in our Clinical Strategy. We value the opportunity to review the quality of our services each year and outline the progress we have made against our set quality priorities, as well as acknowledging the challenges that we have faced in some areas in delivering care to the standard that we aspire to.

Each NHS Trust is required to produce an annual report on quality as outlined in National Health Service (Quality Account) Regulations 2010. The quality account is the way in which we, as providers, inform the public about the quality of the services we provide. The quality account also enables us to explain our progress to the public and allows leaders, clinicians, governors and staff to demonstrate their commitment to continuous, evidence-based quality improvement. Through increased patient choice and scrutiny of healthcare services, patients have rightfully come to expect a higher standard of care and accountability from the providers of NHS services.

Involving key stakeholders is an important part of the scrutiny process; the quality account requires the inclusion of a statement of assurance from key stakeholders of how they have been engaged. In addition, NHS Foundation Trusts are required to follow the guidance set out by NHS Improvement with regard to the quality account and there are a number of national targets set each year by the Department of Health against which we monitor the quality of the services we provide. Through this quality account, we aim to show how we have performed against these national targets. We will also report on a number of locally set targets and describe how we intend to improve the quality and safety of our services in 2018/19.

Foreword from the Director of Nursing & Patient Experience and Medical Director

2017/18 has been a very positive year. We have continued to improve our performance in a number of quality indicators. With the introduction of the new guidance for Learning from Deaths including Learning Disability, we have significantly improved our process leading to robust systematic structured judgement reviews and a Faculty for Mortality. We have improved the way we report incidents, and have increased the prominence of learning from incidents and complaints. We were winners of the HSJ patient safety awards in 2017. We have continued to perform well with Patient Led Assessment of the Care Environment (PLACE) and continue to drive new initiatives with the support of our staff across the Trust.

We remain proud of our harm-free care and are still above the national average for performance in pressure ulcers, falls and catheter infections; but were disappointed to have four Never Events (the first instance in three years). All Never Events have been reviewed and changes in practice implemented to improve safety and reduce the likelihood of reoccurrence. For example; we have introduced an augmented version of the World Health Organisation (WHO) checklist and changes to the theatre safety meeting.

We continue to strive for even better performance results. By introducing an integrated approach to governance across all Trust sites including the community services, we hope to embed stronger pathways, improving the safety and quality of our patient care, extending it beyond acute hospital care.

Governance processes have improved in the last year with smaller divisions and standardised processes for quality governance in each division and each service business unit.

Each division now provides a monthly quality performance report and scorecards are being rolled out with specific indicators and targets relevant to the individual services

We will continue to work to improve dissemination of learning to ensure processes are improved and standardised and that learning reaches staff working at all levels.

Louise Stead
Director of nursing and patient experience

Dr Marianne Illsley
Medical director

Part 1: Statement on quality from the Chief Executive of the NHS Foundation trust:

Statement:

I am pleased to introduce the Royal Surrey County Hospital NHS Foundation Trust Quality Account for 2017/2018, which demonstrates our commitment to delivering care of the highest quality. This report focuses on our performance over the past year as well as our key priorities for 2018/2019.

2017/18 was another very busy year for the Trust – our eighth year as a NHS Foundation Trust. More patients than ever were treated, with significant increases in outpatients, surgery and A&E attendances.

This year the Trust came out of its period of licence breach, and delivered a very positive set of financial results for the second year running. We have been inspected by the independent health and social care regulator, the Care Quality Commission (CQC), and whilst the results have not yet been published we are very proud of the way in which our staff enthusiastically showed the regulator many examples of the excellent care we deliver.

During a very challenging winter our emergency department was consistently amongst the top 10 in the country for seeing and treating patients within 4 hours. This is a remarkable achievement, and evidence of team working throughout the Trust to facilitate the flow of patients, and testament to each and every one of our dedicated and highly professional staff.

In the recent NHS Staff Survey; the Trust showed an increase in overall staff engagement and a significant increase in those members of staff who would recommend the Trust as a place to work or receive treatment; a clear indication that our staff take great pride in the excellent care they deliver.

In this year we articulated the vision, mission and values for our Trust, having worked to craft something meaningful to all of our staff. With a high level of clinical leadership, we also developed a clinical strategy which will drive everything we do over the coming years.

Integration continues to be a key component of our strategy and will be furthered in the coming year by the Trust's active engagement in the Surrey Heartlands Sustainability and Transformation Partnership (STP) transformation programmes; the priorities include: improving the quality of services with better outcomes ; enhanced well-being – local people experiencing better physical and mental health ; and improved access to healthcare – shorter waiting times and services closer to home. Integration to deliver joined up health and care services is also a driver of our partnership with Procare Health (the federation for local

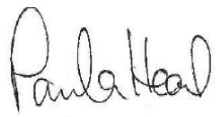
GPs) to deliver Adult Community Health Services in Guildford and Waverley from 1 April 2018; and our closer working with the Guildford and Waverley CCG. All of these collaborations offer opportunities to accelerate system transformation and further develop integrated pathways of patient care.

As a Trust we continue to develop and facilitate pioneering and innovative procedures to improve patient care, such as robotic surgery and have recently celebrated the 1,000th successful robot-assisted gynaecological case. The world-class team from the Hospital have been using Da Vinci robots for nearly a decade (purchasing our first robot in 2009 and upgrading them in 2015)for conditions such as bladder, prostate, cervical and uterine cancers.

Whilst the Royal Surrey continues to invest in innovation and world-leading technologies we also understand the importance of getting the basics right. The number of patients who suffer a fall during their stay has been successfully reduced. Patient safety and high-quality care will, as always, remain our number one priority. We have an open and honest culture where ; staff feel supported and able to report incidents and learn from them. Mortality rates remain well below the national average and are consistently the lowest in the region.

We are very proud of each and every person who works for the Trust, their dedication and focus on ensuring the very best outcomes for our patients. We know they will work tirelessly to continuously improve the quality of care, safety and experience of our patients.

To the best of my knowledge the information contained in this document is an accurate reflection of our outcomes and achievements.



Paula Head
Chief Executive

Signature
Date: 25th May 2018

Part 2: Priorities for improvement and statements of assurance from the board.

Quality Highlights 2017/18:

Mortality

The Trust continues to have one of the best mortality rates in the country with a Summary Hospital-level Mortality Indicator (SHMI) of less than 0.9. In response to national guidance published in 2017, the Trust implemented a new mortality review process that has contributed to a marked improvement of the overall closure rate of mortality reviews and has allowed for efficient Trust-wide sharing of learning themes. Good practice has been noted in the majority of the case reviews which is very encouraging. Actions are currently underway to improve both the review closure rate and methods for sharing lessons learned.

Frequent Attenders

RSCH has reduced frequent attenders in A&E by 33 per cent in the last year. Many of the identified cohorts were patients with a mental health condition.

Elder Friendly Quality Mark

Two wards at RSHC have received the Elder-Friendly Quality Mark in recognition of the support staff give to older patients.

Hindhead Ward, which provides elderly care, and Ewhurst, one of the Trust's trauma and orthopaedics wards, have been successful in securing re-accreditation for the next three years. Royal Surrey is home to three of the 26 wards to hold the Quality Mark nationally.

The Trust's Eashing Ward, which is also part of the Older Persons Unit, has also previously secured the accreditation.

Achieving Excellence

Achieving Excellence is the RSCH model, which promotes a positive culture of problem solving and continuous improvement in all departments and clinical areas.

Our aim in 2017/2018 was to increase the number of wards/departments which achieved green status with Achieving Excellence. Thirty per cent of all wards/departments now have achieved an Achieving Excellence score of higher than 85 per cent.

Our Quality Priorities for 2018/19

Deciding on our quality priorities for the coming year

This part of the report describes the areas for improvement that the Trust has identified for the forthcoming year 2018/19.

The Trust considers that this data is as described for the following reasons:

The quality priorities have derived from a range of information sources; consulting with key staff and our Council of Governors. We have also been guided by our performance in the previous year, and those areas that did not meet the quality standard to which we aspire. Finally, we have been mindful of quality priorities emerging at a national level (as evidenced in the revised CQC fundamental standards, the work of the Academic Health Science Network patient safety collaborative and the 'Sign up for Safety' campaign). Through this process, we have identified the following priorities:

Patient Safety

1	Core 24 liaison psychiatry (to be continued)
2	Harm Free Care (to be continued)
3	Critical Medications(to be continued)

Priority 1 Core 24 liaison psychiatry:

Description of quality issue and rationale for prioritising:

This priority is continuing for a second year, the first year was to recruit staff for the service.

Current Picture

The Core 24 Psychiatry Liaison Service has been running at RSCH for a number of years and has been granted a 12 month funding increase allowing for a larger establishment (20 whole time equivalents) of staff within the psychiatric liaison service. The funding increase is around 50 per cent and the main change is the number of nursing staff and their grade/expertise.

The project has taken one year to mobilise (2017/18) and will run for 12 months (2018/19). It launched, fully staffed, on 1 of April as anticipated.

There is positive management of frequent attenders which has seen a 33 per cent reduction in A&E attendance in a cohort of patients where many have a mental health condition.

Areas identified for improvement:

- RSCH to receive timely assessment of any mental health requirements
- Reduction in bed days, improved concordance with treatment
- Less attendances to RSCH A&E department
- Appropriate use of available resources

Metrics for measurement:

It is our intention to see 90 per cent plus of urgent referrals within 60 minutes and 90 per cent plus of routine referrals within 24 hours, and these additional resources should allow us to do so.

Priority 2 – Harm Free Care – focus on avoidable, unavoidable and community harms

Description of quality issue and rationale for prioritising:

The Trust was successful in winning the adult community health contract providing services in Guildford and Waverley. The Trust now has four inpatient rehabilitation wards within the community hospital setting. We would like to align the acute and community settings and ensure we achieve the highest standard with harm-free care. In particular, the Trust would like to focus on reducing avoidable falls and pressure ulcers across both settings

Current Picture:

The Trust is currently not able to articulate the breakdown of avoidable and unavoidable harms, particularly with falls and pressure ulcers. With the new community contract there is no historical data available to understand the falls and pressure ulcers within the inpatient and community settings.

Areas identified for improvement:

- Aligning the community with the acute site
- A review of all falls in clinical areas to identify themes (SWARM)
- Reducing the number of de-escalation requests serious incidents (SIs) for falls and pressure ulcers or reporting unavoidable harms as SIs
- Improved process for identifying avoidable harms

Metrics for measurement:

- Tracked data for harms in the community service
- The Trust to reduce the number of SIs reported as unavoidable
- Eliminate avoidable pressure damage

Priority 3 – Critical Medicines:

Description of quality issue and rationale for prioritising:

Critical medicines remain high on the patient safety agenda nationally and locally. Critical medicines are those that, if omitted, are at risk of causing the greatest patient harm. At

RSCH, an omitted medicine ranks as the highest category of administration error reported on Datix, of which approximately two-thirds involved a critical medicine.

In the last year (2017/2018) investment has been made into medication safety roles across the Trust, including increased resource for the medication safety officer and resource from the matron for Achieving Excellence in addition to the supportive role of the professional lead for therapeutics. The restructure of the Trust has provided increased oversight of medication safety incidents at department, divisional and Trust-wide level.

A monthly quality performance report has been implemented in which each division details error rates for all departments and identifies actions taken and learning in response to these. Together the above will enable greater understanding of why these incidents occur so that appropriate support can be put in place.

Anticoagulants (which include dalteparin, a low molecular weight heparin - LMWH) are a priority high-risk drug category nationally for harm-free care. Omission or the wrong dose of dalteparin increases the risk of thrombus formation and a serious embolic episode.

At RSCH Dalteparin is still consistently the critical medicine most involved in reported errors.

Current Picture:

Dalteparin is a frequently used drug; every patient is assessed for their venous thromboembolism (VTE) risk on admission and again within 24 hours, and as such it is prescribed for many patients to reduce the risk of thrombus formation whilst an inpatient. It is a complex drug to prescribe as there are many indications including the prevention and treatment of DVT/PE and in unstable coronary artery disease. It is also a weight-based drug and there are multiple dose-regimes therefore the risk of error is increased. In the last year the following actions have been taken:

Audit:

- A full audit of dalteparin prescribing and administration was carried out on the maternity unit
- Medication omissions audits have been carried out every three months across the trust for all critical medicines.

Education:

- The VTE trainer tracker module for training doctors has been updated and made more comprehensive and mandatory
- The nursing and midwifery medicines management competency assessment was revised to include a theory workbook, which includes a dalteparin section.
- A maternity newsletter was issued specifically covering this issue
- A Trust-wide newsletter was also circulated addressing this issue

- A lessons learned bulletin was issued to doctors
- A critical medicines laminated poster has been attached to all drug trolleys as a continual reference source.

Drug chart revised:

- The maternity drug chart was revised to make it easier to prescribe correctly

Error support:

A standardised 'error' pack was developed and introduced to support staff involved in errors to ensure a consistent approach to learning.

As a result the overall number of dalteparin incidents as a percentage against all medication errors reported has been reduced and maternity has also reduced its overall percentage of errors (see table below).

	Total Datix dalteparin incidents	**Total number of Datix medication incidents**	**% of reported medication errors involving dalteparin**
April 16 - March 17	67	794	8.4%
Maternity April 16-March 17	35		4.4%
April 17 to March 18	51	776	6.6%
Maternity April 17 -Dec 17	15		1.9%

Areas identified for improvement:

- The maternity unit needs to continue to improve on their errors
- Regular audits will continue
- A full audit will now to be carried out on general wards to mimic that done on the maternity unit. This will identify the scale and type of dalteparin issues
- (Datix is a good marker for identifying the type of medication errors occurring but doesn't necessarily identify the exact issues or total extent of it.)
- The audit will be reviewed and an action plan developed
- Re-audit will be done after implementation of the identified actions

Metrics for measurement:

- Reduce number of overall dalteparin incidents as a percentage against all medication errors across the whole Trust
- Reduce total number of omissions to prescribe and administer dalteparin across the whole trust.

Clinical Effectiveness

1	Compliance with mortality process especially those patients that die with a learning disability (to be continued)
2	(New)Embedding learning from SIs , complaints, incidents
3	Standardising clinical pathways (to be continued)
Old	Standardising governance processes (to be discontinued)

Priority 4 - Compliance with mortality process especially those patients that die with a learning disability (to be continued)

Description of quality issue and rationale for prioritising:

The Trust responded to recommendations made by the National Quality Board (NQB) and the Care Quality Commission (CQC) by implementing a new mortality review process, incorporating the new structured judgement review (SJR), from the 1 October 2017. All mortality reviews are uploaded, tracked and shared via the Trust's new online mortality module, which has led to a marked improvement in the number of mortality reviews completed.

Response to the new process has been largely positive, but an area of difficulty has been communication with consultants in charge of cases where the SJR reviewer has judged there to have been poor care. Not surprisingly, some consultants have been concerned that SJRs may be mistaken, or may be critical of their junior doctors, or may be used in legal or other proceedings following a death. The process is nationally mandated and an element of judgement of care is implicit; but should be supportive and blame free. This is a difficult balance to strike to the satisfaction of all parties and discussion on how the process can be improved is on-going.

NQB guidance recommends that, as well as the SJR review of cases where a potential problem in care has been identified, Trusts also undertake SJR of some randomly selected cases where no concern has been expressed. This was not implemented during Q3, in order to allow the new process to be embedded but plans are in place, now all reviewers have reviewed at least one case, and we have a mortality co-ordinator in post, to implement this. The current average time taken to complete an SJR is around 2.3 hours. This is a not an inconsiderable amount of time, and represents over 400 hours of senior clinical time per quarter. It is likely that extra resource will be required for this, and this is under consideration currently for the next financial year.

Current Picture:

The new process met the key deliverables as set out in the Mortality Review Implementation project. These deliverables introduced:

- A new Trust Mortality Policy, in line with national guidance, to aid in improving the learning from in-hospital deaths and improving care
- A new mortality review workflow process, incorporating the new SJR and tighter timescales for review completion. A completion rate of over 90 per cent of all mortality reviews has been seen across the Trust
- A new online Datix Mortality Review Module, to replace the paper-based forms, thereby freeing up vital clinician time and facilitating the sharing of information and tracking of trends related to quality of care

New timescales were introduced at each stage of the new mortality review process. This is to ensure greater efficiency in both raising any concerns about quality of care and the sharing and implementation of learning actions. A full-time mortality co-ordinator has been recently put in post to co-ordinate the allocation of case notes to the correct lead consultant in a timely manner. This has already resulted in an improvement in timeliness of reviews.

The Trust's own mortality review system has flagged all patients with learning disabilities to date, so their care could be reviewed by the Trust's designated leads using the external Learning Disabilities Mortality Review (LeDeR) Programme.

Identified areas for improvement:

- Providing SJR feedback to:
  a) Lead consultants
  b) Families of the deceased
- Capacity to review cases where no concern regarding care has been flagged

How will we improve?

- Include a feedback loop procedures in current mortality review process that delivers feedback to lead consultants and families in a timely and sensitive manner;

Metrics for measurement:

- SJRs completed within 30 days of being identified
- 50 per cent of deaths per month to be flagged for SJR
- Greater visibility of mortality review feedback at local mortality and morbidity meetings
- Evidencing actions taken that have improved quality of care from lessons learned from SJRs

Priority 5 (New) Embedding learning from SIs, complaints, incidents.

Current Picture:

We have a number of mechanisms within the Trust for sharing learning. We recognise we need more robust processes for capturing learning and triangulating incidents, complaints and claims. We are passionate about the quality of our services and learning. Each division shares their changes and learning through their quality performance reports. This has encouraged divisions and replicated good practice in other areas. We recognise that through our Quality Improvement Plan we can develop greater learning, and embed changes more effectively.

Identified areas for improvement:

- Complaints relating to attitude
- Complaints relating to discharge processes
- Recommendations and action implemented from Serious Incidents (SIs)
- Circulation of anonymised SI reports to wider audience

How will we improve?

- Divisional complaints training for two days
- Identify trends and themes to support specific actions to deal with complaints , incidents and claims
- Implement team briefs in all areas that undertake interventional procedures eg, endoscopy, radiology, cardiology, gynaecology outpatient departments.
- Provide data regarding low cost claims triangulated with incidents for use in the Quality Improvement Plan.
- Utilise the 'Governance Matters' newsletter to share learning and where practice has changed though innovation, Quality Improvement or complaints incidents and claims

Metrics for measurement:

- Reduction in complaints relating to attitude
- Reduction in complaints relating to either discharge processes from professional feedback or service users
- 30 per cent reduction in claims for lost property
- Evidence in the governance newsletter and quality performance reports of changes to practice from incidents , claims, complaints or innovation which has been shared through quality improvement projects

Priority 6 Standardising Clinical Pathways And Clinical Excellence (SPACE) - (to be continued)

The scope of the original SPACE project has evolved and expanded over the last 12 months, and the team have, in addition to creating new pathways, also overseen the updating and conversion into SPACE format, of guidance previously held in the Trust "Red Book" and in other areas. "Red book" documents have been transferred into the SPACE hub so as to ensure that all clinical pathways are available in the same electronic location. Work is on-going to ensure that all pathways are updated and in the correct format. In addition to this, further work is needed to generate and approve new SPACE pathways, so that SPACE becomes the standard format and location for all clinical pathways across the Trust.

It is well recognised that pathways standardisation improves the consistency and quality of care in healthcare settings. This is particularly important in departments where staff turnover is high, as is the case currently and particularly at the hospital "front door". SPACE also offers the opportunity for pathways to be viewed and used across multiple care settings, including community services, which will potentially improve care across acute and community settings.

Current picture:

The SPACE Hub including pathways, "Red Book" and departmental documents is scheduled to launch in May 2018. Subject to adequate resource the team's aspiration is to consolidate previous work, bringing all pathways into this Hub, and subsequently explore options for use of the pathways outside the acute Trust.

Identified areas for improvement:

- Lack of consistency of funding and resource to move SPACE forward.

How will we improve?

- Identify funding stream to move SPACE project forward
- Re-launch SPACE project including making web tool go live
- Ensure that the availability of the Hub is widely known across the Trust.
- Provide training for those adding information to the hub

Metrics for measurement:

- Increase in number of pathways available on the SPACE portal
- SPACE portal goes live
- Use of SPACE pathways by clinicians (this data is collected when users log in so number of times each pathway is accessed can be monitored)

Patient Experience

1	End-of-Life Care
2	Better births compliance in maternity (to be continued)
3	Staff health – (to be continued - focus for 2018 on health promotion)
4	(New) Dementia - training in Emergency Assessment Unit (EAU)

Priority 7 End-of-Life Care

Description of quality issue and rationale for prioritising:

Currently, the 46.7 per cent of people in the UK die in hospital, and although there has been a trend towards more deaths at home, it is likely that most people will continue to die in hospital. The most recent data for Guildford and Waverley Clinical Commissioning Group is 39.6 per cent hospital death, 30.7per cent care home death, 23.1 per cent home death, 4.4 per cent hospice death and 2.15 per cent 'other'

Current Picture:

In 2017 there were 757 deaths in the hospital and 65.7per cent of these patients were cared for on the PELiCan (Personalised End of Life Care plan) so were routinely reviewed by the Supportive and Palliative Care Team (SPCT) seven days per week. This demonstrates that the PELiCan is embedded as part of end of life care, and supported across the hospital. The SPCT was involved in the care of more patients than those who died within the hospital, i.e. patients that were not cared for with the PELiCan but patients who required specialist input for physical and emotional symptoms and advance care planning discussions.

Previous metrics for measurement were achieved in that less than 10 per cent of responses in the 2017 national service evaluation of bereaved carers fell into the dissatisfied or very dissatisfied category. Less than 2.5 per cent of deaths of patients on PELiCan resulted in a formal complaint about end-of-life care.

Identified areas for improvement:

- Embedding the End-of-Life Strategy and PELican Pathway within the Hospital

How will we improve?

- We have redrafted the End of Life Care Policy, and End-of-Life Care Strategy (based on the policy) and in line with end-of-life care ambitions. We have also re-instigated the End-of-Life Care Strategy Group, which includes a lay member.
- We will continue to embed the PELiCan as part of end of life care within the hospital ensuring on-going education as staff groups change.

- We have developed a palliative care App, which will form the basis for end-of-life care education for all members of staff within the Trust. The App will be added to the desktop of all Trust computers and will be available for download to personal mobile phones, tablets and computers. Staff are commenting that the App is easy to use and useful in having information at their fingertips, even in the middle of the night. We will continue to promote the use of the App.
- We are seeking to include end-of-life care as part of mandatory training (using the App).
- We are taking part in the new national audit of care at the end of life (NACEL) which will include an organisational level audit, a case note review and a carer reported measure. An action plan will be drafted following the results of this audit in 2019.
- We have secured a free car parking permit for one carer of each patient who is being cared for with the PELiCan and considered to be in the final days of life.

