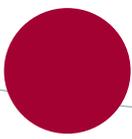




Salford Royal NHS Foundation Trust
Annual Report and Accounts
1 April 2018 to 31 March 2019

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Contents

1	Performance report	Page 6
	● Performance overview	Page 7
	● Introduction to Salford Royal NHS Foundation Trust	Page 7
	● Performance overview from the Chairman and Chief Executive	Page 10
	● Performance analysis	Page 14
	> Delivery of the 2018/19 Annual Plan	Page 15
	> Looking forward to 2019/20	Page 42
	● Quality Report 2018/19	Page 43

2	Accountability report	Page 142
	● Directors report	Page 143
	● Remuneration report	Page 151
	● Staff report	Page 166
	● Compliance with NHS Foundation Trust Code of Governance	Page 177
	> Governance and organisational arrangements	Page 179
	> Membership	Page 179
	> Council of Governors	Page 181
	> Group Committees in Common and Salford Royal Board of Directors	Page 186
	● NHS Improvement's Single Oversight Framework	Page 191
	● Statement of Accounting Officers responsibilities	Page 193
	● Annual Governance statement	Page 194

3	Independent Auditor's report	Page 204
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4	Annual accounts for the period 1 April 2018 to 31 March 2019	Page 215
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1

Performance report



Performance report

Performance overview

The purpose of this Performance overview is to provide a brief introduction to Salford Royal NHS Foundation Trust. This includes a glimpse back at our history and an outline of the purpose and activities of the organisation, including a brief description of the business model and organisational structure. In addition, the Chief Executive and Chairman's perspective of performance during the year is provided, including the key issues and risks to the delivery of our principal objectives.

An introduction to Salford Royal NHS Foundation Trust

Salford Royal NHS Foundation Trust (Salford Royal) is a statutory body, which became a public benefit corporation on 1 August 2006. We are an Outstanding trust; the only NHS acute and community trust to be rated as Outstanding on two consecutive occasions.

Salford Royal is an integrated provider of hospital, community, social and primary care services, including the University Teaching Trust. Our team of over 7,000 staff provide local services to the City of Salford and specialist services to Greater Manchester and beyond. Through its supply chain partners, Salford Royal provides mental health services to adults and older adults in Salford. We provide over one million hospital and community contacts for patients and service users across:

- Emergency and elective inpatient services
- Day case services
- Outpatient services
- Diagnostic and therapeutic services
- Adult and children's community services
- Adult social care assessment and care planning services
- Mental health inpatient and community services for adults and older adults

The majority of acute services are provided at the main Salford Royal site and Salford Royal also provides:

- Community healthcare services across Salford
- Specialist services at The Maples Neuro-Rehabilitation Centre in Boothstown
- Renal dialysis services at satellite units in Wigan, Bolton and Rochdale
- Elective orthopaedic services at the Manchester Elective Orthopaedic Centre (MEOC) on the Trafford General Hospital site
- Outpatient neurology and dermatology clinics across Greater Manchester and into Cheshire
- Mental health inpatient services at the Meadowbrook Unit, on the main Salford Royal Site, and community mental health services across Salford

Adult Social Care services are delivered in partnership with Salford City Council to maintain a diverse and sustainable market of social care providers who meet the needs of Salford citizens. This includes Residential Care, Supported Tenancies and Learning Disability and Home Care services all across Salford.

Salford Royal has a clinical divisional management structure to coordinate and deliver high quality services for specific patient and service user population groups. These include:

- Division of Greater Manchester Neurosciences
- Division of Integrated Care
- Division of Surgery and Tertiary Medicine

As part of Salford Royal’s vision to provide safe and sustainable local health and care services, Salford Royal committed to developing a healthcare group which would enable the delivery of reliable, high quality care around a large population catchment area.

From April 2016, Salford Royal provided leadership and operational support to the Pennine Acute Hospitals NHS Trust (Pennine) following its CQC Inspection in February 2016. This arrangement was formalised under a management agreement in April 2017, and paved the way for the establishment of the Northern Care Alliance NHS Group (‘Group’ in this context does not mean a ‘Group’ as defined for accounting purposes; separate financial statements continue to be prepared for the statutory bodies).

From the 1 April 2017, the Northern Care Alliance NHS Group (NCA) was launched, bringing together over 17,000 staff, 2000 beds and serving a population of over 1 million. Whilst Salford Royal and Pennine remain statutory bodies, the respective Trust Boards delegated the exercise of their functions to a Group Committees in Common (Group CiC), effectively managing both Trusts.

Four ‘Care Organisations’ have been established within the NCA, including Salford, alongside Oldham, Bury & Rochdale and North Manchester, with responsibility for providing high quality and reliable care to the local communities they serve.

The Care Organisations are supported by an NCA Diagnostics and Pharmacy Group Business Unit and Corporate Functions. Each Care Organisation and hospital site has its own Leadership Team led by a Chief Officer and consisting of a Medical Director, Director of Nursing, and Finance Director.

In addition, in recognition of the ongoing transformation work across the Salford health economy, Salford Care Organisation has added a Director of Social Care and Director of Integrated Care to its Leadership Team in year.

Together they are accountable to the Group CiC for the day to day running of the hospital services and, as applicable, primary, community, mental health and social care services of the Care Organisation. These new local arrangements place the emphasis for operational management where it matters - in each hospital and locality.



Northern Care Alliance NHS Group vision and objectives

Our Mission Statement that binds us all together is:

**Saving lives,
Improving lives**

Our Priorities 2018/2019



Salford Care Organisation
Northern Care Alliance NHS Group

Saving lives, Improving lives by delivering highly reliable care and services, at scale, which are trusted, connected and pioneering.

Salford Care Organisation Priorities

<p>1) We will demonstrate continuous improvement towards our goal of being the safest health and social care organisation in England</p> <p>This means</p> <ul style="list-style-type: none"> Reductions in core patient and / user harms each year Improvements in mortality indices each year Achieving CQC rating of Good or Outstanding. <p>In order to achieve this we will:</p> <ul style="list-style-type: none"> Implement digital pathways & WHO checklist Develop and implement Local Safety Standards for Invasive Procedures (LoSIPs) Improve reliability of compliance with National Early Warning Score (NEWS) and qSOFA (quick Sepsis related Organ Failure Assessment) Improve reliability of intentional rounding Deliver reliable mortality reviews. 	<p>4) We will support our staff to have rewarding, productive and fulfilling careers, enabling us to recruit and retain talented people</p> <p>This means</p> <ul style="list-style-type: none"> More people will recommend us as a 'Place to work' and 'Place for Care' each year We will deliver training, coaching and talent development plans. <p>In order to achieve this we will:</p> <p>With the Northern Care Alliance NHS Group (NCA) teams</p> <ul style="list-style-type: none"> Implement the staff engagement strategy Develop a talent management strategy Deliver an effective communication strategy Deliver workforce plans Deliver under and post graduate education Deliver compliance with mandatory training standards.
<p>2) We will improve patient and care pathways to deliver improved prevention, earlier diagnosis, earlier treatment and earlier discharge</p> <p>This means</p> <ul style="list-style-type: none"> Our patients will access our hospitals less and go home sooner We will contribute to health and wellbeing in our locality Work closer with partner organisations. <p>In order to achieve this we will:</p> <ul style="list-style-type: none"> Deliver new models of urgent care Deliver the integrated care transformation programme Deliver the oesophago-gastric cancer (gullet & stomach) (OG Cancer), Healthier Together & Major Trauma business cases Progress and deliver GM, Northern Care Alliance NHS Group (NCA) & NW Sector clinical strategies. 	<p>5) We will ensure good operational planning & execution to deliver our agreed plans & standardise processes across the Northern Care Alliance</p> <p>This means</p> <ul style="list-style-type: none"> Delivering urgent, planned and cancer care improvements to achieve our targets Developing and implementing Standard Operating Models to eliminate unwarranted variation. <p>In order to achieve this we will:</p> <ul style="list-style-type: none"> Deliver national or agreed trajectories for access targets including A&E, cancer, Referral To Treatment (RTT) and 6 week diagnostics Deliver contractual KPIs & CQUINs <p>With the Northern Care Alliance NHS Group (NCA) teams</p> <ul style="list-style-type: none"> Develop demand and capacity plans Develop standard operating models.
<p>3) We will continuously improve our efficiency and productivity and work with partners to deliver sustainable financial plans</p> <p>This means</p> <ul style="list-style-type: none"> Improved financial performance year on year Operational efficiency and workforce productivity metrics are met each year. <p>In order to achieve this we will:</p> <ul style="list-style-type: none"> Deliver the control total for 2018/19 Deliver a Better Care at Lower Cost Programme Reduce non contractual pay spend Use benchmarking data to identify opportunities for efficiencies Develop new currency models with commissioners. 	<p>6) We will embed changes resulting from NCA strategies and deliver new ways of working through excellence in change management</p> <p>This means</p> <ul style="list-style-type: none"> Reliably delivering our plans so that benefits can be achieved in agreed timescales. <p>In order to achieve this we will:</p> <p>With the Northern Care Alliance NHS Group (NCA) teams</p> <ul style="list-style-type: none"> Develop plans for the Major Trauma / Healthier Together new build Develop estate plans on the Salford Royal site and across the community Implement the Digital / Global Digital Exemplar (GDE) programmes Grow and improve the profile of research and innovation activity.

Our Alliance Priorities:

1. Pursue quality improvement to ensure safe, reliable and compassionate care
2. Improve care and services through integration, collaboration and growth
3. Deliver the financial plan to assure sustainability
4. Support our staff to deliver high performance and continuous improvement
5. Deliver operational excellence
6. Develop and implement our Service Development Strategy and the Northern Care Alliance enabling strategies

Our services will be:

- Evidence based and of the highest quality
- Highly reliable: high quality whatever the day of the week or hour of the day
- At scale: creating benefits for people through standardisation of best practice
- Trusted: providing safe, effective and compassionate service
- Connected: seamlessly delivering what matters most to people and communities
- Pioneering: continuously innovating and improving services.



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Performance overview from the Chairman and Chief Executive

This report highlights some of the main developments to Salford Royal NHS Foundation Trust's (Salford Royal) services and the improvements we have made to care over the past year, whilst also reporting on how Salford Royal performed against key national and locally determined clinical standards, waiting times and our key quality improvement priorities. In addition to performance of Salford Royal we would also like to use this opportunity to update you on the progress we are making as the Northern Care Alliance NHS Group (NCA), bringing together the services provided by Salford Royal and Pennine.

2018/19 was an extremely proud year for Salford Royal.

Care Quality Commission (CQC) inspectors were on-site across Salford Royal throughout April and May 2018 inspecting a range of wards, services and teams across the organisation, speaking to staff, patients and their families and holding a series of bespoke focus groups and interviews with staff members and leaders of the organisation.

In August, Salford Royal received the terrific news that it had retained its Outstanding rating (first gained in 2015). This meant the organisation was the only NHS acute and community trust to be rated Outstanding on two consecutive occasions.

In their formal report, CQC inspectors cited a significant number of exemplary areas of practice or service at Salford Royal, including the Trust's work with partners to integrate care for patients and service users, its Global Digital Exemplar (GDE) work, dementia care and services and innovative medicines and pharmacy projects. Salford Royal was also rated as being Outstanding for its Use of Resources.

Salford's success was celebrated as a huge success for the NCA; proving that the highest standards of care and treatment at Salford could be maintained against the backdrop of significant improvements already taking place at Pennine.

The 70th anniversary of the NHS provided the NCA with the opportunity to celebrate the rich history of the service, our own contribution to this and our exciting plans for the future.

We hosted a series of special events across our sites, including bespoke NHS 70 Medicine for Members sessions at Salford Royal, a family fun day at North Manchester General and a giant tea party at the Royal Oldham Hospital. With memorabilia displays, performances, competitions, the sharing of stories about the NHS, it was a wonderful time to reflect on everything we are proud of about the NHS.

We marked another key milestone throughout the year: the 10 year anniversary of the introduction of our pioneering Nursing Assessment and Accreditation System (NAAS). Nursing colleagues from across all of our Care Organisations took the opportunity to recognise what the scheme has brought to the NCA, its staff and our patients by appearing in ten short clips to explore different aspects of the scheme, for example, how the scheme has been successfully shared from Salford Royal to Pennine Acute and a focus on some of wards who have achieved or are close to achieving SCaPe (Safe, Clean and Personal everytime) status.

2018/19 ended with a change of leadership at Salford Royal and the NCA. Sir David Dalton retired from the organisation on 31 March after leading Salford Royal for 18 years and Pennine for three, leading to the formation of the NCA.

Sir David's tremendous contribution to the NCA, and in particular Salford Royal given the longevity of his role in Salford, was paid tribute to, along with the significant impact and influence he has had on the NHS both regionally and nationally.

Raj Jain succeeded Sir David as Salford Royal and the NCA's new Chief Executive and, as the previous Deputy Chief Executive and Group Chief Strategy and Organisational Development Officer, stepped into his new role on 1 April 2019.

Demand for our services

Throughout 2018/19 Salford Royal worked with partners in Salford and across Greater Manchester to improve urgent and emergency care pathways.

Despite working with our partners and progressing our Integrated Care aspirations, there was an increase in the level of demand on our acute and emergency services, including Greater Manchester wide specialist services such as major trauma, stroke and other specialist services.

Capacity to treat our patients in a timely way in 2018/19 has grown and we treated more patients this year than we did in the previous year, however, were unable to achieve the 95% standard for treating patients within 4 hours with performance of 83.67%.

Elective and planned care services also saw an increase in patients choosing to be treated at Salford Royal. Although Salford Care Organisation performance was below the 92% national standard for the number of patients waiting less than 18 weeks for treatment, at 90.83%, the actual number of patients on waiting lists was less than in March 2018.

Ensuring that patients who are referred by their GP on a cancer referral receive the best possible care and experience of our services is one of our top priorities. Salford Royal is proud to have delivered all of the national cancer standards in each of the four quarters of 2018/19. Again, this is despite a significant increase in the number of patients being referred to our hospital-based cancer services. Salford Royal established a Cancer Improvement Board in 2018/19 aimed at identifying new ways to deliver cancer care and we continue to work with 'Greater Manchester Cancer' in delivering innovation in the treatment and delivery of cancer care in future.

Despite a very challenging year Salford Royal's financial position for 2018/19 was a surplus of £15.8m.

2018/19 Highlights

Digital expertise

Throughout 2018/19 Salford Royal continued to be a leader for its Global Digital Exemplar (GDE) work. The organisation's two-year GDE programme has now completed, however, to further continue the work; a 'Future Digital Factory' was created in June 2018 with a mission to 'Make Better Decisions Faster'. The Factory is based on understanding operational problems in specific areas of the organisation such as flow for inpatients and associated discharge challenges for nursing, bed management and patients. It looks at opportunities in the process where technology can support and build solutions that can then expand and scale at pace.

In September 2018, the Secretary of State for Health and Social Care, the Right Honourable Matt Hancock MP, came to Salford Royal's Digital Experience Centre to see the leadership approach to organisational digitisation, and the associated benefits for patients and for organisational efficiency. The organisation was able to showcase clinical outcomes from the GDE programme and also specific innovations, for example, the voice recognition work and app for inpatient flow and the automated dispensing solution for medicines management.

Flagship housing association partnership

Salford Royal was one of the organisations behind a flagship housing development opened exclusively for clinical staff. The £2million Alexander Gardens development in Broughton opened towards the end of 2018 and offered affordable homes for doctors, nurses and other clinical staff members at the Trust. Salford Royal collaborated with housing association Salix Homes to create a solution to the lack of affordable accommodation in the area, which was proving a barrier to people moving to the area and working locally.

Oesophago-gastric Cancer Specialist Centre

One of the biggest cancer surgical centres in Europe launched at Salford Royal throughout 2018/19. The centre opened for patients requiring Oesophago-gastric (OG) surgery for their stomach and gullet cancer and is a service delivered by Salford Royal, integrating services from Wythenshawe Hospital and Manchester Royal Infirmary.

The OG cancer single service is part of Greater Manchester Health and Social Care Partnership's devolution plan to achieve the fastest improvements in health and wellbeing, experience and outcomes for the region. Patients from across Greater Manchester and Eastern Cheshire with OG cancer are still seen at their local hospital for initial diagnosis and for follow-up outpatient appointments but those who need operations undergo highly-specialised surgery at the centre in Salford.

Key risks

The Board Assurance Framework (BAF) is a tool for the Group CiC and Care Organisations to assure itself (gain confidence, based on evidence) about successful delivery of governing objectives. The risks identified in the BAF are based on a collective assessment by the Directors of the environment in which the organisation operates. It is also informed by high-scoring risks, identified locally through the day to day operation of the Care Organisations, which may impact on the achievement of objectives.

The key risks to which Salford Care Organisation and the NCA was exposed in 2018/19 reflected largely those faced in 2017/18 and were in relation to the following areas:

- Planned income levels and expenditure controls
- Developing and delivering an effective productivity improvement and cost reduction strategy
- Remodelling the workforce to deliver new models of care
- Compliance with access standards
- Estate strategy for future service developments and sufficient operational estates capacity
- IM&T clinical systems and technical infrastructure
- Estate investment to remedy safety risks identified in North East Sector Care Organisations

The BAF was maintained by the Group CiC and Salford Care Organisation leaders throughout 2018/19, enabling the identification, analysis and management of risk to the delivery of principal objectives in-year. Controls and assurances were assessed and action plans were developed and implemented appropriately. This has provided clear sight of significant risks and ensured action was prioritised appropriately.

