

Annual Report and Accounts 2018 to 2019

May 2019

Royal Surrey County Hospital
NHS Foundation Trust



Royal Surrey County Hospital NHS Annual Report
and Accounts 2018-19
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1. An overview of Royal Surrey County Hospital NHS Foundation Trust (Royal Surrey)

The Royal Surrey County Hospital NHS Foundation Trust (Royal Surrey) is a public benefit corporation authorised since December 2009, under the National Health Service Act 2006. It is a multi-site acute and community Trust, based in Guildford, which serves a population of more than 336,000 across south west Surrey; and a tertiary cancer centre, offering state of the art diagnostic and treatment services to a population of two million. 90,000 patients are admitted for treatment, around 74,000 patients attend our Emergency Department and we deliver around 3,000 babies each year.

The Trust owns Healthcare Partners Limited (HPL) and Royal Surrey Pharmacy Ltd, both are wholly subsidiaries. We attract referrals from across the country for some specialties including urology. Our Minimal Access Therapy Training Unit (key-hole surgery) is one of only three such training units in the UK.

Our patients also benefit from state of the art diagnostic equipment including two MRI scanners, four CT scanners, interventional radiology equipment and a gamma camera. We have one of the lowest mortality rates in the country.

As a NHS Foundation Trust, we have a Council of Governors with 26 Governors, and over 8,000 public members. We employ around 4,200 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 has recently been rated as 'Good' by the Care Quality Commission (CQC) for being caring, effective and safe, and well led, and 'Outstanding' for being responsive to people's needs and for our maternity services.

We have a great reputation and history of embracing quality improvement (QI) and transformation work – continuously improving is one of our core values. Today, the Trust has put QI firmly at the centre of its strategic journey. It is seen by the Board as the vehicle we will use to reach the goals set out in the 2018-23 strategy.

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

- Medicine and Access
- Women and Children
- Surgery

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- Oncology
 - Diagnostics and Clinical Support Services
 - Adult Community Services

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

The most recently created division Adult Community Services, came into being on 1 April 2018 when the Trust took over the provision of adult community health care 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 on a bi-weekly, basis, whilst the clinical executive and performance executive committees (comprising executive directors, chiefs of service and professional directors) meet monthly.

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

- Haslemere Hospital, Church Lane, Haslemere, Surrey, GU27 2BJ
- Milford Hospital, Tuesley Lane, Godalming GU7 1UG

And outreach and diagnostic 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

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2. Foreword from the Chairman and Chief Executive

The last year has been a time of great change for the Trust: in our leadership, our partnerships, and in the appearance of Royal Surrey's buildings.

For us, as the Chairman and the incoming Chief Executive, it's been an exciting and rewarding time. It's difficult to think of another 12 month period in which so much change has taken place.

One of the most far-reaching changes has been our new partnership to provide adult community health services in Guildford and Waverley. Working with ProCare Health (a federation for local GP practices) we intend to transform services in response to patients' need.

This partnership means we can deliver more care at home, preventing unnecessary hospital admissions and enhancing patient experience. We are very proud that we are the first Trust in England and Wales to provide community health services in this way.

Almost a year after the launch of this partnership we introduced BadgerNet, a new paperless maternity record system. As well as putting mums in the driving seat, the new system will save us 175,000 pages of printing each year.

These two initiatives and a multitude of others in the Trust over the last year are joined by a common thread. This is the desire to provide a more integrated patient-focused service within demanding financial targets and to make the best use of the opportunities presented by digitisation.

Making the most of our resources is everyone's responsibility. Front-line colleagues contribute some of the best ideas for improving our services, often at little or no cost. An excellent example of this was the way our new community bed model was developed and introduced in Milford and Haslemere Hospitals in collaboration with staff. Shorter stays mean that more patients get to be treated in a bed in their local community.

Another wonderful example is the maternity caps initiative. It's such a simple idea to write the name and role on the cap of each of the team present in the delivery suite, but it provides a great deal of reassurance to mums at an important and stressful time.

The buildings in which we work have also been undergoing a radical transformation. The Emergency Department has been redeveloped over the last year. The new look 'majors' area provides a state-of-the-art space for new admissions. When the final stage of this work is opened in summer 2019 it will be something that we can be really proud of.

The newest addition to the Trust's estate over the last 12 months is the Stokes Urology Centre, a showcase for excellence in terms of design and clinical excellence, and the

realisation of a vision first conceived more than a decade ago. An astounding £2.37 million of the centre's £5.67 million cost was raised by donations. It has been a truly inspiring project that will bring hope to thousands of people in the years to come.

Of course, at the heart of the Trust's success and service, are its people: its employees and many volunteers and friends and supporters; a cast of thousands who are by any measure, our unsung heroes and heroines.

Too often, their hard work and their willingness to 'go above and beyond' can get consumed in the pressures of every day work. That's why it's so important that once a year, we stop to take stock and pay tribute to some of the outstanding colleagues we work with, at the annual Royal Surrey Stars Award event.

What stood out at the 2018 awards ceremony was the diversity of staff we were able to recognise and celebrate. We had individual colleagues and teams from all parts and levels of the Trust.

That team spirit shone through on the night with award winners saying how humbled and undeserving they felt after hearing the stories of the other finalists. Several staff were visibly moved by being recognised by their peers. It is important that we take the time to recognise the good that we do, throughout the year.

It was gratifying for everyone in the Trust to find their hard work and dedication recognised in the 2018 Care Quality Commission (CQC) inspection with an overall rating of 'Good' and an 'Outstanding' for our Maternity Services.

The CQC/NHS Improvement use of resources report also gave us a 'Good' rating implying that we are more productive than average when using our resources to provide services. Both reports – and the rigorous criteria which they apply – show that we are continuously striving to deliver the best possible care to our patients.

The reports are also a tribute to the hard work and strong leadership which was given to the Trust by our former Chief Executive, Paula Head in the year leading up to their receipt. On behalf of everyone at Royal Surrey we thank her and wish her success in her current role.

We also extend our thanks to everyone at the Trust who continues to work so hard to go 'above and beyond' to improve care for our patients.

Continuously improving and excelling together are at the heart of what we do – part of our Trust values. We have a strong history of using quality improvements methodologies at Royal Surrey and in the last year we have begun to reinvigorate that work and make sure everyone is working together to the 'True North Objectives' that you will read about later in this report.

It is through this commitment to continuous improvement and collaboration that we will reach our goals for our patients and communities we serve.

The Trust is at the heart of our community and we believe that in the year ahead, we will work together to deliver the very best for all who put their trust in us.

Signed 

Date 28/5/2019

Sue Sjuve
Chairman

Signed 

Date 28/5/2019

Louise Stead
Chief Executive

3. Performance Report

Performance Analysis 2018/19

The Board is a unitary Board, collectively responsible for the performance of the NHS Foundation Trust; and it discharges this responsibility in several ways.

Firstly, the Board of directors has reviewed the Trust's strategic aims in the 2018/19 financial year, taking into consideration the views of the Council of Governors, ensuring that the necessary financial and human resources are in place for the Trust to meet its priorities and objectives and, then, periodically reviewing progress and management performance.

The Board's role in monitoring the performance of the organisation is supported by an accountability infrastructure which starts with the Council of Governors at the highest level, whilst enabling visibility by the public, staff and external stakeholders through meetings in public.

NHS Foundation Trust Governors are responsible as a Council for holding the non-executive directors, individually and collectively, responsible for the performance of this unitary Board. In turn, Foundation Trust Governors are accountable to the members who elect or appoint them; and must represent their interests and those of the public.

The Royal Surrey Council of Governors ensures the Board of Directors acts appropriately to avoid any breach of the conditions of the Trust's provider licence.

In 2018/19 the Council of Governors received information at its quarterly meetings from directors, about performance of the Trust's functions or the directors' performance of their duties.

It remains the responsibility of the Board of directors to design and then implement agreed priorities, objectives and the overall strategy of the Trust.

To this end, the Royal Surrey Board has developed a set of key performance indicators (KPIs), in consultation with staff at all levels in the organisation. These cover quality and safety measures as well as those KPIs outlined in the NHS Improvement Single Oversight Framework.

In the 2018/19 period we focussed on enhancing provision of timely performance information to staff teams, committees to aid strategic decision making and empowers staff to manage day-to-day services at an operational level.

The Trust Board receives the Performance Report monthly in the form of a scorecard accompanied by exception reporting, and explanatory narrative.

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.

The Board scorecard is aligned to the five CQC domains: safe, effective, caring, responsive and well led, and is publicly accessible on the Trust website.

The Board is supported by the Quality Committee in monitoring performance against Quality and workforce indicators, whilst the Finance Committee reviews financial performance.

The Executive Directors review the performance of the Trust monthly via the Performance Executive Committee and weekly at the operational Access Performance Management Group meetings.

Performance risk assurance

Key to the effectiveness of risk management in the organisation is the Performance Executive Committee, comprising of all the Executive Directors, Chiefs of Service and subject matter experts, where performance, governance and compliance are reviewed on the same agenda. This membership recognises the importance and high profile of risk management in the organisation and facilitates senior ownership of the identification and management of risks on a continuing basis. This is important in ensuring that the Trust takes an integrated approach to governance and risk management issues, whilst proactively identifying and addressing risks pertinent to the delivery of objectives and KPIs.

The Trust employs a Board Assurance Framework (BAF) as the framework for identification and management of strategic risks. Each area of service within the Trust is required to regularly update their risk registers to ensure that performance issues are identified and addressed, with corresponding actions and mitigations monitored in a timely manner. This enables risk and uncertainty around performance to be managed.

Trust's performance against key targets over the 2018/19 financial year:

Accident & Emergency

During 2018/19, the Royal Surrey's main site saw a 5.6% growth in attendances compared to the year before, and a 6.7% growth in attendances categorised as Majors. 37.5% of our patients were admitted against 36.2% the previous financial year. Whilst this indi-

cates a marginal increase in admission rate from the emergency dept., in terms of volumes, there was a 9.4% increase in admitted numbers on the previous year, which equates to 2,423 additional admissions. The most common reasons for patients breaching the 4 hours wait target were patients waiting to be seen by the Emergency Department team, and lack of bed availability, both indicative of issues with patient flow through the hospital.

Key Performance Measures	2015/16	2016/17	2017/18	2018/19
Emergency Attendances - All Types, Both Sites	72,302	70,509	70,958	81,964
Of which, Main Site Attendances	72,302	70,509	70,958	74,945
Of which, Minor Injuries Attendances				7,019
4 Hour Performance	89.33%	87.78%	95.01%	89.74%
Of which, Main Site Type 1 Attendances	90.02%	87.90%	94.91%	88.85%
Of which, Minor Injuries Attendances				99.06%

Cancer

	Target	2015/16	2016/17	2017/18	2018/19
% of cancer patients waiting a maximum of 2 weeks from urgent GP referral to date first seen	93%	94.72%	98.73%	98.31%	92.06%
% of symptomatic breast patients (cancer not initially suspected) waiting a maximum of 2 weeks from urgent GP	93%	88.11%	98.94%	95.27%	79.01%
% of cancer patients waiting a maximum of 31 days from diagnosis to first definitive treatment	96%	96.44%	96.35%	97.48%	97.10%
% of cancer patients waiting a maximum of 62 days from urgent GP referral to treatment	85%	77.86%	76.12%	76.85%	71.73%
% of cancer patients waiting a maximum of 62 days from the consultant screening service referral to treatment	90%	94.91%	91.08%	90.34%	86.96%
% of cancer patients waiting a maximum of 31 days for subsequent treatment (surgery)	94%	96.75%	96.32%	96.71%	97.59%

% of cancer patients waiting a maximum of 31 days for subsequent treatment (anti-cancer drug)	98%	99.23%	99.47%	99.49%	99.46%
% of cancer patients waiting a maximum of 31 days for subsequent treatment (RT)	94%	95.52%	96.22%	95.31%	95.70%

Royal Surrey saw an increase in 2 Week Rule referrals across the majority of Specialties during 2018/19, and in the complexity of cases being treated. There was also a significant change in the proportion of 62- day treatments by referring Trusts with an increase in the number coming from other Trusts. This had an impact on performance due to many of the Inter Provider Transfers (IPT) being made after 38 days (accounting for 42% of all breaches between July and December 2018). The national change in breach allocation logic will greatly improve Royal Surrey 62- day standard performance, the policy has been implemented from April 2019. We hope it will also help all the providers in our network to ensure patients are seen quickly.

Outpatient and treatment capacity issues for cancer have also impacted on the number of breaches over recent months. We are recruiting to increase capacity, with 3 additional middle grade doctors now working within the Breast cancer service which provides significantly more clinic capacity and will free up time for operating. An additional consultant and fellow are being recruited for Urology. Also within this speciality, there are plans to introduce new posts the 2019/20 Business Case also includes additional posts in Oncology, Radiology, Histopathology and Nuclear Medicine which will significantly address urological demand.

The Trust has a comprehensive Cancer Recovery plan in place which has been reviewed in conjunction with NHS Improvement. This is progressed and monitored via the weekly Cancer Executive Group and includes a number of actions including the Breach Avoidance process. This process is being managed through weekly meetings chaired by the CEO and is beginning to have an impact with clear demonstrable improvements.

The graph below demonstrates the impact of the Trust's Breach Avoidance process (the increase in the number of patients being treated within target and the correlating decline in the number of breaches) since the breach avoidance meeting implemented at the end of February we have had a 20% reduction of patients exceeding the targets.

The environment and sustainability

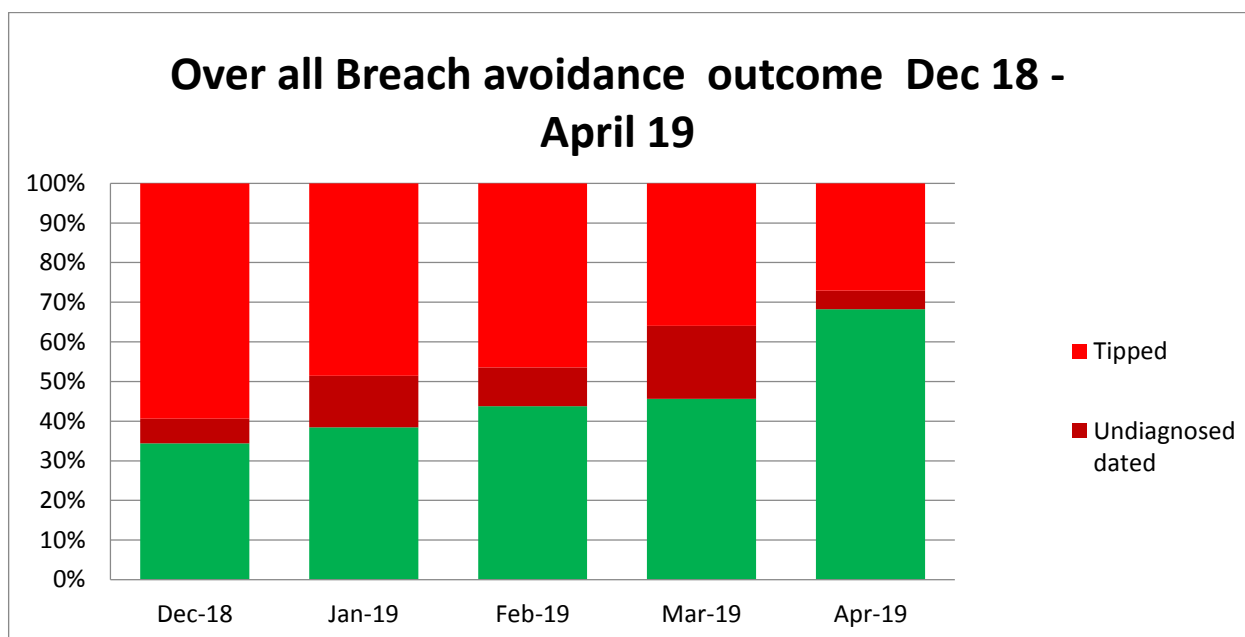
The Trust actively considers its environmental impact and has a wide range of policies in place to help play its part in tackling climate change.

Replacement of large plant equipment such as the original site boilers started in early 2018 and is continuing under the backlog maintenance program; these are of modern high efficient type that will allow energy savings during the heating and cooling seasons. Major chilling units have been replaced for patient comfort and energy efficiencies in the west wing. All replacement lighting is specified as modern LED versions that have a life expectancy of 50k hours over the 20k hours of the older type. The Trust has seen its electrical consumption level off and reduce over the last two years, unit costs are still rising hence the overall cost increase. The Royal Surrey energy contracts are negotiated on our behalf by the Crown Commercial Service which allows the best price possible.

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 actioned the outputs from the audit. Significant progress has been made to introduce more efficient waste streams which also reduce the impact on the environment. Some areas of clinical waste have been downgraded so that a more cost effective and improved environmental solution has been achieved. These changes have been completed in partnership with the Trust's hard and soft FM providers. Increased recycling has been achieved in many areas including the soft FM contract for food packaging.

The Estates Strategy has been updated in March 2019 and indicates the need for further expansion of the site; this will increase the overall consumption in all areas of utilities and the financial impact these will bring. The Urology building has been completed and the emergency floor refurbishment project will be completed in July 2019. Both these projects will add further to the Royal Surrey environmental burden.

Area	Non-financial data	Non-financial data	Non-financial data	Finance (£)	Finance (£)	Finance (£)
	2016-17	2017-18	2018-19	2016-17	2017-18	2018-19
Waste Minimisation and Management						
	1,353 tonnes	1,045.62 tonnes	1,056.98 tonnes	345,890	383,820	354,779
Finite Resources						
Water	198,253 m3	210,984 m3	208,764 m3	345,890	383,820	368,404
Electric	14,321,600 kwh	14,067,152 kwh	13,674,963	1,486,773	1,539,711	1,645,439
Gas	22,849,538 kwh	22,215,517 kwh	20,470,259 kwh	546,937	515,881	519,007



REFERRAL TO TREATMENT (RTT)

	Target	2015/16	2016/17	2017/18	2018/19
18 weeks Referral to Treatment (patients on an incomplete pathway)	92%	93.3%	90.3%	92.1%	89.6%

The Trust was able to achieve the NHSI target of ensuring the Patient Tracking List (PTL) size at year end did not exceed that of March 2018. The Trust has been unable to achieve the national target (92% of patients on an RTT incomplete pathway having waited 18 weeks or less) throughout 2018/19.

Capacity constraints have been a key factor in this specifically in relation to staffing and estates.

To this end, a transformation programme for outpatient services has been developed. This is reviewing how processes can be made more efficient alongside identifying alternative ways to provide services with the aim of freeing up outpatient capacity on site and also improve patient experience by reducing the number of patient journeys required. Examples of the transformation areas include introducing follow up telephone clinics, virtual clinics for results/case review and off site clinics in more accessible areas for patients. Focus has also been put on Oncology and Phlebotomy services, with innovative working such as the Chemotherapy Bus being implemented. In parallel with this, the Specialty Business Units are identifying key interventions to improve compliance with RTT

over the coming year; these interventions include additional staffing resources, clinic template reviews, demand and capacity modelling etc. The impact on performance of these interventions has been mapped against a performance trajectory for 2019/20 which sees the Trust achieving 92% by October 2019.

MONTHLY DIAGNOSTIC (DM01)

	Target	2017/18	2018/19
DM01 Diagnostic Waits >6 weeks	1%	3.85%	1.11%

The Trust's achievement of the diagnostic standard has significantly improved on the previous year but has been inconsistent during 2018/19 for some diagnostic tests. Radiological, Audiological and the majority of endoscopy diagnostics have performed very well. However, for Echocardiograms Urodynamic and Cystoscopies, achieving the target has been challenging. This is mainly due to staffing constraints which for the most part have been unavoidable because of national shortages in certain staffing groups and the subsequent difficulty in recruiting or unexpected sickness. We are carrying out demand & capacity modelling and are addressing capacity issues.

NHSI Single Oversight Framework

This segmentation information is the trust's position as at 31st March 2019.

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

Finance and use of resources

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

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Area	Metric	2018/19 scores				2017/18 scores			
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Financial sustainability	Capital Service Capacity	1	1	3	2	1	2	2	1
	Liquidity	1	1	1	1	1	1	1	1
Financial efficiency	I&E margin	1	1	3	3	1	2	2	1
Financial controls	Distance from financial plan	1	1	1	1	1	1	1	1
	Agency spend	2	2	2	2	1	1	1	1
Overall scoring		1	1	2	2	1	1	1	1

Financial Performance

In 2015/16 the Trust reported a deficit of £10.2m. The Trust entered a financial turnaround process to reduce costs and to ensure that it was paid in full for the activity it undertook. Because of this turnaround process, since 2016/17 the Trust has been on a significantly improved financial footing and has exceeded its control total target in 2016/17, 2017/18 and 2018/19.

The Trust ended the year 2018/19 with a surplus of £4.20m or £6.34m on a control total basis excluding all PSF funding prior to asset impairments (prior year £3.907m and £3.883m respectively). Core PSF earned through meeting the operational and financial quarterly targets was £5.992m out of a possible £9.447m (prior year £6.013m out of £6.72m respectively). Including the core PSF the Trust surplus was £10.19m or £12.33m surplus on a control total basis (prior year £9.92m or £9.896m), and £13.98m favourable variance compared to the £1.65m original budget deficit on a control total basis (subsequently increased to a £4.35m control total surplus). In addition, the Trust qualified for year-end PSF incentive, bonus and general distribution payments £25.890m (prior year £19.878m) due to its better than plan result. Including the 2018/19 core PSF, incentive PSF, bonus PSF and general distribution PSF, the Trust reported a year end surplus of £36.08m or £38.23m on a control total basis (prior year £30.17m or £29.73m respectively). During 2018/19, following a full land and buildings revaluation, there was a total reduction in asset value of £2.18m. Of this, £1.99m (prior year £1.14m) was taken as an impairment and included in the final reported year end surplus and £0.19m was taken against the revaluation reserve. The Trust also recognised equipment impairments of £1.84m during 2018/19, and therefore the total impairments included in the final reported year end surplus was £3.83m.

Reported (inc PSF)

	£m		
	Budget	Actual	Variance
Income	377.49	410.31	32.82
Pay	218.74	214.40	4.35
Non-Pay	139.11	142.54	3.42
Dep'n	7.76	12.33	4.57
Financing	5.52	4.97	0.55
	6.35	36.08	29.73

Control Total (inc PSF)

	£m		
	Budget	Actual	Variance
Income	375.11	408.36	33.26
Pay	218.74	214.40	4.35
Non-Pay	139.11	142.54	3.42
Dep'n	7.38	8.24	0.86
Financing	5.52	4.97	0.55
	4.35	38.23	33.88

Underlying performance last 3 years

After allowing for non-recurrent PSF funding and impairments, to get to an underlying performance, the Trust has delivered the following results over the last 3 years on a control total basis:

	£m			
	18/19	18/19	17/18	16/17
	Actual	Plan	Actual	Actual
Surplus/Deficit	42.06	4.35	31.31	20.42
PSF Funding - Core	5.99	9.45	6.01	6.79
PSF Funding - Incentive/Bonus/General Distribution	25.89	4	19.88	15.87
Impairment	-3.83	0	-1.14	0.1
Underlying Surplus/Deficit for year	14.01	-9.1	6.56	-2.34

This demonstrates an improving underlying performance over the period, moving from a £2.34m underlying deficit in 2016/17 to a £14.01m underlying surplus in 2018/19.

On a control total basis the Trust achieved £326.19m for revenue from patient care activities against a plan of £311.81m and prior year £296.94m. The Trust pay costs increased year on year by £23.92m (prior year £7.95m), primarily due to the addition of the Adult Community Services division and the managed healthcare equipment wholly owned subsidiary Healthcare Partners Ltd, £13.61m as well as Pay award and incremental drift, £6.64m. The Trust agency spend £13.95m (prior year £9.74m) was £2.05m or 17.3 per cent above the NHS Improvement agency total annual spend cap imposed on the Trust of £11.9m (prior year £13.7m). The above two new services which commenced at the start of April 2018, contributed £1.8m of agency costs. Non- pay was overspent by £3.4m compared to budget (prior year £3.6m) with a £1.1m (prior year £1.8m) adverse variance on consultancy costs.

The rigour and structure surrounding the 2016/17 turnaround programme was sustained throughout 2017/18 and 2018/19, with delivery of a £15m (prior year £14m) Cost Improvement Programme (CIP) in 2018/19, 117 per cent of the target value. Of this total, £11.1m was from the CIP programme and £3.9m was 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 £19.415m (prior year £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 £1.626m (prior year £4.404m) to aid expansion of bed capacity and enhance the ambulatory care facility to support peak winter demand, provide bowel cancer home testing equipment and upgrade Pharmacy systems. The final capital plan spend for 2018/19 was £13.159m (prior year £16.899m) and was funded by internally generated cash through depreciation, the PDC and prior year PSF, and included the completion of the new build Stokes Centre Urology and phase two of the A&E refurbishment.

Cash balances remained positive during the year with a year-end balance of £59.23m versus a Plan balance of £46.75m and a prior year closing balance of £35.04m. This was achieved due to a combination of better than planned financial performance and underspends against the Capital programme.

The Trust has submitted a plan for 2019/20 in line with its control total deficit £1.74m excluding PSF/MRET, and therefore a control total surplus £7.3m including £4.89m non-recurrent PSF and £4.15m MRET. Given the financial performance over the last two years the Trust has strong foundations to achieve the 2019/20 plan, however, it will need to maintain a tight control on costs. As such the CIP has been set at £14.5m for 2019/20 which represents 3.7% of total planned income and is split between £5.3m divisional CIP and £9.2m transformational CIP.

	£m
Income	394.22
Pay	-232.85
Non-Pay	-139.70
Dep'n	-8.60
Financing	-5.75
	7.30

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 2018/19 performance continued to deliver financially and built on the improvements made in the previous two years. 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. 2018/19 was the second year of a five-year plan aimed at returning the Trust to a financially sustainable position.

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. The scores for the last 6 quarters are as follows:

Measure	2018/19				2017/18	
	Q4	Q3	Q2	Q1	Q4	Q3
Capital service cover rating (times)	1	1	3	2	1	2
Liquidity rating (days)	1	1	1	1	1	1
I&E margin rating (%)	1	1	3	3	1	2
Variance From Control Total rating	1	1	1	1	1	1
Agency rating (% above Cap)	2	2	2	2	1	1
	1	1	2	2	1	1

Signed 

Date 28/5/2019

Louise Stead

Chief Executive

Highlights of the year

Delivery of key initiatives in the 2018/19 period

Each year the Trust prepares an annual operational plan which sets out what it intends to do in the forthcoming year. 2018/19 was also the first year of the implementation of the Trust's five year strategy (approved by the Board in June 2018) which sets out the vision of the Trust ('to provide nationally celebrated, community focused health and care') and the clinical strategy.

To support the vision and clinical strategy, the Trust set itself a series of ambitious 'corporate objectives' progress against which was reported to the Board on a quarterly basis. The highlights were as follows:

Redesign of Emergency Department and Ambulatory Care Unit (AEC)

The Trust has undertaken a major refurbishment and re-design of its Emergency Department (ED). Phases 1 and 2 are now complete and the final phase will be completed in summer 2019 and will lead to an increase in 'majors' capacity. The total cost of the re-design will be approximately £8.0m. The redesign has been accompanied by changes in staffing mix and the addition of new roles. The Trust also completed phase 1 of the expansion and re-design of the ambulatory care unit (AEC) with phases 2 and 3 due to be finished at the end of 2019. The expansion of the AEC will allow the Trust to increase the number of patients seen in this environment and in turn, reduce the number of actual admissions to the hospital where these admissions are not necessary. To support this ambition, in 2018/19 the Trust has invested resource in its 'rapid response team' which is a team of healthcare professionals who support patients who are discharged on the same day they arrive to return home safely, and with the appropriate package of care in place.

Cancer Pathway and 62-day wait

Recently, the Trust has struggled to meet the national performance target of treating 85% of patients within 62 days of referral from a GP. To tackle this, the Trust drew up an action plan with clear mitigations. The Trust's cancer strategy was also approved by the Board in March 2019. Many of the actions to improve cancer waiting times are now underway, for example, a substantial investment in urology services is being made (urology doctors, Clinical Nurse Specialists, physics and administrative staff) to fully resource the new

Urology centre, and additional doctors and outpatient clinic rooms have been introduced to increase outpatient breast cancer capacity. The Trust is also introducing best practice “Faster Diagnostic Pathways” (FDS) in lung, colorectal and prostate cancer diagnostic pathways which will be effective from June 2019. All the above have either been introduced in 2018/19 or are in the process of being implemented and, the Trust has committed to meeting all national cancer waiting time standards in 2019/20.

Frailty and Integration

Drawing on expertise from NHSI, the Trust reviewed its frailty and integration pathway in November 2018. Following this, The Trust is in the process of reviewing its ‘out of hospital’ model and has decided to invest more money in community services in 2019/20 so patients can continue to receive safe and appropriate care closer to home.

Getting it Right First time (‘GIRFT’)

Getting It Right First Time (GIRFT) is a national programme designed to improve medical care within the NHS by reducing unwarranted variations. By tackling variations in the way services are delivered across the NHS, and by sharing best practice between Trusts, GIRFT identifies changes that will help improve care and patient outcomes, as well as delivering efficiencies such as the reduction of unnecessary procedures and cost savings.

The Trust is supported by NHSI in implementing the national ‘Get it Right First Time’ (‘GIRFT’) programme which is an initiative to improve quality of care by sharing best practice across Trusts. There was a rolling programme of reviews during 2018/19 in areas such as ENT, Orthopaedics and General Surgery and the Trust is ensuring that any recommendations arising are being implemented.

Implementation of GIRFT recommendations is overseen by the GIRFT steering group, which was formed in December 2018/19 and is clinically led by the Deputy Medical Director, Nial Quiney in his capacity as the GIRFT Chief Clinical Champion.

Our year – the highlights

Providing world class care

Leading the way in innovative care

The Trust continues to be on the forefront of world class cancer care in several areas. Dr Nadine Collins is a research Microbiologist who was part of the Institute of Cancer Research team that discovered the BRCA2 gene, its discovery revolutionised the treatment and prevention of this type of breast cancer.

In the last year Dr Collins and her team looked at the DNA of some 600 patients, working not just with clinicians at the Royal Surrey but several neighbouring Trust's as well. Royal Surrey we are very fortunate to be one of the few district general hospitals able to carry out genetic sequencing for our patients, it is more commonly found in the larger teaching hospitals. Previously, patients with the same type of cancer underwent a similar pattern of treatment, but the DNA testing we are carrying out is now helping guide clinicians on their therapy decision and allowing them to tailor therapy to an individual's genome.

This ground-breaking work is delivering real benefits to patients today and opening the door for future treatments that could help countless patients in the future.

Excellence recognised

Throughout the year our teams are visited by outside bodies and groups, some keen to learn from them, others to look at how we can improve our work. We have had a number of visits from Getting It Right First Time (GIRFT), the national programme designed to improve the quality of NHS care by reducing unwarranted variation. They have met with our general surgery, trauma and orthopaedics and our Ear Nose and Throat teams and praised a number of areas of good practice, whilst offering advice on how we can further improve. Our Diabetes Team also hosted a visit from Partha Kar, NHS England Diabetes Clinical Director, who was impressed with the service and how it is engaging with partners in the Diabetes Strategic Networks and Diabetes UK patient groups. As part of their feedback they highly commended the Diabetes Team for their work.

There was further praise from the Joint Advisory Group on GI Endoscopy (JAG), who visited the Trust in early December as part of a full review of the service from patients, clinical, nursing and management perspectives. The visit was hailed a great success which highlighted how positive the unit felt. The group remarked on the extremely low level of

morbidity and nil mortality for the size of the unit and the complexity of the procedures they undertake. They passed on four action points but felt the Royal Surrey Endoscopy Unit is one of the best they have assessed.

New state-of-the-art centre

This year the Trust officially opened its new £5.67 million state-of-the-art urology centre that will deliver cutting edge treatment and research for patients from across Surrey and beyond.

The Stokes Centre for Urology was built with £2.37m from more than 9,000 donations from the community through the Prostate Project.



Consultant Urological Surgeon, Professor Stephen Langley, who is one of the world's leading prostate cancer specialists, was joined by HRH the Duke of Kent for the official opening.

The building is named after dedicated fundraiser and Prostate Project Chairman, Colin Stokes, and features a cutting-edge brachytherapy theatre, ultramodern consulting and treatment rooms, as well as a small laboratory for research.

Providing clinically led safe care

Improving care for the elderly

A clinical team helped to reduce the time older people with frailty spend in hospital by around a quarter.

The team lead by Consultant Geriatrician, James Adams, established a pathway of care that has seen the average length of stay for these patients reduced by 24 per cent, saving 40,000 hours patients would otherwise have spent in a hospital bed.



The team has also established a dedicated Older Persons Short Stay Unit, ensuring these patients, who often present to hospital with signs of confusion, falls, and mobility issues, have access to the right care and intervention.

The team, which includes doctors, nurses, therapists and social care practitioners, used quality improvement methodology to rapidly change pathways for identifying and assessing patients with frailty.

The project, known as the Acute Frailty Pathway, has successfully reduced the time patients spend in the Emergency Department by 19 per cent and has also increased the number of same day and next day discharges from the emergency floor.

In the process it has saved almost £2 million and was shortlisted for a national award.

Clinical strategy

As a clinically led organisation the voices of senior clinicians are key in setting the direction of the Trust. In 2017 the Trust put this at its heart by agreeing its clinical strategy. In the last year there has been a great deal of change with a new Health Secretary in post and the publication of the NHS Long Term Plan. This set out a new direction of travel and key milestones around major changes to how the NHS works and how care is delivered. It also provided a focus on better collaboration across the health and social care system. Dr Marianne Illsley, the Trust's Medical Director, reviewed the clinical strategy in light of the changes and reviewed progress which there had been across its four main themes: Integrated community care and management of long term conditions; Secondary and networked care; Comprehensive cancer care; Tertiary specialist care.

Staff voices heard at board

Throughout the year staff were asked to join the Trust board and share their experiences of Royal Surrey. Among those to speak with the board were those involved in the Doctor's Assistants pilot that launched in May 2018. The project provides junior doctors with practical support with their workload including paperwork and supporting patient care, taking bloods to help speed up diagnosis.

The role means that everyone can do their jobs more efficiently and those involved said they were 'loving it' and felt integral to the team.

Joining up hospital and community care

Better collaboration means better care

The arrival of the Adult Community Health Services division to the Royal Surrey family has led to a number of challenges but also closer working between clinical teams in the hospital and in the community.

A good example is the integration of tissue viability nurses, who provide expert advice in the prevention and the treatment of wounds has provided improvements in care and collaborative working. Agreements are now in place with the majority of the Guildford and Waverley GP practices allowing teams to respond more quickly to referrals. It also means the patients does not need to repeat the story in relation to their wound as the team has full access to relevant medical information

In October one patient joined the Trust Board to share her experience. She said: "I cannot fault the nurses' side of things. My life has totally changed. Before the tissue viability nurse took me on I had to use incontinence pad because my legs were weeping."

"I'm now getting up and about and I've been out of the house for the first time in years thanks to her support."

Coordinated care

A Community Coordination Centre was launched in October as the hub for all adult community health services.

The centre is staffed from 8am to 8pm, seven days a week, with all adult community health services being filtered through and triaged by the team.

This allows staff to ensure that patients are getting the care they need.

In order to deliver more efficient care, the Community Physiotherapy team also successfully piloted an advice line service, enabling patients to receive telephone physiotherapy advice within 48 hours.

The pilot showed a 50 per cent reduction in patients requiring a face to face appointment, as well as a reduction in follow up appointments.

The scheme was trialled with local GP surgeries and the team have now been asked to roll this out further.

Continuously improving, committed to research and development

Our continuing transformation journey

Royal Surrey has a history of championing and investing in staff to embrace quality improvement methodologies to improve patient care and work more efficiently. This year the Trust was successful in our bid to join six other Trusts in the first wave of a national three year Lean improvement programme from NHS Improvement. This has been an opportunity for the Trust to build on the strong foundations of the Achieving Excellence programme and accelerate its continuous quality improvement culture.

Throughout the year we've put these approaches into practical use. In November we ran the first Value Stream event as part of the national Lean Improvement programme; a one week event with over 60 participants. A team from across our health and care economy mapped the pathway for patients identified as 'frail' described a 'future state' of how care should look for these patients, irrespective of organisational boundaries.

The work has continued and in February colleagues delivered a three day improvement event for our outpatient services. Over 40 people came together to identify root causes and opportunities to improve outpatient experience for our patients. Five workstreams were developed to address the key opportunities, which included looking at alternative ways to deliver outpatient services closer to home or through new technology. The work identified 30 quick wins to deliver in 50 days.

A focus on Research and Development

It has been a busy year for the many clinical staff involved in research activities across the Trust. In October the Trust reaffirmed its commitment to research and development by agreeing a new R&D strategy to build on the successful work of teams across Royal Surrey County Hospital. During the year 47 new trials started at the Trust taking the total number to 392 meaning more patients having access to the latest medicines and treatments. A total of 2,170 patients were recruited to studies – well above the target of 1,184 set by the National Institute of Health Research.

A digital future set out

The Trust has committed to making greater use of technology to improve patient care and boost efficiency. In December 2018 the Board approved a new Digital Strategy for the Trust, creating a blueprint for significant improvements in the years ahead. At the heart of

this was a commitment to delivering a new electronic patient record. This will be a key enabler in digitising the patient journey from admission to discharge as well as joining health records across Surrey Heartlands. The new system will bring significant opportunities to improve the safety, quality and efficiency of our services both within our hospital and across our system.

A clinically led team explored a number of options and visited other hospitals to see potential systems in action before making a recommendation. A preferred bidder has now been chosen and work to mobilise the project is now underway.

Caring, friendly and compassionate staff

Providing compassionate care throughout treatment

We take pride in the care that our staff provide to patients throughout their treatment.

We put great value in the care of patients at the end of their life. That is why we were so pleased with results of our National Audit of Care at the End of Life 2018 scores which were consistently better than the national average.

The audit is a national comparative study of the quality of care experienced by the dying person and those important to them during the last admission leading to death in acute, community hospitals and mental health inpatient facilities.

Dr Andrew Davies, Palliative Medicine Consultant, said: “Getting the support, care and compassion for those patients at the end of life right is so important.

“Communicating openly and honestly and making decisions about care plans together, with patients and their families, is central to giving the best possible experience at a very difficult time.

“I’m really proud of the team here at Royal Surrey. We have worked hard to deliver outstanding care and compassion and I am delighted to see this reflected in the results.”

Showing care beyond the wards and treatment rooms

Throughout the year our staff are going above and beyond, not only when caring for patients but also outside of their normal working day. Dozens of staff are involved in supporting groups outside of the hospitals and raising funds for good causes.

In March staff from Eashing Ward put on their own fundraising event – the Memory Matters concert at our Education Centre. The weekend showcase delivered a fantastic night of entertainment as staff swapped the scrubs and uniforms for showbiz glitz and put on a showcase featuring singing, dancing and performances all in aid of patients.

The hours of rehearsals and dedication helped to raise money to provide memory boxes for dementia patients on our wards.

Hearing patient stories

A mum shared her ‘traumatic’ experience of losing her baby at Royal Surrey 13 weeks into pregnancy and shared with the board her thanks to individual staff and how she is helping to improve care.

She also highlighted how the nursing staff, and one nurse, cared and supported her. She said: “She changed her shifts so she could be with me the next day because she was worried about me.”

The mum is currently working with the Gynaecology and Maternity Team to help make improvements to how other pregnant women are cared for on Compton ward.

Recognising dedication

This year the Trust held its biggest and best staff awards – the Royal Surrey Stars.

There were a record number of nominations recognising staff from all parts the Trust. There were a large number of nominees from non-frontline roles and from the newly joined Adult Community Health Services division. Staff were humbled by many of the stories shared on the night and visibly moved by the chance to recognise and celebrate colleagues.



Other highlights from a busy year

April 2018

The Royal Surrey in partnership with ProCare Health begins providing Adult Community Health Care in Guildford and Waverley.

It is the first time that an acute Trust has joined forces with a GP federation to provide adult community health services.

Among the services transferred are: district nursing, podiatry and the Minor Injuries Unit at Haslemere Hospital, as well the inpatient services at Milford and Haslemere Hospitals.

Frail and vulnerable patients are set to benefit from coordinated health and social care including a shared care plan which is personalised around their needs.

May 2018

The Care Quality Commission (CQC) inspection results are released.

Royal Surrey receives an overall rating of 'Good' and 'Outstanding' on Responsive and the Maternity Service.

The report's authors also praise the outpatients department, where they found 'strong, clear leadership' and staff who said they felt well managed and well-led.

June 2018

As part of celebrating Learning Disability Awareness Week, we held an event for children and young people with a learning disability, their family members and carers.

Attendees were able to meet with the Trust's new Paediatric Learning Disability Nurse, share their experiences and find out more about what services and support are available.

July 2018

Royal Surrey Maternity Services becomes one of just a few organisations in the country, and the only one in Surrey, to be awarded UNICEF's Baby Friendly Gold Award after maintaining its Baby Friendly accreditation for 20 years.

The award recognises that Baby Friendly Standards and the high-quality care they represent are embedded in the department's culture and values.

August 2018

The Care Quality Commission/NHS Improvement use of resources report is published giving Royal Surrey a 'good' rating.

The report says that on average Royal Surrey spends less to deliver the same number of services as comparable Trusts.

In 2017/18, the report says, the Trust demonstrated above average performance against the national operational standard for accident and emergency.

January 2019

Our new 'majors area', the second phase in the complete refurbishment and expansion of our Emergency Department opened.

Closure of the old 'majors area' allows the final stage of the Emergency Department refurbishment to begin.

The completed project, which includes a new paediatric area, is scheduled to open in summer 2019.

February 2019

The final touches are put on our new BadgerNet maternity records service, a secure web-based portal which allows mums 24/7 access to their records.

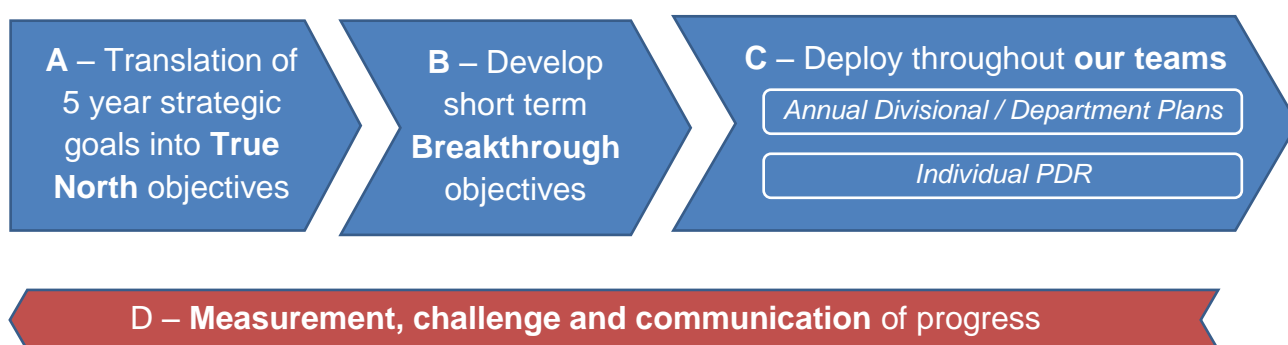
The new paperless service is also expected to save 175,000 pages of printed material each year, an important contribution to reducing our carbon footprint.

BadgerNet is a big step forward in digitising our systems. It also frees up our midwives from time-consuming paperwork so that they can spend more time on face-to-face patient care.

Strategic Direction (Looking forward to 2019/20)

1. A NEW WAY OF DELIVERING OUR STRATEGIC OBJECTIVES IN 2019/20

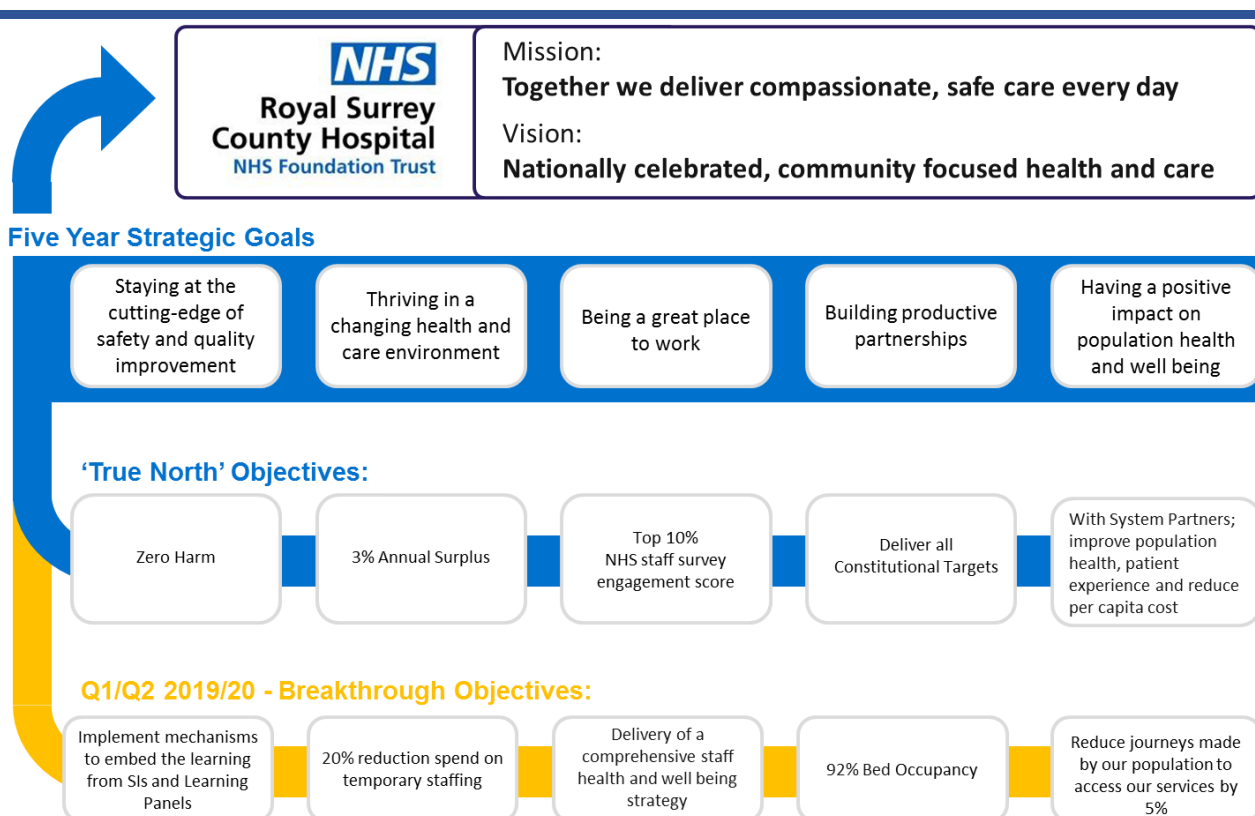
We have translated our five-year strategic goals into five True North objectives; which help everyone in the organisation recognise our long-term ambition and direction. To support the delivery of those long-term objectives, we worked with teams across the Trust to develop shorter term Breakthrough objectives which provide focus and build momentum. The diagram below summarises the approach we are using to deploy our strategy throughout our organization.



Our approach to deploying our strategy

With the recruitment of a Director of Transformation, and the support of the NHS Improvement (NHSI) Vital Signs (Lean transformation) team, the Trust is targeting a step-change in the scale of improvement and the speed of benefit delivery. We are one of seven Trusts in the UK working with NHSI to build a national Quality Improvement programme, utilising Lean methodology. Our ambition is to develop Quality Improvement expertise throughout our organization; to lead and deliver quality improvement as part of 'business as usual'. It is central to our transformation plans for 2019/20.

The diagram below summarises the five strategic goals which are further aligned within measurable True North objectives and shorter-term Breakthrough objectives.



Adopting lessons learnt from the 2018/19 review of strategic objectives, we have adapted the process for 2019/20 to support enhanced dissemination and local ownership, more accessible language, and more robust progress tracking and challenge.

We have identified two main delivery mechanisms for the mobilisation of our strategic goals in 2019/20:

1. **Local Strategic Plans** (Clinical Divisions / Corporate Departments):

Our divisions and corporate departments will have increased ownership of the Trust's objectives in 2019. The teams will translate the high level objectives into their own priorities and action plans. These will also include the delivery of improvement projects through our Quality Improvement methodology.

2. **Transformation Programmes** (Cross Cutting / Disruptive Transformation):

The Transformation Programmes will be the structure for delivering disruptive or step-change improvement and will each be linked to the delivery of one or more True North and/or Breakthrough Objectives. Each transformation programme will follow a standard programme management methodology to ensure appropriate rigour is given to the planning of milestones, resource requirements, benefit tracking, and risk management.

The governance approach will be aligned to the two delivery mechanisms; with progress against local strategic plans and Quality Improvement projects being reported via the divisional executive performance reviews; and the delivery of the transformation programmes being reported on a monthly basis through the Transformation Board.

2. A TRUE NORTH OBJECTIVE IN PRACTICE - ACHIEVEMENT OF A 10% STAFF ENGAGEMENT SCORE

In April 19 the Board approved a Recruitment and Retention strategy and plan for the Trust in order to support the Trust's True North objectives to achieve both being in the top 10% NHS Staff Survey engagement scores and 3% annual surplus (by decreasing use of agency staff).

The strategy detailed the current risks within the NHS labour market and the actions the Trust could take to mitigate these risks. The key focus of the plan was to improve the Trusts recruitment and retention practices so to ensure that we are attracting, recruiting and retaining the right number of highly skilled staff. The strategy recognised that in order to reduce vacancies in the long term the Trust would have to adopt a strategy of 'growing our own' workforce through apprenticeship and training schemes.