Metrics for measurement:

- >50 per cent patients dying in the Trust will have a PELiCan (audited monthly).
- >90 per cent of patients on the PELiCan will be reviewed every day (including weekends) by a member of the SPCT (audited quarterly).
- >90 per cent of patients' carers will be informed and/or involved of the decision to start the PELiCan (audited quarterly).
- <2.5 per cent of deaths of patients on PELiCan result in formal complaint about end of life care (audited annually).
- >75per cent patients and their carers will have an assessment of their spiritual needs which will be documented at the weekly multi-disciplinary meeting (audited monthly).

Priority 8 Better births compliance in maternity (to be continued)

Description of quality issue and rationale for prioritising:

2017/18 has been a very productive time for the work which has been undertaken by the RSCH as one of only seven national maternity early-adopter sites for the Department of Health five year forward view for maternity services known as Better Births.

In collaboration with Surrey Heartlands STP the project is ambitious, consisting of four key transformation projects which will be operational by March 2019.

Community Hubs

Identified areas for improvement:

- Put women at the centre of their care
- Bring services together based on the needs of the local community
- Provide midwifery care that is accessible
- Use convenient locations that act as a one-stop-shop for women and their families to interact with a range of health care professionals

Metric for measurement

- Increase the continuity of care with an undertaking to ensure that 20 per cent of pregnant women are on a continuity of care pathway by March 2019.
- Improve communication with the multi-disciplinary team and collaborative working
- Provide midwifery services in 2 community hubs as an initial pilot in 2018/19. Planned increase of a further 6 hubs over next 3 years.

Current Picture:

Two potential NHS sites (hubs) have been identified within the RSCH footprint to increase access to services. The Chase Hospital in Bordon will support women who currently need to travel to the RSCH for their antenatal care and are then transferred out to neighbouring hospitals for postnatal care. The new service will provide care for all-low risk pregnancies in the local community.

The second hub is currently in the planning stage but it is envisaged that women in the Haslemere and Cranleigh area will be able to seek care locally in the next 12 months.

Digital

Identified areas for improvement:

- Develop a shared IT system for maternity services across Surrey Heartlands STP area, which holds clinical information about each woman's pregnancy
- For women to have an electronic copy of their hand-held pregnancy records for personal use
- To reduce the time spent on duplication on repeating stories and accessing relevant information
- Develop easily accessible ways for women to communicate with different health professionals
- Improve the quality of communication between multi-disciplinary the health team

Current Picture

It has been agreed in the I.T Business plan for 2018/19 that the maternity service will be the first department in the hospital to become completely paperless. Procurement has commenced with an aim to implement the new complete digital patient record by the end of 2018

Metrics for measurement:

- Introduce complete electronic patient record for maternity services by March 2019. This is a phased approach over 9 months with Antenatal records going live by end January 2019.

- 100% of women booked for maternity care will have their maternity data recorded electronically.
- 100% compliance with reporting into the national maternity data set.
- 100% interoperability with ultrasound and pathology reporting systems.
- 100% Surrey Heartlands GP practices will have access to the EPR by Quarter 4 2018/19.

Single Community Team

Identified areas for improvement:

- Increase the offer of home births for all women across Surrey
- Increase the number of women who only see a small number of midwives during their pregnancy so they can get to know their midwife
- Ensure a joined up approach to care for women
- Shared clinical pathways including referral pathways
- Reduce the barriers to effective partnership working

Current Picture:

RSCH home birth team model is considered an exemplar for continuity of care. Work is in progress to replicate this within the wider population, including new approaches to managing low-risk pregnancies within the hospital setting through the introduction of small teams of midwives. These teams will work across the hospital and community settings to provide all of the community antenatal, labour and postnatal care for a minimum of 20 per cent of women.

Metrics for measurement:

- Increase the continuity of care with an undertaking to ensure that 20% of pregnant women are on a continuity of carer pathway by March 2019.
- Implementation of a shared antenatal pathway across Surrey Heartlands by Q4 2018/19

Single Point of Access

Identified areas for improvement:

- Create a single point of access (SPA) to maternity care across the Surrey Heartlands area
- Simplify the process for women to access maternity care
- Promote early access to clinical care for all maternity service users; including vulnerable groups
- Give women 24 hour access to clinical care
- Rapid access to emergency services if required
- Support the escalation process through a central access point
- Maximise professionals' time e.g. midwives, doctors and paramedics

- Create a multi-disciplinary pool of experience

Current Picture

In collaboration with South East Coast Ambulance (SECA) the specialist midwifery advice and labour line went live on 9 April 2018. Although already operational the line was officially opened by Baroness Cumberledge on 9 May 2018

Metrics for measurement:

- 100% of women have 24 hour access to clinical care through the advice line with rapid access to emergency services if required
- 40% reduction of time spent on telephone advice by hospital midwifery staff. First audit of service improvement due September 2018.

Priority 9 Staff health – (to be continued - focus for 2018 on health promotion)

Description of quality issue and rationale for prioritising:

Promoting the health and wellbeing of staff across the Trust is a key priority for the organisation.

There is a strong link between employee engagement and health and wellbeing. Highly-engaged staff deliver excellent quality of care to patients and the 2017 staff survey reported that 70 per cent per cent of staff would recommend a friend or relative for treatment at the Trust. Staff in the Trust take a responsible attitude towards their own health and work in partnership with the health and wellbeing department to ensure that they are fully fit and motivated to undertake their responsibilities. In the third quarter of 2016 the Trust achieved 71 per cent per cent completion rate for the flu vaccination. This was a commissioning for quality and innovation (CQUIN) target which the Trust has consistently achieved over the last two years.

Current Picture:

The Trust reports low levels of staff sickness (2.8 per cent), and reports low levels of musculoskeletal problems, and staff feeling unwell due to stress. There are areas however that will benefit from greater health promotion across the Trust and significant efforts are being made to improve ways of communicating the benefits of general health awareness. Staff are encouraged to take steps to monitor their own key health indicators and address areas where appropriate thorough nutrition, exercise and screening.

The Trust runs weekly walk-in ‘Healthy Numbers’ clinics where staff can have their cholesterol, body mass index, and blood pressure levels measured. Members of the health

and wellbeing department then work with individual staff to design a personalised plan to address areas of concern if appropriate.

Initiatives for next 12 months:

- The Trust is committed to promoting initiatives to sustain high levels of good mental health across the organisation and has introduced a mental health awareness programme with the aim of educating staff about these issues. A new training programme has been developed for managers, who are encouraged to attend the training, so that they are better able to identify the signs of stress amongst their team members. The Trust works in partnership with Mersey Care which provides independent counselling services to those members of staff who require assistance.
- The monthly induction training sessions now include a workshop on health and wellbeing with a special focus on sustaining strong levels of resilience, important in a pressured environment.
- Improved methods of communication to promote health and wellbeing initiatives, including use of social media and a health awareness communication framework has been designed to improve access to health information. External sources for support have been identified to include the voluntary sector and local authorities which can both act as knowledge hubs to support the Trust. Monthly ward 'walk abouts' have been introduced to promote the Trust's health and wellbeing services and to provide support to clinical areas.
- A calendar of health and wellbeing events has been established and is widely promoted throughout the Trust.
- A series of health screening programmes have been introduced for staff, which includes bowel cancer awareness and ovarian cancer awareness. The Trust is also partnering with Diabetes UK later in the year to raise awareness of the condition with staff across the Trust.

The Trust has also put in place a comprehensive mentoring programme which is anticipated will raise levels of staff engagement and impact health and wellbeing in a positive way.

Metrics for measurement

- Staff sickness levels
- Staff attrition levels
- Staff survey reports
- Internal focus groups and surveys

Priority 10 (New) Dementia - training in Emergency Assessment Unit (EAU)

Every day in an acute hospital, approximately 60 per cent of inpatients will be living with dementia, delirium and/or confusion. Training in dealing with these conditions can significantly benefit patient care and treatment. This proposed indicator identifies Governor recognition to raise the profile through training and, on the advice of those responsible for training at Royal Surrey, it concentrates on the Emergency Assessment Unit (EAU).

Current position:

The EAU, composed of the Surgical Assessment Unit and the Medical Assessment Unit, is able to retain and discharge patients who do not need specialist based treatment. It has a capacity of 26-35 beds. Patients may be assessed in situ instead of having to transfer to wards, saving an average of 20 hours in their length of stay. There are currently 66 staff working on this unit with a mix of health care assistants (HCA) and registered nurses (RN).

The current dementia training at the hospital consists of Tier 1, Tier 2 and Dementia Virtual Tour training.

- Tier 1 training is given to all new staff members joining the Trust in their induction.
- Tier 2 training is a two-day training course, occurring four times a year. The number of all current staff Tier 2 trained is 22.7 per cent . However, currently none of the members of staff of EAU has attended this training.
- Dementia virtual tour training was introduced in December 2017 and is held three times a month and lasts 1.5 hours.

Metrics for measurement

The proposed metrics for registered nursing and healthcare staff working on EAU are:

- Tier 2 dementia training: 35 per cent of staff (HCAs plus RNs) to attend this training during the period 1 April 2018 to 31 March 2019.
- Dementia Virtual tour training: 45 per cent of staff (HCAs and RNs) to attend this training during the period 1 April 2018 to 31 March 2019.
- Tier 1 training: no adjustments to current levels of training, but attendance figures and percentages will be reported for the period 1 April 2018 to 31 March 2019.

In choosing our priorities, we also considered the quality issues raised about the Trust through the various feedback mechanisms available to our staff and patients and our

commissioners. We have also taken account of the national landscape and shaped our priorities to align with emerging national quality priorities.

Priority 11 – Implementation of Recommended Summary Plan for Emergency Care & Treatment (ResPECT)

ResPECT form completeness

What is ResPECT

ReSPECT is a process that creates personalised recommendations for a person's clinical care in a future emergency in which they are unable to make or express choices. It provides health and care professionals responding to that emergency with a summary of recommendations to help them to make immediate decisions about that person's care and treatment. A person's plan is created through conversations between the person and their health professionals. The plan is recorded on a form and includes personal priorities for care and agreed clinical recommendations about care and treatment.

Current position:

ResPECT is a new initiative which will commence implementation in RSCH from 1 April. It replaces the current Do Not Attempt Cardiopulmonary resuscitation approach. RSCH is an early adopter and are leaders for implementation in the Surrey Heartlands region.

RSCH intends to audit

- completeness of the form
- how many forms lead to a decision
    - CPR (Cardio Pulmonary Resuscitation) attempts recommended
    - CPR attempts NOT recommended

The Trust Governors support this priority initiative. Their focus is on one important element i.e. that forms are properly completed with all necessary details: a reflection of a satisfactory process. As implementation proceeds completeness will grow and in order not to include the early stages of implementation where completeness may be low the indicator focusses on Quarter 4.

Metrics for measurement:

"ResPECT forms to be complete in all details including whether or not to attempt CPR in no less than the following percentages for each quarter of 2018/19

- Q1 20%
- Q2 45%

- Q3 50%
- Q4 60%

The targets for Q1, Q2 and Q3 are indicative of progress only. The success or otherwise of the indicator shall be judged solely on the result in Q4. The metric shall be assessed through quarterly audits”

Each of the quality priorities outlined above will be monitored with progress tracked throughout the year via our Quality Improvement Plan which will be described in more detail below. In addition, we will facilitate stakeholder engagement workshops where we will chart our progress and discuss any challenges to implementing the quality improvement priorities as agreed.

Our Quality Priorities in the last four years

Quality Domain	2014 – 2015	2015 – 2016	2016 - 2017	2017/18
Patient Safety	Managing sepsis: Responding to deteriorating patients	Increasing safety within theatres through participation in the NHS Quest theatre safety clinical community collaborative improvement programme	Continued reduction in avoidable new harm as measured by the national safety thermometer	Continued reduction in avoidable new harm as measured by the national safety thermometer
	To increase the percentage of all clinical staff working in clinical areas receiving annual infection control update to 80%	Responding to deterioration through management of sepsis	Improving patient safety awareness at all levels	Core 24 Liaison psychiatry
		Reducing avoidable harm as measured by the national safety thermometer	Nutrition and hydration	Nutrition and hydration
Patient Experience	Communicating with patients and relatives	implementation of the duty of candour principles	Standardising clinical pathways	Standardising clinical pathways
	To improve the experience of outpatients	Development of a patient involvement and participation forum	Standardising governance processes	Standardising governance processes
	Implement Friends and Family Test	Improved patient involvement in serious incident investigation process by enabling patients and / carers to contribute to development of terms of reference	Improving care for patients living with dementia	Compliance with the mortality process (especially those patients with learning disability).
	Implement New emergency processes	Implementation of standardised clinical pathways.	Improve patient involvement including in serious incident process	End of Life
	Improve outpatients experience	To increase the percentage of all clinical staff working in clinical areas receiving annual infection control update to 90%	Waiting times, particularly in eye clinic	Better Birth compliance in maternity

		Strengthening of quality governance arrangements within the organisation by establishing standard governance agendas at portfolio / SBU level.	Mental Capacity Act	Staff Health

Participation in Clinical Audit

During 2017/18, 44 national clinical audits and 3 confidential enquiries covered NHS services that the Trust provides. During that period, Royal Surrey County Hospital participated in 100 per cent national clinical audits and 100 per cent national confidential enquiries, for which it was eligible to participate.

Audit Category	Audit	National Clinical Audit Organisation	Eligible (yes/no)	Data Collection required 2016/17	% of cases submitted to each audit
Acute Care	Case Mix Programme (CMP)	Intensive Care National Audit and Research Centre (ICNARC)	yes	Yes April 17 to March 18	Q1 = 347, Q2 = 365, Q3 = 358, Q4 - awaiting 100% eligible cases entered
Acute Care	Major Trauma: The Trauma Audit & Research Network (TARN)	Trauma Audit & Research Network	yes	Yes April 17 to March 18	58-68% (last updated in November 2017). Final figure will be updated in March 2018. **Anticipated to have improved case ascertainment.**
Acute Care	National Emergency Laparotomy Audit (NELA) e-mail received from the project office for extending the audit up to November 2020.	The Royal College of Anaesthetists	yes	Yes April 17 to March 18	Completed case submission for year 4 data -158 cases were submitted for Year 4 which could give a 73% case ascertainment figure. This is provisional and the final figure and case ascertainment percentage will not be known until further data analysis has been carried out, and the updated HES date from NHS Digital has been received.
Acute Care	National Joint Registry (NJR) - knee and hip replacements	Healthcare Quality Improvement Partnership	yes	Yes April 17 to March 18	Data currently not available
Acute Care	Fractured Neck of Femur	Royal College of Emergency Medicine	yes	yes Audit period- 1st January 2017 to 31st December	61 cases submitted, 100% case ascertainment

				2017	
Acute Care	Procedural Sedation in Adults	Royal College of Emergency Medicine	yes	Yes Audit period: 1st January 2017 to 31st December 2017	51 cases submitted, 100% case ascertainment
NCEPOD Medical and Surgical Clinical Outcome Review Programme	NCEPOD: Cancer in Children, Teens and Young adults (0-25 years)	National Confidential Enquiry into Patient Outcome and Death (NCEPOD)	yes	Patient Identifier Spreadsheet Organisational Questionnaire	Patient identifier spreadsheet submitted. 1/1 Organisational questionnaire completed and submitted 100% case ascertainment
NCEPOD Perioperative diabetes	NCEPOD: Perioperative diabetes	National Confidential Enquiry into Patient Outcome and Death (NCEPOD)	yes	Patient identifier spreadsheets, Anaesthetic questionnaire, Organisational questionnaire	Patient identifier spreadsheet submitted, 1/1 Organisational questionnaire submitted 3/3 Clinician questionnaires submitted 3/3 Anaesthetic questionnaires submitted 100% case ascertainment

NCEPOD Acute Heart Failure	NCEPOD : Acute Heart Failure	National Confidential Enquiry into Patient Outcome and Death (NCEPOD)	yes	Patient identifier spreadsheet ,Clinician questionnaire	Patient identifier spreadsheet submitted, 6/6 Clinician questionnaires submitted 100% case ascertainment
Blood and Transplant	Audit of the management of patients at risk of Transfusion Associated Circulatory Overload	NHS Blood and Transplant	yes	To audit maximum of 20 inpatients and 20 outpatients who are transfused during the months of March and April 2017 (no minimum)	19 inpatient and 17 outpatient cases submitted (100% case ascertainment).
Blood and Transplant	Serious Hazards of Transfusion (SHOT): UK National haemovigilance scheme SHOT audits operate a continuous data collection model.	NHS Blood and Transplant	yes	Incidents are monitored and investigated via Datix. Following completion of investigation incident report is submitted.	100% Case Ascertainment.
Blood and Transplant	Re-audit of the 2016 audit of red cell and platelet transfusion in adult haematology patients	NHS Blood and Transplant	Yes	June to September 2017	100% case ascertainment
Cancer	Bowel cancer (NBOCAP) Royal College of Surgeons (RCS) will deliver this audit until March 2018	Royal College of Surgeons of England	yes	April 2017 to March 2018	100% eligible cases submitted

Cancer	Lung cancer (NLCA) management has changed from HSCIC to Royal College of Physicians	Royal College of Physicians	yes	Data is collected by RCP monthly via the cancer outcomes and services dataset (COSD)	Ongoing collection of NLCA data via COSD submission, Assurance provided 100% case ascertainment
Cancer	Head and Neck Cancer audit	Saving Faces - The Facial Surgery Research Foundation	yes	April 2017 to March 2018	Confirmation received for successful upload (DAHNO 01/11/14 - 31/10/2016).
Cancer	National Prostate Cancer Audit	Royal College of Surgeons	yes	April 2017 to March 2018 Data collection is monthly	100% eligible cases submitted by NCRAS.
Cancer	Oesophago-gastric cancer (NAOGC)	Royal College of Surgeons	yes	April 2017 to March 2018	100 % eligible cases submitted
Cancer	National Audit of Breast Cancer in Older People (NABCOP)	Royal College of Surgeons	yes	The data is supplied to the national audit by the national cancer registration and analysis service (NCRAS).	100% eligible cases submitted by NCRAS.
Heart	Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)	National Institute for Cardiovascular Outcomes Research (NICOR-funded by Barts Health NHS	yes	April 2017 to March 2018	65% case ascertainment Q$ currently being audited by cardiology

		Trust)			
Heart	Cardiac Rhythm Management (CRM)	National Institute for Cardiovascular Outcomes Research (NICOR-funded by Barts Health NHS Trust)	yes	April 2017 to March 2018	100% case ascertainment for all eligible cases.
Heart	National Cardiac Arrest Audit (NCAA)	Intensive Care National Audit and Research Centre (ICNARC)	yes	April 2017 to March 2018	Q1-3 – 84 cases, 100% case ascertainment, Quarter 4 report not available until June 2018
Heart	National Heart Failure Audit	National Institute for Cardiovascular Outcomes Research (NICOR-funded by Barts Health NHS Trust)	yes	April 2017 to March 2018	73% ascertainment March data awaiting processing
Long term conditions	National Diabetes Audit Core	Health & Social Care Information Centre (HSCIC)	yes	January 2016 to March 2017	100% eligible cases submitted
Long term conditions	Diabetes inpatient audit (Adult)	Health & Social Care Information Centre (HSCIC)	yes	NADIA audit week 25 - 29 September 2017	100% eligible cases submitted
Long term conditions	Diabetes (Paediatric) (NPDA)	Royal College of Paediatrics and Child Health	yes	April 2017 to March 2018	Audit in progress, data submission June 2018.

Long term conditions	National Pregnancy in Diabetes audit	Health & Social Care Information Centre (HSCIC)	yes	1st January 2017 to 31st December 2017	Awaiting confirmation of case ascertainment.
Long term conditions	National Diabetes Footcare audit	Health & Social Care Information Centre (HSCIC)	yes	April 2017 to March 2018	100% eligible cases submitted, Final data submission July 2018
Long term condition	Inflammatory Bowel Disease (IBD) programme	British Society of Gastroenterology	yes	17/18 quarterly data submission. First submission done on 15th Jan 2018. Final data submission for 17/18 30th March 2018.	100% eligible cases submitted, Final data submission March 2018
Long term condition	National Chronic Obstructive Pulmonary Disease (COPD) Audit Programme – Pulmonary Rehabilitation	Royal College of Physicians	yes	3rd January'17 – 31st Mar'17	39/39 cases submitted, Organisational Audit Submitted, 100% case ascertainment
Long term condition	COPD –Secondary Care	Royal College of Physicians	yes	Continuous data collection	Organisational Audit Submitted, 145/178 data submitted. Case Ascertainment – 82.58%
Long term condition	COPD - Secondary care BPT audit	Royal College of Physicians	Yes	Feb-June 2017	78% acertainment.
Older People	Falls and Fragility Fractures audit programme (FFFAP) – NHFD (National Hip Fracture Database)	Royal College of Physicians	yes	National Hip Fracture Database yes April 2017 to March 2018	Data is currently not available.