Going concern assessment

Salford Royal NHS Foundation Trust has prepared its 2018/19 Annual Accounts on a going concern basis. After making enquiries, the directors have a reasonable expectation that the NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

This Annual Report provides a fair review of the business of Salford Royal, including a balanced and comprehensive analysis of strategic developments and operational and financial performance during 2018/19.

On behalf of the Group CiC, we want to thank all staff, for their continued contribution to our mission of 'Saving lives, Improving lives'.



Raj Jain
Chief Executive

Date: 28 May 2019



James J Potter
Chairman

Date: 28 May 2019

Performance analysis

To ensure the Northern Care Alliance NHS Group (NCA) delivers its mission to “Save Lives, Improve Lives by delivering highly reliable services at scale, which are trusted, connected and pioneering” and fulfils its statutory duties, a number of priorities, governing objectives and outcomes are developed collectively by Group CiC. These provide a common framework for all Care Organisations and Corporate Functions to work within. Key Performance Indicators (KPIs) are set appropriately at an NCA and/or Care Organisation level to provide assurance that national, regional and local performance standards are being attained and strategic and transformation programmes delivered and coordinated at all levels.

These priorities, governing objectives and associated KPIs are consolidated within the annual operational plans for the NCA and each of its Care Organisations and Corporate Functions. Plans are rigorously monitored via the assurance framework to ensure delivery. Risks associated with the delivery of the priorities and objectives are reflected within the NCA Board Assurance Framework, mapping the foremost sources of assurance, controls and actions that give confidence to Group CiC about the achievement of priorities and objectives through the active management of risk.

An integrated reporting approach is used by the Group CiC to ensure that the impact on all areas of the NCA and its Care Organisations is understood, including patient, clinical, staffing, financial and regulatory perspectives. A ‘High Level Performance Dashboard’ of the most important metrics and risks, including historical trend analysis and external benchmarks where available, is reviewed on a monthly basis by the Group CiC.

The dashboard is supported by a suite of granular reports and assurance flows, including the Chief Executive’s Report, Cost Improvement Programme, Finance and Activity and Strategic Programmes.

A quarterly Quality Improvement Dashboard and Learning from Deaths Report, alongside a six-monthly Learning from Experience Report (including incident management and complaints) and Patient and Service User Experience Report are reviewed. Most recently a quarterly People Report has been considered by Group CiC; this will continue throughout 2019/20.

The performance of Care Organisations is reviewed through the Group Single Oversight Framework, which identifies where Care Organisations will benefit from improvement support and intervention across five areas highlighted below; a sixth cross cutting theme of Leadership, Behaviours and Culture will be included during 2019/20:

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

The Group Single Oversight Framework also utilises an integrated reporting approach, including the High Level Performance Dashboard, Care Organisation Board Assurance Framework and Statement of Assurance, Annual Plan Review, Well Led Review and CQC Improvement Plans. Each Care Organisation has its own robust governance and assurance framework, ensuring effective oversight from Board to Ward, reflecting the aforementioned five themes, and allowing focus in all areas of the Care Organisation.

This section of the Performance Report provides a detailed analysis of the Salford Care Organisation (Salford Royal) in relation to each priority and objective, including performance for the NCA where appropriate, conveying achievements, challenges and any actions taken to address these.

Delivery of the 2018/19 Annual Plan

THEME 1

Pursue Quality Improvement to assure safe, reliable and compassionate care

Key priorities and objectives

1 Demonstrate continuous improvement towards our goal of being the safest health and social care organisation in England

One of Salford Royal's fundamental aims is reducing avoidable mortality, and we are pleased to report that we have a lower Hospital Standardised Mortality Rate (HSMR) for 2018/19 than in 2017/18.

Much quality improvement work has taken place during 2018/19 to lower the number of 'stranded' patients in the Salford Royal hospital, in order to reduce risks associated with unnecessary hospitalisation. A multi-disciplinary team has met weekly throughout the year, attending wards and units across Salford Care Organisation to provide additional assistance and challenge to ward teams in progressing actions required to move patients with a long length of stay forward in their care journeys.

During 2018/19 we have had a particular focus on delivering a programme of digitally supported projects to improve the management of medicines. This included implementation of an electronic 'adverse medication reporting system', whereby staff who identify an adverse drug reaction can report this quickly and electronically via the electronic patient record.

We are the first NHS Trust to be fully compliant with the Medicines and Healthcare products Regulatory Agency (MHRA) reporting scheme.

More detail on these and other pieces of improvement work can be found in the Quality Report section of this document.

Nursing Assessment and Accreditation System (NAAS)

During 2018 nursing teams across the NCA celebrated a scheme which has become the bedrock of their work to improve standards for patients. The Nursing Assessment and Accreditation System (NAAS) was introduced at Salford Royal in 2008 as a mechanism to assure patients, visitors and staff that patients are receiving Safe, Clean and Personal care (SCaPe) every time. It provides nursing teams with a set of standards and indicators, including patient experience, patient safety, end of life care, communication, infection control and team work, to strive towards with the end goal of achieving SCaPe status. Nursing teams were involved in the creation of NAAS and the system has created a great sense of pride and ownership amongst the organisation's nurses and the colleagues they work with in their wards and teams.

Currently, 35 of Salford Care Organisation's 43 wards have SCaPe status, along with 11 community teams who achieved it via the Community Assessment and Accreditation System (CAAS). Salford Royal became responsible for the majority of community health services in Salford in 2011 and CAAS was developed and rolled out in November 2012 to provide a framework for community teams and services.

Arrangements for monitoring improvements in the quality of healthcare, and progress on action plans from Care Quality Commission assessments

In August 2018, the Care Quality Commission (CQC) published their most recent report following a comprehensive inspection in April/ May 2018 across services at Salford Royal NHS Foundation Trust.

In addition to the CQC inspection of the quality of services, NHS Improvement (NHSI) undertook a 'Use of Resources' assessment, the aim of which is to improve understanding of how productively the Trust is using its resources to provide high quality and sustainable care for patients.

The outcome of the assessments provides an overall rating for quality and use of resources for the Trust which was rated as 'Outstanding'; the only NHS acute and community trust to be rated as 'Outstanding' on two consecutive occasions.

The services inspected included:

- Urgent and Emergency care
- Medical care
- Surgery
- Critical care
- Outpatients
- Community Dental Services

There were no 'Must' do requirements identified from the CQC inspection and a comprehensive improvement plan has been developed to address the 'Should' do requirements.

Notably, the Division of Surgery and Neurosciences improved their rating from the last inspection from 'Requires Improvement' to 'Good'. The rating for the Well-led domain improved since the last inspection in 2015 from 'Good' to 'Outstanding'. There was evidence of strong well established leadership, clear collaborative working, a well-defined strategy and vision, strong patient/service user engagement and evidence of a positive culture where staff were valued and supported.

	Safe	Effective	Caring	Responsive	Well-led	Overall
Acute	Good →← Aug 2018	Good →← Aug 2018	Outstanding →← Aug 2018	Outstanding →← Aug 2018	Good →← Aug 2018	Outstanding →← Aug 2018
Community	Good Aug 2018	Good Aug 2018	Good Aug 2018	Good Aug 2018	Outstanding Aug 2018	Good Aug 2018
Overall Trust	Good →← Aug 2018	Good →← Aug 2018	Outstanding →← Aug 2018	Outstanding →← Aug 2018	Outstanding →← Aug 2018	Outstanding →← Aug 2018

Outstanding practice in the use of resources

NHSI also rated Salford Royal as 'Outstanding' for the Use of Resources and highlighted examples of this:

- The Trust actively uses technology to support the effective use of staff to ensure resources were allocated to where they were needed the most. The Trust described how they develop technology to meet their needs rather than relying on available software and accepting limitations in this. For example:
 - Patient Pass, which facilitates efficient and auditable communication between the specialist hub and local, spoke services, maximising clinical time, improving safety and potentially avoiding unnecessary readmissions
 - A real time clinical acuity tool to review staffing levels and compare these to patient acuity to ensure the Trust can direct resources where the care is required most. The Salford Integrated Care Record has been an enabler to effective working across the integrated organisation, allowing staff across primary, acute, community, and social care services to access a single summary care record
- A Clinical Fellow Trainee Programme whereby medical staff not on a traditional training programme are employed by the Trust for an extended period of time and allocated to specialties experiencing workforce difficulties
- A Radiology Academy established to attract and retain staff
- Dieticians delivering training to care home staff. This resulted in freeing up Dietician time to focus on areas of priority whilst also training and increasing capacity for care delivery across the wider health care economy
- A Pathology Joint Venture with a neighbouring Trust which generates significant financial benefits resulting in the Trust having the lowest pathology cost per test in the country

- Outsourced transactional financial services to East Lancashire Financial Services have resulted in the second lowest finance cost per £100m in the country

Concerns, complaints and compliments

The Patient Responsiveness Team at Salford Royal and Pennine came together under one management structure during 2017/18. Demonstrable benefits of this joint working have been seen during 2018/19, not only in economies of scale by operating as one team, but more importantly in the efficient way in which we are now able to resolve concerns received from patients, relatives and carers. The NCA Patient Responsiveness Team has allocated dedicated Complaints Case Handlers to work alongside and support each Care Organisation. By working directly with Care Organisation Divisional Teams, the investigation of concerns and compilation of meaningful responses can be undertaken within improved timescales.

Learning is captured from every complaint or concern and feedback provided to Care Organisations through the monthly Patient Responsiveness Report and a newly developed C.A.R.E training package (C=Compassion, A=Attitude, R=Responsive, E=Evidence) which is delivered to staff at ward and department level. The Patient Responsiveness Team is able to gather the views of a large diverse cross-section of the population served.

This rich feedback is useful when developing or planning services. In addition, compliments are gathered on every ward and department, via the PALS Service or the Salford Royal website. These are an important source of feedback from our patients and service users and are distributed to the relevant ward or department to celebrate successes.

Performance during 1 April 2018 to 31 March 2019 for Salford Care Organisation:

358	Total number of complaints received during the year
3675	Total number of PALS cases received during the year
350	Total number of compliments received
98%	% of complaints acknowledged against the 3 working day target
86%	% of complaints responded to within the agreed deadline

Patient and Carer Experience and Service Improvements

Delivering 'What Matters Most' to the people that use our services, their carers and families

Evidencing that we are a caring and responsive organisation is a key priority for the NCA. It is part of the vision of quality improvement to deliver the safest and highest quality health and social care and is reflected within our values. We aim to achieve this vision by being a listening and learning organisation and to provide user driven care focussing on 'What Matters Most' to the people that access the services we deliver.

How do we gather feedback?

To ensure we are continually improving patient and service users' experience, we use a variety of ways to monitor performance, progress and obtain feedback. These include local and national surveys, comments from the Friends and Family Test, Patient Stories, NHS Choices, engagement events, internal assessment processes and quality improvement projects. We take the approach that improving experience is everyone's responsibility and therefore we aim to embed this approach across all the services we deliver.

Over the last 12 months Salford Care Organisation has held a number of listening events, in particular speech and language teams have worked with stroke patients to understand what matters most to this group of patients while in hospital, by developing accessible communication cards. In addition, Salford Care Organisation has been working with Salford HealthWatch and volunteers to understand how we can improve wayfinding for outpatient services, and a series of engagement activities have taken place to jointly develop our plan to deliver great personalised care and treatment.

What does this tell us about patient & service experience?

Through a variety of information gathering systems conducted every year we can identify where we are performing better or worse and where we can improve.

National Inpatient Survey

Headlines from the 2017 National Inpatient Survey Results (results are scored either; 'worse', 'about the same' or 'better' compared with most other Trust's in the survey) include:

- Of 11 section scores, Salford Royal scored 'Better' in 1 section (accident & emergency) and 'about the same' in 10 other section scores
- Overall 87% of respondents rated their care as 7+ out of 10 and 83% reported being treated with dignity and respect
- Staff from across the Trust attended Picker action planning sessions, where they undertook a deep dive of their results and identified key areas for improvement based on historical and average scores

This data is considered alongside a number of other feedback systems so that each division can develop a locally focussed action plan.

Listening and acting on patients and service users' feedback

The Patient, Family and Carer Experience Collaborative is one of the key ways we drive improvements for patients and service users across Salford Care Organisation.

In 2016, the organisation moved to a model of smaller learning sessions run at divisional level, with teams/departments coming together to report on the tests of change they have trialled based on service user feedback.

This model continued throughout 2018/19 with teams from Adult Community, Childrens Community, Facilities, Medical Wards, Surgical Teams, Neuroscience Teams and Tertiary Medicine Teams sharing patient experience improvements they have made based on the 'you said, we did' model.

Some examples of patient experience improvements:

- The PANDA Unit (children's emergency department) have improved facilities for their patients. The families using the service previously fed back that the waiting room could be noisy and stressful for patients with additional needs. The new sensory room created on the PANDA Unit was developed using funding provided by SickKids. This has been well received and utilised by patients and their families and has created a greater awareness of dealing with children with additional needs through the introduction of an 'autism' information board located outside the Sensory Room, which was opened in October 2018 by Salford's Mayor
- In our Intermediate Care Units, patients felt that the days were long and there was a lack of stimulation between therapy sessions. The teams have set up daily activities which are promoted on a notice board for patients. This has included a 'mocktail' afternoon where patients have enjoyed cutting up the fruit themselves and mixing their own mocktails
- The team on Ward H8 supported a patient whose first language was not English. In order for the staff to communicate with them on a day to day basis, the team developed communication cards with key phrases in the patient's language. The cards were effective in helping communicate basic nursing needs between interpreter visits
- We hosted a World Café & Patient Family and Carer Experience Celebration Event in January 2019 where staff and members of the public were able to see first-hand the fantastic work that has been developed in response to patients' feedback. On the day, over 60 teams showcased how they have improved their patient's experience. The Patient Experience Team was also on hand to gather feedback on the 'document for discussion', which will highlight the NCA's patient experience priorities for the future

Further Patient Experience improvements

A scheme that supports patients at mealtimes is being used as a blueprint to benefit patients across the country. The 'Dining Companions' scheme was launched at Salford Care Organisation in 2018 as a pilot on Ward L5 to support patients who need extra support at mealtimes. Volunteers help feed patients, assist with opening food sachets or simply offer companionship.

Now, the scheme has been given a £75,000 NHS England grant to develop and expand across the rest of the hospital and other hospitals in the NCA, as part of a Volunteering Innovators Programme. Helpforce, the organisation working with hospitals to enhance the benefits of volunteering across the NHS, will work with Salford Care Organisation to refine and share the project with other Trusts in the UK.

More carers looking after inpatients at Salford Care Organisation can now benefit from an innovative project called the Enhanced Carer Support Service. The service was piloted on wards L2 and L6 in 2018 and now, thanks to a successful project evaluation, is being expanded and is available for all wards. Salford Carers Service oversees the service and supports unpaid carers in Salford. Carers of any age can be referred to the service by ward staff or can contact the service independently.

The Carer Support Workers assist people for up to six weeks and can attend clinical meetings with the carer, advocate on their behalf and ensure they are getting the support they need. Although only carers of inpatients can be referred to the Enhanced Carers Support Service, carers supporting patients anywhere in the hospital can be referred to the wider Salford Carers Service which supports carers of all ages.

Implementing and adhering to the new General Data Protection Regulation (GDPR)

GDPR was introduced in spring 2018 as part of the reimagined Data Protection Act 2018. Many of the standards are similar to the previous Act but the requirements have been intensified.

The NCA has a Privacy Notice for all staff and patients, with a plan to gradually produce these for specialist areas such as Research & Development.

The work of combining Salford Royal and Pennine governance policies into group-wide NCA policies has commenced to ensure that the governance standards are the same wherever an individual interacts with the NCA.

Our 'Subject Access Teams' at Salford Royal and Pennine have also started to work together more closely, with plans for integration in 2019/20, thus bringing a single access route for patients and staff to access their own records.

The NCA has a Data Protection Officer in post and this individual also performs the role for the Greater Manchester integrated record.

THEME 2**Improve care and services through integration, collaboration and growth****Key priorities and objectives**

- 1 We will develop Group Shared Services functions to deliver scale, resilience, operational excellence and transformation for our Care Organisations and partners**
- 2 We will grow and strengthen the Northern Care Alliance to ensure a sustainable future for our populations served**
- 3 We will offer leadership, scale and technology to improve care and deliver the goals of our Care Organisations and their locality plans**

Diagnostics & Pharmacy services

Since its formation in September 2018, the NCA Diagnostics (Radiology and Pathology) and Pharmacy Group Business Unit has been progressing plans to transform the future of Diagnostics and Pharmacy services. A series of staff engagement sessions were held in November 2018 to help shape the future of the Business Unit, with colleagues in each specialty now working towards a single service vision with a standardised operating model, providing high quality patient services across all of our Care Organisations and beyond.

A key function of the group-wide service is to develop new ways of addressing the workforce challenges facing the three services of Pathology, Radiology and Pharmacy. Each of the services has its own transformation programme in place, with deep staff involvement, to support new ways of working.

During 2019/20 we will be launching an NCA Radiology Academy, and have already introduced new clinical scientist roles in Pathology.