Key elements of the recruitment and retention plan included:

- Use of social media to significantly enhance the ways we advertise our job roles so to increase the volume of candidates applying for job roles.
- Enhance current Assessment Centres for nursing to attract more candidates and improve efficiency of on-boarding processes.
- Develop our recruitment branding and marketing material to attract candidates to job roles.
- Increase international recruitment activity.
- Streamline our end-to-end recruitment and on-boarding processes to improve time-to-hire by 25% - focus on ensuring a consistent and customer focused HR service.
- Develop robust divisional staff survey action plans and monitor actions at Trust level.
- Review our corporate and local induction processes ensuring that new staff are made to feel welcome, supported and provided with the opportunity to excel in their job role.

-
- Introduce a robust exit interview process and ensure feedback is reviewed and acted upon.
 - Develop a structured management development programme for line managers.

The People function at the Royal Surrey is undergoing a significant step change in the way that we work, with a focus on staff health and wellbeing and equality, diversity and inclusion at the top of the agenda. We are also delivering strategically focused and dynamic recruitment around our core and future roles, looking at the skill mix in the Trust to make sure we are fit for the future. We work as a system across Surrey Heartlands, delivering shared leadership development through our Surrey 500 programme and working as partners to develop career enhancing rotations and different approaches to portfolio development opportunities.

We have an established People Strategy which guides our overall direction of travel, but we are ultimately the enabling function for the delivery of high quality care through our workforce so we are also looking at making all our systems and processes as easy to use and efficient as possible, with an innovative and ambitious HR systems roadmap due to be delivered in the next year. Our leadership development and organisational development strategy is also being refreshed, with a new lead in place and a commitment to delivering a cohesive and aligned programme for staff development at every stage in their career, looking also at our work with schools and our increased use of apprenticeships through to those looking to move into more senior roles.

Evidence tells us that the most effective gains in employee engagement are made when leaders and managers at a Trust and local level do not see employee engagement as a series of activities and targets, which sit as a set of components outside of the organisations strategy and everyday activities. Employee engagement needs to be woven into fabric of everyday work and become an integral part of the Trusts and divisions delivering their strategy and objectives.

Each area has analysed their employee engagement survey results and developed action plans to build on or address the findings. Where common themes emerge a series of Trust wide improvement plans have been developed designed to specifically address a number of the findings from the survey, namely:

Appraisals

The Trust will continue to build on the progress towards ensuring that every employee has at least one appraisal per year. However analysis of survey feedback tells us just having

an appraisal will not guarantee an increase in employee engagement. Employees tell us that it's the quality of the appraisal conversation that contributes to overall employee engagement. As outlined in greater detail earlier in this document.

Equality and Diversity Training

The Trust will increase its focus on Equality and Diversity Training, not only because we have a low survey score, but we believe equality and diversity behaviors are cornerstones that underpin employee engagement. Additionally, well delivered training should reduce discrimination in the workplace and help bring about a reduction in employee relations cases.

Health Wellbeing and Safety

Creating a working environment in which employees have a sense of wellbeing and feel safe, not only benefits employees, but provides significant organisational benefits. The Boorman Report into Health and Wellbeing in the NHS highlights that those with increased discretionary effort, improved service user satisfaction, stronger quality scores and reduced sickness and absence. As outlined in greater detail earlier in this document.

Freedom to Speak Up

During 2018/19 the Trust enhanced the profile of the Freedom to Speak up Guardian by promoting the role widely and putting in place Freedom to Speak up Champions, and inviting the Guardian to meet with the Board on a regular basis to share FTUP activity and make recommendations.

Staff can raise concerns with their line management, professional leads, educational leads, FTUP champions and Guardian.

Anonymous concerns can also be raised by staff via the MES Declare software to the FTUP Guardian.

Strategic positioning with partners

Royal Surrey is proud to be an organisation which has a long and successful history of partnership within our local health economy, and this touches all aspects of our work. Our role as a tertiary cancer centre continues to see our Trust link to local acute partners (Ashford & St Peter's, Frimley, Surrey and Sussex Hospitals) as we deliver specialist treatments for their patients. We already run clinics in each of these Trusts to support their

work and have two linear accelerators, used in the specialist treatment of cancer LINACs on the site of SASH's East Surrey Hospital. In 2019/20 we will centralise the treatment of level 2 (more unwell) haematology patients across Ashford & St Peter's and the Royal Surrey as we have recognised that the scale of the service means it is better run on one site.

In addition, we are part of a series of cancer partnerships, sharing best practice and aligning our services to those of neighbouring Trusts to ensure we are delivering the best care for our population. This includes the Surrey & Sussex Cancer Alliance from whom we were successful in accessing funding last year to support our services to urology patients and from whom we hope to access further funding to support the delivery of our cancer strategy, further enhancing patient care. We are now also part of a radiotherapy network with Imperial College Healthcare, The Royal Marsden and Brighton and Sussex University Hospitals. This network will ensure that the new NHSE specification for radiotherapy provision is met and that we are making best use of our LINACs for patients. In 2019/20 we will continue to make best use of these partnerships.

We have also built upon our local partnerships with other care providers, particularly our GPs and social care providers. With our GP colleagues we have continued to invest in a locally commissioned service which sees the Royal Surrey pay GPs to undertake extended appointments for frail patients who have attended our Emergency Department (ED). This extended appointment gives the chance for patients and GPs to agree a care plan to stop them having to attend our ED if it can be avoided. We are proud to say that nearly 2,000 patients received this additional appointment in 2018/19. Further, we continue to work with our local GP federation ProCare to establish a partnership which delivers fully aligned primary and community care, as envisioned by the NHS Long Term Plan. This work will, during the course of 2019/20, result in a clear plan to deliver more alignment of these services through the new structure of the Primary Care Networks. The Royal Surrey has agreed to invest in this out of hospital business case to support greater capability in the community and reduce the pressures we see at our ED.

We continue to be key part of the Integrated Care System (ICS) of Surrey Heartlands and the Integrated Care Partnership (ICP) of Guildford & Waverley. These organisations have greatly increased their infrastructure and capacity during 2018/19 and the Royal Surrey remains an integral stakeholder to them both. These new bodies will better align all the parts of the local health and social care system and by doing this we hope to be able to

develop services across Surrey in a way which better serves our patients. This is being done through a series of steering groups and overarching governance structures in which the Royal Surrey is deeply embedded.

3. OTHER AREAS OF FOCUS FOR 2019/20

Cancer Strategy

In March 2019 the Board approved a new Cancer Strategy –led and created by the Clinical Leads for our cancer departments across surgery and oncology care.

This document sets out an ambitious vision to become the leading institution in the delivery of cancer care in the South of England and what we need to do to make this happen. To deliver this we will need to improve and in some cases radically change the way we deliver services to our patients. Given that nearly 50% of the people that come to us at Royal Surrey are there for the diagnosis, treatment or monitoring of cancer, this is a strategy that will profoundly impact the Trust. The delivery plan for this strategy will include how we will invest resources in better estate, build our ability to report patient outcomes of their care enhance our treatment and diagnostics capacity and capability and make better use of our research, development and innovation function. The latter may include partnerships with the private sector where they can demonstrably offer us benefits in terms of their ability to swiftly deliver innovation to our patients.

Second Obstetric theatre

The Maternity services at Royal Surrey were rated as “outstanding” in our most recent inspection by the CQC in February 2018. As part of our planning for the future to maintain this level of service quality we are investing in a second emergency obstetrics theatre to support the patients we serve. This additional theatre will ensure we continue to be highly responsive to patient safety by improving our current estate to provide the best possible environment with immediate access to emergency care to support best outcomes for obstetrics. As part of this work we will also deliver a new and improved Special Care Baby Unit, providing a better environment that allows families to stay close to their precious ones whilst they receive expert, specialist treatment.

Electronic Patient Record (EPR)

Royal Surrey is undertaking a joint procurement with our neighbouring partner Trust, Ashford & St. Peter's, for a new EPR. This system has the potential to radically transform the way we deliver care to our patients by bringing together all relevant data on a patient in one place and making it available to clinicians that need it in real time. Other hospitals which have already been through this process have realised benefits including substantial efficiency improvements as staff reduce duplication and a reduction in mistakes as it removes the reliance on paper and other systems which are prone to human error.

St Luke's Estates Development

Nearly one in two patients who attend the Royal Surrey come for diagnosis, treatment or monitoring of cancer. As demographic impacts have taken effect this activity has grown substantially over the past five years and will continue to increase in the future. To ensure that patients who come to us are treated in an environment that is suitable and that can accommodate this demand, the Royal Surrey is investing £2m in enhancing the estate of our Oncology centre, St Luke's.

BSPS

The Trust will invest £1.3m capital in Berkshire and Surrey Pathology Services (BSPS) to redevelop the current Histopathology estate at RSCH. This redevelopment will improve laboratory work flows, provide better service contingency and help deliver service modernisation to mitigate or overcome recruitment and retention issues, ensure a modern and relevant service and provide the foundations to deliver against 2020 cancer turnaround time objectives. Workforce redesign through centralisation, the extent of cut up and the development of reporting will free consultants for more reporting sessions, and accommodate increased workload and increased workload complexity. The redevelopment was a key part not only of the operational requirement for Cellular Pathology but also freed space on other sites to allow development of GP hubs for all partners in BSPS".

Allied Health Professionals

We launched the Allied Health Professional's (AHP) strategy with the new national Chief AHP and to follow this we commenced an AHPs monthly focus. In April it was Podiatry and they showcased their service and team with a number of events covered by our communications team. We have a different AHP focus each month.

4. Accountability Report

Directors' report

The Directors present their report and audited financial statement for the year to 31 March 2019. The Directors are responsible for preparing the Annual Report and Accounts, and consider the report, taken, to be a fair, balanced and understandable account of the performance of the organisation during the year 2018-19. The information within this report provides details for our stakeholders on the Trust's performance, business model and strategy.

The Directors' report has been prepared under direction issued by NHS Improvement, the independent regulator for Foundation Trusts, as required by Schedule 7 paragraph 26 of the NHS Act 2006 and in accordance with:

- Sections 415, 416 and 418 of the Companies Act 2006; (section 415(4) and (5) and section 418(5) and (6) do not apply to NHS Foundation Trusts)
- Regulation 10 and schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 ("the Regulations")
- Additional disclosures required by the financial reporting manual (FReM)
- The NHS Foundation Trust Annual Reporting Manual 2018/19 (FT ARM)
- Additional disclosures required by NHS Improvement.

Board of Directors

Role of the Trust Board

The Royal Surrey Board is legally accountable for the services it provides at the Trust and operates to the highest corporate governance standards. The Board's general duty is to act with a view to promoting the success of the organisation so as to maximise the benefits for the Members of the Trust and for the public.

The Royal Surrey Board sets the vision and strategic direction for the Trust; ensuring the Directors foster a positive, as well as putting in place enough management capacity and capability to deliver the strategic objectives of the organisation.

As a unitary Board, the Royal Surrey Board has collective responsibility for all areas of performance of the Trust, whilst keeping patient safety central to its operation and ensuring that public funds are used efficiently and effectively for the benefit of patients and other stakeholders.

All voting Board directors (Executive and Non-Executive) are jointly responsible for Board decisions and have the same legal responsibilities.

The key responsibilities of the Board of Directors of the Trust are to:

- Set the strategic direction of the Trust ensuring that the Council of Governor's views are considered
- Ensure safe, high quality services which result in a positive patient experience are delivered in line with the principles of the NHS Constitution
- Strive for continuous improvement and innovation whilst ensuring adequate systems and processes are in place to deliver the Trust's Annual Plan
- Measure and monitor effectiveness and efficiency of services
- Ensure that the Trust is compliant with its Licence, as issued by the Trust's Independent Regulator
- Exercise powers of the Trust which are established under statute, as detailed within the Trust's Constitution
- Ensure robust governance arrangements are in place and supported by an effective assurance framework which supports sound systems of internal control.

To support the Board of Directors in fulfilling its duties effectively, committees are formally established with Board approved terms of reference. The remit and terms of reference of these Committees were reviewed during 2018/19 to ensure continued robust governance and assurance.

Strategic priorities are set by the Trust Board annually, whilst the risks to achieving these priorities is monitored through the Board Assurance Framework (BAF), which provides the Board with a systematic process of obtaining assurance to support the mitigation of risks. The BAF is also used to identify potential risks to compliance.

Decisions delegated to management

The Executive Directors are responsible for the day-to-day running of the organisation and implementing decisions taken at a strategic level by the Board.

Board Performance

The Board of Directors has a systematic approach to assessing its collective performance including an annual self-assessment and the use of external assessors at least every third year, with specific focus on a range of areas such as quality improvement methodology

and the well led framework. As part of the 2018/19 process board members completed a self-assessment, which resulted in the identification of areas of improvement which were collectively reviewed by the Board in April and May 2019 respectively. Where appropriate action plans will be developed and progress monitored by the Board.

The Board also carries out brief self-evaluations at the conclusion of each Board meeting, when it also reviews its annual work plan and the scheduled agenda for the next meeting to ensure the most important items are given the time they deserve. The Committees follow a similar process. The Chairman is appraised annually through a process approved by the Council of Governors. The process requires independent input from each director, which is then considered by the Governors. The process does not require Non-Executive Directors to meet separately without the Chairman.

Board effectiveness and evaluation

All Board members undergo an annual performance appraisal.

The Chairman carries out the annual performance appraisal for the Non-Executive Directors and the Chief Executive. The Senior Independent Director carries out the annual performance appraisal for the Chairman. He meets collectively with Non-Executive Directors and separately with the Lead Governor and Chief Executive before completing the process. This is reviewed at the Governors' Nominations Committee, which makes a recommendation to the Council of Governors. In 2019 the Council of Governors confirmed the re-appointment of two Non- Executive Directors to a second term of three years from 1 April 2019 to 31st March 2021. The Council also confirmed the appointment of one new Non-Executive Director to start at the Trust on 1 April 2019 following the resignation of one Non-Executive and a competitive selection process.

The Board's relationship with the Council of Governors and Members

The Board works closely with the Trust's Council of Governors. Although the Executive Directors are not required to attend every Council of Governor's meeting, the Chief Executive and other Executive Directors often attend meetings to supplement the information provided to Governors by the Non-Executives, on the performance of the Trust and strategic developments, and to answer any concerns that the Governors may wish to raise.

The Chairman works closely with the Lead Governor to review all relevant matters and the Non-Executive Directors attend each of the quarterly Council of Governors meetings and take part in open discussions.

The Chairman also holds a monthly discussion forum for the Governors where Governors have the opportunity to raise specific issues of concern or in some instances receive assurance on subject matter areas, such as how the Trusts operates counter-fraud measures.

At each Board meeting there is a standing item that enables the Chairman to report on Governor Issues and formally report on the workings of the Council of Governors.

Board meetings are held in public and Governors can and do attend to observe. All governors are invited to all public meetings of the Board, and the Chairman issues them the minutes of any Board sessions held in private for commercial or confidentiality reasons.

The Chairman responds to any questions or concerns that Governors or members of the public may have at the end of each public meeting.

If any dispute should arise between the Council of Governors and the Board of Directors then a disputes resolution process, as described in the Trust Constitution, would be followed. This process had not been required.

There are regular opportunities for Governors to meet with Directors, formally through Non-Executive Director and Governor meetings and informally on a collective or individual basis with either the Chairman or the Senior Independent Director.

Concerns can also be raised at any time *through any Director of the Trust or through the Trust Board Secretary who maintains a log of Governor enquiries into the Trust.*

Board attendance during the 2018/19 period

Name	Role	Attendance by %
Susan Sjuve	Chairman	100
Andrew Prince	Senior Independent Director and Vice Chairman	88
Gaenor Bagley	Non-Executive Director	88
Martin Hedley	Non-Executive Director	100
Lakh Jemmett	Non-Executive Director	63

Name	Role	Attendance by %
Howard Webber	Non-Executive Director	100
Nicholas Lemoine	Non-Executive Director	29
David Hicks	Non-Executive Director	100
Paula Head	Chief Executive	100
Louise Stead	Chief Executive (Chief Nurse April- September 2018)	88
Ross Dunworth	Director of Finance	100
Christopher Tibbs	Medical Director	100
Marianne Illsley	Medical Director	75
Joanne Mountjoy	Chief Nurse	60
Roberta Barker	Interim Director of HR	0
Tim Powell	Interim Director of HR	100
Louise Hall	Director of HR	100
Bob Peet	Chief Operating Officer	100
Giles Mahoney	Director of Strategy	100

Board composition and meetings in 2018/19

The Trust Board comprises seven Non-Executive Directors, including the Chairman and six Executive Directors, one of whom is the Chief Executive.

The Chairman proactively encourages Board members to constructively challenge and explore proposals made to the Board and assist in developing proposals on strategy, priorities, risk mitigations and standards.

The Board met 8 times formally during the course of the 2018/19 year.

Standing items on the meeting agenda are, patient feedback, integrated performance reports and summary reports of meetings of the Board committees, with the Board Assurance Framework reported on a quarterly basis. Detailed reports have been received on a broad range of strategic and governance issues.

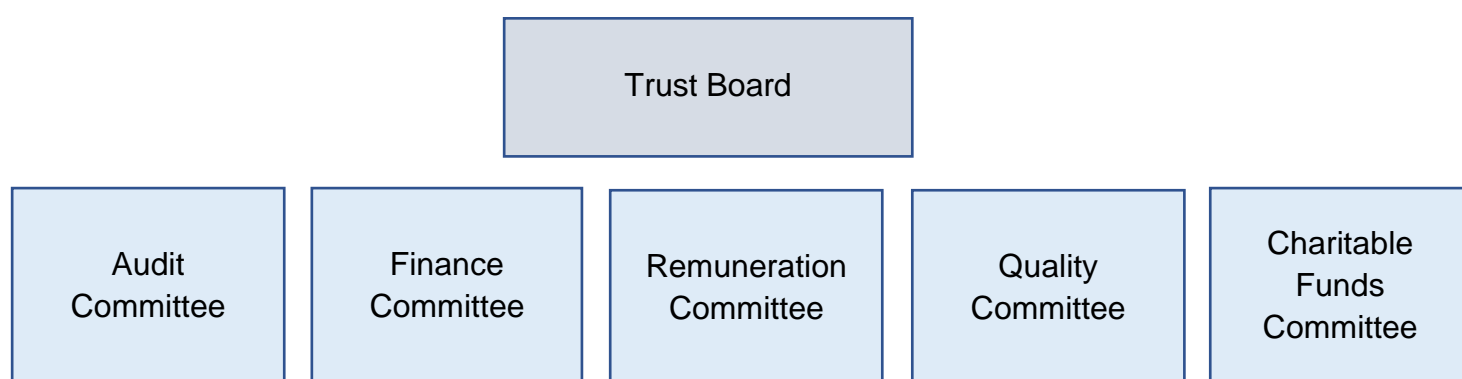
The Board of Directors is chaired by Susan Sjuve who also chairs the Council of Governors. A quorum of two thirds of Board members is needed for the meeting to take place.

The importance of the triangulation of understanding, challenge and assurance between Committees is recognised and reflected through cross-membership and reporting between Committees and through the receipt of summary reports to the Board of Directors.

The Board delegates some of its powers to Committees of Directors and these matters are set out within the Trust's Standing orders and Financial Instructions and the Scheme of Delegation.

In addition to these, the Trust has additional Board Committees and Executive Operational Groups which are all reviewed annually.

Board committee structure



Below is a brief overview of the remit of each of the prime scrutiny and assurance committees:

Audit Committee

The Audit Committee comprises three independent Non-Executive directors. It is chaired by Gaenor Bagley, a chartered accountant, for whom brief biographical details are provided later in this chapter. The other members of the committee during the year were Martin Hedley and Nick Lemoine (from June 2018 to January 2019).

Periodically, the Audit Chairman may invite other Non-Executive directors to attend for a specific meeting or item.

The primary purpose of the Audit Committee is to provide assurance to the Board of Directors about the continued effectiveness of the Trust's system of integrated governance, risk management, financial reporting and internal control. The Committee receives reports from the Trust's internal and external auditors and from the counter fraud service.

The priorities for the Audit Committee are to monitor the integrity of the Trust's financial statements and to review the Trust's financial and non-financial controls and management systems.

The Committee's work has focussed on the register of risks, controls and related assurances underpinning the delivery of the Board's objectives.

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 colleagues 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 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 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 .The committee reviews and monitors the external auditor's independence, effectiveness and objectivity at least once a year.

KPMG are also the auditors for Royal Surrey Pharmacy Ltd and Healthcare Partners Limited (HPL) Limited both wholly owned subsidiary of the Trust. In receiving the accounts, the committee was not required to consider any significant issues. The committee considered the three main risks to the financial statements as revenue recognition, expenditure recognition, and valuation of land and buildings.

The Committee met 5 times in 2018/19 and the attendance was as follows:

Membership and Attendance: 2018/19

Committee member name	<i>Attendance by %</i>
Gaenor Bagley	100%
Martin Hedley	100%
Nick Lemoine	75%

Quality Committee

The role of the Quality Committee is to ensure that there are systems in place to monitor the quality of health and care services, ensuring the best clinical outcomes and experiences for patients.

As part of its remit, the Committee has a key responsibility to monitor the delivery of the clinical and workforce priorities whilst maintaining an oversight of the mitigation of associated risks. The Quality Committee meets bi-monthly and its duties can be summarised as fitting into the following categories:

- Clinical Effectiveness
- Patient Safety

- Patient Experience
- Productivity and Innovation
- Statutory duty of Quality
- Staffing
- Equality and diversity

During the 2018/19 financial year the committee was chaired by Professor Nicholas Lemoine till his departure from the Trust in January 2019, and he was replaced by Dr David Hicks, who began his role in March 2019.

Committee member attendance for the period was as follows:

Committee Members	Position	Attendance by %
Nick Lemoine	Non-Exec Director & Committee Chairman	83%
Howard Webber	Non-Exec Director	83%
Marianne Illsley	Medical Director	83%
Tim Powell	Interim Director of HR	50%
Louise Hall	Director of HR (commenced role in January 2019)	0%
Jo Mountjoy	Chief Nurse	67%
Gary Mountjoy	Associate Director of Estates	67%
Molly Clark	Director of Integrated Assurance	75%
Kate Witt	Associate Director of Quality & Risk	80%
Louise Stead	Chief Executive (from September 2018) (Chief Nurse April- September 2018)	80%
Paula Head	Chief Executive (until August 2018)	0%

Finance Committee

The Finance Committee membership consists of the Chairman Martin Hedley, Lakh Jemmett, a NED member, the Chief Executive, director of finance, and either the Medical Director or Chief Nurse.

Other executive officers of the Trust may attend depending on the nature of the agenda attend according to each agenda.

The committee met its delegated accountabilities and has been able to deliver assurance to the wider Board on financial and commercial matters.

The Finance Committee has continued to make improvements in its effectiveness since it's restructuring in early 2017. It has performed well in its administrative duties. Specific, delegated duties have all been performed as required by the full Board.

Committee member attendance for the period was as follows:

Committee Member	Position	Attendance by %
Martin Hedley	Non-Exec Director & Committee Chairman	100%
Lakh Jemmett	Non-Exec Director	88%
Marianne Illsey	Medical Director	0%
Ross Dunworth	Finance Director	88%
Jo Mountjoy	Chief Nurse	67%
Louise Stead	Chief Executive (from Sept 2018), Chief Nurse (up to Aug 2018)	83%
Paula Head	Chief Executive (until August 2018)	100%

Remuneration Committee

The remuneration committee reviews Executive Director pay and the previous year's performance once benchmarking and other information becomes available from other organisations. The committee reviews the assessments of performance of Executive Directors made by the Chief Executive, and of the Chief Executive by the Chairman. It also oversees the pay of senior staff on very senior manager or senior manager pay, taking the advice of the Chief Executive and other Executive Directors as appropriate. In addition to the Chief Executive, the Director of Human Resource attends each meeting in an advisory capacity

During 2018/19 the committee operated in accordance with principles outlined in the Monitor Code of Governance within all its five meetings.

For example, the committee required that there be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No Executive Director was involved in deciding his or her own remuneration, as stipulated in section D of the code.

In year, the Committee has set the remuneration for each of the new appointments in the light of what it understood to be NHS guidance and benchmarking data for executive appointments in our peer group of type of Trusts, size of Trusts and geographical location, as well as for the type of role.

In May 2018, and again in December 2018 the Committee considered proposals for the annual pay review for the Executive Directors and very senior managers. It also agreed a small element of team performance related pay for Executive Directors.

Committee membership attendance was as follows:

Committee Member Name	Attendance by %
Susan Sjuve (Ch)	100
Andrew Prince (NED)	80
Gaenor Bagley (NED)	60
Lakh Jemmett (NED)	100
Martin Hedley (NED)	80

Council of Governors

The statutory roles and responsibilities of the Council of Governors include:

- Appoint and, if appropriate, remove the Chairman.
- Appoint and, if appropriate, remove the other Non-Executive Directors.
- (The Council of Governors appointed one new Non-Executive Director in March 2019).
- Decide the remuneration and allowances and other terms and conditions of office of the Chairman and the other Non-Executive Directors.
- Approve the appointment of a Chief Executive
(The Council of Governors approved the appointment of a Chief Executive in July 2018.)
- Appoint and, if appropriate, remove the NHS Foundation Trust's auditor.
(This duty was not exercised in 2018/19.)

-
- Receive the NHS Foundation Trust's annual accounts, any report of the auditor on them, and the annual report.

(The Council received the annual report and accounts for the 2017/18 period and the associated external auditor's report at its meeting in June 2018 and at the Annual Members' Meeting in September 2018.)

- Hold the Non-Executive Directors, individually and collectively, to account for the performance of the Board of Directors.
- To represent the interests of the members of the Trust and the interests of the members of the public.
- Governors interact with members and the public informally; via external engagement exercises; the members' newsletter; annual members' event. The Membership and Engagement Committee's annual action plan seeks to advance engagement opportunities within the Trust and in the local community.
- Approve significant transactions.

No items have been identified as significant transactions during the year.

- Approve an application by the Trust to enter into a merger, acquisition, separation or dissolution.

This duty was not exercised in 2018/19.

- Decide whether the Trust's non-NHS work would significantly interfere with its principle purpose, which is to provide goods and services for the health service in England, or performing its other functions.

This duty was not exercised in 2018/19.

- Approve amendments to the Trust's constitution.

This duty was not exercised in 2018/19. Additional powers include:

- In preparing the NHS Foundation Trust's forward plan, the Board of directors must have regard to the views of the Council of Governors.

Council of Governors compliance with the Monitor Code of governance

This section of the annual report provides an overview of how the Council of Governors complied with the requirements of the Code of Governance, which are partly incorporated within the annual assessment of the Council of Governors, which was reviewed at the March 2019 meeting.

In summary, the findings of the survey highlight that most of the arrangements are deemed highly satisfactory (based on a satisfaction rate of 85% and above) to enable Governors to discharge their roles.

Examples include a high level of confidence in:

- Induction programme
- Understanding of the Chairman, SID and Lead Governor roles
- Information provided to Governors
- Effectiveness of Council meetings
- Relationships between the Chairman and the CoG
- Effectiveness of the Chairman
- Constitution of Council Committees

This provides the assurance that the Council of Governors as a unit has the right infrastructure and leadership to implement their duties effectively.

However, as expected, some areas of improvement were identified in the 2018/19 survey, with the main three key areas focusing on Governor engagement, Non-Executive Director (NED) /Governor Interaction and enabling Governors to discharge their role more effectively.

To enhance Board/Governor interaction the Chairman of the CoG introduced informal engagement events and joint Board/Governor development days.

NED/CoG dialogue currently takes the form of:

- Observations by Governors at Board Audit Committee
- NED attendance at CoG committees such as the Patient Experience Committee
- Quarterly informal engagement sessions half an hour before CoG meetings
- NED/Governor interaction prior to and after Board meetings
- Monthly informal meetings between the Chair and the Governors
- NED attendance at CoG and submission of Committee Chair assurance reports

The CoG approved the recommendation that a key area of focus for the 2019/20 action plan would be to review the Trust's process for engagement with governors on forward planning.

An example of this is the 2019/20 business plan, which has been incorporated within the Governors strategy meeting, as well as the formal CoG agenda.

A further related issue of focus for the 2019/20 financial year is for the Trust to strengthen the processes in which Governors are effective in reviewing the mechanisms by which the Board obtains assurance.

Currently, Governors have an open invitation to the Public Board meetings, and they also receive minutes of the private Board meetings.

In addition, on a quarterly basis, the Non-Executive Chairman's of the Board committees provide assurance to the CoG on the scrutiny and challenge given on quality, finance and audit.

A review will be undertaken of the current arrangements which enable Governors to have visibility of the mechanisms by which the Board obtains assurance, which will also address the same issue about NED/CoG dialogue.

Actions were also identified to put in place a membership engagement plan supported by dedicated resource to bridge the gaps.

These findings indicate a need for a concentrated communications effort as well as the consideration of specific Governor interactions to boost their profile internally and externally.

The membership section of the annual report meets the Code of Governance's requirement to identify the members of the Council of Governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments.

The annual report also identifies the nominated lead governor Dr Janice Whitby and outlines the number of meetings of the Council and the attendance of individual Governors during the 2018/19 period.

Governor elections

Elections were held between July and September 2018 and 12 Governors were elected or re-elected:

Constituency	Seats	Successful candidate	Term End Date
Mole Valley	1	Joan Howell-Jones	30/10/2021

Constituency	Seats	Successful candidate	Term End Date
Chichester	1	Andrew Moncreiff	30/09/2021
East Hampshire	1	Liz Wickham	17/09/2021
Elmbridge	1	Katia Ray	17/09/2021
Guildford	2	Ray Rogers; James Blake	17/09/2021
Rest of England	2	David Chuter; Jill Hall	17/09/2021
Scientific, Technical and Allied Health Professionals	1	Monika Mundy	17/09/2021
Waverley	3	Joan Juniper; Robert Knowles; Stephen Hayward	17/09/2021

Governor development

The Trust has a comprehensive induction programme for Governors during their first six months in term of office, enabling them to effectively discharge their duties and responsibilities.

In addition, the Governors were invited to an NHS Providers joint development session between the Board and Governors in February 2019 which provided debate and training on constructive challenge and the roles of Governors

Committees of the Council of Governors

To discharge its duties effectively the Council of Governors is supported by the following committees that meet quarterly:

- Patient Experience Committee
- Membership Committee
- And by the Nominations Committee which meets at least annually

The Chairman's of these committees report back to the CoG via a written Chairman's report.

In the 2018/19 period these committees met as scheduled.

Nominations Committee

The nominations committee is responsible for the appointment, appraisal and remuneration of the Chairman and Non-Executive Directors.

The committee membership comprises seven Governors and the Trust Chairman.

During the year, and with delegated authority from the CoG, the nominations committee has overseen the process for the re-appointment of two Non-Executive Directors, and one new director making a recommendation to the full CoG.

Council of Governors attendance

The attendance for CoG members for the 2018/19 period is as follows

Name	Role	Attendance by %
Jim Blake	Guildford	75
Ray Rogers	Guildford	100
Gillian Rix	Guildford	100
Joan Howell-Jones	Mole Valley	100
John Moyer	Mole Valley	100*
Joan Juniper	Waverley	100
Martin Read	Appointed	75
Valerie Kubale	East Hants	75
Jerry Ogilvie	East Hants	100*
Jan Whitby	Woking	100
David Whitby	Woking	100
Andrew Moncrieff	Chichester	100
Tom Jordan	Staff	50*
Maryam Khan	Staff	75
Vas Manoharan	Staff	50
Sue Herson	Staff	75

Name	Role	Attendance by %
Claude Fielding	Staff	100
Prof Vince Emery	Appointed	67
Peter Isherwood	Appointed	50
Paul Spooner	Appointed	75
Matt Furniss	Appointed	50
Liz Wickham	East Hants	50
Katia Ray	Elmbridge	100
Stephen Hayward	Waverley	50
Robert Knowles	Waverley	100
Jill Hall	Rest of England	0
Monika Mundy	Staff	100
David Chuter	Rest of England	100
Prof Helen Griffiths	Appointed	100

*Governors whose left the Trust in the financial year

Modern Slavery Act disclosure statement

The Modern Slavery Act 2015 established a duty for commercial organisations to prepare an annual slavery and human trafficking statement of the steps it has taken during the financial year to ensure that slavery and human trafficking is not taking place in any of its supply chains or in any part of its own business.

The Department of Health and Home Office have established that NHS bodies are not considered to be carrying on a business where they are engaged in publicly funded activities and that it was not intended that such activities should be within the scope of the Act. Income earned by NHS providers like the Trust from government sources, including clinical commissioning groups and local authorities, is considered to be publicly funded for this purpose so the Trust does not meet the threshold for having to provide a statement. Nevertheless, the Trust undertakes its procurement from suppliers in line with NHS standards and includes standard NHS terms. In relation to its own activities the Trust has

employment, identity and employee welfare arrangements in place to combat any exploitation of people.

In accordance with the Modern Slavery Act 2015, the Trust ensures that Modern Slavery i.e. slavery and human trafficking, is not taking place in any part of its own business or any of its supply chains. This is achieved through ensuring that services are procured through approved providers only or tendered through robust procurement processes.

Register of interests

The Trust is required to hold and maintain a register setting out details of any company directorships and/or significant interests held by Board members, which may conflict with their responsibilities as Trust directors.

The Trust Board reviews the register of interests on a bi-annual basis.

In addition, all Board members are required to make known any interests in relation to the agenda and any changes to their declared interests.

The register is held by the company secretary and is available on the Trust website on:

<https://www.royalsurrey.nhs.uk/>

A revised policy on Standards of Business Conduct, conflicts of interests, gifts and hospitality was ratified by the Board in April 2018. This policy reflects the guidance from NHS England on managing conflicts of interests, as published in June 2017.

The Trust uses a software package MES Declare for managing the process of recording declarations of interests, gifts and hospitality and provides awareness training at induction.

During the 2018/19 period the Trust complied with the requirements of the NHS England conflicts of interest management requirements.

2018/19 Declaration of Interest report for Board Members

Full Name	Role	Interest Type	External Entity	Interest Description
Marianne Illsley	Medical Director	Shareholdings and other ownership interests	Aviva PLC	Ordinary 72 shares
Marianne Illsley	Medical Director	Shareholdings and other ownership interests	Mount Alvernia PET CT Limited	Consultant shareholder 200 shares (shares obtained in 2017)
Marianne Illsley	Non-Executive Director of HPL limited, subsidiary of Royal Surrey County Hospital Trust	Outside employment		Non-Executive Board Member
Ross Dunworth	Finance Director	Shareholdings and other ownership interests	Whiteparish Financial Services Ltd	1 ordinary £1
Lakh Jemmett	Non-Executive Board Member	Outside Employment	Portsmouth Water Ltd	Non-Executive Board Member
Lakh Jemmett	Non-Executive Board Member	Outside Employment	HM Courts and Tribunals	Non-Executive Board Member
Joanne Mountjoy	Chief Nurse	Loyalty Interests	Nigel Mountjoy	Nigel Mountjoy, Head of Capital Builds is my brother-in-law. I do not have any formal management or financial transactions associated with my brother-in-law. Within my role as Chief Nurse I have deputies that would work in partnership with Nigel in regards nursing and midwifery input into capital building planning, during works and on snagging inspections.
Joanne Mountjoy	Chief Nurse	Loyalty Interests	Gary Mountjoy	Gary Mountjoy Associate Director of Estates and Facilities is my husband (married 02.02.19). I do not have any formal management or financial transaction association with my husband. Within my role as Chief Nurse I have deputies that work in partnership with him in regard to patient experience, Trust environment, Estates and Facilities, Health and Safety.

Full Name	Role	Interest Type	External Entity	Interest Description
Louise Stead	Chief Executive	Nil declaration		
Gaenor Bagley	Non-Executive Board Member	Outside Employment	Zopa Bank Ltd	Non-Executive Director
Gaenor Bagley	Non-Executive Board Member	Outside Employment	Foreign and Commonwealth Office	Non-Executive Board Member
Gaenor Bagley	Non-Executive Board Member	Outside Employment	TKAT Multi Academy Trust	Non-Executive Board Member
Susan Sjuve	Chairman	Hospitality	Saxton Bamfylde	I was invited to and declined a summer party for candidates SB had placed successfully with Trusts.
Susan Sjuve	Chairman	Outside Employment	The Makaton Charity	I Chairman the Trustee Board of the Makaton Charity. this is not a remunerated Role. my term of office began in October 2016 and ends in October 2019
Susan Sjuve	Chairman	Outside Employment	Inaccord	Marketing and communications consultancy. This was an appointment I held prior to joining the Trust and has been declared previously
Howard Webber	Non-Executive Board Member	Outside Employment	Lambeth and Southwark Housing Association (LSHA)	LSHA is a registered non-profit provider of social housing. I am its Chairman and receive an honorarium of £5,000 a year.
Howard Webber	Non-Executive Board Member	Outside Employment	Kingston Liberal Synagogue (KLS)	Hon Secretary - KLS is a charity and this is an unpaid position on the charity's Board
Andrew Prince	Non-Executive Board Member	Outside Employment	Serco Group Plc	Development Director, Serco Global Healthcare Centre of Excellence. In this capacity I support Serco bids to provide non-clinical services to healthcare providers in the UK and overseas.
Louise Hall	Director of Human Resources	Nil declaration		
Robert Peet	Chief Operating Officer	Nil declaration		
Martin Hedley	Non-Executive Board Member	Outside Employment	Vision Achievement Limited	Executive search, mentoring and coaching

Board Members for the year ended 31st March 2019

Executive Directors



Paula Head
Chief Executive

(September 2016 to August 2018)

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 Royal Surrey as Chief Executive in September 2016 till her departure in August 2018.



Louise Stead
Chief Executive

September 2018 to present

Louise qualified as a registered nurse in 1988. Prior to joining the Trust, she had a varied career in a number of London teaching hospitals and is an experienced nurse in cardiology, cardiovascular surgery, hepatobiliary and pancreatic medicine and surgery, haematology and coronary care. She has an MSc in Professional Practice (Leadership and Management).

Louise was appointed as Chief Executive of Royal

Surrey in September 2018. Prior to this role she was the Deputy Chief Executive and was Director of Nursing since 2011, where she was pivotal to the Trust achieving a 'good' rating from the Care Quality Commission in 2018. Louise is also a fully qualified CQC inspector and has participated in carrying out well led reviews in other NHS Trusts. As Chief Executive Louise proactively works with system partners to enable the Trust to improve the quality of care for patients. For example, Louise chairs the Surrey and Sussex Cancer Alliance which was formed in 2016 is responsible for the local cancer agenda, monitoring local performance, and tasked with leading improvement in cancer outcomes for their population. The Cancer Alliance brings together system leaders to meet the recommendations in the National Cancer Strategy and will focus on initially on improving early diagnosis, the recovery package and the development of stratified pathways.



Ross Dunworth
Director of Finance

Ross 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 last ten years he has worked in a diverse range of NHS organisations, including UCLH, Great Western and Sherwood Forest FTs, as well as Tower Hamlets CCG.

Ross has an MA in History and Archaeology from the University of Winchester, where he is currently studying for a PhD.

Amongst others, some of Ross's notable achievements in the Trust include successfully delivering the projected surplus position of the Trust over the last two years.



Dr Christopher Tibbs
Medical Director

(Till May 2018)

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

(Appointed 1st June 2018)

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. For a year before becoming sole Medical director Marianne was joint Medical Director at the Trust. Prior to that she was Deputy Medical director. She also serves on the Professional Standards Board at the Royal College of Radiologists, where she is the 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.



Jo Mountjoy
Chief Nurse

Jo was appointed as the Chief Nurse in January 2019. Jo initially worked for the Trust for 17 years, leaving in 1997, and eventually returning in 2004, where she has held a number of positions including, Accident and Emergency Senior Clinical Nurse Manager, Head of Nursing, Deputy Director of Nursing and Acting Chief Nurse from September 2018 to December 2018.

Jo has an MSc in Healthcare Management.

Having qualified as an Enrolled Nurse in June 1990, Jo converted her qualification to Registered Nurse in 1994. Her initial nursing experience was in orthopaedic nursing and she transferred to Accident & Emergency nursing in 1991, where she has worked in this specialty at a number of acute settings in London and in the region.



Bob Peet
Chief Operating Officer

Bob Peet joined Royal Surrey in June 2017 as Chief Operating Officer. He previously worked as the Transformation Director for the Surrey Heartlands Sustainability and Transformation Plan and has a wealth of experience in 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.

**Louise Hall****Director of Human Resources**

Louise was appointed as the Director of HR in January 2019, having previously worked at Frimley Health and the South London and Maudsley NHS Trusts. She has over 27 years of experience in HR and has worked in the private and public sectors, undertaking operational as well as strategic change roles. She has a special interest in culture change and staff health and wellbeing, including mental health. Louise is local to the Trust and has always been an advocate for our acute and community services.

Non-Executive Directors**Sue Sjuve****Chairman**

Sue Sjuve was appointed Chair of the Royal Surrey on 1 March 2017. She is a highly experienced chair who has worked in the public and private sector in a number of high profile and successful organisations. She started her career at Guys Hospital Paediatric research unit as a research technician, then her executive career was spent mostly in financial services where she held director level roles in The Woolwich, Barclays plc and the National Australia Group. Her skills and experience cover programme management, risk management, marketing, sales, customer relationship management and diversity and inclusion.

Since her appointment, Sue has led the Trust to a number of significant successes including the achievement of compliance with the Foundation Trust's licence requirements as well as a 'good' rating from the Care Quality Commission.

Prior to her appointment with Royal Surrey Hospital NHS Trust, she was the Chairman at Sussex Community NHS Foundation Trust and served as a Non-Executive Director at Surrey Primary Care Trust. She is also the Chairman of the national communications charity, The Makaton Charity.



Andrew Prince
Deputy Chairman

Andrew is the Deputy Chairman of the Royal Surrey, Senior independent Director and the Chairman of the Healthcare Partners Limited (HPL) Limited.

Andrew Prince is a healthcare professional specialising in non-clinical support for integrated care across acute and community settings. He currently works for Serco Global Healthcare Centre of Excellence as a Development Director, where he has responsibility 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 has extensive experience working with the NHS, having served on the Boards of other Trusts, including as a Senior Independent Director of Frimley Health and as the Deputy Chairman of North Hampshire Hospitals.



Gaenor Bagley
Non-Executive Director

Gaenor has served as Non-Executive director with the Royal Surrey since April 2017. Following a 30year career in professional services, where she held a variety of leadership and Board level positions, Gaenor holds a portfolio of Non-Executive Director roles. Her other current roles include Non-Executive Director of the TKAT Multi Academy Trust, including Chairman of the Risk Committee and Non-Executive Director for the Foreign and Commonwealth Office. She also serves a

trustee at the Chartered Management Institute and Chairs the Chartered Management Consultant Oversight Board, a Board with members from the Chartered Management Institute and the Management Consultants Association which governs the design and delivery of a new Chartered Management Consultant Award. She is a member of the Advisory Board for the University of Leeds Business School.

Most of Gaenor's professional career has been as a mergers and acquisitions (M&A) tax advisor with PwC. Having led the UK M&A tax practice from 2008 to 2011, she was appointed to the Executive Board of PwC UK in 2011, with responsibilities for developing the firm's People and Corporate Social Responsibility (CSR) strategy. Alongside this role she was the Global Head of Learning and Development, responsible for the development strategy for the PwC network firms. Prior to her retirement in December 2017, Gaenor was Head of Corporate Purpose at PwC UK, leading on PwC's CSR agenda.

Prior to joining PwC Gaenor was a Corporate Finance Advisor at S.G. Warburg. She joined from Ernest Young where she qualified as an accountant in 1989.



Martin Hedley
Non-Executive Director

Martin was appointed in March 2016 and currently manages an advisory company providing executive coaching, mentoring, business transformation and customer experience development. Having enjoyed an extensive expatriate career, primarily in the United States and the Gulf Countries, he brings extensive experience from British Airways, American Airlines, JP Morgan Chase and Citibank. Having led consulting companies since 2002 he has expertise in transformation, enterprise technology, service

excellence and quality. 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 New York based Board Advisory firm and runs the Peak Performer Forum, an online service dedicated to building leadership skills in remote parts of the world. He is also a director of two start-up companies involved in social media and Education Technology.

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 has served as a Non-Executive Director with the Royal Surrey since April 2017.

He has brought with him a wealth of experience as a CEO and Board Director, having successfully built and led International Technology Businesses for the past 30 years in FTSE companies, multiple European jurisdictions and Private Equity environments. Lakh has a background in IT intensive Businesses, Telecommunications and Digital Services and has worked in both regulated and unregulated environments.

His experience includes the leadership of organisations in the US, Asia, Europe and South

America managing culturally diverse technology and service provider teams including at Alcatel Lucent, Nokia, COLT Plc, BT Plc and US Sprint.

Lakh has a BSc (Hons) in Physics and a Diploma in Company Direction from the London Institute of Directors and is currently Non-Executive Chairman of Portsmouth Water Customer Challenge Group.



Howard Webber

Non- Executive Director

Howard Webber was appointed to the Royal Surrey Board in 2017. He 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 and of Postwatch.

Howard has had a range of Non-Executive, charity trustee and voluntary roles, and currently serves as Chairman 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.



Dr David Hicks

Non- Executive Director

David was appointed in March 2019 and chairs the Quality committee. He brings with him over 30 years' experience in clinical leadership, most recently at Great Ormond Street Hospital (GOSH), where he was the Trust lead for patient and staff safety and clinical quality, with responsibility for the legal team, medical workforce, education and development.

After qualifying as a consultant, David specialised in sexual health and genitourinary medicine before progressing into divisional management roles. He has held a range of Board level clinical leadership posts during his career, as well as acting Chief Executive at Barnsley Hospital from 2006 to 2007. In addition, he has held a number of roles with mid Yorkshire Hospitals NHS Trust, advising on the Trusts clinical re-organisation and chairing the Quality Committee, leading on safeguarding and end of life care. In addition to his role at GOSH, he was also a Clinical and Professional Advisor to the Care Quality Commission and a medical appraiser to NHS England, supporting a number of GP's across the South of England.

David is an Honorary Senior Lecturer at the University of Sheffield and an Assistant Professor at the University of St. Matthew's in Miami. David is an Honorary Senior Lecturer at the University of Sheffield and an Assistant Professor at the University of St. Matthew's in Miami.



Nick Lemoine
Non- Executive Director
(March 2018 – January 2019)

Professor Nicholas Lemoine was appointed as a Non-Executive Director in March 2018. Nick brought 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. Nick stood down from the Board in January 2019 due to his other commitments

The Council of Governors

Public Governors

Dr Jan Whitby

Woking Public/Lead Governor



Dr Jan Whitby is the Lead Governor, having retired from a career as a Virologist and medical microbiologist. Prior to her retirement she worked for The Wellcome Trust, the Chief Scientist's Group and headed up the UK's Rabies Research and Diagnostic's group at the Veterinary Laboratory Agency.

As a member of the Council of Governors, Jan has undertaken a variety of roles including chairing the Patient Experience Committee and serving as a member of the Hospital Infection Control Committee, the and the Nominations Committee.

Jim Blake

Guildford Public



Jim's experience lies in change and stakeholder management, leadership and communications. He has personal experience of being a patient at Royal Surrey and joined the Council of Governors to help make a difference, and is keen to ensure the Trust maintains a highly skilled and motivated workforce to produce the best standards of patient care.



Ray Rogers
Guildford Public

Ray is an elected Governor for Guildford and is Chairman of the Patient Experience Committee and Performance Working Group. Ray qualified as a medical physicist and he has had various roles including as a director with the Department of Health, with responsibility for information management and IT in the NHS. His Non-Executive positions have included a director position with a UK body responsible for medical devices.



Gillian Rix
Guildford Public

Gillian spent much of her professional career as a medical secretary for Royal Surrey from 1984 to 2013. She also ran a private orthopaedic practice for 5 years and her experience extends to public relations in both the public and private sector.

In addition to serving on the Council of Governors, Gillian is a member of a local GP practice's patient participation group and a Council member of the River Thames Society. She currently lives in Guildford and

holds a Post Graduate Diploma from Kingston Business School



Joan Howell-Jones **Mole Valley Public**

Joan has spent most of her 40+ career working in the NHS in various roles including, ward sister and manager in secondary care, practice nursing, teaching and mentoring, and leading a change management project across the primary/secondary divide. Early in her practice nursing career Joan co-authored the Handbook of Practice Nursing and a diploma course in travel health. She spent a considerable amount of time teaching and lecturing, locally and nationally, primarily in respiratory care and travel health.

As a patient and public involvement manager for a Primary Care Trust, Joan had responsibility for engaging patients and members of the public in the decision making of the Trust, ensuring they had a voice and were represented at crucial discussions.

Since retiring from the NHS, she has been appointed Trustee for Richmond Carers organisation, and currently also spends time volunteering for a local hospice.



Stephen Hayward **Waverley Public**

Stephen grew up in the Guildford area before moving to London where he studied at Imperial College. Having gained a degree in Geology he went on to pursue a career in Photography, something he has always had a passion for specializing in food and luxury brands.

He has personal experience as both a patient and carer at Royal Surrey, which has helped inform his work with the Council of Governors.

Locally, Stephen was the Vice Chairman and has recently been appointed as Chairman of the Dunsfold Parish Council and, is a Trustee of The Dunsfold Village School Trust.



Joan Juniper **Waverley Public**

Joan is keen to act as an advocate for patients and their families and carers by influencing decisions that affect the provision of high quality local health care. Joan qualified as a nurse and currently serves on the Patient Experience Group and Membership and Engagement committee.

She has first-hand experience of being a patient at Royal Surrey as well as working there as a Senior Nurse and latterly as a Senior Tutor in Emergency Care the University of Surrey. Joan was selected by the Olympic Committee to be part of the medical team for the 2012 Olympics Games. She has also practiced as a magistrate in Farnham and Camberley.