	Falls and Fragility Fractures Audit Programme(FFFAP) - Fracture liaison service Database audit (FLS-DB)	Royal College of Physicians	Yes	National Falls and Fragility Audit Programme Yes April 2017 to March 2018	100% case ascertainment
	Falls and Fragility Fractures Audit Programme (FFFAP) - National audit of inpatient falls	Royal College of Physicians	Yes	May 2017	Organisational audit submitted, 30/30 Inpatient audit Submitted (100% case ascertainment)
Older People	Sentinel Stroke National Audit Programme (SSNAP)	Royal College of Physicians	Yes	April 2017 to March 2018	Awaiting information
Older People	UK Parkinson's Audit (incorporating Occupational Therapy Speech and Language Therapy, Physiotherapy Elderly care and neurology)	Royal College of Physicians	Yes	1st May to 30th September 2017	The data for both services (Elderly care and Neurology Service) 20/20 cases and service questionnaires were submitted (100% case ascertainment)
Older People	National Audit of Dementia(Delirium screening and assessment)	Royal College of Psychiatrists	yes	Spotlight Audit data submitted, Dementia Audit Round 4 will commence on 2018.	Data submitted for 10 cases for casenote and 5 inter-rater reliability cases, 100% case ascertainment.
Women's & Children's health	Maternal, Newborn and Infant Clinical Outcome Review Programme Lead: Jacqui Tingle and	Perinatal Mortality Surveillance- MBRRACE -UK	yes	Perinatal Mortality Surveillance yes April 2016 to April 2017	100% eligible cases submitted

	Claire Worthington			Perinatal mortality and morbidity confidential enquiries (term intrapartum related neonatal deaths) yes April 2016 to April 2017	100% eligible cases submitted
				Maternal morbidity and mortality confidential enquiries (cardiac (plus cardiac morbidity) early pregnancy deaths and pre-eclampsia, plus psychiatric morbidity) Yes April 2016 to April 2017	100% eligible cases submitted
				Maternity mortality surveillance	100% eligible cases submitted
Women's & Children's health	National Maternity and Perinatal Audit (NMPA)	Royal College of Obstetricians and Gynaecologists	yes	April 2016 to March 2018	100% eligible cases submitted
Women's & Children's health	Neonatal Intensive and Special Care (NNAP)	Royal College of Paediatrics and Child Health	yes	April 2017 to March 2018	Awaiting Data
Women's & Children's health	Pain in Children (care in emergency departments)	Royal College of Emergency Medicine	yes	1st January 2017 to 31st December 2017	50 cases submitted (100% case ascertainment)

Other	National Ophthalmology Audit	Royal College of Ophthalmologists	yes	September 2016 to August 2017	All eligible cases submitted
Other	Elective surgery (National PROMs Programme)	Health & Social Care Information Centre (HSCIC)	yes	Yes	Awaiting data
Other	Endocrine and Thyroid National Audit Register	British Association of Endocrine and Thyroid Surgeons	yes	Yes- April 2017 to March 2018	100% case ascertainment
Other	Radical Prostatectomy Audit	British Association of Urological Surgeons	yes	Yes Audit period: April 2017 to March 2018	100% case ascertainment
Other	BAUS Urology Audits - Cystectomy	British Association of Urological Surgeons	yes	Yes BAUS audits operate a continuous data collection model. Collection cycle runs from 1 Jan to 31 Dec	100% case ascertainment

Twenty-four reports published in 2017/18 have been sent to the respective audit leads for development of action plans. Following the review of these audit reports, the Trust has either taken or intends to take, the following actions to improve the quality of healthcare provided:

Audit title:	▪ Proposed actions and plans
Royal College of Emergency Medicine (RCEM) audit – Severe Sepsis and Septic Shock (2016/17)	▪ Appropriate skill mix in relation to senior doctor should be available 24/7 for review ▪ Reinforce teaching for administration of oxygen should be documented ▪ Awareness for nursing staff to encourage urine output monitoring, especially if catheter is not indicated
RCEM audit – Moderate and Severe Asthma (2016/17)	▪ Reinforce teaching in relation to oxygen should be prescribed to maintain saturation between 94-98 per cent ▪ Education programme to improve measurement of peak flow ▪ Written proforma which includes assessment of inhaler technique, steroids and follow up.
RCEM audit – Consultant Sign Off (2016/17)	▪ To ensure staffing and seniority are balanced not only to demand, but also to the requirement for senior staff to care for high risk conditions. ▪ Adoption of subsequent note review and dedicated consultant time to ensure robust mechanism in place for senior review of unscheduled returnees. ▪ Would need automated clinical system, like Symphony, in the long term review of documentation of senior review
National Emergency Laparotomy (December 2015 –November 2016)	▪ Add predicted risk of mortality to surgical admission document ▪ Add risk-prediction to emergency theatre booking form ▪ Audit new policy – consultant surgeon/anaesthetist/ICU discussion for all patients with predicted mortality >50 per cent ▪ Use new NELA mortality predictor ▪ Present to departments and leads to encourage pre-operative visit by both anaesthetist and surgeon ▪ Encourage documentation of pre-operative review ▪ Set up working group to develop referral pathway and new service ▪ Business case for new geriatrician with allocated sessions for emergency laparotomy patient review ▪ Add Rockwood frailty scale to surgical admission document/emergency laparotomy pathway
NCEPOD Acute Non-invasive	▪ Development of respiratory hyper-acute unit for specialised care provided by highly trained staff. ▪ Ring fenced acute NIV bed on Albury ward

Audit title:	▪ Proposed actions and plans
Ventilation NIV (2015 data)	▪ IT to facilitate information gathering from all patients in NIV audit collectively ▪ Evaluation and analysis of data ▪ Presentation of audit report to Service business unit/board ▪ Facilitate use of care plan in resuscitation setting. ▪ Discussion with respiratory consultant and documentation in medical notes
2016 Annual Serious Hazards of Transfusion (SHOT) Report	▪ Patients should be formally assessed for their risk of TACO – Future review of care pathway. ▪ SOP for hire and management of cell salvage machine to be developed - Patients receiving cell salvage should be monitored-RSCH do not own a cell salvage machine but hire one in as required. Hire machine comes with its own operators ▪
MINAP (April 2015 -March 2016)	▪ Ensure the eligible patients are administered with all secondary medications and /or documenting the reasons for not prescribing /administering ▪ Ensuring the EAU and other wards are informed about the importance of referring the nSTEMI patients for Cardiology review during the patient's stay in the hospital. ▪ Ensure the on-call nurse's work to inform Cardiac units when /if patients are diagnosed with nSTEMI on other wards is prioritised in order to transfer these patients to cardiac units within 24 hrs of admission. ▪ Ensuring clinical teams are informed about the importance of documentation regarding the reason for not referring the nSTEMI patients for angiogram during stay or after discharge ▪
National Heart Failure Audit (1April 2014 – 31 March 2015)	▪ Review staffing requirements and time capacity per echo slot. ▪ Wards need to communicate with heart failure nurse specialist (HFNS) by email/referral which patients have been admitted/discharged at the weekend. If needed cardiologist input wards need to discharge with on call registrar to get the cardiologist to review patients over the weekend. ▪ Continue to follow NICE guidelines. ▪ Patients meeting cardiac rehabilitation criteria will be referred to rehabilitation. Those not suitable for cardiac rehabilitation will have the reasons documented in the notes.
Diabetes Paediatric Audit (April 2015 to March 2016)	▪ Ensure that data collection for next year's audit is more robust. ▪ Source extra HCA support to ensure that measurements are done at every clinic appointment ▪ Liaise with appointment/booking department to ensure that patients are being offered four appointments per year. If cancelled or rescheduled develop catch up system.

Audit title:	▪ Proposed actions and plans
National Pregnancy Diabetes Audit October 2017	▪ Education of patients ▪ Increase foot multi-disciplinary-team (MDT) meetings to weekly ▪ Improve access to diabetes ante-natal team
National Footcare Audit (2014/2016)	▪ Increased podiatry resource. Discussion with external provider ▪ Increase foot MDT to weekly ▪ Employ more vascular cover to meet increased demand ▪ Set up an acute foot unit on an orthopaedic ward ▪
Fracture Liaison Service Database (FLS-DB) Clinical audit (January – June 2016)	▪ Review waiting times for Dexascan ▪ Review and reduce waiting times for appointments following Dexascan ▪ Carry out follow up calls following Dexascan result at latest point of 3.5 months following fracture
Inpatient Falls (Audit Period May 2017)	▪ Delirium pathway - work in progress Trust wide ▪ Organised delirium awareness day ▪ Share spot audit findings with falls steering group/harm free care group ▪ Invite pharmacy lead/manager to January 2018 falls steering group - agree resources to use & a plan ▪ Liaise with OPU senior sister regarding draft audit tool and agree trial date/format. ▪ Ensure on-going intentional rounding in place ▪ Ensure implication for falls risk associated with incontinence symptoms is included in individualised care plan and risk assessment (care bundle) ▪ Trust-wide review of care plans
National Hip Fracture Database (Audit Period 2016)	▪ Audit A&E performance ▪ Senior level buy-in ▪ Speciality doctor time –for 120 days follow up
Sentinel Stroke National Audit Programme-(April to July 2017)	▪ Data needs to be completed promptly, entered centrally and locked on system more promptly to comply with audit requirements and improve this metric ▪ We fall below expected target in use of Early Supported Discharge (ESD) for our patient cohort. This requires review of ESD capacity, process and pathway for referral. Other models of care may be more effective to better utilise this team.
Cardiac Rhythm Management	▪ Ensure minimum data set included in implant reports - create a quick reference sheet

Audit title:	▪ Proposed actions and plans
Audit (April 2015 –March 2016)	▪ Ensure physiologists entering data are aware of compliance targets ▪ contact NICOR and inform them of current implanters
National Audit of Dementia (2016/17)	▪ MDT task and finish group currently developing a delirium pathway with an agreed standardised assessment from front door to discharge linking with frailty work ▪ Provide delirium specific training ▪ Delirium awareness talks. Attend surgical journal clubs/educational half days ▪ Re-launch the Bolton pain scale across medicine and surgery (including theatres/ Post Anaesthetic Care Unit (PACU)) ▪ Devise audit plan for the trust around dementia and delirium. Consider adding to the safety thermometer audit one question “Does the patient have dementia/delirium?” Does the patient have “this is me, my care passport?” Or add to mental capacity audit which occurs six monthly. ▪ Review guidelines for use and place emphasis on photocopying and leaving copy in notes ▪ Consider flagging dementia patients on the APAS computer system ▪ Raise awareness across the hospital around availability of snacks and the finger food menu, adaptive cutlery ▪ Take findings forward around nutrition through the nutritional steering group ▪ Areas should have at least two designated dementia champions (preferably four champions) that have attended tier two dementia training ideally to have one champion per shift per ward ▪ Liaise with SNP /case managers and invite them to attend Tier 2 dementia training ▪ Devise a troubleshooting flow chart for staff on the ward what to do and where help can be accessed out of hours ▪ Review contents of the dementia boxes on the wards on the wards and also the contents of information held on the G Drive for staff to access ▪ Look at facilities for carers
COPD BPT 2017 Q1	Respiratory review within 24 hrs of admission – ▪ Liaise with Emergency Assessment Unit (EAU) Consultants to raise awareness ▪ Teaching session on junior doctors induction (August) ▪ Informal teaching with new respiratory medical teams ▪ Increased to twice-daily visits to emergency departments

Audit title:	▪ Proposed actions and plans
	▪ Attended ward sisters meetings and Albury Ward team meetings to deliver teaching on COPD admission and discharge bundles. Ensuring ward staff contact the compliance team, when COPD patients due to discharge ▪ Raising general awareness of audit ▪ Continuing to deliver teaching sessions and education to inform specialists of patient's admissions in a timely manner ▪ New registrar induction teaching booked for October ▪ Attendance of Conference in London
Emergency Oxygen Audit (2015 data)	• Increase number of patients with oxygen prescription - -Teaching at doctors' induction - Introduction of new drug chart -Inclusion of target oxygen saturations on Vital Pac in the expected upgrade with Chronic Respiratory Early Warning Score (CREWS) update version 3.5 • Teaching nursing staff at induction to do signatures on drug chart when oxygen is prescribed • Reconvene medical gases committee to take future lead on Oxygen and other medical gases
Perinatal Mortality & Morbidity Confidential Enquiries (MBRRACE –UK)	• Consistently carry on doing six-monthly reports on staffing which goes to the Trust board. ▪ Following a SI where staffing was considered as an area for improvement we are in the process of implementing a 'Baton and Relay handover and safety huddle.This enables structured and efficient sharing of information during ward handovers. It is currently being audited prior to implementation to assess what the situation is like at the moment and facilitate an understanding of whether this approach would be beneficial ▪ Once the Baton/ Relay handover and safety huddle is implemented, an audit will be undertaken to

Audit title:	▪ Proposed actions and plans
	assess effectiveness. ▪ Following a RSCH Serious Incident Panel in September 2017 where reduced fetal movements management was identified as an area where improvements could be made, the following actions are have been implemented/are in the process of being implemented. ▪ Reinforce fetal monitoring requirements (commencement of a Cardiotocographic) when reduced fetal movements are reported ▪ Focus on the management of reduced fetal movements in multidisciplinary PROMPT training ▪ Include training on Burvill score within Maternity Update data (mandatory annual training for all midwives) ▪ Adjust paperwork to develop the requirement to ensure midwives utilise the Burvill score as a part of the intrapartum assessment ▪ Include documentation of an individual escalation plan if women are identified as being in the active phase of labour on the antenatal ward during safety huddles and handovers ▪ Include within Maternity Update Day(mandatory annual training for all midwives) ▪ Department to ensure those who provide intrapartum care complete annual training and competency for CTG interpretation and auscultation prior to providing intrapartum care, Add K2 competency (cardiotocographic) to PDR tracker -Competency assessment to be designed and made available for all staff who provide intrapartum/antenatal care to complete and have assessed as part of their induction to the maternity service and then prior to their annual personal development review (PDR).
NCEPOD Report "Treat as one"-Provision of mental health care in acute Hospitals	▪ Patients who present with known co-existing mental and health conditions should have these documented and assessed along with any other clinical conditions- This is not happening consistently. History of mental health problems are not included in medical proformas and

Audit title:	▪ Proposed actions and plans
	Abbreviated Mental Test Score (AMTS) not always completed - Include in training for new doctors to the trust and review of notes to see if this is occurring. ▪ Commissioners, RSCH and Surrey and Borders Partnership NHS Trust involved in review of Psychiatric Liaison Team (PLT) service to ensure that appropriate service in place. PLT team will present data on referrals and outcomes at MH Steering Group Meeting –Review of PLT Provisions ▪ PLT team record assessment and reviews in medical notes, to ensure that they include consultant information - Ensure advertising of improved service across the Trust and presentation by the team at divisional meetings to increase profile. o Ensure consultant recorded by PLT team when patients are seen and assessed. ▪ The terms 'fit for assessment', 'fit for review' or 'fit for discharge' should be used instead to ensure parallel working. Parallel assessments already established position within the Trust. Ensure that this is embedded in practice through training, Include in training for staff and promotion of early referral by PLT team in walk around of departments ▪ Review of Improving Access to Psychological Therapies (IAPT) information and referrals within the trust to be carried out. Discussion to improve pathways between ALN and PLT and improve joint working. ▪ To contact pharmacy to establish consistency and confidence about mental health medication- Need to arrange training session for pharmacy by SABP pharmacy team ▪ Patient sitter service established to support people who need one toone care because of confusion and agitation. Activity boxes on the wards for distraction and dementia training includes support of people with confusion - Clarification about provision of one to one required for those detained under Mental Health Act Review of one to one usage in wards and clinical areas

Audit title:	▪ Proposed actions and plans
	including qualified, unqualified and mental health trained. Regular review of mental health patients by PLT team to support decisions about one:one ▪ Inconsistency around assessment and documentation of Mental Capacity Act (MCA). Training for consent and capacity in place for all clinical staff. MCA audits carried out twice a year as part of ward audits. ▪ Ensure that referrals to PLT team for MCA assessments are appropriate ▪ Ensure appropriate staff attend MHA training and robust processes are in place both in and out of hours. ▪ Psychiatric liaison team to engage with ITU and outreach teams to review its relevance for all patients
National Maternity and Perinatal Audit organisational report -August 2017	▪ As a part of Better Births Sustainability and Transformation Plan, the department needs to utilise the community component of the maternity information system. ▪ RSCH to procure a compatible system to the remainder of the STP. Current contract with Euroking (maternity information system) due to be renewed May 2018. ▪ IT hold Euroking contract and is responsible for starting the procurement process in conjunction with the maternity department. ▪ Develop one-stop consultant-led clinic within OPD1 to provide perinatal mental health care alongside obstetric and midwifery care. ▪ As a part of the better births STP, continuity of care is under review to decrease the number of contacts with different midwives.
National Neonatal Audit Programme 2017 Annual Report on 2016 data –Sep	▪ A data coordinator was recently appointed on the unit to make sure that all the clinical information is fully captured and entered correctly on the system

Audit title:	▪ Proposed actions and plans
2017	▪ New admission board on the unit as part of achieving excellence programme, which allows for a better identification of babies in need of eye screening, so they can be identified and examined before discharge. ▪ In order to reduce the number of appointments not attended for the two year developmental follow up, we are now sending a reminder to the parents, and in case they have moved to a different catchment area, to alert their new GP about organizing the follow up locally.
Patient reported outcome measures (PROMS) –Aug 2017	▪ Making sure that pre-operative nurse ensures the questionnaire is complete and submitted ▪ Most patients reviewed in clinic at six months before discharge. Remind to complete questionnaire when seen in outpatient clinic

Participation in Clinical Research

Participation in Clinical Trials

During 2016/17 the Trust approved and opened 70 new clinical trials across a number of specialities, including oncology, intensive care, diabetes, hepatology, urology, ophthalmology, surgery and maternity. The new trials bring the total number of trials hosted at the Trust to 446, of which 112 are commercially sponsored. The number of patients receiving relevant health services provided or sub-contracted by the Trust in 2016/17 that were recruited during that period to participate in research approved by a research ethics committee was 1,716(this figure increased from 946 patients recruited in 2015/16). Of the 1,716 in taking part in clinical trials in 2016/17 1,371 of these patients were recruited into studies on the National Institute of Health Research portfolio, exceeding the target of 1,116 set by the National Institute for Health Research Kent Surrey and Sussex Research Network at the beginning of the year.

RSCH has been working closely with the Kent Surrey and Sussex Research Network in order to boost recruitment into clinical trials It has been recognised that a Trust of our size and research infrastructure should be aiming to recruit 2,000 patients within the year. In order to do this our plan is to increase awareness of research across all clinical areas within the Trust and increase research engagement.

In addition to this, we will be aiming to improve our performance to delivering research projects to time and target to reach the 80 per cent per cent compliance set by the National Institute for Health Research (NIHR).

Working with the National Institute for Health Research (NIHR)

The Trust has continued to act as one of the 15 national host sites for NIHR, hosting the Kent Surrey & Sussex (KSS) Local Clinical Research Network (KSSCRN).

Although the Trust is the host for the KSSCRN management and the KSSCRN funding allocation, the Trust's department of research, development and innovation (RD&I) has, and will continue to act, as a member organisation. The Trust effectively acts as a provider of services commissioned and funded by the NIHR Clinical Research Network (CRN) for the support of high quality clinical trials and studies adopted onto the national research portfolio ('portfolio studies') by the Trust.

As a member organisation the Trust's RD&I has continued to work alongside the KSS CRN core team to identify new studies and new clinicians to participate in research. In addition to this RSCH clinicians have taken on the role of regional speciality leads to develop research

networks within the following specialities; for palliative care, perioperative care, hepatology, oncology, oncology (skin) and oncology (head and neck).

Research Collaborations

The RD&I department continues to work with the University of Surrey to establish a joint research strategy. Building on the work implementing research related umbrella agreements, a joint sponsorship review committee has been established to allow collaborative opportunities to be discussed and developed in partnership, preventing duplication of process and unnecessary delays.

Collaborative working with the University to support the Surrey Clinical Trials Unit (CTU) remains a key focus for the Trust. The development of the CTU has allowed both organisations to support researchers to open multicentre studies and apply for larger research grants with the support of a local CTU. During 2016/17 the CTU has successfully supported three grant applications which will be opening in 2017/18. The CTU continues to work under provisional accreditation, working towards full accreditation. Application for full accreditation will be strengthened by the studies that were secured in 2016/17.

The Trust continues to develop its strong research and development culture and build on strengthening its collaborations with neighbouring trusts and universities as host of the Surrey Health Partners (SHP). The SHP membership includes RSCH, Ashford and St Peter's Hospitals NHS Foundation Trust, The University of Surrey and The Royal Holloway University, Surrey and Borders Partnership NHS Foundation Trust (Mental Health), Frimley Healthcare NHS Foundation Trust and Surrey and Sussex Healthcare Trust. This is supporting partnership working between the members, bringing clinicians and academics together via the SHP to develop Clinical Academic Groups (CAGs) and deliver three objectives:

- Improved research activity and income,
- Development of teaching and education programmes
- Applying continuous improvement principles to improve patient care

Research Activity

Oncology

St Luke's Cancer Centre, as regional cancer centre, has a long-standing reputation for supporting a number of research projects, looking at new treatments and techniques in chemotherapy, surgery and radiotherapy. In order to develop the research further within the department, St Luke's, with support from RD&I, appointed an Oncology Research Lead. Since taking on the role, in January 2017, the lead has focused on expanding the breast cancer research portfolio and developing relationships with partners in the pharmaceutical

industry. The Trust has secured a number of breast studies which will open in 2018/19 offering patients innovative new treatments.

As well as supporting national and international research projects, the clinicians at St Luke's have successfully secured a number of grants. The Trust secured a grant of £65k from Target Ovarian Cancer to complete the EDMONd study, (a feasibility study of Elemental Diet as an alternative to parenteral nutrition for ovarian cancer patients with inoperable malignant bowel obstruction). The project will run over a number of centres and will be supported by the Surrey Clinical Trials Unit. A research fellow at St Luke's working under supervision, secured an investigator-led grant from Chugai Pharma UK Ltd, to complete the Dietetic Assessment and Intervention in Lung (DAIL) study. The study is evaluating a DAIL cancer which aims to better inform dietetic status of patients on being referred for treatment.

The radiotherapy department offers research into cutting edge radiotherapy treatment. In 2016/17 the department was one of a small number of selected sites to open the Crisis Resolution Team Optimisation and Relapse (CORE) study which offers patients the opportunity to receive Stereotactic Body Radiotherapy (SABR).

Anaesthetics and Intensive Care

The anaesthetics and intensive care department is very pro-active in research and have established the Spacer Group (Surrey Peri-operative Anaesthesia and Critical Care Collaborative Research Group) which drives the research within the department. As a group, they have developed a number of in-house projects, have been awarded a number of research grants and are expanding their research to multiple sites.

The Spacer Team's reputation, as a leader for anaesthetics research in the UK, has continued to develop and as a result, they were selected to act as the UK coordinating site for two European multi-centre studies, supporting sites across the UK in opening and delivering the studies.

In addition to this work, and in collaboration with the Surrey University, secured a £150k grant from the NIHR Research for Patient Benefit Grant scheme. The project entitled "Preventing Muscle Wasting in Critically Ill Patients by Repetitive Occlusive stimulus" (ROS) will be opening in 2018/19.

The Team was awarded a second Health Foundation grant, in 2015, for its work on emergency laparotomy improvement. The first project demonstrated that a care bundle approach used for this project emphasised the early identification of patients who may require emergency laparotomy, prompt treatment of sepsis, rapid access to emergency

operating theatres and the use of state of the art fluid management and admission to the intensive care unit. The second award will allow the team to expand its work to more sites across the UK. The work is being completed with the support of three Academic Health Science Networks. The project went live in September 2015 for 30 months.

Hepatology

Research within the department was established in 2015, and has continued to grow. In addition to delivering the NIHR research for patient benefit grant, the team have successfully opened a number of commercial and academic studies to develop the research portfolio.

The Lead Consultant hosted a regional hepatology research event, where an international researcher from Yale University, presented findings from his research. The event was an opportunity to discuss local research opportunities and potential collaborative working with Yale University in the future.

In 2016/17 RSCH successfully secured grant funding from Intercept Medical to support a research fellow to build a Surrey loco-regional database for liver disease. The project will require collaboration from the University and local clinical commissioning groups. The project aims to capture real world data about the management of patients with liver disease and aims to support further research, in to how to best manage patient care.

Diabetes

The Diabetes Department continues to run a combination of global commercial studies as well as a number of home-grown research projects.

Consultants within the department have been successfully awarded a large Diabetes UK grant to develop and deliver an investigator-led research project to look at the effect of a SGLT2 inhibitor on Glucose Flux, Lipolysis and Ketogenesis following insulin withdrawal in people with absolute or relative endogenous insulin deficiency. The study is being sponsored by Leicester University.