The NCA Diagnostics and Pharmacy Group Business Unit has commenced standardising processes, in particular those for risk management and equipment replacement plans, which will enable the organisation to take advantage of the opportunities of scale. In addition, the NCA Diagnostics and Pharmacy Group Business Unit continues to take advantage of new technologies through the exploration of digital pathology, artificial intelligence in Radiology and robotics in Pharmacy. This includes the pilot of 'Pilltime', the automated dispensing of medications into pouches using a state of the art digital robotic system.

Through partnership working with Salford Care Organisation, the NCA Pathology and Radiology Services have supported the 18 week referral to treatment pathways, cancer pathways and urgent care targets by fulfilling efficient turnaround times. The challenge in these areas has been an increasing level of demand, particularly in Radiology, and a demand for faster turnaround times due to greater numbers of urgent and cancer pathway cases. There will be a focus on the development of Rapid Diagnostics services in 2019/20, particularly to support cancer diagnosis.

Elective access transformation

In 2018/19 we launched a programme across our hospital sites to improve the quality of non-emergency care so that patients can have a better experience accessing our services. Our vision is *“to enhance digital and technology solutions to facilitate the transformation of elective access across the NCA to deliver improved outcomes, patient experience and maximise value for our population.”*

During 2018/19, we identified and analysed key issues across elective access and categorised these into projects which are now underway at Salford Royal, including:

- Rollout of a ‘Vacant Slot Report’ to support full utilisation of available clinic slots
- Rollout of a patient communication system, including text confirmations and reminders for appointments, and a patient information portal
- Delivery, through a series of ‘Rapid Improvement Events’, of a number of improvements to make it easier for patients to access and find their way around the hospital
- Working in collaboration with services across the North East sector Care Organisation sites to find ways of increasing clinic utilisation across Elective Access

Procurement

The Procurement Team is now operating a single procurement function across the whole of the NCA. The Procurement Team had a number of ambitious objectives in 2018/19, including a savings target of £4m, implementation of standardised systems and processes to drive operational efficiency and delivery of a joint strategic contracting process.

The Procurement Team exceeded the savings targets, with a total of £4.3m in year, as well as implementing standardised systems across the organisation, including eProcurement, eCatalogue and eTendering systems. Additionally, the national benchmarking system Purchase Price Index Benchmarking (PIIB) was utilised to help drive further efficiencies ahead of negotiations with our suppliers.

Organisational development

During the latter half of 2018/19, the NCA began to explore the value and construct of a Learning Academy. An NCA Learning Academy for Health and Social Care would offer a structured educational framework utilising innovative solutions to attract, train and retain its staff, and would become a professional leader in workforce development and transformation.

It is envisaged that the Learning Academy will support a workforce ‘pipeline’ that is agile enough to respond to changing models of care delivery, while delivering high value education and training that underpins the provision of safe, caring, and exemplary quality care. The outcomes from this initial discovery phase will now inform a full business case to develop this exciting new model.

- **We will ensure a safe and sustainable future for the Care Organisations of Salford, Bury, Rochdale, and Oldham, and collaborate with the City of Manchester and NHSi to secure transition of North Manchester**

Good progress has been made during 2018/19 to progress the NHS Improvement (NHSI) transaction process, overseeing the preferred acquisition of the Oldham, Rochdale and Bury Care Organisations by Salford Royal, and the preferred acquisition of North Manchester Care Organisation by Manchester Foundation Trust (MFT).

As planned this year, Salford Royal's Board of Directors approved and submitted a strategic case to NHSI outlining how we intend to bring additional benefit to the patients and populations of Salford, Oldham, Bury and Rochdale. We firmly believe that the acquisition of Oldham, Bury and Rochdale by Salford Royal will enable us to develop and strengthen our clinical services, improve patient experience through digital technology, provide opportunities for staff and reduce the cost of back-office support services.

Moving on to the next phase of the process, Salford Royal is now developing a full business case as part of a transaction process. The business case will plan for and deliver significant, accelerated benefits across the populations of Salford, Bury, Rochdale and Oldham. At the same time we are working closely with our partners to ensure the safe transition of North Manchester Care Organisation to MFT. The transaction process is expected to conclude in the second half of financial year 2019/20.

- **Improve patient and care pathways to deliver improved prevention, earlier diagnosis, earlier treatment, and earlier discharge across the system (including care at home or in a supportive environment)**

Working together with our partners locally in Salford and across Greater Manchester, we have established a number of new services as part of our Integrated Care plans, making the most of the unique opportunity we have in Salford due to bringing together health and social care into one integrated organisation.

The aim of our integrated care transformation programme has been to ensure our patients receive the right care at the right time in the right place, by the most appropriate health or social care professional, and avoiding, where appropriate, unnecessary attendances to our acute hospital services, including at our A&E Department.

During 2018/19, we have tested a number of new and innovative care models, including an Urgent Treatment Centre, which is a national priority set out in the recently published NHS Plan, and a community-based Urgent Care Team. These are just two examples of our Integrated Care transformation programme.

Other significant progress associated with integration, collaboration and growth includes:

- Development of neighbourhood based teams and service provision
- New contracts have been awarded from home care contracts with increased focus on person centred care
- Progression of the Care Homes Excellence programme with Salford CCG raising standards and focussing on admission avoidance

THEME 3

Deliver the financial plan to assure sustainability

Key priorities and objectives

- 1 We will demonstrate continuous improvement in operational and workforce productivity and efficiency
- 2 We work with partners to ensure financial plans are sustainable and deliver on our annual income and expenditure budgets

Summary of financial performance 2018/19

The main headlines of financial performance for Salford Royal in 2018/19 were:

- The surplus used for measuring NHS performance i.e. excluding impairments and donated assets adjustment is £15.8m which is £10.6m better than plan
- The overall income and expenditure position shows a surplus of £9.9m but this is after accounting for a number of non-operational items. These are set out in the table opposite
- The financial risk rating (Use of Resources Rating) using NHS Improvement's methodology to assess the level of financial risk based on the position at the end of March 2019 is a 1

Statement of comprehensive income position

This statement within the annual accounts shows the total value of income and expenditure for the year ended 31 March 2019. The following table summarises the actual income and expenditure performance as at 31 March 2019.

	2018/19 Actual Results £m	2017/18 Actual Results £m
Income	771.6	729.3
Expenditure	(739.5)	(694.5)
Earnings Before Interest, Tax, Depreciation and Amortisation	31.5	34.6
Impairments	(2.9)	(18.7)
Depreciation and amortisation	(11.0)	(11.1)
Total interest receivable / (payable)	(7.2)	(7.6)
PDC dividends	(0.5)	(0.2)
Net surplus / (deficit) (per annual accounts)	9.9	(2.8)
Normalising Adjustments:		
Impairments charged to the statement of comprehensive income	2.9	18.7
Non-cash service charge costs related to the local government pension scheme	3.0	2.3
2016/17 post audit Sustainability and Transformation Fund reallocation (2017/18 only)	0.0	(0.4)
Operating surplus	15.8	17.8

Income

Income from patient care activities has increased by £33.1m from 2017/18. A sum of £4.8m was received in 2018/19 from the Department of Health and Social Care to fund the additional cost of non-medical pay awards made during the year. Other increases are primarily driven by a growth in demand for urgent and unplanned clinical care activity and planned changes including provision of highly specialised drugs to patients and other changes such as service developments including the transfer of all oesophago-gastric surgery to Salford during 2018/19. Other non-clinical income increased during the year reflecting receipt of Greater Manchester transformation funding to continue the development of our integrated care organisation.

Expenditure

Operating expenses have increased by £28.6m when compared to 2017/18. The increase in operating expenses is largely driven by additional costs of specialised drugs and costs associated with growth in demand for urgent and unplanned clinical activity. Pay costs for the Foundation Trust have increased by £22.2m from 2017/18 which includes a larger than planned pay award made to non-medical staff during the year (£5.8m) and pension service charges accrued on behalf of staff who are members of the local authorities Greater Manchester Pension Fund.

The Foundation Trust is an admitted member of the Greater Manchester Pension Fund (GMPF). Accounting standards require that the Foundation Trust accounts for associated pension liabilities as they are accrued by the employee members of the GMPF. Included within these costs is £3.0m of non-cash pension costs. These are removed as part of the normalising costs.

Capital expenditure 2018/19

In 2018/19, Salford Royal spent £18.8m in maintaining and improving the physical estate of our hospitals and to develop frontline clinical services. The table below summarises the capital investment during 2018/19.

	Capital Investment £m
Supporting enhanced Clinical Service Delivery and hospital infrastructure	2.5
Replacing our medical and scientific equipment including diagnostic imaging equipment	5.7
Enhancing our digital infrastructure to better support efficient and effective service delivery	6.3
Maintaining and upgrading our estate and buildings	4.4
Total	18.8

Accounting policies

The Foundation Trust reviews its accounting policies on a regular basis following the requirements of the International Reporting Standards and the Department of Health and Social Care Group Accounting Manual. These policies are reviewed and approved by the Audit Committee and reflect changing nature of the guidance and the external environment within which the Trust functions. The Foundation Trust's key accounting policies are set out in the annual accounts included in this report. There were a small number of changes made to the accounting policies in 2018/19.

Details of senior employees' remuneration can be found in the Remuneration Report.

Post balance sheet events

There are no significant post balance sheet events.

A look forward

The Foundation Trust continues to operate in a very challenging financial environment and is working with its healthcare partners, in particular, Salford CCG, NHSE specialised commissioning and the GM Health and Social Care Partnership to plan for the future. The Foundation Trust's financial plan for 2019/20 was submitted to NHS Improvement in May 2019.

The financial plan for 2019/20 is a deficit of £12.2m which accepts the control total proposed by NHSI. The financial plan reflects national planning guidance.

Achieving financial efficiency through the Better Care at Lower Cost Programme is increasingly challenging given the increasing demand for our services and the required investment in improving the quality of service delivery. There will be a strong focus in 2019/20 on delivering the planned savings of £16.2m which relate to improving quality and productivity.

Investment will continue in the Foundation Trust's asset base with planned investment of £18.6m. Investment is planned in replacing essential medical and IT equipment and providing the necessary investment in the maintenance and upkeep of our buildings.

Subject to HM Treasury approval, capital expenditure is planned for 2019/20 and 2020/21 of c£67m in total to build - a new surgical centre to provide additional operating theatre, critical care and diagnostic capacity to allow the Salford Royal NHS Foundation Trust to become the single receiving site for Greater Manchester major trauma activity and to be the provider of high risk general surgical activity for the North West sector of Greater Manchester. Each of these developments is in response to commissioner-led requirements with clinical activity flows expected to start beyond 2019/20.

THEME 4
Support our staff to deliver high performance and continuous improvement

Key priorities and objectives

1 We will support staff to have rewarding, productive and fulfilling careers, enabling us to recruit and retain talented people

In June 2018, the Group CiC adopted a People Strategy, which is driven by, and aims to contribute to, the achievement of the objectives of the NCA and Care Organisations through strategies for Leadership and Culture, Contribution Framework 2.0, Talent Management, Learning & Organisational Development and HR Policies & Sourcing.

At the heart of the People Strategy is the aim to embed an inclusive culture based on the NCA's core values and behaviours and characteristics of a high reliability organisation.

Leadership and culture

During 2018/19 an NCA wide Leadership Model was developed, defining the key areas of delivery, along with the mindset, skills and behaviours our leaders need.

The Leadership Wheel (Figure 1) aligns to our NCA Values (Figure 2) and was presented to senior managers from Salford Royal at a Leadership Summit held in November 2018.

The Organisational Development team is now embarking on wider staff engagement to ensure buy in to the NCA values and leadership behavioural frameworks, through:

- Pilot of a leading-edge social media platform (NCAexplore) which provides opportunities for extensive online engagement with 500 staff (including generally hard to reach staff) about our values. NCAexplore is also hosting a 'Let's Talk Leadership' online forum to engage leaders around our mindset, skills and behaviours
- Additional non-digital programme of engagement to ensure wider reach, including the promotion of values in all new staff induction programmes, roving reporters gathering stories, and focus groups being held with different staff groups *and*
- Developing a structured process for stakeholder communications and engagement with Care Organisations, Corporate Functions, Staff Side and other key staff groups, to ensure the models and frameworks developed are embedded across the organisation



Figure 1. NCA Leadership Wheel

Figure 2. NCA Values



Our four NCA values are being brought to life through a programme of communications and engagement that will mean the mindset, skills, and behaviours described in our behavioural frameworks deliver our vision of 'Saving Lives and Improving Lives' for patients and communities as well as resonating with staff throughout the NCA.

Contribution Framework 2

2018/19 saw the launch of Contribution Framework 2.0 (CF2) across the NCA. This is a culture change programme supporting leaders to:

- Create team and individual objectives aligned to strategic priorities and objectives
- Coach all staff to reach their potential *and*
- Engage their teams by ensuring everyone has priorities that are aligned and connected to patient care and service excellence

CF2 is a system of regular, meaningful conversations between leaders and their staff; with training of some 6,500 leaders now underway. Trajectories have been put in place for each Care Organisations & Diagnostics & Pharmacy Group Business Unit to improve socialisation of the CF2 system.

Talent Management

2018/19 was a period of testing Talent Management methodologies and approaches across the NCA. The focus in the first instance has been on identifying and assessing Executives and Senior Leaders in Care Organisation and Group roles, with 126 'talent nominees' identified. Key learning from this initial cohort is being fed into a Talent Management delivery proposal for 2019/20.

Talent Management work this year has highlighted the need for:

- A digital solution to support the effective implementation of Talent Management at scale *and*
- Continuing consultation with stakeholders, staff and associated groups to ensure the Talent Management ethos developed is fit for purpose

Workforce sourcing and utilisation

Like many other organisations in the NHS, Salford Royal has experienced difficulties trying to attract talent and has recognised the need to change its workforce sourcing model. The NCA has developed a programme to transform our current recruitment arrangements and work towards our ambition to establish and promote the NCA as an employer of choice, decrease the current deficit of nurses and medical staff (in particular), improve the volume and quality of candidates, improve the candidate and hiring manager experience and deliver best value now and in the future.

Our workforce sourcing plan now targets both active and passive candidates. There is a particular emphasis on the opportunities social media can bring and we have significantly increased our followers and reach with great content on both Facebook and Twitter. International recruitment is also being used and we have seen success with our recent Indian nurse recruitment campaign.

The biggest impact of our targeted work can be seen in nursing and midwifery where Salford Royal's vacancy rate is 3% lower than at the start of the year. We have also seen a steady reduction in the medical vacancy rate during 2018/19 and we now have dedicated support to recruit Allied Health Professionals and Healthcare Scientist staff groups

THEME 5

Deliver operational excellence

Key priorities and objectives

- 1 We will ensure good operational planning and execution to deliver on our urgent care, cancer and elective plans and trajectories**

Throughout 2018/19 Salford Care Organisation has worked with partners in Salford and across Greater Manchester to improve urgent and emergency care pathways. This work has been overseen by the Salford Urgent and Emergency Care Delivery Board and the Integrated Care Advisory and Commissioning Board, which brings together our partners from primary, community, social and acute care in an integrated way, working together to deliver high quality, responsive and reliable care to our patients.

Despite working with our partners and progressing our Integrated Care aspirations, there has been an increase in the level of demand on our acute and emergency services, including Greater Manchester wide specialist services such as Major Trauma, Stroke and other specialist services. This level of demand has been such that Salford Care Organisation was unable to meet the national emergency care standard of 95 per cent of our patients being seen, treated, transferred or discharged from hospital within 4 hours of arrival at our A&E Department. Our performance against the A&E standard in 2018/19 was 83.67%.

Elective and planned care services also saw an increase in patients choosing to be treated at Salford Royal Hospital. Capacity to treat our patients in a timely way in 2018/19 has grown and we are treating more patients this year than we did in the previous year. In the first half of the year up to September 2018, Salford Care Organisation treated at least 92 per cent of its patients on an elective pathway within 18 weeks of referral from their GP.

As a result of continued rising demand, especially for our specialist services, Salford Care Organisation was unable to maintain delivery during the second half of the year of the 18 Week Referral to Treatment standard of 92 per cent. We continue to work with our partners in Salford and Greater Manchester on ways we can deliver better, more timely care to our patients to ensure that they, their families and carers receive the best possible experience of our services. Our performance against the 18 Week Referral to Treatment standard in 2018/19 was 90.83%.

Ensuring that patients who are referred by their GP on a cancer referral receive the best possible care and experience of our services is one of our top priorities. Salford Care Organisation is proud to have delivered all of the national cancer standards in each of the four quarters of 2018/19. Again, this is despite a significant increase in the number of patients being referred to our hospital-based cancer services.

The Salford Care Organisation has established a Cancer Improvement Board in 2018/19 aimed at identifying new ways to deliver cancer care and we continue to work with 'Greater Manchester Cancer' in delivering innovation in the treatment and delivery of cancer care in future.

Diagnosing patients as quickly as possible is a key priority for the Salford Care Organisation. As a result of significant increase in demand for our diagnostic services, in particular MR imaging, we were just below the 99% national standard with 98.97% of patients undergoing their diagnostic investigation within six weeks of referral.

Salford Care Organisation has significantly increased its diagnostic capability in 2018/19 in response to rising demand, including the outsourcing of patients to the Independent sector.

THEME 6**Develop and implement our Service Development Strategy and the NCA enabling strategies****Key priorities and objectives**

1 With our partners we will determine future models of care and a sustainable service configuration to ensure clinical and financial sustainability

Over the last year, we have created our NCA Service Development Strategy (SDS) which solidifies our approach and priorities for Salford Royal and Pennine under the NCA's umbrella. The SDS describes how, in pursuing the NCA's vision, we will deliver more reliable, consistent, high-quality, safe and effective services, that meet the needs of our population.