Robert Knowles **Waverley Public**

Robert has spent all his life in Haslemere and spend most of his adult life in public service, initially as a Police Officer for 30 years in Surrey, and more recently as a Borough Councillor, 6 of which have been as a Leader of Waverley Borough Council.

Robert has been a member of the League of Friends of Haslemere Hospital for over 15 years and has campaigned to retain services at Haslemere Hospital and for the retention of Royal Surrey County Hospital, when it was under threat earlier this century.

Robert was also honorary membership secretary of the Chichester Branch of NACC a medical charity, which covered West Sussex and South West Surrey. He also served as a member of the Surrey Patients' Forum, a body representing patients, which ceased to exist when Clinical Commissioning Groups were created.



Valerie Kubale
East Hants Public

Valerie has spent much of her life living in Grayshott in North East Hampshire. Most of her career has been spent as Medical Secretary in the NHS, initially with teaching hospitals in London, before moving to a GP's practice. She has also spent some time working in a private consultancy practice.

She is deeply committed to public health and is a keen advocate of the NHS, particularly in terms of its sustainability and improved effectiveness. Valerie is keen that her experience, interest and care for the future of health delivery can enable her to contribute through the role of a public Governor to the future of Royal Surrey.



Liz Wickham
East Hants Public

Born in Cambridge, Liz trained as an Occupational Therapist in London before taking up a position with a psychiatric hospital. She made the transition to working for Capital Radio, joining the multi-disciplinary team writing consumer items for radio, using her specialty in health and medicine. She embarked on a career in broadcasting with BBC Radio 4 as a Schools producer and Continuity Announcer, before moving to County Sound Radio in Guildford and then taking up a position as a television presenter and reporter at Television South

and subsequently progressed to an Anchor role in Kent. Liz also worked for London Tonight as a news anchor, health correspondent and documentary maker on health and medical issues, before taking redundancy in 2013.



David Whitby

Working Public

David Whitby is Chief Executive of Pathmaster Marketing Ltd, a business development consultancy for the international downstream oil, gas and energy industries, which he founded in 1992. Pathmaster Marketing has a global client base and support clients with respect to business planning, business strategy, market development and technology commercialization within the lubricants, fuels, new energies and speciality chemicals sector.

An Australian by birth, David began his career with British Petroleum, as a process chemist in a refinery in Western Australia. He worked for BP for 22 years in several management positions, including Marketing and Business Development Manager at Kalsep (an advanced separation company), Business Manager at BP Ventures, Project Leader for Industrial Lubricants at BP Research and Marketing Services Officer at Duckhams Oils.

David was Programme Director for Lubricants Courses at the Oxford Princeton Programme and he ran the Advanced Lubrication Training Programme for the UK Lubricants Association. He has written numerous papers and articles on lubricants and has chaired and lectured to international conferences and directed over 100 training lubricants courses in more than 30 countries.

In addition to running Pathmaster Marketing, David was Non-Executive Chairman of Microbial Solutions Limited, a start-up from the University of Oxford, from 2007 to 2015, and a Non-Executive Director of The Sonic Development Company Limited, from 1998 to 2003.

David has lived in Woking for over 35 years and is married with two daughters and four grandchildren.



Andrew Moncreiff
Chichester Public

Andrew qualified as an engineer and subsequently completed an MBA to acquire some management skills. His career spanned several sectors including finance, forestry, engineering and consultancy which included a number of assignments in the NHS. His interest and involvement in politics led him to look into healthcare and he has been a member of a number of policy groups and working parties studying the delivery of healthcare both in the UK and internationally.

Andrew is now retired and he is a member of the Patient Experience Committee, the Nominations Committee and the Performance Working Group.



Katia Ray
Elmbridge Public

Katia comes from a technical and scientific research background and possesses 25 years commercial experience in the industrial sector. She has worked in the UK, Eastern Europe, North America, Asia and Africa, both in operating companies and undertaking consulting projects.

After spending much of her career working for FTSE100 companies in senior leadership roles, Katia now runs her own management consulting firm advising various organisations on business strategy, sales & marketing, mergers and acquisitions and change management. Alongside running her own business, she has spent the last few years volunteering as a Trustee for a community-based charity and as a Business Advisor for Young Enterprise – UK's leading Enterprise and financial education charity.

She currently lives in Elmsbridge with her family, and is keen to make a difference to the work of the Trust and being a Governor has enabled her to do this, utilising her professional experience, skills and abilities to support the Trust in maintaining their focus on values, strategic direction and improving efficiency.



Jill Hall

Rest of England Public

Having worked with the NHS in acute, mental health and in Clinical Commissioning Groups, Jill has long connection with the NHS. She worked as an interim company secretary at Royal Surrey in 2017 and worked closely with the Board of Directors and Governors, whilst also treated as a patient. Jill has a strong background in governance and has a wealth of experience working with Council of Governors. She is keen to use her skills to act as a strong voice for service users and members.



David Chuter

Rest of England Public

David was treated at the Royal Surrey in 2006 for Oesophageal Cancer, which led to his involvement as a Patient Governor in 2009 until 2016.

In 2007, He helped establish the Guildford OPA cancer support group which continues to meet bi-monthly.

David was a lay member of the NCRI UGI Clinical Study Group until 2017 and served a term as a member of the CRUK CERP (Clinical Expert Research Panel) reviewing research studies as the first step to CRUK funding. He currently chairs OPA (Oesophageal Patients Association) which is a national charity supporting OG cancer patients from diagnosis, through treatment and beyond living with cancer.



Jerry Ogilvie
East Hants Public

(Till September 2018)

Jerry has spent much of his career in the leisure and hospitality industry as well as spending the last decade as a Quality Assurance and hotel inspector for the Tourist Board.

Following his retirement some years ago, Jerry was keen to be more involved with the local community and volunteered for 'Care in Haslemere' as a driver and duty officer, before taking up a position with the management committee as a Treasurer, where he coordinates transport arrangements for local residents to help them attend medical appointments. He is also an active member of the Conservative Party and volunteers for the Petersfield library.

Jerry was on both the Patient Experience committee and the Nominations committee and was also the Chairman of the Membership and Engagement committee.



John Moyer
Mole Valley

(Term of office ended in December 2018)

John possesses extensive experience in the public sector in programme, HR and policy advisor roles. He has also served as a voluntary NHS Foundation Trust Governor.

He resigned when his employment was relocated to the north of England.

Staff Governors



Monika Mundy

Staff Allied Health Professional and Technical

Monika was elected as a staff governor in September 2018. She works as an Occupational Therapist in the Rapid Response Service in Milford, one of the services that recently joined the Royal Surrey

Monika has worked in a range of healthcare settings over the last 15 years and is keen to ensure she is a strong voice for staff at Royal Surrey, and that staff well-being is embedded into policy.



Maryam Khan

Medical & Dental

Maryam was elected as the Medical and Dental staff governor. She is currently a specialty doctor in Histology.



Vas Manohoran

Ancillary, Admin & Other staff

Vas started his early career in advertising and recruitment, having completed an MBA and Masters in Marketing, Keen to make a difference, he opted to work with the NHS as a Clinical Audit Analyst.



Sue Herson

Nursing and Midwifery

Sue qualified as a nurse at St. Bartholomew's Hospital in London. Since qualifying she has experience of working in Cardio-thoracic Intensive Care, Gastro Intestinal surgery and at a High Dependency Unit in the private sector, however most of her nursing career has been within Critical Care at the Royal Surrey

She currently works at the Royal Surrey as the Matron of Critical Care, where her aim is to lead the Critical Care team with passion, commitment and integrity. High quality patient care is central to everything the Trust does, and she is keen to ensure the highest standards. The Critical Care team were the proud winners of the Royal Surrey Stars – Patients Choice Award 2017 (voted for by patients) in 2017.



Claude Fielding

Other

Claude began his career in as a Probate Manager in a Cornish firm of solicitors at the age of 15 and subsequently moved to London to take up work as a Legal Executive. He qualified as a solicitor and quickly became a partner in charge of developing and expanding a new specialty and expertise in representing and advising companies and those largely working in Television and Film.

Apart from his film and TV work, Claude also advised and became part of the governing body under the chairmanship of Lord Charles Forte, of a Victorian Charity which ran the Italian Hospital to help the Italian population in London which was eventually sold to the Great Ormond Street Hospital for sick children. For his services he was awarded the Italian honour of “Commendatore of the Italian Republic”.

After negotiating mergers of his firm, he joined the law firm Mishcon de Reya and then worked as a consultant for a city law firm. He finally retired after a law career spanning some 60 years.

Appointed Governors



Helen Griffiths

University of Surrey

Helen was appointed as Professor of Biomedical Sciences and Executive Dean of the Faculty of Health and Medical Sciences at the University of Surrey from December 2016 and is a member of the University Executive Board.

Helen graduated with first class BSc (Hons) degree in Biochemistry from Bath University in 1985. She gained her PhD on “Reactive oxygen species damage in rheumatoid arthritis” from the Faculty of Medicine at Birmingham University (1989). She has previously been an academic faculty member at Birmingham University, Leicester University and Aston University where she was awarded a personal Chair in Biomedical

Sciences in 2005. She founded the Aston Centre for Healthy Ageing in 2009 and was elected as a Fellow of the Royal Society of Biology in 2011.

Helen served as Associate Dean for Research in the School of Life and Health Sciences between 2005 and 2009, was then appointed as Executive Dean of the School of Life and Health Sciences at Aston University from November 2009 to November 2014. She was appointed as Pro-Vice Chancellor International Relations in April 2015.

Martin Read

Cancer Charities



Martin spent his early career working for the Royal Marines for ten years, and then worked in Godalming, becoming Managing Director of a local company before setting up his own specialist engineering company with a local partner. The company developed extensive international sales employing in excess of 30 staff and were awarded the Exporter of the Year Award. After selling the company to a US corporation in 2000, he continued his work as a consultant in London.

Martin was first elected Governor in 2015, representing Waverley. In November 2018 he was appointed as a Governor representing Cancer Charities. As part of his role he sits on the Nominations Committee, Membership and Engagement Committee and the Charitable Funds Committee which oversees the distribution of Royal Surrey Charitable Funding.

Peter Isherwood

Waverley Borough Council



Peter was appointed as Governor to the Royal Surrey by the Local Authority, Waverley Borough Council, of which he has been a member for 17 years.

Peter spent his working life in Aviation for 47 years, both in the Royal Air Force and subsequently in the commercial world where he spent a number of years as the Chief Pilot for a large multinational company.



Paul Spooner

Guildford Borough Council

Councillor Paul Spooner represents Ash South, Ash Green and Tongham at Guildford Borough Council and was elected as Leader of the Council in 2015. As Leader of the Council, Paul is responsible for strategic vision, economic and budget strategy, planning policy, including the Local Plan, and overseeing the Council's performance.

Paul sits on the Board of Enterprise M3, a Local Enterprise Partnership (LEP), bringing together the private, public and not-for-profit sectors in a joint endeavour to drive prosperity in the towns and other areas adjacent to the M3. Paul is also Chairman for Surrey Leaders Board, comprising of all Leaders of Districts and Boroughs and Surrey County Council.

Additionally, Paul is the Commercial Director at EMS Biomedical, a healthcare med-tech company based in Austria.



Matthew Furniss

Surrey County Council

Matt grew up in Guildford where he has lived for many years. He was educated locally before graduating from the University of Surrey after studying Politics and International Relations. Matt now works for a British organic food company based locally in his private sector career

Matt was elected as one of two local Conservative councillors for the Christchurch ward to Guildford Borough Council in May 2007 and to Surrey County Council for Salford Division in 2017. Since 2007 Matt has led on numerous planning applications including the former DEFRA site now Boxgrove Gardens, and aiding the residents of Abbotswood with their Conservation Status.

Matt serves on the Royal Surrey Council of Governors as a Surrey County Council appointment.



Vince Emery
University of Surrey

Vince Emery is Senior Vice-President (Global) and Professor of Translational Virology at the University of Surrey. Professor Emery leads the University of Surrey's global strategy seeking to catalyse and expand international research networks, student and staff recruitment and mobility, to foster teaching collaborations, and to realise transnational educational opportunities.

Before joining the University of Surrey in 2012, Professor Emery was Pro-Provost for Africa and the Middle East, Vice-Head of the Graduate School and Professor of Virology at UCL where he still holds an Honorary Professorship.

Vince started his scientific career as a biochemist but has been a virologist for the last 32 years. His current research aims to provide an interdisciplinary approach to understanding viral infections in immunocompromised hosts such as HIV-infected patients and transplant recipients.

Foundation Trust Membership

As a Foundation Trusts mutually “owned” by members, the Royal Surrey has a greater freedom to develop services that meet the specific needs of local communities. Members’ views are represented at the Council of Governors by the 26 Governors listed previously. The Governors’ constituencies cover, staff, partner organisations and public members. Since becoming a Foundation Trust in 2009, the staff and public membership has grown to 14, 098 members.

The Trust involves members, patients, carers and the public in developing its forward plans., which helps to improve experience for patients, carers, visitors and staff.

The Trust’s Council of Governors supports the Trust by communicating with the communities and Members that they represent.

Public, membership of the Trust is open to any individual aged 14 or over who lives in England or Wales

Keeping members informed

The Trust membership gives us the opportunity to develop as a locally accountable organisation, delivering healthcare services that reflect the needs of the local communities. We have an active programme of membership engagement including:

- a members’ newsletter
- regular ‘engagement events covering a range of health and care topics, involving clinicians, patients and Governors
- an annual members meeting (last held in September 2018) with presentations from the Chairman and Chief Executive highlighting performance and achievements for the last year and emerging plans for the ensuing year, patient stories and opportunities for questions and answers.

Members can contact the Governors and directors through the governor’s email account on rsc-tr.Governor@nhs.net.

Diversity and representation of membership

Because we want our membership to reflect our local communities, we do ask people who apply to join as members to volunteer demographic information. and this information is

analysed independently by MES Engage on the Trust's behalf and in accordance with the code of governance (E.1.6). If we find that some groups, such as young people are underrepresented, we can work harder to attract them to join us.

Analysis shows the Trust's membership is fairly representative of our communities, with the exception of the Asian and black communities where we have fewer members that we would expect. Young people are also under represented, possibly because they inevitably become adults, and we are keen to attract more young members.

Membership

The table below shows the Trust's actual membership as at 1st April 2019 and the targeted membership for 2019/20, in line with the membership strategy initiative to increase membership in under- represented groups

Membership size and movements		
	This year (2018/19)	Next year (estimated) (2019/20)
Public constituency		
At year start (April 1)	8,859	10,188
New members	54	62
Members leaving	354	247
At year end (March 31)	8,559	10497
Staff constituency		
At year start (April 1)	5,775	4000
New members	397	300
Members leaving	1,999	1000
At year end (March 31)	4,173	5300
Analysis of current membership		
Public constituency	Number of members	Eligible membership
Age (years)		
0-16	1	172,981
17-21	7	45,614

22+	7,139	619,187
Ethnicity		
White	4,485	745,598
Mixed	48	13,524
Asian or Asian British	167	33,089
Black or Black British	39	6,021
Other	28	5,373
Socio-economic groupings		
AB	3,217	86,371
C1	2,513	72,671
C2	1,465	39,995
DE	1,340	33,124
Gender analysis		
Male	3,477	409,292
Female	5,050	427,037

Public Membership by geographical constituencies

The number of members has steadily grown each year since 2009. As of April 2019, Royal Surrey has 8,412 public members and the table below shows a breakdown of this total by constituency and shows the number of Governors for each constituency.

The following table provides an analysis of the public constituencies

Constituency	Number of members	Number of Governors
Chichester	241	1
East Hampshire	478	2
Elmbridge	198	1
Guildford	3,237	3
Mole Valley	205	2
Waverley	2,604	3

Woking	431	2
Rest of England	1,018	2

Circumstances which prevent an individual becoming a member or retaining membership of the Trust are set out within the Trust's Constitution.

According to the constitution, any public member wishing to stand for election as a Governor must be aged 18 or over. Staff who meet the eligibility criteria set out in the constitution are automatically enrolled as members of the relevant staff constituency on appointment. All staff members have the right to opt out of membership at any time and information about this can be found in the staff handbook, and the Trust intranet site.

NHS Foundation Trust Code of Governance

In determining its governance arrangements, the Trust has regard for the revised UK corporate governance code 2014 issued by the Financial Reporting Council, the updated NHS Foundation Trust Code of Governance 2014 issued by NHS Improvement (formerly Monitor) and other relevant guidance, where provisions apply to the responsibilities of the Trust. The following paragraphs, together with the annual governance statement and corporate governance statement, explain how the Trust has applied the main and supporting principles of the code.

The Royal Surrey is committed to maintaining the highest standards of corporate governance. It endeavours to conduct its business in accordance with NHS values and accepted standards of behaviour in public life, which include the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership (the Nolan principles).

For the year to 31 March 2019, the Trust has applied the principles of the code of governance on a comply or explain basis. The Trust complied with all the provisions of the Code.

The following table outlines the Trust's compliance with the Code of Governance

<u>Ref</u>	<u>Criteria</u>	<u>Compliance status</u>	<u>Evidence/Assurances</u>
LEADERSHIP			
The role of the Board of Directors			
A1.1	The schedule of matters reserved for the Board of Directors should include a clear statement detailing the roles and responsibilities of the Council of Governors. This statement should also describe how any disagreements between the Council of Governors and the Board of Directors will be resolved.	Compliant	Constitution details roles and responsibilities of the Council of Governors and process for addressing disagreements between Board and Council Scheme of delegation reviewed and approved during the 2018/19 financial year.
Additional	The annual report should include this schedule of matters or a summary statement of how the Board of Directors and the Council of Governors operate, including a summary of the types of decisions to be taken by each of the Boards and which are delegated to the executive management of the Board of Directors.	Compliant	Information included in the Directors report in this annual Report Page.
A.1.2	The annual report should identify the Chairperson, the deputy Chairperson (where there is one), the Chief Executive, senior independent director (see A.4.1) and the Chairperson and members of the nominations, audit and remuneration committees. It should also set out the number of meetings of the board and those committees and individual attendance by directors. Part of this requirement is also contained with-in paragraph 2.22 as part of the directors' report.	Compliant	The 2018/19 Annual report details all Board and relevant committee memberships and attendance in the Directors report and the remuneration report.
Governors			
A.5.3	The annual report should identify the members of the Council of Governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated lead gov-	Compliant	Information include in the annual report section on the Council of Governors. Record of attendance maintained.

<u>Ref</u>	<u>Criteria</u>	<u>Compliance status</u>	<u>Evidence/Assurances</u>
	ernor.		
	The annual report should include a statement about the number of meetings of the Council of Governors and individuals attendance	Compliant	Incorporated within Governors' section of directors' report
<u>EFFECTIVENESS</u>			
The composition of the board			
B.1.1	The Board of Directors should identify in the annual report each Non-Executive Director it considers to be independent with reasons where necessary	Compliant	This disclosure is outlined in the Directors' report Requirements are set out within the constitution Non-Executive directors are also required to meet fit and proper persons and NHSE conflicts of interests requirements
Appointments to the board			
B.2.2	Directors on the Board of Directors and Governors on the Council of Governors should meet the "Fit and proper" persons test described in the provider licence.	Compliant	Fit and proper" persons declarations made by each Director annually. Declaration by Governors when seeking election and ongoing re-reporting requirement DBS and Insolvency checks are regularly conducted on Board members
B.2.10	The disclosure in the annual report on the work of the nominations committee should include an explanation if neither an external search consultancy nor open advertising has been used in the appointment of a Chairman or Non-Executive Director.	Compliant	During 2018/19 there was one NED recruitment campaign which utilised an external search recruitment advertising process.
	A separate section of the annual report should describe the work of the nominations committee, including the process it has used in relation to board appointments.	Compliant	

<u>Ref</u>	<u>Criteria</u>	<u>Compliance status</u>	<u>Evidence/Assurances</u>
Commitment			
B.3.1	A chairperson's other significant commitments should be disclosed to the Council of Governors before appointment and included in the annual report. Changes to such commitments should be reported to the Council of Governors as they arise and included in the next annual report.	Compliant	Register of interests for all board members is incorporated within the annual report.
Additional	A separate section of the annual report should describe the work of the nominations committee(s), including the process it has used in relation to board appointments.	Compliant	Compliance with NHS Foundation Trust Annual Reporting Manual Nominations Committee terms of reference in place. Information on work of nominations committee is included in the Remuneration report.
Information and support			
<u>B.5.6</u>	Governors should canvas the opinion of the Trust's members and the public, and for appointed Governors the body they represent; on the NHS Foundation Trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the Board of directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied.	Compliant	Forward plans shared with and consulted on with CoG Governors engaged with consultation processes Governors engagement with constituents at health events and consultation on forward plans at annual members' meetings
Evaluation			
B.6.1	The Board of Directors should state in the annual report how performance evaluation of the Board, its committees, and its directors, including the Chairperson, is conducted.	Compliant	Ongoing review of committee structure and effectiveness thereof; Committee and Board self-assessments Internal and external auditor perspectives Ongoing Board Development Programme; o Chairman and Director appraisal processes Information included in the Directors report of this annual report.

<u>Ref</u>	<u>Criteria</u>	<u>Compliance status</u>	<u>Evidence/Assurances</u>
B.6.2	Where there has been external evaluation of the Board and/or governance of the Trust, the external facilitator should be identified in the annual report and a statement made as to whether they have any other connection to the Trust.	Compliant	Not applicable.
ACCOUNTABILITY			
Financial, quality and operational reporting			
C.1.1	The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS Foundation Trust's performance, business model and strategy. There should be a statement by the external auditor about their reporting responsibilities. Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report).	Compliant	Incorporated within: <ul style="list-style-type: none"> • Accountability report of this annual report • Statement of Accountable Officer responsibilities • Report of external auditors Annual Governance Statement • Letter of representation
Risk management and internal control			
C.2.1	The annual report should contain a statement that the Board has conducted a review of the effectiveness of its system of internal controls.	Compliant	<ul style="list-style-type: none"> • Annual Governance Statement. • Head of Internal Audit • Opinion • Internal Audit reviews of Committee structures and reporting • Board development sessions on risk management

<u>Ref</u>	<u>Criteria</u>	<u>Compliance status</u>	<u>Evidence/Assurances</u>
C.2.2	A Trust should disclose in the annual report: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Compliant	Incorporated within Directors' report.
Audit committee and auditors			
C.3.5	If the Council of Governors does not accept the audit committee's recommendation on the appointment, reappointment or removal of an external auditor, the Board of Directors should include in the annual report a statement from the audit committee explaining the recommendation and should set out reasons why the Council of Governors has taken a different position	Compliant	Not applicable
C.3.9	A separate section of the annual report should describe the work of the committee in discharging its responsibilities. The report should include: a. the significant issues that the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed; b. an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of external audit services and information on the length of tenure of the current audit firm and when a tender was last conducted; and c. if the external auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded.	Compliant	Incorporated within annual Governance statement disclosure.
THE LEVEL AND COMPONENTS OF REMUNERATION			
D.1.3	Where an NHS Foundation Trust releases an Executive Director, for example to serve as a Non-Executive Director elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the Director will retain such earnings.	Compliant	Compliant. The register of interests incorporates the relevant disclosure for the medical director

<u>Ref</u>	<u>Criteria</u>	<u>Compliance status</u>	<u>Evidence/Assurances</u>
RELATIONS WITH STAKEHOLDERS			
E.1.4	Contact procedures for members who wish to communicate with Governors and/or Directors should be made clearly available to members on the NHS Foundation Trust's website and in the annual report.	Compliant	Regular membership e-bulletin issued to members Membership Strategy. Further details contained in the Council of Governors section of this annual report.
E.1.5	The Board of Directors should state in the annual report the steps they have taken to ensure that the members of the board, and in particular the Non-Executive Directors, develop an understanding of the views of Governors and members about the NHS Foundation Trust, for example through attendance at meetings of the Council of Governors, direct face-to face contact, surveys of members' opinions and consultations	Compliant	Annual report content in section on Council of Governors on Member feedback and Involvement, Leader standards/ Ward visits programme NED attendance at CoG Annual members meeting attendance
E.1.6	The Board of Directors should monitor how representative the NHS Foundation Trust's membership is and the level and effectiveness of member engagement and report on this in the annual report.	Compliant	Incorporated within the membership section of the annual report
Additional	The annual report should include: A brief description of the eligibility requirements for joining different membership constituencies, including the boundaries for public membership; Information on the number of members and the number of members in each constituency; and A summary of the membership strategy, an assessment of the membership and a description of any steps taken during the year to ensure a representative membership, including progress towards any recruitment targets for members.	Compliant	Incorporated within the membership section of the annual report
Additional	The annual report should disclose details of company directorships or other material interests in companies held by Governors and/or Directors where those companies or related parties are likely to do business, or are possibly seeking to do business, with the NHS Foundation Trust. As each NHS Foundation Trust must have registers of Governors' and Directors' interests which are available to the public, an alternative disclosure is for the annual report to simply state how members of the public can gain access to the registers instead of listing all the interests in the annual report.	Compliant	Incorporated within directors report.

The Board has a wide range of assurance mechanisms providing confirmation that the requirements of the code of governance have been met in relation to Governors including the annual review of the code of governance, the CoG self-assessment.

The Trust has robust arrangements in place to ensure Governors are adequately inducted through the provision of a Governor induction training session, conducted by the Chairman, and an information Pack, including a Governors Handbook and referencing general and Trust information, which includes the Trust Constitution, the Code of Governance and statutory duties.

In addition, the CoG has set engagement sessions on pertinent issues, such as twice yearly strategy meetings, which have recently reviewed the new Cancer Strategy and the refresh of the Clinical Strategy and the Forward plan.

The Governors also attend key Trust events, such as staff excellence awards, Annual Members Meeting, membership engagement events which provide them the opportunities to learn more about the Trust, and also to have dialogue with members.

The Board of Directors has in place governance policies and procedures that reflect the principles of the NHS Foundation Trust Code of Governance which include:

- 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
- The Trust Constitution is in place and standards of conduct for the Governors and staff of the Trust in accordance with NHS values and the Nolan Principles of behaviour in public life
- Induction programme for Executive and Non-Executive Directors
- Non-Executive Director regular private meetings with the Chairman
- Recruitment process for Non-Executive Directors led by the Nominations Committee for the Council of Governors
- Formal induction programme for Governors
- Senior Independent Director in place
- Annual Board of Director and Council of Governor evaluations and development plans

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- Register of Interests for Directors, Governors, Senior Managers and Decision Makers published
 - Maintained attendance records for Director and Governor meetings and committees
 - Formal performance appraisal process for Non-Executive Directors developed and approved by the Council of Governors
 - Formal performance appraisal process for the Chairman led by the Senior Independent Director, developed and approved by the Council of Governors
 - Regular Governor meetings with the Chairman and Non-Executive Directors to review issues covered at Board of Directors' meetings
 - Quarterly performance report provided to the Council of Governors
 - Council of Governor Agenda Setting meetings
 - Membership and Communications strategy in place for engaging with Trust membership
 - Annual Report and Accounts presented to Governors and Members at the Annual Members' Meeting
 - Strategy workshops held with Governors
 - Code of Conduct for Governors and Board
 - Good quality and timely reports presented to the Board of Directors and Council of Governors
 - Governor led re-appointment process for the external auditor of the Trust
 - Recruitment of Executive Directors approved and led by a Remuneration Committee of Non-Executive Directors.

Signed 

Date 28/5/2019

Louise Stead

Chief Executive

Statement of the Chief Executive's Responsibilities

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

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

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

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

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

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

Signed 

Date 28/5/2019

Louise Stead

Chief Executive

Annual Governance Statement

1. SCOPE OF RESPONSIBILITY

- 1.1. In my role as Accounting Officer and Chief Executive of this Trust, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, whilst safeguarding quality standards, public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities set out in the Accounting Officer Memorandum. I am also responsible for ensuring that the NHS Foundation Trust is administered prudently, economically and with propriety, and that resources are applied effectively and efficiently.
- 1.2. In fulfilling my responsibilities to the Chief Executive of NHS Improvement in his capacity as Accounting Officer for the NHS Trust Development Authority, I am directly accountable to the Chairman of the Trust Board and the Non-Executive members of the Trust Board for the operation of the Trust and for the implementation of the Board's decisions.
- 1.3. As Accounting Officer, I have in place processes to work with partner organisations including Clinical Commissioning Groups (CCGs), NHS England, NHS Improvement, the Local Authorities, Healthwatch, the Department of Health and other Acute and Mental Health Trusts.
- 1.4. Some of the main forums for the transaction of these relationships are:
- Performance Review meetings with CCGs and meetings with local authorities, such as Local Health Overview and Scrutiny Committees
 - Delivery oversight meetings with NHS Improvement
 - Regular meetings with the Chief Officer and Clinical Chairman of the lead commissioning CCG
- 1.5. The purpose of the system of internal control
- The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Royal Surrey County Hospital NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has

been in place in Royal Surrey County Hospital NHS Foundation Trust for the year ended 31 March 2019 and up to the date of approval of the annual report and account.

1.6. Capacity to manage risk

As Chief Executive I have overall responsibility for risk management within the Trust, for meeting all statutory requirements and adhering to the guidance issued by NHS Improvement and the Department of Health in respect of governance. The Executive Committee, which I chair, has the remit to ensure the adequacy of the structures, processes and responsibilities for identifying and managing key risks facing the organisation, prior to discussion at the Board.

The Board has considered its risk appetite annually. This clearly articulates the Trust's view that it does not tolerate risks to the quality of service provision.

The Board held a risk management workshop in January 2019 to agree the risk appetite statement, which was followed up by a BAF refresh workshop in April 2019 to review the strategic risks as at the end of 2018/19, and identify new ones, taking into account the strategic objectives and True North Objectives.

Day to day management of risks is undertaken by operational management, who are charged with ensuring that risk assessments are undertaken proactively throughout their area of responsibility and remedial action is carried out where problems are identified. There is a process of escalation to Executive Directors, relevant committees and governance groups for risks where there are difficulties in implementing mitigations.

To ensure all staff are aware of their responsibilities for risk, training is provided incorporating aspects of risk management and senior staff have been trained in the identification and management of clinical risk. In particular the training provides guidance for staff on the actions they can take once they identify a risk from tolerating a risk through to deciding it is so significant that immediate action is required.

Staff are advised on how to escalate risks but are also reminded that this does not lessen their personal ownership. The development of local risk registers has served also to promote awareness and understanding of the identification of risks and their management across the Trust.

2. THE GOVERNANCE FRAMEWORK OF THE ORGANISATION

- 2.1. The Board of Directors is the key decision-making body within the Trust, with responsibility for ensuring the organisation achieves its objectives. It is recognised that an effective Board is crucial to the success of the organisation, and members collectively acknowledge the challenges faced by the Trust over the course of the financial year in relation to a high turnover in board members. The Board's executive membership has changed during the 2018/19 financial year, and whilst this posed a challenge, it was also embraced as an opportunity to refresh and re-energise efforts, whilst taking the Trust forward.
- 2.2. The Committees of the Board and the Board itself have undertaken self-assessments and evaluation of effectiveness, through an analysis of work carried out against work planned, attendance, quoracy, and annual member surveys covering strategy, performance, risk and assurance, committee and collective board performance. The process is designed to comply with best practice requirements such as the Audit Committee Handbook, the UK Corporate Governance Code, the Healthy NHS Board and the Taking It on Trust study, where appropriate.
- 2.3. The findings of the surveys have contributed to the overall Board self-assessment which took place in April 2019.
- 2.4. The Trust has incorporated the best practice requirements of the UK Corporate Governance Code in the committee terms of reference.
- 2.5. Following the Board and committees' self-assessments, the Trust has commissioned an independent governance review against the well-led framework, which will incorporate other best practice requirements. The Board carries out its roles and responsibilities with the aid of a structured and focussed Annual Board cycle of business, which takes into account the setting of strategy and the monitoring of key risks, performance, governance, culture and quality issues. Service user and carer engagement is incorporated in the Annual Board cycle.
- 2.6. Board attendance for the 2018/19 period averaged a rate of 83.74% and formal Board meetings were held 8 times during the 2018/19 financial year. The Committees of the Board are the:
- Audit Committee
 - Quality Committee
 - Finance Committee
 - Remuneration Committee

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- 2.7. The Trust Committees and relevant sub committees maintain oversight of the Trust's statutory and regulatory arrangements with authority delegated from the Board.
- 2.8. There is crossover of Non-Executive Director membership, to enhance the effectiveness of Committee business. Non-Executive Chairman's of the Quality and Finance Committees are also members of the Audit Committee.
- 2.9. The Board Committee has enabled the Board to focus on its core business whilst receiving regular assurance through written Committee Chairman assurance reports, in line with best practice.
- 2.10. the effectiveness of the Committees is enhanced by comprehensive work plans as well as the alignment of the Board's meetings and that of its Committees. This ensures timely monitoring of areas of responsibility delegated by the Board to the Committees through receipt of Chairman assurance reports and minutes, with an escalation mechanism to the Board, where appropriate.
- 2.11. The Audit Committee supports the Board in reviewing the effectiveness of the system of internal control, through a structured annual work plan, compliant with the HFMA NHS Audit Committee Handbook recommendations. The main role of the Committee is to seek assurance that the Trust's governance and risk management systems are fit for purpose, adequately resourced and effectively deployed.
- 2.12. To aid this assurance, the Committee's work plan incorporates the review of the organisation's risk management processes, and the corporate risk register. The Audit Committee takes assurance from the Internal Audit function, by setting the annual Internal Audit plan and monitoring its delivery regularly, as well as overseeing the implementation of audit recommendations. The Audit Committee maintains oversight of the work of other committees in respect of the system of internal control.
- 2.13. The Non-Executive members of the Audit Committee play a key role by scrutinising the effectiveness of management actions in mitigating risks through regular reviews of the Trust's risk register. In addition, the Committee's role includes:
- Monitoring management progress in the implementation of Internal Audit recommendations
 - Scrutinizing the effectiveness of the counter fraud arrangements, and tracking progress of delivery of the annual work plan of the Local Counter Fraud Specialist's plan
 - Formally reviewing the system of internal control regularly at meetings, by taking assurances from the Board Committees on the management of detailed risks on a rotational basis.

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- 2.14. During the 2018/19 period, the Committee received internal audit reports covering a broad range of the Trust's governance and risk management systems.
- 2.15. The Audit Committee's 2018/19 annual self-assessment incorporates the views of the internal and external auditors, and the counter fraud function. The overall assessment results indicate that the Committee is discharging its terms of reference and meeting best practice guidelines, as set out in the NHS Audit Committee Handbook.
- 2.16. Further narrative on the Trust's quality governance arrangements is in section 7 of this document.

3. DATA QUALITY ASSURANCE

- 3.1. The Trust is improving its data quality arrangements to enhance the quality and accuracy of elective waiting time data and other metrics. This includes a weekly Access meeting that reviews and monitors live waiting list data for accuracy, performance and targets. It also has a system to validate and audit its elective waiting time data weekly and monthly with random specialty checks carried out to quality-assure the validation process. These arrangements were reviewed by BDO, the Internal Auditors during 2018/19 and a 'limited assurance' audit opinion was given.
- 3.2. The risks to the quality and accuracy of this data is examined weekly to ensure activity is recorded accurately and timely, if issues do arise, remedial action is agreed, implemented and monitored immediately.
- 3.3. Annual validation also takes place through internal audit and a range of live data quality reports which are being developed to monitor the data quality key performance indicators weekly and monthly.

4. RISK ASSESSMENT

- 4.1. The organisation has processes to identify and assess risks.
- 4.2. The risk register is populated at a local/operational level and at a corporate level. The risk register informs the business planning process and is a key consideration in general operational management at service line, clinical business unit and corporate level.
- 4.3. Strategic risks are identified and assessed in relation to their threat to achievement of the Trust's strategic objectives. 'Bottom up' risks are identified through local staff incident reporting and risk assessments whilst organisational risks will be identified

through business planning, Serious Incidents and HR processes, such as recruitment. 'Top down' risk assessment is undertaken through the development and review of the Board Assurance Framework, strategic business planning and contract management.

- 4.4. Progress was achieved in the year to mitigate key risks relating to the principal objectives of the Trust. Based on the residual risk score, the top remaining significant risks to the organisation in 2018/19, with a significant impact on the system of internal control were:

Risk ID BAF4: Failure to establish a sustainable workforce capability and capacity to deliver the Trust strategic objectives (16) a risk to our strategic objective to Be a great place to work

The key mitigation deployed since January 2019 include the inception of a recruitment and retention strategy.

Risk ID BAF12:

Risk of inadequate internal controls, which undermine the safe and effective delivery of care, potentially leading to non-compliance with statutory requirements and regulatory intervention.

4.4.1. Date risk added to the BAF: November 2018

Initial rating: 16

Current rating: 16

During 2018/19 regulatory sanctions were applied by the Health and Safety Executive (HSE) as well as the Medicines and Healthcare (products) Regulatory Agency (MHRA), following non-compliance identified by inspections.

In both instances, the sanctions applied highlight weaknesses in the system of internal control, and therefore risks to the ability of the Trust to evidence compliance with Monitor's requirements, CQC Well led framework and NHSI 2018/19 reporting guidance on Annual Governance Statements.

In October and December 2018, the HSE inspected the Occupational Health service, and issued two improvement notices and two notices of contravention in relation to skin surveillance and health and safety management overall.

On the 28th February 2019 the HSE confirmed that it was assured that the Trust had adequately complied with the skin surveillance improvement notice. Action plans are in place to implement the second improvement notice pertaining to health and safety management by 30th August 2019.

In October 2018, the MHRA issued a critical deficiency rating in relation to Radio pharmacy based on the identification of areas of weakness pertaining to staffing, (for example microbiological expertise) and the environment.

Following the MHRA inspection of the Aseptic Manufacturing Unit conducted in the same month the Trust was informed of a partial suspension of license for aseptics manufacture in AMU for a period of six months, from 15 January 2018 to 11 July 2019. The impact of the partial suspension is that the Trust is unable to sign off further clinical trials without full services in Aseptic services.

On 10th April 2019 the Aseptics unit was re inspected by the MHRA and the inspector was satisfied that all prior critical and major deficiencies had been addressed. During the re inspection of the Radio pharmacy Unit on 11th April 2019, one previous critical deficiency was identified in relation to the actions taken in relation to microbiological controls.

In both instances, recovery action plans have been put in place and are closely monitored on a weekly basis at the MHRA Steering Group, which is chaired by the Chief Operating Officer.

5. THE RISK AND CONTROL FRAMEWORK

- 5.1. The Trust has in place a process for the identification, assessment, and management of risks. This is a systematic approach which assesses the consequences and likelihood of each risk event, associated mitigations and allows for the identification of risks which could be considered unacceptable to the organisation.
- 5.2. The risk and control framework incorporates a range of supporting systems and associated policies that provide a structured and consistent approach to the management of risk.

These include:

- Risk Management Strategy
- Raising Concerns Policy and Procedure (Whistleblowing) 2017
- Incidents and Serious Incident Management 2018 Policy
- Complaints and Concerns Resolution Policy V2.4 2018
- Claims Management Policy 2016
- Being Open and Duty of Candour Policy 2018

5.3. The Trust Board has overarching responsibility for risk management.

5.4. As Accounting Officer, I ensure that sufficient resources are invested in managing risk and I am supported in undertaking this role by the Chief Nurse.

5.5. At an operational level, risks are captured on the Datix risk management system and maintained on local and/ or corporate risk register level depending on the risk rating.

5.6. Local risk registers are monitored and mitigated in clinical business units and monitored at Executive Director level where they are scored at 15 or more.

The corporate risk register is reviewed in full by the risk and quality committee in its capacity as the risk committee of the Trust.

5.7. Where risk ratings are sufficiently high that they are likely to impact the delivery of strategic objectives, they are added to the Board Assurance Framework, which is reviewed by the Board on a quarterly basis.

5.8. The members of the Audit Committee play a key role in the internal control assurance processes by scrutinising the effectiveness of management actions in mitigating risks through regular reviews of the Trust risk register, as well as corporate functions and service line risk registers, on a rolling basis.

5.9. The Board Committees all have responsibility for elements of the risk management system, with the Audit Committee providing assurance on overall effectiveness.

5.10. The Trust Risk Management Strategy provides the framework for the continued development of the risk management process, building on the principles and plans linked to the Trust's Assurance Framework, the Risk Register, the requirements of the Care Quality Commission and national priorities.

5.11. The Trust has in place a process for the identification, assessment, and management of risks. This is a systematic approach which assesses the consequences and likelihood of each risk event, associated mitigations and allows for the identification of risks which could be considered unacceptable to the organisation.

5.12. Detailed narrative on deterrents to risks arising, and fraud deterrents in incorporated in section 12 (Counter Fraud and Anti-bribery arrangements) of this document.

6. ELEMENTS OF THE ASSURANCE FRAMEWORK

6.1. The key elements of the Board Assurance Framework include:

- Board agreed organisational objectives and identification of the principal risks that may threaten the achievement of these objectives
- Identifying the design of key controls intended to manage these principal risks
- Setting out the arrangements for obtaining assurance on the effectiveness of key controls across all areas of principal risk
- Identifying assurances and areas where there are gaps in controls and/or assurances
- Putting in place plans to take corrective action where gaps have been identified in relation to principal risks
- Maintaining dynamic risk management arrangements including a well-founded risk register

6.2. Based on my assessment of the Assurance Framework Statement on internal control requirements, (and taking into account the findings of the 2018/19 internal audit review of the Board Assurance Framework and risk management) I have identified two key priorities to be implemented in 2019/20 in order to enhance the internal control arrangements.

6.3. The implementation of these actions will further strengthen Board visibility of mitigating significant risks

6.4. These priorities are:

- Scrutiny and review of assurances about risk mitigations by the Board or relevant committees, where appropriate
- Strengthen the process of achieving target risk ratings, as captured on the Board Assurance Framework.

6.5. The Board will oversee the implementation of these priorities, and take assurance from the work of relevant Board Committees.

7. REVIEW OF THE EFFECTIVENESS OF RISK MANAGEMENT AND INTERNAL CONTROL

7.1. The Trust has established processes for managing risks that impact on the quality and safety of information, staff and patients.

7.2. In 2018/19 , Internal Audit carried out Trust-wide reviews of the following areas:

- Bed Management
- Serious Incidents
- Divisional Governance – Access and Medicine
- Data Quality- PTL and Follow up
- Health and Safety
- Retention Strategy
- Recruitment Process
- Adult Community Health Services Governance
- General Data Protection Regulations (GDPR) Compliance

7.3. As part of my review I also place reliance on the 2018/19 Head of Internal Audit's independent opinion of significant assurance, which substantiates this disclosure. The opinion is based on a review of the systems and processes underpinning the Assurance Framework and the internal audit risk-based plans reported during the 2018/19 period. The Trust is implementing actions arising from internal audit reviews and providing assurances on progress to the Audit Committee.

7.4. For 2018/19 , the BDO Head of Internal Audit's Opinion reads as follows:

Overall, we are able to provide moderate assurance that there is a sound system of internal control, designed to meet the Trust's objectives and that controls are being applied consistently. In forming our view we have taken into account that:

The majority of audits provided moderate assurance in the design of controls, and two audits were given substantial assurance. Whilst three areas were given limited assurance for the effectiveness of the controls, actions to address the findings are underway.

The Trust have specifically requested audits into known areas of concern and new areas of risk e.g. community services.

8. QUALITY GOVERNANCE AND CARE QUALITY COMMISSION COMPLIANCE

8.1. The Trust has an established quality governance framework which enables the monitoring of risks to quality of services, through the Quality Committee. The Board Assurance Framework also provides a mechanism for monitoring, where these risks are significant to the delivery of the organisation's strategic objectives.

8.2. Systems and controls are in place to ensure the delivery of quality account obligations, and the associated evidence also informs my assessment of the

effectiveness of the risk management and internal control framework, in relation to risks to quality.

- 8.3. The performance management framework provides a structured approach to monitoring the delivery of the Trust's contractual and national obligations, and associated mitigations of risks to safety.
- 8.4. There are systems and controls in place to ensure the Care Quality Commission (CQC) standards continue to be embedded within the Trust. The Trust is registered without conditions.
- 8.5. The most recent inspection of the Trust took place in January and February 2018, where the overall achievement was a rating of 'Good'. The inspection covered the following areas:
- Maternity
 - Gynaecology
 - Medical Care and Oncology (including Older people's care)
 - Outpatients.

When broken down the overall ratings of the Trust (by domain) were as follows:

- Safe – good
- Effectiveness – good
- Caring – good
- Responsive – Outstanding
- Well led - Good

9. DATA SECURITY

- 9.1. The Director of Finance is the Senior Information Risk Owner (SIRO) of the organisation, providing information risk management expertise at Board level. The SIRO oversees the consistent implementation of the information risk assessment process by Information Asset Owners, as described in the Information Risk Management framework and policy.
- 9.2. The Information Governance Toolkit and Information Risk Register are key enablers to embedding good practice, as well as identifying and managing key information risks. The Information Governance Team have put in place a range of appropriate policies, procedures and management arrangements to provide a robust framework for Information Governance in accordance with the Health and Social Care information Centre requirements. There have been no information governance

issues reported to or investigated by the Information Commissioner during this period.

- 9.3. Evidence to support the 2018/19 Information Governance Toolkit informs my assessment of the information governance arrangements of the Trust, as well as the information governance assurance from the internal audit review, undertaken in the financial year.

10. THE NHS PENSION SCHEME ARRANGEMENTS

- 10.1. As an employer with staff entitled to membership of the NHS Pension Scheme, the Trust has control measures in place to ensure we comply with all employer obligations of the Scheme regulations. 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.

11. CLIMATE CHANGE ADAPTATION

- 11.1. The Trust carried out a climate change risk assessment and developed an Adaptation Plan to support its emergency preparedness and civil contingency requirements, as based on UK Climate Projections (KCP09), to ensure that this organisation's obligations under the Climate Change Act are met.
- 11.2. The Trust has an approved carbon management plan which sets out proposals to meet the targets as outlined in the 'Saving Carbon Improving Health' document produced by the NHS Sustainable Development Unit. This document includes targets specifically for NHS organisations in accordance with the Climate Change Act 2008.
- 11.3. The Trust's procurement policy and process are aligned to the Trust's overall objective to reduce carbon emissions.
- 11.4. The Trust has contingency plans in place to deal with current risks associated with climate changes, and there is an annual process in place for updating and reviewing the Extreme weather plan.

12. EQUALITY, DIVERSITY AND HUMAN RIGHTS

- 12.1. Control measures are in place to ensure that the organisation is compliant with its obligations under equality, diversity and human rights legislation. These include

provision of information to service users and staff on the Trust website that meets the statutory publication duties.

12.2. The Trust has put in place a range of systems, processes and governance arrangements to enable compliance with the Equality Act 2010, which are monitored by the Quality Committee and Board.

12.3. The Equality and Diversity Group maintains oversight of the delivery of the Trust's Equality strategy and associated work plans, which incorporates mandatory compliance with the Workforce Race Equality standard.

13. COUNTER FRAUD AND ANTI BRIBERY ARRANGEMENTS

The Trust has sound arrangements in place to ensure compliance with counter fraud and anti-bribery requirements, as set out in the Secretary of State directions and by the NHS Counter Fraud Authority.

At an operational level, there are staff briefings and refresher fraud awareness sessions for staff.

The Trust has had a counter fraud programme in place during 2018/19 and the LCFS updates the Director of Finance on a regular basis to monitor the delivery of the plan and discuss cases.

A fraud risk assessment is undertaken annually to assess and identify the Trust's exposure to fraud risks. The outcome of the assessment is used to populate a fraud risk register which strengthens the Trust's ability to evaluate, mitigate and monitor risks arising from fraud. Where appropriate these risks feed into the Trust risk register.

The following arrangements are in place:

- Proactive and reactive measures are taken by the Counter Fraud services to deter and identify as well as to encourage staff to report to fraud, conflicts of interests are declared at all Board, Committee and sub-committee meetings.
- The Trust is compliant with current conflicts of interests' guidance which has been refreshed to incorporate NHS England requirements with effect from June 2017.
- Operational arrangements are in place to enable timely notification of concerns pertaining to fraud to the LCFS or the Director of Finance, which are also reported to the Audit Committee.

-
- Internal Audit and the LCFS have liaised during the year in order to discuss high risk areas. In the event that management identify risks relating to fraud these are incorporated onto the risk register, with associated mitigations.

The Audit Committee receives regular progress reports and an annual report on the delivery of the LCFS work plan and investigative reports where appropriate. In addition, the Committee reviews anti-fraud and bribery Trust policies and procedures. The Trust completes an annual self-assessment of its counter fraud arrangements against a number of Standards which are set by the counter fraud regulator, the NHS CFA. The Audit Committee takes assurance from this work, which ensures organisational objectives and investigative activities are appropriately investigated and concluded in a timely way to minimise potential future risks in the Trust's systems of internal control.

14. SIGNIFICANT ISSUES

14.1. The Trust has identified the following as significant issues for the 2018/19 period:

Health and Safety Executive Improvement notice: Skin surveillance

Date issued: 1st November 2018

Compliance date: 28TH February 2019

14.2. Detailed narrative on the rationale for this disclosure is incorporated within section 4.41.

Health and Safety Executive Improvement notice: Health and Safety management

Date issued: 8th January 2019

Compliance date: 30th August 2019

14.3. The Trust is currently in the process of implementing the second improvement notice issued by the HSE as a result of the identification of weaknesses in health and safety operational infrastructure.

A comprehensive action plan is in place to not only address the gaps referenced by the HSE, but also to embed robust health and safety oversight and governance, feeding through to the Board.

14.4. Data Security Breaches

During the 2018/19 period there was one information governance serious incident regarding the loss or misappropriation of personal information.