In addition, we successfully obtained an investigator grant, from Novo Nordisk, to conduct a study access the risk of hyperglycaemia in patients on steroids. The study aims to recruit over 600 patients.

Commissioning for Quality and Innovation (CQUIN) Framework

A proportion of the Trust's income in 2017/18 was conditional on achieving quality improvement and innovation goals agreed between the 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. In 2017/18, 2.5 per cent of the Trust's income was conditional upon achieving the CQUIN goals, which are agreed annually between commissioners and the Trust. CQUINS are a combination of schemes derived at a national level and agreed with Guildford and Waverley Clinical Commissioning Group CCG ,NHS England (NHSE) and Public Health England (PHE).

A comprehensive list of all CQUIN schemes is provided in the link below:

https://www.england.nhs.uk/nhs-standard-contract/cquin/cquin-17-19/

During 2017/18, the Trust's CQUIN financial target as a whole is shown in the table below:

Commissioner	17/18 CQUIN Funding Available	16/17 CQUIN Funding Available
NHSE Specialised	£1.60m	£1.35m
NHSE CCG	£4.05m	£3.8m
NHSE Dental	£0.21m	£0.2m
PHE Bowel Screening	£0.05m	£0.05m
Total CQUIN Value	£5.91m	£5.4m
These figures will be indicative at the time of publication		

2016/17	FINANCIAL VALUE	FINANCIAL ACHIEVEMENT
Total CQUIN Value		
NHSE Specialised	1,352,999.99	1,329,623
CCG SLAs	3,820,484.00	3730835
Dental SLAs	206,075.03	206075
Bowel Screening	50,000	50000
	5,429,559.02	5,316,533

The RSCH's CQUIN financial achievement for 2017/18 is shown below.

17/18 Quarterly Payments	
Quarter 1	**100% (£1.1m)**
Quarter 2	**86% (£1.12m)**
Quarter 3	**96.8% (£0.53m)**
Quarter 4 (unconfirmed at time of publication – this figure is likely to increase when finances have been reconciled)	**88.6% (2.63m)**

The CQUIN projects are listed in the table below with a RAG rated achievement status.

Amber - Partial achievement		Green - Full achievement	
CQUIN NAME	**COMMISSIONER**	**CQUIN GOAL**	**17/18 Q4 RAG STATUS**
Improving Hepatitis C Pathways through Operational Delivery Networks (ODN)	NHSE	To support the infrastructure, governance and partnership-working across healthcare providers working in HCV networks to achieve improvements in: engagement of patients; alignment to NICE guidance of clinical and cost effective treatments; and enhanced data collection	A
Clinical Utilisation Review (CUR) tool	NHSE	The CUR tool can provide data to aid decision making to prevent unnecessary hospital admissions and reduce length of stay for patients by determining the most suitable level of care according to clinical need.	A
Hospital Medicines Optimisation	NHSE	To support faster adoption of best value medicines; improved drugs data quality; consistent application of lowest cost dispensing; and compliance with policy/consensus guidelines to reduce variation and waste.	G
Complex Cardiac Device Optimisation	NHSE	To encourage compliance with national policies; optimal device selection; referral pathways and MDT decision making processes are developed for complex and unusual cases.	G
Staff Health & Wellbeing	CCG	This has three parts: a) Improving staff health with particular reference to musculoskeletal health and work related stress b) The provision of healthy food for staff, patients and visitors c) Increasing the uptake of the flu vaccine by frontline staff.	A
Reducing the Impact	CCG	a) To implement systematic screening for sepsis of	A

of serious infections (antimicrobial andsepsis)		appropriate patients and where sepsis is identified, to provide timely and appropriate treatment and review. b) To reduce antibiotic consumption, encourage focus on antimicrobial stewardship and ensure antibiotic review within 72 hours	
NHS e-Referrals	CCG	To publish all of the services provided and make all first outpatient appointment slots available on an electronic referral system.	G
Offering Advice & Guidance (A&G)	CCG	To agree the specialties with the highest volume of non-urgent GP referrals and set up advice and guidance services	G
Proactive & Safe Discharge	CCG	To map existing discharge pathways, put new protocols in place and increase the proportion of non-elective patients over 65 years of age, discharged to their usual place of residence within seven days of admission.	A
Improving Services for people with mental health (MH) needs who present to A&E	CCG	Working closely with Surrey & Borders Partnership Mental Health Trust, achieve a 20% reduction in A&E attendances for the cohort of top 0.25% most frequent attenders to A&E during 2016/17, who may benefit from integrated mental and physical health assessment, care planning and interventions	G
Engagement with the sustainability and transformation plans (STP)	CCG	All members are committed to and engaging with the plans.	G
Dental	NHSE Dental South South East and Wessex	a) Referrals from GDPs are only being accepted through electronic referral service (DERS): Participate in referral management and triage b) Active participation in Managed Clinical Networks (MCNs) c) Dental PAR audit: 75% or more of completed cases must have a reduction in PAR score greater than 70% (Aug 17- Feb 18) d) Dental Orthodontic Buddy arrangements: 3a complexity referrals are only being accepted through DERS from Specialist Practice through the buddy arrangement to fulfil training needs	G
Bowel Screening	PHE	Improvement in individual 17/18 adenoma detection rates (ADRs) for colonoscopists with an ADR of 40% or below in 2016/17 and on any other colonoscopist whose ADR was 40% or lower in 2017/18.	G

The Trust has made a number of significant changes and improvements as a result of implementing the CQUINs, key improvements to service delivery include:

- The Trust is the lead Hepatitis C operational delivery network (ODN) for Surrey and Sussex trusts and has plans to provide more services into prisons and to undertake case finding, working in partnership with GPs and other community services
- Data from the CUR tool was used strategically for winter planning
- The RSCH and Surrey & Borders Partnership NHS Foundation Trust worked together to achieve a 33 per cent reduction in patients who attend A&E frequently by identifying mental health needs and providing alternative appropriate services
- 100 per cent of referrals from GPs to first outpatient services are able to be received through an electronic referral system
- Advice & Guidance services have been set up in 21 elective outpatient specialties and are available to GPs
- The NHSE medical director congratulated RSCH on being one of the trusts which has seen the greatest improvements in indicators 2a) timely identification and 2b) timely treatment of sepsis
- NHS Digital congratulated the Trust on being an early adopter site for the emergency care data set (ECDS)

Care Quality Commission (CQC Registration)

The Trust was previously inspected in 2013. In 2017/18 the Trust has not participated in any special reviews or investigations by the CQC during the reporting period.

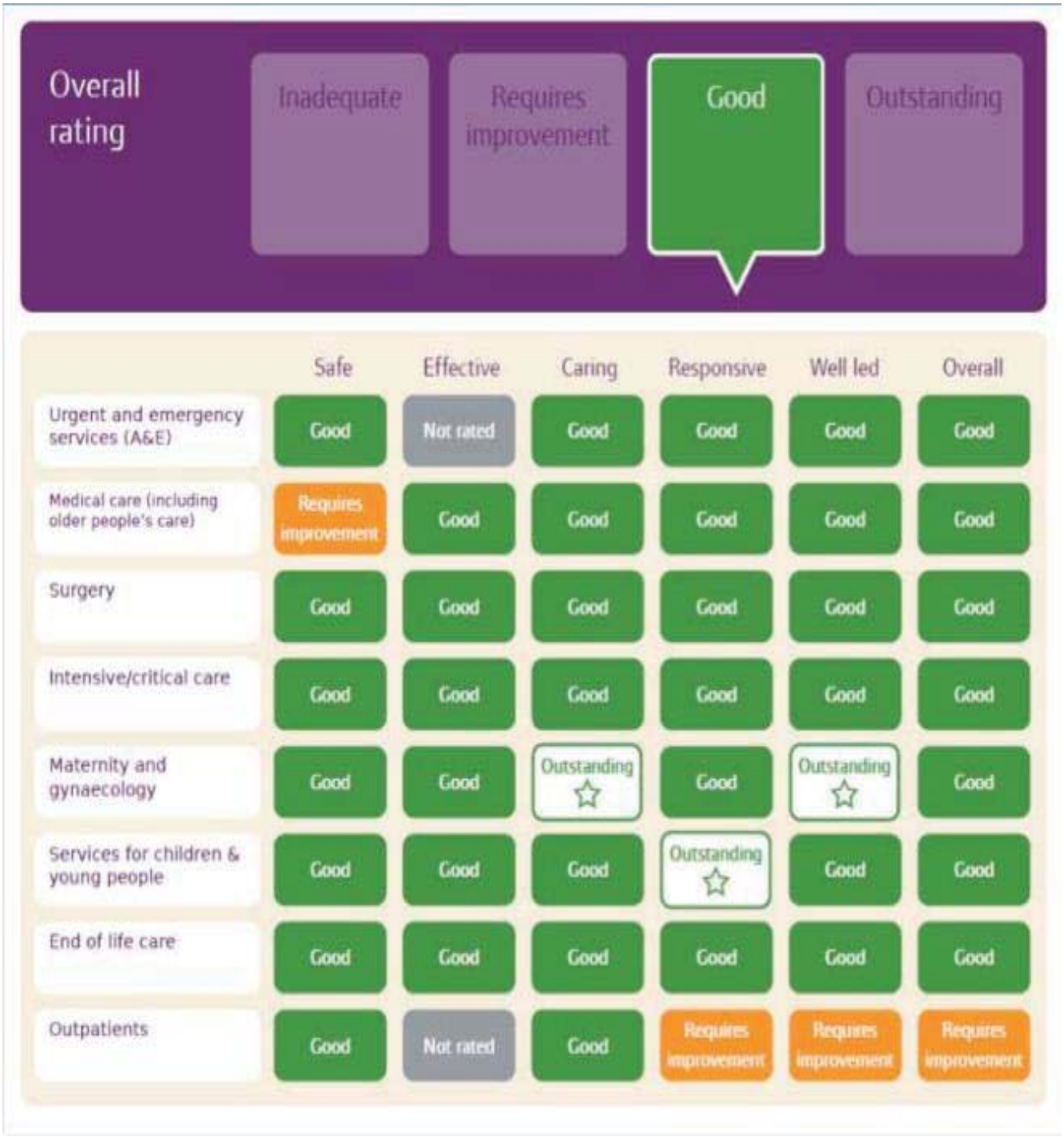
In October 2017 the Trust commenced its re-inspection process with the submission of evidence requested by the CQC.

Staff focus groups were held on 8 and 9 January 2018, over 11 per cent of the workforce from all levels and specialities within the Trust attended and actively contributed.

The unannounced inspection of four core services was conducted on 24 and 25 January 2018. The services include: maternity, gynaecology, medicine (including oncology) and outpatients.

The ‘well led’ inspection was held on 21 and 22 February 2018. RSCH was a pilot for the ‘Use of Resources’ domain which is to be included in all inspections from April 2018. It is anticipated the CQC results will be published in May 2018.

See table below for results of the 2013 inspection.


Overall rating
Inadequate
Requires improvement
Good
Outstanding
Safe
Effective
Caring
Responsive
Well led
Overall
Urgent and emergency services (A&E)
Good
Not rated
Good
Good
Good
Good
Medical care (including older people's care)
Requires improvement
Good
Good
Good
Good
Good
Surgery
Good
Good
Good
Good
Good
Good
Intensive/critical care
Good
Good
Good
Good
Good
Good
Maternity and gynaecology
Good
Good
Outstanding
Good
Outstanding
Good
Services for children & young people
Good
Good
Good
Outstanding
Good
Good
End of life care
Good
Good
Good
Good
Good
Good
Outpatients
Good
Not rated
Good
Requires improvement
Requires improvement
Requires improvement

Information Governance Assessment Report 2017/18

Information Governance gives assurance that the Trust handles personal and non-personal information (electronic and manual) efficiently, securely, effectively and in accordance with the relevant legislation, with the objective to deliver compassionate, safe care, every day.

The Information Governance framework is divided into six assurances with a total of 45 requirements.

The Trust recorded overall score 71 per cent - satisfactory for the 2017/18 IG Toolkit Version 14.1 submission. The table below shows comparison between IGT Version 14 (2016/17) and the latest submission Version 14.1.

Information Governance Management							
Assessment	**Level 0**	**Level 1**	**Level 2**	**Level 3**	**Total Req'ts**	**Overall Score**	**Self-assessed Grade**
Version 14 (2016/2017)	0	0	3	2	5	80%	Satisfactory
Version 14.1 (2017/2018)	0	0	3	2	5	**80%**	Satisfactory
Confidentiality and Data Protection Assurance							
Assessment	**Level 0**	**Level 1**	**Level 2**	**Level 3**	**Total Req'ts**	**Overall Score**	**Self-assessed Grade**
Version 14 (2016/2017)	0	0	8	1	9	70%	Satisfactory
Version 14.1 (2017/2018)	0	0	8	1	9	**70%**	Satisfactory
Information Security Assurance							
Assessment	**Level 0**	**Level 1**	**Level 2**	**Level 3**	**Total Req'ts**	**Overall Score**	**Self-assessed Grade**
Version 14 (2016/2017)	0	0	15	0	15	66%	Satisfactory
Version 14.1 (2017/2018)	0	0	14	1	15	**68%**	Satisfactory
Clinical Information Assurance							
Assessment	**Level 0**	**Level 1**	**Level 2**	**Level 3**	**Total Req'ts**	**Overall Score**	**Self-assessed Grade**
Version 14 (2016-2017)	0	0	5	0	5	66%	Satisfactory
Version 14.1 (2017-2018)	0	0	4	1	5	**73%**	Satisfactory
Secondary Use Assurance							

Assessment	Level 0	Level 1	Level 2	Level 3	Total Req'ts	Overall Score	Self-assessed Grade
Version 14 (2016-2017)	0	0	8	0	8	66%	Satisfactory
Version 14.1 (2017-2018)	0	0	8	0	8	**66%**	Satisfactory
Corporate Information Assurance							
Assessment	**Level 0**	**Level 1**	**Level 2**	**Level 3**	**Total Req'ts**	**Overall Score**	**Self-assessed Grade**
Version 14 (2016-2017)	0	0	2	1	3	77%	Satisfactory
Version 14.1 (2017-2018)	0	0	2	1	3	**77%**	Satisfactory

Clinical coding error rate

The modernisation of the NHS to provide first-class patient care requires the information exchanged between healthcare professionals, and across NHS organisations, to always be of a consistently high quality. To ensure confidence in any information produced as part of the clinical process, the underlying data must be accurate and fit for purpose.

High-quality coded clinical data is essential when developing reliable and effective statistical analysis. Above all, data must be accurate, consistent and comparable across time and between sources.

Incomplete coding translates to the loss of income for Trusts, whilst inaccurate coding leads to inaccurate payments, which can influence negatively on the finances of providers or commissioners.

Clinical Coders depend on clear, accurate source information in order to produce a true picture of hospital activity and accurately record patient care. The coded data is important for a whole range of purposes such as:

- Monitoring and recording patient care provided across the NHS
- Research and monitoring of health trends for health service planning
- NHS financial planning and enabling of Payment by Results
- Local and national clinical coding audits
- Clinical governance

This audit was to evaluate the quality of the Coded Clinical Data by making comparisons between the source document and the information held on the Trust's Patient Administration System and to establish a baseline for continuous improvement and allow assessment of the quality of the source document.

Each year the Trust undertakes an audit of clinical coding errors. The sample is taken from different specialities within the Trust

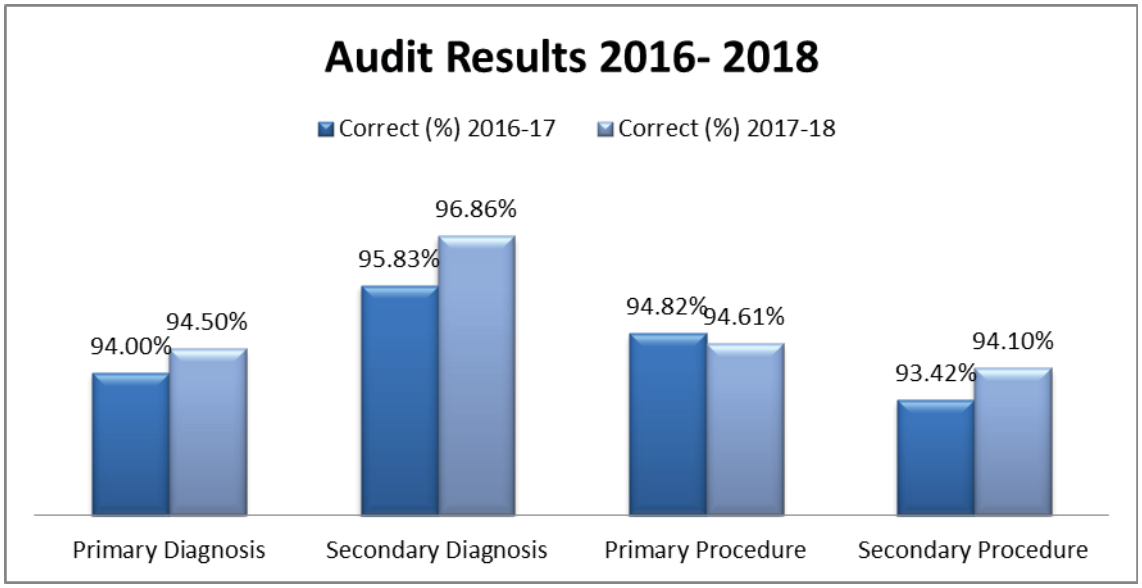
The Trust's coding performance is 'good' based on error rates compared with last year. The table below shows the coding accuracy overall results in comparison to 2016/17.

There were 200 finished consultant episodes audited from various specialities across the Trust and none was found to be unsafe.

	Correct (%) 2016-17	Correct (%) 2017-18
Primary Diagnosis	94.00%	94.50%
Secondary Diagnosis	95.83%	96.86%
Primary Procedure	94.82%	94.61%
Secondary Procedure	93.42%	94.10%

With the exception of maternity, the Trust undertook the information Governance audit across all specialties provided by the Trust, complying with the IG toolkit.

The Trust was not subject to the Payment by Results clinical coding audit during 2017/18 by the Audit Commission.



Review of Performance against Mandated Indicators

The NHS Outcomes Framework sets out high-level national outcomes, which the NHS should be aiming to improve. The Framework provides indicators, which have been chosen to measure these outcomes, and stipulates the methodology to be used in order to enable accurate benchmarking. An overview of the indicators is illustrated in the table below and the data provided has been calculated using the specified methodology. It is important to note that, whilst these indicators must be included in the Quality Accounts, the most recent available national data for the reporting period is not always for the most recent financial year. Where this is the case, an * is included next to the indicator.

The Trust considers that this data is as described for the following reasons; they are mandated in the NHSI guidance for Quality (2.3 Reporting against core indicators). The Trust continues to perform well in the indicators described below.

The following data has been taken from the NHS Digital website and is based on the most up to date data available at the time of writing.

NHS Outcomes Framework	Metric	INDICATOR	2017/18	National Average	Top performer (where applicable)	Worst performer (where applicable)	2016/17	2015/2016
Preventing people from dying prematurely	SHMI *	SHMI value and banding (January 2017 – December 2017)	0.79	1.00	-	-	0.90	0.81
Enhancingquality of life for people with long-term conditions	Palliative Care *****	% of admitted patients whose treatment included palliative care	2.47	-	-	-	2.06	1.38

*** Data taken from CHKS******* We attribute our % of palliative care coded admissions to our status as a cancer centre

Post Operative improvement in health							
NHS Outcome Framework Domain	Indicator	RSCH - 2016/17	National Average (2016/17)	Top Performer (where applicable)	Worst Performer (where applicable)	RSCH - 2015/16	RSCH - 2014/15
Helping people recover from episodes of ill health or following injury *(% of patients who had post-op improvement)*	Patient reported outcome measaure for Groin Hernia surgery	54.5% (EQ - 5D index)	51.3%(EQ - 5D index)	n/a	n/a	54.8% (EQ - 5D index)	59.9% (EQ - 5D index)
	Patient reported outcome measaure for Varicose Vein Surgery	this procedure was not carried out in the trust during the above mentioned fiscal years					
	Patient reported outcome measaure for Hip replacement surgery	88.5% (EQ - 5D index) *(Provisional)*	90% (EQ - 5D index) *(Provisional)*	n/a	n/a	86.7% (EQ - 5D index)	94.6% (EQ - 5D index)
	Patient reported outcome measaure for Knee replacement surgery	81.3% (EQ - 5D index) *(Provisional)*	81.5% (EQ - 5D index) *(Provisional)*	n/a	n/a	91.7% (EQ - 5D index)	89.4% (EQ - 5D index)

The PROMS report is reviewed by our Clinical Effectiveness group to address any areas identified as below the national average. An improvement was seen in 2016/17 following a drive to improve the pre-operative questionnaire return rate for hip replacement surgery, further work continues for patients undergoing knee surgery.

Readmissions within 28 days

The percentage of patients aged: (i) 0 to 14 and (ii) 15 or over readmitted to a hospital which forms part of the trust within 28 days of discharge from a hospital is illustrated below by type:

⊟0 to 14	**241**	**5734**	**4.20%**
Elective	31	1258	2.46%
Emergency	210	4442	4.73%
Maternity	0	9	0.00%
Other	0	25	0.00%
⊟15	**15**	**284**	**5.28%**
Elective	2	122	1.64%
Emergency	13	161	8.07%
Maternity	0	1	0.00%
Grand Total	**256**	**6018**	**4.25%**

Data Quality

NHS Number & General Medical Practice Code Validity:

The Trust submitted records during 2017/18 to the Secondary Use Services, for inclusion in the Hospital Episode Statistics, which are included in the last published data. The percentage of recorded data, (including the patients' valid NHS Number), is illustrated in the table below:

	2014/15			2015/16			2016/17			2017/18 *		
	IP	AE	OP	IP	AE	OP	IP	AE	OP	IP	AE	OP
NHS Number	99.3	97.4	99.8	98.9	96.3	99.3	98.7	96.9	99.3	99.5	97.5	99.8
GM Practice Code	100	99.9	100	100	100	100	100	100	100	100	100	100

In 2017/18 a Trust wide performance dashboard, a quality dashboard and divisional score cards have been developed. These have been through a number of reviews to ensure the indicators are relevant with the correct metrics for improvement including stretch targets.

Learning from Deaths:

We introduced policy compliant with March 2017 NQB guidance on this topic in Q3 having published policy by end of Q2, both timescales as mandated by the guidance

We therefore do not have a figure for avoidable death using the new methodology from Q2 2017/18, though we did have a mortality process prior to this and did report figures on avoidable death quarterly to public Board, as good practice. Our rate of avoidable deaths has historically been around or below 2%; it was 2% in the (published, external) PRISM 2 report in the BMJ. So our avoidable death rate, whether measured externally or internally has always been around this figure and I am not concerned that we are under-reporting since figures are concordant internally and externally.