The SDS has been developed in parallel with other closely-related programmes of work, including the North East Sector (NES) acute Clinical Service Strategy (CSS), the ongoing development of the North West Sector (NWS) Partnership and the Greater Manchester Plan (in particular Theme 3/ Improving Specialist Care). We are integrating health and care in each locality, as place-based care organisations improving population health.

Single Shared Services will be created for medical and surgical specialties, delivering significant benefits in improved experience, outcomes, workforce and finance. Our Specialist Centres will be supported to innovate, bringing benefits for the whole organisation and the populations we serve. Women's and Children's services will be enhanced, and Diagnostic and Clinical Support Services improved across the NCA.

Research and Innovation

The NCA is committed to research and innovation as a driver for improving the quality of care we provide to our patients. Only by carrying out research into "what works" can we continually improve treatment for patients, and understand how to focus NHS resources where they will be most effective.

Salford Royal currently support 710 research studies, of which 176 are clinical trials involving medicinal products. Our engagement with clinical research demonstrates our commitment to testing and offering the latest medical treatments and techniques.

During 2018/19, Salford Royal recruited over 6,000 patients to 165 National Institute for Health Research Clinical Research Network (NIHR CRN) research studies and were among the highest performers in England with regard to patient recruitment in dementia and neurology, dermatology, MSK, renal, stroke, diabetes and surgery.

Our reputation for attracting, initiating and delivering high quality industry trials has continued to grow this year, with Salford Royal currently supporting 128 industry sponsored trials.

Our extensive collaborations with industry provide our patients with the very latest access to state of the art treatments and interventions. Salford Royal has been shortlisted in the Clinical Research Site of the Year category in this year's Pharmatimes Internal Clinical Researcher of the Year competition.

- **Service productivity is improved through digital transformation and the delivery of automation, clinical decision support and patient/user activation products**

Salford Royal has now completed an 18-month programme as a Global Digital Exemplar (GDE). This means we are an internationally recognised NHS care provider, using world-class digital technology and information.

The aims of the programme were to:

- Improve patient safety
- Improve reliability
- Increase operational effectiveness and efficiency
- Improve patient experience

As part of the programme, Salford Royal has delivered more than 50 individual digital enhancement projects which have improved patient safety and experience across the organisation, while also supporting a key aim to improve efficiency.

Projects have included:

- Standardisation of a number of electronic care pathways. These have included pathways for delirium, hip fracture, Hospital Acquired Thrombosis (HAT), Dietetics, Venous Thromboembolism (VTE), Stroke and Chronic Kidney Disease
- Transformation of the Emergency Department digital systems
- Launch of new online patient appointment booking and management system
- Delivery of a new community Electronic Patient Record
- Purchase of state-of-the-art new digitised Anaesthetic and Theatre systems *and*
- Launch of new patient and clinical apps, platforms and wearable technology

GDE Blueprinting

The wider aim of the GDE Programme is to develop national blueprints to share best practice across the rest of the NHS.

Salford's digital assessment tool to detect delirium and dementia has been rolled out as one of the first national NHS blueprints, and is helping patients and their families by accurately diagnosing more patients with delirium.

Future Digital Programme

Following on from the GDE Programme, the NCA has launched the Future Digital Programme to continue the development of digital maturity across the organisation. Based in the Digital Experience Centre at Salford Royal, the programme seeks to proactively test new digital initiatives and roll them out. More than 2,000 patients, partner organisations and potential suppliers have visited the Digital Experience Centre where new projects and initiatives are showcased and tested.

● **We will invest and reconfigure our estates and facilities to enable the delivery of an efficient and productive environment which improves patient and care experience**

2018/19 has been a period of transition for Estates and Facilities, cementing the NCA wide structure with operational delivery teams in each of the Care Organisations. A significant piece of work during 2018/19 was the alignment of contracts to provide better service efficiency and value for money. Investment was committed to a new bespoke Computer-aided facility management (CAFM) system, linking our auditing and flow systems with our Estates Helpdesk and building management systems, and giving our Estates Teams full and accurate oversight of each site. In 2018/19, work began to master plan the future use and make-up of the Salford Care Organisation estate.

A 4 Facet Survey is to take place to highlight our areas of focus for backlog maintenance, physical condition and overall estates quality.

Facilities services at Salford Care Organisation are now certificated in ISO 9001 Quality Management, meaning management of the processes within each facilities discipline has to meet a documented standard at all times. This standard is monitored twice a year internally and once externally for compliance against the criteria. The focus for 2019/20 is now to deliver the ISO accreditation across the NCA estates and facilities.

The Salford Care Organisation continues to implement a number of Greater Manchester service changes, including developments in major trauma and high acuity surgery at Salford Royal for patients with life-threatening conditions who require specialist surgical treatment. In 2017/18, confirmation was received of £48 million for a new clinical building to support these developments.

During 2018/19, Salford Care Organisation submitted the Greater Manchester Major Trauma Services business case for the development of the 'Acute Receiving Centre' to NHSI as part of the onward approvals process. The full approvals process will extend into 2019; however, to ensure no additional delays are incurred, Salford Care Organisation has engaged the design team to progress the build to Design Stage 3.

Emergency preparedness

As required by the Civil Contingencies Act 2004, the NCA has a responsibility to ensure that arrangements are in place for civil protection should an emergency occur. NHS England requires the NCA is assured that it has tested major incidents and business continuity plans in place.

Emergency Preparedness Resilience and Response (EPRR) is led by the Chief Delivery Officer, who is the Group Accountable Emergency Officer (AEO) and Chair of the Group Resilience Forum. The Group AEO is supported by the EPRR Team. The EPRR Team priority for 2018/19 was to support the Salford Care Organisation Resilience Forum in developing a suite of Business Continuity Plans across all wards and departments so that the local business continuity risks were identified and business continuity plans developed and tested. The purpose of this is that a ward or department with tested business continuity plans for service interruption will respond and recover more quickly from an emergency.

2018/19 has seen considerable progress in aligning the Major Incident Plans and Business Continuity Plans at Salford Care Organisation with group documentation to meet NHS core standards.

Salford Care Organisation experienced a demanding January 2019 with increased pressures for emergency medical admissions; the EPRR Team assisted with the operational response to these pressures during that month. The EPRR Team has also assisted in the operational response to a number of incidents across the Salford Care Organisation, including a white powder incident and two decontamination responses at A&E. To continue supporting this going forward, a permanent decontamination unit is to be installed at Salford Care Organisation in March 2019.

Sustainability report

Introduction

It is important to realise that the NHS must tackle sustainability in the widest terms possible. That is, the NHS cannot just be economically sustainable without considering social and environmental sustainability at the same time. The combination of these elements is fundamental to a truly future-proof NHS and is a cornerstone to providing a high quality, productive and efficient healthcare service.

Climate change is a significant threat to the planet. The NHS Carbon Reduction Strategy seeks to ensure that all NHS organisations establish a fully integrated strategy to address climate change. Its principle is firstly to identify and address all of the organisations sources of carbon emissions, and secondly to embed the principles of sustainability throughout the organisation and its stakeholders.

Energy and energy consumption

Reducing the amount of energy used in our organisation contributes to achieving the NHS Carbon reduction targets for England. There is also a financial benefit which comes from reducing our energy consumption

Since May 2017, we have invested £6.9m in the infrastructure with using the Carbon Energy Fund (CEF) Framework and through our successful partnering with Vital Energi and the installation of our new Combined Heating and Power (CHP) plant, we have made a significant impact on our overall energy consumption.

The table opposite shows the outcome since May 2017 to February 2019:

	£000's
CHP savings	£1,230,514
Carbon Commitment Levy savings	£79,809
Boiler improvement savings	£112,686
Carbon savings	£142,437
Total energy savings	£1,565,466
Lighting upgrade savings	£117,204
Insulation savings	£18,553
Controls and BMS savings	£0
Thermal savings associated with disconnecting Clinical Sciences Building	£11,639
Electrical savings associated with disconnecting Clinical Sciences Building	£22,972
Multi storey car park lighting replacement (599 fittings)	£41,508
Pump replacement	£23,757
Total ECMs savings	£235,633
Total YTD energy savings	£1,801,079

Performance overview: targeted savings vs. actual savings delivered

	£000's
Targeted YTD energy savings	£1,876,164
Actual YTD savings	£1,836,074
Excess savings	-£40,090

Note: These significant savings are marginally behind target owing to some minor operational constraints.

Previous overall energy performance

Resource		2014/15	2015/16	2016/17	2017/18	2018/19
Gas	Use (kWh)	36,769,798.00	45,118,433.00	49,576,150.00	77,989,764.52	68,478,685.00
	tCO2e	6,786.00	8,326.00	9,146.00	14,362.60	12,613.06
Electricity	Use (kWh)	24,116,636.00	24,329,278.00	24,154,379.00	24,033,258.00	25,121,376.00
	tCO2e	12,856.00	12,970.00	12,876.70	12,905.00	13,490.00
Water	Usage (m3)	176,684.00	186,097.00	188,342.00	194,553.00	176,477.18
		0	0	0	0	0
Oil	Use (kWh)	-	-	2,997,650.00	66,705.23	-
	tCO2e	-	-	159.80	191.13	-
Coal	Use (kWh)	0	0	0	0	0
	tCO2e	0	0	0	0	0
Green energy	Use (kWh)	0	0	0	0	0
	tCO2e	0	0	0	0	0
Total energy CO2e		19,642.00	21,296.00	22,181.80	27,458.73	26,103.06
Total energy spend		£4,294,150.00	£4,585,191.00	£3,667,605.00	£2,888,683.00	£3,033,854.00
Total energy spend (water)		£4,826,778.00	£5,153,822.00	£4,232,994.00	£3,479,624.33	£3,609,924.00

Carbon emissions and energy reduction

Carbon savings

Targeted YTD carbon savings (tonnes)	9,320
Actual YTD carbon savings (tonnes)	8,798
Excess carbon savings (tonnes)	-522

The table above shows how the installation of the new CHP and other infrastructure investments has significantly reduced our carbon footprint.

Note: Again, the significant saving are marginally behind target owing to some minor operational constraints.

During 2018/19 our gross expenditure on the EU ETS (European Union Emissions Trading System) will be £43,328.88 for carbon emission allowances. This is a mandatory scheme aimed at improving energy efficiency and cutting emissions in large public and private sector organisations.

We have also been successful in applying for an NHS Improvement Energy Efficiency Scheme. This will provide the organisation with circa £1.5M to replace approximately 5000 older fluorescent type light fittings across the estate with low energy LED equivalent units. The project will provide £280k savings in energy costs p.a. and reduce our carbon footprint by a further 760 tonnes.

Procurement

In addition to our focus on carbon reduction, we are also committed to reducing our wider environmental, economic and social impacts associated with the procurement of goods and services. This is set out within our policies on sustainable procurement and we will continue to develop and review a sustainable procurement strategy, in particular recognising the impact of whole life considerations, application of new technologies and engagement with our supply base including Small Medium Enterprises (SMEs).

Low carbon travel and transport

As a member of the Transport for Greater Manchester Travel Choices Business Network and Silver Accreditation Award winner in 2018, we are committed to encouraging active and sustainable travel across Greater Manchester. We continue to seek to deliver realistic active and sustainable travel actions and promotions throughout our organisation to facilitate changes to travel patterns and encourage reduced emissions.

During the 2018/19 year as part of this work;

- We have updated the information our staff are provided with in relation to the cost savings and personal benefits of sustainable modes of commuting (e.g. personal travel planning advice, health benefits of active travel, and potential personal savings of different modes of transport)
- We have installed electric vehicle charging points in the Central Car Park for patients and visitors and in our multi-storey car park for staff, as part of the PodPoint charging network available to registered users
- We are working with the Transport for Greater Manchester (TfGM) Sustainable Journeys Team and the Energy Saving Trust in an ongoing review of the impact of our business mileage and Trust vehicle usage
- We have made improvements to our bike parking facilities for staff and have started a Bike User Group to encourage cycling as an active travel choice
- Our sustainable travel lead(s) are supported with training, access to CPD events and local/national forums for sharing of best practice/innovation

Waste recovery and recycling

In 2018/19 we recovered 922.74 tonnes of domestic waste, a small increase on the 907.56 tonnes produced in 2017/18. Our domestic waste is "Zero to Landfill" and all waste is processed into Refuse Derived Fuel that is use to power electricity generation plant.

We collected 92.86 tonnes of clinical waste of which, 5% went to incineration and the remaining 95% was processed through alternative treatment.

We also recycled 18.24 tonnes of glass and cardboard waste.

Designing the built environment

Salford Royal's operational estate will continue to increase with new site developments such as the planned new Major Trauma Centre and Intermediate Care Unit with which to provide improved patient care facilities. To maintain the drive to reduce our energy and carbon activity, the organisation needs to offset these additions by pursuing corresponding reductions. This is achieved by decommissioning underutilised buildings wherever possible and striving for compliance with best practice such as BREEAM, which is the world's leading sustainability assessment method for masterplanning projects, infrastructure and buildings.

Sustainability issues are included in our analysis of risks facing Salford Royal. NHS organisations have a statutory duty to assess the risks posed by climate change. Risk assessment, including the quantification and prioritisation of risk, is an important part of managing complex organisations. Adaptation to climate change will pose a challenge to both service delivery and infrastructure in the future. It is therefore appropriate that we consider it when planning how we will best serve patients in the future.

Sustainable Development Management Plan

Salford Royal understands that those with responsibility for sustainable development have an ambition to make Salford Royal and the NCA an exemplar organisation for sustainability and a better corporate neighbour within the North West Sector of Greater Manchester.

To address this situation, Salford Royal aims to first understand its overall current position in terms of being a sustainable organisation, which in turn will fulfil the objective of understanding the improvement margin available.

Deriving this understanding will place Salford Royal in a position whereby it can decide and then act upon specific improvement initiatives that will enable the environmental, social and economic benefits of sustainability to be realised. Whilst working to implement change, it is important to Salford Royal that a framework is in place to accurately quantify and evidence improvements, so that progression towards beacon status can be monitored.

The NCA's interpretation of these aims and aspirations enables five objectives to be established:

- To develop a clear understanding of what an 'Exemplar Organisation' for sustainability looks like
- To understand the present positioning of the organisation relative to the targeted status and to other organisations of a similar size and complexity
- To identify specific performance improvement opportunities that will enhance Salford Royal, including the full opportunity costs where applicable
- To compile a strategy and clear delivery/action plan as a means of committing to, and structuring future improvements

- To establish a framework for measuring success as Salford Royal progresses (e.g. installation of an Environmental Management System (EMS))

This strategy sets out and proposes five packages of work which align to and reflect the five proposed project objectives. Activity can run concurrently across this development, as illustrated in the project timeline below.

To be able to make a real impact next year, it is intended that this development strategy be board approved and implemented in Q1 2019/20.

		Apr	May	June	July	Aug	Sept
	Project Management						
WP1	Preparing the Organisation for Exemplar Organisation status						
WP2	Understand the NCAs current performance						
	<i>Feedback to the Board & visioning paper</i>			Workshop			
WP3	Detailed Review of Improvement Areas						
	<i>Interim report and prioritised list of improvement actions</i>				Report		
WP4	Preparing your Sustainable Development Management Plan for publication					Board Approval	Launch
WP5	Establishing a framework for your EMS/SDMP					Framework	
	<i>Review of work and identification of further support needs</i>					Review	

Delivery
 Milestones

Staff awareness

By improving the awareness of staff on sustainable issues, we aim to encourage their support with energy and carbon reduction measures.

Modern Slavery and Human Trafficking Statement 2018/19

In accordance with the Modern Slavery Act 2015.

The Northern Care Alliance is an NHS Group formed by bringing together two NHS Trusts, Salford Royal NHS Foundation Trust (Salford Royal) and The Pennine Acute Hospitals NHS Trust (Pennine). This arrangement was formalised under a management agreement in April 2017, and paved the way for the establishment of the Northern Care Alliance NHS Group.

The Northern Care Alliance NHS Group (NCA) make the following statement regarding the steps it has taken in the financial year 2018/19 to ensure 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.

Organisation's structure and business

The NCA provides a range of healthcare services including five hospitals and associated community services - Salford Royal, The Royal Oldham Hospital, Fairfield General Hospital in Bury, Rochdale Infirmary and North Manchester General Hospital. From the 1 April 2017, the NCA was launched, bringing together over 17,000 staff, 2000 beds and serving a population of over 1 million. With an operating budget of £1.3bn, the NCA provides the benefits of scale but delivers this locally through multiple hospital sites and local healthcare services.

Our four Care Organisations are; Salford, Oldham, Bury & Rochdale and North Manchester. To enable the safe delivery of high quality care at scale, a Care Organisation Leadership Team of directors has clear accountability and authority to govern each Care Organisation.

The NCA position on modern slavery is to continue to:

- Comply with current legislation and regulatory requirements
- Make suppliers and service providers aware that we promote the requirements of the legislation
- Develop an awareness of human trafficking and modern slavery within our workforce and partner organisations
- Consider human trafficking and modern slavery issues when making procurement decision

Northern Care Alliance NHS Group Policies, Training and capacity building about slavery and human trafficking available to its staff

We are committed to ensuring that there is no modern slavery or human trafficking in any part of our business and, in so far as is possible, to requiring our suppliers hold a corresponding ethos.