This incident has been reported via the Data Security Protection Toolkit (DSPT) incident reporting, which informs the Care Quality Commission, the Information Commissioner's Office, and Department of Health. A consultant who works across four sites was carrying printed off Multi-Disciplinary Team (MDT) lists for a meeting in their briefcase and during a house burglary the briefcase and contents were stolen. On notification of the incident, the information was replicated and all patients informed, in person in clinic and/or by telephone.

Although patient confidential information had been kept to the minimum for the purpose, the consultant also confirmed that they do not normally print-off these lists but because of the number of patients to be discussed felt it safer to review with a hardcopy to hand.

The Information Commissioner's Office has reviewed the incident information and has confirmed to the Trust that no further action is necessary.

14.5. Medicines and Healthcare Regulatory Agency (MHRA)

The basis of the categorisation of the significant issue is outlined in section 4.4.1.

15. **CONCLUSION**

15.1. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Trust Board which is supported by:

- The Audit Committee which considers the annual plans and reports of External and Internal Audit.
- The Quality Committee which ensures that comprehensive and robust systems and processes are in place for clinical governance and quality within the Trust.
- The Executive Management Team which oversees the implementation of the strategic direction of the Trust.
- The pending 2018/19 Quality Account disclosure and associated internal and external assurances in place to validate its accuracy, which include data quality verification, and associated Board declaration, and External Audit review.

15.2. In addition, the Head of Internal Audit has a mechanism for identifying and recording in Internal Audit reports gaps in controls that need to be addressed. Action plans have been agreed with senior managers and further details are recorded in the Internal Audit progress reports presented to the Audit Committee at each meeting.

15.3. The Trust is reliant upon information system controls operated by third parties over contracts negotiated by the Department of Health and under which the Trust has no

contractual or other influence over the managed service providers. For the ESR Payroll and HR system, the Department of Health has put in place arrangements under which the Trust received formal assurances about the effectiveness of internal controls.

15.4. My review confirms that the Royal Surrey County Hospital NHS Foundation Trust has a generally sound system of internal control that supports the achievement of its policies, aims and objectives. As noted within this report there have been two areas where there have been control failures, but we intend to conduct indepth reviews of compliance within all relevant areas within the Trust, to provide assurance that these were isolated incidents, and rectify any further gaps in control.

Signed 

Date 28/5/2019

Louise Stead

Chief Executive

Annual Remuneration Report

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 Chairman of the Remuneration Committee

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 Chairman and all the Non-Executive Directors. The Chief Executive attends as well as the human resources director, who provides advice and support to the Board Remuneration Committee.

Non-Executive Director remuneration, including that of the Chairman's, 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.

The Chief Executive and Executive Director remuneration is determined on the basis of a combination of several 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 2018 for the previous year.

Earn back provisions apply to the Chief Executive's remuneration and will apply to the remuneration of any VSM whose salary comes to exceed £150k after the introduction of the provisions in February 2018, or who receives a raise on a salary which is above or becomes above this level this is set at 5% for the CEO.

The Trust had three substantive Very Senior Managers (VSMs) 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.

* left during the year

Non-Executive remuneration and role changes during the year

Position	2018/19£
Chairman	£43,000
NED x7 (see page 70 for terms in office)	£13,000

Senior Managers' Remunerations Policy

The Trust's remuneration policy for very senior managers is determined by the BRC. For all other substantive staff groups, the Trust uses 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.

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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.	<p>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.</p> <p>Changes are normally effected from 1 April.</p> <p>Basic remuneration reflects different levels of responsibility and time commitment for the various NED roles.</p> <p>The annual review considers comparisons with other local Trusts, the position in the NHS Providers Remuneration Survey, and affordability by the Trust.</p>	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				
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.	<p>Basic salaries are reviewed each year by the Board Remuneration Committee (BRC). Executive remuneration is set with reference to local and national benchmarking and NHS I guidance</p> <p>Any agreed changes are normally made in April each year.</p> <p>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.</p>		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
Executive Directors (EDs)	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
			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

Roles	Element of remuneration	Purpose and link to strategy	Operation	Maximum opportunity	Performance criteria
			Stretch target 3 Governance – NHSI withdrawal of license conditions by end of March 2018	0.25	1.25
			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

*The medical director's remuneration includes a consultant salary element.

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

Name and Title	2018-19					
	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	85-90	0	0	0	32.5-35.0	120-125
Mrs L Stead - Director of Nursing & Patient Experience /Chief Executive	160-165	0	0	0	272.5-275.0	430-435
Dr C Tibbs - Medical Director (Shared) & Deputy Chief Executive	25-30	0	0	0	0	25-30
Dr M Illsley - Medical Director (Shared)	200-205	0	0	0	85.0-87.5	285-290
Mr R Dunworth - Director of Finance and Informatics	150-155	0	0	0	107.5-110.0	260-265
Mr A Turner - Director of HR & Organisational Transformation	130-135	0	0	0	25.0-27.5	155-160
Mr G Mahoney - Director of Strategic Marketing	40-45	0	0	0	32.5-35.0	70-75
Mr R Peet - Chief Operating Officer	140-145	0	0	0	15.0-17.5	155-160
Mrs J Mountjoy - Chief Nurse	55-60	0	0	0	92.5-95.0	150-155
Mrs R Barker - Director of HR & Organisational Transformation	10-15	1,000	0	0	0	10-15
Mr T Powell - Director of HR & Organisational Transformation	0	0	0	0	0	0
Mrs L Hall - Director of HR & Organisational Transformation	30-35	0	0	0	0	30-35
Mrs G Bagley - 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
Dr D Hicks - Non-Executive Director	0	0	0	0	0	0
Mr L Jemmett - Non-Executive Director	10-15	0	0	0	0	10-15
Prof. N Lemoine - 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)	200-205					
MEDIAN TOTAL REMUNERATION (£)	32,148					
RATIO	6.3					

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					

Notes
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 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
Mr L Jemmett - commenced as a Non-Executive Director on 20/04/2017
Dr C Tibbs - amended his role as Medical Director to a shared role on 01/07/2017, resigning as Medical Director and Deputy Chief Executive on 31/05/2018
Dr M Illsley - commenced as Medical Director (in a shared capacity) on 01/07/2017 and became sole Medical Director on 01/06/2018
Mrs R Barker - commenced as Director of Human Resources on 06/11/2017 and resigned on 05/05/2018
Mr N Lemoine - commenced as a Non-Executive Director on 01/03/2018
Mr T Powell - was seconded, at zero cost, from Portsmouth Hospitals NHS Trust as Director of Human Resources, commencing on 01/06/2018 and leaving on 31/08/2018
Mr G Mahoney - ceased to be an Executive Director on 31/07/2018
Mrs P Head - resigned as Chief Executive on 30/09/2018
Mrs J Mountjoy - was appointed as Chief Nurse on 10/09/18 on a fixed term contract. This was made into a permanent appointment on 01/01/2019
Mrs L Stead - moved from her role as Director of Nursing & Patient Experience on 01/10/2018 and took up the role of Chief Executive
Mrs L Hall - commenced as Director of Human Resources on 02/01/2019
Mr D Hicks - commenced as a Non-Executive Director on 28/03/2019
Remuneration received by directors in 2018/19 totalled £1,037,611 (2017/18 £1,348,546). In 2018/19 £173,198 (2017/18 £301,678 was paid to two individuals for the whole of the financial year) was paid to the two directors sharing the Medical Director position in respect of their clinical roles. The shared role ceased at the end of May 2018 and since the 1st June 2018 has been carried out by one individual. The disclosure of their clinical salary only covers the period in which the position of Medical Director was held.
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 2018/19 financial year was the Medical Director
Expenses incurred by directors and Governors during 2018/19 were as follows: Directors £8,363 (2017/18 £14,312) Governors £2,024 (2017/18 £1,974)

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 2019	Total related lump sum at age 60 at 31 March 2019	Cash Equivalent Transfer Value at 31 March 2019	Cash Equivalent Transfer Value at 31 March 2018	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	0 - 2.5	5.0 - 7.5	55 - 60	175 - 180	1,321	1,085	102	0
Mrs L Stead - Director of Nursing & Patient Experience/Chief Executive	12.5 - 15.0	37.5 - 40.0	55 - 60	170 - 175	1,212	817	371	0
Mr R Dunworth - Director of Finance and Informatics	5 - 7.5	10.0 - 12.5	20 - 25	45 - 50	412	330	72	0
Dr M Illsley - Medical Director (Shared)	2.5 - 5.0	12.5 - 15.0	50 - 55	150 - 155	1,131	897	208	0
Mr G Mahoney - Director of Strategic Marketing	0 - 2.5	2.5 - 5.0	25 - 30	35 - 40	410	325	25	0
Mr R Peet - Chief Operating Officer	0 - 2.5	0	30 - 35	20 - 25	480	389	79	0
Mrs J Mountjoy - Chief Nurse	2.5 - 5.0	10.0 - 12.5	35 - 40	90 - 95	687	462	117	0

Non-Executive Directors are not shown above as they receive non-pensionable remuneration.

Cash Equivalent Transfer Values

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.

Staff costs					
	Group				
				2018/19	2017/18
	Permanent		Other	Total	Total
	£000		£000	£000	£000
Salaries and wages	146,437		17,343	163,780	147,047
Social security costs	17,087		-	17,087	15,309
Apprenticeship levy	793		-	793	713
Employer's contributions to NHS pensions	18,806	-	-	18,806	17,039
Pension cost - other	41		-	41	9
Other post-employment benefits	-		-	-	-
Other employment benefits	-		-	-	-
Termination benefits	81		-	81	107
Agency/contract staff	-		13,939	13,939	9,732
NHS charitable funds staff	-		-	-	-
Total gross staff costs	183,245		31,282	214,527	189,956
Recoveries in respect of seconded staff				-	
Total staff costs	183,245		31,282	214,527	189,956
Of which					
Costs capitalised as part of assets	179		-	179	172

Average number of employees (WTE basis)					
	Group				
				2018/19	2017/18
	Permanent		Other	Total	Total
	Number		Number	Number	Number
Medical and dental	576		52	628	591
Ambulance staff	1		-	1	1
Administration and estates	848		151	999	880
Healthcare assistants and other support staff	516		130	646	533
Nursing, midwifery and health visiting staff	1,121		153	1,274	1,170
Nursing, midwifery and health visiting learners	-		-	-	-
Scientific, therapeutic and technical staff	674		81	755	677
Healthcare science staff	-		-	-	-
Social care staff	-		-	-	7
Other	10		-	10	-
Total average numbers	3,746		567	4,313	3,860
Of which:					
Number of employees (WTE) engaged on capital projects	2		1	3	3

Reporting of compensation schemes - exit packages 2018/19															
	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		15,142		9		15,142		-		-
£10,001 - £25,000	-		-		2		30,398		2		30,398		-		-
£25,001 - 50,000	-		-		1		35,593		1		35,593		1		35,593
£50,001 - £100,000	-		-		-		-		-		-		-		-
£100,001 - £150,000	-		-		-		-		-		-		-		-
£150,001 - £200,000	-		-		-		-		-		-		-		-
>£200,000	-		-		-		-		-		-		-		-
Total number of exit packages by type	-		-		12		81,133		12		81,133		1		35,593
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															
									2018/19						
									Pay-ments 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	11	45
Exit payments following Employment Tribunals or court orders	1	36
Non-contractual payments requiring HMT approval	-	-
Total	12	81
Of which:		
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	-	-

Signed 

Date 28/5/2019

Louise Stead

Chief Executive

Annual Staff Report

Resourcing

Resourcing activity in the year has seen clinical staff increase from 2647 whole time equivalents (WTE) to 2712 WTE, an increase of 65 WTE clinical staff. The transfer of Community Services on 1st April 2018 resulted in a further 180 WTE clinical and 50 WTE non-clinical staff joining the Trust.

Staff in post March 2018 v March 2019		
Permanent staff in post (WTEs)	March 18	March 19
Consultants	223.7	234
Junior medical	333.8	356.5
Nursing, midwifery & health visitors	1057.5	1178.8
Dental	0	0
Scientific, therapeutic, & technical	702.2	779.5
Other clinical staff	330.2	343.2
Non clinical staff	807.7	868
Total	3455.1	3759.9

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 18	March 19
Directors		
Male	(11)	9
Female	(7)	7
Senior Managers		
Male	(112)	119
Female	(200)	230
Employees		
Male	(772)	806
Female	(2831)	3209

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, plus Clinical Directors

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

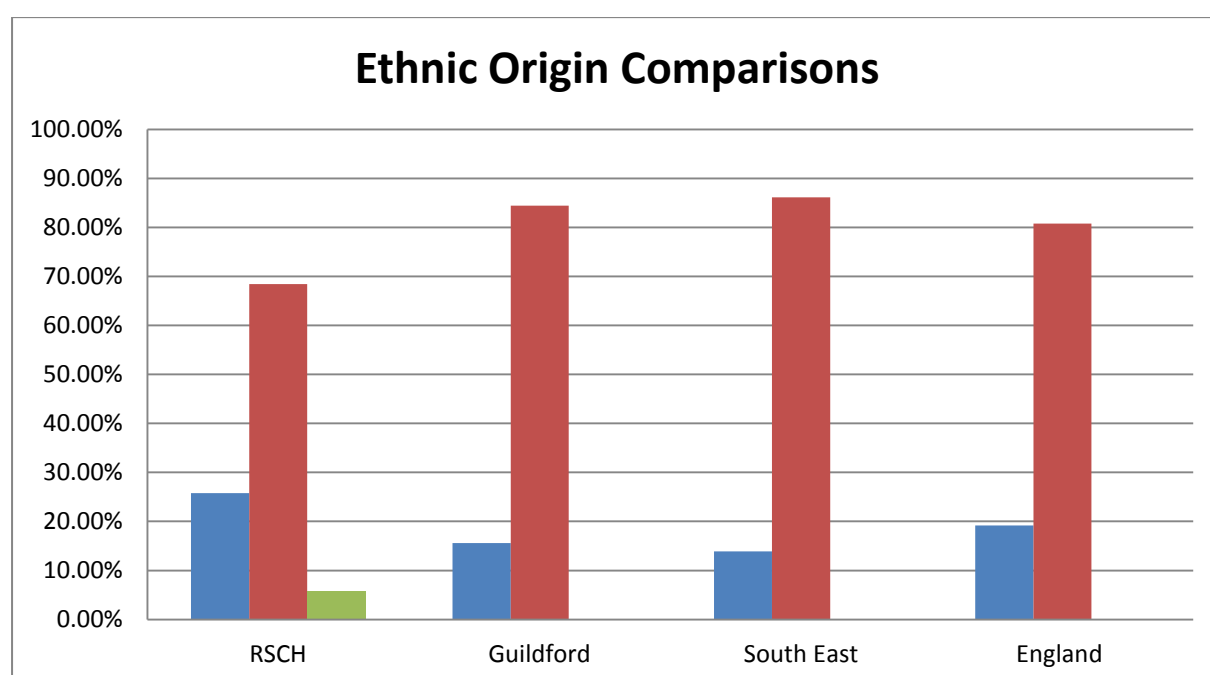
The age, ethnic breakdown, staff gender distribution and number of staff with recorded disabilities is shown below:

	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 %
	2014/15		2015/16		2016/17		2017/18		2018/19	
	31st March 2015		31st March 2016		31st March 2017		31 st March 2018		31 st March 2019	
Age										
0-16	0	0	0	0	1	0.0	0	0	0	0
17-21	46	1.4	71	1.9	41	1.1	43	1.1	52	1.2
22+	3548	98.6	3738	98.1	3783	98.8	3883	98.9	4331	98.8
Ethnicity										
White	2578	70.2	2708	69.8	2662	69.6	2685	68.4	2998	68.4
Mixed	63	1.7	67	1.7	54	1.4	69	1.8	74	1.7
Asian or Asian British	429	11.7	446	11.5	456	11.9	504	12.8	584	13.3
Black or Black British	82	2.2	88	2.3	93	2.4	103	2.6	113	2.6
Other	521	14.2	573	14.8	560	14.6	565	14.4	614	14
Gender										
Male	758	21	873	22.5	855	22.4	891	22.7	936	21.4
Female	2886	79	3009	77.5	2970	77.6	3035	77.3	3447	78.6
Transgender	0	0	0	0	0	0	0	0	0	0
Recorded Disability	33	0.9	43	1.1	57	1.5	54	1.4	71	1.6

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 76 per cent of employees live within the Guildford postcode area; the higher BME representation is therefore not unexpected due to overseas doctor and nurse recruitment and staff commuting from a wider geographical area to come to work.



The individual ethnic classifications that have been grouped as “Non-BME” and “BME” categories have changed slightly from previous annual reports. This is to ensure consistency with the groupings defined by the Equality & Human Rights Commission.

Sickness absence 1 January 2018 to 31 December 2018

The Trust's sickness rate for the calendar year 2018 of 2.9 per cent continues to compare favourably with the NHS England average of 4.08 per cent* and is 0.13 per cent lower than the previous year. Sickness absence management is a continual focus of line management with HR support.

The following table provides summary data for both this year and the previous year. Please note the increase in total days lost and total staff years reflect the transfer of Community Services staff to the Trust on 1st April 2018.

	2018	2017
Total Days Lost	24,146	23,376
Total Staff Years	3,635	3,396
Average Working Days Lost (per WTE)	6.6	6.9

*source NHS Digital, NHS Sickness Absence Rates – July 2018 to September 2018

Equality and Diversity and Inclusion (ED&I)

Equality and Diversity at the Royal Surrey is led and monitored by the Equality and Diversity Group which meets on a quarterly basis.

The group is accountable to the Quality Committee.

A review of the work undertaken by the Group is highlighted in the Trust Equality and Diversity Annual Report which is considered by the Board.

A Trust Equality, Diversity and Inclusion Strategy was published in November 2017. Since then, some progress has been made, including the development of a structure for the governance of this agenda, the incorporation of E, D and I metrics within the Board agenda, and development of a more detailed set of metrics for monitoring by the Trust Quality Committee. The issues have been socialised by inclusion of presentations in the agenda of a number of Trust forums, including the Leadership Exchange, Quality, Safety, Effectiveness and Patient Experience (QSEPE) meeting, the Patient Experience Committee (including Trust Governors) and the Clinical Director's meeting, led by the Medical Director. In addition to this, areas of good practice/service improvement work relating to this agenda have been noted and also socialised.

Performance on a number of nationally mandated and monitored metrics, including WRES indicators, is improving, although there are a number of areas where further work is required.

An experienced (E,D and I) manager was appointed in May 2019 to provide the specialist input required to drive the existing agenda forward and support the delivery of new developments such as the NHS Workforce Disability Equality Standard.

Gender pay gap reporting and actions

In accordance with legislation the Trust has recently published its Gender Pay Gap Report for 2018-9.

Disappointingly, the pay gap has increased from 29.2% last year to 31.2% this year and is above the figure for the wider public sector. This pay gap reflective of the pattern from the wider UK healthcare economy; traditionally the NHS has had a higher female workforce in caring roles in the workforce, which tend to be in the lower bandings, and a predominantly male workforce in the higher banded Medical & Dental professions.

The Trust is committed to ensuring an equitable workforce and we will be taking a number of measures to address the pay gap including:

- Develop and implement a talent management programme to support employees to progress.
- Use Leader's programmes to encourage women to progress more quickly into leadership roles.
- Explore how we can attract more men into the organisation at the lower bands, to create a more even gender balance.
- Increase our promotion of flexible and family friendly working options
- Make all Consultants aware of the local Clinical Excellence Awards (CEA) scheme to encourage CEA applications from across the workforce.

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 %
	2017/18		2018/19	
	31 st March 2018		31 st March 2019	
Age				
0-16	0	0	0	0
17-21	43	1.1	52	1.2

22+	3883	98.9	4331	98.8
Ethnicity				
White	2685	68.4	2998	68.4
Mixed	69	1.8	74	1.7
Asian or Asian British	504	12.8	584	13.3
Black or Black British	103	2.6	113	2.6
Other	565	14.4	614	14
Gender				
Male	891	22.7	936	21.4
Female	3035	77.3	3447	78.6
Transgender	0	0	0	0
Disability statistics				
Recorded Disability	54	1.4	71	1.6

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 April 2018 to March 2019, the Trust received 442 applications for jobs from candidates with disabilities. Of these, 217 candidates were shortlisted and 39 interviewees were appointed.

Improvements that support our wider employment agenda have been introduced via these policies, for example:

Extension of the right to apply for flexible working from the first day employment

A faster and simpler process to staff who wish to return to work after commencing their NHS pension benefits.

Promotion of informal and fast track procedures for addressing staff conduct issues.

Staff Health and Wellbeing 2018/2019

Promoting the health and wellbeing of staff across the Trust is a key priority for the organisation. On the 1st April 2019 the Trust launched a new Occupational Health service managed by Team Prevent. The new service aims to offer a response, compressive and value adding service to both managers and staff.

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.

Health and Safety (H&S)

2018/19 Health and Safety performance

This section of the report provides analysis of the Trust's Health and Safety (H&S) performance during 2018-19 and outlines key developments during the reporting period. The H&S team reporting structure is under the Estates and Facilities department and managed by Trust Financial Director.

In consultation with the Health and Safety Committee, a six month Health & Safety report was produced in November 2018 proposing a set of key performance indicators for 2018-19 and these were agreed by the Quality Committee. The KPIs aimed to ensure robust H&S processes were in place to monitor compliance with legislation, guidance and Trust directives.

In addition to looking at past performance, this report sets out the planned focus for the forthcoming year. The continuing aim is to embed a culture of robust H&S management across the Trust and build on the demonstrable progress that has been made.

The statistical information contained within this report was taken from the Trust's online incident reporting system Datix. This is a real time system with the data continuously being updated.

The Health and Safety Committee reports to the Quality Committee via a written Chairman's report and meets on a bi-monthly basis.

Health and Safety Executive compliance

Following a review of the Occupational Health service, the Health and Safety Executive (HSE) issued the Trust with an improvement notice on 1st November 2018, with the main focus in relation to gaps in skin surveillance compliance.

The improvement notice covered a three month implementation timeframe, which was extended to February 2019, when compliance was validated by the Health and Safety Executive.

On 8th January 2019 the Trust was issued a second improvement notice with a compliance timeframe of August 2019, following the identification of weaknesses in health and safety management process and infrastructure.

To date notable progress has been made in complying with this specific improvement notice, with a major improvement being the appointment of a Safe, Effective, Quality Occupational Health Service SEQOSH Accredited Occupational Health provider to manage the Occupational Health service from November 2018 to 31st March 2019 on an interim basis, when the term of the contract extended to a 3 year term.

Robust arrangements were put in place during the 2018/19 financial year to ensure the Trust has visibility of the delivery of the service, through robust management information as well as regular contract monitoring meetings.

These included oversight of HSE compliance by the Quality Committee and Trust Board.

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 £245 per day and that last for longer than six months:

No. of existing engagements as of 31 March 2019	17
Of which:	
Number that have existed for less than one year at the time of reporting	13
Number that have existed for between one and two years at the time of reporting	2
Number that have existed for between two and three years at the time of reporting	2
Number that have existed for between three and four years at the time of reporting	0
Number that have existed for four or more years at the time of reporting	0

- 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 2018 and 31 March 2019, for more than £245 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 2018 and 31 March 2019	14
No. assessed as caught by IR35	14
No. assessed as not caught by IR35	0
No. engaged directly (via PSC contracted to the entity) and are on the entity's payroll	0
No. of engagements reassessed for consistency / assurance purposes during the year.	0
No. of engagements that saw a change to IR35 status following the consistency review	0

- The following table details off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2018 and 31 March 2019:

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	1
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.	28

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 450 nominations from both patients and staff and the winners were:

ROYAL SURREY STARS
2018
70
YEARS
OF THE NHS
1948-2018
The Winners!



Staff Survey results

In September 2018 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.

The response rate of 38% was lower than in previous years but similar to the return rate for other acute and community Trusts. The survey shows that 71% would recommend the organisation as a place to work, 82% would recommend us if a friend or relative needed treatment and 83% believe that care of patients is the organisation's top priority. The overall scores show that whilst there are many areas to celebrate and where it is evident that we are on the right tracks for our areas of focus, there are 5 areas that we are either lower or significantly lower than the average. It also shows us that we need to focus on the least improved areas from the last survey and that for example the current focus on staff health and wellbeing is the right one.

	Top 5 scores (compared to average)
82%	Q21d. If friend/relative needed treatment would be happy with standard of care provided by organisation
71%	Q21c. Would recommend organisation as place to work
67%	Q17a. Organisation treats staff involved in errors fairly
70%	Q22b. Receive regular updates on patient/service user feedback in my directorate/department
83%	Q21a. Care of patients/service users is organisation's top priority

	Most improved from last survey
47%	Q13d. Last experience of harassment/bullying/abuse reported
67%	Q17a. Organisation treats staff involved in errors fairly

57%	Q19g. Supported by manager to receive training, learning or development definitely identified in appraisal
70%	Q12d. Last experience of physical violence reported
61%	Q17d. Staff given feedback about changes made in response to reported errors

	Bottom 5 scores (compared to average)
60%	Q10b. Don't work any additional paid hours per week for this organisation, over and above contracted hours
35%	Q10c. Don't work any additional unpaid hours per week for this organisation, over and above contracted hours
66%	Q16b. In last month, have not seen errors/near misses/incidents that could hurt patients
41%	Q4e. Able to meet conflicting demands on my time at work
24%	Q11a. Organisation definitely takes positive action on health and well-being

	Least improved from last survey
24%	Q11a. Organisation definitely takes positive action on health and well-being
71%	Q28b. Disability: organisation made adequate adjustment(s) to enable me to carry out work
66%	Q16b. In last month, have not seen errors/near misses/incidents that could hurt patients
69%	Q7c. Able to provide the care I aspire to
44%	Q11d. In last 3 months, have not come to work when not feeling well enough to perform duties

Next steps

The Trust has shared the 2018 results with all key stakeholders including the Board, managers and staff. The staff survey is an important way for us to evaluate how we are doing as a Trust and to show that we are listening by taking action on the issues that our staff say are important to them. In April 2019 the Board approved a detailed staff survey action plan which looks to respond to both the challenges and opportunities identified in the survey.

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.

5. Annual Accounts for the financial year 2018/19

Foreword to the Accounts

The accounts for the year ended 31 March 2019 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 

Date 28/5/2019

Louise Stead

Chief Executive



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 2019 which comprise the Group and Trust's Statements of Comprehensive Income, Group and Trust's Statements of Financial Position, Group and Trust's Statements of Changes in Equity and Group and Trust's Statements 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 2019 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 2018/19 and the Department of Health and Social Care Group Accounting Manual 2018/19.

Basis for opinion

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

Overview

Materiality:	£7.4m (2017/18: £5.5m)
Group financial statements as a whole	1.9% (2017/18: 1.6%) of operating income

Coverage	100% (2017/18: 100%) of operating income
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Risks of material misstatement vs 2017/18

Recurring risks	Valuation of land and buildings	▲
	Revenue recognition	◀▶
New risks	New Expenditure recognition	▲

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

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and our findings ("our results") from those procedures in order that the Group's members as a body may better understand the process by which we arrived at our audit opinion. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

All of these key audit matters relate to the Group and the parent Trust.

	The risk	Our response
Valuation of land and buildings (£149.8 million; 2017/18: £144.4 million) <i>Refer to page 49 (Audit Committee Report), page 164-166 (accounting policy) and page 183 (financial disclosures)</i>	Subjective valuation Land and buildings are required to be maintained at up to date estimates of year-end market value in existing use (EUV) for non-specialised property assets in operational use, and, for specialised assets where no market value is readily ascertainable, the depreciated replacement cost (DRC) of a modern equivalent asset that has the same service potential as the existing property (MEAV). There is significant judgement involved in determining the appropriate basis (EUV or MEAV) for each asset according to the degree of specialisation, as well as over the assumptions made in arriving at the valuation, such as the condition of the asset. The Trust's accounting policy requires revaluations of property, plant and equipment to be performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period The value of the Trust's land and buildings at 31 March 2018 was £144.4m. A full valuation occurred on 31 March 2019. The Trust's previous full valuation took place on 31 March 2014 in line with its accounting policies. In intervening years the Trust applied indices to calculate the fair value of its land and buildings, and conducted an impairment review to determine whether indicators of impairment apply. Valuations are inherently judgmental. There is a risk that the methodology, assumptions and underlying data, are not appropriate or correctly applied.	Our procedures included: Benchmarking assumptions: We undertook the following work around benchmarking: — We assessed the assumptions used in preparing the valuation of land and buildings to understand whether these were appropriate. We used our own valuation specialist to aid us in our assessment; and — We set an independent expectation of the valuation based on publically available indices. Our valuation expertise: Our valuation experts inspected the instructions provided to the Trust's valuer to assess whether they were appropriate for the requirements. Assessing valuer's credentials: We assessed the scope, qualifications and experience of the Trust's valuer, Cushman and Wakefield. Methodology choice: We assessed the overall methodology of the valuation performed to understand whether the approach was in line with industry practice. We used our own valuation specialist to aid us in our assessment. Tests of details: We undertook the following tests of details: — For a sample of assets we agreed the accuracy of the estate base data provided to the valuer to complete the valuation in order to ensure that the data provided accurately reflected the estate; — We reconciled the fixed asset register to the PPE note and assessed the completeness and accuracy of the underlying data to form the basis of the valuation calculation; — We tested a sample of additions to understand whether they had been accounted for accurately and appropriately capitalised; — We reviewed a sample of disposals to understand whether they had been accounted for in line with the Group Accounting Manual; and — We recalculated the depreciation charge to understand whether this was consistent with the accounting policies. Our results We found the valuation of land and buildings to be acceptable (2017/18 result: acceptable).

	The risk	Our response
Revenue recognition (£410.3 million; 2017/18: £371.6 million) <i>Refer to page 49 (Audit Committee Report), page 162-163 (accounting policy) and page 176-177 (financial disclosures)</i>	2018/19 income <p>Professional standards require us to make a rebuttable presumption that fraud risk from revenue recognition is a significant.</p> <p>Incentives in the NHS differ to those in the private sector driving the requirement to make a rebuttable presumption that this is a significant risk. NHS incentives include the requirement to meet regulatory and financial covenants, rather than broader share based management concerns.</p> <p>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</p> <p>We do not consider NHS and non-NHS income to be at high risk of significant misstatement, or to be subject to a significant judgement.</p> <p>However, due to its materiality in the context of the financial statements as a whole, NHS and non-NHS income is considered to be one of the areas that had the greatest effect on our overall audit strategy and allocations of resources in planning and completing our audit.</p>	<p>Our procedures included:</p> <p>Tests of details: we undertook the following tests of details:</p> <ul style="list-style-type: none"> — For a sample of contracts with commissioners we reconciled the income per the signed contracts to the financial statements; — We agreed income for the year to the contract and the bank statement for the Trust's largest commissioners; — We assessed a sample of contract variations; — We tested quarterly income to the Health Education England schedule in the contract and agreed income to the bank statement; — We sampled material NHS and non-NHS income (including local authority income) and agreed income to invoices and the receipt of funds in the bank to determine that the income had been recorded in the correct period; — We compared third party confirmations from commissioners to the values disclosed in the financial statements. We sought explanations for variances over the NAO threshold as part of the Agreement of Balances exercise; — We completed cut off testing to assess whether transactions were accounted for in the correct period; and — We reviewed the appropriateness of journal transactions between revenue and potential high risk account codes. <p>Our results</p> <p>We found revenue recognition for patient care activities and other operating activities to be acceptable (2017/18 result: acceptable).</p>

	The risk	Our response
<p>Expenditure recognition</p> <p>(£369.2 million; 2017/18: £336.6 million)</p> <p><i>Refer to page 49 (Audit Committee Report), page 162 and 172 (accounting policy) and page 178 (financial disclosures)</i></p>	<p>Effects of irregularities</p> <p>In the public sector auditors consider the risk that material misstatements due to fraudulent financial reporting may arise from the manipulation of expenditure recognition (for instance by deferring expenditure to a later period). This may arise due to the audited body manipulating expenditure to meet externally set targets. As most public bodies are net spending bodies, then the risk of material misstatement due to fraud related to expenditure recognition may in some cases be greater than the risk of material misstatements due to fraud related to revenue recognition and so the auditor has regard to this when planning and performing audit procedures.</p> <p>This risk does not apply to all expenditure in the period. The incentives for fraudulent expenditure recognition relate to achieving financial targets and the key risks relate to the manipulation of creditors and accrued non-pay expenditure at year-end, as well as the completeness of the recognition of provisions or the inappropriate release of existing provisions.</p>	<p>Our procedures included:</p> <p>Test of details: We undertook the following tests of details:</p> <ul style="list-style-type: none"> — We assessed the pressure upon the Trust to achieve a particular year end outturn position in order to achieve additional PSF allocation; — We considered the application of appropriate segregation of duties between those responsible for monitoring budgets (e.g. General Managers) and those preparing the financial statements (Finance Team) which helps to prevent fraudulent manipulation of expenditure; — We confirmed that senior staff are not remunerated based upon financial results; — We performed cut off testing over expenditure recognised either side of 31 March 2019 to test the appropriateness of accruals; — We critically assessed the assumptions made for year end accruals and compared accruals against the actual expenditure incurred; and — We compared the year end accruals against the prior year end accruals to identify if there were any expected accruals which were not included at 31 March 2019. <p>Our results</p> <p>We found the expenditure recognition to be acceptable.</p>

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 £7.433 million (2017/18: £5.5 million), determined with reference to a benchmark of operating income (of which it represents approximately 1.9%). We consider operating income to be more stable than a surplus or deficit related benchmark.

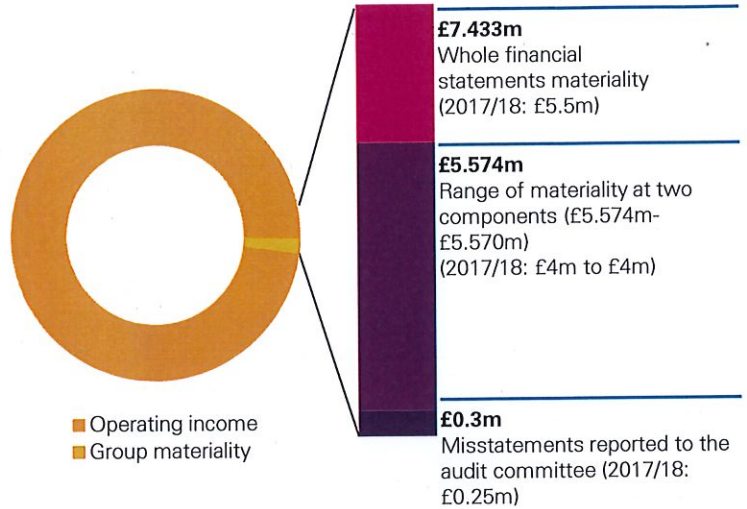
Materiality for the parent Trust's financial statements as a whole was set at £7.432 million (2017/18: £5.5 million), determined with reference to a benchmark of operating income (of which it represents approximately 1.6%).

We agreed to report to Audit Committee any corrected and uncorrected identified misstatements exceeding £0.3 million (2017/18: £0.25 million), in addition to other identified misstatements that warranted reporting on qualitative grounds.

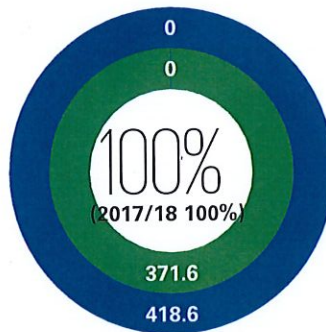
Of the Group's three (2017/18: two) reporting components, we subject one (2017/18: one) to full scope audits for Group purposes and two (2017/18: one) to specified risk-focused audit procedures. The components within the scope of our work accounted for the percentages illustrated opposite.

Operating income
£410.3m (2017/18: £371.6m)

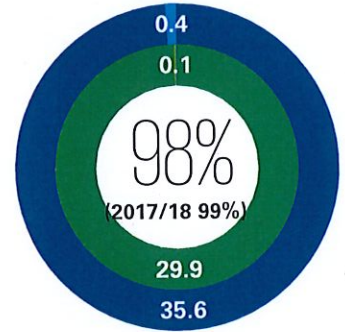
Group Materiality
£7.433m (2017/18: £5.5m)



Group income £m



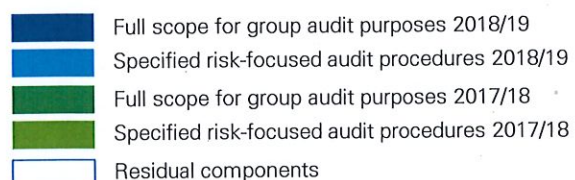
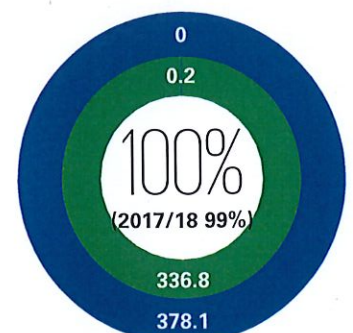
Group surplus £m



Group total assets £m



Group operating expenditure £m



4. We have nothing to report on going concern

The Accounting Officer has prepared the financial statements on the going concern basis as they have not been informed by the relevant national body of the intention to dissolve the Group or the Trust without the transfer of its services to another public sector entity. They have concluded that there are no material uncertainties that cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Our responsibility is to conclude on the appropriateness of the Accounting Officer's conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the Trust will continue in operation.

In our evaluation of the Accounting Officer's conclusions, we considered the inherent risks to the Group and Trust's business model, including the impact of Brexit, and analysed how those risks might affect the Group and Trust's financial resources or ability to continue operations over the going concern period. We evaluated those risks and concluded that they were not significant enough to require us to perform additional audit procedures.

Based on this work, we are required to report to you if we have anything material to add or draw attention to in relation to the Accounting Officers statement in Note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Trust's use of that basis for a period of at least twelve months from the date of approval of the financial statements.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

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

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

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

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

Remuneration report

In our opinion the part of the remuneration report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2018/19.

Corporate governance disclosures

We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the Directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for stakeholders to assess the 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 2018/19, 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 100-101, the Accounting Officer is responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the 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 their 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; or
- 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.

Our risk assessment did not identify any significant risks.

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

This report is made solely to the Council of Governors, as a body, in accordance with Schedule 10 of the National Health Service Act 2006 and the terms of our engagement. Our audit work has been undertaken so that we might state to the Council of Governors, 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, 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
London
E14 5GL

28 May 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

		Group		Trust	
	NOTE	2018/19	2017/18	2018/19	2017/18
		£000	£000	£000	£000
Revenue					
Revenue from patient care activities	3	326,191	296,943	326,113	296,843
Other operating revenue	4	84,121	74,685	92,446	74,740
Operating expenses	6	(369,263)	(336,614)	(378,051)	(336,830)
Operating surplus		41,049	35,014	40,508	34,753
Finance costs:					
Finance income	11	292	84	414	99
Finance expense - financial liabilities	12	(266)	(283)	(266)	(283)
Finance expense - unwinding of discount on provisions		0	0	0	0
Public dividend capital dividends payable		(5,067)	(4,578)	(5,067)	(4,578)
Gains/(losses) of disposal of assets		117	0	0	0
Corporation tax expense		(45)	(63)	0	0
Retained surplus for the period		36,080	30,174	35,589	29,991
Other comprehensive income					
Impairments and reversals		(294)	(13)	(294)	(13)
Gains on revaluations		108	9,862	108	9,862
Other recognised gains and losses		0	(2)	0	(2)
Other reserve movements		(754)	0	0	0
Total comprehensive income for the period		35,140	40,021	35,403	39,838

The notes on pages 162 to 193 form part of these accounts.
All income and expenditure is derived from continuing operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

		Group		Trust	
	NOTE	31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000
Non-current assets					
Intangible assets	14	712	719	712	719
Property, plant and equipment	15	175,102	174,451	168,282	174,451
Trade and other receivables	19	512	410	512	410
Other financial assets	20	0	0	5,729	100
Total non-current assets		176,326	175,580	175,235	175,680
Current assets					
Inventories	18	6,592	5,334	3,281	5,253
Trade and other receivables	19	59,229	54,183	60,791	54,016
Other financial assets	20	0	0	4,206	100
Cash and cash equivalents	27	59,229	35,039	58,047	34,746
Total current assets		125,050	94,556	126,325	94,115
Current liabilities					
Trade and other payables	21	(29,363)	(33,667)	(29,761)	(33,704)
Borrowings	23	(10,593)	(1,248)	(10,593)	(1,248)
Provisions	28	(1,703)	(1,515)	(1,680)	(1,515)
Tax payable	21	(4,746)	(4,140)	(4,624)	(4,094)
Other liabilities	22	(1,181)	(1,932)	(1,181)	(1,932)
Total current liabilities		(47,586)	(42,502)	(47,839)	(42,493)
Total assets less current liabilities		253,790	227,634	253,721	227,302
Non-current liabilities					
Trade and other payables	21	(60)	(97)	(60)	(97)
Borrowings	23	(5,965)	(16,513)	(5,965)	(16,513)
Provisions	28	(163)	(174)	(163)	(174)
Other liabilities	22	(875)	(888)	(875)	(888)
Total non-current liabilities		(7,063)	(17,672)	(7,063)	(17,672)
Total assets employed		246,727	209,962	246,658	209,630
Financed by taxpayers' equity:					
Public Dividend Capital		70,085	68,460	70,085	68,460
Revaluation Reserve		62,701	62,887	62,701	62,887
Income and Expenditure Reserve		113,941	78,615	113,872	78,283
Total Taxpayers' Equity		246,727	209,962	246,658	209,630

The financial statements on pages 158 to 193 were approved by the Board on 28th May 2019 and signed on its behalf by:

Signed: 

Louise Stead
Chief Executive

28th May 2019

CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

Group	Public Dividend Capital £000	Revaluation Reserve £000	Income and Expenditure Reserve £000	Total £000
Taxpayers' Equity at 1 April 2018	68,460	62,887	78,615	209,962
Changes in taxpayers' equity for period 01/04/18 to 31/03/19				
Total Comprehensive Income for the year:				
Retained surplus/(deficit) for the year	0	0	36,080	36,080
Impairments and reversals	0	(294)	0	(294)
Gains on revaluation	0	108	0	108
Other recognised gains and losses	0	0	0	0
Transfer to retained earnings on disposal of assets	0	0	0	0
New Public Dividend Capital received	1,625	0	0	1,625
Other reserve movements	0	0	(754)	(754)
Taxpayers' Equity at 31 March 2019	70,085	62,701	113,941	246,727

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)
Transfers between reserves	0	(179)	179	0
New Public Dividend Capital received	4,404	0	0	4,404
Balance at 31 March 2018	68,460	62,887	78,615	209,962

Trust	Public Dividend Capital £000	Revaluation Reserve £000	Income and Expenditure Reserve £000	Total £000
Taxpayers' Equity at 1 April 2018	68,460	62,887	78,283	209,630
Changes in taxpayers' equity for period 01/04/18 to 31/03/19				
Total Comprehensive Income for the year:				
Retained surplus/(deficit) for the year	0	0	35,589	35,589
Impairments and reversals	0	(294)	0	(294)
Gains on revaluation	0	108	0	108
Other recognised gains and losses	0	0	0	0
Transfer to retained earnings on disposal of assets	0	0	0	0
New Public Dividend Capital received	1,625	0	0	1,625
Taxpayers' Equity at 31 March 2019	70,085	62,701	113,872	246,658

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)
Transfers between reserves	0	(179)	179	0
New Public Dividend Capital received	4,404	0	0	4,404
Balance at 31 March 2018	68,460	62,887	78,283	209,630

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

	Group		Trust	
	2018/19 £000	2017/18 £000	2018/19 £000	2017/18 £000
Cash flows from operating activities				
Operating surplus from continuing operations	41,049	35,014	40,508	34,753
Operating surplus	41,049	35,014	40,508	34,753
Non-cash income and expense:				
Depreciation and amortisation	8,497	7,299	7,223	7,299
Impairments and reversals	3,832	1,137	3,832	1,137
Income recognised in respect of capital donations (cash and non-cash)	(1,949)	(1,565)	(1,949)	(1,565)
(Increase)/Decrease in Trade and Other Receivables	(6,092)	(6,037)	(7,821)	(5,531)
(Increase)/Decrease in Inventories	(1,258)	1,546	1,972	1,512
Increase/(Decrease) in Trade and Other Payables	1,112	2,418	1,399	2,151
Increase/(Decrease) in Other Liabilities	(764)	144	(764)	144
Increase/(Decrease) in Provisions	177	49	154	49
Corporation Tax paid	(43)	(20)	0	0
Other movements in operating cash flows	(754)	0	0	0
NET CASH GENERATED FROM/(USED IN) OPERATIONS	43,807	39,985	44,554	39,949
Cash flows from investing activities				
Interest received	272	73	394	88
Purchase of financial assets	0	0	(10,075)	0
Sales of financial assets	0	0	340	100
Purchase of intangible assets	(289)	(275)	(289)	(275)
Sales of intangible assets	0	0	0	0
Purchase of Property, Plant and Equipment	(17,515)	(12,174)	(15,952)	(12,174)
Sales of Property, Plant and Equipment	117	0	6,530	0
Receipt of cash donations to purchase capital assets	2,630	741	2,630	741
Net cash generated from/(used in) investing activities	(14,785)	(11,635)	(16,422)	(11,520)
Cash flows from financing activities				
Public dividend capital received	1,625	4,404	1,625	4,404
Loans received from the Department of Health and Social Care	0	0	0	0
Loans repaid to the Department of Health and Social Care	(1,248)	(1,248)	(1,248)	(1,248)
Capital element of finance lease rental payments	0	0	0	0
Interest paid	(267)	(281)	(266)	(281)
Interest element of finance lease	0	0	0	0
PDC Dividend paid	(4,942)	(4,958)	(4,942)	(4,958)
Net cash generated from/(used in) financing activities	(4,832)	(2,083)	(4,831)	(2,083)
Increase in cash and cash equivalents	24,190	26,267	23,301	26,346
Cash and Cash equivalents at 1 April	35,039	8,772	34,746	8,400
Cash and Cash equivalents at 31 March	59,229	35,039	58,047	34,746

NOTES TO THE ACCOUNTS

1. 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 & Social Care (DHSC) Group Accounting Manual (DHSC GAM) which shall be agreed with the Secretary of State. Consequently, the following financial statements have been prepared in accordance with the DHSC GAM 2018/19. 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.

1.1 Accounting convention

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

1.2 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 2019 was £11.6m, 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 in the 2017/18 financial year was not material in relation to the group and as a result they were not consolidated into the group position in that year. An adjustment has been made to the group's reserves in 2018/19 of £754k to reflect the start up loss incurred in 2017/18.

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 both subsidiaries. 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.

1.3 Income recognition

The transition to IFRS 15 has been completed in accordance with paragraph C3 (b) of the Standard, applying the Standard retrospectively recognising the cumulative effects at the date of initial application.

In the adoption of IFRS 15 a number of practical expedients offered in the Standard have been employed. These are as follows;

- As per paragraph 121 of the Standard the Group will not disclose information regarding performance obligations part of a contract that has an original expected duration of one year or less,

- The Group is to similarly not disclose information where revenue is recognised in line with the practical expedient offered in paragraph B16 of the Standard where the right to consideration corresponds directly with value of the performance completed to date.
- The FReM has mandated the exercise of the practical expedient offered in C7(a) of the Standard that requires the Group to reflect the aggregate effect of all contracts modified before the date of initial application.

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 method adopted to assess progress towards the complete satisfaction of a performance obligation is to consider whether a specific milestone or activity, as set out in the contractual agreement, has been achieved and if it has recognise the income attributable to that part of the contract.

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, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

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.

1.4 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.

1.5 Expenditure on other goods and services

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

1.6 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential 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, with a minimum cost per item of £250 and a minimum collective cost of £5,000.

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 full revaluation taking place on 31 March 2019. In addition to the revaluation a full assessment of the lives of the buildings was carried out resulting in a number of reductions being made in the useful economic life of the Trust's estate. 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 DHSC 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.

1.7 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only 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.

1.8 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.

1.9 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.

1.10 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.

1.11 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.

1.12 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 0.76% for 0-5 years and 1.14% for 6-10 years in nominal terms, except for early retirement provisions and injury benefit provisions which both use the HM Treasury's pension discount rate of 0.29% 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 arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

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.

1.13 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:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably.

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.

1.14 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 DHSC 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

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets or assets measured at fair value through other comprehensive income, the Group recognises an allowance for expected credit losses.

The Group adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses. For other financial assets, the loss allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increases (stage 2).

Credit losses are determined by reviewing each class of financial asset to identify any that are past their due date for settlement by more than sixty days. Any financial asset that is identified as being overdue by more than sixty days will be credit risk assessed and, where a potential for loss is identified, an impairment loss will be recognised.

HM Treasury has ruled that central government bodies may not recognise stage 1 or stage 2 impairments against other government departments, their executive agencies, the Bank of England, Exchequer Funds, and Exchequer Funds' assets where repayment is ensured by primary legislation. The Group therefore does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies. Additionally, the DHSC provides a guarantee of last resort against the debts of its arm's length bodies and NHS bodies (excluding NHS charities), and the Group does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies.

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

1.15 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 companies 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.

1.16 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.

- Is 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 companies are trading companies which are subjected to corporation tax at the rates applying at the reporting date. The tax amount included in the 2018/19 financial period is £45k (2017/18 £63k).

1.17 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.

1.18 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.

1.19 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.

Critical Judgements

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.

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.

Impairment of Receivables: 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 an allowance should be made. The Trust does not hold collateral for any of its receivables.

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 2018/19 was £3,141k (2017/18 £3,160k).

Accrued expenditure: At the end of each financial year a review of expenditure is carried out to identify expected cost that has not yet been charged to the Group. Where goods have been received an accrual will be made based upon the value of the order placed with the supplier. Where services have been provided an estimate of the cost of those services will be made based upon either historical invoices received, where a charge has been made for a similar service, or the time spent delivering the service.