We do have figures with new methodology for Q3: it was 3 deaths felt by SJR/SI process to be more than 50% likely to be avoidable, so an incidence of avoidable death of 1.44%.

Figures for Q4 2017/18 currently being analysed in preparation for report to Board in June 2018, as part of regular mortality report.

During 2017/18, 767 of the Trust patients died. This comprises the following number of deaths, which occurred in each quarter:

- 148 deaths in the first quarter
- 189 deaths in the second quarter

- 204 in the third quarter
- 215 in the fourth quarter

At the beginning October, the Trust introduced the new national guidance on learning from deaths. The launch has been highly effective with approximately 30 SJR reviewers reviewing any case flagged as a learning disability, mental health, identified suboptimal care, or avoidable death. The new mortality review system has been very successful and currently the performance is as follows:

	Number of Deaths:	Lead Consultant Review:	Case record review (aka SJRs) (as a percentage of all deaths):	Investigations (SI?):	Deaths subjected to both case record review and an investigation:
Oct 2017 to Dec 2017	204	191	53 (26%)	1	1
Jan 2018 to Mar 2018	215	168	49 (23%)	2	2

With the introduction and implementation of learning from deaths guidance the Trust has improved the mortality process and has designed their own system with the use of the Datix software to provide robust data and learning from deaths.

By 15/05/2018, 102 case record reviews and 7 investigations have been carried out in relation to 767 deaths.

- In 3 cases a death was subjected to both a case record review and an investigation

The number of deaths in each quarter for which a case record review or an investigation was carried out was:

- 2 in the first quarter;
- 2 in the second quarter;
- 53 in the third quarter; (implementation of Learning from deaths guidance 1st October 2017)
- 49 in the fourth quarter.

Lessons learned from case record reviews and investigations.	
Lessons learned:	Actions
Guidance should be given to staff re the co-ordination of patients; how information is electronically recorded and who should be responsible for the record concerning medically expected patients.	Write SOP for co-ordination of medically expected patients. Review of medical staffing on EAU. Continue with implementation of new out of hours rota for EAU with two consultants on duty for post take reviews.
Lessons learned:	Actions:
Consider early intubation and ventilation to facilitate angiogram in unstable patients. Consideration of Endoscopic procedures as	Amend stock in radiology to ensure three stents are always available.

Lessons learned from case record reviews and investigations.	
alternatives to Whipples. Ensure all attempts are made to contact the patient's family prior to use of a consent form 4. Contact the appropriate vascular and/or transplant centre as soon as there is a possibility the patient may require a transfer.	
Lessons learned:	Actions:
When there is evidence that the patient's condition has changed significantly the reviewing clinician should immediately contact the patient's GP to ensure an appropriate management plan and support is in place. The falls risk assessment must be fully completed for each patient and actions implemented to mitigate risks identified.	Supplies of the old version of CAS are to be destroyed and the new version which contains a falls risk assessment is to be completed. A discussion should take place with the on-call Registrar's Medical Education Supervisor regarding the failure to give appropriate advice to the SHO when they were contacted post fall. The issue will also need to be reported to the Deanery. Roll-out and embed the new post falls proforma which includes protocols for the investigation and monitoring of patients who have sustained a head injury Additional ward based education and training to be provided to medicine nursing staff regarding neuro-observations. All medical staff in training must be reminded of the trust protocol of neuro-observations every 30 minutes when monitoring patients after they have sustained a head injury The senior sister for the Coronary Care Unit should undertake a spot check to ensure that falls risks assessments are accurate, up-to-date and regularly reviewed
Lessons learned:	Actions:
Remind medical staff that patients should not be given Rivaroxaban within 48 hours of an interventional procedure. Remind medical staff that patients requiring liver lesion biopsies should be considered for discussion at the HPB MDT meeting and suitability of candidates for further therapy should be discussed before consideration of biopsy.	Notice to be placed in the Medical Education and Clinical Governance Newsletters
Lessons learned:	Actions:
Consultants are to be reminded to ensure detailed and accurate documentation should be recorded at all times to include reasoning for decision making.	The Medical Director is to review all the management of all patients where there is to be Coroner's Inquest. Review and implement M&M process on the Emergency Floor.

Lessons learned from case record reviews and investigations.	
Lessons learned:	Actions:
Gentamicin should be administered according to dosages specified in Trust antimicrobial policy and guidance.	CNS for IV Therapy to provide additional education and training on the Trust Guidelines for insertion and management of peripheral cannulas. CNS for IV Therapy to undertake an audit to ensure hand hygiene complies with Trust guidelines for the insertion and management of peripheral cannulas. Microbiology team are to undertake an audit to confirm adherence to Trust antimicrobial guidelines.
Lessons learned:	Actions:
A robust out of hours temporary pacing protocol which includes equipment identification and recommendations where the procedure should take place. All TPW in the out of hours period should be inserted in theatres, where trained Radiography staff are available, until there is an out of hours radiography service in the Cath Lab. Recruit radiographer to support Cath Lab in hours in order to support the out of hours protocols and ensure that practices comply with national standards.	Write up robust out of hours temporary pacing protocol. Out of Hours TPWs being inserted in theatres by Theatre Managers. Create and submit business case for Radiographer.
Lessons learned:	Actions:
A dedicated temporary pacing trolley to be established and clear protocols to ensure the contents are checked regularly. Frimley Park on-call Cardiology team to attend RSCH for familiarisation / induction in Theatres for out of hours procedures. Cardiology out of hours cover should be at an appropriate seniority.	Purchase equipment trolley. Invite the Frimley Park on-call Cardiology team to attend RSCH for familiarisation / induction in Theatres for out of hours procedures. Send communications to Frimley Park Hospital to ensure that Cardiology out of hours cover is at an appropriate seniority. RSCH Medical Director to discuss working practices in the Cath Lab with all the Trust's Consultant Cardiologists

There were no case record reviews and no investigations completed after 01/04/2017, which related to deaths that took place before the start of the reporting period.

There were 0% of the patient deaths before the reporting period, are judged to be more likely than not to have been due to problems in the care provided to the patient. This number has been estimated using the Root Cause Analysis Investigation (RCA) Process.

This process involves:

- A review of documentary evidence, to establish and agree the root cause(s) of the incident and identify learning / measures that could be taken to prevent recurrence

- Making recommendations for any relevant changes in practice;
- Agreeing key actions required and identify individuals who will have accountability for ensuring each action is completed within the agreed timescale
- A formal action plan based on recommendations.

There are 5(0.66%) of the patient deaths during April 2017 to March 2018 are judged to be more likely than not to have been due to problems in the care provided to the patient.

Further narrative on Outcome Framework indicators

Below The Royal Surrey County Hospital NHS Foundation Trust considers that this data is as described and actions below are described within each indicator outlining the reasons to improve each indicator and so the quality of our services:

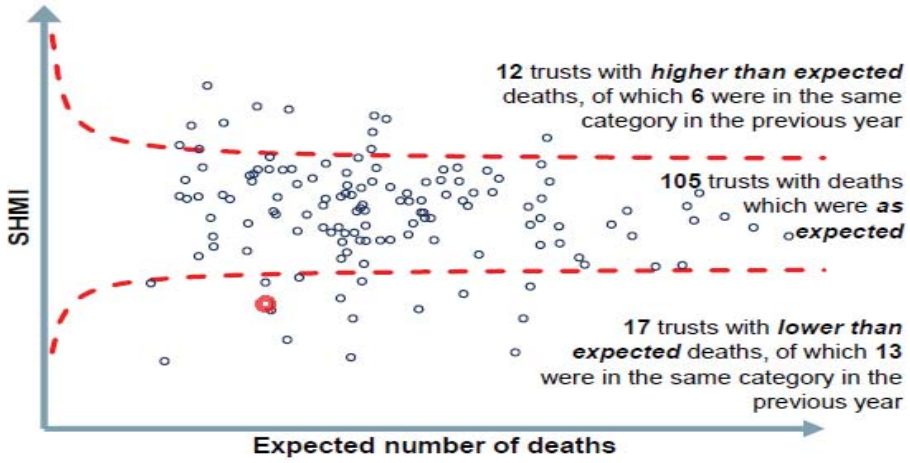
Each indicator is governed by standard national definitions with the exception of the Trust Quality priority – Core 24 Psychiatry. Core24 services however are working with key Performance Indicators that are driving change for mental health patients nationally.

Domain 1 Preventing people from dying prematurely

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

The Trust's SHMI value for the period of October 2016 – September 2017 was lower than expected.

Below is a funnel plot diagram which shows the Trust's performance, as per the most recent available data:



Domain 2: Enhancing quality of life for people with long-term conditions:

The percentage of deaths with palliative care coded as a proportion of all hospital; deaths was 2.47 per cent during 2017/18.

The Trust has introduced the Recommended Summary Plan for Emergency Care & Treatment (ReSPECT). The Trust Governors have chosen this as their quality priority for 2018/19.

The purpose of ReSPECT is to have a document available in clinical emergencies where the patient's wishes have been explored in advance and guides the clinician to make rapid decisions in line with the patient's wishes. This is a completely patient-centred approach to emergency care and treatment.

cac

Nationally there is evidence that the previous approach: "Do Not Attempt Cardiopulmonary Resuscitation" (DNACPR) was misunderstood and led to delays in escalation in treatments for patient who had a DNACPR form. Evidence also indicates poor documentation and completion of the form

The Audit focus following implementation of the ReSPECT process for the Trust will be

- Have all elements of the form been completed?

Nationally there is evidence that the previous approach: "Do Not Attempt Cardiopulmonary Resuscitation" (DNACPR) was misunderstood and led to delays in escalation in treatments for patient who had a DNACPR form. Evidence also indicates poor documentation and completion of the form

The Audit focus following implementation of the ReSPECT process for the Trust will be

- Have all elements of the form been completed?
- How many with decision: CPR attempts recommended?
- How many with decision: CPR attempts NOT recommended?

The last two are to ensure we are considering ReSPECT in the wider context of care not just for decision of not to attempt CPR.

As this is a new initiative, the base line will be zero.

Domain 3 Helping people recover from episodes of ill health or following injury

Patient Reported Outcome Measures (PROMS) measures health gain in patients undergoing hip replacement, knee replacement, and groin hernia surgery in England, based on responses to a questionnaire before and after surgery. PROMS collect information on the effectiveness of care delivered to NHS patients, as perceived by the patients themselves, making it a particularly important indicator which adds to the wealth of information available on the care delivered to NHS funded patients to complement existing information on the quality of services. The table below summarises the Trust's performance in the year 2016/17. *Source: Provisional Data published by NHS Digital on February 2018*.

PROMS data

2016/17*	EQ-5D Index		EQ-VAS Index		Oxford Hip/Knee Score	
Health gain = difference between *Average Pre Op Q score* and *Average Post Op Q score*	**Trust Score**	**National Average**	**Trust Score**	**National Average**	**Trust Score**	**National Average**
Following Hip replacement surgery *(Provisional data)*	*0.378	*0.445	*12.962	*13.434	*20.656	*21.799
Following Knee replacement surgery *(Provisional data)	*0.314	*0.324	*6.244	*6.977	*15.885	*16.547
Following Groin Hernia surgery *(final data)*	0.083	0.086	1.857	-0.241	n/a	n/a
Following Varicose Vein Surgery	this procedure was not carried out in the trust during the above mentioned fiscal years					

Total Knee Replacement			
Measure:		EQ-5D Index	
Time series 2012/13 -2016/17			
201617 (Prov)	173	0.337	Not an outlier
2015 -16 (final)	50	0.369	Not an outlier
2014 - 15 (final)	120	0.36	Positive (95%)
2013 -14 (final)	67	0.357	Not an outlier
2012 - 13 (final)	118	0.322	Not an outlier
Total Hip Replacement			
Measure:		EQ-5D Index	
Time series 2012/13 -2016/17			
2016 -17 (Prov)	171	0.435	Not an outlier
2015 -16 (final)	93	0.434	Not an outlier
2014 - 15 (final)	155	0.444	Not an outlier
2013 -14 (final)	119	0.454	Not an outlier
2012 - 13 (final)	147	0.454	Not an outlier

Domain 4 Ensuring that people have a positive experience of care

CQC patient survey:

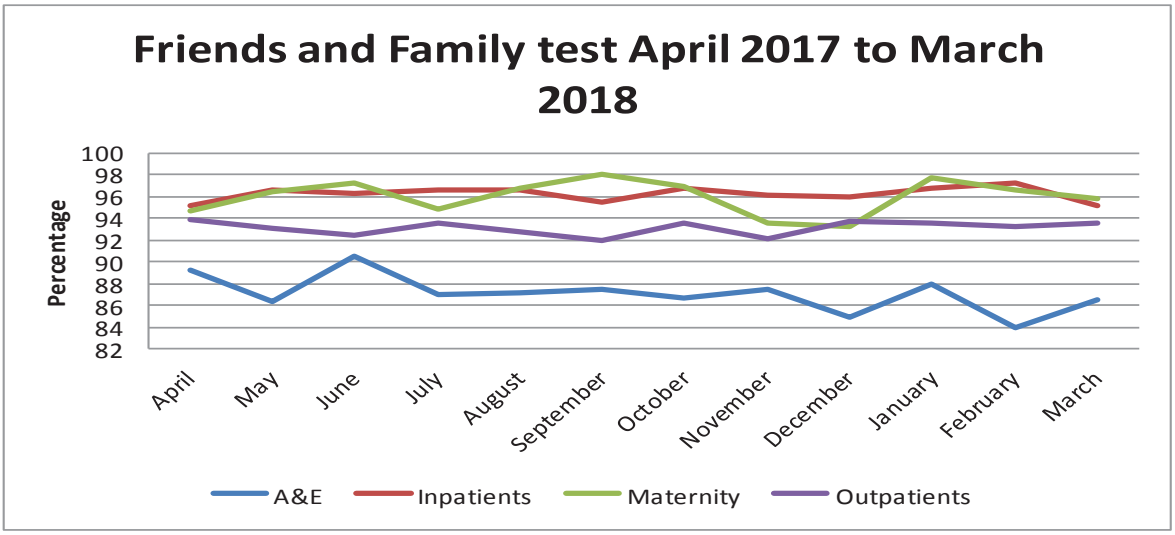
The National Inpatient Survey was published by the CQC on 31 May 2017. The survey sought the views of inpatients who were discharged from hospital in July 2016. The survey was completed by 644 patients giving a response rate of 53 per cent which is higher than the national response rate of 44 per cent and higher than the response rate in 2015. From this sample 56 per cent were admitted as an emergency, 51 per cent were female and 61 per cent of respondents were over 66 years of age.

The latest 2017/18 survey results are currently not due to be published until the end of May 2018. The table below shows the comparison between other local and highest scoring trusts:

Patient Survey Results – 2016						
Questions	**RSCH**	**Frimley Health**	**ASPH**	**Western Sussex**	**SASH**	**Highest scoring Trust**
Number of responses	**644**	**562**	**498**	**600**	**450**	
S1.The Emergency Dept.	**8.8**	**8.2**	**8.5**	**8.3**	**8.5**	**9.0**
S2. Waiting list and planned admissions	**9.1**	**9.1**	**8.6**	**8.7**	**8.6**	**9.6**
S3. Waiting to get a bed on a ward	**8.1**	**7.1**	**7.6**	**7.6**	**7.1**	**9.6**
S4. The hospital and ward	**8**	**8**	**8.1**	**8.2**	**7.9**	**9.0**
S5. Doctors	**8.9**	**8.6**	**8.5**	**8.6**	**8.4**	**9.5**
S6. Nurses	**8.2**	**8**	**7.9**	**8.1**	**8**	**9.1**
S7. Care and treatment	**8**	**7.7**	**7.7**	**7.8**	**7.7**	**8.9**
S8. Operations and procedures	**8.5**	**8.4**	**8.3**	**8.3**	**8.3**	**9.1**
S9. Leaving hospital	**7.3**	**7**	**6.9**	**6.9**	**6.6**	**8.5**
S10. Overall views of care and services	**5.5**	**5.6**	**5.6**	**5.8**	**5.8**	**6.9**
Overall experience	**8.3**	**8.1**	**8.2**	**8.3**	**8**	**9.2**

Friends and Family

There has been an improvement in the percentage recommend across inpatient, maternity and outpatient areas. There has been a slight dip in the percentage recommend within the emergency department. The Trust recognises there is more work needed to improve the patient's perception of their experience of care at the Trust.



Staff Survey:

The principal aim of the National Staff Survey is to gather information which will help the Trust to improve the working lives of our staff and so help to provide better care for our patients. The Staff Survey provides the Trust with a range of information detailing staff views about working at RSCH.

The Trust has received the 2017 Staff Survey results in which 44 per cent of our workforce participated in. In 2016, the response was 34 per cent, so already we have an improved position and are moving nearer to the 2015 response rate. Not only that, this improved position is testimony to the staff engaging in the survey at a time when the Trust was managing a busy agenda of change and improvement.

- The Trust has been placed in the top 20 per cent of acute trusts for 11 of the 32 findings (compared to six in 2017);
- Scored better than average in nine of the 32 findings (compared to 12 of 32 last year);
- Has four areas of deterioration (compared with two areas in 2016) – three of which are above the worse than average scores and one which has a highest rating above the worst 20 per cent

The top five areas where the Trust ranks most highly compared to other acute hospitals in England are as follows:

- KF7. Percentage of staff able to contribute towards improvement in work (trust score =74 per cent compared with the National 2017 average for acute trusts = 70 per cent)
- KF12. Quality of appraisals – the higher the score the better (Trust score =3.31 compared with the National 2017 average for acute trusts = 3.11)

- KF13. Quality of non-mandatory training, learning or development - the higher the score the better (trust score is 4.12 compared with the National 2017 average for acute trusts = 4.05
- KF23. Percentage of staff experiencing physical violence from staff in the last 12 months - the lower the score the better (trust score is 1 per cent compared with the National 2017 average for acute trusts = 2 per cent)
- KF32. Effective use of patient/ service user feedback – the higher the score the better (trust score is 3.88 compared with the national 2017 average for acute trusts = 3.71)

Overall, the Trust results are very positive, and reassuringly, the Trust is viewed by staff to be a good employer, with staff reporting high levels of engagement. Whilst saying this, there are nevertheless, some areas of concern which require further investigation and remedial action. Trust-wide and departmental actions will be produced to address areas that include:

- Staff working extra hours.
- Staff experiencing discrimination at work
- Staff experiencing harassment, bullying or abuse from patients, relatives, or the public
- Staff witnessing potentially harmful errors, near misses or incidents.

KF21 and 26

In KF21 (the percentage of staff who believe that the Trust provides equal opportunities for career progression or promotion) the score for 2017 (89 per cent) is broadly equal to the 2016 score of 90 per cent. This core is better than the national 2017 average for acute trusts (31 per cent) and the best 2017 score for acute trusts (24 per cent)

In KF26 (the percentage of staff experiencing harassment, bullying or abuse from staff) the Trust score of 23 per cent rose slightly higher by 3 per cent than the 2016 score of 20 per cent. Whilst reporting this, it is worth noting that the RSCH 2017 outturn percentage per cent is lower than the national 2017 average for acute trusts (25 per cent) yet higher than the best score for acute trusts (19 per cent)

Domain 5 – Treating and caring for people in a safe environment and protecting them from harm:

Venous thromboembolism

During 2017/18 we continue to perform above the national standard of 95 per cent with regards to VTE assessments. We continue to have a focus through our quality metrics and divisional and specialty quality dashboards

Healthcare Acquired Infection HCAI rates:

Data for the current year (2017/ 2018) will not be published until summer 2018. We have had three hospital apportioned methicillin-resistant Staphylococcus aureus bacteraemia (MRSAB) and 23 hospital apportioned Clostridium difficile (C.diff) in the year 2017/ 2018 (Department of Health target was 21).

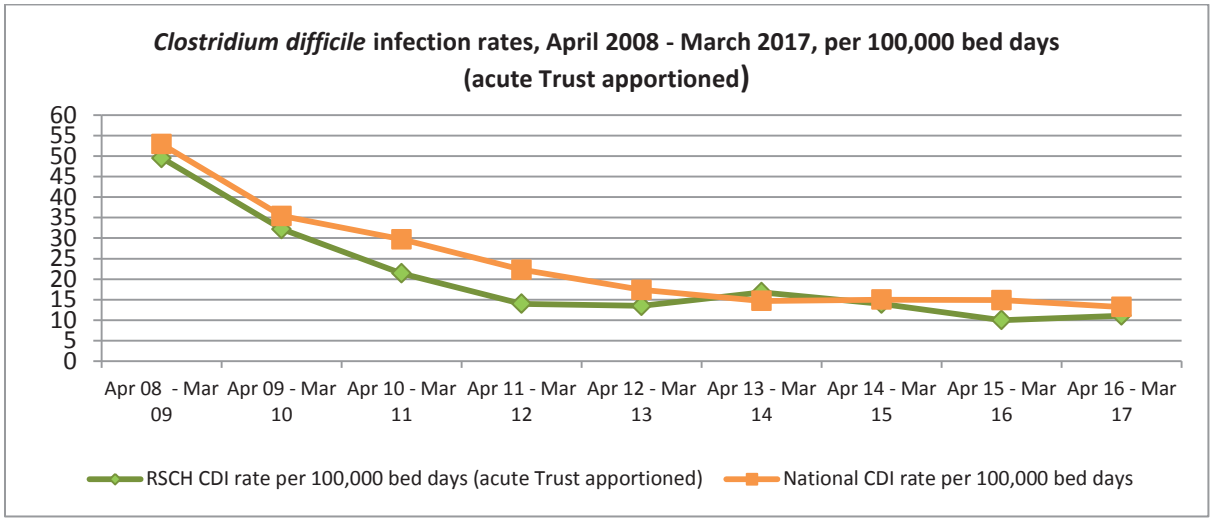
All C.diff cases are reviewed with the CCG to determine if any lapse in care has been identified that attributed to the case of C.diff. In the year 2017/2018, so far two lapses in care decisions have been declared, and six no lapse in care decisions, 13 are outstanding (three are pending internal root cause analysis and ten10 are awaiting CCG review).