To identify and mitigate the risks of modern slavery and human trafficking in our own business, the NCA has in place robust recruitment procedures, details of which are found in its Management of Employment Checks Policy.

The policy supports compliance with national NHS Employment Checks and CQC standards. In addition, all other external agencies providing staff have been approved through Government Procurement Suppliers (GPS).

We will continue to audit and monitor agencies (via GPS) who provide staffing for the NCA once a year to ensure that they are able to provide evidence of identification, qualification and registration.

In addition, the NCA has a number of controls in place to ensure compliance with employment legislation.

Modern slavery is incorporated within both Salford Royal and Pennine Safeguarding Children and Safeguarding Adults policies and is highlighted within the Safeguarding Children and Adult mandatory training from Levels 1-3, which applies to all staff employed.

Safeguarding specialists and senior team members employed by the NCA continue to work with partner organisations including local safeguarding Adult and Children Safeguarding boards on issues related to social, community, modern slavery, anti-bribery and human rights issues.

Work is planned for 2019/20 to ensure that relevant organisational policies when under development, review or renewal consider the inclusion of any relevant information or training related to awareness and reporting any concerns related to modern slavery/trafficking and child or forced labour.

Northern Care Alliance NHS Group, Salford Royal and Pennine people must:

Undertake organisational safeguarding training appropriate to their roles and responsibilities.

Compile with relevant policies and procedures including those highlighted in this statement.

Work with the Procurement Department when looking to work with new suppliers so appropriate checks relating to modern slavery can be undertaken.

Working with suppliers

The NCA Procurement Department will ensure its supplier base and associated supply chain, which provides goods and/or services to the organisation have taken the necessary steps to ensure modern slavery is not taking place. The Procurement Department have committed to ensuring that this is monitored and reviewed with its supplier base via the Trust's 3 Year Procurement Strategy. The Procurement Department's senior team are all Chartered Institute of Purchasing and Supply (CIPS) qualified and uphold the CIPS's code of professional conduct and practice relating to procurement and supply. All members of the Procurement Department are required to undertake Safeguarding training at a level appropriate to their roles and responsibilities. The NCA follows good practice, ensuring all reasonable steps are taken to prevent slavery and human trafficking and will continue to support the requirements of the Modern Slavery Act 2015 and any future legislation.

Looking forward to 2019/20

The Annual Plan has been refreshed to more appropriately reflect the needs of the local Care Organisation populations, whilst working together to meet the objectives and strategic benefits that must be delivered through the scale of the NCA:

Strategic theme	Strategic priority / Principle objective
1. Pursue Quality Improvement to assure safe, reliable and compassionate care	1.1 We will demonstrate continuous improvement towards our goal of being the safest health and social care organisations in England
2. Improve care and services through integration, collaboration and growth	2.1 We will offer leadership, scales and technology to improve care to deliver the goals of our Care Organisations and their locality plans 2.2 We will develop Group Shared Services functions to deliver scale, resilience, operational excellence and transformation for our Care Organisations and partners 2.3 We will ensure a safe and sustainable future for the Care Organisations of Salford, Bury, Rochdale and Oldham and collaborate with the City of Manchester and NHS Improvement to secure the transition of North Manchester 2.4 We will grow and strengthen the Northern Care Alliance to ensure a sustainable future for our population served 2.5 Improve patient and care pathways to deliver improved prevention, earlier diagnoses, earlier treatment and earlier discharge across the system (including care at home or in a supportive environment)
3. Deliver the financial plan to assure sustainability	3.1 We will demonstrate continuous improvement in operational and workforce productivity and efficiency 3.2 We work with partners to ensure financial plans are sustainable and deliver on our annual income and expenditure budgets
4. Support our staff to deliver high performance and continuous improvement	4.1 We will demonstrate continuous improvement in operational and workforce productivity and efficiency 4.2 We work with partners to ensure financial plans are sustainable and deliver on our annual income and expenditure budgets
5. Deliver Operational Excellence	5.1 We will ensure good operational planning and execution to deliver on our urgent care, cancer, elective plans and trajectories and deploy relevant standard operating models 5.2 We will deliver on major transformation programmes to bring identified benefits (outpatients, diagnostics & pharmacy, theatres) 5.3 We will continue to deploy Standard Operating Models
6. Deliver our NCA Clinical Service Strategy and the NCA enabling strategies	6.1 With our partners we will determine future models of care and a sustainable service configuration to ensure clinical and financial sustainability 6.2 Service productivity is improved through digital transformation and the delivery of automation, clinical decision support and patient/user activation products 6.3 We will invest and reconfigure our estate and facilities to enable the delivery of an efficient and productive environment which improves patient and care experience 6.4 We will reduce variation in care and improve experience & outcomes through the development of our Standard Operating Model, our clinical reliability groups and the deployment of our quality and productivity improvement (QPID) methodology 6.5 Through excellence in change management and delivery of new ways of working we embed the changes resulting from our NCA strategies
7. Deliver excellence in research and education programmes	7.1 Demonstrate continuous investment and development of educational programmes and activities that enables our workforce to reach their potential 7.2 Produce quality research, appropriately funded, that is of national and international importance

In 2019/20 we have 4 key operational priorities:

1. Improving urgent and emergency care
2. Delivery on our financial plans
3. Strengthening cancer care
4. Improving planned care

Our plan and strategic objectives align to these priorities, ensuring that in making improvements we continue to drive forward the quality, safety and experience of care for patients and service users.

Signed: 

Date: 28 May 2019

Raj Jain

Chief Executive & Accounting Officer
Salford Royal NHS Foundation Trust

safe • clean • personal



Salford Royal NHS Foundation Trust
Quality Report
2018 - 2019

Contents

1	Achievements in quality	Page 45
	● 2018/19 achievements	Page 46
	● Statement on quality from the Chief Executive of the NHS Foundation Trust	Page 47
	Our aims	Page 50
	● A review of quality improvement projects 2018/19	Page 52

2	Priorities for improvement and statement of assurances from the board	Page 83
	● Priorities for improvement	Page 84
	● Statements of assurance from the Board	Page 86
	> National clinical audit	Page 86
	> National clinical audit - to improve quality	Page 88
	> Local clinical audit	Page 97
	> Goals agreed with commissioners: use of the CQUIN payment framework	Page 100
	> Clinical coding error rate	Page 108
	> Learning from deaths	Page 110
	> Reporting against core indicators	Page 117

3	Other information	Page 119
	● Performance against locally selected indicators	Page 120
	● Performance against national selected indicators	Page 122
	● NHS England patient safety alerts information 2018/19	Page 123
	● Medical device alerts	Page 124
	● Never events	Page 128

	Annex 1 and 2	
	● Annex 1: Statement from local commissioners, overview and scrutiny committees. Independent auditor's report to the Council of Governors of Salford Royal NHS Foundation Trust on the annual quality report	Page 129
	● Annex 2: Statement of responsibilities for the quality report	Page 136

4	Appendices	Page 137
	● Appendix A: Glossary of definitions	Page 138

If you require any further information about the 2018/19 Quality Report please contact:

The Quality Improvement Team on **0161 206 8167** or email Paul Hughes at ***Paul.Hughes@srft.nhs.uk***



Achievements in quality

2008 > 2009 > 2010 > 2011 > 2012 > 2013 > 2014 > 2015 > 2016 > 2017 > 2018 > 2019

Highlights over 10 years:

-  **we have continued to maintain our position for risk adjusted mortality**
-  **reduction in MRSA blood stream infections**
-  **reduction in *Clostridium difficile* infections**
-  **reduction in cardiac arrests**
-  **reduction in grade 2 pressure ulcers**

2018/19 achievements:

-  **Salford Royal achieved its second consecutive 'Outstanding' rating by the Care Quality Commission**
-  **of inpatients screened for Sepsis**
-  **of wards engaged in #EndPJParalysis campaign**
-  **reduction in falls in top 5 End PJ Paralysis wards**
-  **reduction in the average number of pressure ulcers per month from 0.83 per month to 0.27 per month**
-  **Salford Royal has a highly effective Major Trauma service which is saving more lives than expected and is in the very top quartile for mortality in England**
-  **implemented the Structured Judgement Review process for reviewing deaths**
-  **Salford Royal completed an 18-month programme to become a Global Digital Exemplar**

Some 2018/19 achievements

Second 'Outstanding' rating

In August 2018, Salford Royal became the second NHS trust to achieve two consecutive 'Outstanding' ratings by the Care Quality Commission. The CQC noted that the trust's staff are 'kind, caring and respectful', and our trust is a 'national exemplar for integrated care'.

NHS 70th birthday

70
YEARS
OF THE NHS
1948-2018

July 2018 saw the 70th anniversary of the National Health Service (NHS) in the UK. Salford celebrated the landmark occasion by hosting 'Medicine for Members' events and sharing staff stories of how the NHS has evolved to its current form.

Patient Safety Awards nominations

Salford Royal has received 3 nominations for the July 2019 Patient Safety Awards: the Patient Safety Team of the Year for management of Venous thromboembolism (VTE) and anticoagulation, the Information Technology award for A Collaborative Project to Improve Management of Acute Kidney Injury in Primary Care using E-alerts and Educational Outreach and the Quality Improvement Initiative of the Year award for our Early Detection for Delirium Project.

UK's First Advanced MS Champion

In January 2019, Salford's Lindsay Lord became the UK's first advanced multiple sclerosis (MS) champion in collaboration with the MS Trust. This role will help Lindsay to "deliver the care and support people with advanced MS so desperately need".

GM Health and Champions Award nomination

Salford Royal's care home facilitators have been nominated for the Leaders Across Boundaries award at the Greater Manchester Health and Care Champions Awards.

Patient Pass Referral System

Salford's Patient Pass Referral System, developed as part of the Global Digital Exemplar programme, has been shortlisted for the Improving Care with Technology Award. The winner will be announced on the 6 November 2019. 3 other Northern Care Alliance (NCA) initiatives have also been nominated for a variety of honours.

Victoria Dickens

Dr Victoria Dickens, consultant physiotherapist and clinical director of orthopaedics at Salford Royal, was awarded an MBE for services to physiotherapy in the Queen's New Year's honours list.

Stroke Service

Salford Royal is the largest stroke service in England and continues to provide an "A" rated service with some of the best patient outcomes in England. We are currently developing a comprehensive mechanical thrombectomy service, which will significantly improve the outcomes and quality of life for some stroke patients.

Elaine Inglesby-Burke & Fiona Murphy

Elaine Inglesby-Burke, the Executive Nursing Director for the Northern Care Alliance and Fiona Murphy, the Assistant Director of Nursing for Bereavement and Donation at Salford Royal, both received honorary doctorates from the University of Bolton for their outstanding contributions to nursing throughout their careers.

Smartphone urine test for renal patients

In June 2018 the Trust launched a pioneering digital home testing kit that incorporates a mobile phone camera and computer vision technology with the aim of reducing the amount of times renal patients need to attend hospitals for check-ups.

Winners of Best Campaign and Best Event Award

The Northern Care Alliance was the recipient of the Best Campaign and Best Event Award at the National End PJ Paralysis awards, after a group-wide effort to reduce PJ Paralysis across all sites led to a 41% reduction in pressure ulcers.

Palliative and End-of-Life Care

Salford's palliative and end-of-life care practices were showcased in the Royal College of Physician's report 'Talking About Dying: How to begin honest conversations about what lies ahead' as an example of best practice, demonstrating the superb efforts of the end-of-life and palliative care teams in our Trust.

Donal O'Donoghue

Professor Donal O'Donoghue, a kidney specialist based at Salford Royal, was awarded an OBE in the Queen's Birthday Honours List for his dedication to services for kidney patients.

Salford Royal opens a flagship affordable housing development complex

In December 2018, Sir David Dalton was joined by the Mayor of Salford, Paul Dennett, and Salix Homes Chief Executive Lee Sudgen to officially open the Alexander Gardens housing complex in Broughton. The housing complex is designed to provide affordable accommodation for Salford Royal staff, to tackle the lack of affordable housing in the local area.

Introduction of electronic scheduling tool

Introduction of electronic scheduling tool within district nursing, ensuring that resources are used effectively.

Cancer Surgery

On the 4 December 2018 Salford Royal held a launch event for a new specialist surgical centre for patients with stomach and gullet cancer. The centre is set to become one of the biggest in Europe, and will integrate care with Manchester Royal Infirmary and Wythenshawe Hospital to make it the biggest single Oesophago-gastric surgical centre in the UK.

Nick Lees

Nick Lees, a Consultant in colorectal cancer, is one of five finalists in the category for public servant of the year at the Spirit of Salford awards. He was nominated by the family of a former patient for his empathy, compassion and excellent communication with patients and their families.

Raj Jain

Raj Jain, previously Salford Royal's Deputy Chief Executive and Group Chief Strategy and Organisational Development Officer who has been leading the development of key strategic programmes, was announced as the next Chief Executive of Salford Royal NHS Foundation Trust. This follows the retirement of Sir David Dalton in March 2019.

BBC's 'Junior Doctors' documentary

BBC camera teams have been filming a group of Salford Junior Doctors to document the early stages of their career in medicine.

Record number of deceased organ donors

Salford Royal was confirmed as supporting the highest number of deceased organ donations in the North West in July 2019. There were a total of 38 deceased organ donors from Salford Royal, which led to more than 125 life-saving transplants.

1

Statement on quality from the Chief Executive of the NHS Foundation Trust



Welcome to the Quality Report for Salford Royal NHS Foundation Trust for 2018/19.

This year has been an extremely busy, somewhat challenging year, but we have so much to be proud of.

We are now one of the largest organisations in the NHS and we bring together our staff, expertise and resources under the umbrella of the Northern Care Alliance NHS Group (NCA) enabling us to work together as one Group to share and spread best practice. We deliver care in many forms from our domiciliary, community and hospital services and all are working together to deliver our mission of 'Saving Lives, Improving Lives'.

This report provides us with an opportunity to highlight some of the main developments to our services and the improvements we have made to care over the past year across Salford, whilst also reporting on how we have performed against key national and locally determined clinical standards, waiting times and our key quality improvement priorities.

I am pleased to report that Salford Royal has once again been rated as 'Outstanding' by the Care Quality Commission. We are the first acute and community Trust in the country to be declared 'Outstanding' on two consecutive occasions and the first to receive an Outstanding rating for the 'Use of Resources' part of our inspection, as well as rated as 'Outstanding' for being 'Well Led'.

This is a tremendous achievement and I am incredibly proud of all my colleagues working across our hospital, community and social care services. CQC Inspectors visited the Trust in April and May 2018 and they highlighted many areas of exemplar practice across the Trust, for example:

- Our work to integrate health and social care, which is seeing patients experience a better continuity of care and more support in the community they live.
- Our role as a Global Digital Exemplar Trust means we are using technology to embed safe care and developing innovative digital solutions for future healthcare.
- Our Nursing Assessment and Accreditation System and Community Assessment and Accreditation System, which are co-designed by staff and enable wards and services to be transparent about their progress in keeping patients safe.
- Excellent care and services for patients with dementia, for example, reminiscence pods and a dementia courtyard; and Innovative medicines and pharmacy projects.

It was really pleasing to see the overall rating for Surgery improve to 'Good' and for inspectors to note that many improvements have been made within our Outpatients department. We know that improvement has to be continual and there are areas identified within the report which we will attend to.

Throughout 2018/19, we have continued to deliver our Quality Improvement Strategy, which aims to make us the safest organisation in the NHS. You can read about a number of key improvement projects and programmes of work which are currently underway in Section 2 of this Quality Account. This includes 98.39% of our patients receiving harm free care on page 63 and 80% reduction in community acquired pressure ulcers on page 69.

In December 2018 we opened our specialist surgical centre for patients with stomach and gullet cancer. Oesophago-gastric (OG) surgical services across Greater Manchester are now delivered by Salford Royal, integrating services from Wythenshawe and the Manchester Royal Infirmary, making it the biggest single OG surgical centre in the UK.



The OG cancer single service is part of Greater Manchester Health and Social Care Partnership's devolution plan to achieve the fastest improvements in health and wellbeing, experience and outcomes for the region.

In wider Northern Care Alliance news, we have been ranked number 25 in the Inclusive Top 50 UK Employers List in recognition of its continued dedication to workplace diversity. The List ranks UK based organisations that promote inclusion at every level of employment within an organisation. This is a fantastic achievement and I am incredibly proud of the organisation and our staff for making the Northern Care Alliance, our hospitals and community services in Salford, Oldham, Bury, Rochdale and North Manchester, truly equal, diverse and inclusive places to work.

In addition to this, in June 2018 the NCA joined with Greater Manchester's other public sector employers and signed up to a historic commitment to address race inequality at work. Other signatories included other NHS organisations, local authorities, Greater Manchester Fire and Rescue Service and Greater Manchester Police. For years organisations have done their own work on this and made some good progress, but we haven't got it right. By coming together we can really make a difference to make sure everyone feels welcome in our public services and given the same opportunities to get on.

The Northern Care Alliance NHS Group has signed an Armed Forces Covenant promising that those who serve or who have served in the armed forces, and their families, are treated fairly by the organisation. By signing this document we are officially saying that we recognise the contributions that serving personnel in the regular and reservist Armed Forces, veterans and their families, all make to our businesses and country. We also promise to treat them fairly in our Organisation, including the injured and bereaved, so that they do not face any disadvantage.

In closing, I must pay tribute to all colleagues across the Northern Care Alliance who have risen to the challenge of coming together to create a Group that has the mission of improving and saving lives on a far greater scale than what the Trusts could achieve working on their own.