Accounting Estimates

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 2018/19 this information was obtained using a 24% representative sample of the Trust's workforce, giving an extrapolated estimate of £612k. This compares to an estimate of £574k in 2017/18 using a 26% sample. The year on year increase/decrease is accounted for as a salary cost/benefit and reported within note 8.1.

1.20 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 DHSC (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.

1.21 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.

1.22 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. The capital and reserves attributable to non-controlling interests are included as a separate item in the Statement of Financial Position. 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 2018/19 and 2017/18 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 2018/19 and 2017/18 financial statements.

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

1.23 Going Concern

The Group achieved an outturn surplus position of £36.1m for 2018/19 although this figure includes incentive and bonus payments of £25.9m from the Provider Sustainability Fund (PSF). Excluding this non-recurrent receipt the Group achieved a surplus of £10.2m. This figure includes core, recurrent PSF funding of £6.0m, without which the underlying position would have been a surplus of £4.2m.

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.

1.24 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 not yet required to be adopted:

Effective for future financial years:

IFRS 14 Regulatory Deferral Accounts	Not yet EU-endorsed. Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable to DHSC group bodies.
IFRS 16 Leases	Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted.
IFRS 17 Insurance Contracts	Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.
IFRIC 23 Uncertainty over Income Tax Treatments	Application required for accounting periods beginning on or after 1 January 2019.

1.25 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	Diagnostics & Clinical Support	Surgery	Oncology	Women and Children	Community Services	Corporate	Reserves	RSCH Pharmacy Ltd	Healthcare Partners Ltd	Grand Total
		2018/19 £000	2018/19 £000	2018/19 £000	2018/19 £000	2018/19 £000	2018/19 £000	2018/19 £000	2018/19 £000	2018/19 £000	2018/19 £000	2018/19 £000
Income	Car Parking income	0	0	0	0	0	0	1,477	0	0	0	1,477
	Cash donations / grants for the purchase of capital assets	0	0	0	0	0	0	0	1,791	0	0	1,791
	Catering	0	1	0	0	0	20	7	18	0	0	46
	CCG & NHSE Comm Income	70,921	18,380	103,413	73,298	30,096	14,292	1,364	(796)	0	0	310,968
	Charitable and other contributions to expenditure	0	0	0	0	0	0	0	242	0	0	242
	Department of Health & Social Care (DHSC)	0	0	0	0	0	0	48	2,926	0	0	2,974
	Donations of physical assets (non-cash)	0	0	0	0	0	0	0	158	0	0	158
	Education and training	1,936	668	2,146	1,080	658	79	3,951	0	0	0	10,518
	Injury cost recovery scheme	0	0	0	0	0	0	0	645	0	0	645
	Local Authorities	0	0	0	0	0	0	0	0	0	0	0
	NHS Foundation Trusts	1,109	1,289	1,731	743	0	0	4	0	0	0	4,876
	NHS Other (including Public Health England)	0	0	13	0	0	0	0	0	1,109	0	1,122
	NHS Trusts	19	0	94	554	0	0	0	0	0	0	667
	Non NHS: Other	0	1	0	0	190	0	0	113	78	0	382
	Non NHS: private patients	105	399	1,734	3,234	122	0	0	0	0	0	5,594
	Non-NHS: Overseas Patients (non-reciprocal, chargeable to patient)	0	0	0	0	0	0	72	0	0	0	72
	Other income generation schemes	589	6,575	2,345	4,048	30	127	5,816	45	55	29,727	49,357
	Pharmacy sales	0	1,947	0	0	0	0	0	0	10,380	0	12,327
	Rental revenue from finance leases	0	0	11	1,099	0	0	2,387	144	0	0	3,641
	Research and development	75	153	25	826	0	0	20,047	0	0	0	21,126
	Staff accommodation rental	0	0	0	0	0	0	0	0	0	0	0
	STF Funding	0	0	0	0	0	0	0	31,882	0	0	31,882
Pay	Non-executive directors	0	0	0	0	0	0	(131)	0	0	0	(131)
	Pay Costs	(40,973)	(35,389)	(59,804)	(23,054)	(16,935)	(11,029)	(22,331)	(1,434)	(735)	(2,582)	(214,266)
Non-Pay	Audit fees and other auditor remuneration	0	0	0	0	0	0	0	0	0	0	0
	Clinical negligence	0	0	0	(3)	0	0	(143)	0	(8)	(11)	(165)
	Consultancy	0	(24)	19	(23)	(2)	(151)	(1,454)	(85)	0	(389)	(2,109)
	Drugs costs (drug inventory consumed and purchase of non-inventory drugs)	(6,417)	(3,578)	(4,301)	(26,400)	(802)	(53)	14	775	(10,370)	(725)	(51,857)
	Education and training - non-staff	(31)	(2)	(117)	(19)	42	(24)	(898)	(25)	(4)	(4)	(1,082)
	Establishment	(486)	(1,407)	(361)	(224)	(172)	(416)	(1,896)	(16)	(11)	(149)	(5,138)
	Increase/(decrease) in impairment of receivables	0	0	0	0	0	0	0	60	0	0	60
	Operating lease expenditure	0	(491)	(605)	(356)	(74)	(786)	(950)	(4)	0	(2,083)	(5,349)
	Other	(80)	(30)	(743)	(107)	(127)	(4)	(1,383)	(2)	(37)	(36)	(2,549)
	Premises - business rates payable to local authorities	0	0	0	0	0	0	(1,029)	0	0	0	(1,029)
	Premises - other	(97)	(353)	(246)	(73)	(32)	(810)	(8,693)	144	(10)	(352)	(10,522)
	Purchase of healthcare from NHS bodies	(98)	(130)	(2,033)	(800)	(249)	(22)	(1,991)	(435)	0	(9)	(5,767)
	Purchase of healthcare from non-NHS bodies	(337)	(2,000)	(916)	(2,114)	(1)	(371)	(16)	0	0	0	(5,755)
	Redundancy costs - non-staff	(7)	(6)	(20)	0	0	(2)	(11)	(54)	0	0	(100)
	Research and development - non-staff	0	0	0	0	0	0	(11,277)	0	0	0	(11,277)
	Supplies and services – clinical (excluding drugs costs)	(2,679)	(4,365)	(2,820)	(1,068)	(770)	(552)	(1,597)	(15)	(2)	(18,112)	(31,980)
	Supplies and services - general	(1,501)	(4,359)	(16,619)	(6,895)	(257)	(199)	(11,140)	88	(135)	(3,727)	(44,744)
	Transport	(15)	(635)	(5)	(14)	(4)	(3)	(31)	0	0	0	(707)
	Amortisation: donated and government granted assets	0	0	0	0	0	0	0	0	0	0	0
Depreciation	Amortisation: owned assets	0	0	0	0	0	0	(10)	0	0	0	(10)
	Depreciation: donated and government granted assets	(2)	(13)	(13)	(104)	(13)	0	(328)	0	0	0	(328)
	Depreciation: owned assets	(132)	(275)	(87)	(819)	(63)	(65)	(107)	0	0	0	(252)
	Impairments net of (reversals)	0	0	0	0	0	0	(5,191)	0	(1,274)	0	(7,906)
Financing	Finance income	0	0	0	0	0	0	0	(3,832)	0	0	(3,832)
	Gains/ (Losses) on Disposal of Assets	0	0	0	0	0	0	0	0	0	0	0
	Loans from the DHSC: capital loans	0	0	0	0	0	0	273	184	(43)	0	414
	Other	0	0	0	0	0	0	0	0	0	117	117
	PDC dividends payable/refundable	0	0	0	0	0	0	0	(265)	(30)	(92)	(387)
	Tax	0	0	0	0	0	0	(1)	0	0	0	(1)
		0	0	0	0	0	0	0	(5,067)	0	0	(5,067)
		0	0	0	0	0	0	0	0	(45)	0	(45)
		21,899	(23,644)	22,841	22,809	11,637	31	(47,169)	27,185	192	299	36,080

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	Diagnostics & Clinical Support	Surgery	Oncology	Women and Children	Community Services	Corporate	Reserves	Grand Total
		2017/18 £000	2017/18 £000	2017/18 £000	2017/18 £000	2017/18 £000	2017/18 £000	2017/18 £000	2017/18 £000	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 & Social Care (DHSC)	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)
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)
Depreciation	Amortisation: donated and government granted assets	0	0	0	0	0	0	(10)	(1)	(11)
	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 DHSC: 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

3.1 Income from healthcare activities (by nature)

	Group		Trust	
	2018/19 £000	2017/18 £000	2018/19 £000	2017/18 £000
Acute services				
Elective income	54,558	52,288	54,558	52,288
Non elective income	82,710	71,673	82,710	71,673
Outpatient income	45,855	42,433	45,855	42,433
A & E income	10,323	9,077	10,323	9,077
Other NHS clinical income	108,861	114,090	108,861	114,090
Community Services				
Income from CCGs and NHS England	14,292	0	14,292	0
All services				
Private patient income	5,595	6,112	5,595	6,112
AfC pay award central funding	2,899	0	2,899	0
Other clinical income	1,098	1,270	1,020	1,170
Total income from activities	326,191	296,943	326,113	296,843

3.2 Income from healthcare activities (by source)

	Group		Trust	
	2018/19 £000	2017/18 £000	2018/19 £000	2017/18 £000
NHS Foundation Trusts	4,875	4,131	4,875	4,131
NHS Trusts	667	685	667	685
NHS England	112,332	105,168	112,332	105,168
Clinical Commissioning Groups	198,636	179,603	198,636	179,603
Local Authorities	0	0	0	0
Department of Health and Social Care (DHSC)	2,975	64	2,975	64
Public Health England	13	10	13	10
Non-NHS:				
Private Patients	5,595	6,112	5,595	6,112
Overseas Patients (charged directly by the Trust)	72	298	72	298
Injury Costs Recovery Scheme	645	485	645	485
Other	381	387	303	287
	326,191	296,943	326,113	296,843

Injury cost recovery income is subject to a provision for impairment of receivables of 21.89% to reflect expected rates of collection.

3.3 Income from Overseas Patients

	Group		Trust	
	2018/19 £000	2017/18 £000	2018/19 £000	2017/18 £000
Income recognised this year	72	298	72	298
Cash payments received in-year (relating to invoices raised in current and previous years)	140	144	140	144
Amounts added to provision for impairment of receivables (relating to invoices raised in current and prior years)	(17)	52	(17)	52
Amounts written off in-year (relating to invoices raised in current and previous years)	3	43	3	43

4. Other Operating Revenue

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Research and Development	21,125	16,979	21,125	16,979
Education and Training	10,517	10,212	10,517	10,212
Charitable and other contributions to expenditure - revenue	242	250	242	250
Charitable and other contributions to expenditure - capital	1,949	1,565	1,949	1,565
Provider Sustainability Fund income	31,882	26,310	31,882	26,310
Clinical tests	5,450	5,226	5,450	5,226
Pharmacy sales	951	1,715	1,947	1,849
Property rentals	2,543	2,640	3,642	2,640
Other revenue	9,462	9,788	15,692	9,709
	84,121	74,685	92,446	74,740

Included in Research & Development income is £10,279k (2017/18 £9,970k) 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 Additional information on contract revenue (IFRS 15) recognised in the period

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Revenue recognised in the reporting period that was included within contract liabilities at the previous period end	500	0	500	0
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	0	0	0	0
	500	0	500	0

5.2 Transaction price allocated to remaining performance obligations

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:				
within one year	0	0	0	0
after one year, not later than five years	0	0	0	0
after five years	0	0	0	0
Total revenue allocated to remaining performance obligations	0	0	0	0

5.3 Revenue from goods and services

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Rendering of services	409,361	369,779	416,570	369,734
Sale of goods	951	1,849	1,947	1,849
	410,312	371,628	418,517	371,583

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

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Commissioner requested services	289,516	272,557	289,516	272,557
Non-Commissioner requested services	120,796	99,071	129,001	99,026
	410,312	371,628	418,517	371,583

The Trust is working with its commissioners to determine the level of commissioner requested services currently provided. Within the 2018-19 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.

5.5 Fees and charges (income generation)

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Fees and charges raised under legislation - prescription charges	79	105	1	4

6. Operating Expenses

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Services from NHS Foundation Trusts	2,544	2,907	2,544	2,907
Services from NHS Trusts	669	498	669	498
Services from CCGs & NHS England	0	0	0	0
Services from other NHS bodies	4	0	4	0
Purchase of healthcare from non NHS bodies	6,177	5,071	6,177	5,071
Employee Expenses - Executive directors	1,157	1,294	1,157	1,294
Employee Expenses - Non-executive directors	131	128	131	128
Employee Expenses - Staff	213,110	188,303	209,793	187,820
Drug costs	39,455	39,838	40,850	40,669
Supplies and services - clinical	30,863	32,387	13,868	32,387
Supplies and services - general	13,394	12,796	43,512	12,745
Rentals under operating leases - minimum lease payments	3,494	2,519	3,271	2,519
Establishment	5,387	4,303	5,242	4,299
Research and Development	11,277	10,392	11,277	10,392
Transport	701	475	701	475
Premises	11,481	10,116	11,120	10,114
Increase/(decrease) in provision for impairment of receivables	(60)	180	(60)	180
Increase/(decrease) in other provisions	178	47	155	47
Change in provisions discount rate(s)	(1)	1	(1)	1
Depreciation	8,159	6,982	6,885	6,982
Amortisation on intangible assets	338	317	338	317
Impairments/(Reversal of Impairments) of property, plant and equipment	3,832	1,137	3,832	1,137
Audit fees - Statutory audit	91	80	72	65
Other auditor's remuneration:				
Further assurance services - Quality Accounts review	12	12	12	12
Advisory Services		0		0
Internal Audit & Counter Fraud services	62	83	62	83
Clinical negligence - amounts payable to the NHSLA (premiums)	12,021	11,694	12,021	11,694
Legal Fees	192	178	187	149
Consultancy costs	2,033	2,543	1,721	2,543
Training, courses and conferences	1,080	899	1,073	899
Insurance	262	215	224	214
Redundancy & early retirements	18	79	18	79
Losses, ex gratia and special payments	633	467	633	433
Other	569	673	563	677
	369,263	336,614	378,051	336,830

Included in Research & Development expenditure is £10,279k (2017/18 £9,970k) 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.

Auditor's remuneration

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Audit services - statutory audit	79	69	60	54
Audit services - audit related regulatory reporting	10	10	10	10
Advisory services	0	0	0	0
	89	79	70	64

This disclosure of auditors remuneration excludes irrecoverable VAT.

7. Operating Leases

7.1 As lessee

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Payments recognised as an expense				
Minimum lease payments	3,494	2,519	3,271	2,519
Total	3,494	2,519	3,271	2,519
Future minimum lease payments due on land leases				
Payable:	£000	£000	£000	£000
Not later than one year	131	228	0	228
Between one and five years	524	524	0	524
After 5 years	5,241	5,372	0	5,372
Total	5,896	6,124	0	6,124

Future minimum lease payments due on building leases

Payable:	£000	£000	£000	£000
Not later than one year	1,074	122	1,049	122
Between one and five years	412	489	412	489
After 5 years	1,801	3,216	1,801	3,216
	3,287	3,827	3,262	3,827

Future minimum lease payments due on other leases

Payable:	£000	£000	£000	£000
Not later than one year	1,136	1,052	1,136	1,052
Between one and five years	1,591	1,070	1,591	1,070
After 5 years	1,950	143	1,950	143
	4,677	2,265	4,677	2,265

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	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Other	2,543	2,640	2,543	2,640
Total rental revenue	2,543	2,640	2,543	2,640

Future minimum lease receipts due on land leases

	£000	£000	£000	£000
Not later than one year	433	434	433	434
Between one and five years	1,732	1,735	1,732	1,735
After 5 years	31,956	32,617	31,956	32,617
Total	34,121	34,786	34,121	34,786

Future minimum lease receipts due on building leases

	£000	£000	£000	£000
Not later than one year	393	392	393	392
Between one and five years	1,466	1,569	1,466	1,569
After 5 years	1,246	1,650	1,246	1,650
Total	3,105	3,611	3,105	3,611

8. Employee benefits**8.1 Employee benefits**

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Salaries and wages	163,780	146,990	161,971	146,858
Social Security Costs	17,087	15,309	16,891	15,298
Apprenticeship levy	793	713	793	713
Employer contributions to NHS Pension scheme	18,806	17,039	18,665	17,039
Pension cost - other	41	9	19	8
Termination benefits	81	169	81	169
Agency/contract staff	13,939	9,709	12,921	9,370
Total staff costs	214,527	189,938	211,341	189,455

Of which costs capitalised as part of assets	179	172	179	172
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Within the accounts payable note £612k (2017/18 £574k) has been included as an estimate of annual leave not taken as at 31/03/2019. The adjustment of £38k 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 (2017/18 there was 1) early retirement from the NHS Foundation Trust agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements is £66k. (2017/18 £89k). 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

	Remuneration	Employers National Insurance	2018/19 Employers Pension Contributions	Benefits In Kind	Total	2017/18 Total
	£000	£000	£000	£000	£000	£000
Executive Directors	916	119	121	1	1,157	1,538
Interim-Executive Directors	0	0	0	0	0	0
Non-Executive Directors	122	9	0	0	131	128
Total	1,038	128	121	1	1,288	1,666

There were no performance bonuses paid in either 2018/19 or 2017/18 although a provision of £20k has been made for a potential bonus relating to the 2018/19 financial year. The total number of directors to whom benefits are accruing under the NHS defined benefit scheme (the NHS Pension Scheme) was seven (2017/18 seven).

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 for Health in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% of pensionable pay from this date.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

10. Better Payment Practice Code - Group and Trust

10.1.1 Better Payment Practice Code - Group measure of compliance

	2018/19		2017/18	
	Number	£000	Number	£000
Total Non-NHS trade invoices paid in the year	102,312	144,753	95,297	121,577
Total Non NHS trade invoices paid within target	92,097	120,333	89,447	108,233
Percentage of Non-NHS trade invoices paid within target	90%	83%	94%	89%
Total NHS trade invoices paid in the year	1,533	9,792	1,574	8,450
Total NHS trade invoices paid within target	1,236	7,393	1,227	5,627
Percentage of NHS trade invoices paid within target	81%	76%	78%	67%

10.1.2 Better Payment Practice Code - Trust measure of compliance

	2018/19		2017/18	
	Number	£000	Number	£000
Total Non-NHS trade invoices paid in the year	75,781	122,173	95,297	121,577
Total Non NHS trade invoices paid within target	68,900	100,515	89,447	108,233
Percentage of Non-NHS trade invoices paid within target	91%	82%	94%	89%
Total NHS trade invoices paid in the year	1,527	9,787	1,574	8,450
Total NHS trade invoices paid within target	1,230	7,388	1,227	5,627
Percentage of NHS trade invoices paid within target	81%	75%	78%	67%

The Better Payment Practice Code requires the Group 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 £0 were made and paid under this legislation in this financial year (2017/18 £1,027).

11. Finance Income

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Interest on bank accounts	292	84	292	84
Interest on other investments / financial assets	0	0	122	15
Total	292	84	414	99

12. Finance Costs

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Finance Costs - interest expense				
Interest on Loans from DHSC	265	282	265	282
Finance leases	0	0	0	0
Other - payment penalty	1	1	1	1
Total	266	283	266	283

13. Corporation Tax

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
UK corporation tax expense	45	43	0	0
Adjustments in respect of prior years	0	20	0	0
Current tax expense	45	63	0	0

14. Intangible assets - Group and Trust

	Computer software - purchased	Development expenditure (internally generated)	Intangible Assets under construction	Total
	£000	£000	£000	£000
2018/19				
Gross cost at 1 April 2018	1,739	821	0	2,560
Impairments charged to revaluation reserve	0	0	0	0
Reclassifications	0	0	0	0
Revaluation surpluses	0	0	0	0
Additions - purchased	210	121	0	331
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 2019	1,949	942	0	2,891
Amortisation at 1 April 2018	1,294	547	0	1,841
Provided during the year	283	55	0	338
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 2019	1,577	602	0	2,179
Net book value				
Purchased	370	340	0	710
Donated	2	0	0	2
Government granted	0	0	0	0
Total at 31 March 2019	372	340	0	712

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

	Computer software - purchased	Development expenditure (internally generated)	Intangible Assets under construction	Total
	£000	£000	£000	£000
2017/18				
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.

15. Property, plant and equipment - Group

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
2018/19	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2018	23,167	129,445	0	4,099	51,431	54	13,740	265	222,201
Additions - purchased	0	5,623	0	1,375	3,264	18	599	0	10,879
Additions - donated cash receipts	0	1,471	0	0	265	0	55	0	1,791
Additions - donated non-cash receipts	0	0	0	0	158	0	0	0	158
Impairments charged to operating expenses	0	(2,045)	0	0	(2,261)	0	0	0	(4,306)
Impairments charged to revaluation reserve	0	(294)	0	0	0	0	0	0	(294)
Reclassifications	0	3,890	0	(3,928)	0	0	38	0	0
Revaluation surpluses	108	0	0	0	0	0	0	0	108
Reversal of impairments credited to operating expenses	53	0	0	0	0	0	0	0	53
Transferred to disposal group as asset held for sale	0	0	0	0	0	0	0	0	0
Disposals/derecognition	0	0	0	0	(18,144)	0	0	0	(18,144)
Cost or valuation at 31 March 2019	23,328	138,090	0	1,546	34,713	72	14,432	265	212,446
Depreciation at 1 April 2018	0	8,210	0	0	30,786	52	8,534	168	47,750
Provided during the year	0	3,433	0	0	3,035	2	1,680	9	8,159
Impairments recognised in operating expenses	0	0	0	0	(421)	0	0	0	(421)
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/derecognition	0	0	0	0	(18,144)	0	0	0	(18,144)
Depreciation at 31 March 2019	0	11,643	0	0	15,256	54	10,214	177	37,344
Net book value									
Owned at 31 March 2019	23,328	120,119	0	1,546	18,310	18	4,157	48	167,526
Finance Leased at 31 March 2019	0	0	0	0	0	0	0	0	0
Donated at 31 March 2019	0	6,328	0	0	1,147	0	61	40	7,576
Total at 31 March 2019	23,328	126,447	0	1,546	19,457	18	4,218	88	175,102

A full valuation of the land and buildings was carried out on the 31st March 2019. In between formal valuations a desktop or interim valuation, using relevant land and building indices, is 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.

During the year assets the Trust sold plant and machinery with a net book value of £6,444k to it's subsidiary company Healthcare Partners Ltd. Those assets had a cumulative depreciation value of £14,966m which has been removed from both gross cost and cumulative depreciation using the disposals/derecognition line in the assets table.

15. Property, plant and equipment - Trust

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
2018/19	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2018	23,167	129,445	0	4,099	51,431	54	13,740	265	222,201
Additions - purchased	0	5,623	0	1,375	1,701	18	599	0	9,316
Additions - donated cash receipts	0	1,471	0	0	265	0	55	0	1,791
Additions - donated non-cash receipts	0	0	0	0	158	0	0	0	158
Impairments charged to operating expenses	0	(2,045)	0	0	(2,261)	0	0	0	(4,306)
Impairments charged to revaluation reserve	0	(294)	0	0	0	0	0	0	(294)
Reclassifications	0	3,890	0	(3,928)	0	0	38	0	0
Revaluation surpluses	108	0	0	0	0	0	0	0	108
Reversal of impairments credited to operating expenses	53	0	0	0	0	0	0	0	53
Transferred to disposal group as asset held for sale	0	0	0	0	0	0	0	0	0
Disposals / Derecognition	0	0	0	0	(23,550)	0	0	0	(23,550)
Cost or valuation at 31 March 2019	23,328	138,090	0	1,546	27,744	72	14,432	265	205,477
Depreciation at 1 April 2018	0	8,210	0	0	30,786	52	8,534	168	47,750
Provided during the year	0	3,433	0	0	1,762	2	1,680	9	6,886
Impairments recognised in operating expenses	0	0	0	0	(421)	0	0	0	(421)
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	(17,020)	0	0	0	(17,020)
Depreciation at 31 March 2019	0	11,643	0	0	15,107	54	10,214	177	37,195
Net book value									
Owned at 31 March 2019	23,328	120,119	0	1,546	11,490	18	4,157	48	160,706
Finance Leased at 31 March 2019	0	0	0	0	0	0	0	0	0
Donated at 31 March 2019	0	6,328	0	0	1,147	0	61	40	7,576
Total at 31 March 2019	23,328	126,447	0	1,546	12,637	18	4,218	88	168,282

A full valuation of the land and buildings was carried out on the 31st March 2019. In between formal valuations a desktop or interim valuation, using relevant land and building indices, is 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

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
2017/18	£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	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	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
Acquisition through business combination	0	0	0	0	0	0	0	0	0
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

16. Impairments

Impairment of assets (PPE & intangibles)

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Equipment assets identified for transfer to subsidiary co.	1,840	1,500	1,840	1,500
Changes in market price	1,992	(363)	1,992	(363)
Total net impairments charged to operating surplus/deficit	3,832	1,137	3,832	1,137
Impairments charged to the revaluation reserve	294	13	294	13
Total net impairments	4,126	1,150	4,126	1,150

The Trust Board approved the transfer/sale of a proportion of equipment assets to the Trust's wholly owned subsidiary Healthcare Partners Limited (HPL Ltd). The subsidiary is permitted to recover VAT on equipment purchases and, as a result of advice received by the Trust regarding the sale, an impairment of those equipment assets for the irrecoverable VAT incurred on the original purchase cost was applied in 2017/18. This resulted in an impairment cost in that year of £1,513k, with £13k charged to the revaluation reserve and £1,500k to the SOCI. In 2018/19 there were further equipment impairments recognised of £1,840k for equipment sold/leased to HPL Ltd.

The revaluation of land and buildings in 2017/18 enabled £363k of prior year impairments, charged to the SOCI, to be reversed. In 2018/19 a full valuation of land and buildings took place resulting in a revaluation gain for land of £161k and an impairment for buildings of £2,339k.

17. Capital commitments

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

	Group		Trust	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£000	£000	£000	£000
Property, plant and equipment	2,431	1,381	2,285	1,381
Total	2,431	1,381	2,285	1,381

The major commitments are:

	£000	
A&E Facility Enhancement	1,091	- Group & Trust Complete in 2019/20
Gamma Cameras x 2	661	- Group & Trust Complete in 2019/20
Emergency Assessment Unit Extension	480	- Group & Trust Complete in 2019/20
Medical Equipment	146	- Group Complete in 2019/20
Additional Maternity Theatre	30	- Group & Trust Complete in 2020/21

18. Inventories

18.1 Inventories

	Group		Trust	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£000	£000	£000	£000
Drugs	3,113	2,332	2,304	2,251
Consumables	3,343	2,861	840	2,861
Energy	136	141	137	141
Total	6,592	5,334	3,281	5,253

18.2 Inventories recognised in expenses

	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£000	£000	£000	£000
Inventories recognised as an expense in the period	60,748	1,074	32,485	1,072
Write-down of inventories (including losses)	543	490	543	456
Total	61,291	1,564	33,028	1,528

19. Trade and other receivables

19.1 Trade and other receivables

	Group		Trust	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£000	£000	£000	£000
Current				
Contract receivables: invoiced	18,943	0	20,142	0
Contract receivables: not yet invoiced/non invoiced	35,961	0	37,350	0
Trade receivables (prior year comparator only)	0	15,051	0	15,060
Capital receivables	3	839	3	839
Accrued income (prior year comparator only)	0	35,431	0	35,431
Allowance for impaired contract receivables	(218)	0	(218)	0
Allowance for impaired other receivables	(231)	(535)	(231)	(535)
Prepayments	1,738	1,710	1,110	1,710
PDC dividend receivable	57	182	57	182
VAT receivable	2,192	798	1,794	622
Other receivables	784	707	784	707
Total Current	59,229	54,183	60,791	54,016
Non-current				
Non NHS receivables	655	528	655	528
Non NHS capital receivables	0	3	0	3
Allowance for impaired other receivables	(143)	(121)	(143)	(121)
Total Non-current	512	410	512	410
Total Trade and other receivables	59,741	54,593	61,303	54,426

19.2 Allowances for credit losses (doubtful debts)

	Group		Trust	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£000	£000	£000	£000
At 1 April	656	524	656	524
New allowances arising	139	255	139	255
Utilisation of allowances (where receivable is written off)	(4)	(48)	(4)	(48)
Reversals of allowances (where receivable is collected in-year)	(199)	(75)	(199)	(75)
Balance at 31 March	592	656	592	656

20. Other financial assets

	Group		Trust	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£000	£000	£000	£000
Loan and receivables - current	0	0	4,206	100
Loan and receivables - non-current	0	0	5,729	100
Total	0	0	9,935	200

21. Trade and other payables

	Group		Trust	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£000	£000	£000	£000
Current				
Receipts in advance	325	332	325	332
NHS payables	3,820	2,752	3,466	2,752
Trade payables - capital, including capital accruals	3,326	8,129	3,326	8,129
Other trade payables	7,035	9,290	8,493	8,897
Taxes payable	4,746	4,140	4,624	4,094
Other payables	4,860	4,456	4,826	4,454
Accruals	9,997	8,708	9,325	9,140
Total Current	34,109	37,807	34,385	37,798
Non Current				
Other payables	60	97	60	97
Total Non Current	60	97	60	97
Total Trade and other payables	34,169	37,904	34,445	37,895

Other payables include:

£2,704k outstanding pensions contributions at 31 March 2019 (£2,427k at 31 March 2018).

22. Other liabilities

	Group		Trust	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£000	£000	£000	£000
Current				
Deferred income - contract liability	1,181	35	1,181	35
Deferred grants	0	1,897	0	1,897
Total Current	1,181	1,932	1,181	1,932
Non-current				
Deferred income - contract liability	875	888	875	888
Total Non-current	875	888	875	888
Total Other liabilities	2,056	2,820	2,056	2,820

23. Borrowings

	Group		Trust	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£000	£000	£000	£000
Current				
Capital loans from DHSC	1,265	1,248	1,265	1,248
Working capital loans from DHSC	9,328	0	9,328	0
Total Current	10,593	1,248	10,593	1,248
Non-current				
Capital loans from DHSC	5,965	7,213	5,965	7,213
Working capital loans from DHSC	0	9,300	0	9,300
Total Non-current	5,965	16,513	5,965	16,513
Total Borrowings	16,558	17,761	16,558	17,761

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 2019.

27. Cash and cash equivalents

	Group		Trust	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£000	£000	£000	£000
At 1 April	35,039	8,772	34,746	8,400
Net change in year	24,190	26,267	23,301	26,346
At 31 March	59,229	35,039	58,047	34,746
Broken down into:				
Cash at commercial banks and in hand	1,376	532	194	239
Cash with the Government Banking Service	57,853	34,507	57,853	34,507
Cash and cash equivalents as in Statement of Financial Position	59,229	35,039	58,047	34,746
Bank overdraft	0	0	0	0
Cash and cash equivalents as in Statement of Cash Flows	59,229	35,039	58,047	34,746

28. Provisions for liabilities and charges - Group and Trust

	Current 31 March 2019 £000	Non-current 31 March 2019 £000	Current 31 March 2018 £000	Non-current 31 March 2018 £000	
Pensions - early departure costs	18	163	18	174	
Legal claims	34	0	20	0	
Other	1,651	0	1,477	0	
Total	1,703	163	1,515	174	

	Pensions relating to other staff £000	Legal claims £000	Redundancy £000	Other £000	Total £000
At 1 April 2018	192	20	0	1,477	1,689
Change in Discount Rates	(1)	0	0	0	(1)
Arising during the period	8	43	0	1,404	1,455
Utilised during the period	(18)	(2)	0	(236)	(256)
Reversed unused	0	(27)	0	(994)	(1,021)
Unwinding of discount	0	0	0	0	0
At 31 March 2019	181	34	0	1,651	1,866

Expected timing of cash flows:					
not later than one year;	18	34	0	1,651	1,703
later than one year and not later than five years;	72	0	0	0	72
later than five years.	91	0	0	0	91

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 £34k 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 £632k 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 2018/19;
- 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 CO₂ emissions made during the first three quarters of the 2017/18 financial year and an estimate for the fourth quarter;
- a provision of £7k 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 £681k has been made for potential contract penalties/disputes;
- a provision of £20k has been made for potential Executive Directors' bonuses to be determined by the Trusts' Remuneration Committee in early 2018/19; and
- a provision of £23k has been made by RSCH Pharmacy Ltd for soon to expire drug stock.

£173,634k is included in the provisions of the NHS Litigation Authority at 31 March 2019 in respect of clinical negligence liabilities of the NHS Foundation Trust (£166,550k as at 31 March 2018).

29. Contingencies - Group and Trust

29.1 Contingent liabilities	2018/19 £000	2017/18 £000
Other	9	7
Total	9	7

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. £9k (£7k 2017/18) 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	Financial assets at amortised cost
Assets as per SoFP at 31 March	£000
Receivables (excluding non financial assets) - with DHSC group bodies	49,274
Receivables (excluding non financial assets) - with other bodies	5,968
Cash and cash equivalents (at bank and in hand)	59,229
Total at 31 March 2019	114,471

30.2 Financial liabilities	Financial liabilities at amortised cost
Liabilities as per SoFP at 31 March	£000
DHSC loans	16,558
Obligations under finance leases	0
Trade and other payables (excluding non financial liabilities) - with DHSC group bodies	6,636
Trade and other payables (excluding non financial liabilities) - with other bodies	17,626
Total at 31 March 2019	40,820

30.3 Maturity of financial liabilities	31 March 2019 £000
In one year or less	34,855
In more than one year but not more than two years	1,248
In more than two years but not more than five years	2,866
In more than five years	1,851
Total	40,820

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 DHSC 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 2019 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 2018/19.

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 2018/19	Income £000	Expenditure £000	Receivables £000	Payables £000
Ashford and St Peter's Hospitals NHS Foundation Trust	2,979	2,323	595	952
Brighton and Sussex University Hospitals NHS Trust	3	2,331	3	222
Care Quality Commission	0	244	0	0
Dartford and Gravesham NHS Trust	0	367	0	0
Department of Health and Social Care	17,400	0	19	0
East Kent Hospitals University NHS Foundation Trust	0	1,028	0	0
East Sussex Healthcare NHS Trust	0	596	0	125
Frimley Health NHS Foundation Trust	3,819	2,820	1,440	1,590
Hampshire Hospitals NHS Foundation Trust	181	30	45	15
Health Education England	10,245	4	72	0
Kent Community Health NHS Foundation Trust	0	148	0	0
Kent and Medway NHS and Social Care Partnership NHS Trust	0	391	0	13
Kingston Hospital NHS Foundation Trust	0	101	0	31
Maidstone And Tunbridge Wells NHS Trust	0	830	0	1
Medway NHS Foundation Trust	1	922	8	0
NHS Berkshire West CCG (formed from merger of 10M, 10N, 11C)	239	0	43	0
NHS Brighton and Hove CCG	301	0	0	72
NHS Coastal West Sussex CCG	4,738	0	118	0
NHS Crawley CCG	1,049	0	0	1
NHS Croydon CCG	178	0	0	4
NHS East Surrey CCG	1,241	0	177	0
NHS Eastbourne, Hailsham and Seaford CCG	340	0	30	0
NHS England	145,342	96	37,020	96
NHS Guildford and Waverley CCG	139,015	218	6,239	0
NHS Hastings and Rother CCG	252	0	27	0
NHS High Weald Lewes Havens CCG	242	404	91	404
NHS Horsham and Mid Sussex CCG	2,590	0	63	0
NHS Hounslow CCG	248	0	4	0
NHS Kingston CCG	224	0	27	0
NHS Lambeth CCG	133	0	25	0
NHS Merton CCG	183	0	77	0
NHS North East Hampshire and Farnham CCG	7,815	0	219	0
NHS North Hampshire CCG	1,268	0	11	0
NHS North West Surrey CCG	14,264	294	280	246
NHS Northern, Eastern, Western Devon CCG (NHS NEW Devon)	117	0	25	0
NHS Property Services	44	1,902	36	1,532
NHS Richmond CCG	119	0	0	23
NHS Resolution	0	12,177	0	0
NHS South Eastern Hampshire CCG	14,181	0	877	0
NHS Surrey Downs CCG	7,163	69	51	11
NHS Surrey Heath CCG	2,449	0	23	0
NHS Sutton CCG	232	0	83	0
NHS Wandsworth CCG	103	0	0	70
NHS West Hampshire CCG	279	0	25	0
NHS Wiltshire CCG	100	0	23	0
Public Health England	222	8	101	0
Queen Victoria Hospital NHS Foundation Trust	0	205	0	40
Royal Berkshire NHS Foundation Trust	13	1	0	0
St George's University Hospitals NHS Foundation Trust	69	91	34	170
Surrey and Borders Partnership NHS Foundation Trust	20	646	47	87
Surrey And Sussex Healthcare NHS Trust	788	1,499	257	427
Sussex Community NHS Foundation Trust	5	291	0	9
Sussex Partnership NHS Foundation Trust	0	855	0	3
Western Sussex Hospitals NHS Foundation Trust	386	1,218	93	298

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 £000	Expenditure £000	Receivables £000	Payables £000
HM Revenue & Customs - VAT	0	0	2,192	0
National Insurance Fund - Other Taxes & NI Contributions	0	17,925	0	4,749
NHS Pension Scheme	0	18,806	60	2,704
Welsh Government	131	0	133	0
Scottish Government	22	0	5	0

The Trust has also received a revenue grant of £242k and a capital grant of £419k from the foundation trust's charitable funds. As at 31st March 2019 £67k 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.

	2018/19		2017/18	
	Number	£000	Number	£000
Losses				
Bad debts and claims abandoned	9	3	50	48
Stores losses and damage to property	1	543	2	490
Total losses	10	546	52	538
Special payments				
Ex gratia payments	34	90	38	197
Total special payments	34	90	38	197
Total losses and special payments	44	636	90	735

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

There are no events after the reporting period having a material effect on the accounts for either the Group or the Trust.

7. Quality Report 2018/19

Introduction

Royal Surrey County Hospital Foundation Trust comprises of the acute hospital in Guildford, Milford and Haslemere Community Hospitals and community based services including District Nursing, Podiatry and Allied Health Professionals.

The Trust's priority is to deliver Safe, Effective, Quality Care and an excellent patient experience to our patients. This report reviews our progress against the quality objectives we set ourselves in 2018/2019. It will share our challenges in the delivery of our objectives, where we have fallen short and will capture our successes.

The National Health Service (Quality Account) Regulations 2010 requires every Provider to produce a Quality Account to inform the public about the quality of the services they provide. This includes scrutiny and evidence of involvement of key stakeholders including NHS England, NHS Improvement and Department of Health. Each year they set providers with set standards for reporting in the Quality Account, a number of national targets in addition to local targets. This report will also include our performance against the local and national targets.

The Quality Account will also present our intentions to improve the quality and safety of our services in 2019/20.

Part 1: Statement on Quality from the Chief Executive

I am delighted to introduce the Royal Surrey County Hospital NHS Trust Quality Account for 2018/19. The Quality Account is an excellent illustration of the Trust's constant commitment to provide the best quality of care possible for our patients. It details our performance over the last year as well as outlining our Quality Priorities for 2019/20. The last year has been one of transition following the departure of previous CEO Paula Head in September 2018. I am excited to lead a newly established Executive team including recently appointed Chief Nurse Jo Mountjoy and Medical Director Marianne Illsley. We have been joined Dr David Hicks as a Non-Executive Director. Dr Hicks is an experienced NED and ex-Medical Director and will chair the Trust's Quality Committee. We have also welcomed a new Human Resource Director Louise Hall to the organisation who comes with a wealth of experience.

As a Trust, we are fortunate to have the commitment of our member, Governors, volunteers and partner organisations. We continue to put patients at the heart of what we do; ensuring that our services are safe, effective, caring, responsive and well led.

The Trust was once again pleased to be the recipient and winner of the CHKS Quality of Care award, and we had two quality projects nominated for BMJ safety awards.

The Maternity Unit undertook UNICEF's rigorous assessment in the spring and The Maternity Department has maintained its Baby Friendly accreditation for twenty years and is one of only a few organisations in the county to be awarded the UNICEF's Baby Friendly Gold Award.

Commitment from our staff never waivers and our achievements would not be possible without their dedication and hard work.

The Royal Surrey will work collectively to foster a culture of continuous improvement, with the role out of NHSI lean methodology for Quality Improvement. By empowering staff and patients to make the changes they want to see will deliver our Trust Strategy.

In 2018/19 delivery of our constitutional targets has been challenging. Our Accident & Emergency 4 hour target has not been met throughout the winter and we have had

an increase in our tertiary cancer referrals. We have seen a 6% increase in emergency demand. This has coincided with a major building project to enhance the emergency department.

Our work with the Community Division & ProCare GP Federation continues with early tangible improved services for our patients and exciting 'out of hospital' transformational plans for 2019/20.

Ensuring a safe and sustainable workforce remains a key priority for the organisation in order to deliver our clinical and transformational strategies.

On behalf of the Royal Surrey Hospital NHS Foundation Trust, I confirm the information contained within this report is accurate.

Signed 

Date 28/5/2019

Louise Stead

Chief Executive

Part 2: Priorities for improvement and statement of assurance from the Board

In 2018/19, the Trust had eleven Quality Priorities. We have reduced the number for this year, to eight Quality Priorities; recognising, that as part of the on-going work with Surrey Heartlands, there will be additional priorities set for the Trust in collaboration with the other organisations in our network. Our priorities are linked to our Strategic Objectives and are part of the wider transformational agenda. The priorities were discussed in quality meetings, with divisional head of nursing and reflect the triangulation of incidents and complaints, nationally mandated and reflecting the work the Trust is doing with the Integrated Care Partnerships (ICP).

Reporting of Quality Priorities for 2019/20

All Quality Priorities will be monitored through the Trust Quality Committee; a subcommittee of the Board. Stakeholders (including the Governors and Integrated Care Partnership) will be invited to quarterly presentations by the Trust. Progress against the priorities will also be monitored through the Trust wide Quality Safety Effectiveness & Patient Experience Group (QSEPE) where a wide representation of staff across Divisions meet on a monthly basis.

Quality Priority Leads will present the progress against their priority and identify any support required to provide optimal outcomes. The priorities are aligned with the Trust strategic goals.



2.1 Priorities for Improvement:

Quality Priority 1: Summary Hospital-level Mortality Indicator (SHMI)

The SHMI reports on mortality at Trust level across the NHS in England using a standard and transparent methodology. It is published quarterly as a National Statistic by NHS Digital, six months in arrears.

SHMI is the ratio between the actual number of patients who die following hospitalisation at the Trust and the number that would be expected to die on the basis of average England figures, given the characteristics of the patients treated.

Rationale:

This Quality Priority was mandated by NHSI and is the Governors Quality Indicator for this year.

Current Picture:

The Trust SHMI is currently 0.79%, which is within the “lower than expected” range. The Trust aims to maintain SHMI within the “lower than expected” range.

Areas for improvement:

The Trust currently has a lower than expected SHMI and is in the top 5 Trusts nationally. Our aim is to maintain Band 1 status.

Metrics to Measure:

National metric published by NHS Digital.

Quality Priority 2: Embedding learning (continued)

This priority is continued work commenced as quality priorities over the past two years have evolved; linked strongly to the CQC well led domain and is one of the Trusts’ ‘True North’ objectives. ‘True North’ objectives are longer-term aspirations to guide towards the delivery of strategic goals. The Royal Surrey is in the first wave of Trusts participating in Vital Signs Programme sponsored by NHSI.

The ‘True North’ QI project is for zero harm. As part of this, the breakthrough objective is to manage and monitor all action plans for Serious Incidents.

Rationale:

This priority is one of the Breakthrough objectives for the ‘True North objective’ of Zero Harms. This is part of the Trust Strategic Objectives and Quality Improvement.

Current Picture:

In 2017/18, the priority was to standardise governance structures and learning; in 2018/19, the priority was to share learning across the Trust. We have improved the mechanism for learning with 'Governance Matters' Newsletter, sharing SI reports, developing action plans. We have improved the feedback from incidents to reporters.

Areas for improvement:

The focus is on the learning from SIs, and the completion of all action plans, to improve learning and prevent reoccurrence.

Metrics to Measure:

- Number of completed action plans for all SIs
- Number of action plans closed and implemented

Quality Priority 3: Better Births (continued)

This priority builds on achievement of previous years; improving experience for mothers and outcomes for mothers and babies.

Rationale:

This priority reflects the direction of the NHS 5 year forward view and is retained for a third year.

Current Picture:

The Trust provided continuity of carer for 24% of women against a 20% target in 2018/19. Continuity of carer involves care provision by a small, defined group of midwives throughout all stages of maternal care.

Areas for improvement:

The aim is to provide 'continuity of carer' for 35% of women. This priority also includes the implementation of the version 2 saving babies lives care bundle 2019; in particular, working on reducing smoking in pregnancy.

Metrics to Measure:

- Percentage of women receiving continuity of carer
- Number of women receiving carbon monoxide monitoring at the start of pregnancy and in whom this is repeated at around 36 week's gestation
- Percentage of women identified as smokers, who are offered referral for support from a trained Stop smoking advisor.

Quality Priority 4: Intermediate Care & Rehabilitation (community)

This priority is linked to the 'True North' objective for constitutional targets, with a breakthrough objective of reducing bed occupancy to 92%. The priority is strongly linked to priority five, which also has a community focus.

Rationale:

This priority is to provide individual, patient-centred care planning and to improve patient flow throughout the Trust.

Current Picture:

Individualised care planning is not currently carried out consistently across Adult Community Health Services.

Areas for improvement:

Individualised/personalised care planning should be the focus of our inpatient journey and community rehabilitation teams.

Metrics to Measure:

- Number of patients with a personalised care plan.

Quality Priority 5: End of Life Care (EoLC) in the community

The aim of this priority is to ensure Recommended Summary Plan for Emergency Care & Treatment (ReSPECT) forms are completed and each patient in the

community, in-hospital or out of hospital (in the home) has a preferred place of care identified at the end of life.

Rationale:

The aim of this priority is to ensure Recommended Summary Plan for Emergency Care & Treatment (ReSPECT) forms are completed and each patient in the community, in-hospital or out of hospital (in the home) has a preferred place of care identified at the end of life.

Rationale:

This priority aims to improve patient experience around End of Life and supports collaborative work we are undertaking with Phyllis Tuckwell Hospice.

Current Picture:

Currently in the community division it is not clear how many patients have their preferred place of care identified at the end of their lives.

Areas for improvement:

- Increase in patients to be in their preferred place of care at the end of their life.
- Improve in knowledge and skills of nursing staff within community teams to care for patients at the End of Life.

Metrics to Measure:

- Percentage of patients at preferred place of care at End of Life
- Percentage of Nursing Staff trained with the new EoLC module where appropriate.
- Number of ReSPECT forms completed in the community.

Quality Priority 6: End of Life care (EoLC) in the Acute Trust

The EoLC strategy was developed in 2018; the palliative care team is implementing a new module of training for staff on patient care. We will promote and encourage qualified nurses to complete specific end of life care e-learning modules. We will

provide a 'how to access document' and a central register will be kept by the Specialist Palliative Care Team (SPCT).

Rationale:

This priority will take forward the End of Life Care strategy improving the quality of End of Life Care across the Trust.

Current Picture:

There is currently no formalised educational provision available for qualified Nursing Staff on the care of patients at the End of Life.

Areas for improvement:

- Improve knowledge and skills of nursing staff within community teams to care for patients at the End of Life.

Metrics to Measure:

- Percentage of Nursing Staff trained with the new EoLC module where appropriate.

Quality Priorities 7 & 8: The Surgical Ambulatory Emergency Care pathway (SAEC pathway) and the short stay hip surgery pathway

The SAEC pathway is a national initiative. Both this pathway, and the short stay hip replacement surgery pathway will reduce length of stay in surgical wards. The SAEC pathway is in the planning phase and pathway and metrics are expected to be confirmed in May 2019.

Rationale:

These Quality Priorities have been put in place with the aim of improving patient experience and length of stay. The SAEC pathway is in the planning phase and pathway and metrics are expected to be confirmed in May 2019.

Current Picture:

These pathways are not currently established.

Metrics to Measure:

-
- Number of patients on the new pathways where appropriate.
 - Length of stay for hip replacement surgery pathway.

Statement from the Board:

The Trust provides the following 7 categories of regulated services as described by the CQC:

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

The Trust has reviewed data for all 7 regulated services in terms of the quality of care provided in the reporting period.

100% of the income generated by the regulated services identified in the categories above has been reviewed in relation to quality of care in the reporting period.