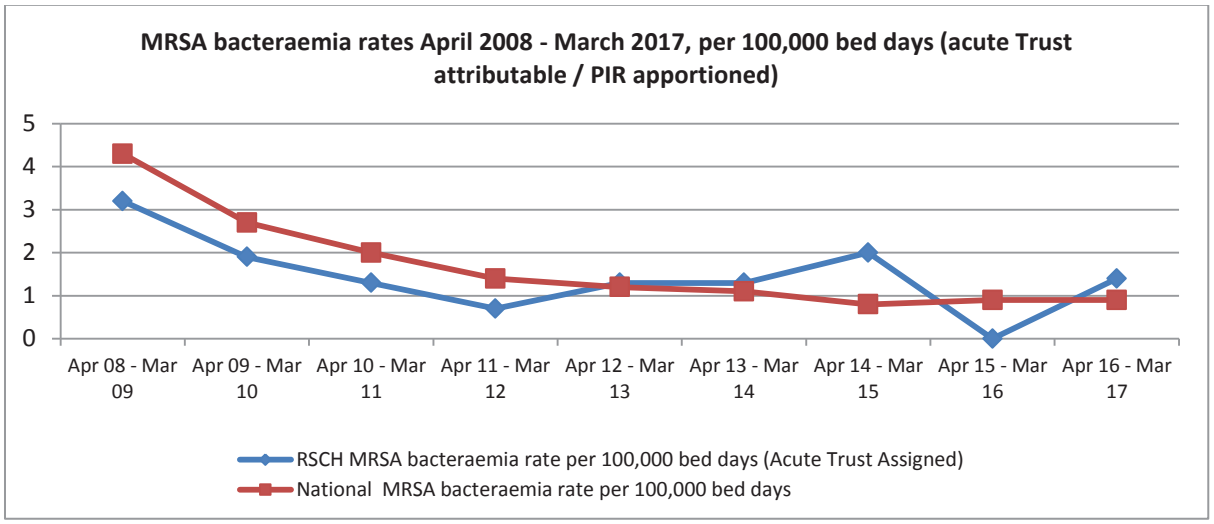
All MRSAB cases are reviewed as required through the post infection review process.

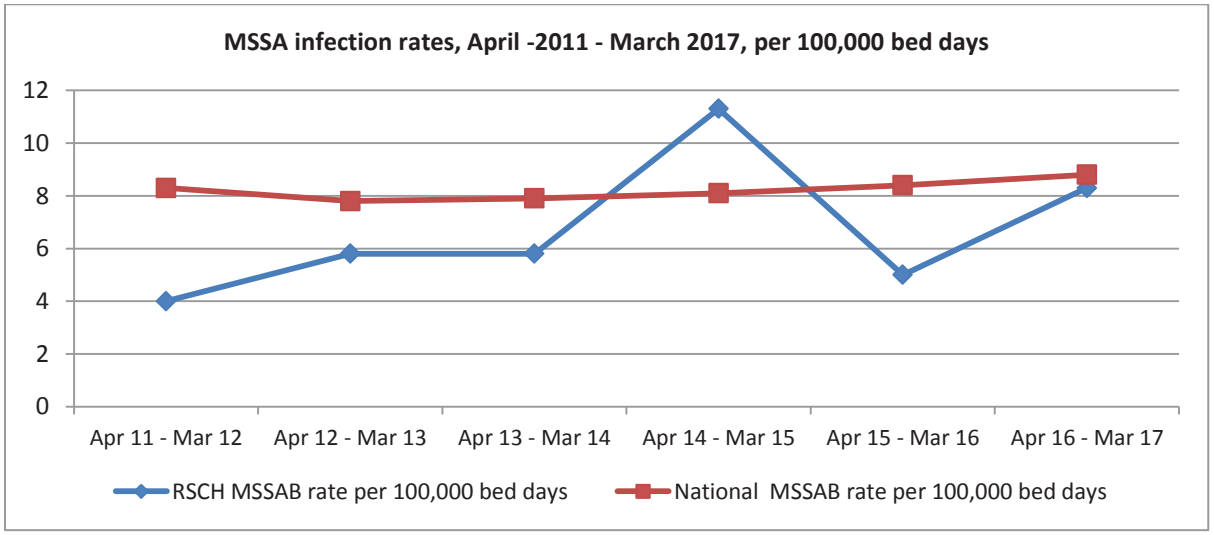
There are no targets set for methicillin-resistant Staphylococcus aureus – all hospital apportioned cases are reviewed by root cause analysis process.

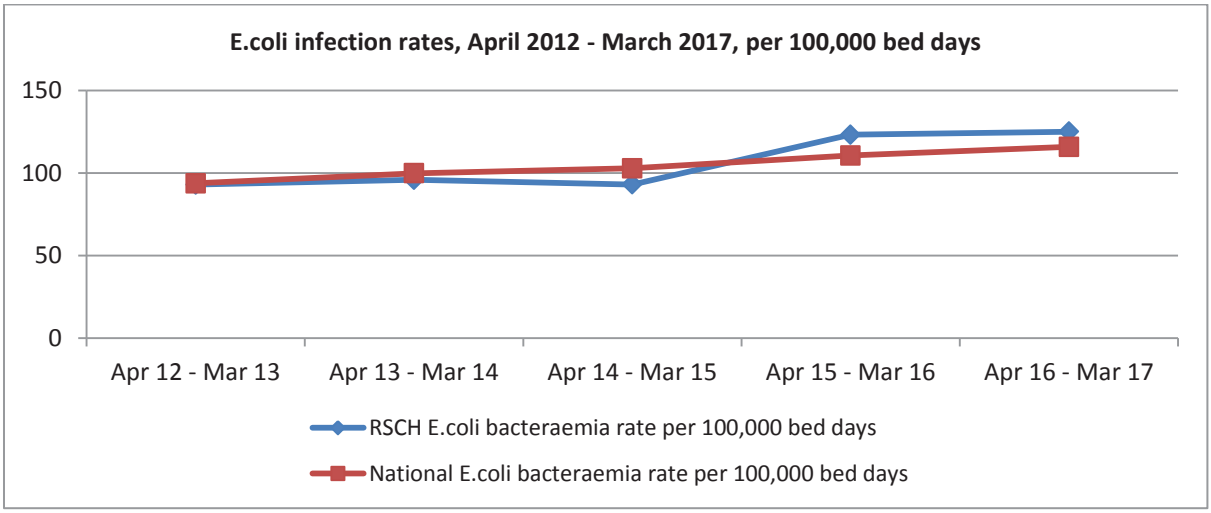
There are no targets for E.coli bacteraemias – data is collected for source and risk factors associated with the bacteraemia.

The HCAI rates for the Trust as published by Public Health England (PHE), are shown below:


Clostridium difficile infection rates, April 2008 - March 2017, per 100,000 bed days (acute Trust apportioned)
60
55
50
45
40
35
30
25
20
15
10
5
0
Apr 08 - Mar 09
Apr 09 - Mar 10
Apr 10 - Mar 11
Apr 11 - Mar 12
Apr 12 - Mar 13
Apr 13 - Mar 14
Apr 14 - Mar 15
Apr 15 - Mar 16
Apr 16 - Mar 17
RSCH CDI rate per 100,000 bed days (acute Trust apportioned)
National CDI rate per 100,000 bed days


MRSA bacteraemia rates April 2008 - March 2017, per 100,000 bed days (acute Trust attributable / PIR apportioned)
5
4
3
2
1
0
Apr 08 - Mar 09
Apr 09 - Mar 10
Apr 10 - Mar 11
Apr 11 - Mar 12
Apr 12 - Mar 13
Apr 13 - Mar 14
Apr 14 - Mar 15
Apr 15 - Mar 16
Apr 16 - Mar 17
RSCH MRSA bacteraemia rate per 100,000 bed days (Acute Trust Assigned)
National MRSA bacteraemia rate per 100,000 bed days


MSSA infection rates, April -2011 - March 2017, per 100,000 bed days
12
10
8
6
4
2
0
Apr 11 - Mar 12
Apr 12 - Mar 13
Apr 13 - Mar 14
Apr 14 - Mar 15
Apr 15 - Mar 16
Apr 16 - Mar 17
RSCH MSSAB rate per 100,000 bed days
National MSSAB rate per 100,000 bed days



Number of patient safety incidents and per cent resulting in severe harm/death

The table below shows the number of patient safety incidents reported each month, during the reporting period and a breakdown by severity grading for these, including the proportion of incidents resulting in severe harm or death.

	1 – Low +		2 - Minor		3 - Moderate		4 - Severe		5 - Catastrophic / Death		
Month / Year	**Total**	**%**	**Total**	**%**	**Total**	**%**	**Total**	**%**	**Total**	**%**	**Total**
Apr 2017	136	53%	66	25%	53	20%	3	1%	1	0.4%	259
May 2017	155	36%	220	51%	53	12%	2	0%	0	0.0%	430
Jun 2017	132	34%	220	57%	32	8%	1	0%	1	0.3%	386
Jul 2017	174	40%	237	54%	24	5%	2	0%	1	0.2%	438
Aug 2017	192	38%	281	56%	27	5%	4	1%	1	0.2%	505
Sep 2017	189	41%	231	50%	34	7%	6	1%	1	0.2%	461
Oct 2017	189	41%	236	52%	31	7%	0	0%	0	0.0%	456
Nov 2017	252	45%	286	51%	19	3%	0	0%	1	0.2%	558
Dec 2017	172	43%	202	50%	28	7%	1	0%	0	0.0%	403
Jan 2018	256	44%	311	53%	16	3%	1	0%	1	0.2%	585
Feb 2018	216	43%	251	50%	26	5%	6	1%	0	0.0%	499
Mar 2018	223	44%	258	51%	19	4%	3	1%	0	0.0%	503
Total	**2286**	**42%**	**2799**	**51%**	**362**	**7%**	**29**	**1%**	**7**	**0.1%**	**5483**

We expect our profile and numbers to change slightly in the coming year following the acquisition of our community contract. The NRLS data indicated that the Trust have a good reporting culture and are midway in the table for reporting of incidents.

As part of the review of data the incident module has been updated to allow greater understanding of the trends and themes and to assist staff reporting identifying the grading

of harm they need to report. Feedback from staff has suggested that the reporting is now much more focused and easier to use.Of those recorded as moderate or above very few (59) met the criteria for Serious Incident reporting. The Trust recognises that further education is required to ensure that all incidents are given the appropriate levels of severity. Early indication have identified that the changes to the incident reporting system have already assisted in the number of incidents identified as moderate or above.

Duty of Candour

The Trust ensures the duty of candour requirements are fully met for all verified incidents where actual harm caused to the patient has been graded as moderate or above. There are policies and procedures in place to ensure that patients and relatives receive the open, accurate and timely communication, apology and support where applicable. Support and training is in place to encourage staff to admit shortcomings and mistakes and learn from errors.

To further improve compliance, duty of candour is now a key performance indicator for all divisions. This compliance is reported and monitored by the divisions and is shared with patient safety leads across the Trust on a monthly basis.

The Trust's online incident reporting system (Datix) includes a new duty of candour section that allows staff to efficiently and consistently capture compliance of the duty of candour process from start to finish. This information will be used to help improve the Trust-wide tracking of duty of candour compliance and will facilitate the early flagging, and subsequent intervention, of non-compliance.

Part 3: Other information

Review of Quality Performance

Summary of Performance Status for Quality Priorities set for 2017/18

In our Quality Account for 2017/18 we set nine priorities reflecting the national health landscape. Some priorities were continued from the previous year and some were new priorities reflecting our responsiveness to local and or national issues. Our Quality Priorities were as follows:

Patient Safety

1	Core24 liaison psychiatry
2	Harm free care
3	Critical medications

Clinical Effectiveness

1	Compliance with mortality process especially those patients that die with a learning disability
2	Standardising governance processes (continued)
3	Standardising clinical pathways (continued)

Patient Experience

1	End-of-life care
2	Better births compliance in maternity
3	Staff health

Progress made for quality priorities 2017/18

Priority 1 Core 24 Liaison psychiatry

The project has taken one year to mobilise (2017/18) and will run for 12 months (2018/19) and it launched, fully staffed, on the 1st of April as anticipated.

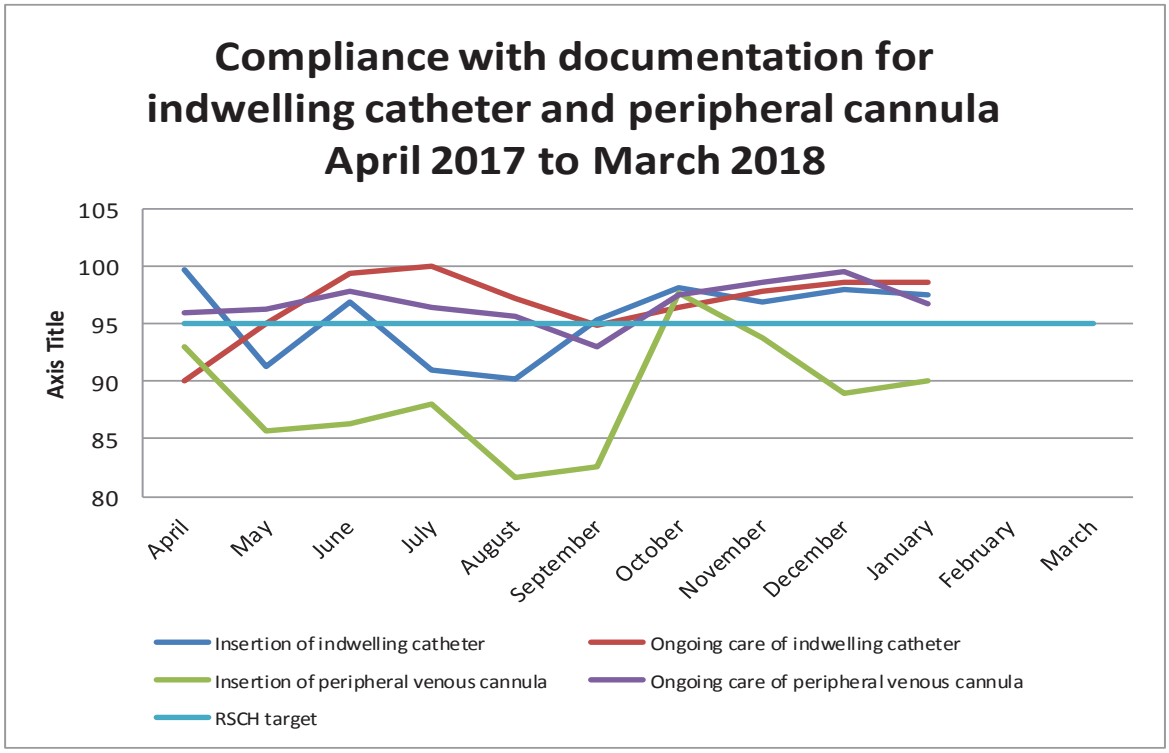
The main expectations are for people in the RSCH to receive timely assessment of any mental health requirements that they may have. NHSE speculates that one in four people in a general hospital will have a mental health need. We know that by treating mental and physical health together, overall health improvements are maintained. We anticipate reduction in bed days, improved concordance with treatment, less attendances to the general hospital and more appropriate use of available resources. It is our intention to see

90 per cent + of urgent referrals within 60 minutes and 90 per cent + routine referrals within 24 hours and these additional resources should allow us to do so.

Priority 2 – Harm Free Care

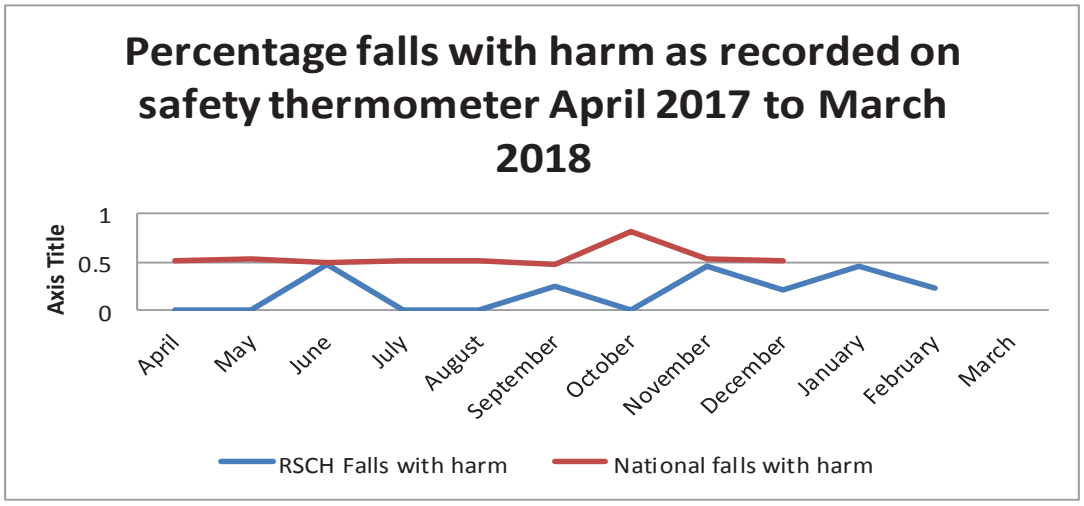
Compliance with the documentation of the care of urethral catheters and peripheral venous cannula

As part of the monthly Saving Lives audits, the ward teams complete an audit of the documentation of care for the insertion and on-going care of urinary catheters and peripheral venous cannula. The Trust has set a compliance rate of 95 per cent or above for all aspects of this care. For the year to date (end February 2018) the Trust has achieved 95 per cent in all areas excepting the documentation regarding the insertion of the peripheral cannula, which is at an average of 88.7 per cent year to date. The Trust has increased awareness around the importance of clearly documenting the care provided when inserting a cannula. All documentation surrounding these elements is now captured on Vitalpac.



Lower than 0.1 per cent of falls with harm.

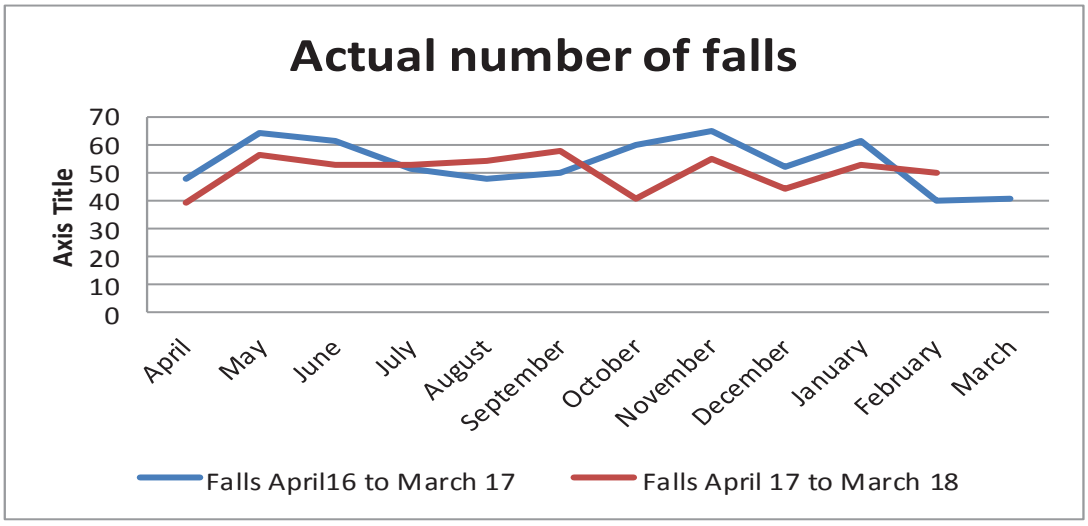
The chart below shows the percentage of patients who have suffered harm as a result of a fall as recorded on the monthly snapshot safety thermometer audit. The Trust has consistently had a lower level of harm than the national figures.



When looking at the Trust actual falls figures, 0.15 per cent of patients who have fallen and have sustained a moderate or severe harm. Any falls incidents where the patient suffers this level of harm have a fall RCA and panel to identify lessons learned.

Reduction in the actual number of falls by 5 per cent

During 2016/17, 641 patients had a fall whilst inpatients in the Trust; 600 of these occurred between April-end February. Compared to the same time period April 2017 – February 2018, 556 inpatients had a fall. This represents a reduction rate of 7 per cent year to date.



Priority 3 - Critical medication:

The Trust has undertaken an extensive review and audit of all incidents reported in 2017/18 and is committed to tracking these incidents, and learning and improving practice. It is clear that we have an excellent reporting culture for medication errors or incidents. Very few result in actual harm. The data collected in the last year will inform the continuation of this metric in 2018/19. The trends and outcomes will be audited and reported through the Quality

Improvement Plan and the Divisional and Trustwide Quality Performance Reports and reported through the Medicines Safety Group

Priority 4 -Mortality Process:

The Trust responded to recommendations made by the National Quality Board (NQB) and the Care Quality Commission (CQC) by implementing a new mortality review process, incorporating the new structured judgement review (SJR), from the 1 October 2017. All mortality reviews are uploaded, tracked and shared via the Trust's new online mortality module, which has led to a marked improvement in the number of mortality reviews completed.

Response to the new process has been largely positive, but an area of difficulty has been communication with the Consultant in charge of cases where the SJR reviewer has judged there to have been poor care. Not surprisingly, some Consultants have been concerned that SJRs may be mistaken or may be critical of their junior doctors, or may be used in legal or other proceedings following death. The process is nationally mandated and an element of judgement of care is implicit; but should be supportive and blame free. This is a difficult balance to strike to the satisfaction of all parties and discussion on how the process can be improved is on-going.

NQB guidance recommends that, as well as SJR review of cases where a potential problem in care has been identified, Trusts also undertake SJR of some randomly selected cases where no concern has been expressed. This was not implemented during Q3, in order to allow the new process to be embedded, but plans are in place, now all reviewers have reviewed at least one case, and we have a mortality co-ordinator in post, to implement this. The current average time taken to complete an SJR is around 2.3 hours. This is a not inconsiderable amount of time, and represents over 400 man hours of senior clinical time per quarter. It is likely that resource will be required for this, and this is under consideration currently for the next FY.

The new process met the key deliverables as set out in the Mortality Review Implementation project. These deliverables introduced:

- A new Trust Mortality Policy, in line with national guidance, to aid in improving the learning from in-hospital deaths and improving care
- A new mortality review workflow process, incorporating the new structured judgement review and tighter timescales for review completion. A completion rate of over 90 per cent of all mortality reviews has been seen across the Trust

- A new online Datix Mortality Review Module, to replace the paper-based forms, thereby freeing up vital clinician time and facilitating the sharing of information and tracking of trends related to quality of care

New timescales were introduced at each stage of the new mortality review process. This is to ensure greater efficiency in both raising any concerns about quality of care and the sharing and implementation of learning actions. A full-time mortality co-ordinator has been recently put in post to co-ordinate the allocation of case notes to the correct lead consultant in a timely manner. This has already resulted in an improvement in timeliness of reviews.

The Trust's own mortality review system has flagged all patients with learning disabilities, to date, so their care could be reviewed by the Trust's designated leads using the external Learning Disabilities Mortality Review (LeDeR) Program.

Priority 5 - Standardised Governance processes

The new divisions were introduced in early 2017. Clinical leaders within a triumvirate lead each division, with responsibility for quality and operational performance. Each division has developed their governance processes across their services, with standardised agendas, new Quality Performance Reports, improved risk register management linking to the strategic risks and Board Assurance Framework. A yearlong project has reached its penultimate stages with improvements in reporting, risk management complaints incidents and safety alerts. Governance processes have been improved across the Trust with greater emphasis on shared learning and quality improvement. The Trust has restructured the quality meetings with accountability and assurance being provided for the Quality Committee (Subcommittee of the Board) and a focus on quality, safety, effectiveness and patient experience. Many processes have been embedded and in the coming year, there will be continued emphasis on shared learning, changes to proactive from innovation and feedback though claims, inquests, incidents and complaints.