They have worked tirelessly to create better care for their patients with the results that a significant number of improvements have taken place at the North East Sector sites whilst Salford Royal has continued to retain its own high standards.

I am truly grateful for the support and contribution of staff at all grades and levels which have been crucial to our success.

What makes a real difference to our patients and service users is our people – our staff. It is the team spirit, shared values and 'can-do' attitude of staff across our Group that makes the real difference.

Finally, I am pleased to confirm that the Board of Directors has reviewed this 2018/19 Quality Account and confirm that it is an accurate and fair reflection of our performance.

I hope that this Quality Account provides you with a clear picture of how important quality improvement, safety and service user and carer experience are to us at Salford Royal NHS Foundation Trust and the Northern Care Alliance NHS Group.

Best wishes



Raj Jain
Chief Executive

Date: 28 May 2019

Salford Royal NHS Foundation Trust
Northern Care Alliance NHS Group
Comprising the Care Organisations of Salford,
Bury & Rochdale, Oldham and North Manchester

1

Our aims



Our aims

Since 2008, we have had in place a clear Quality Improvement Strategy which aims to make us the safest organisation in the NHS.

The current version of our strategy details how we plan to accomplish this. A strategy which covers the whole Northern Care Alliance is currently in development.

No preventable deaths

Estimating preventable deaths is complex. However, we are certain through the mortality reviews we carry out on all patients who die whilst under our care, that not all patients receive all ideal aspects of care for their conditions in a timely manner. We use these mortality reviews to find defects in care that we can fix in service of pursuing our aim of having no preventable deaths.

In 2018/19 we have maintained our position for HSMR (risk adjusted mortality) and are in the best 10% of the NHS for this measure.

Continuously seek out and reduce patient harm

Harm is suboptimal care which reaches the patient either because of something we shouldn't have done, or something we didn't do that we should have done. 98.39% of our patients receive harm free care, as measured by the safety thermometer.

Achieve the highest level of reliability for clinical care

At Salford Royal we use the principles of reliability science to maintain high performance, and ensure that care is reliably high quality for every patient, every time. In the pages that follow, we detail several projects worked on over the past year in the pursuit of high reliability.

Deliver what matters most: work in partnership with patients, carers and families to meet all their needs and better their lives

The views of our patients and staff are very important to us and we receive feedback through a number of methods, including surveys and patient and staff stories, all of which provide us with vital information on how to improve.

Deliver innovative and integrated care close to home which supports and improves health, wellbeing and independent living

Caring for patients, their families and carers, is just as important out of hospital as it is when they're staying with us as an inpatient. Community based teams such as district nurses, community allied health professions, and intermediate care teams provide care closer to or in patients' homes.

Our 'Salford Together' programme is bringing the contributions of GPs, district nurses, social workers, mental health professionals, care homes, voluntary organisations and local hospitals into a single system to support the health and wellbeing of the people of Salford.

A review of quality improvement projects 2018/19

Below is a list of quality initiatives in progress and their current status. Several projects are explained in more detail in the individual project pages.

	Target achieved / on plan	Close to target	Behind plan
Acutely Unwell Adults (AUA)	⊞		
Clinical Reliability Groups	⊞		
Dementia	⊞		
End PJ Paralysis	⊞		
Improving Flow			⬅
Global Digital Exemplar (GDE) Programme	⊞		
Harm Free Care	⊞		
Integrated Care Organisation (ICO)		➤	
Mortality Review	⊞		
Productive Community Services (PCS)	⊞		
100 Day Pressure Ulcer Challenge	⊞		
Patient, Family and Carer Experience Collaborative (PFCE)	⊞		
Safer Salford	⊞		
Sepsis	⊞		
Theatres Transformation Programme	⊞		
Elective Access Transformation	⊞		

Acutely unwell adult

In 2008, Salford Royal NHS Foundation Trust (SRFT) launched the Acutely Unwell Adult collaborative, achieving a 41% reduction in the cardiac arrest rate over two years.

This reduction has been sustained since then; ten years on we are refreshing this project in order to explore the potential for a further reduction in cardiac arrests.

What: Reduce the cardiac arrest rate (per 1000 admissions) in collaborative wards

How much: 25% reduction

By when: November 2019

Outcome: The current cardiac arrest rate per 1000 admissions is 0.28

Progress: On plan 

Improvements achieved

The original change package included seven changes:

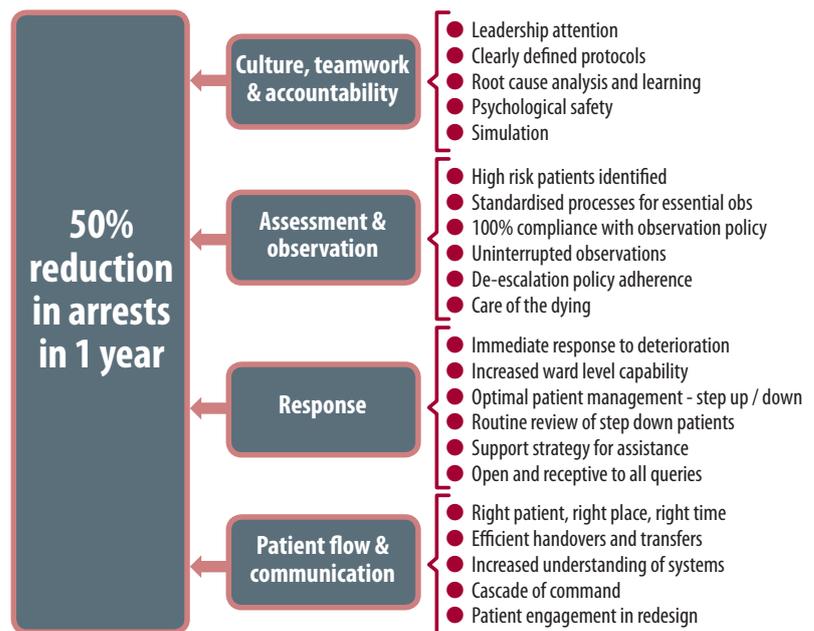
1. Reliable manual observations.
2. Nurse led response.
3. Code red.
4. Structured ward round.
5. Ceilings of care document.
6. Nurse led Do Not Attempt Cardiopulmonary Resuscitation (DNA-CPR).
7. Allocation of roles at ward level in the event of a cardiac arrest.

Collaborative wards are currently refreshing these changes, and exploring other changes that could further reduce cardiac arrests.

As a collaborative revisiting the successes of the original 2008 Acutely Unwell Adult collaborative, we are currently studying the original aim and driver diagram (pictured below) and building upon them.

We have recently launched a collaborative that aims to improve the way in which Salford Royal detects and manages deteriorating patients with the objective of reducing the number of cardiac arrests.

We are working with a cohort of collaborative wards to understand where we are compared with the original Acutely Unwell Adult Collaborative from 2008, and to understand and seek solutions to new problems.



Driver diagram from the original 2008 Acutely Unwell Adult collaborative

Clinical reliability groups

Clinical Reliability Groups are an improvement approach which is used by hospitals which operate as a group (where individual hospitals come together to work under a common structure).

The approach brings together doctors, nurses and other health professionals to develop common standards across pathways of care. The Northern Care Alliance, as a newly established group of hospitals, are trialling this approach in a small number of areas of care, starting with end of life care.

Trialling Clinical Reliability Groups is an important piece of work for us as we have a good opportunity to learn from the way care is delivered across the individual hospitals in the Northern Care Alliance. We can then take the elements of care which we view to be the most effective and replicate them in each of the hospitals of the group.

What: To trial the Clinical Reliability Group improvement approach

How much: Two pathways of care

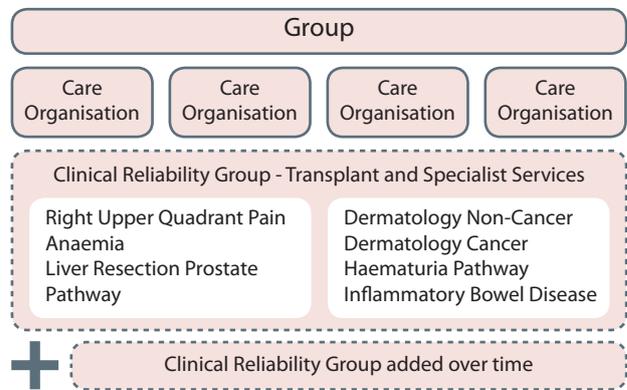
By when: March 2020

Outcome: We have started working with one pathway of care, the end of life pathway

Progress: On plan

At the end of 2018 we started working with clinicians from all of our hospitals across the end of life pathway to start to develop a Clinical Reliability Group. So far, we have:

- Appointed a clinical chair to oversee delivery of the work.
- Had an initial meeting with clinicians to describe the purpose and ambition of the work.
- Started to draft a series of standards which describe what any patient coming into any of our hospitals should expect in relation to end of life care.



Example of a Clinical Reliability Group approach

Further improvements identified

- Establish monthly improvement team meetings.
- Continue to develop our end of life care standards.
- Develop pieces of work which will help us deliver those standards reliably.

Dementia

We are continuing to prioritise dementia care as we formally launch our ambitious 4 year programme to improve the care and support for people living with dementia and those who care for them.

We are committed to improving the care and support we offer to people living with dementia who use any of our services in Salford. There were just over 2,200 admissions for people with a diagnosis of dementia to Salford Royal in the last year and many use our outpatient, community and social care services. It is our aim that people with dementia should live as well as they can as valued members of the community with equitable access to all of the services that we provide.

What: Implement the Salford Care Organisation (SCO) Dementia Strategy

By when: March 2022

Outcome: Ongoing

Progress: On plan =

Salford Care Organisation dementia strategy 2018-2022

A strategic SCO dementia group has now been established to work collaboratively with relevant stakeholders to realise the vision of the SCO Dementia Strategy.



Dementia *continued*

We were delighted that there was specific reference to improvement of care for people with dementia in the outstanding practice section of the Trust Care Quality Commission report. We share next a selection of our successes this year:

Admission to hospital:

- Digital Care pathways have been further embedded as part of the Global Digital Exemplar programme to enable appropriate and timely assessment and management of delirium and undiagnosed dementia. This digital solution is one of the first to be published by NHS England as a toolkit known as a “blueprint” for other organisations to follow, so that any NHS hospital can adopt them quickly and easily to transform patient care.
- The Dementia Service has worked with the Pain Team to make improvements to the way pain is assessed and recorded for people living with dementia.

Ongoing care:

- Following a successful pilot, the Enhanced Carer Support Service is being rolled out across the whole hospital. This service is provided by Salford Carers Service (part of the charity Gaddum) who offer support to all unpaid carers in Salford (email salford.carers@gaddum.co.uk).
- Regular environmental audits using recognised tools such as The King’s Fund Tool and Patient-Led Assessments of the Care Environment (PLACE) assessments are conducted and form the basis of our improvement work, including the provision of meaningful activity and engagement by our occupational therapy team on some of the inpatient wards.



Training and education:

- Our Dementia Study Day runs monthly and is open to all staff groups and staff grades. This interactive training encourages staff to take the perspective of the person living with dementia and to understand the challenges they face.
- Members of Salford Royal Dementia Service have been instrumental in the development of a Greater Manchester-wide on-line training package which will be free to access. This training package will meet the Tier 1 requirements of Health Education England’s Dementia Training Standards Framework and once completed, will be freely available to all in Greater Manchester.
- We held an event in collaboration with Dementia United on World Delirium Awareness day in March 2018 and had a number of events held during dementia awareness week including a popular bake-off event.

National audit of dementia

- Salford Royal participated in the National Audit of Dementia and we were delighted that we had the highest number of staff responses in the country. The results will be available later this year.

We have further opportunity this year as Salford has been selected as one of the first localities in Greater Manchester to enhance the electronic healthcare record for people with dementia as part of the Greater Manchester Local Health and Care Record Exemplar (LHCR) programme. We see this as one method that we will achieve our SCO strategy aim to provide seamless and co-ordinated care for the citizens of Salford living with dementia.

#EndPJParalysis / Last 1000 days

Making people more active whilst staying in hospital can reduce the amount of time they spend as an inpatient

What: To rollout the End PJ Paralysis Change Package across our Care Organisations

By when: December 2018

Outcome: Change Package successfully rolled out

Progress: Target achieved 

In April 2018, the national End PJ Paralysis 70 day challenge was launched as part of the wider NHS70 celebrations. The aim of the challenge was to have 1 million patients dressed and mobilised whilst in our care. Throughout 2018/19 the End PJ Paralysis / Last 1000 Days project has grown from a campaign to a full improvement project.

By implementing the change package throughout the Northern Care Alliance, we can demonstrate that the most engaged wards have seen a reduction in deconditioning (deconditioning is the functional loss associated with spending time in hospital for example not getting out of bed and walking can result in a loss of strength). We have measured this by looking at our falls, pressure ulcer and length of stay data.

In June we held the first national End PJ Paralysis conference attended by colleagues from across the country. The event hosted by Professor Brian Dolan took place at Salford Royal. The event was well attended and highlighted the importance of keeping up the hard work that has been undertaken and building upon further improvements in the future.



Improvements achieved

- 100% of wards engaged in the #EndPJParalysis campaign.
- 23% reduction in falls in the 'Top 5 wards' engaged in the campaign.
- 17% reduction the length of stay for the 'Top 5 wards' engaged in the campaign.
- Winner of two awards at the National End PJ Paralysis Awards.

Further improvements identified

- The launch of phase 2 of the project targeting areas with potential to achieve further improvements.
- Focusing on spreading the initiative into community services, ensuring that patients are out of bed and dressed if possible.
- The launch of the 'Dining Companions' scheme enabling volunteers to spend mealtimes with inpatients.

#EndPJParalysis / Last 1000 Days *continued*

Intestinal Failure Unit (IFU) case study

Ward H8 is a National and International Intestinal Failure Service located at Salford Royal. As a specialist unit we provide individual care for nutrition, intestinal failure, complex stoma care and subsequent health issues. We provide care of the highest standard and ensure quality of life is always considered.

The team embraced the 'End PJ Paralysis campaign' and an example of this is supporting patients to self-manage their condition and treatment where appropriate. Patients are encouraged to be mobile by collecting their own meals and all patients are encouraged to get dressed each day to differentiate between day and night.

In addition the nursing team deliver expert training so patients can be independent in self-management of their intravenous feeding when living with life-long dedicated feeding lines.

All of the above helps promote choice and independence. Evidence shows active patients involved in their own care helps improve outcomes and patient experience.

The unit also has a day room which includes a wide screen television, Wii games console, books, magazines and a variety of puzzles. The room is promoted to patients as part of the admission process and throughout their stay. For example one patient who is regularly knitting was approached by a staff member and encouraged to go into the day room to knit, which recently led to her teaching another patient how to crochet and sew.

The team and patients also produced a video to explore the common myths around staying active in hospital which can see here: <http://www.srft.nhs.uk/about-us/depts/ifu/pts/move-for-your-health>. We are really proud of our staff for their work on the IFU to help end PJ paralysis and empower patients to stay active whilst they are in our care.

Cathy Cawley - IFU Matron

Michael Taylor - IFU Project Manager

Alison Lewin - IFU Housekeeper



Michael Taylor, Cathy Cawley, and Alison Lewin from the IFU

Improving flow

Throughout the year, work has continued at Salford Royal to facilitate a smooth journey for all patients who require our services.

We aim to ensure that when patients need our services, they do not wait longer than they should to access them and when they no longer need to be in hospital there is no delay in returning to their place of residence.

The flow programme focusses on the Emergency Village and inpatient areas of the hospital, as well as intermediate care in the community.

What: To successfully improve the patient flow throughout the whole organisation resulting in improvements towards reducing bed occupancy and reaching the national A&E standard

How much: 90% of A&E patients seen within 4 hours/bed occupancy below 90%

By when: April 2019

Outcome: A&E: 83.67% /
Bed Occupancy: 92.65%

Progress: Behind plan 

Emergency village

Demand in the Emergency Village continues to be high as is the case across the much of the United Kingdom. This year we have redesigned processes in Accident & Emergency (A&E) and in the Emergency Assessment Unit (EAU) to improve the flow throughout the departments.

Improvements achieved

- As part of a national drive to reduce pressure on urgent care services, Salford Royal have been trialling a number of ways to stream patients away from the core emergency department offering. This has included the testing of an urgent treatment centre, increasing the number of patients who go directly to a GP located in the department and improving the reliability of streaming patients direct to other specialities.
- The introduction of the ED's Safety Checklist, which is adapted from the inpatient Intentional Rounding Tool, ensures that patient's fundamental needs have been checked and managed whilst in the department.
- Structured board rounds in EAU mean that patients identified for discharge are highlighted and seen first so that patients do not have to remain on the unit longer than necessary.

Further improvements identified

- Improvements have been identified focusing on transfers between areas of the hospital to ensure patients are not spending longer than needed in the Emergency Department.
- Work is underway to understand capacity and demand in the areas to ensure a robust staffing model to deal with attendances.
- Ensuring efficient processes so that patients awaiting a speciality bed are not waiting longer than necessary.

Improving flow *continued*

Inpatient flow and stranded patients

Once a patient is admitted to our hospital, it is sometimes the case that they remain here for longer than is necessary. These delays have the potential to cause harm; a well patient may become ill again while waiting to be discharged, while an acutely ill patient requiring admission from the Emergency Village may have to wait longer for a ward bed to become available. We are working to reduce unnecessary delays and get people home as soon as they are well enough.