National Audits

During 2018/19, 54 national clinical audits and 2 national confidential enquiries covered relevant health services that Royal Surrey County Hospital Trust provides. During that period Royal Surrey County Hospital NHS Foundation Trust participated in 100% of national clinical audits and 100% of national confidential enquiries which it was eligible to participate in. The national clinical audits and national confidential enquiries that Royal Surrey County Hospital NHS Foundation Trust participated in, and for which data collection was completed during 2018/19, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

Audit Category	Audit	National Clinical Audit Organisation	Mandated (yes/no)	Data Collection required 2018/19	% of cases submitted to each audit
Acute Care	Case Mix Programme (CMP)	Intensive Care National Audit and Research Centre (IC-NARC)	yes	April 2018 to March 2019	100% case ascertainment. Q1-319, Q2- 291, Q3-305 Q4-in progress.
Acute Care	Major Trauma: The Trauma Audit & Research Network (TARN)	Trauma Audit & Research Network	yes	Yes -April 2018 to March 2019	Current case ascertainment Jan - Jul 2018 - 69%
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	1st December 2017 to 30th November 2018	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	April 17 to March 18	100% of eligible cases inputted into the Registry.
Acute Care	VTE Risk in lower limb immobilisations	Royal College of Emergency Medicine	yes	August 2018 to January 2019	64 cases submitted (100% case ascertainment)
Acute Care	Feverish Children	Royal College of Emergency Medicine	yes	August 2018 to January 2019	109 cases submitted (100% case ascertainment)
Acute Care	Vital Signs in Adults	Royal College of Emergency Medicine	yes	August 2018 to January 2019	97 cases submitted (100% case ascertainment)
Acute Care	Adult community acquired pneumonia (British Thoracic Society)	British Thoracic Society	yes	1st December 2018 - Jan 2019 (audit closes 31st May 2019)	Due to be submitted on 31st of May
Acute Care	Non-Invasive ventilation Adults	British Thoracic Society	yes	1st February 2019 - March 2019 (audit closes 30th June 2019)	Due to be submitted on 31st of May

Audit Category	Audit	National Clinical Audit Organisation	Mandated (yes/no)	Data Collection required 2018/19	% of cases submitted to each audit
Acute Care	Pulmonary Embolism	National Confidential Enquiry into Patient Outcome and Death (NCEPOD)	yes	February 2018 – November 2018 Patient identifier spread sheet Organisational questionnaire Clinician Questionnaire	Data Identifier Spread sheet submitted Organisational form submitted 5/6 clinician questionnaire submitted.
	Acute Bowel Obstruction	National Confidential Enquiry into Patient Outcome and Death (NCEPOD)	yes	July 2018 – in progress Patient identifier spreadsheet Clinician Questionnaires Organisational questionnaire	Patient Identifier spreadsheet submitted from our Trust. Case note photocopied extract submitted for two cases. 6/8 cases submitted, 2 remaining cases in progress.
Blood and Transplant	Management of major haemorrhage	NHS Blood and Transplant	yes	1st October 2018 to 31st October 2018.	6 Patients, 100% case ascertainment.
Blood and Transplant	Serious Hazards of Transfusion (SHOT): UK National haemovigilance scheme	Serious Hazards of Transfusion	yes	SHOT audits operate a continuous data collection model. Collection cycle runs from 1 January 2018 to 31 December 2019	Incidents are monitored and investigated via Datix. Following completion of investigation incident report is submitted. 100% Case Ascertainment.
Cancer	Bowel cancer (NBO-CAP) Royal College of Surgeons (RCS)	NHS Digital	yes	April 2018 to March 2019	100% eligible cases submitted.
Cancer	Lung cancer (NLCA) management has changed from HSCIC to Royal College of Physicians	Royal College of Physicians	yes	April 2018 to March 2019	Ongoing collection of NLCA data via COSD submission
Cancer	National Prostate Cancer Audit Lead: Prof Stephen Langley	Royal College of Surgeons	yes	Patients diagnosed with prostate cancer between 1st April 2017 and 31st March 2018.	100% eligible cases submitted by NCRAS (1755 patients).
Cancer	Oesophago-gastric cancer (NAOGC)	NHS Digital	yes	April 2018 to March 2019	100% eligible cases (continuous).

Audit Category	Audit	National Clinical Audit Organisation	Mandated (yes/no)	Data Collection required 2018/19	% of cases submitted to each audit
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	yes	April 2018 to March 2019 Quarterly reporting	Q1 – 84% (31/37) Q2 – 100% (41/41) Q3 – 98% (41/42) Q4 – Data collection in progress
Heart	Cardiac Rhythm Management (CRM)	National Institute for Cardiovascular Outcomes Research	yes	April 2018 to March 2019	100% case ascertainment
Heart	National Cardiac Arrest Audit (NCAA)	Intensive Care National Audit and Research Centre (IC-NARC)	yes	April 2018 to March 2019 Quarterly reporting.	100% case ascertainment
Heart	National Heart Failure Audit	National Institute for Cardiovascular Outcomes Research	yes	April 2018 to March 2019	1st April 2018 to 31st December 2018: 73% submitted (196/267) Q4 – in progress
Heart	National Audit of Cardiac Rehabilitation	University of York and NHS Digital	yes	April 2018 to March 2019	Data submitted on time. waiting for case ascertainment
Long term condition	National Diabetes Audit Core	NHS Digital	yes	Continuous collection 2018-19 audit collects for the period 1 January 2018 to 31 March 2019 Insulin Pump Survey April 2018-June 2018 Data submission May 2019	Data will be submitted on 6th June
Long term condition	Diabetes inpatient audit (Adult) Lead: Dr Herring 3 year agreement, NHS Digital in 2nd year	NHS Digital	yes	Hospital Characteristics survey National Diabetes inpatient harm audit (quality improvement work) – continuous audit	Data collection on-going

Audit Category	Audit	National Clinical Audit Organisation	Mandated (yes/no)	Data Collection required 2018/19	% of cases submitted to each audit
Long term condition	Diabetes (Paediatric) (NPDA)	Royal College of Paediatrics and Child Health	yes	April 2018 to March 2019 NPDA Spotlight audit survey	17/18 data, 100% case ascertainment (144 eligible cases). NPDA Spotlight audit survey completed and submitted.
Long term condition	National Pregnancy in Diabetes audit	Health & Social Care Information Centre (HSCIC)	yes	April 2018 to March 2019	Awaiting confirmation for case ascertainment
Long term condition	National Diabetes Foot Care audit	NHS Digital	yes	April 2018 to March 2019 Data submission July 2019	Data will be submitted in July 2019
Long term condition	Inflammatory Bowel Disease (IBD) programme	Inflammatory Bowel Disease registry	yes	April 2018 - March 2019 Quarterly data submission	100% of consented patients submitted (42 consented/164)
Long term condition	National Asthma and Chronic Obstructive Pulmonary Disease (COPD) Audit Programme	Royal College of Physicians	yes	Pulmonary rehabilitation March 2019 - February 2021: continuous data collection Oct-Dec 2019 - organisational data collection	Data collection ongoing
				COPD Secondary Care -April 2018 to March 2019 - continuous data collection	April 2018 to September 2018 – 72% case ascertainment. Q1 BPT average=79.1% Q2 BPT average=82.3% Q3 BPT average = 72.5%. Q4 –Ongoing
				Adult Asthma in secondary care Continuous data collection from 1 st November 2018 and is expected to continue until 28th February 2021.	Data collection ongoing.
Long term condition	National Clinical audit for Rheumatoid and Early Inflammatory Arthritis	British Society of Rheumatology	yes	April 2018 to March 2019 Data submission June 2019	Data collection ongoing.
Older People	Falls and Fragility Fractures audit pro-	Royal College Physicians of London	yes	Fracture Liaison Service Database	100% eligible cases submitted.

Audit Category	Audit	National Clinical Audit Organisation	Mandated (yes/no)	Data Collection required 2018/19	% of cases submitted to each audit
Older People	gramme (FFFAP)		yes	Inpatient Falls January 2019 to June 2019 Organisational audit Clinical audit	Organisational Audit submitted Data collection in progress
Older People			yes	National Hip Fracture Database April 2018 to March 2019	January 2018 to December 2018 100% eligible cases submitted (281 patients)
Older People	Sentinel Stroke National Audit Programme (SSNAP)	Royal College of Physicians	yes	SSNAP collects data on all patients with a primary diagnosis of stroke, including those patients that are not on a stroke ward.	Dr James Adams has confirmed that due to lack of resource, there will be a gap in data collection. Royal Surrey is non-routinely submitting data.
Older People	National Audit of Dementia	Royal College of Psychiatrists	yes	April 2018 to September 2018 Organisational checklist Case note Audit Carer questionnaire Staff questionnaire	Organisational audit data Submitted 50 Case note audit data submitted (100% eligible cases) 35 Care questionnaires (100% eligible cases) 111 Staff questionnaires (100% eligible cases)
Women's & Children's health	National audit of seizures and epilepsies in children and young people	Royal College of Paediatrics and Child Health	yes	1 April 2018 to 31 March 2019	Organisational data submitted. Clinical audit in progress.
Men's & Children's health	Maternal, Newborn and Infant Clinical Outcome Review Programme Lead: Jacqui Tingle and Claire Worthington	Perinatal Mortality Surveillance Perinatal Mortality and Morbidity confidential enquiries MBRRACE-UK - National Perinatal Epidemiology Unit (NPEU)	yes	April 2018 to March 2019	100% eligible cases entered.
			yes	April 2018 to March 2019	100% eligible cases entered.

Audit Category	Audit	National Clinical Audit Organisation	Mandated (yes/no)	Data Collection required 2018/19	% of cases submitted to each audit
		Maternal Mortality surveillance and mortality confidential enquiries MBRRACE-UK, National Perinatal Epidemiology Unit, University of Oxford	yes	April 2018 to March 2019	100% eligible cases entered.
		Maternal morbidity confidential enquiries MBRRACE-UK - National Perinatal Epidemiology Unit (NPEU)	yes	April 2018 to March 2019	100% eligible cases entered.
Women's & Children's health	National Maternity and Perinatal Audit (NMPA)	Royal College of Obstetricians and Gynaecologists	yes	Second organisational audit form The MSDS data extract directly from NHS Digital therefore the Trust is no longer required to send a data extract from the Trust's electronic maternity record system.	Organisational form submitted.
Women's & Children's health	Neonatal Intensive and Special Care (NNAP)	Royal College of Paediatrics and Child Health	yes	April 2018 to March 2019	100% case ascertainment
Other	National Ophthalmology Audit	Royal College of Ophthalmologists	yes	1 September 2017 to 31 August 2018	100% eligible cases submitted.

Audit Category	Audit	National Clinical Audit Organisation	Mandated (yes/no)	Data Collection required 2018/19	% of cases submitted to each audit
Other	Elective surgery (National PROMs Programme)	NHS Digital	yes	All Months (ongoing collection)	Number of eligible Pre-Op patients who completed Pre-Op questionnaires (Hip – 91.9% Knee – 97.5%)
Other	Learning Disability Mortality Review Programme (LeDeR Programme)	University of Bristol	yes	April 2018 to March 2019	100% eligible deaths related to learning disability
Other	Radical Prostatectomy Audit	British Association of Urological Surgeons BAUS audits operate a continuous data collection model. Collection cycle runs from 1 Jan to 31 Dec	yes	April 2018 to March 2019	100% Data collection continuous
Other	BAUS Urology Audits - Cystectomy BAUS audits operate a continuous data collection model.	British Association of Urological Surgeons	yes		100% Data collection continuous
Other	National Audit of Care at the End of Life (NACEL)	NHS Benchmarking Network	yes	June '18 to Oct'18	100% eligible cases submitted.
Other	Seven Day Hospital Services	NHS England	yes	Data Collection Period: Wednesday 11 April - Wednesday 9 May 2018. Data Submission Date: Wednesday 20th June 2018. Data collection week (11th April to 9th May) - four Divisions involved in the auditing process.	All eligible cases submitted (172 cases out of 344 cases) Trust participated in the mandatory seven day self-assessment trial for a new board assurance framework, submitted 12th February 2019.

Audit Category	Audit	National Clinical Audit Organisation	Mandated (yes/no)	Data Collection required 2018/19	% of cases submitted to each audit
Other	Surgical Site Infection Surveillance Service	Public Health England	yes	We are currently participating in Surgical site Infection Surveillance (SSIS) for the following periods, meeting the minimum requirement of 3 months per year. (Vas 11th May 2018) • 2017/18: Q4 (Jan-Mar 2018) • 2018/19: Q1 (Apr-Jun 2018) All eligible cases are required for submission.	Apr-June 2018: 200 patients (no SSI reported 0%)
Other	Mandatory Surveillance of Bloodstream Infections and Clostridium Difficile Infection	Public Health England	yes		21-C.difficile(Jan'18 to Jan'19) 185-E.coli bacteraemia(Jan'18 to Jan'19) 9-P.aeruginosa bacteraemia(Jan'18 to Jan'19) 9-MRSA (Jan'18 to Jan'19)
Other	National Mortality Case Record Review Programme	Royal college of Physician	yes		All In-Hospital deaths
Other	Reducing the impact of serious infections (Antimicrobial Resistance and Sepsis)	Public health of England	yes	Yes. This is currently part of the national CQUIN for NHS Acute Trusts in England. Collected and submitted on a quarterly basis Q1 - 31 July, Q2 - 31 October, Q3 - 31 January, Q4 - 30 April	N/A

The reports of 20 National clinical audits were reviewed by the Royal Surrey County Hospital Foundation Trust in 2018/19 and have been sent to the respective audit leads for development of action plans. Many of these audits occur on a yearly or more frequent cycle allowing on-going review. Following the review of these audit reports, the Trust either has taken or intends to take, the following actions to improve the quality of healthcare provided in the table below:

Audit title:	Proposed actions and plans
Royal College of Emergency Medicine (RCEM) audit – Fractured Neck of Femur(2017/18)	<ul style="list-style-type: none"> • Every ED should nominate a hip fracture lead to improve and champion standards of care in this area by working with the lead anaesthetist. Where possible, liaise with local ambulance Trusts to encourage pain relief prior to arrival at hospital - Process commenced in ED. Re-audit to analyse tangible benefits. • Education programme for Protocols and pathways should be urgently reviewed to ensure a focus on the rapid assessment and relief of pain, including utilising nurse-led prescribing. • Education of all staff and QIP -Pain scoring should be mandatory for all patients with suspected or confirmed #NOF. EDs should undertake QIPs to find a locally accepted way of ensuring pain scores are done. Re-evaluation of pain is vital to ensure that analgesia given has been effective. • Further training for nerve blocks should be used where possible to limit the use of systemic analgesia. Patients must be monitored following blocks.
RCEM audit –Procedural Sedation(2017/18)	<ul style="list-style-type: none"> • Reinforce teaching - All elements of monitoring should be used and recorded. Improvement activity for use of capnography needs to continue to meet this fundamental standard. • Written protocol - Departments need to identify ways of providing and recording the issuance of written discharge advice. • Education - Should identify whether practice is consistent with current guidance about “appropriate” oxygen therapy and make improvements accordingly.
RCEM audit –Pain in Children(2017/18)	<ul style="list-style-type: none"> • Reinforce teaching - Pain level is assessed and documented using a pain score. Staffs are trained and aware of how to use pain scores. • Raising awareness - It is recommended that departments develop a system to ensure revaluation of pain after analgesia. Such mechanisms may empower parents and children to self-report pain and assist in re-evaluation of efficacy of analgesia in a patient-centric timeframe. • Education - It is recommended that department investigates utilising the existing systems, such as nurse led prescribing (PGDs) to ensure timely administration and documentation of analgesia to children with moderate or severe pain.
National Emergency Laparotomy (December 2016 – November 2017)	<ul style="list-style-type: none"> • Add predicted risk of mortality to surgical admission document. • Add risk-prediction prior to surgery to emergency theatre booking form. • Assessment by elderly medicine specialist in patients - Frailty project on-going and add frailty score to surgical admission document prompt for referral.
NCEPOD: Cancer in Children, Teens and Young adults (0-25 years)	<ul style="list-style-type: none"> • To establish e-prescribing through a web based system for all clinicians to have easy ‘read only’ access • Develop a local audit for Systematic anticancer therapy side effects for patients not on the research trials (off protocols).
Acute Heart Failure	<ul style="list-style-type: none"> • Try to see all patients within 24 hours of admission if heart failure.

Audit title:	Proposed actions and plans
Study(NCEPOD)	<ul style="list-style-type: none"> Heart failure nurse and dedicated heart failure consultant (in process). HFNS and SpR to look at NTproBNP testing for identification of HF patients and design guidelines/business case for POC testing. Not always an echo technician available to cover wards due to outpatient activity/pressures –OP clinics too be cancelled if technician on leave. More echo cardiographers to recruit. Once heart failure consultant is in place then review current pathways/access to palliative care for patients with advanced heart failure who deteriorate to access the palliative care in the community, in a hospice or in hospital when appropriate.
Bowel cancer (NBOCAP) Audit(April 2016 to March 2017)	<ul style="list-style-type: none"> Ensure pre-op TNM is recorded at MDT and uploaded. Ensure ASA date is uploaded to database. This deficit does not impact on quality of care and results from change of MDT co-ordinator.
MINAP (April 2016 -March 2017)	<ul style="list-style-type: none"> Retrospective audit of all coded STEMI+NSTEMI over 3 months from 2016-17 dataset to understand why all MI not submitted to MINAP. Prospective audit during 2019-2020. Awareness campaign. Regular meetings with Auditors to validate the data to avoid any data entry error. Quarterly revalidation of all patients with angiography.
National Heart Failure Audit (2016/17)	<ul style="list-style-type: none"> 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 2016 to March 2017)	<ul style="list-style-type: none"> Improve recording for eye screening >12 year old. All reports to be copied to hospital as well as GP. Improve recording foot examination in >12 year old and Thyroid function yearly in all >12 year olds. Business case to recruit Psychologist to be part of MDT.
National COPD Audit Programme-Pulmonary Rehabilitation :An exercise in Improvement(Jan-March 2017)	<ul style="list-style-type: none"> When going to a rolling audit ensure accurate data is entered into the audit Review the service and the differences between the 2 sites PR is held on to see if an accurate reflection of the service or just the snapshot. Review the data from March – May 2018 and look at differences in site performance Analyse difference in class between sites.

Audit title:	Proposed actions and plans
National COPD Secondary care Audit	<ul style="list-style-type: none"> • Make adjustments to Royal Surreyclass to ensure best outcomes. • Develop NIV acute pathways across MDT to increase the number of patients receiving NIV within 3 hours of arrival. • Smoking Cessation service to be increased to 5 days a week to increase number of smokers prescribed NRT during admission.
Fracture Liaison Service Database (January –December 2017)	<ul style="list-style-type: none"> • Review and reduce waiting times for appointments following Dexascan. Those that have not had Dexascan within 2 months of request are reviewed with MAV as to whether they constitute a DNA. If so the GPs informed and FLS-DB amended. • Carry out follow up calls following Dexascan result at latest point of 3.5 months following fracture to ensure accurate data entry. • It is planned that data submitted to NHFD will be electronically transferred to FLSDB. • A sprint audit is planned for 2020 to gather more data nationally on the identification and management of spinal fractures. • Submission of a business case in 2019 will include request for staffing increase to enable 1 year follow up standard to be met.
Inpatient Falls (Audit Period May 2017)	<ul style="list-style-type: none"> • 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 (January –December 2017)	<ul style="list-style-type: none"> • On-going work with paramedics/A&E with introduction of suspected NOF bleep. Will need re-audit (TBA). • Senior supervision in theatre - Breakdown of Data into orthopaedic and anaesthetic and discussion with clinical leads. • Review of standard anaesthetic technique, education, discussion on educational half day.
UK Parkinson's Audit Elderly care	<ul style="list-style-type: none"> • Moving clinic to Milford Hospital to be near therapy and to allow MDT discussion with Parkinson's Nurses • Use of standardised assessments for non-motor symptoms, cognition, mood etc. • Use of leaflets and contact details for relevant services.

Audit title:	Proposed actions and plans
Spotlight on Delirium Assessment(November 2017)	<ul style="list-style-type: none"> • Audit underway to determine need to back up business case. • The MDT delirium management tool was developed and ratified by the Dementia and delirium steering group July 2018. Currently awaiting ratification by the Drugs and Therapeutic Committee. • The delirium management guidance was ratified by the Dementia and Delirium Steering Group in July 2018.
MBRRACE-UK Perinatal Mortality Surveillance Report 2018	<ul style="list-style-type: none"> • Undertake a review of all antenatal stillbirths to identify: <ul style="list-style-type: none"> ○ if they were avoidable or unavoidable ○ if there were any themes or trends ○ if there are any contributing local factors • Review quality of data sent to MBRRACE-UK. • Placental histology should be undertaken for all stillbirths and if possible all anticipated neonatal deaths, preferably by a perinatal pathologist. - Explore systems/processes that can improve compliance. Advice and guidance sought from other Trusts and local Lead Histopathologist, lead biomedical scientist and mortuary services manager. • The department is purchasing a maternity information system with a view to having a complete electronic patient record. This will facilitate the provision of a full data set to MBRRACE-UK.
National Neonatal Audit Programme (Jan'17 to Dec'17)	<ul style="list-style-type: none"> • Better facilitation of appointments and contact with families for two year follow-up rate. • Use the information obtained from assessments done by the health visitor.
National Audit of Seizures and Epilepsies in Children and Young People (organisational report)	<ul style="list-style-type: none"> • To define what WTE (whole time equivalent) doctor time is required to cover both the leadership and clinical aspects of the Royal SurreyEpilepsy Service and ensure work is substantively provided going forward. • To define clinical need and hence epilepsy clinic capacity for the Royal SurreyEpilepsy service. This can be done using retrospective data on the CDC coding system and also data held by the epilepsy nurses to identify current active caseload. A manual review will then be required to ascertain those patients with and without co-existing neurodisability (those with neurodisability may be seen in a consultant CDC clinic). The mean UK clinic provision is 1.9 epilepsy clinics per Trust per week (range 0-6). In conjunction clear care pathways, epilepsy clinic capacity will need to be further developed for this population.

Local Audits:

Below are the numbers of local audits undertaken during 2018/19.

The reports of 23 local clinical audits were reviewed by the Trust in 2018/18. Further work is required to complete the reporting of all audits undertaken and to ensure the completion and monitoring of action plans in order to improve care quality; this work is ongoing. This will be supervised by a Clinical Audit Committee, reporting into the Trust Quality Committee, and ensuring alignment with Trust strategic and quality priorities.

Research

The number of patients receiving relevant health services provided or subcontracted by Royal Surrey in 2018/19 that were recruited during that period to participate in research approved by a research ethics committee 2,170.

Participation in Clinical Trials 2018/2019

During 2018/19, the Trust approved and opened 47 new clinical trials across a number of specialities, including Oncology, Intensive Care, Diabetes, Hepatology, Urology, Ophthalmology, Acute Medicine, Orthopaedics, Colorectal Surgery and ENT. The new trials bring the total number of trials hosted at the Trust to 392, of which 93 are commercially sponsored. The number of patients receiving relevant health services provided or sub-contracted by the Trust in 2018/19 that were recruited during that period to participate in research approved by a research ethics committee was 2,170 (2254 patients recruited in 2017/18). Of the 2,170 in taking part in clinical trials in 2018/19, 1,948 of these patients were recruited into studies on the National Institute of Health Research Portfolio (1661 in 2017/18 – an increase of 17%), exceeding the target of 1,184, which was increased mid-year due to successful recruitment, set by the National Institute of Health Research Kent Surrey and Sussex Research Network (NIHR KSS CRN) at the beginning of the year.

Royal Surrey has been working closely with the NIHR KSS CRN in order to boost recruitment into clinical trials and to decrease per patient value for money factor (VFM), as set by the NIHR at £80-£100. Currently at £86.71 the projected figure is £78.31, a decrease from 17/18 at £105. 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 addition to increasing recruitment and decreasing VFM we will be aiming to

improve our performance with regards to research projects on time and target, to reach the 80% target compliance set by the National Institute Health Research (NIHR).

Working with the National Institute of 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) Lead 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.

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 clinicians continue to develop research networks within the following specialities; Perioperative Care, Hepatology, Oncology, Oncology (colorectal).

In June 2017/18 the Chief Operating Officer of the Clinical Research Network: Kent, Surrey and Sussex (CRN: KSS) launched a document entitled Strategic Improvement Plan 2017/18. This document outlined some key priorities for CRN: KSS in the short to medium term. These included:

- Increase in the number of patients and clients recruited to portfolio studies across CRN: KSS in order to increase our impact on the health of our local health economies improve our value for money and increase our share of the regional funding allocation for research support costs.
- Improve our performance in terms of delivering studies to time and target.
- Attract more research business into the region.
- Grow our capacity within the region to generate research projects of our own, which will deliver health care research aimed at improving the health of our local populations.

In order to work towards these goals, CRN: KSS created a funding initiative to help get new investigators started on developing portfolio projects of their own. These projects could start relatively modestly, but then expand into multi-centre projects with external funding, which could answer research questions crucial to health of our region. CRN:KSS would work with the 'Green Shoots' investigators to ensure they were supported in their research endeavour, both in terms of study support services and access to mentorship support. The initiative was also supported by the Research Design Service (RDS) to ensure expert assistance was available with grant writing. The Trust supported 3 applications and 2 were awarded, 1 applicant in Oncology and 1 in Surgery.

Research Collaborations

Royal Surrey collaborates with a wide range of higher education institutions but we have a particularly close relationship with the University of Surrey.

The Trust's R&D strategy was ratified at Board (October 2018) and during the preparation of the strategy document, all key stakeholders were consulted, including the views of academic collaborators and leaders from the Faculty of Health and Medical Sciences (FHMS) of the University. The developing strategies of the FHMS and University strategies were considered to maximise opportunities for synergy.

The University's Research Innovation and Governance Office (RIGO) and the Trust's RD&I department are working closely to improve trial governance and process efficiency, as well as improving the experience for clinicians and academics working across our organisations - Joint Research Processes. Staff from RIGO attends the Trust's Sponsorship meetings and a new head of department has been appointed, previously from UCL.

The Surrey Clinical Trials Unit (CTU) is now under the leadership of Professor Simon Skene (also previously UCL) and is flourishing and much more effectively fostering clinical-academic collaboration. The University recently announced a review of the Clinical Research Centre and this may provide further opportunities.

Despite the unsuccessful bid by the University for a medical school, there has been an unprecedented growth in collaboration and communication, combined with an alignment of strategic direction that is exceedingly promising.

Divisional 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 in 2017. The role continues to support expanding the portfolio and focusing on study performance.

Implementation of a Genetically Modified Organisms (GMO) policy was achieved in June, led by Professor of Oncology. This document covers all clinical use of GMOs within the Trust. The 'Genetically Modified Organisms (Contained Use) Regulations 2000' describe "genetic modification" in relation to an organism as the altering of the genetic material in that organism in a way that does not occur naturally by mating or natural recombination or both. The implementation of the policy has allowed GMO studies to be hosted at the Royal Surrey. This will offer new opportunities and support the implementation of the Trust Research & Development strategy.

Surgery

The surgical division has expanded both in staff size and number of studies and patients recruited in 2018/2019. The team cover all surgical areas including ENT, Orthopaedics, Anaesthetics/Peri-operative, Ophthalmology, Bowel and Gynaecological surgery. Royal Surrey was the top recruiting centre outside of London in a large-scale study recruiting 10000 patients investigating new methods of investigating whether bowel symptoms are due to bowel cancer. The study will lead into a second phase study for 19/20.

There is continuing commitment to develop and host studies on the NIHR portfolio with an increasing number of these studies being commercially sponsored. There has been an increase in grants awarded to the surgery division.

The Department of Gynaecological Oncology was awarded the CRN:KSS Green shoots funding to set-up a multicentre randomised controlled trial (RCT) to validate pilot single site results and explore if using neutral Argon Plasma (PlasmaJet) reduc-

es stoma rates in women undergoing debulking surgery for Ovarian Cancer. The investigator is working with the Research Design Service (RDS) on a Research for Patient Benefit (RfPB) grant to fund the project.

Access and Medicine

The research department has appointed two divisional research leads in 19/20 to focus on increasing the portfolio, improve delivery and to expand into areas previously not research active. The department successfully opened the MERMAIDS ARI study. Funded by the European Commission, the study runs over 4 years Europe wide, recruiting 2000 patients investigating why some people become more ill than others with an acute respiratory infection. Previously not research active, the Emergency Admissions Unit (EAU) department have been instrumental in working with the research teams to deliver this project and will be opening further studies in 19/20.

As a centre of excellence for Wilsons disease the Trust have received favourable opinion for a Wilsons disease registry in collaboration with Yale University. Pending approvals, this study will open in 2019/20 and continue our work as a centre of excellence.

A Clinical Research Fellow from Mount Sinai Hospital Medical Centre and Medical School, New York, USA was awarded the CRN: KSS Green shoots funding to set-up a research project studying the relationship between fatty diseases of the liver and pancreas: addressing the unmet needs in clinical outcomes and potential therapy. The sponsorship enabled the Research Fellow to secure a post here at the Royal Surrey. The Fellow has been working closely with the Research Design Service and is currently applying for a grant to fund the project. The project is an integral piece in building the Hepatology research portfolio for which we are a nationally recognised centre.

There has been an increase in international collaboration, with Yale University sponsoring a Wilson's registry study, which the Trust is hosting. The study opens up opportunities for future Wilson's disease research; it also supports implementation of the Research & Development strategy.

Diagnostics and Clinical Support Services

The DCSS department support a large number of studies open across all research active areas. The Department Research Lead for the Division has been appointed this year to develop and support research within the departments. The Division has successfully recruited to a commercially sponsored study and this represents divisional engagement with research in line with the R&D strategy.

CQUINs

Commissioning for Quality and Innovation (CQUIN) Framework

A proportion of the Royal Surrey County Hospital Trust's income in 2018/19 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 2018/19, 2.5% 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 CCG (CCG), NHS England (NHSE) and Public Health England (PHE).

Further details of the agreed goals for 2018/19 are available electronically at the link below:

<https://www.england.nhs.uk/nhs-standard-contract/cquin/cquin-17-19/>

The Trust's CQUIN financial plan for 2018/19 is shown in the table below and compared with 2017/18 and 2016/17.

Commissioner	18/19 CQUIN Funding Plan*	17/18 CQUIN Funding Plan	16/17 CQUIN Funding PLAN
NHSE Specialised	£1.57m	£1.60m	£1.35m
NHSE CCG (acute)	£4.2m	£4.05m	£3.8m
NHSE CCG (community)	£0.34m	N/A	N/A
NHSE Dental	£0.21m	£0.21m	£0.2m
PHE Bowel Screening	£0.06m	£0.05m	£0.05m
Total CQUIN Value	£6.38m	£5.91m	£5.4m

**These figures are indicative at the time of publication*

The RSCH's CQUIN financial achievement for 2017/18 is shown below.

17/18 Actual Performance/Quarterly Payments	
Quarter 1	100% (£1.08m)
Quarter 2	99.4% (£1.279m)
Quarter 3	100% (£0.536m)
Quarter 4	92.53% (£3.014m)

The RSCH's CQUIN financial achievement for 2018/19 is shown below.

18/19 Actual Performance/Quarterly Payments	
Quarter 1	100% (£0.96m)
Quarter 2	98.3% (£1.27m)
Quarter 3	93.2% (£0.87m)
Quarter 4	82.7% (2.64m)
2018-19 overall performance (unconfirmed at time of publication – this figure is likely to increase when finances have been reconciled and CQUIN reports agreed with commissioners)	90% (5.74m)

The CQUIN projects are listed in the table below with a RAG rated achievement status.

Green – Full achievement **Amber – Partial achievement** **Red – not achieved**

CQUIN NAME	COMMISSIONER	CQUIN GOAL	18/19 Q4 RAG STATUS
Improving Hepatitis C Pathways through Operational Delivery Networks (ODN)	NHSE: acute	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.	G
Clinical Utilisation Review (CUR) tool	NHSE: acute	The CUR tool provides 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.	G
Hospital Medicines Optimisation	NHSE: acute	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: acute	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: acute & community	a) To provide healthy food for staff, patients and visitors.	G
		b) To increase the uptake of the flu vaccine by frontline staff.	A

Reducing the Impact of serious infections (antimicrobial & sepsis)	CCG: acute	a) To implement systematic screening for sepsis of appropriate patients and where sepsis is identified, to provide timely and appropriate treatment and review.	G
		b) To ensure antibiotic review within 72 hours.	G
		c) To reduce antibiotic consumption and encourage focus on antimicrobial stewardship.	R
Offering Advice & Guidance (A&G)	CCG: acute	a) To agree the specialties with the highest volume of non-urgent GP referrals (covering 75% of GP referrals) and set up advice and guidance services.	G
		b) 80% of A&G clinical responses to be provided within 2 working days.	A
Preventing Ill Health by Risky Behaviours: alcohol & tobacco	CCG: acute & community	a) 90% of adult in-patients are screened for tobacco consumption.	G
		b) 90% of adult in-patients who smoke are given tobacco brief advice.	A
		c) 30% of patients who smoke are offered a referral <u>AND</u> medication.	G
		d) 50% of adult, in-patients are screened for alcohol consumption.	G
		e) 80% of patients who drink above the lower-risk levels are given brief advice <u>OR</u> offered a spec referral.	G
Improving Services for people with mental health (MH) needs who present to A&E	CCG: acute	Working closely with Surrey & Borders Partnership MH Trust, achieve a 20% reduction in A&E attendances for the cohort of frequent attenders to A&E during 17/18, who may benefit from integrated mental and physical health assessment, care planning and interventions.	A
Engagement with the sustainability & transformation partnership plans (STP)	CCG: acute & community	All members are committed to and engaging with the STP plans.	G
Dental	NHSE Dental South, South East and Wessex: acute	a) Referrals from General Dental Practitioners are only being accepted through electronic referral service (DERS): Participate in referral management and triage.	G
		b) Active participation in Managed Clinical Networks (MCNs).	G
		c) Dental Peer Assessment Rating (PAR) audit: 75% or more of completed cases must have a reduction in PAR score greater than 70% (Aug-Feb).	G
		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: acute	Improvement in individual 17/18 adenoma detection rates (ADRs) for colonoscopists with an ADR of 40% or below in 16/17 and on any other colonoscopist whose ADR was 40% or lower in 17/18.	G
Improving the assessment of wounds	CCG: community	Patients on caseload with chronic wounds to have received a full wound assessment.	G
Personalised	CCG: community	Produce a plan to ensure care & support planning	G

care & support planning		is developed and recorded for an identified cohort of patients with long term conditions.	
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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 Hep C operational delivery network (ODN) for Surrey and Sussex Trusts and has plans to provide more services in 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 Royal Surrey and Surrey & Borders Partnership NHS Foundation Trust worked together to achieve an 18% reduction in patients who attend A&E frequently by identifying mental health needs and providing alternative appropriate services.
- Staff across the Trust, supported by the Alcohol Liaison Team and the Smoking Cessation team, successfully introduced screening, brief advice and appropriate further referral for patients who smoked and drank above the lower risk levels.
- Doctors and nurses consistently provided high levels of sepsis screening of appropriate patients and where sepsis was identified, provided timely and appropriate treatment and review.
- Staff from across the Trust meet every fortnight with GPs, social service colleagues, ambulance, police, acute psychiatric liaison team, CCG representatives and others as necessary, to discuss, plan and implement appropriate treatment and care for patients who are frequent attenders to A&E to reduce inappropriate use of A&E and ambulances.
- Doctors across the Trust improved their review and recording of the review of antibiotics prescriptions; there has been steady improvement throughout the year to exceed the nationally set target.

CQC

The Trust was inspected in February 2018 with the outcome published in May 2018.

Ratings for the whole trust

Safe	Effective	Caring	Responsive	Well-led	Overall
Good ↔ May 2018	Good ↔ Apr 2018	Good ↔ Apr 2018	Outstanding ↑ Apr 2018	Good ↔ Apr 2018	Good ↔ Apr 2018

Rating for acute services/acute trust

	Safe	Effective	Caring	Responsive	Well-led	Overall
Medical care and oncology (including older people's care)	Good ↑ Apr 2018	Good ↔ Apr 2018	Good ↔ Apr 2018	Good ↔ Apr 2018	Good ↔ Apr 2018	Good ↔ Apr 2018
Maternity	Good ↔ Apr 2018	Good ↔ Apr 2018	Good ↓ Apr 2018	Outstanding ↑ Apr 2018	Outstanding ↔ Apr 2018	Outstanding ↑ Apr 2018
Gynaecology	Good Apr 2018	Good Apr 2018	Good Apr 2018	Good Apr 2018	Good Apr 2018	Good Apr 2018
Outpatients	Good ↔ Apr 2018	N/A	Good ↑ Apr 2018	Good ↑ Apr 2018	Good ↑ Apr 2018	Good ↑ Apr 2018
Urgent and emergency services (A&E)	Good Dec 2013		Good Dec 2013	Good Dec 2013	Good Dec 2013	Good Dec 2013
Surgery	Good Dec 2013	Good Dec 2013	Good Dec 2013	Good Dec 2013	Good Dec 2013	Good Dec 2013
Services for Children & young people	Good Dec 2013	Good Dec 2013	Good Dec 2013	Outstanding Dec 2013	Good Dec 2013	Good Dec 2013
End of life care	Good Dec 2013	Good Dec 2013	Good Dec 2013	Good Dec 2013	Good Dec 2013	Good Dec 2013
Overall trust	Good ↔ Apr 2018	Good ↔ Apr 2018	Good ↔ Apr 2018	Outstanding ↑ Apr 2018	Good ↔ Apr 2018	Good ↔ Apr 2018

The Care Quality Commission has not taken enforcement action against The Royal Surrey County Hospital NHS Foundation Trust during 2018/19.

The Royal Surrey County Hospital NHS Foundation Trust has not participated in any special reviews or investigations by the CQC during the reporting period.

Secondary Uses Service Data:

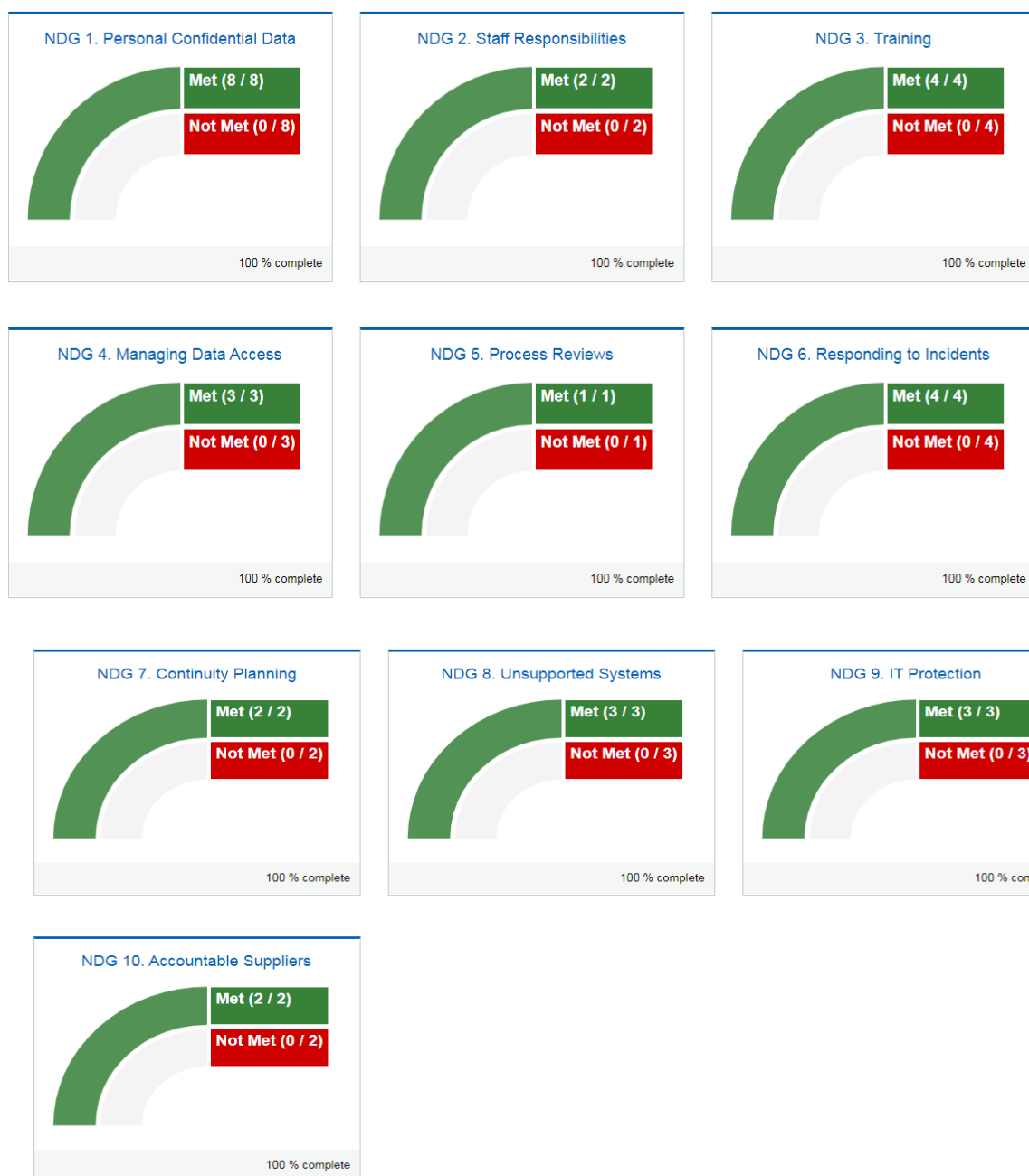
The Royal Surrey County Hospital NHS Foundation Trust submitted records during 2018/19 to the Secondary Uses Service for inclusion in the Hospital Episode Statistics which are included in the latest published data.

	2016/17			2017/18			2018/19		
	IP	AE	OP	IP	AE	OP	IP	AE	OP
NHS Number	98.7	99.2	96.2	99.5	99.8	97.5	99.5	99.8	96.8
GM Practice Code	100	100	100	100	100	100	100	100	100

Information Governance:

The NHS Data Security and Protection Toolkit (DSPT) replaced the Information Governance Toolkit (IGT), and is an annual assessment that has 100 mandatory items and 40 assertions divided into the 10 National Data Guardian Data Security Standard initiatives that are required to be reviewed and confirm compliant:

1. NDG Personal Confidential Data
2. NDG Staff Responsibilities
3. NDG Training
4. NDG Managing Data Access
5. NDG Security Processes Reviews
6. NDG Responding to incidents
7. NDG Continuity Planning
8. NDG Unsupported Systems
9. NDG IT Protection
10. NDG Accountable Suppliers



The Royal Surrey Information Governance Assessment Report overall score for 2018/19 was 100% and was graded green.

Clinical Coding Audit Error Rate 2018/19:

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 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 a 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.

A clinical coding audit programme has been undertaken by a Terminology and Classifications Delivery Service Approved Clinical Coding Auditor who has adhered to the Clinical Coding Auditor Code of Conduct within the last twelve months, prior to the final submission of the Information Quality Assurance scores for this version of the Data Security and Protection Toolkit.

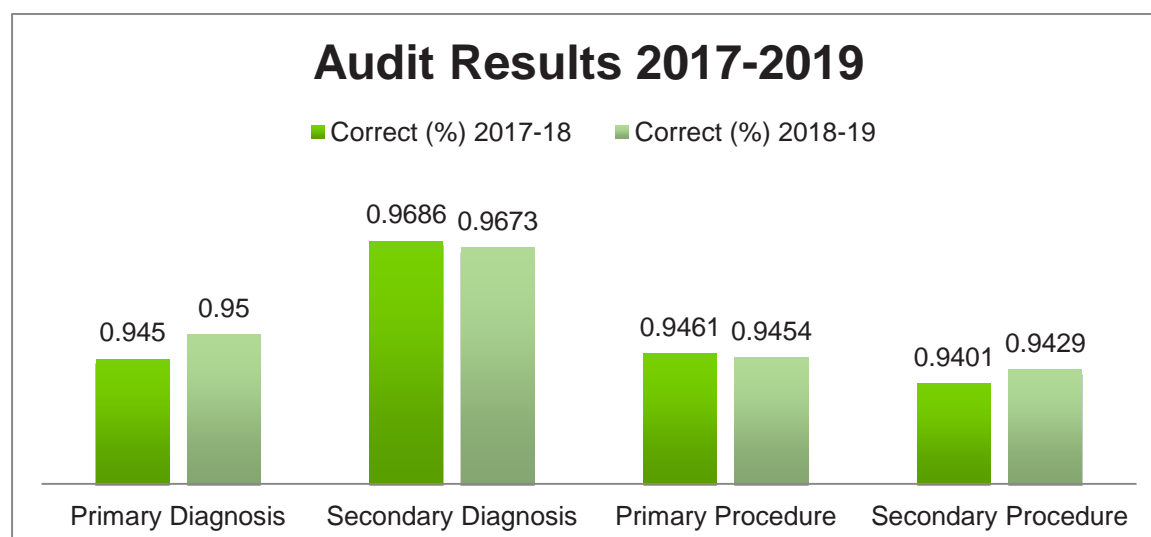
An overall percentage accuracy score in a clinical coding audit of greater than or equal to mandatory scores in the Data Security Standard 1 Data Quality (Clinical Coding) guidance of Data Security and Protection Toolkit has been achieved.

As required by the audit methodology, a random sample of 400 Finished Consultant Episodes (FCE's) from various specialities. The Comparison was made between ICD 10 diagnosis and OPCS 4.8 procedure codes assigned by the coders and those assigned by the auditor from the information provided by the complete case note.

	Correct (%) 2017-18	Correct (%) 2018-19
Primary Diagnosis	94.50%	95.00%
Secondary Diagnosis	96.86%	96.73%
Primary Procedure	94.61%	94.54%
Secondary Procedure	94.01%	94.29%

With the exception of maternity, the Trust undertook the Clinical Coding audit across all specialties provided by the Trust, complying with the Data Security and Protection Toolkit.

The Trust was not subject to the Payment by Results clinical coding audit during 2018/19 by the Audit Commission.



In 2017, Deloitte undertook a review of data quality and digital maturity. A work plan was set up to address all the areas of weakness. The Trust recognises that improved data quality is dependent on acquisition of an Electronic Patient Record (EPR). During the past year a provider has been approved and the Trust has a full project plan in place for EPR implementation

Our primary purpose is to facilitate flow of information to enable our patients and staff through.

- Digital transformation and clinical alignment;
- Complete, accurate and robust data;

-
- A robust infrastructure and end user computing services;
 - A robust governance, oversight, control and fiscal management process;
 - An enhanced portfolio management process;
 - A consolidated service (Technology, Digital, Information, Informatics & Cyber).

In this age of increasing data/information one of the greatest challenges facing organisations is data quality. The primary reason for poor data quality exists as a result of the disconnect between people, processes and technology. Additionally, there is an unrealistic perception of the level of data quality within organisations.

High quality information is of critical importance to the livelihood of the Royal Surrey County Hospital NHS Foundation Trust (RSCH), its patients and other related business partners. It is vital that information can be used with confidence.

High Quality Information can be defined as:

- Accurate
- Up-to-date
- Unambiguous; and
- Free from duplication.

In order to meet the information demands placed on the Trust by regulators, the NHS, the audit commission and other bodies, Royal Surrey will focus on “getting data right first time!”. The new Informatics Strategy has been written to fulfil this approach, with the emphasis on divisional ownership and personal responsibility - rather than currently being seen as a “back office” function.

A new Associate Director of Informatics & Clinical Coding has been appointed to the Trust and has the responsibility of leading the data quality transformation within this job role; implementing the new strategy.



Mortality:

During 1 April 2018 to 31 March 2019, 782 of Royal Surrey County Foundation Trust patients died. This comprised the following number of deaths which occurred in each quarter of that reporting period: 190 in the first quarter; 160 in the second quarter; 187 in the third quarter; 245 in the fourth quarter. These deaths relate to Acute Trust as required by the National Guidance on Learning from Deaths.

By 5th April 2019, 150 case record reviews and 3 investigations have been carried out in relation to 782 of the deaths.

In 1 case a death was subjected to both a case record review and an investigation. The number of deaths in each quarter for which a case record review or an investigation was carried out was: 56 in the first quarter; 31 in the second quarter; 45 in the third quarter; 18 in the fourth quarter. The low number in the fourth quarter reflects a lag in the data due to time taken to complete the process

1 representing 0.13% of the patient deaths during the reporting period are judged to be more likely than not to have been due to problems in the care provided to the patient.

In relation to each quarter, this consisted of: 1 representing 0.53% for the first quarter; 0 representing 0% for the second quarter; 0 representing 0% for the third quarter; 0 representing 0% for the fourth quarter.

These numbers have been estimated using the Serious Incident investigation process, which follows the processes and procedures as prescribed by the Serious Incident framework (NHS Improvement, March 2015).

This case was subject to full Serious Incident (SI) root cause analysis. It concerned a patient who died due to an allergic reaction to a drug. The learning was that all patients with serious allergies should be referred to immunology.

There were 7 recommendations/actions assigned. 4 of these are complete. Of the 3 that are outstanding:

1. The Trust are working with other providers to improve the pathway for dermatology out of hours service
2. Dermatology guidance. This sits with the provider of dermatology services
3. The implementation of the electronic prescribing system – the due date for this is Dec 2019.

Zero representing 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.

1 representing 0.13% of the patient deaths during 01 April 2018 to 31 March 2019 are judged to be more likely than not to have been due to problems in the care provided to the patient.

Reporting against core indicators

SHMI

The Royal Surrey County Hospital Foundation Trust considers that this data is as described for the following reason: the Trust's SHMI is 'lower than expected'

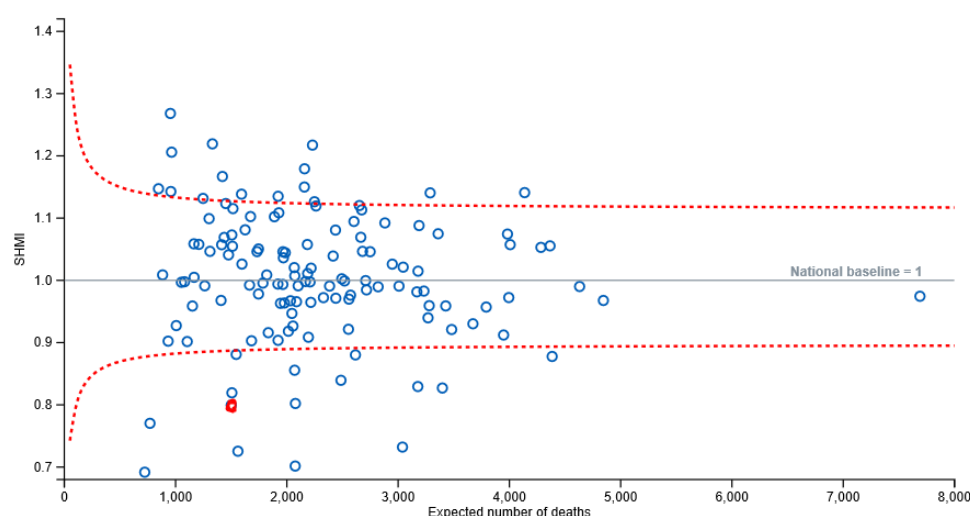
The Royal Surrey County Hospital Foundation Trust intends to maintain this metric which is now mandated by NHSI as a quality metric nationally for the Governors

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. SHMI is published quarterly and always six months in arrears.