Priority 6 - Standardised Pathways

The scope of original SPACE project has evolved and expanded over the last twelve months, and the team have, in addition to creating new pathways, also overseen the updating and conversion into SPACE format, of guidance previously held in the Trust "Red Book" and in other areas Red book" documents have been transferred into the SPACE hub so as to ensure that all clinical pathways are available in the same electronic location. Work is ongoing to ensure that all pathways are updated and in the correct format. In addition to this, further work is needed to generate and approve new SPACE pathways, so that SPACE becomes the standard format and location for all clinical pathways across the Trust.

Priority 7- End of Life Care

In 2017, there were 767 deaths in the trust, 64 per cent of patients were cared for with the PELiCan (personalised care plan) and had daily review by the Supportive and Palliative Care Team (SPCT).

The End of Life Care policy and strategy have been written and ratified (May 2017). The End of Life care strategy group was re-instigated in November 2016. Meetings are held 2-3 monthly and include a lay member

The Supportive Palliative Care App is now developed and available for all staff to access via smartphones, iPads and the web. Awareness was promoted via the desktop, newsletters, teaching sessions, clinical induction and a stand in the canteen. The app is regularly updated and includes various teaching sessions

Trust mandatory training is undergoing a full review. It has been established that e-elca (e-learning for end of life care) modules can be linked to ESR. We have requested that 2 modules be made mandatory for certain staff.

- Audit from 1 August 2017-30 September 2017: 57 per cent of patients dying in the hospital had a PELiCan
- Audit from 1 August 2017-30 September 2017: 92.6 per cent of patients were reviewed every day by a member of the SPCT (including weekends) the data showed the patients who were not reviewed were commenced on the PELiCan 'out of hours' and died before the start of the next working day
    - Audit from 1 August 2017-30 September 2017: 92.6 per cent carers were reported to have been informed of the decision to start the PELiCan

Review of complaints from January 2012 – October 2017 highlighted that 0.48 per cent of all deaths were associated with a complaint.

Priority 8- Better Births compliance in maternity

2017/18 has been a very productive time for the work which has been undertaken by the RSCH as one of only seven national maternity early adopter site for the Department of Health Five year forward view for maternity services known as Better Births.

In collaboration with Surrey Heartlands STP the project is ambitious consisting of four key transformation projects which will be operationalised by March 2019.

Community Hubs Aims:

- Put women at the centre of their care
- Bring services together based on the needs of the local community
- Provide midwifery care that is accessible

- Use convenient locations that act as a one stop shop for women and their families to interact with a range of health care professionals
- Increase the continuity of care with an undertaking to ensure that 20 per cent of pregnant women are on a continuity of carer pathway by March 2019.
- Improve communication with the multi-disciplinary team and collaborative working

Progress in 2017/18:

Two potential NHS sites have been identified within the RSCH footprint to increase access to services. The Chase Hospital in Bordon will support women who currently need to travel to the RSCH for their antenatal care and are then transferred out to neighbouring hospitals for postnatal care. The new service will provide care for all low risk pregnancies in the local community.

The second hub is currently in the planning stage but it is envisaged that women in the Haslemere and Cranleigh area will be able to seek care locally in the next 12 months.

Digital Aim:

- Develop a shared IT system for maternity services across Surrey Heartlands which holds clinical information about each women's pregnancy
- For women to have an electronic copy of their hand held pregnancy records for personal use
- To reduce the time spent on duplication on repeating stories and accessing relevant information
- Develop easily accessible ways for women to communicate with different health professionals
- Improve the quality of communication between multi-disciplinary health team

Progress in 2017/18:

The I.T Business plan for 2018/19 has agreed that the maternity service will be the first department in the hospital to become completely paperless. Procurement has commenced with an aim to implement the new complete digital patient record by the end of 2018.

Single Community Team Aim:

- Increase the offer of home birth for all women across Surrey
- Increase the number of women who only see a small number of midwives during their pregnancy and get to know their midwife
- Ensure a joined up approach to care for women
- Shared clinical pathways including referral pathways
- Reduce the barriers to effective partnership working

The RSCH home birth team model, is reputedly an exemplar for continuity of care. Work is in progress to replicate this within the wider population, including new approaches to managing low risk pregnancies within the hospital setting through the introduction of small teams of midwives. These teams will work across the hospital and community settings to provide all of the community antenatal, labour and postnatal care for a minimum of 20 per cent of women.

Single Point of Access Aim:

- Create a single point of access (SPA) to maternity care across the Surrey Heartlands footprint
- Simplify the process for women to access maternity care
- Promote early access to clinical care for all maternity service users; including vulnerable groups
- Give women 24 hour access to clinical care
- Rapid access to emergency services if required
- Support the escalation process by a central access point
- Maximise professionals' time e.g. midwives, doctors & paramedics
- Create a multi-disciplinary pool of experience

In collaboration with SECA the Specialist Midwifery Advice and Labour line went live on 9 April 2018. Although already operational, the line was officially opened by Baroness Cumberledge on 9 May.

Priority 9 – Staff Health

The Trust reports low levels of staff sickness (2.8per cent), and report low levels of musculoskeletal problems, and staff feeling unwell due to stress. There are areas however, that will benefit from greater health promotion across the Trust and significant efforts are being made to improve ways of communicating the benefits of general health awareness. Staff are encouraged to take steps to monitor their own key health indicators and address areas where appropriate thorough nutrition, exercise and screening.

The Trust runs weekly walk in 'Healthy Numbers' clinics where staff can have their cholesterol, Body Mass Index, and blood pressure levels measured. Members of the Health and Wellbeing department then work with individual staff to design a personalised plan to address areas of concern if appropriate.

Priority 10 – Cancer Waiting Times (Governors Metric)

For local indicator, (Governor's metric) patient waiting time in oncology clinics from their appointment time to when they get seen by a clinician, The Auditors have concluded that if required they would not be in a position to provide a clean limited assurance opinion.

In March 2018,the auditors attended six Oncology clinics each with separate staff members updating the system. For a sample of 25 patients, the auditors recorded the time they were called in by the HCA to be seen by the clinician. This was compared to the live changes on APAS and to the report generated in retrospect to report on this indicator.

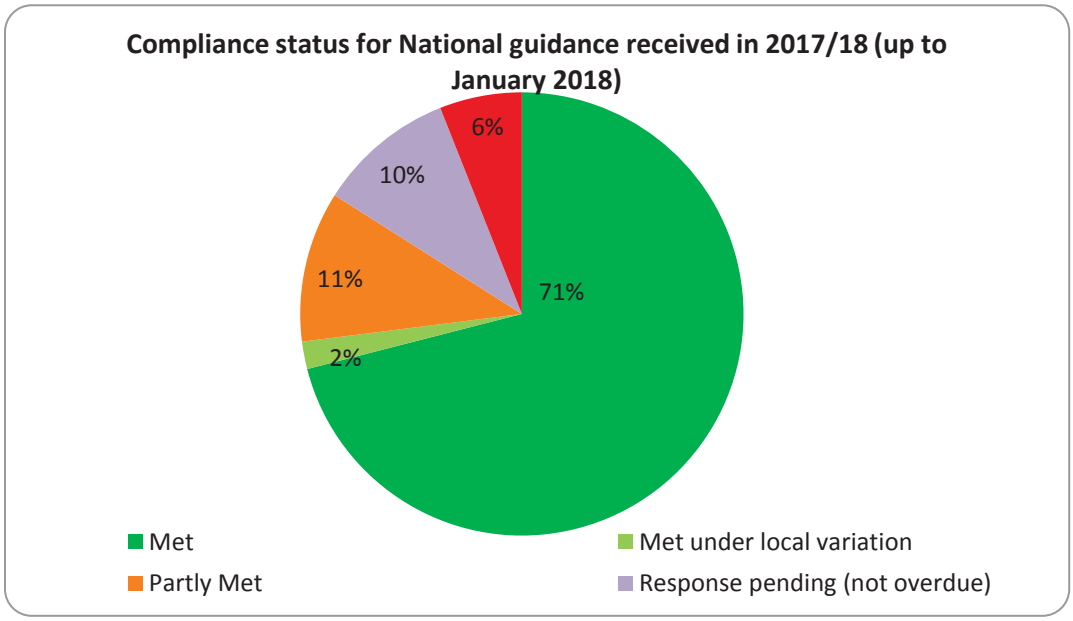
For 2/25 cases, we noted the clock stop was not updated straight away resulting in recorded time being 7 and 14 minutes longer respectively than the actual waiting time.

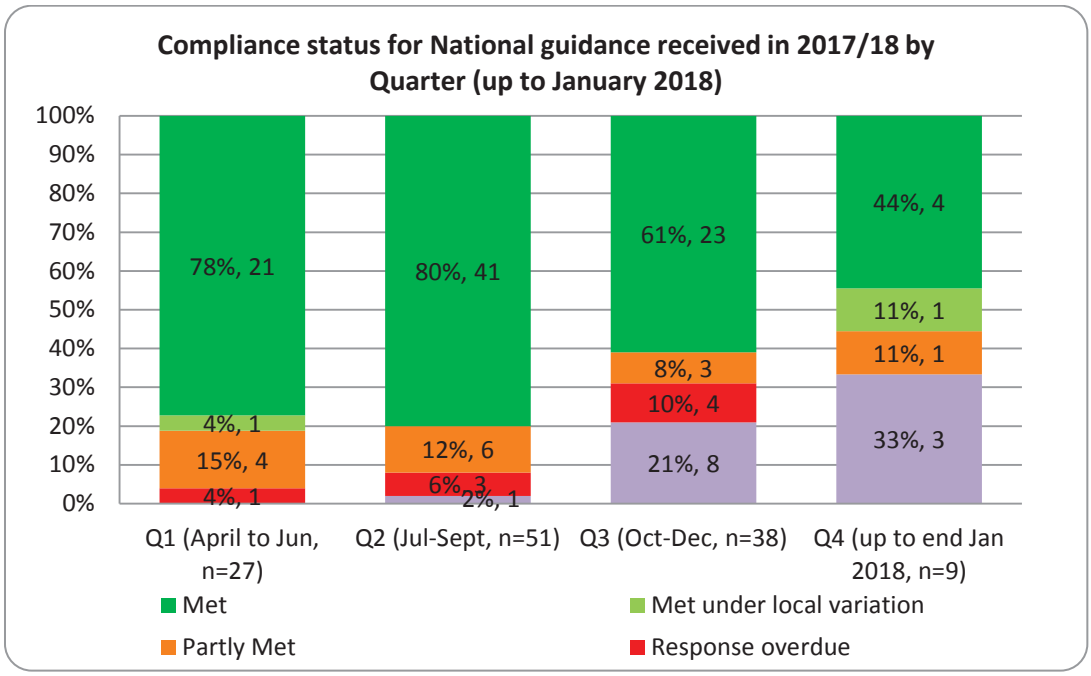
Review of Quality Measures

Compliance with NICE and other National Guidance

The Trust's current compliance for guidance received in 2017/18 is shown below. The Trust continues to monitor compliance to guidance in the previous years to continually measure services against best practice.

One hundred and sixty-nine national guidance documents have been received during 2017/2018. Of these 44 were not applicable to the Trust. The compliance status for the remaining 125 guidance documents, are presented in the charts below.





Collaboration with Kent, Surrey, and Sussex Academic Health Science Network

The Trust belongs to the KSS AHSN. The aim of the network is to drive innovation at pace and scale that will improve outcomes for patients, care experience, value for money and wealth creation across Kent, Surrey and Sussex. There are nine universities within the region that offer breadth and diversity in research and teaching expertise. Through the network, we have been involved in collaborative work focusing on particular aspects of care that are prevalent across the region e.g. pressure ulcers and medication errors.

The Trust has collaborated on programmes for heart failure and fractured neck of femur/ bone health, linking with national data collections; the respiratory programme which includes pneumonia and COPD; enhanced recovery in surgery and AKI (acute kidney injury) for both enhancing quality and patient safety.

The Emergency Laparotomy programme that was led by RSCH and supported by AHSN to spread to 28 other Trusts has delivered a reduction in crude and risk adjusted mortality rates and length of stay for patients has fallen by 1.3 days. We estimate that many lives have been saved in KSS since the inception of the programme and delivering £11.5m of savings by the end of 18/19 across the Trusts who have implemented it.

Enhancing Quality and Recovery is an innovative clinician-led and award winning quality improvement programme. It spreads best practice, research evidence and new innovations through service improvement networks and access to evidence data and metrics. As a Trust we are performing well in all specialities. We are achieving KSS AHSN targets for enhanced recovery in orthopaedics, gynaecology and colorectal. We are doing monthly audit for these areas.

The AHSN has worked with Sustainability and Transformation Partnerships throughout the last year and this has led to the development in our STP of the Heartlands Academy and a programme of change and pathway work. We have supported the AHSN in its successful licence renewal process where we gave joint presentations on the high profile areas of collaboration the Trust has had with the AHSN and its members in recent years.

Going forwards we will continue to work with the AHSN as it focuses on its new priorities of spreading well-evidence innovations fast, pioneering Internet of Things, 5G telecommunications and artificial intelligence while increasing access to medical technology for diabetes.

Compliance with Patient Safety Alerts

Ref	Alert Title	Originated By	Issue Date	Status
NHS/PSA/RE/2017/001	Resources to support safer care for full-term babies	NHS England	23 February 2017	Met
NHS/PSA/RE/2017/002	Resources to support the safety of girls and women who are being treated with Valproate	NHS England	06 April 2017	Met
NHS/PSA/W/2017/003	Risk of death and severe harm from ingestion of superabsorbent polymer gel granules	NHS England	05 July 2017	Met
NHS/PSA/RE/2017/004	Resources To Support Safe Transition From The Luer Connector To Nrfit For Intrathecal And Epidural Procedures, And Delivery Of Regional Blocks	NHS England	11 August 2017	Met
NHS/PSA/W/2017/005	Risk Of Severe Harm And Death From Infusing Total Parenteral Nutrition Too Rapidly In Babies	NHS England	27-Sep-17	Met
NHS/PSA/W/2018/001	Risk Of Death And Severe Harm From Failure To Obtain And Continue Flow From Oxygen Cylinders	NHS England	09-Jan-18	Met

Trust's performance against risk assessment framework targets and regulatory requirements

We are proud of our A&E 4 hour target, which is one of the top performing Trusts in the country.

National Waiting time targets

The Trust A&E performance in 2017/18 has been much higher than in 2016/17. In the recent CQC Insight report the key message overall for the year

- 95 per cent patients spending less than 4 hours in A&E (all types) in 12 months.
- 95 per cent patients spending less than 4 hours in A&E (type 1) in 12 months.

A&E Performance

Along with many other hospital trusts throughout the year we have faced challenges in achieving the standard set Emergency Access, particularly with increasing demand through

our emergency department. Despite this we achieved the Emergency Access Standard of patients being assessed, admitted or discharged within four hours for 95.01per cent of our patients throughout the year (target = 95 per cent) placing us among the top 5 per cent of Trusts nationally, for Accident and Emergency.

Re-development work within the department, has included a new minors unit, which provides a welcoming and spacious environment to treat this cohort of patients, and will help us to manage flow through the department in a streamlined way.

Target: 95%

Metric	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
A&E % within 4 hours	97.7%	97.8%	97.5%	96.1%	94.7%	95.6%	96.2%	93.2%	91.3%	94.2%	94.6%	91.3%

A&E supporting documentation for manual updates

PAS records the time that a patient leaves A&E (through discharge, transfer or admission) through medical staff accessing PAS in real time and recording this activity. As part of the validation process, these times can be manually amended if it is believed the real time stop clock was not accurate. These manual amendments should be supported by documentation to support the updated stop clock time.

The Auditors testing of A&E manual adjustments identified four out of 40 adjustments where no supporting records have been maintained to support the manually input clock stop time. The Auditors are not able to corroborate the accuracy of the manual amendment.

The Trust's approved processes for manual amendment to PAS should clarify that supporting records must be maintained to support the updated clock stop time and the type of suitable supporting records. This should be confirmed to staff who are able to make these changes to ensure that complete records are maintained.

Referral to Treatment

The Referral to Treatment (RTT) standard was achieved for 9 months out of 12 with a year-end figure of 92.02 per cent - just exceeding the national target of 92 per cent. Nationally, we have consistently been ranked above average. Oversight of the more challenged specialties takes place with trajectory monitoring weekly, where a forum exists for escalation and risk mitigation. During the last quarter of the year, we have unfortunately seen a decline in our RTT performance. This is due to a number of factors related to our PAS upgrade, which took place at the end of November 2017

A minimal number of non-urgent cancellations on the day have taken place during the year with the actual number exceeding the annual target by more than 50 per cent, this demonstrates a real effort to improve patient experience.

Target: 92%

Specialty	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
RSCH	91.5%	92.7%	92.6%	92.5%	92.7%	92.1%	92.1%	92.5%	91.7%	92.01%	92.23%	90.56%
CARDIOLOGY	91.5%	91.5%	92.7%	93.2%	93.1%	92.1%	90.0%	90.3%	89.0%	90.27%	90.44%	89.29%
CARDIOTHORACIC SURGERY	100.0%	100.0%	94.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.00%	100.00%	100.00%
DERMATOLOGY												
ENT	92.9%	93.3%	93.6%	92.7%	92.8%	90.9%	90.8%	91.0%	92.2%	91.90%	90.64%	84.80%
GASTROENTEROLOGY	90.2%	92.9%	92.5%	92.3%	92.1%	92.4%	90.8%	92.5%	93.3%	91.89%	92.62%	87.11%
GENERAL MEDICINE	94.3%	95.0%	95.6%	93.7%	94.3%	92.0%	96.7%	94.2%	97.0%	96.63%	95.73%	95.21%
GENERAL SURGERY	92.1%	92.7%	92.2%	91.4%	91.3%	90.8%	91.4%	91.5%	89.6%	91.66%	92.32%	92.04%
GERIATRIC MEDICINE	95.8%	96.7%	95.6%	99.5%	97.5%	98.1%	96.9%	93.3%	97.4%	97.26%	96.15%	94.92%
GYNAECOLOGY	90.3%	90.9%	91.6%	91.8%	92.2%	91.9%	92.8%	92.8%	93.3%	92.17%	92.34%	91.48%
NEUROLOGY	80.0%	88.2%	92.7%	94.2%	95.6%	96.7%	95.1%	93.7%	91.5%	91.59%	91.48%	91.17%
OPHTHALMOLOGY	88.5%	91.3%	91.4%	92.3%	95.1%	95.6%	96.1%	95.6%	94.4%	94.07%	94.99%	92.77%
ORAL & MAXILLOFACIAL SUR	93.7%	93.8%	91.9%	92.0%	93.1%	90.4%	89.6%	90.7%	88.3%	88.39%	89.44%	89.16%
OTHER	92.5%	94.4%	94.1%	93.5%	92.8%	93.3%	93.3%	93.2%	93.0%	94.35%	94.26%	93.30%
PLASTIC SURGERY	98.4%	99.3%	98.5%	95.5%	99.2%	98.4%	98.3%	97.1%	100.0%	100.00%	99.17%	97.04%
RHEUMATOLOGY	89.6%	93.5%	93.1%	94.3%	96.9%	96.3%	95.3%	94.8%	92.4%	96.77%	97.06%	96.23%
THORACIC MEDICINE	95.7%	95.5%	94.5%	95.3%	94.3%	94.5%	94.0%	93.9%	95.0%	95.87%	95.31%	89.21%
TRAUMA & ORTHOPAEDICS	90.2%	91.9%	92.9%	92.0%	90.8%	89.7%	90.7%	92.5%	90.8%	89.89%	89.97%	89.77%
UROLOGY	89.6%	89.1%	89.6%	90.8%	90.9%	91.6%	92.7%	94.0%	93.3%	92.87%	92.95%	91.03%

Diagnostic DM01

The DM01 collection monitors 15 key diagnostic tests, with the threshold (target) being no more than 1 per cent waiting longer than six weeks. During the last year 96.6 per cent of patients received their diagnostic procedure within six weeks, with the main challenge within the Echo service. Recruitment to this specialist group has been challenged and continues to be a focus for 2018/19.

Target: 1%

Test	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
RSCH	8.7%	8.2%	4.8%	2.9%	3.5%	0.9%	0.5%	1.4%	2.6%	3.1%	3.2%	4.20%
Magnetic Resonance Imaging	0.4%	0.0%	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
Computed Tomography	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
Non-obstetric ultrasound	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
Barium Enema												
DEXA Scan												
Audiology - Audiology Assessme	1.6%	0.0%	0.9%	0.4%	5.0%	0.9%	1.1%	1.1%	0.0%	1.3%	0.7%	3.36%
Cardiology - echocardiography	36.0%	37.8%	26.3%	14.3%	21.9%	5.4%	0.6%	9.5%	12.3%	16.8%	18.1%	24.37%
Cardiology - electrophysiology												
Neurophysiology - peripheral ne	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.9%	0.79%
Respiratory physiology - sleep studies												
Urodynamics - pressures & flows	6.3%	35.0%	52.8%	75.4%	68.2%	14.9%	10.5%	13.3%	21.7%	9.4%	0.0%	16.67%
Colonoscopy	1.9%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%	0.7%	0.0%	0.63%
Flexi sigmoidoscopy	3.5%	4.5%	5.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
Cystoscopy	24.2%	15.2%	16.0%	5.7%	13.9%	6.7%	4.7%	6.5%	14.3%	8.8%	6.3%	3.57%
Gastroscopy	4.9%	2.3%	0.0%	4.6%	0.0%	0.0%	3.5%	0.8%	0.5%	0.0%	0.0%	0.65%

Cancer

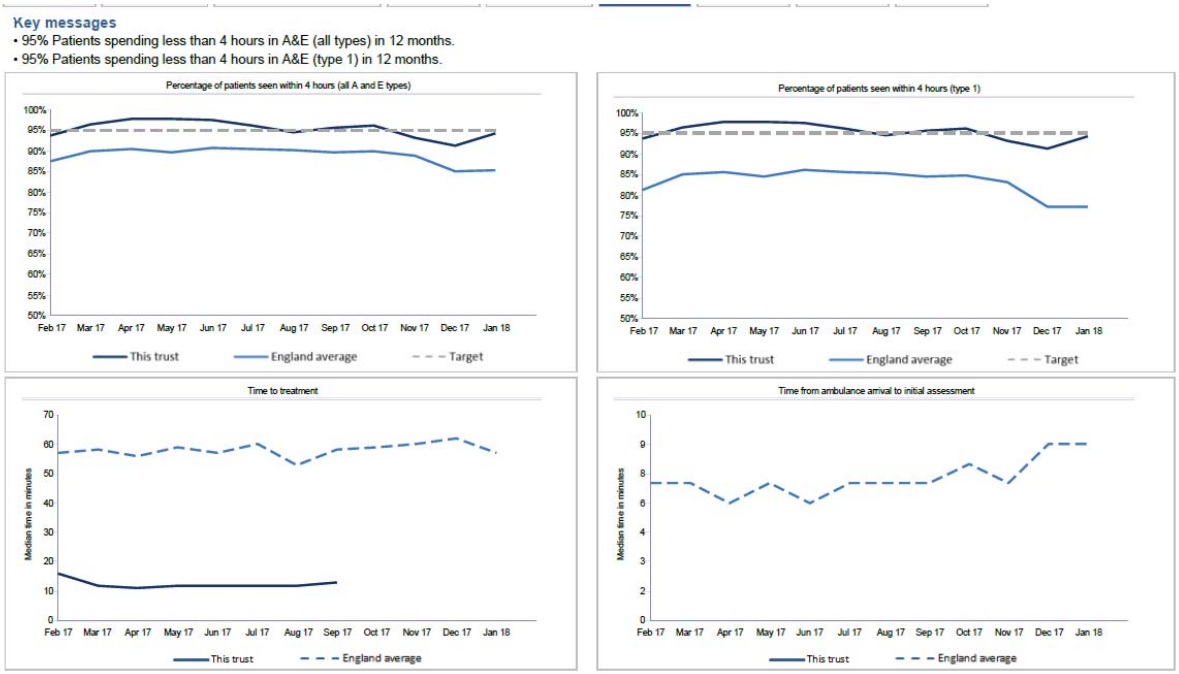
Our Cancer performance, specifically the 62 day wait for definitive treatment, has continued to be challenged this year. Referrals received into the organisation for specialist services have continued to impact our performance. We have been working with our system colleagues in order to identify these patients and reduce delays, together with looking

internally at our processes. We have seen a rise in demand and expect that this will continue with our dedicated new Urology Centre. Our multi-disciplinary team has undertaken detailed breach analysis and the learning from this is being embedded into practice.