Improvements achieved

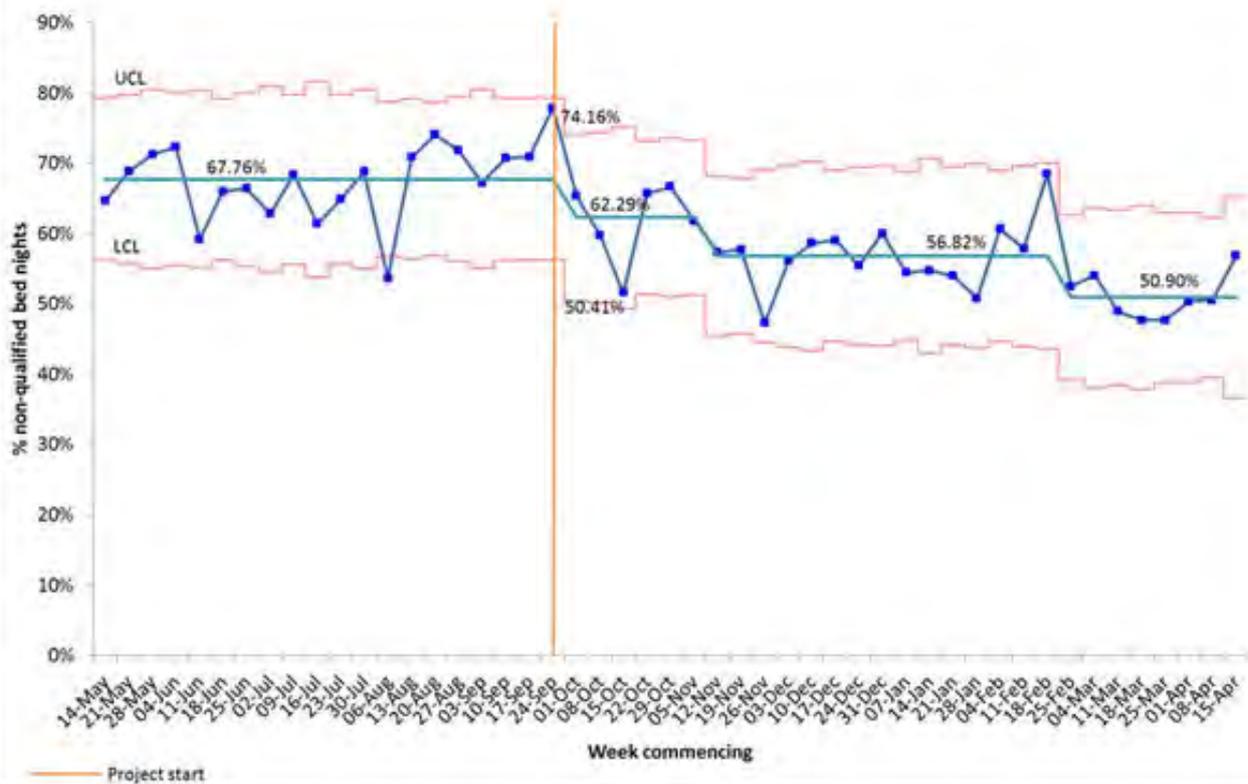
- Establishment of a Rapid Review programme to provide regular ward-based review of all patients with a length of stay of 7 days or more. Each ward is visited on a weekly basis by a multi-disciplinary rapid review team who support the ward to overcome barriers to discharge and ensure all patients plans are progressing in a timely manner.
- Rollout of a task management app providing daily oversight of outstanding actions required for discharge to help direct resources and activity where it is most needed. The app is also used to support the rapid review programme, assigning and logging actions for discharge.
- Community teams in-reaching into the acute hospital to identify and assess patients suitable for discharge with support from the HomeSafe team at the earliest opportunity. HomeSafe are a multidisciplinary community team providing home assessments and short term interventions to support patients returning home from hospital.
- Simplification of the referral process for intermediate care with the introduction of a streamlined electronic order, considerably reducing the time taken to complete a referral.
- Introduction of a hospital-based housing advice specialist to address and resolve housing related issues that impact on hospital discharge and transitions of care.
- Implementation of the Discharge from Hospital and Supporting Choice policy and standard operating procedure to ensure a fair and consistent approach to support people's timely, effective discharge from hospital, to a setting which meets their needs and is their preferred choice amongst available options.
- Use of Clinical Utilisation Review (CUR) data to identify common external constraints and internal processes that result in delays to discharge. CUR is clinical decision-support software that helps ward teams to recognise whether patients are receiving the right levels of care, in the right settings, at the right time, and to understand any barriers to this. Ward-based projects focusing on how we can work differently to reduce delays have successfully reduced the number of beds occupied by patients whose needs could be better met at home or in a different care setting as shown in the chart on the following page.

Improving flow *continued*

Further improvements achieved

- Roll out of a programme of reality rounding to enable senior leaders to gain greater exposure to the day-to-day environment within the hospital and to support front-line staff to resolve issues and improve both patient and staff experience.
- Formation of working groups to focus on key themes identified from reality rounds including frailty, transport, therapy, and medications for discharge.
- Review of capacity and demand within community services (HomeSafe and Rapid Response) to ensure appropriate services are available to support patients being discharged home in a timely manner.

Reduction in the percentage of beds occupied by patients no longer requiring an acute bed on one ward through a project using Clinical Utilisation Review data





Global Digital Exemplar Programme (GDE)

The GDE Programme aims to increase the overall level of digital maturity across the NHS. In 2016 Salford Royal was chosen as one of 16 Acute Hospital providers to receive a £10 million investment as part of the national GDE programme.

Salford Royal has now completed an 18-month programme to become a Global Digital Exemplar. This means we are an internationally recognised NHS care provider, using world-class digital technology and information.

The aims of the programme were to:

- Improve patient safety.
- Improve reliability.
- Increase operational effectiveness and efficiency.
- Improve patient experience.

As part of the programme, the Trust identified over thirty clinically-led project initiatives. Of these, 13 were delivered during 2017/18 and 11 were delivered 2018/19. A further 8 projects are being progressed as agile 'tests of change'.

As well as improving technology, the projects have also involved service change which is centred around the core aims of improving safety, reliability, efficiency and patient experience.

Projects completed during 2018/19 include:

- Cancer documentation and reporting outcomes.
- Admissions Documentation.
- Online Patient Management System, phase two.
- Transformation of Emergency Department, phase two.
- Community Electronic Patient Record.
- Digital Anaesthetic System.

Further improvements identified:

GDE Fast Follower

As part of the national GDE Programme, in 2019 the Trust appointed Pennine Acute Hospitals Trust as a GDE Fast Follower organisation. Pennine aims to replicate a number of projects deployed at Salford Royal to improve patient care systems across hospitals in Bury, Oldham, Rochdale and North Manchester.

Being a GDE Fast Follower provides Pennine with the opportunity to try, implement and, if necessary, modify and improve new technologies to support patient care following 'blue-print' principles and processes which have already been tested at Salford Royal.

GDE blueprinting

The wider aim of the GDE Programme is to develop national blueprints to share best practice across the rest of the NHS.

Salford Royal's digital assessment tool to detect delirium and dementia, has been rolled out in 2019 as one of the first national NHS blueprints and is helping patients and their families by accurately diagnosing more patients with delirium.

Future digital programme

Following on from the GDE Programme, the Trust has launched the Future Digital Programme to continue the development of digital maturity across the organisation. Based in the Digital Experience Centre at Salford Royal, the programme seeks to proactively test new digital initiatives and roll them out across the Trust. More than 2,000 patients, partner organisations and potential suppliers have visited the Digital Experience Centre where new projects and initiatives are showcased and tested.

Harm free care

98.39% of our patients receive harm free care in both the hospital and community setting

What: Patients will be 95% harm free from falls, pressure ulcers, Catheter Associated Urinary Tract Infections (CAUTI) and blood clots as measured by the safety thermometer

By when: April 2019

Outcome: 98.39% of our patients have not suffered any new harms whilst under the care of community and acute teams

Progress: On plan 

Progress:

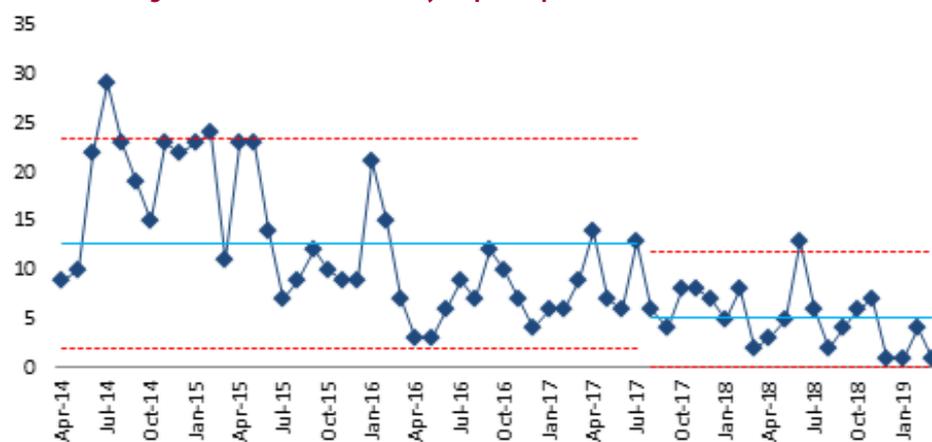
At Salford Royal we are committed to ensuring we deliver safe care for all our patients. To help us monitor the safety of our patients we use a Department of Health tool called the Safety Thermometer. Each month we use this tool to audit the care given to our patients in both the hospital and community.

The Safety Thermometer records how many of our patients suffer from types of harm traditionally associated with health care including CAUTI, pressure ulcers, blood clots and falls whilst in hospital.

Over the last decade, Salford Royal has undertaken extensive work to prevent these harms, along with others such as Acute Kidney Injury, from occurring. The approach we have taken with all of these issues is to test ideas for improvement in pilot areas, and then spread the successful ones across our organisation (wherever possible across both the Acute and Community sectors). On-going implementation of the changes is then monitored via our Nursing and Community Assessment and Accreditation Systems.

Expert Faculty meet regularly throughout the year to monitor incidence of each of these harms and plan further improvements.

Chart showing a reduction in community acquired pressure ulcers



Integrated Care Organisation

Our Integrated Care Organisation (ICO) brought together over 2,000 health and social care staff to work in one organisation and marked its two year anniversary on 1 July 2018.

The ICO has provided a vehicle to drive forward health and care transformation with our partners, including commissioners and the voluntary sector. Together we are developing and testing new ways of working with the aim of bringing care closer to local Salford communities and keeping people from having to go to hospital unless they really need to. Engagement with the Salford population and our own workforce has continued to inform our approach. With the 'My Salford Pledge' campaign throughout 2018/19 there have been over 1,200 local citizens and staff who have pledged to improve health and wellbeing.

Our integration plans have progressed as follows:

Neighbourhoods

In 2018 a new community based multidisciplinary team (the Enhanced Care Team) was introduced in two neighbourhoods, to deliver preventative enhanced care, for people who are at high risk of worsening health. We have also been working on methods to enable health (including mental health and GP practices) and social care staff to come together with the voluntary sector, in local areas, to jointly plan and provide support to communities. Salford partners signed a Memorandum of Understanding with the voluntary sector during 2018 which described our commitment to work together on integrated care.

Extended care

In May 2018 Salford Royal's Urgent Care Team launched, working with the ambulance service to avoid unnecessary transfers to A&E. This multi-disciplinary team supports people for up to 72 hours in their own home. This year we have also looked at access routes for social care and district nursing and as a result we have started to make improvements to our 'Centre of Contact' introducing a new 'triage team'.

Pathways of care

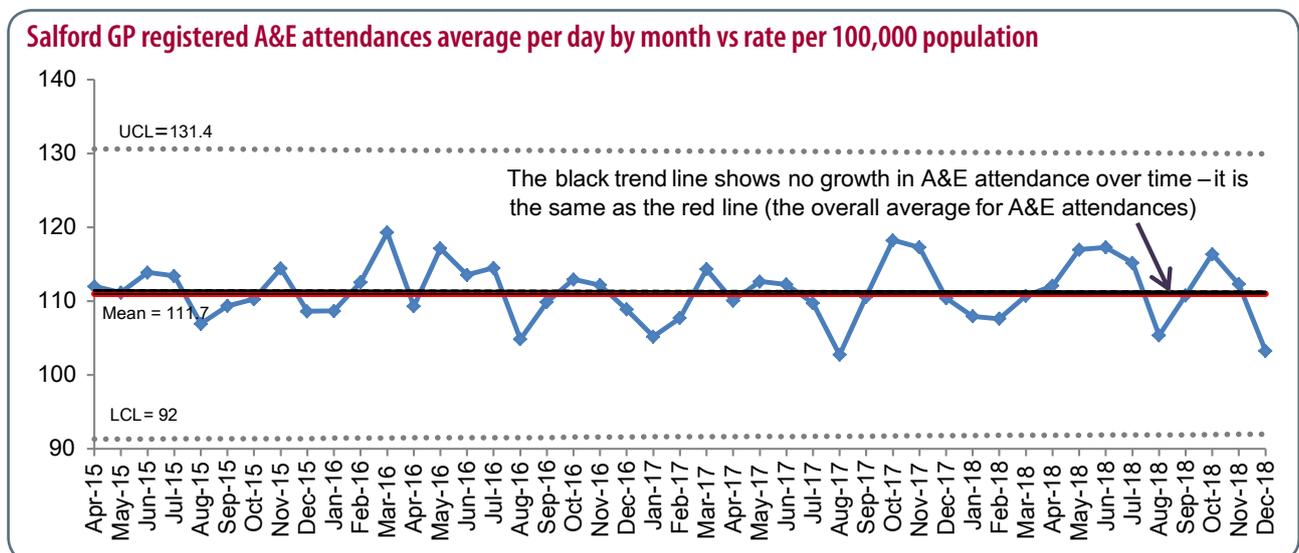
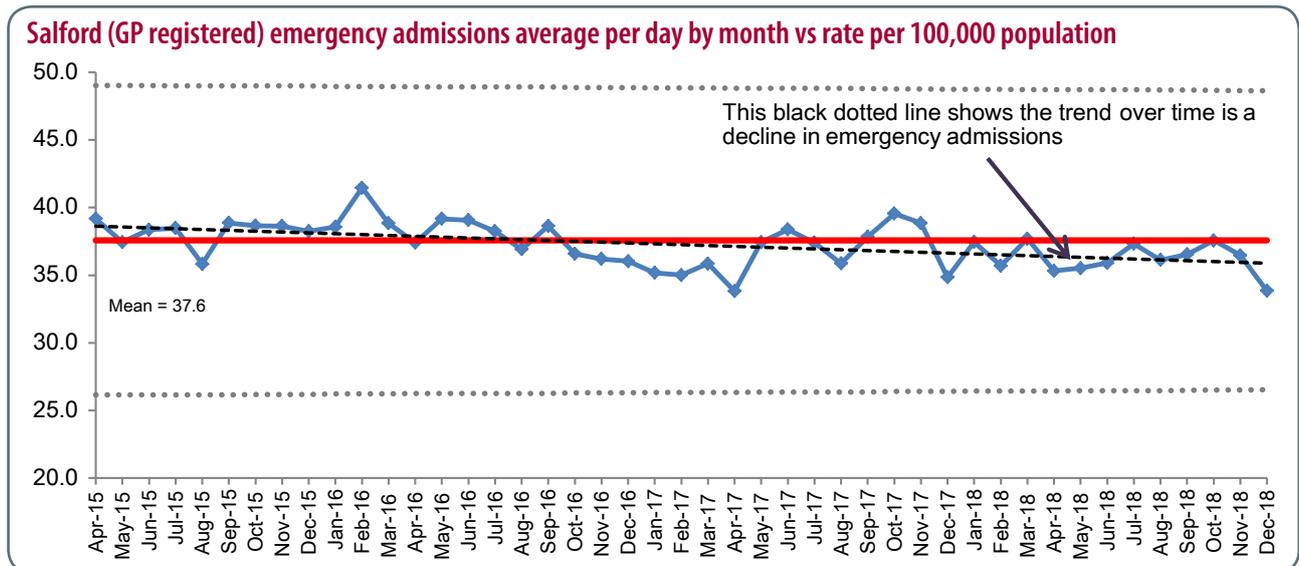
We have introduced a single access route for falls services and enhanced the provision of preventative falls interventions in communities. Over 100 falls community champions have been trained during 2018. More people are now accessing falls services and early information suggests fewer admissions to hospital due to a fall compared to the year before. We have also relocated back pain clinics into community settings and received positive patient feedback on the move.

You can find out how we are working together to improve citizens experience of care at our partnership website <http://www.salfordtogether.com/category/casestudies/>



Integrated Care Organisation *continued*

There are signs of positive progress against key outcome measures and the growth that we had seen for many years up to 2015 in A&E attendances and emergency hospital admissions has been halted for the Salford population as shown by the two graphs.



Development of new models of care will continue during 2019/20. The focus in this coming year will be to look at what has worked well to achieve the aims and to ensure future services are then designed accordingly.

Mortality review

Aim: No preventable deaths for 4 successive reporting quarters.