	Oct-17 – Sep-18		2016/17	2015/06
	Royal Surrey County Hospital	England		
SHMI	0.7995 (lower than expected)	1.0	0.90	0.81
Percentage of spells with palliative care coding	2.50%	1.80%	2.06%	1.38%
Percentage of deaths reported in the SHMI with palliative care coding	59.5%	33.6%	56.6%	51.6%

* We attribute our percentage of palliative care coded admissions to our status as a cancer centre

Figure 1 The SHMI for the Royal Surrey County Hospital is lower than expected (Oct-17-Sep-18; NHS Digital).



Patient Reported Outcome Measures (PROMS)

The Royal Surrey County Hospital Foundation Trust considers that this data is as described for the following reasons: our pathways for Orthopaedic surgery require review. As a Trust, we provide surgical revisions which may well impact on our reported outcomes.

The Royal Surrey County Hospital Foundation Trust review PROMS data with the PROMS Lead and develop an action plan for improvement. Pathway for Hips is cur-

rently being reviewed for eligible patients to be fast tracked to improve patient experience and reduce the length of stay.

The Trust reports Patient Reported Outcome Measures (PROMs) for 2018/19 continue to be very good. The charts below highlight where the Trust is benchmarked against the national data for 2017/18, as this is the latest data available.

2017-18 (finalised)	EQ-5D Index		EQ-VAS Index		Oxford Hip/Knee Score	
	Trust score	National average	Trust score	National average	Trust score	National average
Total hip replacement	0.465	0.458	14.144	13.9	22.865	22.2
Total knee replacement	0.356	0.337	8.814	8.2	18.107	17.1
Apr-2017-Sep-17 (finalised)	EQ-5D Index		EQ-VAS Index		Aberdeen varicose vein questionnaire	
	Trust score	National average	Trust score	National average	Trust score	National average
Following groin hernia surgery	0.121	0.089	-0.392	-1.2	No data	-8.5
Following varicose vein surgery	N/A					

Figure 2: Total hip replacement case-mix adjusted average health gain (2017/18 finalised data; EQ-5D index)

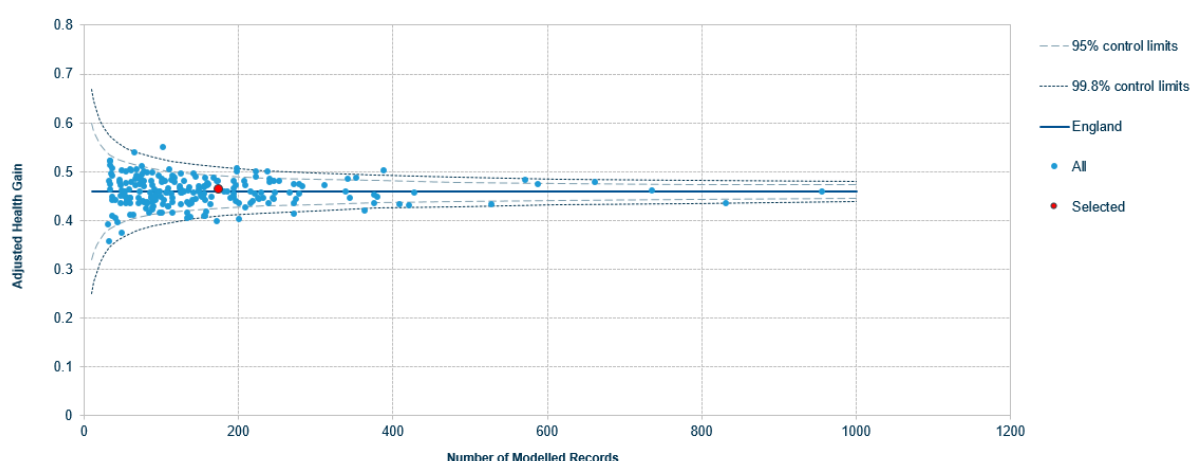
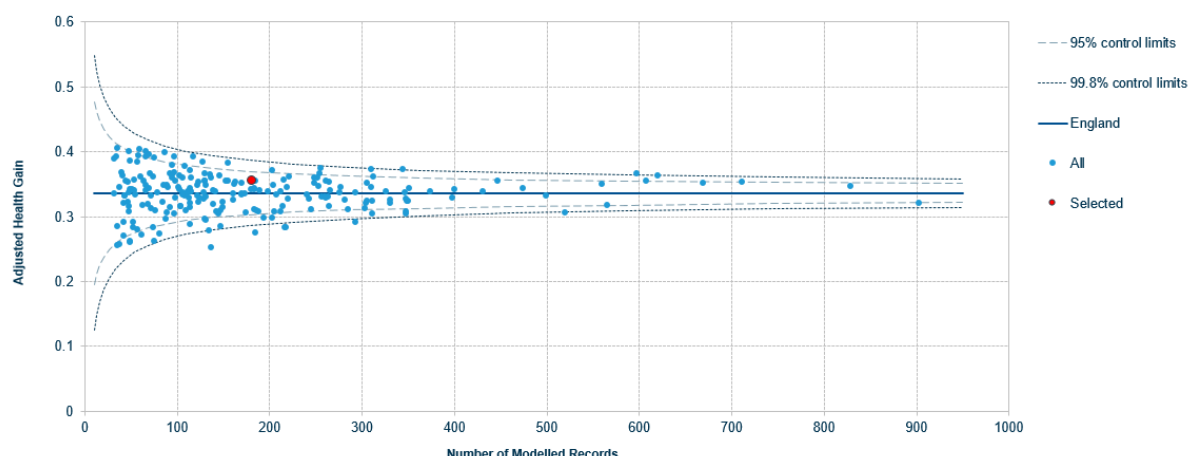


Figure 3: Total knee replacement case-mix adjusted average health gain (2017/18 finalised data; EQ-5D index)



Total Hip Replacement	Modelled records	EQ-5D Index	
2017 -18 (final)	174	0.465	Not an outlier
2016 -17 (final)	172	0.436	Not an outlier
2015 -16 (final)	93	0.434	Not an outlier
2014 - 15 (final)	155	0.444	Not an outlier
Total Knee Replacement	Modelled records	EQ-5D Index	
2017 -18 (final)	180	0.356	Not an outlier
2016 -17 (final)	171	0.337	Not an outlier
2015 -16 (final)	50	0.369	Not an outlier
2014 - 15 (final)	120	0.36	Positive outlier (95%)

Readmissions within 28 days Paediatrics

The Royal Surrey County Hospital Foundation Trust considers that this data is as described for the following reason: resident consultant model providing senior decision making 24 hours a day.

The Royal Surrey County Hospital Foundation Trust intends to undertake a readmissions audit and review the results to identify any trends.

	All Discharges	Emergency Readmission Within 28 Days	% Emergency Readmission Within 28 Days
15 and Under	7101	757	10.66
16 and Over	20776	2209	10.63

Our figure compares well to national figures. The Trust currently has not identified a need to put actions in place to improve.

Responsiveness to Patient Feedback

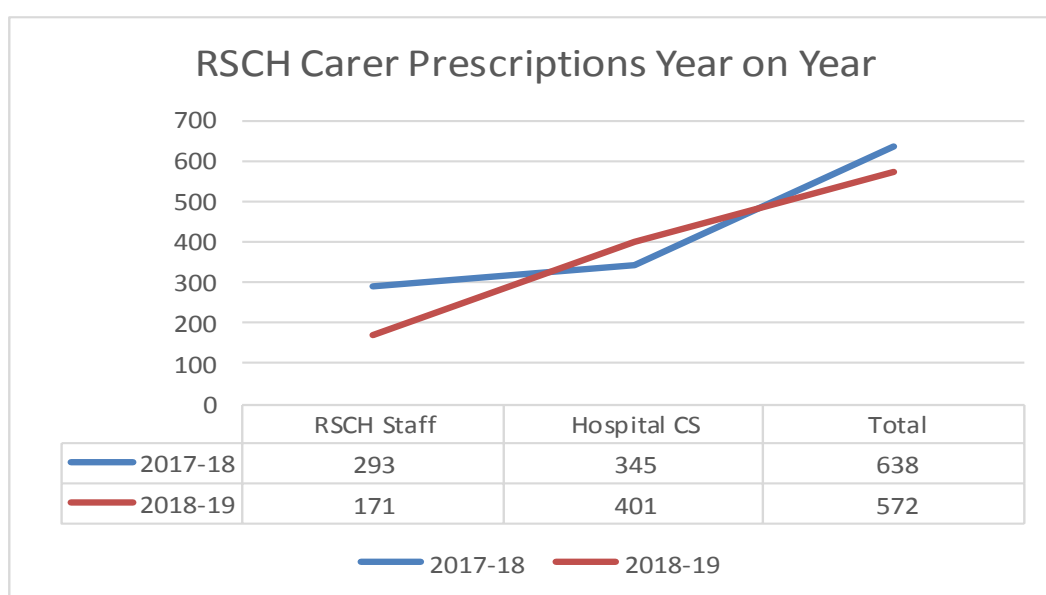
The Royal Surrey County Hospital Foundation Trust considers that this data is as described for the following reasons as demonstrated both externally assessed and internal feedback is consistently good.

The Royal Surrey County Hospital Foundation Trust has taken the following actions to improve this area, metrics relating to patient feedback are monitored at Board and Quality Committee.

Carers

The Carer Adviser role is fully embedded within the Trust, which is to support and advise carers, support staff with carer responsibilities and provide follow up of carers after a patient has been discharged. Staff continue to receive training to raise their awareness of the need to complete a carers' prescription for those who are identified as needing support. In 2018/19, 572 numbers of carer's prescriptions were

completed. The top two reasons for referral were for support for carers for people with dementia and elderly frail.



- Hospital CS (Hospital Carer Support)

The Trust continues to be signed up to “John’s Campaign” which supports carers who wish to stay with their relative who has dementia. The Trust has implemented the use of the Carers’ Passport to support this and additional beds have been purchased for those carers who want to stay.

The Dementia Café continues to be held monthly, which provides a place for carers or people with dementia to come for additional support, advice or signposting to other services.

In Oncology, there is a carer’s café, Knit & Natter and Bereavement café. These are supported by the Fountain Centre and band 4-support workers.

Learning disability

In June 2018, NHSI published the Learning Disability (LD) Improvement standards for NHS Trusts. An action plan was developed in relation to these standards; some progress has been made with these actions however, outstanding actions are being rolled into the LD work plan for 2019/20. The Trust hosts an Adult Learning Disability Liaison Nurse and employs a full time Paediatric Learning Disability Nurse.

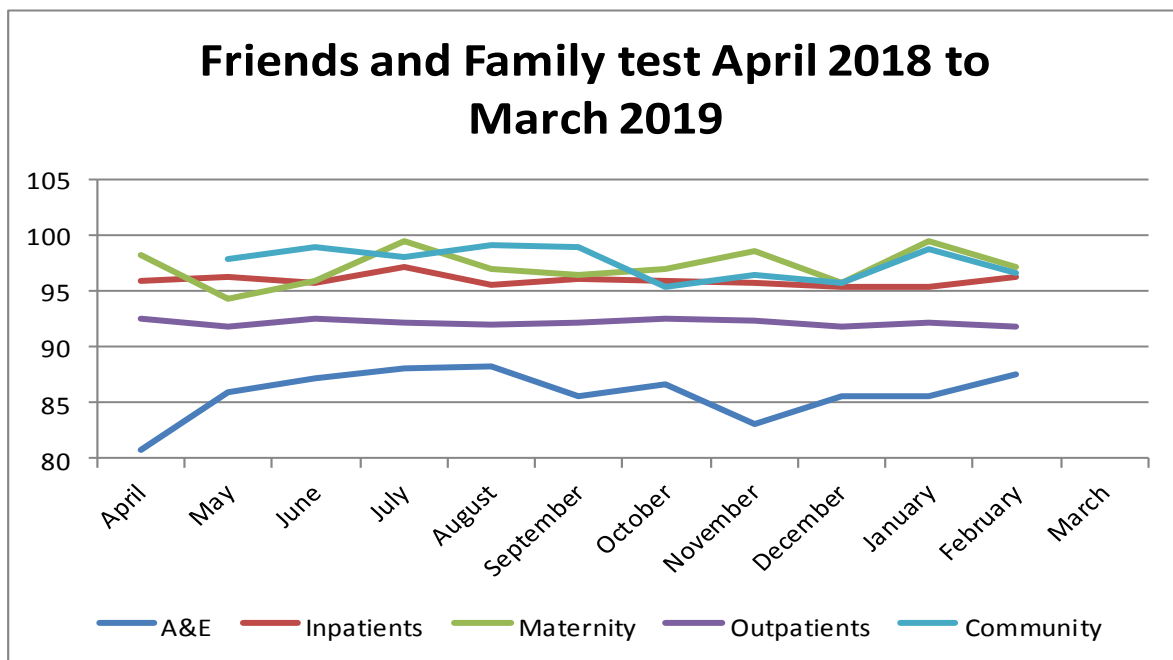
The Trust ensures any death of a patient with a LD is referred into the LeDeR programme and supports the reviewer to complete any reviews to ensure the sharing of any early learning’s throughout the organisation.

The Trusts hosts an annual Learning Disability study day for Trust staff and is supported in delivering this by our service users.

Friends and Family Question

The Trust continues to use the Friends and Family test to gain feedback from patients who have used its services. Patients are asked to complete a postcard when they are being discharged from the maternity service, inpatient wards or via SMS texting within 24 hours of attending either the emergency department or outpatient departments. Since May 2018, patients using community services are also asked to participate.

The table below shows the percentage of patients that would recommend the Trust:



The Trust receive a number of comments from the patients along with their score and these are shared with the wards and departments to ensure any changes that need to be made can be implemented. These comments are stored in the Achieving Excellence evidence folder on each ward.

Patient Surveys

Inpatient survey

In July 2017 (the latest survey), 586 patients discharged from the hospital completed the survey, which gave the Trust a response rate of 49% which was higher than the national response rate of 41%. The Trust was in the top 20% of hospitals for 23 of the questions. The Trust performed well on questions related to the amount of information that was provided to the patients. Areas for further work included discharge delays and patients not feeling they were asked about the quality of the care they received. To monitor this further it is now a question within the local survey that the volunteers assist the Trust with. The inpatients survey was repeated in July 2018 and these results are expected in June 2019.

Emergency Department Survey

This survey was commenced in 2018 and the results are due in 2019.

Children and Young People's survey

This survey was commenced in 2018 and the results are due in 2019.

Maternity Survey

The 2018 National Maternity Survey took place in February 2018. A total of 300 surveys were sent with a response rate of 55%, which exceeded the national response rate of 37%. The Trust scored in the top 20% of Trusts on 18 questions. The areas where further work is underway, includes:

- Antenatal care - offering a choice of hospitals and whether women were offered a choice of giving birth at home.
- Labour and birth - whether women felt that the length of stay in hospital after the birth was adequate.
- Post-natal - information provided about any emotional changes women might experience after the birth and whether they were given information or advice from a health professional about contraception.

An action plan was implemented in relation to the topics above and good progress has been made against the actions.

National Cancer Patient Experience Survey (NCPES)

The NCPES (2017) provides an insight into the care experienced by NHS cancer patients across England. The survey has been designed to monitor national progress on cancer care; to provide information to drive local quality improvements; to assist commissioners and providers of cancer care; and to inform the work of the various charities and stakeholder groups supporting cancer patients.

The NCPES has been carried out annually since 2010 and, in 2015; the survey was redeveloped in consultation with patients, commissioners, providers, charities and other key stakeholders. The survey is overseen by the National Cancer Patient Advisory Group. There was a Trust response rate of 68%. The table below details the results that scored in the "higher than expected range"

Question	Number of responses	2016 Trust scored percentage	2017 Trust scored percentage	National score percentage 2017
Beforehand, did you have all the information you needed about your test?	412	95%	97%	95%
How do you feel about the way you were told you had cancer?	446	87%	89%	85%
If your family or someone else close to you wanted to talk to a doctor, were they able to?	301	71%	79%	73%
In your opinion, were there enough nurses on duty to care for you in hospital?	364	69%	73%	66%
Do you think the hospital staff did everything they could to help control your pain?	320	82%	89%	84%
Once you started your treatment, were you given enough information about whether your radiotherapy was working in a way you could understand?	109	66%	73%	59%

The Trust has an action plan in progress for the areas that require further work. These include the length of time waiting for investigations, and information provided about Chemotherapy.

PALS:

The PALS team manage informal complaints, concerns and general requests for information, endeavouring to provide a timely response or solution, often within hours for patients and their relatives. During 2018/19 PALS have received 2713 cases, of which 1410 were complaints, 1173 were general enquiries and 130 were compliments. Very few PALS complaints become formal complaints.

In 2018/19 PALS 79% of cases were closed within the timeframe of 3 days. Appointment concerns and communication remain the most common reasons for contacting PALS. The information obtained through PALS is being used to inform some of the transformation programmes of work that are planned for 2019/20.

Staff Survey

The Royal Surrey County Hospital Foundation Trust considers that this data is as described for the following reasons: the Trust has consistently scored well on this metric. Data was not submitted for Quarter 3 due to resourcing issues in the Human Resources team.

The Royal Surrey County Hospital Foundation Trust intends to take the following actions to improve this indicator Following the recruitment of the Human Resource Director in January 2019, a full action plan has been approved by Board in April 2019 and will ensure data completeness and continued improvement in scores in 2019/20, and so the quality of its services.

Below are the staff survey results for the last three years. Quarter 1 is the only data available for 18/19. The Trust does not undertake the survey in Quarter 3

	Q1 16/17	Q2 16/17	Q3 16/17	Q4 16/17	Q1 17/18	Q2 17/18	Q3 17/18	Q4 17/18	Q1 18/19
Recommend	81.35 %	85.77 %		60.00 %	83.33 %	88.64 %		88.55 %	85.19 %

Venous Thromboembolism

The Royal Surrey County Hospital Foundation Trust considers that this data is as described for the following reasons: The Trust monitors compliance with VTE risk assessment on ward boards against each patient.

The Trust continues to have good compliance to the National VTE target as illustrated in the chart below. In 2018/19, we achieved above 96% every quarter. We continue to focus on this metric at divisional level. To further improve quality, we have added to the discharge summary template to document VTE risk.

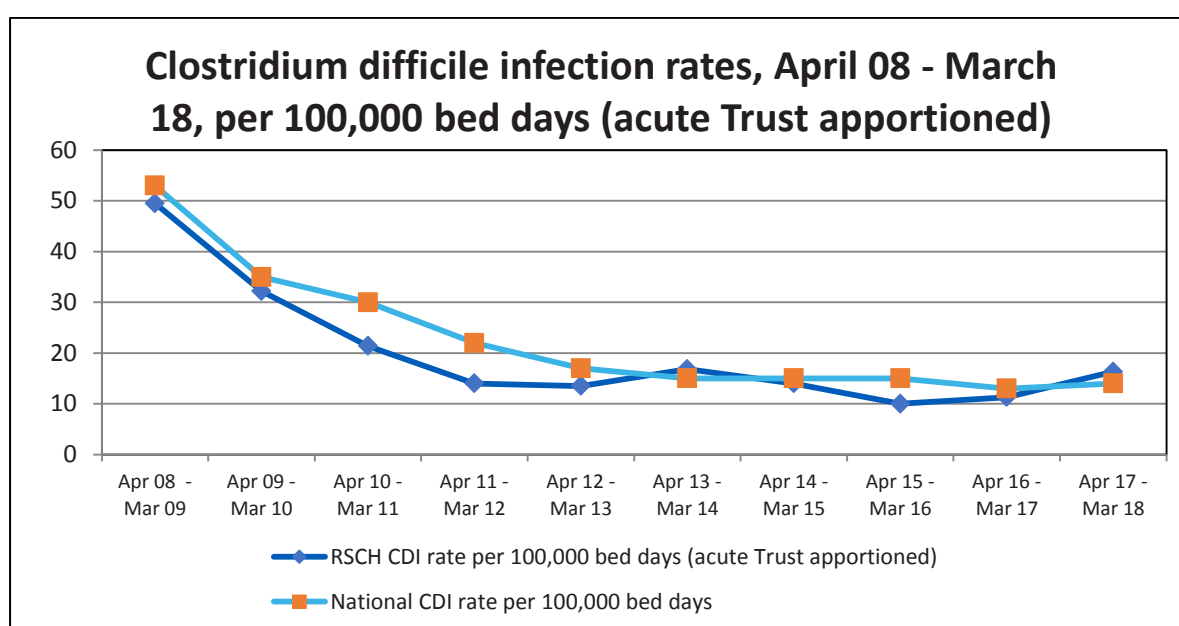
	2016-17				2017-18				2018-19			
Quarter	Q1 16- 17	Q2 16- 17	Q3 16- 17	Q4 16- 17	Q1 17- 18	Q2 17- 18	Q3 17- 18	Q4 17- 18	Q1 18- 19	Q2 18- 19	Q3 18- 19	Q4 18- 19
As- sessed	15,9 78	16,6 64	16,5 73	16,6 07	17,1 54	16,7 76	17,4 01	17,4 75	18,1 19	17,9 87	17,7 46	17,85 6
Admit- ted	16,4 62	17,3 32	17,3 14	17,2 97	17,7 58	17,3 93	17,9 55	17,9 95	18,6 14	18,5 76	18,2 79	18,36 8
As- sessed %	97.1 %	96.1 %	95.7 %	96.0 %	96.6 %	96.5 %	96.9 %	97.1 %	97.3 %	96.8 %	97.1 %	97.21 %

Clostridium Difficile (CiDiff)

The Royal Surrey County Hospital Foundation Trust considers that this data is as described for the following reasons: our clostridium Difficile rates have been either below or comparable to the national data.

The Royal Surrey County Hospital Foundation Trust continues to monitor antibiotic use via the Trust Infection Control Committee and regularly audit against antibiotic protocols.

Below outlines the Trust Clostridium Difficile rates where they have either been below the national picture or comparable



	Royal Surrey- Hospital apportioned Cdiffs	Rate per 100,000 bed days
2017 - 2018	20	16.3
2018 - 2019	16	Data not available until June / July 2019

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 2018/2019, to date there has been one lapse in care decision (isolation delayed as nurse in charge not informed of patient with symptoms) and 14 no lapse in care decisions. One case remains outstanding for CCG review.

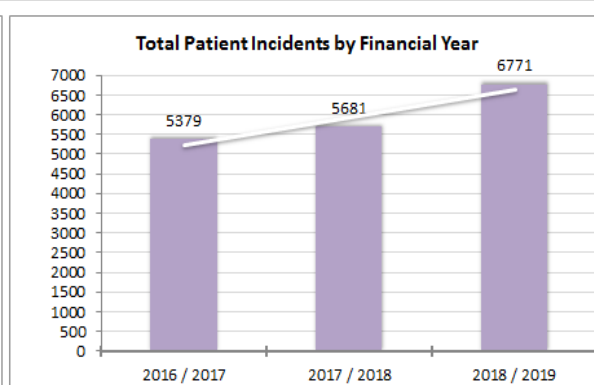
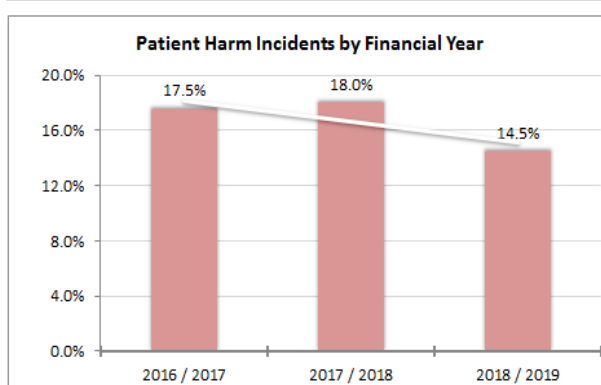
Safety Incidents resulting in severe harm or death

The Royal Surrey County Hospital Foundation Trust considers that this data is as described for the following reasons: As shown in the below table, the reporting of incident without harm has increased in conjunction with a decrease in incident associated with serious harm or death, consistent with an improving reporting culture.

The Royal Surrey County Hospital Foundation Trust incidents are monitored at Divisional Level at the Trust QSEPE meeting, and at organisational level by the Board and Quality Committee.

Below is the overview of the last three years of Patient Safety Incidents reported through the Trust with the levels of harm reported. This is a positive picture for the Trust as our overall reporting rises and the level of incidents with harm decreases.

Patient Incidents by Level of Harm							
Financial Year	Harm		No Harm		Potential For Harm		Overall Total
	Total	% of Overall	Total	% of Overall	Total	% of Overall	
2016 / 2017	943	17.5%	1745	32.4%	2691	50.0%	5379
2017 / 2018	1023	18.0%	1942	34.2%	2716	47.8%	5681
2018 / 2019	982	14.5%	2822	41.7%	2967	43.8%	6771
Total	2948	16.5%	6509	36.5%	8374	47.0%	17831



Below are the numbers of patient safety incidents reported within the reported period and the number and percentage of such patient safety incidents that resulted in severe harm or death

	Apr 2018		May 2018		Jun 2018		Jul 2018		Aug 2018		Sep 2018		Oct 2018		Nov 2018		Dec 2018		Jan 2019		Feb 2019		Mar 2019		
Severity	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total
1 - No Harm	0	0%	1	1%	0	0%	0	0%	0	0%	0	0%	1	1%	3	2%	12	9%	10	8%	22	17%	80	62%	129
2 - Low	556	9%	578	9%	573	9%	562	9%	515	8%	521	8%	528	8%	622	10%	499	8%	592	9%	505	8%	486	7%	6537
3 - Moderate	15	7%	13	6%	7	3%	10	5%	11	5%	15	7%	25	12%	27	13%	11	5%	23	11%	26	12%	33	15%	216
4 - Severe	2	6%	3	9%	2	6%	0	0%	2	6%	0	0%	6	17%	6	17%	2	6%	4	11%	2	6%	6	17%	35
5 - Catastrophic / Death	1	11%	2	22%	0	0%	0	0%	0	0%	1	11%	3	33%	0	0%	0	0%	1	11%	1	11%	0	0%	9
Total	574	8%	597	9%	582	8%	572	8%	528	8%	537	8%	563	8%	658	10%	524	8%	630	9%	556	8%	605	9%	6926

Part 3: Other information

Progress against 2018/19 Quality priorities

Priority 1: Core 24 Liaison Psychiatry

Areas identified for improvement:

- Royal Surreypatients to receive timely assessment of any mental health requirements
- Reduction in bed days, improved compliance with treatment
- Less attendances to Royal SurreyA&E department
- Appropriate use of available resources

Metrics for measurement:

- Proportion of urgent patients assessed within 60 minutes
- Proportion of routine patients assessed within 24 hours

How did we do?

The Royal Surreypsychiatric liaison team is fully staffed and consists of Registered Nurses, Social Workers, Occupational Therapists and two full time consultant psychiatrists. The team consistently exceeds its commissioned targets for both emergency and urgent referrals. The team has recently begun the accreditation process with the Psychiatric Liaison Accreditation Network (PLAN). Training provided by the team to acute hospital staff is well attended and the team recently hosted a mental health study day that was open to all staff.

The table below illustrates the success of the service:

Indicator	Quarterly Performance	Q1	Q2	Q3	Q4
90% of emergency referrals to Psychiatric Liaison Responded to within 1 hour	97.7%	99.1%	99.0%	99.5%	99.7%
90% of current inpatient referrals for urgent psychiatric review seen in 24 hrs	100%	100%	100%	100%	100%

Priority 2: Harm Free care- focus on avoidable, unavoidable and community harms

Areas identified for improvement:

- Aligning the community with the acute site
- A review of all falls in clinical areas to identify themes
- 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

How did we do?

The aim of the priority was to reduce avoidable falls and pressure ulcers across the acute and community settings. The Trust became the provider of community services in April 2018 and did not have any historical data in relation to the incidence of falls and pressure ulcers, within this service. This first year has enabled the Trust to get a baseline of the number of falls and pressure ulcers that are occurring within the community inpatient areas and those on the community nurses caseload. The process for investigating falls and pressure ulcers across all settings is now aligned.

The table below illustrates the number of falls and pressure ulcers in each setting. It should be noted that in 2018/2019 a total of 360 patients were admitted to the organisation with pressure ulcers. These patients were not under community services on admission.

	Number of falls	Number of pressure ulcers
Community Nursing	0	98
Community hospitals	40	7
Community acquired- not accessing community services	Not recorded	360
Acute	606	129

The reporting of all pressure ulcers and moisture associated skin damage is captured through the Trust Datix system and is in line with the NHSI Pressure Ulcers: revised definitions and measurement.

Investigations are completed for all category 2 (and above) pressure ulcers with review of all category 3 reports prior to submission to the weekly Executive Safety meeting. The panel review for all category 3 (or above) pressure ulcers has meant that the investigation into the root cause is completed in a more timely manner and has facilitated earlier identification of any learning and implementation of appropriate actions.

There was a reduction in the number of patient falls across the Trust from 622 in 2017/18 to 606 in 2018/ 2019. There has also been a reduction in the number of patients suffering physical harm because of the fall. The number of patients who suffered a moderate (or above) harm reduced from 21 in 2017/ 2018, to 7 in 2018/19.

Information relating to falls resulting in harm is also collated and shared at the Executive Safety meeting with a view to determining whether it meets the criteria for Serious Incident reporting. Full root cause analysis is completed on all falls with harm and pressure ulcers.

The table below shows the numbers of falls and pressure ulcer incidents that were reported as SIs.

	Falls	Pressure Ulcers
2017/2018	10	11
2018/2019	0	2

Priority 3: Critical Medications

Areas identified for improvement:

- The maternity unit needed to reduce the Dalteparin medication 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:

-
- Number of overall dalteparin incidents as a percentage against all medication errors across the whole Trust
 - Total number of omissions to prescribe and administer dalteparin across the whole Trust.

How did we do?

This priority was to reduce the omissions of critical medicines, specifically Dalteparin. Due to the National shortage of Dalteparin, this Priority had to be suspended.

Priority 4: Compliance with the Mortality process

Identified areas for improvement:

- Providing feedback on Structured Judgement Reviews (SJRs) to:
 - a) Lead consultants
 - b) Families of the deceased
- Capacity to review cases where no concern regarding care has been flagged

Metrics for measurement:

- Proportion of SJRs completed within 30 days of being identified
- SJRs performed on cases where no concern had been raised
- 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

How did we do?

Lessons regarding the care and treatment delivery generated from the structured judgement review (SJR) mortality process is shared using a multiple channels of communication:

- 1-2-1 Meetings:

Those SJRs where overall care was scored as poor are discussed with the patient's lead consultant and the Medical Director. This discussion is conducted to flag any apparent concerns with the lead consultant and also to gauge further context from them that would provide clearer picture of the level of care and treatment delivered

- **M&M Specialty Lead Network:**

Learning from SJRs are now shared with mortality and morbidity leads, who will in turn share and discuss the SJRs within their respective specialities. Any further learning from these specialty-level discussions will be fed back into the Datix system, where it can be shared further.

- **Datix Dashboard Reports:**

All managers at divisional and SBU level have access to all closed SJRs within their respective divisions / SBUs via their Datix Dashboard Reports

- **Governance Newsletter:**

Trust wide learning from SJRs is shared via the bi-monthly Governance Newsletter, which is widely distributed across the Trust.

The Trust has continued to improve the Mortality Review Process including creating a faculty for Mortality, led by the Mortality Lead who is a Consultant Anaesthetist. The Trust has increased the number of reviewers for Structured Judgement Review and are working to embed the new changes to the Mortality Review Process. Our metrics and achievement are discussed further on in this report within the mortality section in part 3 of this document.

Priority 5: Embedding learning from SIs, Complaints and Incidents

Identified areas for improvement:

- Complaints relating to attitude
- Complaints relating to discharge processes
- Recommendations and actions implemented from Serious Incidents (SIs)
- Circulation of anonymised SI reports to wider audience

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

How did we do?

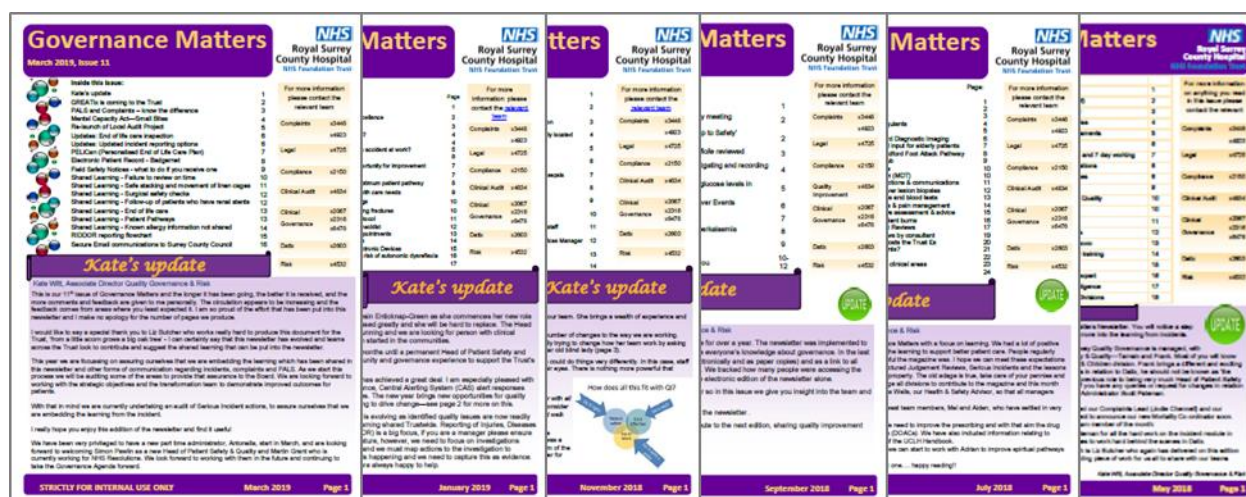
In 2018/19, we successfully reduced the number of claims relating to property by 25.7%. Our target was 30% and whilst we were unable to achieve this, the Head of Legal Services reviews all cases and the areas working with the teams to ensure all the learning is shared locally.

Our overall reduction in complaints relating to discharge has reduced by 27.3%. Conversely, there is still some work to be undertaken regarding complaints relating to attitude, as there has been an increase in complaints involving attitude (see chart below).

	Attitude / Behaviour	Overall Complaints	Ratio - Attitude & Behaviour as a ratio to all formal complaints received:
2017	36	238	15%
2018	67	268	25%

In order to triangulate the data from claims, complaints, PALs and incidents a 'Triangle' meeting has been set up to share and evolve the learning and triangulate using the data more effectively. This has been reflected in our CLIP report, which is produced 6 monthly.

Alternate months there are Trust wide 'Governance Matters' newsletters. This has had excellent feedback as a worthwhile source of learning. Copies are circulated to every ward and department. The newsletter is also sent to every staff member via email. There are also copies available situated outside meeting rooms.



The 'hits' are monitored on the intranet, identifying when staff access the newsletter. The CCG have commended the newsletter and request copies as part of the assurance mechanism for Quality & Safety.

Embedding learning requires cultural change and excellent communication. In order to establish the outcome of the shared learning the Trust has audited the actions of a number of Serious Incidents to identify the knowledge from staff and to see if observational audits have changed practice. We can demonstrate we have improved the number of claims regarding property and we can evidence improvement in the number of medication complaints and PALs regarding some of our services where we have improved the pathways for our patients.

The Trust will continue to work towards embedding learning in 2019/20.

Priority 6: Standardisation of Clinical Pathways and Clinical Excellence (SPACE)

Identified areas for improvement:

- 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)

How did we do?

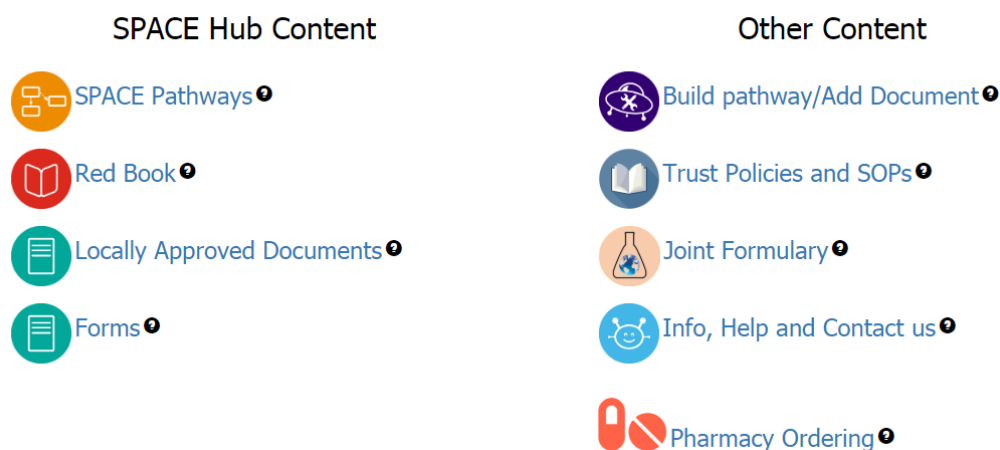
During 2018/19, we agreed to improve the funding stream to move the Standardisation of Clinical Pathways (SPACE) project forward and relaunch it, including the web tool for staff. This included training staff who would be adding additional information to the Hub.

Since the relaunch, we have increased awareness of pathways available on SPACE. The portal is on all desktops for staff ease of access.

- We have a steady stream of pathways and documents being published including an updated 'Red Book' with an increase from 10 to 130 documents and pathways. Data shows use of the portal by clinicians has increased

- The Trust SPACE hub is hosting the Royal Surrey and Guildford and Waverley CCG joint formulary.
- Exploratory talks with primary care re making pathways to facilitate GP access to hospital services.
- Progress with SPACE app for mobile phone. A pilot version of this is now running and undergoing further development.

The below illustration shows the format of the hub as visualised by clinicians.



Priority 7: End-of-Life Care

In 2018/19, a number of metrics were identified to improve the experience for patients who were nearing their end of life.

Identified areas for improvement:

- Embedding the End-of-Life Strategy and PELiCan Pathway (Personalised End of Life Care Plan) within the Hospital

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).

How did we do?

- In 2018/19, there were 761 deaths in hospital and 64% (489) of these patients were on PELiCan.
- 100% of patients on the PELiCan were reviewed every day (including weekends) by a member of the SPCT.
- 100% of patients' carers were informed and/or involved of the decision to start the PELiCan.
- <2.5% of deaths of patients on PELiCan result in formal complaint about end of life care (audited annually). Our result was 1% of formal complaints were about the end of life care
- 90% of patients and their carers had an assessment of their spiritual needs, which was documented at the weekly multi-disciplinary meeting (audited monthly).

The Supportive and Palliative Care team (SPCT) routinely review all patients on the PELiCan seven days per week. This highlights that the PELiCan is embedded as part of end of life care, and supported across the hospital. The SPCT also provided advice and support to 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 and those who were discharged home as part of their request to die at home.

The Trust took part in NACEL (National Audit of Care at the End of Life) in 2018 and in each area audited, the Trust exceeded scores achieved nationally.



Priority 8: Better births compliance in maternity

This has been an exciting year for the maternity services. In April 2018, the Pregnancy Advice Line was launched for rapid access and support for women during pregnancy. From April – October there were 20,763 calls to the line from women across Surrey Heartlands. This was in partnership with other organisations within Surrey Heartlands CCG. In the first quarter, there had been a reduction of 83% of calls to the Royal Surrey maternity unit releasing midwifery time to care, with associated reduction in risk. 79% of the calls are answered within 60 seconds.

The Unit was awarded 2019 British Journal of Midwifery award for innovation in practice and London Midwifery Forum award for innovation.

In 2016, UNICEF UK launched new Achieving Sustainability Standards. Services that are currently accredited as Baby Friendly are eligible to be assessed against these standards at their next scheduled re-assessment. If the service meets all of the criteria, they will then be accredited as a Gold Baby Friendly service.

As our Maternity service was accredited as Baby Friendly, the Trust could be assessed against these standards and were accredited as a Gold Baby Friendly service.

Identified areas for improvement for Maternity Digital services:

- 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

How did we do?

The Maternity unit has fully implemented electronic patient records across the maternity pathway, which has achieved in all of the areas identified for improvement.

Improved women's experience of community midwifery service

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.
- 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.

How did we do?

The Trust has mapped and identified areas to locate community midwifery hubs, with a strong presence in children's centres. The Trust has had a phased approach to relocation of community midwifery services in hubs. There has been commitment from Cranleigh Village Hospital League of Friends to support community midwifery hub and site surveys

have been completed. A seven-day service has been established at Forest Surgery in Bordon for all women living in Hampshire and choosing to birth at the Royal Surrey.

Collaborative working with Maternity Voices partnership to ensure the service meets the needs of the citizens and enhances midwifery led provision on the maternity unit. Workforce redesign undertaken to create continuity of carer team and service achieved continuity of care for 24% of women booked for care at RSCH.

Priority 9: Staff Health with a focus on Health Promotion

Metrics for measurement

- Staff sickness levels
- Staff attrition levels
- Staff survey reports
- Internal focus groups and surveys
- Lead occupational health manager
- Board Sponsor director of HR and business support.

How did we do?

In the 2018-19 year we agreed to focus on the following metrics in order to assess our delivery against our agreed action areas:

- Staff sickness levels
 - 2017-18 3.1%
 - 2018-19 2.9%
- Staff attrition levels (voluntary)
 - 2017-18 14.5%
 - 2018-19 13%
- Staff survey reports
 - 2017 – The staff engagement score was 7.2. Our overall score for health and wellbeing was 6.2.
 - 2018 – The staff engagement score was 7.3. Our overall score for health and wellbeing was 6.0.
 - In addition, the survey in 2018 shows that 71% would recommend the organisation as a place to work; 82% would recommend us if a friend or relative needed

treatment and 83% believe that care of patients is the organisation's top priority.

- Internal focus groups and surveys – Friends and Family score as above and we also undertook a series of listening exercises and focus groups to get staff feedback on how we are doing
- Lead occupational health manager – the service is now outsourced to Team Prevent and is receiving excellent feedback
- Board Sponsor Director of HR and business support – in place and a new person to act as staff health and wellbeing lead joins the Trust on 24th June 2019 to lead on this agenda

Our health and wellbeing strategy remains a priority for the Trust and has emerged in the staff survey from 2018 as an area that we are right to continue to prioritise. In 2018-19 we said that we would address the need for greater health promotion across the Trust and significant efforts were made to improve ways of communicating the benefits of general health awareness. Staff were 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.

- 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 lo-

cal 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 has raised levels of staff engagement and impact health and wellbeing in a positive way.

Priority 10: Dementia- training in the Emergency Assessment Unit (EAU)

Metrics for measurement

The proposed metrics for registered nursing and healthcare staff working on EAU were:

- 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.

How did we do?

The Trust achieved the target for Tier 2 as it was attended by 40% of EAU staff, however, the target for the Dementia Virtual Tour training was not achieved as 40% (23) of EAU staff attended. This is impart due to the natural staff turnover within the department.

Every day in an acute hospital, approximately 50% of inpatients will be living with dementia, delirium and/or confusion. A high number of these patients enter the hospital through EAU and it is therefore essential that staff working in this area have an awareness and understanding of how it might feel to be living with dementia. This ensures that patients and their families receive the necessary support and reassurance during their time in the department.

Priority 11: Implementation of Recommended Summary Plan for Emergency Care & Treatment (ReSPECT)

Identified areas for improvement:

To Implement the ReSPECT process.

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.

How did we do?

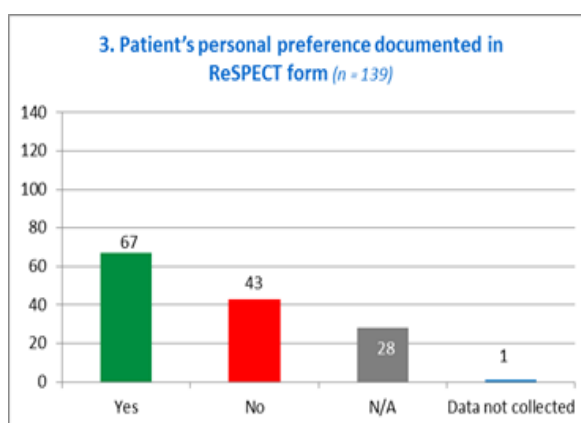
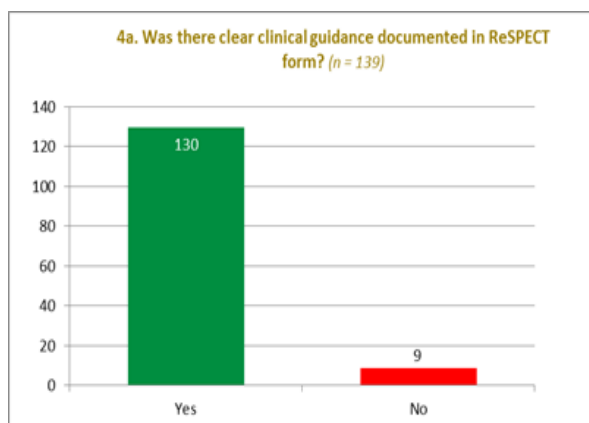
The ReSPECT process was identified as a governor's priority measure due to a recognition that this represents an opportunity to optimise care around end of life, which is a priority for the Trust.

On commencement of the audit it was identified, on close inspection, that national guidance states that ReSPECT can be for anyone, but will have increasing relevance for people who have complex health needs, people who are likely to be nearing the end of their lives, and people who are at risk of sudden deterioration or cardiac arrest. Some people will want to record their care and treatment preferences for other reasons.

As such the denominator for the audit is unquantifiable, and it is not possible to report compliance in a meaningful way. The Trust remains committed to this process.

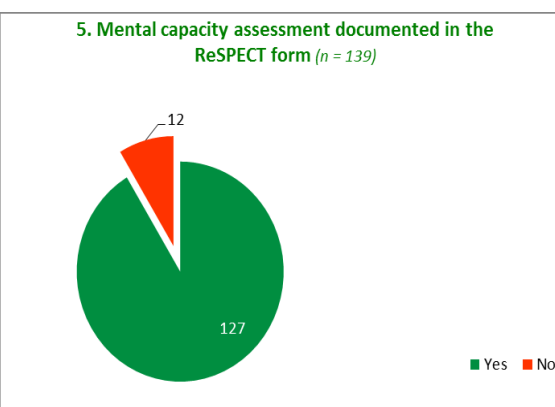
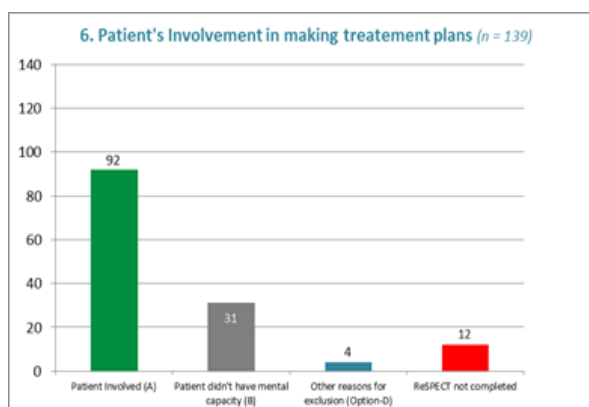
The Trust was the first organisation in Surrey Heartlands to implement the new national ReSPECT process. The aim was to achieve 60% of patients for whom a ReSPECT form was appropriate to be completed in quarter 4. Putting a patient on a ReSPECT pathway is a clinically led decision and there is no database to record eligible pathway. Due to lack of centralised process, we have not been able to arrive at a Trustwide figure, however on a

sample basis we have reviewed the ReSPECT forms, and the data disclosed within this section reveals the outcome of that testing. Unfortunately the Trust did not meet this target, as it became clear in quarter 1 that there were elements of the form that did not need to be completed for every patient. Although the metric was not met. There are a number of significant and important achievements with the introduction of the ReSPECT process including, 61% of the patients' forms were tested. This is one of the main differences from the DNACPR approach as there was no opportunity to express personal preferences. An audit in Q1 indicated 75% had personal preferences recorded; a person centred approach and this is a vital part of the ReSPECT process. In Q1, 79% gave guidance for treatment in clinical emergencies, improving in Q4 (94%). This indicates that discussion includes clinical guidance beyond just resuscitation decisions.



Resuscitation decisions remain the main reason for the completion of the ReSPECT form. 92% of the forms had a recommendation not to attempt CPR. Using the ReSPECT approach should be considered for all patients with complex health needs to ensure clarity around treatment options in a clinical emergency and a patient centred approach.

91% had mental capacity assessment documented on the ReSPECT form. This has remained consistent since Q1.