In the table below, we have set out our performance over the last three years, including those set out within NHS Improvements Risk assessment Framework and Single Oversight Framework.

National Target/ Minimum Standard	Indicator	NHSI Target	2015/16 RSCH (DH Target)	2016/17 RSCH (DH Target)	2017/18 RSCH (DH Target)
Infection Services	Number of C. Diff cases *	21	14 (21)	16 (21)	23 (21)
	Number of MRSA bloodstream infection cases *	0	0	1	0
Access To Cancer Services	2 week wait from referral to date first seen for all cancers **	95.0	98.7	93.0	98.3
	2 week wait from referral to date seen for symptomatic breast patients **	93.6	96.0	93.0	95.3
	31 day wait for second or subsequent treatment	97.4	96.1	94.0	97.1
	31 day wait for second or subsequent treatment with anti- cancer drug treatments **	99.6	99.5	98.0	99.5
	31 day wait for second or subsequent treatment with radiotherapy **	95.6	96.1	94.0	95.2
	62 day wait for first treatment from urgent GP referral for treatment **	85.5	75.8	85.0	76.8
	62 day wait for first treatment from consultant screening service referral **	93.8	91.2	90.0	90.2
Access To Services	Maximum time of 18 weeks from point of referral to	92.0	93.3	90.3	92.0

National Target/ Minimum Standard	Indicator	NHSI Target	2015/16 RSCH (DH Target)	2016/17 RSCH (DH Target)	2017/18 RSCH (DH Target)
	treatment (RTT) in aggregate – patients on an incomplete pathway *				
A&E Waiting Times	% of patients waiting a maximum of 4 hrs in A&E from arrival to admission, transfer or discharge *	95.0	89.3 (95)	87.9 (95)	94.7



Quality Priorities and Quality Improvement Plan

'Sign up to Safety' is a national patient safety campaign announced by the Secretary of State for Health in 2014 with a mission to strengthen patient safety in the NHS and make it the safest healthcare system in the world. The Trust has signed up to this campaign to further display its commitment to patient safety by setting out specific actions that it will undertake in response to the five Sign up to Safety pledges, namely 'putting safety first', 'continually learn', 'be honest', 'collaborate' and 'be supportive'.

The Trust's actions will be encompassed into a structured Quality Improvement Plan, which will show how it intends to reduce harm for patients over the next three years. The Trust will commence a comprehensive review to ascertain which actions should be prioritised and to be included within the quality improvement plan.

Actions that have been initially suggested relate to:

- Deteriorating patients (i.e. the early and improved recognition, electronic flags, improved management pathways);
- Measuring the maturity of the patient safety culture within a selected area of the Trust (identifying and addressing areas of poor practice, and learning from areas of good practice);
- Improving the process of incident reporting, investigating and the Trust-wide sharing of lessons learned (by implementing a quality improvement methodology).

Sign up to Safety will provide a platform across the Trust, for the sharing of knowledge, experience and innovation. The Trust will develop its safety improvement initiatives to drive improvements in patient safety, reduce litigation claims, and work in tandem with the Quality Improvement Plan.

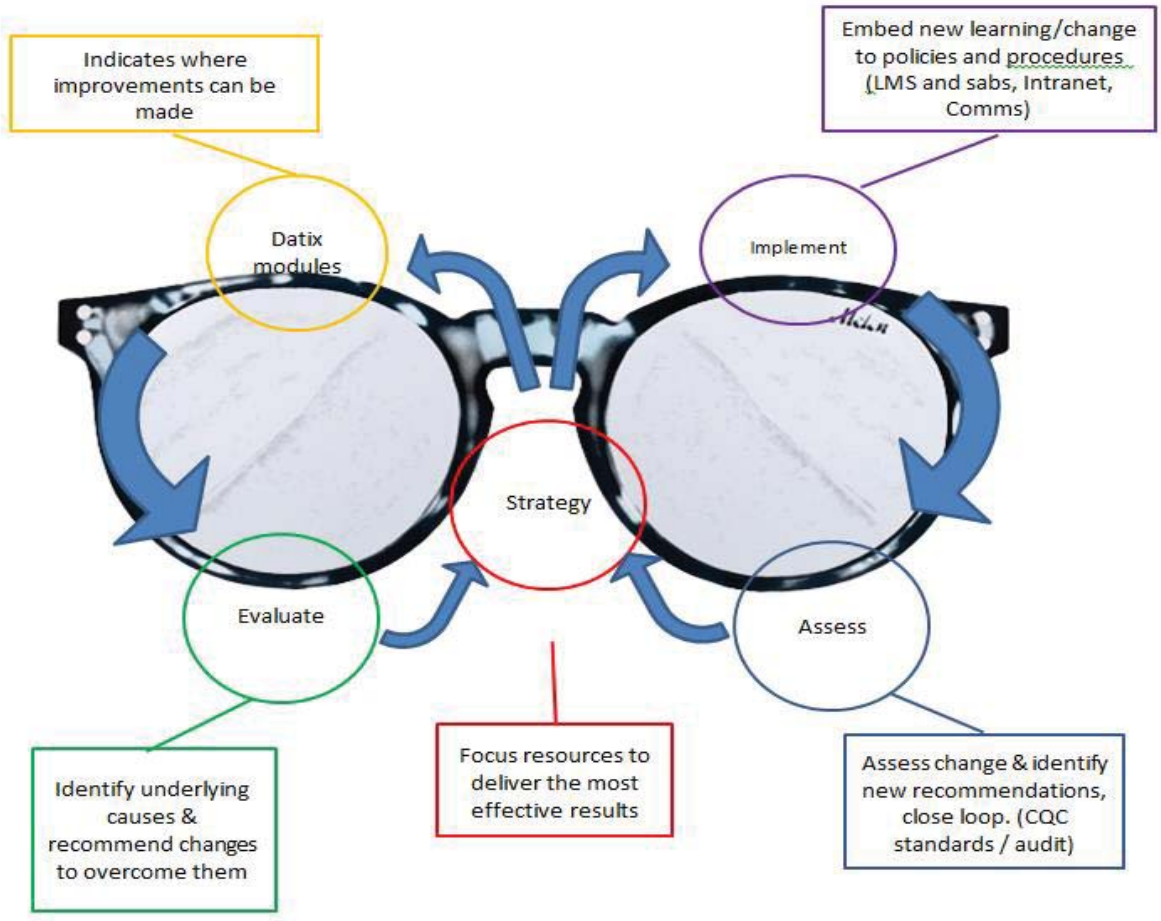
Areas of Focus:

The key areas are linked to the strategic goals and span up to five years:

Achieving Excellence:

Within 1 year	Within 3 years	Within 5 years
30% of the ward/ departments assessed will achieve green status. The programme will be rolled out to the Outpatient and Emergency Department Settings	15% of areas will have achieved blue "exemplar" status. The programme will have commenced the roll out to the Community settings	80% of the wards/ departments in the acute trust to have achieved blue or green status. 50% of the areas within the community setting to have achieved green status

Improving the culture of learning from Incidents, complaints and claims by all clinical staff of all grades, disciplines and areas:



Improvement metric free from new harm as recorded on the Safety thermometer:

Baseline -acute	2016-2017 97.82%			
Year 1	Q1 98.5%	Q2 98.5%	Q3 98.5%	Q4 98.5%
Year 3	Q1 98.7%	Q2 98.7%	Q3 98.7%	Q4 98.7%
Year 5	Q1 99%	Q2 99%	Q3 99%	Q4 99%

Embedding the Better Births strategy as an early adopter, maximising clinical efficiency:

- Improving women's experience of community midwifery services;
- Increase the number of midwifery led births
- Increase the number of home births
- Maximising clinical efficiency for travelling midwives
- Women to have rapid access to advice and support.

Annex 1: Statements from commissioners, local Healthwatch organisations and overview and scrutiny committees

NHS
Guildford and Waverley
Clinical Commissioning Group

Louise Stead
Director of Nursing
Royal Surrey County Hospital Foundation NHS Trust.
l.stead@nhs.net

3rd Dominion House
Woodbridge Road
Guildford
GU1 4PU

01483 405450
T: 07720945660
E: clare.stone3@nhs.net

Sent by email

11 May 2018

Dear Ms Stead

Re: Commissioner Statement for NHS Guildford and Waverley Clinical Commissioning Group

Guildford and Waverley Clinical Commissioning Group (G&W CCG) welcomes the opportunity to comment on the Royal Surrey County Hospital NHS Foundation Trust (RSCH) Quality Account for 2017/18 – Acute Services.

Having reviewed the draft Quality Account document for 2017/18, the CCG is satisfied that it gives an overall accurate account and analysis of the quality of services provided. There is appropriate evidence of the Trust's quality improvement progress. The detail is in line with the data supplied by RSCH during the year 1st April 2017–31st March 2018, and reviewed as part of performance under the contract with G&W CCG as the lead commissioner.

Following our review, we are assured that the Trust's Quality Account is clearly set out and meets the mandated requirements. Performance on last year's priorities is clearly summarised. Where performance has not been met, further actions for improvement have been outlined within the report.

Quality improvement priorities for 2017/18

The Trust is commended for their continued good work and emphasis on the quality of patient care. The CCG is satisfied that the priorities identified by the Trust comply with the Quality Account requirements in relation to Patient Safety, Clinical Effectiveness and Patient Experience.

The Quality Account provides a summary of progress made against the 2017/18 Quality and Safety priorities. In particular, the CCG would like to note the following areas of achievement:

- **Core24 liaison psychiatry service:** This was officially launched at the start of the current financial year and has already shown a 33% reduction in A&E attendance for frequent attenders – many of these patients have a mental health condition.
- **Harm-free care:** The Trust is committed to reducing the number of incidents in relation to falls and pressure ulcers in the inpatient setting. These efforts are now being extended into the community setting, as the Royal Surrey is the new provider for adult community services.
- **Critical medicines and medication safety management:** This is a key area of improvement for the Trust. We note that each hospital division now produces a quality performance report detailing error rates, actions taken and lessons learnt in response to these errors.

- **Mortality Review:** This process incorporates the new structured judgement review (SJR). Its implementation has led to a marked increase in the number of mortality reviews completed. An important development in this area is the ability to identify deaths of patients with a learning disability, in line with the Learning Disabilities Mortality Review (LeDeR) Programme.
- **Learning from Serious Incidents and Complaints:** Much progress has been made in this area of work. The CCG recognises the efforts being made by the Trust in understanding incident themes, reviewing incidents of a similar nature as clusters, and identifying actions that inform clinical practice across all divisions. In terms of ongoing improvement, there is an ongoing necessity for robust processes in capturing learning and measuring how actions are being implemented and monitored in the long term.
- **End of Life Care:** End of Life care plans tailored to individual patient requirements have been embedded and supported across the Trust. The End of Life Care policy and strategy has been updated, and an innovative application has been developed to help train staff in this important area of work.
- **Better Births:** The Trust is one of only seven national early adopter sites for the Better Births programme led by the Department of Health. The RSCH home birth team model is considered the gold standard for continuity of care that embraces antenatal, labour and postnatal care.
- **Dementia:** This is a significant area of development, with an increased necessity for training identified across different divisions. This is particularly the case in EAU where improvements are necessary in providing initial assessments for patients. Care improvements are noted in Elderly Care, especially in Orthopaedics and some medical wards.

The following performance shortfalls are noted, against which the Trust has summarised plans for improvement:

- Cancer 62 days to first treatment
- Diagnostics

The CCG welcomes the inclusion of the following areas of focus within the Quality Account Priorities Identified for 2018/19:

- Mortality Reviews
- Medical workforce planning
- Learning Disability patient experience
- Medicine Management Governance
- Promotion of the Freedom to Speak Up Guardian role

There are also clear statements included in the Quality Account document in relation to the Trust's engagement in Sustainability and Transformation Partnership (STP) work.

Data Quality

The Commissioners are satisfied with the accuracy of the data contained in the Quality Account, pending completion of final validation by auditors. We will continue to work with the Trust to ensure that quality data is reported in a timely manner that adheres to clear information schedules.

In conclusion, G&W CCG would like to thank the RSCH for sharing the draft Quality Account document, and is satisfied that it accurately reflects the priority work undertaken by the Trust in Quality and Patient Safety. As a Commissioner, we have a positive relationship with the Trust and will continue to work together to ensure continuous improvement in the delivery of safe and effective services for our patients.

Kind regards

Clare Stone
Executive Director of Quality
Surrey Heartlands CCGs (Guildford and Waverley, North West Surrey and Surrey Downs CCGs)

Dear Louise

Thank you for sending the draft Quality Account for 2017/18. I have shared it with the Governors and am pleased to send a response on their behalf for inclusion in the document.

We welcome the notable successes the Trust has achieved over the last 12 months. We are pleased to note the Trust continues to maintain one of the best mortality rates in the country and has enjoyed a reduction of 33 per cent in frequent attenders at A&E. Trust staff continue to demonstrate their commitment to safety and quality and to ensure patients receive the highest standards of care. This has been recognised in a number of national awards, which are a testament to their dedication and the quality of care.

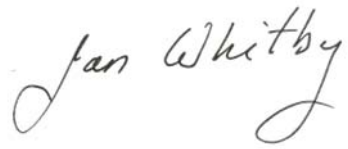
The Trust has also recognised a few issues which would benefit from improvement and has plans in place to drive improvements over the coming 12 months.

Governors welcomed the opportunity to be involved in setting the local quality priorities for 2018/19. We support the introduction of the Recommended Summary Plan for Emergency Care & Treatment (ReSPECT). This scheme will play an important part in reflecting patient's wishes about their care in difficult times. Furthermore, they can be reassured that their care decisions are recorded and will be used to inform clinicians who are making decisions about their care in an emergency.

Staff health and wellbeing are also vital if the Trust is to deliver the best care to patients, and Governors are pleased to see this as a continued priority. It is encouraging to note that the latest staff survey reported that 70 per cent of staff would recommend the hospital to a friend or relative for treatment.

We look forward to following the progress of the national and local priorities during 2018/19.

Yours sincerely



Dr J. E. Whitby

From: Samantha Botsford [mailto:Samantha.Botsford@healthwatchsurrey.co.uk]
Sent: 16 May 2018 13:04

Subject: RE: RSCH Quality Account

Apologies for not getting back to you sooner. Unfortunately, due to limited resources and the number of requests that we receive, we are unable to provide comment.

Best wishes,

Sam

SURREY
COUNTY COUNCIL

Ken Gulati
Chairman
Adults and Health Select Committee

Sent via email

Paula Head
Chief Executive, Royal Surrey County Hospital NHS Foundation Trust

20 March 2018

Dear Paula,

Royal Surrey County Hospital NHS Foundation Trust Quality Account

I am writing to make you aware of new arrangements that have been put in place by Surrey County Council's Adults and Health Select Committee to respond to NHS providers' annual Quality Accounts. As you will be aware, healthcare providers publishing Quality Accounts have a legal duty to send them to the Health Overview and Scrutiny Committee (HOSC) in the local authority area in which they have their registered office to invite comments on the report from the HOSC prior to publication. As there are ten providers operating in Surrey, responding to the Quality Accounts for all of these separate organisations places a significant additional burden on the work programme of the Adults and Health Select Committee which acts as Surrey County Council's HOSC. In many cases the Select Committee will also not have scrutinised the performance of individual providers within the year for which the Quality Account has been produced which makes it challenging for Members to provide meaningful feedback on their content. As a Committee we have therefore been considering ways of mitigating the burden of responding to providers' Quality Accounts to ensure there is sufficient time and resource for the Committee to offer considered and useful feedback to those organisations that it has scrutinised as part of its work programme.

Examples from neighbouring authorities demonstrate that many HOSCs will only provide feedback on Quality Accounts for those providers that the Committee has undertaken significant scrutiny of during the course of the year that the Quality Account covers. This seems a more sustainable approach and one which I intend to adopt as Chairman of the Adults and Health Select Committee. I am therefore writing

to inform you that the Select Committee will only submit a response to the Quality Accounts of those providers that it has conducted significant scrutiny of during the financial year 2017/18. Once you have submitted your Quality Account, the support officer for the Adults and Health Select Committee, Andy Baird, will let you know whether feedback on your Quality Account will be provided by the Committee.

If you have any questions at all or require any clarity on the new process for responding to Quality Accounts then please contact Andy and he will be happy to discuss this with you in more detail.

Best wishes,

Ken Gulati

Chairman, Adults and Health Select Committee, Surrey County Council

Annex 2: Statement of directors' responsibilities for the quality report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare Quality Accounts for each financial year. NHS Improvement has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that NHS foundation trust boards should put in place to support the data quality for the preparation of the quality report.

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

- the content of the Quality Report meets the requirements set out in the NHS foundation trust annual reporting manual 2017/18 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 2017 to April 2018
    - papers relating to quality reported to the board over the period April 2017 to April 2018
    - feedback from commissioners dated 11/05/2018
    - feedback from governors dated 16/05/2018
    - feedback from local Healthwatch organisations dated 16/05/2018
    - feedback from Overview and Scrutiny Committee dated 20/03/2018
    - the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 30/03/2017
    - the 2016 national patient survey 31/05/2017
    - the 2017 national staff survey 23/02/2018
    - the Head of Internal Audit's annual opinion of the trust's control environment dated 24/05/2018
    - CQC inspection report dated 18/12/2013

- 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.

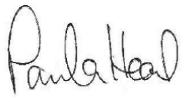
The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the Quality Report.

By order of the board

Chairman

25th May 2018

Chief Executive



25th May 2018

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF ROYAL SURREY COUNTY HOSPITAL NHS FOUNDATION TRUST ON THE QUALITY REPORT

We have been engaged by the Council of Governors of Royal Surrey County Hospital NHS Foundation Trust ("the Trust") to perform an independent assurance engagement in respect of the Trust's Quality Report for the year ended 31 March 2018 (the 'Quality Report') and certain performance indicators contained therein.

Scope and subject matter

The indicators for the year ended 31 March 2018 subject to limited assurance consist of the following two national priority indicators (the indicators):

- percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period; and
- A&E: maximum waiting time of four hours from arrival to admission, transfer or discharge.

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

Respective responsibilities of the directors and auditors

The directors are responsible for the content and the preparation of the Quality Report in accordance with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* issued by NHS Improvement.

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

- the Quality Report is not prepared in all material respects in line with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in the *Detailed requirements for quality reports for foundation trusts 2017/18* ('the Guidance'); and
- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the *Detailed Requirements for external assurance for quality reports for foundation trusts 2017/18.*

We read the Quality Report and consider whether it addresses the content requirements of the NHS Foundation Trust Annual Reporting Manual and consider the implications for our report if we become aware of any material omissions.

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

- Board minutes and papers for the period April 2017 to May 2018;
- papers relating to quality reported to the Board over the period April 2017 to May 2018;
- feedback from commissioners, dated 11 May 2018;
- feedback from governors, dated 16 May 2018;
- feedback from local Healthwatch organisations, dated 16 May 2018;
- feedback from Overview and Scrutiny Committee, dated 20 March 2018;
- the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 30 March 2017;
- the 2016 national patient survey, dated 31 May 2017;
- the 2017 national staff survey, dated 23 February 2018;
- Care Quality Commission Inspection, dated 18 December 2013;
- the 2017/18 Head of Internal Audit's annual opinion over the Trust's control environment, dated 24 May 2018; and
- any other information included in our review.

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

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

This report, including the conclusion, has been prepared solely for the Council of Governors of the Trust as a body, to assist the Council of Governors in reporting the Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2018, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicator. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and the Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

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

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicator;
- making enquiries of management;
- testing key management controls;
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- comparing the content requirements of the NHS Foundation Trust Annual Reporting Manual to the categories reported in the Quality Report; and
- reading the documents.

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

Limitations

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

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* and supporting guidance.

The scope of our assurance work has not included governance over quality or the non-mandated indicator, which was determined locally by the Trust.

Basis for qualified conclusion

As set out in the Statement on Quality from the Chief Executive of the Foundation Trust on pages 159 to 160 of the Trust's Quality Report, the Trust currently has concerns with accuracy of data with regards to the 18 week RTT and 4 hour A&E indicators.

With regards to the 18 week RTT indicator, our sample testing of this indicator identified eight errors in the data comprising the indicator from a sample of 40. Seven of these errors were discrepancies between clock start times recorded on the Patient Administration System and patient referral letters. For one case no evidence could be provided to support the clock stop time recorded in the system so it could not be determined if the patient should have remained on an open pathway.

With regards to the 4 hour A&E indicator, our sample testing of this indicator identified 4 cases where the manually amended clock stop time on the Patient Administration System could not be supported by corroborating evidence.

Qualified conclusion

Based on the results of our procedures, except for the effects of the matters described in the 'Basis for qualified conclusion' section above, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2018:

- 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;

- the Quality Report is not consistent in all material respects with the sources specified in the Guidance; and
- the indicators in the Quality Report subject to limited assurance have not been reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the Guidance.

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25 May 2018

NHS

Royal Surrey County Hospital

NHS Foundation Trust