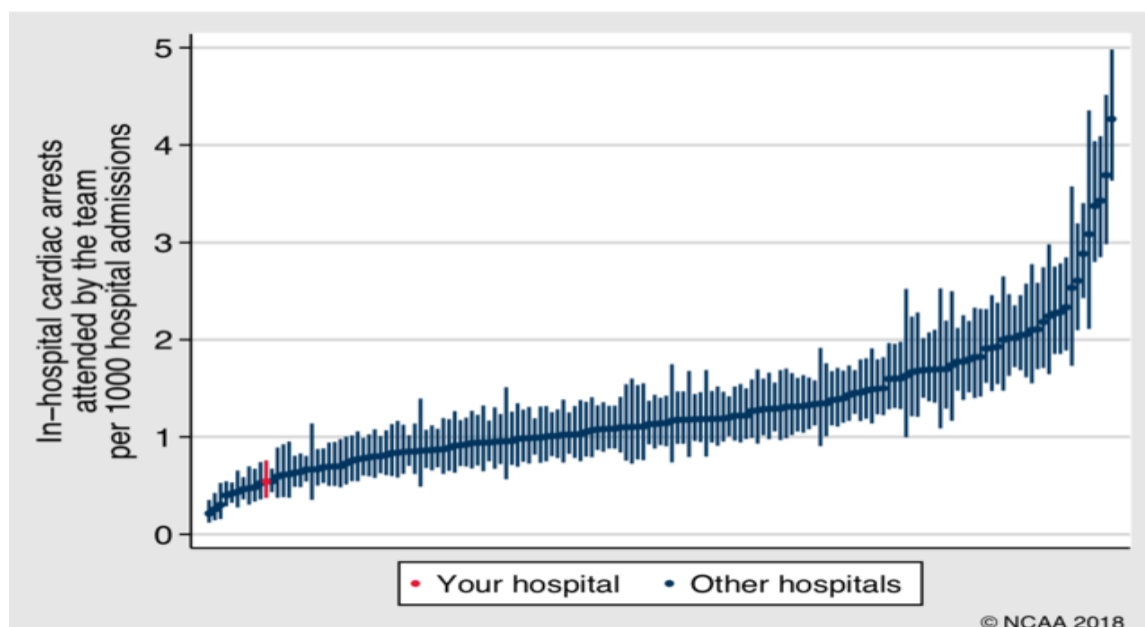


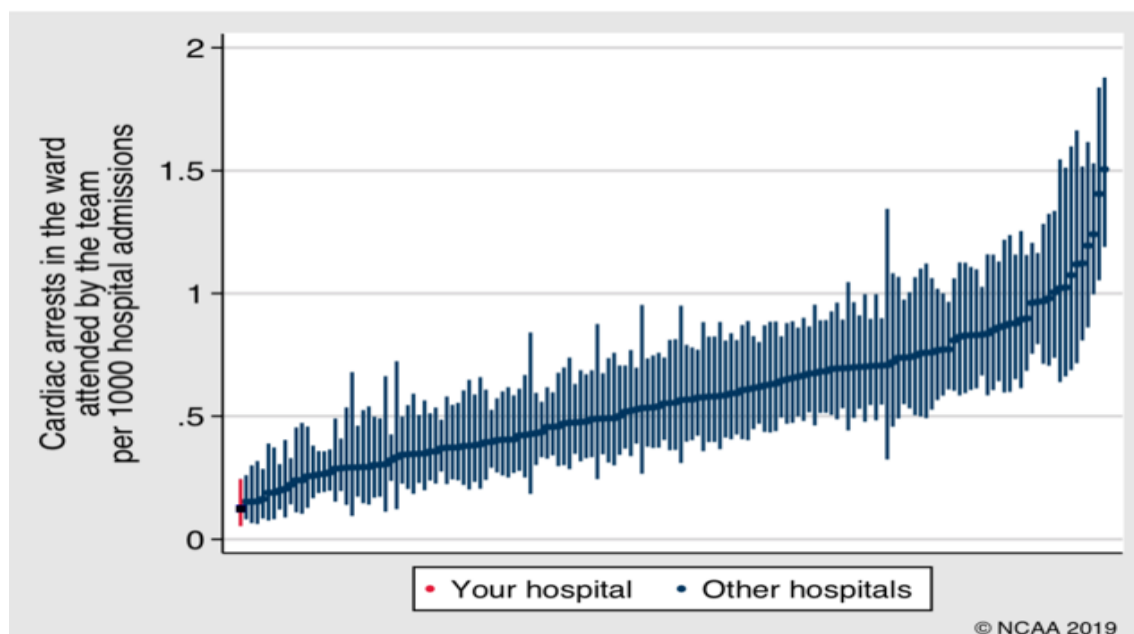
72% of patients were assessed as having capacity and were involved in the discussion; 24% lacked capacity, but relatives were involved in the discussion to explore patient's wishes.

ReSPECT and National Cardiac Arrest Audit (NCAA)

Q3 NCAA report 2017-18 indicates very low rate of ward-based cardiac arrests at Royal Surrey conversely, Q3 NCAA report 2018-19 shows Royal Surrey has the lowest rate of ward-based cardiac arrests of all NCAA participants. This suggests that the Trust performs well in terms of identifying patients in whose cases resuscitation is not appropriate.

National Audit Results 2017/18





We continue to work to improve completion of all elements of the ReSPECT form, where appropriate ensuring the approach is patient centred by ensuring personal preferences are documented. The plan is to widen the focus of audit to include quality of guidance and information regarding treatment options. We are planning the use of local ward/department based champions to support new staff and improve local understanding; reviewing the training requirements.

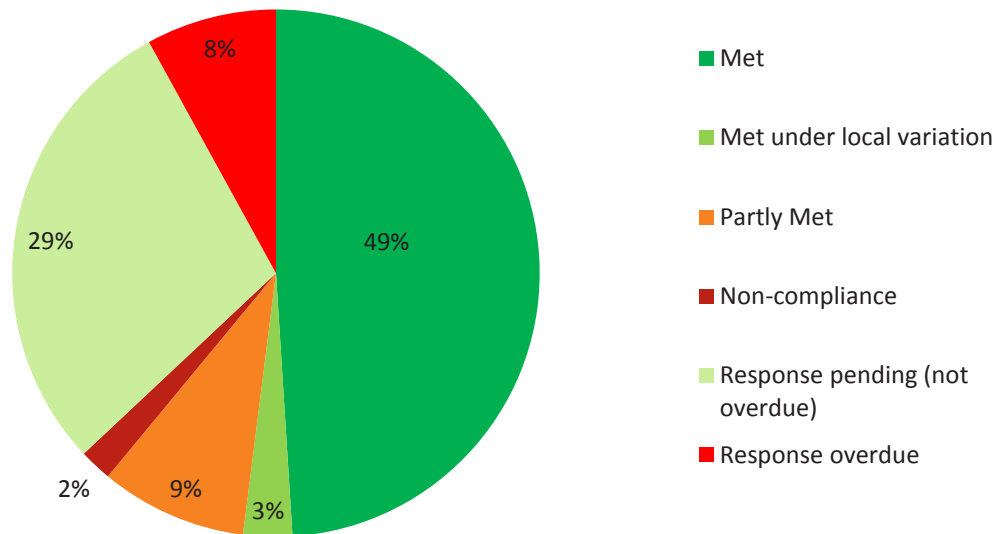
Review of other Quality Performance

NICE Guidance:

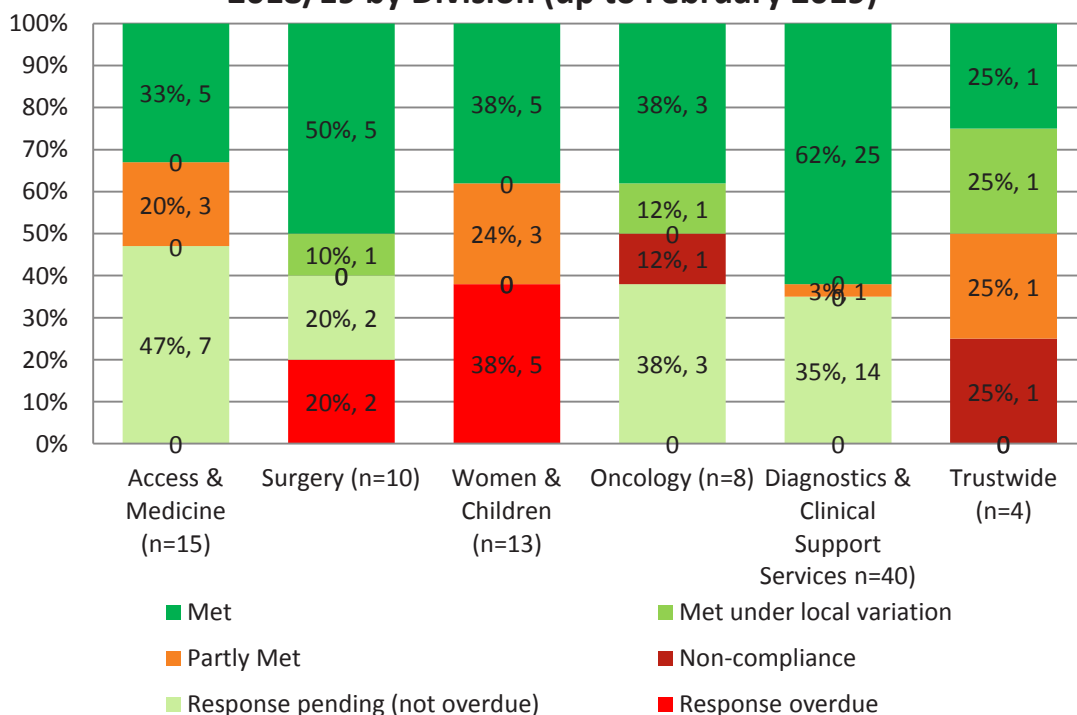
The Trust's current compliance for NICE guidance received in 2018/19 is shown below. The Trust continues to monitor compliance to guidance in the previous years to continually measure services against best practice.

90 NICE guidance documents received during 2018/19 were reviewed as applicable to the Trust. The compliance status is presented in the charts below.

Compliance status for National guidance received in 2018/19 (up to February 2019)



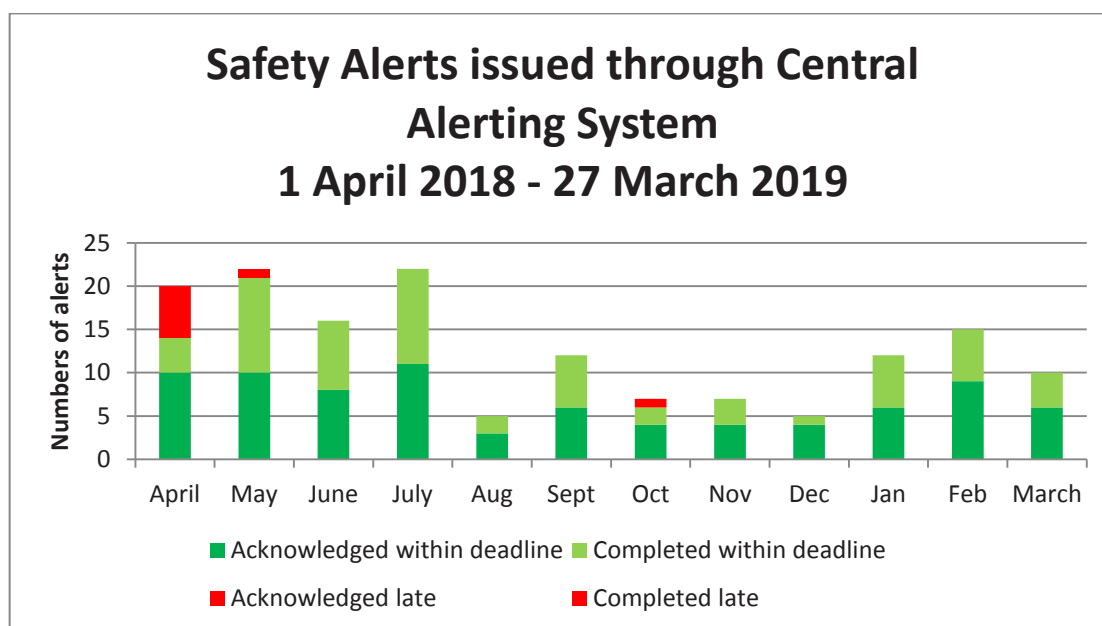
Compliance status for National guidance received in 2018/19 by Division (up to February 2019)



CAS Alerts

The Trust performance has improved through the year with one acknowledged late in October. This is attributed in a change of process and developing Datix to manage all safety

alerts. This has allowed traction to be improved, the alerts to be sent to the divisions or corporate services, with reminders if required.



Achieving Excellence Ward Accreditation

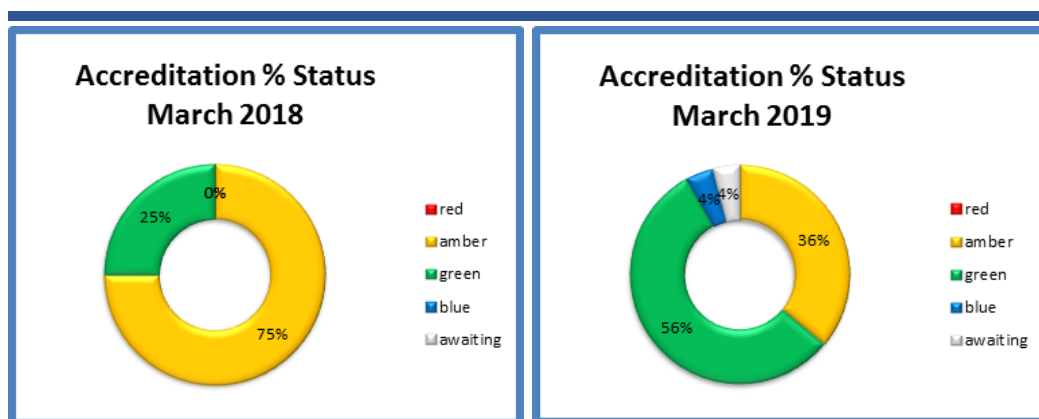
There are now 25 areas participating in the accreditation programme, which is a multidisciplinary accreditation programme. Areas are assessed by the Trust Achieving Excellence Matron and are awarded one of the following:

Blue	Exemplar
Green	Full Accreditation
Amber	Working towards accreditation
Red	Early stage and/or making improvement

The Trust currently has one area that has achieved 'blue, exemplar status with 14 areas at 'green'.

All areas are visited monthly by a member of the Executive team or Senior Management team in the Trust. This is to enable the Leader Standard Work process to take place and enables the senior teams in the clinical areas to receive senior support in their problem-solving activities.

The charts below illustrate the progress the Trust has made since March 2018



The Achieving Excellence programme has been implemented within the Trust Outpatient settings and is currently being rolled out to the community hospitals within the inpatient areas.

Indicators:

RTT:

The Referral to Treatment (RTT) standard of 92% of patients treated within 18 weeks was not achieved over the last 12 months (see *Figure 4*). The average monthly performance was 89.5%. Although the Trust has failed to achieve the National target and trajectory agreed with NHSI, the Trust ranks above the England average. (See *Figure 5* below, which shows RTT incomplete performance for all acute Trusts in Jan-19).

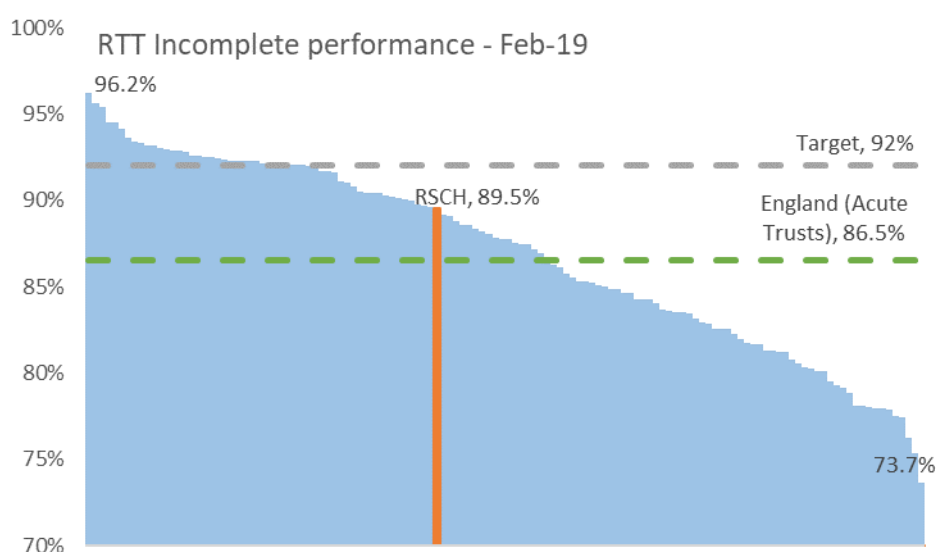
Oversight of the more challenged specialties takes place with trajectory monitoring weekly, where a forum exists for escalation and risk mitigation.

Figure 4: Monthly RTT incomplete performance by Specialty.

Specialty	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
All specialties	90.20 %	91.20 %	90.20 %	90.00 %	89.50 %	89.20 %	89.10 %	89.90 %	89.00 %	89.60 %	89.50 %	88.78 %
Cardiology	86.50 %	85.20 %	85.80 %	86.90 %	86.40 %	86.60 %	88.30 %	86.50 %	86.40 %	87.30 %	88.00 %	87.62 %
Cardiothoracic Surgery	95.50 %	95.70 %	100.00 %	92.90 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	93.80 %	95.00 %	72.73 %
ENT	81.90 %	83.40 %	82.10 %	82.10 %	83.10 %	80.70 %	79.00 %	79.40 %	81.00 %	84.50 %	85.40 %	85.64 %
Gastroenterology	87.20 %	91.10 %	91.00 %	86.80 %	84.00 %	85.40 %	83.10 %	85.30 %	82.60 %	85.60 %	84.60 %	84.17 %
General Medicine	95.70 %	94.10 %	92.10 %	85.00 %	82.90 %	85.70 %	87.00 %	87.40 %	88.90 %	91.90 %	93.10 %	92.43 %
General Surgery	93.00 %	93.00 %	91.30 %	92.50 %	92.40 %	92.90 %	93.90 %	94.50 %	93.80 %	92.90 %	92.30 %	90.66 %
Geriatric Medicine	97.90 %	95.00 %	92.00 %	94.10 %	93.60 %	97.00 %	96.30 %	97.40 %	94.20 %	90.10 %	93.30 %	93.83 %
Gynaecology	92.00 %	91.90 %	91.30 %	90.00 %	89.90 %	89.20 %	88.70 %	90.40 %	90.30 %	89.70 %	90.00 %	88.91 %

Neurology	90.20 %	90.30 %	85.30%	85.60 %	80.30%	80.40%	79.40%	81.00%	81.80%	88.70 %	88.60 %	87.01 %
Ophthalmology	90.80 %	91.00 %	91.70%	94.20 %	93.80%	93.50%	92.70%	93.70%	90.20%	92.40 %	92.10 %	91.33 %
Oral & Maxillo-facial Surgery	90.30 %	93.60 %	91.90%	92.60 %	91.90%	92.30%	92.60%	92.30%	91.90%	92.10 %	92.40 %	91.87 %
Other	93.10 %	93.30 %	91.50%	92.60 %	90.60%	89.60%	89.40%	90.00%	89.50%	89.70 %	89.80 %	88.86 %
Plastic Surgery	97.30 %	97.10 %	98.00%	98.60 %	96.90%	97.30%	99.30%	97.50%	97.80%	94.60 %	94.60 %	92.18 %
Rheumatology	91.10 %	89.60 %	93.60%	93.80 %	94.80%	98.20%	96.90%	93.80%	92.90%	86.40 %	89.40 %	88.18 %
Thoracic Medicine	87.80 %	87.90 %	88.00%	86.30 %	88.60%	90.50%	88.90%	88.10%	86.90%	89.30 %	89.60 %	91.45 %
Trauma & Orthopaedics	90.70 %	92.30 %	91.90%	90.70 %	90.40%	89.30%	89.20%	90.50%	88.90%	87.90 %	86.90 %	86.18 %
Urology	91.20 %	93.10 %	89.80%	87.90 %	88.10%	84.70%	86.00%	87.80%	85.80%	87.70 %	87.30 %	85.82 %

Figure 5: In Feb-19, the England aggregate performance for all acute Trusts was 86.5%. The minimum was 73.7% and 96.2%. Royal Surrey County Hospital reported a performance of 89.5% of patients being treated within 18 weeks.



A&E- Four hour target:

The Trust did not meet the 95% target. The average monthly performance was 88.80% for the year.

	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19
Attendance.	5,983	6,558	6,344	6,517	5,992	6,032	6,395	6,371	6,216	6,251	5,669	6,548
Performance	86.06%	92.57%	96.45%	93.88%	90.25%	93.32%	86.25%	85.04%	85.96%	82.82%	86.91%	86.13%
Target	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%

During 2018/19, the Royal Surrey's Emergency Department saw a 5.84% growth in attendances compared to the year before, and a 6.3% growth alone in attendances categorised as Majors. 37.6% of our patients were admitted against 36.35% the previous financial year. Whilst this indicates a marginal increase in conversion rate, in terms of volumes, there was a 9.4% increase in admitted numbers on the previous year – 2,428 additional admissions. The most common reasons for patients breaching the 4 hour target were patients waiting to be seen by the Emergency Department team, and lack of bed availability – both indicative of issues with flow.

On-going project work continues with the following themes to support flow throughout 2019/20:

- Long-term and sustainable transformation and investment into out of hospital models of care in order to decompress acute site
- Further development of 7 day service models
- Innovative models of care to support elective flow throughout winter months

62-day cancer target:

The Trust did not meet the 85% target for commencement of treatment within 62 days of urgent GP referral. The 62 day screening target was achieved.

	17/18	18/19
Urgent GP referral for suspected cancer	76.8	71.3
NHS Cancer Screening Service referral	90.2	87.0

Royal Surreysaw an increase in 2 Week Rule referrals across the majority of Specialties during 2018/19, and in the complexity of cases being treated. There was also a significant change in the proportion of 62 day treatments by referring Trust – with an increase in the number coming from other Trusts. This had an impact on performance due to a large number of the Inter Provider Transfers (IPT) being made after 38 days (accounting for 42% of all breaches between July and December 2018).

Outpatient and treatment capacity for Cancer has outstripped demand and this has impacted on the number of breaches over recent months. Recruitment to increase capacity is underway, with 3 additional middle grade doctors now working within Breast which provides significantly more clinic capacity and will free up time for operating. An additional

consultant and fellow are being recruited for Urology; the 2019/20 Business Case also includes additional posts in Oncology, Radiology, Histopathology and Nuclear Medicine which will significantly increase Brachytherapy capacity which has been challenging. This will improve performance against targets for patients with screen-detected cancers. Following a Quality Assurance visit, the Jarvis Centre is also introducing a MDT review into their pathway which will improve the process for referrals received into RSCH.

The Trust has a comprehensive Cancer Recovery plan in place which has been reviewed in conjunction with NHSI. This is progressed and monitored via the weekly Cancer Executive Group and includes a number of actions including Breach Avoidance process led by the CEO. This process is being managed through weekly meetings and is beginning to have an impact with clear improvement in the number of patients dated within target being demonstrated.

Diagnostic DM01

The Trust did not achieve the threshold target with no more than 1% waiting longer than six weeks. Year-to-date, diagnostics month-end aggregate performance shows that 98.8% of patients received their diagnostic procedure within six weeks. The main challenge to performance is in the echocardiography service due to the relatively high volumes of activity, but as can be seen below the performance in this area is improving.

Test	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
All tests	4.10%	1.00%	1.10%	1.00%	1.30%	1.30%	1.70%	0.70%	0.90%	0.90%	2.20%	1.10%	0.94%
Magnetic Resonance Imaging	0.00%	0.98%	0.73%	0.16%	0.00%	0.28%	0.00%	0.74%	0.16%	0.00%	0.00%	0.00%	0.17%
Computed Tomography	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Non-obstetric ultrasound	0.00%	0.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Colonoscopy	0.60%	0.00%	0.69%	0.76%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Flexi sigmoidoscopy	0.00%	0.00%	1.54%	0.00%	0.00%	0.00%	0.00%	0.00%	2.17%	2.44%	0.00%	0.00%	0.00%
Cystoscopy	1.20%	2.10%	8.00%	7.50%	7.20%	10.80%	9.80%	10.30%	2.80%	2.50%	6.10%	4.80%	9.71%
Gastroscopy	0.70%	0.70%	0.00%	0.80%	0.00%	1.70%	3.80%	0.00%	0.70%	1.80%	2.10%	0.50%	0.60%
Audiology - Audiology Assessments	2.90%	3.10%	0.90%	0.30%	0.70%	1.20%	0.30%	1.30%	0.30%	0.80%	1.30%	0.50%	1.13%

Cardiology echocardiog- raphy	-	24.80 %	7.60%	3.70%	4.80%	8.30%	5.60%	8.80%	2.60%	5.00%	3.10%	7.80%	4.70%	1.50%
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Healthcare Acquired Infection HCAI rates:

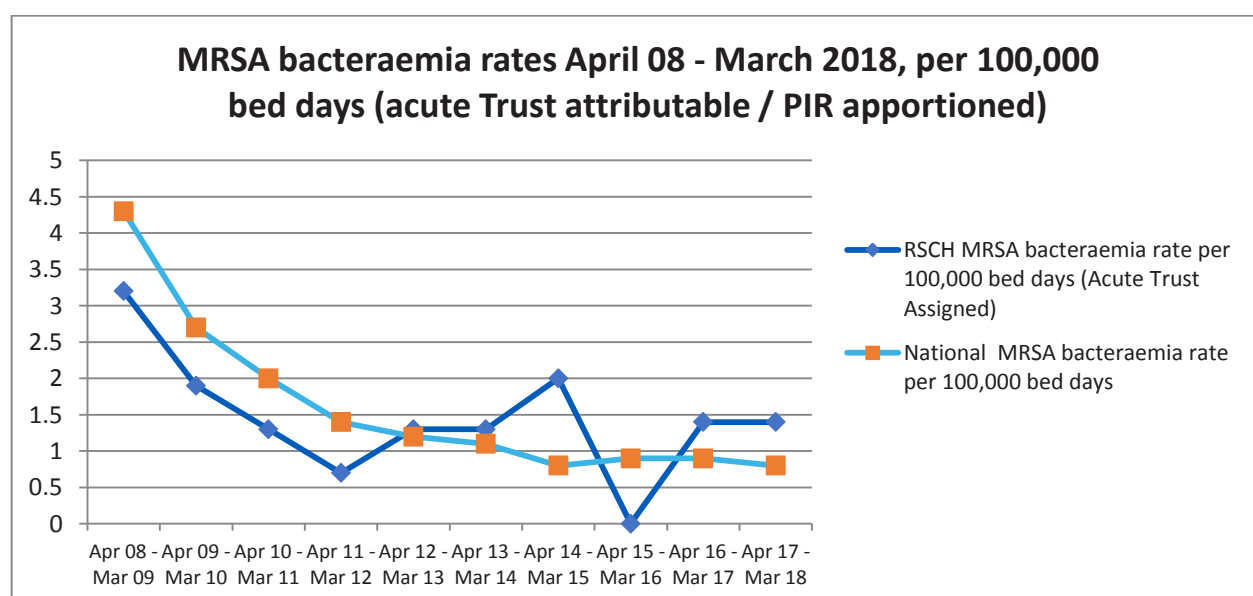
Data for the current year (2018 / 2019) will not be published until summer 2019. We have had one hospital apportioned meticillin-resistant *Staphylococcus aureus* bacteraemia (MRSAB) and 16 hospital apportioned *Clostridium difficile* (C.diff) in the year 2018/ 2019 (Department of Health target was 20).

The single case of MRSAB was reviewed within 14 days as required through the post infection review process, concluding that it would have been hard to prevent the MRSA bacteraemia however, the patient should have been taken to theatre earlier and this would have resulted in a faster clinical recovery.

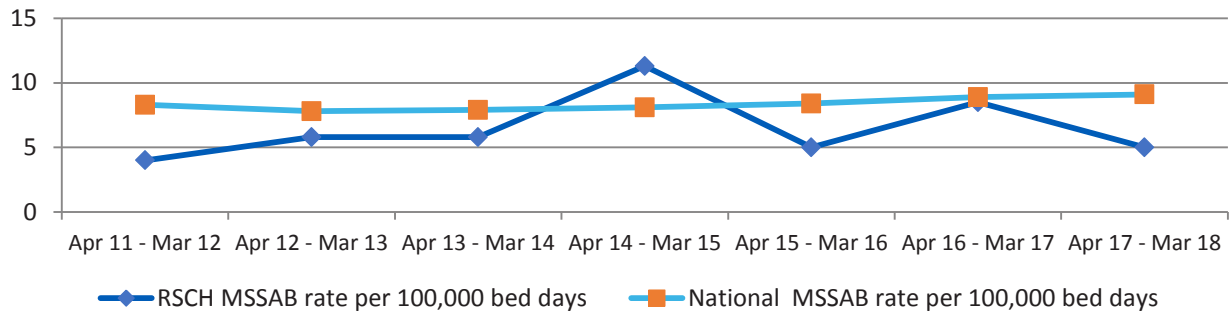
There are no targets set for meticillin-resistant *Staphylococcus aureus* – all hospital apportioned cases are reviewed by root cause analysis process.

There are no targets for E.coli bacteraemias or other gram negative bacteraemias (GNBs) – data is collected for source and risk factors associated with the bacteraemia.

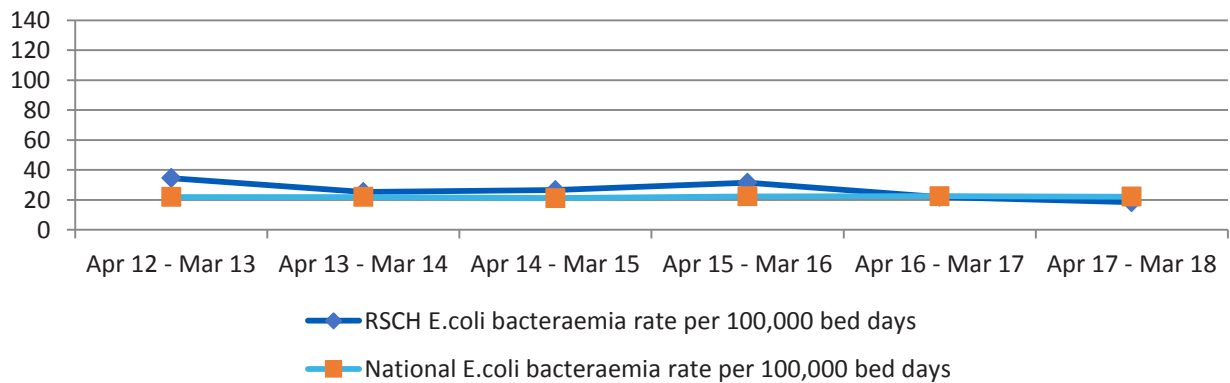
The HCAI rates for the Trust as published by Public Health England (PHE) are shown below:



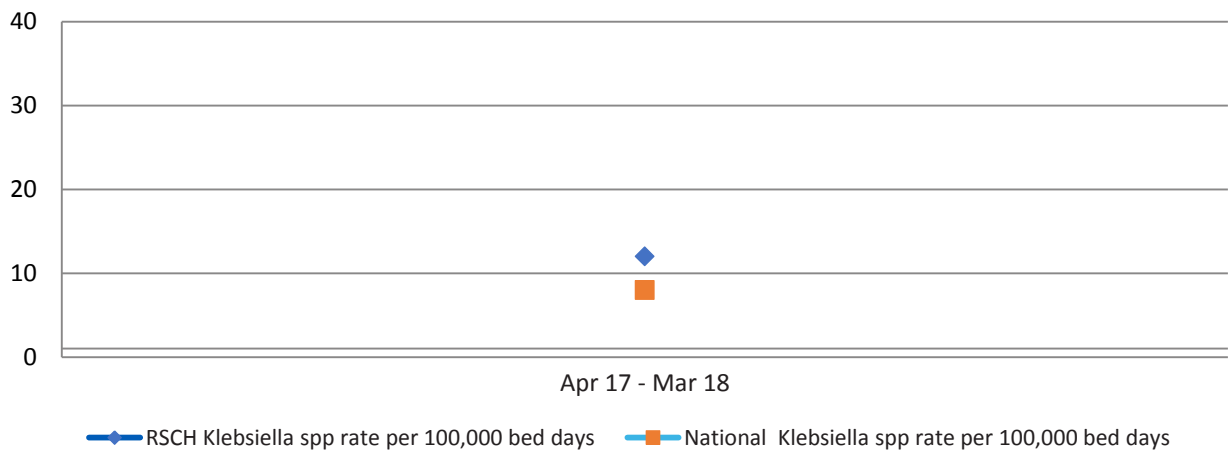
MSSA bacteraemia rates, Apr 11 - Mar 18, per 100,000 bed days

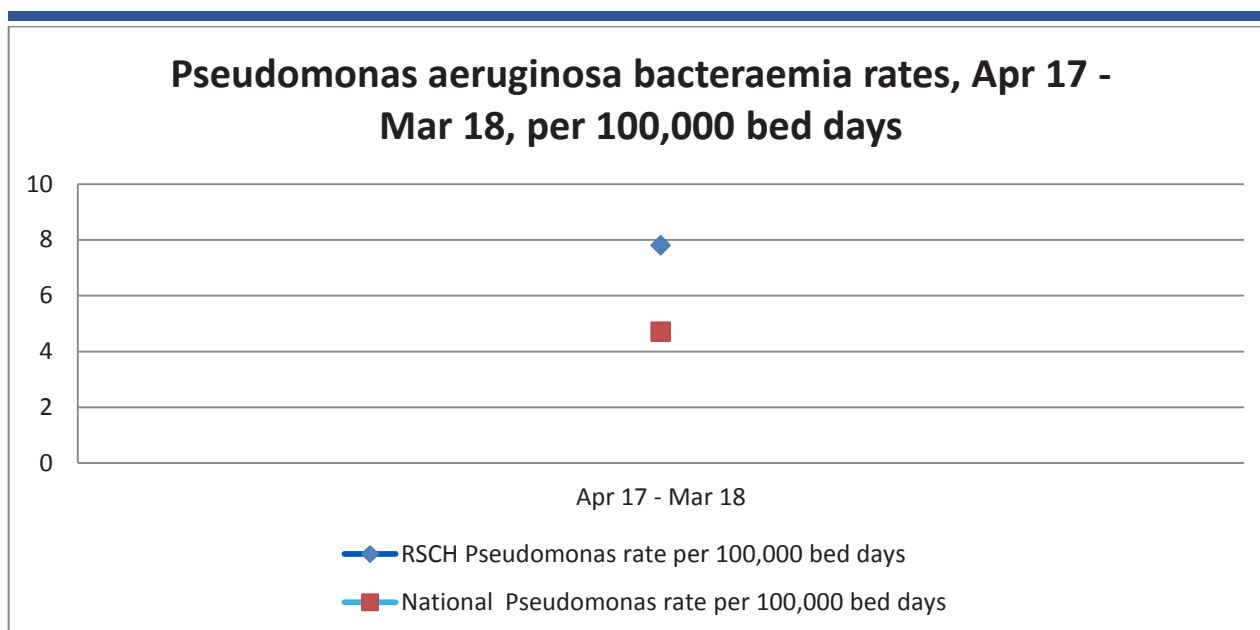


E.coli bacteraemia rates, Apr 12 - Mar 18, per 100,000 bed days



Klebsiella spp bacteraemia rates, Apr 17 - Mar 18, per 100,000 bed days





Seven day working

The Trust has made good progress towards implementation of the four priority clinical standards. The Trust has set up a 7-day working group to oversee further work in implementing clinical standards (CS) across the hospital and to further reduce variation from weekday to weekend.

The most recent case notes audit showed the Trust to be compliant for CS2 and CS8. 92% of eligible admissions were reviewed by a suitable Consultant within 14 hours of admission. For CS8, patients who required twice daily consultant reviews, and actually received that review was 100% for both weekday and weekend. Patients who required once daily reviews and actually received that review was 100% for weekday and 92% for weekend. A new audit is in progress to provide new data for the June submission.

The Trust has a defined MDT board round, clear rotas, safety huddles and a clear system of escalation (NEWS). Plans are in place for the introduction of NEWS2. Length of stay (LOS) and re-admission rates have shown little difference between weekend and weekdays. LOS in October 2018 was 7 days 8 hours for weekdays and 6 day 6 hours at weekends. Re-Admission rates were 14.8% (weekday) and 13.7% (weekend). Hospital Standardised Mortality Ratio (Weekend), like HSMR (weekday) is within the range "Much better compared nationally" having improved relative to previous measures (Source: CQC insight report). The Trust submitted its first return to NHSI in February 2019 as required, and work is ongoing to enhance the quality of the return in June 2019

Diagnostics are available across 7 days with a network arrangement for reporting outside of core hours (CS5). The Trust utilises a combination of onsite interventions along with formal networked arrangements with local hospitals and partnerships. Progress with this work is overseen by the Trust Board and Quality Committee. Consultant delivered interventions (CS6); we are fully compliant with requirements.

Freedom to Speak Up & Whistleblowing:

The Trust Freedom to Speak Up Guardian (FtSUG) left the organisation and as a result of this the Trust did not submit the quarterly anonymised return to the National Guardianship Office for quarter 1 & 2. In September 2018 the Trust appointed a new FtSU Guardian and 3 FtSU Champions, a FtSU Non-Executive Director (NED) and FtSU Executive.

The FtSUG has assessed the Trust against the NHS Improvement FtSU self-review tool and created an action plan, which was shared with the Trust Board in December 2018. The Board will continue to receive 6 monthly Board papers and will monitor the delivery of the action plan.

The Trust established that we were unable to retrospectively submit quarter 1& 2 data, so the quarterly submissions to the National Guardian Office commenced in quarter 3. The submission can be found in the table below:

National Guardian Office Data	Q3	Q4
Number of cases raised	19	15
Number of cases raised anonymously	0	1
Number of cases with an element of patient safety/quality	10	3
Number related to behaviours including bullying/harassment	6	6
Number suffering detriment	1	1

Individuals wishing to raise concerns can do so by phoning the FTSU phone-line; contacting the FTSU e-mail in-box, or meeting with the FTSU Guardian in person. Discussions are treated as confidential (unless the concerns involve criminal activity, or there is an immediate risk of patient harm) and consent is required before the concern is addressed to an agreed person in a position to respond. The FtSUG has access to the Executive Lead for FtSU, or as an alternative the CEO, Chairman or Non- Executive Director for FtSU, to ensure that issues raised are prioritised and addressed.

Individuals raising concerns are offered feedback, by e-mail or in person, on the issue raised and sent a questionnaire when the issue is closed that asks for feedback on their

experience of the FTSU process. If a detriment is identified as a result of a FTSU concern being raised, then the issue would be escalated for review by the NED.

This process applies to all concerns, whether they involve quality of care, patient safety or bullying and harassment, however, individuals are advised of the internal routes that are already available to them (e.g. Datix; Dignity at Work Policy) if they feel safe to proceed using this approach. It is possible to raise anonymous concerns e.g. by telephone or in writing, but at present the availability of a media platform to manage anonymous contacts is still being explored.

Annex 1: Statement from the commissioners, local Healthwatch, organisations and overview and scrutiny committees



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As the independent consumer champion for health and social care, Healthwatch Surrey is committed to ensuring the people of Surrey have a voice to improve, shape and get the best from their health and social care services by empowering individuals and communities.

This year we have decided that we will not get involved in commenting on the Quality Accounts. With limited resources we do not believe this is the best way to use our time to make a difference for the people of Surrey. We have chosen to concentrate this year on ensuring we feedback what we've heard on NHS and social care services to commissioners on a regular basis; and that we have the processes and relationships in place to escalate any cases of particular concern to the providers involved and seek outcomes.

Over the past year we feel we have had a collaborative relationship with the Trust. We have shared experiences from the public with them where necessary; and we have collaborated in holding Listening Events and talking to patients as part of our ongoing engagement and project work. The Trust have been receptive to our insight and feedback.

Kate Scribbins.

Kate Scribbins
Chief Executive Healthwatch Surrey
May 2019

Dear Louise,

Thank you for sending the draft Quality Account for 2018/19 and I am pleased to send a response on behalf of the Council of Governors for inclusion in this document.

This year has seen a number of changes and improvements to both senior staff and infrastructure. We have welcomed our new CEO, Louise Stead, who brings a wealth of clinical experience to the challenge. We have renewed our Council of Governors, with five new excellent members, and retained the continued expertise of a number of others. It is energising to have a full Council again and we are undertaking a number of new initiatives.

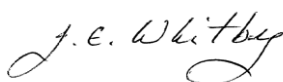
The Council acknowledges the continued notable commitment from the staff which is well-known and recognised in the locality. Patients are always the first consideration in all we do and this is very evident in any visit to our wards. The Report demonstrates that we have continued to achieve a number of successes over the last 12 months, including maintenance of one of the best mortality rates in the country.

April 2019 marked a year since the adult Community Health Services for Guildford and Waverley joined the Trust. This large scale integration has had its challenges, but the team has also achieved many successes along the way, including the launch of a community co-ordination centre, a physiotherapy advice line and the introduction of podiatry assistants into the service.

The opening of the Stokes Centre for Urology took place in March by the Duke of Kent. The Centre will provide a general and specialist urological service to patients in Surrey, Sussex, Hampshire and beyond. It is widely regarded regionally and nationally as a leading centre for introducing innovative and minimally invasive treatments for urological patients. It is an internationally recognised centre for prostate brachytherapy having treated more than 1,000 patients. Similar numbers have been treated by laparoscopic radical prostatectomy. Cryotherapy and high intensity focused ultrasound have also been introduced. Much of the money for this Centre was raised by fundraisers which shows the support of former patients for the hospital.

In addition, the Council has started also on a programme of health events for members of the public and we recently held a popular event focussed on Diabetes. This attracted in excess of 100 attendees and we hope to build on this to strengthen our interaction with our members.

Yours sincerely,



Dr J. E. Whitby
Lead Governor

Jo Mountjoy
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10 May 2019

Dear Jo

Re: Royal Surrey Hospital NHS Foundation Trust Quality Report 2018/19 - Response by NHS Surrey Heartlands Clinical Commissioning Groups on behalf of Guildford and Waverley CCG

I would like to thank you for submitting your draft Quality Report for review.

Please find attached the Assurance Statement from Surrey Heartlands CCG on behalf of NHS Guildford and Waverley CCG. I have also attached an overview of our feedback of the Trust's compliance against the detailed requirements for Quality Account 2018/19 document.

I look forward to receiving your final document.

If you have any queries, please contact clare.stone3@nhs.net in the first instance.

Yours sincerely



Clare Stone
ICS Director of Quality and CCG Chief Nurse
(*Guildford and Waverley, North West Surrey and Surrey Downs CCGs*)

CC
Kate Witt, Associate Director – Quality Governance and Risk, RSCH
Sian Jones, Clinical Chair, G&W CCG
Vicky Stobbs, Managing Director, G&W CCG
Jackie Moody, Head of Contracts – Acute, Surrey Heartlands CCGs
Eva Ferlez, Quality Lead – Acute, Surrey Heartlands CCGs
Caroline Simonds, Head of Quality – Safety, Surrey Heartlands CCGs
Jane Lovatt, Head of Quality – Community, Surrey Heartlands CCGs
Erika Bowker, Quality Lead – Community, Surrey Heartlands CCGs
Laura Codd, Head of Acute Contracts, Surrey Heartlands CCGs

**Royal Surrey County Hospital NHS Foundation Trust: Quality Report 2018/19:
Commissioner Statement from NHS Surrey Heartlands CCGs, on behalf of
Guildford and Waverley Clinical Commissioning Group (G&W CCG)**

Surrey Heartlands CCGs on behalf of Guildford and Waverley CCG (G&W CCG) welcome the opportunity to comment on the Royal Surrey County Hospital NHS Foundation Trust Quality Report for 2018/19. Having reviewed the draft Quality Account document for 2018/19, the CCG is satisfied that it gives an overall accurate account and analysis of the quality of services provided and 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 2018–31st March 2019, and reviewed as part of quality performance under the contract with Guildford and Waverley CCG.

Following our review, we are assured that the Trust's Quality Account is clearly set out in accordance with national guidance, whilst noting some detail was not yet available within the draft submitted for our review. 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 2018/19

The Quality Account provides a summary of progress made against the 2018/19 Quality and Safety priorities. The Trust is commended for their continued good work and emphasis on the quality of patient care, the work in relation to learning from deaths and the delivery of the Better Births 2 programme. The great work to achievement the standard for continuity of carer in maternity services is also noted.

The following performance shortfalls are noted, against which the Trust has summarised plans for improvement:

- 18 week RTT
- Accident and Emergency targets
- Cancer 62 days to first treatment
- Diagnostics

Quality improvement priorities for 2019/20

The Trust has clearly outlined its quality priorities for 2019/20 and the CCG is in agreement that these are pertinent areas to drive forward improvements in patient care. The Quality Report also reflects the continued programme of quality improvement and safety culture work across the Trust including some specific priorities in relation to the Community services the Trust now provides.

The CCG welcomes the inclusion of the following areas of focus within the Quality Account
Priorities identified for 2019/20:

- Embedding learning within the True North Quality Improvement Project with the ambition of zero harms
- The community focused priorities relating to intermediate care and rehabilitation Learning Disability patient experience
- Improving patient experience around End of Life and supporting the collaborative work around this.

Data Quality

We 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 and adheres to clear information schedules.

In conclusion, G&W CCG would like to thank the Royal Surrey County Hospital NHS Foundation Trust for sharing the draft Quality Account document, and is satisfied that it accurately reflects the priority work undertaken by the Trust in relation to Quality and Patient Safety. As a Commissioner, we have a positive relationship with the Trust and will continue to work together to ensure the delivery of high quality safe and effective services for our patients.



Corporate Leadership Support Team

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We have taken the policy, like many others, to only respond when the Trust has been subject to scrutiny or engagement with the Committee so as to be able to offer worthwhile comment. I understand that there has not been any scrutiny of Royal Surrey over the past year and therefore on this occasion, Surrey County Council will not be providing a response to the Quality Account.

Kind Regards

Emma O'Donnell
Senior PA to Joanna Killian, Chief Executive

Annex 2: Statement of Directors with Responsibility for the Quality Account

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

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

In preparing the quality report, directors are required to take steps to satisfy themselves that:

- the content of the quality report meets the requirements set out in the *NHS Foundation Trust annual reporting manual 2018/19* and supporting guidance *Detailed requirements for quality reports 2018/19*
- the content of the quality report is not inconsistent with internal and external sources of information including: – board minutes and papers for the period April 2018 to 28th May 2019
- papers relating to quality reported to the board over the period April 2018 to 28th May 2019
 - feedback from commissioners dated 10/05/2019
 - feedback from Governors dated 14/05/2019
 - feedback from local Healthwatch organisations dated 07/05/2019
 - feedback from overview and scrutiny committee dated (nil received)
 - the Trust's complaints report published under Regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009.
 - the latest national patient survey May 2018
 - the latest national staff survey 04/03/2019
 - the Head of Internal Audit's annual opinion of the Trust's control environment dated 23/05/2019
 - CQC inspection report dated 25/05/2018
- the quality report presents a balanced picture of the NHS Foundation Trust's performance over the period covered
- the performance information reported in the quality report is reliable and accurate

-
- there are proper internal controls over the collection and reporting of the measures of performance included in the quality report, and these controls are subject to review to confirm that they are working effectively in practice
 - the data underpinning the measures of performance reported in the quality report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review, taking into account the data quality issues identified in KPMG's audit of the Quality Account
 - 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

Signed 

Date 28/5/2019

Sue Sjuve

Chairman

Signed 

Date 28/5/2019

Louise Stead

Chief Executive

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 to perform an independent assurance engagement in respect of Royal Surrey County Hospital NHS Foundation Trust's Quality Report for the year ended 31 March 2019 (the 'Quality Report') and certain performance indicators contained therein.

Scope and subject matter

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

- A&E: maximum waiting time of four hours from arrival to admission, transfer or discharge; and
- Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers.

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

Respective responsibilities of the directors and auditors

The directors are responsible for the content and the preparation of the Quality Report in accordance with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* issued by NHS Improvement.

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

- the Quality Report is not prepared in all material respects in line with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in the *Detailed requirements for quality reports for foundation trusts 2018/19* ('the Guidance'); and
- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the Guidance.

We read the Quality Report and consider whether it addresses the content requirements of the NHS Foundation Trust Annual Reporting Manual and consider the implications for our report if we become aware of any material omissions.

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

- Board minutes and papers for the period April 2018 to May 2019;
- papers relating to quality reported to the Board over the period April 2018 to May 2019;
- feedback from Commissioners, dated May 2019;
- feedback from Governors, dated May 2019;
- feedback from local Healthwatch organisation dated May 2019;
- feedback from Overview and Scrutiny Committee, dated May 2019;
- the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009;
- the latest national patient survey, dated July 2017;
- the latest national staff survey, dated June 2018;

- Care Quality Commission Inspection, dated 25 May 2018;
- the 2018/19 Head of Internal Audit's annual opinion over the trust's control environment, dated 23 May 2019; and
- any other information included in our review.

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

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

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

Assurance work performed

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

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicator;
- making enquiries of management;
- testing key management controls;
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- comparing the content requirements of the NHS Foundation Trust Annual Reporting Manual to the categories reported in the Quality Report; and
- reading the documents.

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

Limitations

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

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may 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 Royal Surrey County Hospital NHS Foundation Trust.

Basis for qualified conclusion

As set out in the Statement on Quality from the Chief Executive of the Foundation Trust on pages 195 to 196 of the Quality Report, the Trust has concerns about the accuracy of data used to report the four hour A&E indicator. 25 attendances which were classed as non-breaches were tested:

- The CAS card (the primary source document) could not be located for five sampled attendances and the arrival time could not therefore be verified;
- In one sampled attendance the clock stop time did not agree to the CAS card. The CAS card indicated that the attendance should have been classed as a breach; and
- For patients who were in A&E overnight the clock stop time did not reflect the change over from the arrival day to the discharge day. In 144 out of 165 cases identified through further analysis of overnight discharges, this resulted in a non-breach being classified as a breach.

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 2019:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual;
- 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 has not been reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the Guidance.

KPMG LLP
Chartered Accountants
15 Canada Square, London, E14 5GL

28 May 2019