What:

- To implement a tool to standardise mortality review across the organisation with an emphasis on care quality and safety, shared learning and identifying any family/carer concerns.
- To implement a robust process for more in-depth reviews of deaths with independent structured judgment review developing wider learning themes and developing a seamless link with the existing Governance Investigation process.
- Supporting the work of the bereavement team through development of new operating policies and publications to support addressing any queries from significant others following death.

Outcome:

- The Care Quality Review has been implemented within the Electronic Patient Record for completion following death. There has been an increase in the proportion of mortality reviews being completed and is currently 77% for 2018/19.
- Implemented a Structured Judgement Review (SJR) process using SJR-trained clinicians in order to enable effective in-depth reviews of deaths.
- Quarterly reporting of performance and themes from mortality review are presented in an open public forum and disseminated within the organisation and to our partners in the Northern Care Alliance and Clinical Commissioning Group (CCG) to share learning and actions taken.
- During the reporting year 2017/18 there was judged to be 8 potentially preventable deaths within Salford Royal (0.7% of all 1089 reviewed deaths)

Progress: On plan 

Learning from Deaths is a key component of ensuring Salford Royal becomes the safest organisation in the NHS. In 2017, national guidance on how Trusts should learn from deaths was published. Since then, we have set out to ensure we implement this as effectively as possible, ensuring we adapt it to our local needs and that it works for relatives and carers as well.

By implementing robust learning from deaths processes, we can capture as much learning as possible to enable us to lower our mortality rates and ensure fewer patients experience harm whilst in our care. In doing so, we can also provide more answers for relatives and carers as well as further improving in areas such as end of life quality standards for those patients expected to die.

Mortality review *continued*

Improvements achieved

- Significant increase in SJR reviewer capability within the organisation with 53 trained to date. A wide range of professionals from in-hospital and community areas are partaking in regular multi-disciplinary review sessions.
- During the last 6 months, there has been a transition of mortality review processes being devolved to the respective divisions within the organisation. This has improved links with clinical governance and allowed a focus on prospective actions and improvement.
- There is rich evidence of shared learning and themes being shared as a result of local specialty Morbidity and Mortality review meetings.
- Salford Royal has positively contributed to learning within the Northern Care Alliance through the wider group reporting and assurance strategy.
- Salford Royal continues to report the Learning from Deaths paper in the public section of Care Organisation Assurance Risk Committee on a quarterly basis with the following themes identified for improvement:
 - › Risk management of “atypical” presentations to the generalised hospital setting or through specialist tertiary referral.
 - › Medication safety: administration of intravenous electrolyte solutions by polyfusor.
 - › Management of inpatient acute cognitive/behavioural disturbance.
 - › Management of electrolyte deficiency;
 - › Management of major haemorrhage.
 - › Optimising use of acute non-invasive ventilation.
 - › Code Red for Acute Confusion!

Further improvements identified

- There is ongoing work with partners across the Northern Care Alliance to share learning and focus on evidence-based improvement.
- Monitor and refine the SJR review process to ensure that all flagged cases are reviewed in a timely fashion.
- Support embedding of the mortality review process within the divisional structure of the organisation.
- Work to refine local tools to support national changes in child mortality review process.
- Wider networking around Salford, as well as with national and regional bodies, particularly on learning disability, maternal and mental health deaths.
- Understand the emerging role of the proposed Medical Examiner and its potential interaction with the Mortality Review process and wider bereavement service during 2019/20.

Productive community services

Aim: To free up staff time so that more time can be spent with service users and the quality of care they receive can be improved.

The Productive Series is an NHS Institute for Innovation and Improvement Initiative and includes modules for both Acute and Community settings. Its focus is safer care and delivering quality and value. The modules are simple to navigate and allow clinical colleagues to review current practice and to follow steps to improve this.

The Salford District Nursing service is currently focussing their improvement projects upon five of the modules:

- Well Organised Working Environment.
- Knowing How We are Doing.
- Patient Status at a Glance.
- Managing Caseload and Staffing.
- Planning Our Workload.

What: Bags to Go Project - supports the efficient management of 'just in case stock' used by District Nurses

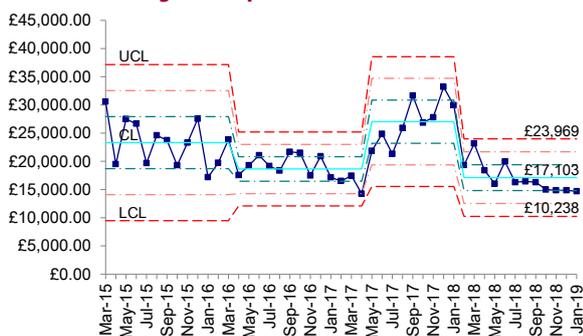
How much: Re-establish and then maintain stock spend to April 16 to April 17 levels

By when: March 2019

Outcome: Spend levels re-established at £1,500 below April 16 to 17 levels

Progress: Target achieved 

District nursing stock spend



Improvements achieved

- Pilot project completed with the Swinton District Nursing team focused on making improvements to the daily safety huddle, improving its reliability and effectiveness. The new huddle is currently being rolled out across the other district nursing sites, delivering a standardised approach city-wide.
- Delivery of an enhanced out of hours (OOH) treatment room service improving patient choice and reducing pressure on OOH domiciliary visits.
- Development of a flow sheet to support district nurses clinical decision making in relation to equipment check visits. This aims to reduce the number of patients with unnecessary equipment in their home. This will be rolled out city-wide.
- City-wide rollout of an electronic scheduling tool which reduces waste and improves the management and planning of daily visits.

Further improvements identified

- Development of a project to focus on improving the efficiency and effectiveness of the management of stock in patients' homes.
- Weekend working is being reviewed to see how communication and reliability can be improved.
- Building on the electronic scheduling tool to deliver high-quality holistic care in each and every patient visit.

100 day pressure ulcer challenge

The 100 day challenge was launched on the 27 September 2018 with a collaborative event with nurses across the Salford District Nursing services coming together to improve the management and prevention of pressure ulcers within the district nursing service.

The aim of the challenge was to achieve 100 days free of category grade 3 and 4 pressure ulcers above the knee and to reduce by 20% the number of category 2 pressure ulcers above the knee by the 9 January 2019.

What: To improve the prevention and management of pressure ulcers within the district nursing service

How much: 100 days free of category 3 and 4 pressure ulcers above the knee and 20% reduction in category 2 pressure ulcers above the knee

By when: 9 January 2019

Outcome: 5 of 6 teams achieved the 100 day challenge and all 6 teams achieved the 20%

Progress: Target achieved 

Improvements achieved

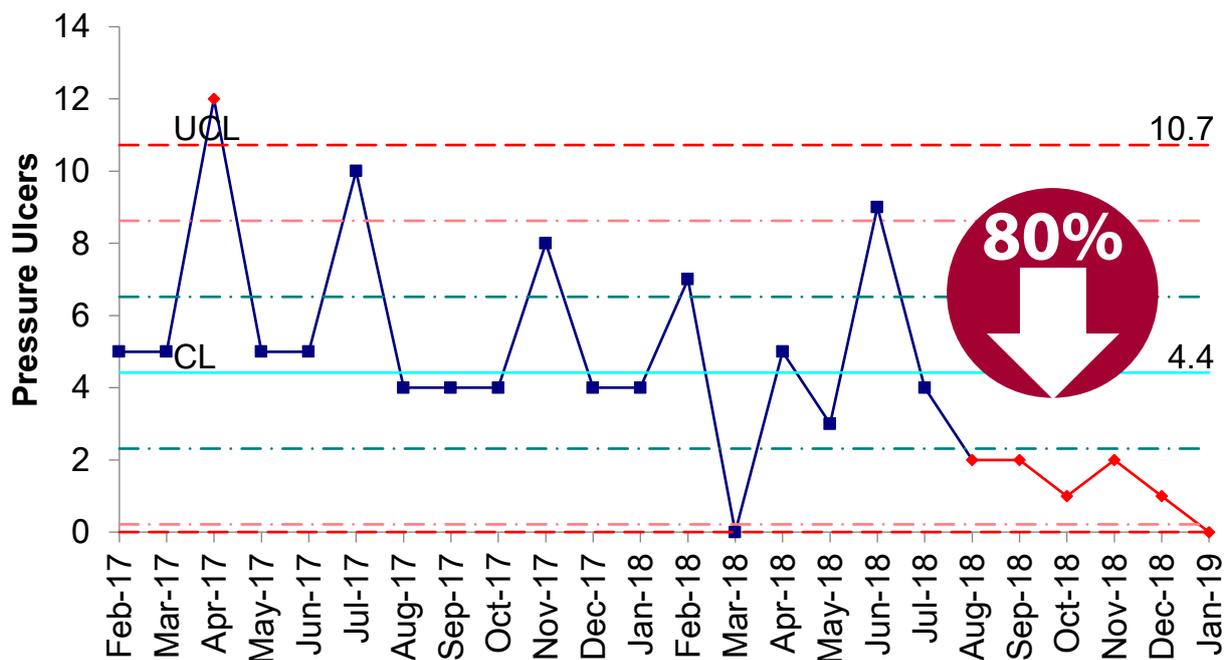
- At the 100 day challenge launch event on 27 September, the nursing staff identified a number of key themes/challenges and developed four areas to address using PDSA cycles (Plan, Do, Study, Act). These were:
 - **Non-concordance** - a process to support staff and patients in situations where there is disagreement about the care plan or treatment approach between the clinical team and the patient. The process is being developed in partnership between District Nursing & Safeguarding Leads.
 - **Staff education** - A 'buddy' system for new starters to support them to build confidence and skills has been piloted in Broughton district nursing team. This is to be spread city-wide.
 - **Staffing levels** - A Board of Brilliance has been created by the Lanceburn district nursing team to provide positive feedback to the team and boost staff morale and retention. This is to be spread city-wide.
 - **Care homes** - The Eccles district nursing team has started to build connections between their senior nursing team and the local care homes to improve communication, address education needs and improve the quality of care.
- A second 100 day challenge event took place on the 6 February to celebrate and review the progress to date and look at next steps.

100 day pressure ulcer challenge *continued*

Further improvements identified

- To sustain the progress to date it was agreed to extend the initial pressure ulcer challenge to 200 days as below:
 - 200 days without any community acquired category 3/4 pressure ulcers acquired above the knee by 19 April 2019.
 - Maintain the 20% reduction in community acquired category 2 against compared with baseline period by 19 April 2019.
- Two new PDSA projects will run over the next Challenge period:
 - Extending the challenge to include community acquired below knee pressure ulcers and linking with podiatry.
 - Focused project on moisture lesions within care homes.

Community Acquired Pressure Ulcers (above knee)



The chart above shows an 80% reduction in community-acquired pressure ulcers above the knee.

Patient, Family and Carer Experience Collaborative

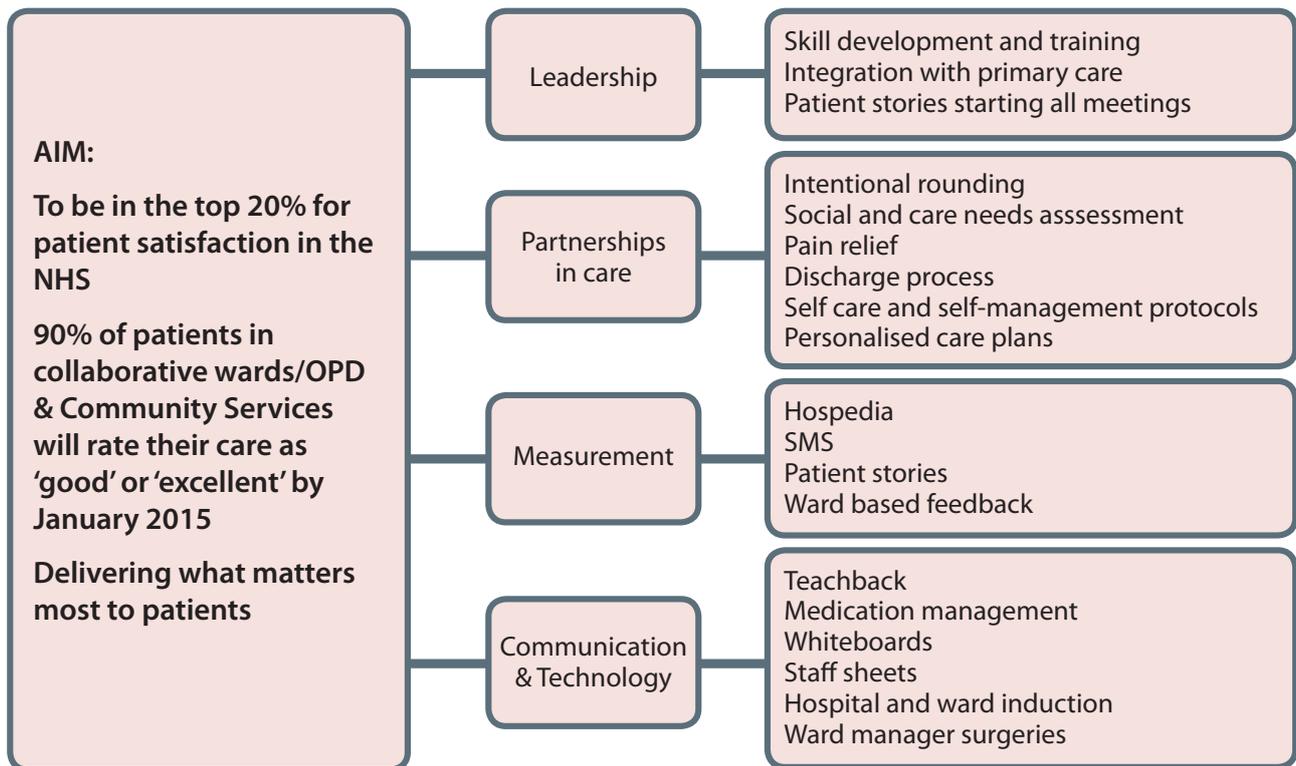
Patient, Family and Carer experience is at the heart of everything we do at Salford Royal and this key programme of work enables us to deliver what matters most to our patients.

The Patient, Family and Carer Experience (PFCE) Collaborative is one of the key ways we drive improvements for patients and service users across Salford Royal.

In 2016 the Trust moved to a model of smaller learning sessions which are run at divisional level with teams/departments coming together at a local level to report back on their tests of change that they have trialled based on service user feedback.

This has successfully continued throughout 2018 with teams from adult community, children's community, facilities, medical wards, surgical areas, neuroscience teams and tertiary medicine sharing what improvements to experience they have made based on the 'you said, we did' model.

This programme of work is overseen by a multi-disciplinary Steering Group chaired by the corporate lead nurse, this group ensure that suitable progress is made and bring key improvement ideas into the collaborative.



Driver diagram outlining the key themes within the PFCE project

Patient, Family and Carer Experience Collaborative *continued*

Improvements achieved

- The locally focused approach to the collaborative has continued to see successful delivery of this model of improvement, with a wider multi-disciplinary approach being implemented over 2018, which has enabled the sharing of good practice across staff groups and departments. These presentations are then shared with the Patient Experience Leads for the divisions so that best practice can be viewed and copied.
- The recently established NCA experience team now attend the learning sessions to identify models of best practice which can be shared and established across the NCA.
- The PANDA Unit (Paediatric Assessment and Decision Area) have improved facilities for their patients. The families using the service had previously fed back that the waiting room can be noisy and stressful for patients with additional needs. The new sensory room created on the PANDA Unit was developed following some funding from SickKids. This has been well received and utilised by patients and their families and has created a greater awareness of dealing with children with additional needs with introducing an autism information board located outside the sensory room. The Sensory Room was opened in October 2018 by Salford's Mayor.
- In our Intermediate Care Units, patients felt that there was a lack of stimulation between therapy sessions. So the teams set up daily activities which are highlighted on a notice board for patients. These included a mocktail afternoon where patients enjoyed cutting up the fruit themselves and mixing their mocktails.
- The team on H8 had a long stay patient whose first language wasn't English. So in order for the staff to communicate with him on a day to day level, they developed communication cards with key phrases in Polish. The cards were effective in helping communicate basic nursing needs between interpreter visits.



- World Café & PFCE Celebration Event; we hosted the 2nd annual event where staff and members of the public were able to see first-hand the fantastic work that has been developed in response to feedback. On the day there were over 60 team presentations on how they have improved the patient experience. The User Experience Team was also on hand to gather feedback on the future plan for delivering experience priorities.

Patient, Family and Carer Experience Collaborative *continued*

Further improvements identified

- More carers looking after inpatients at Salford Royal can now benefit from an innovative project that is being rolled out across the hospital. The Enhanced Carer Support Service was run as a pilot on wards L2-L6 in 2018. Now, thanks to a successful project evaluation, the service is being expanded and is available for all wards. Salford Carers Service, part of the Greater Manchester charity Gaddum, oversees the service and supports unpaid carers in Salford. Carers of any age can be referred to the service by ward staff or can contact the service independently. The Carer Support Workers support people for up to six weeks and can attend clinical meetings with the carer, advocate on their behalf and ensure they are getting the support they need. Although only carers of inpatients can be referred to the Enhanced Carers Support Service, carers supporting patients anywhere in the hospital can be referred to the wider Salford Carers Service which supports carers of all ages.
- A scheme that supports patients at mealtimes is being used as a blueprint to benefit patients at other NHS Trusts around the country. The Dining Companions scheme was launched at Salford Royal in 2018 as a pilot on Ward L5 to support patients who need extra support at mealtimes. Volunteers can help feed patients, assist with opening food sachets or simply offer companionship. Now, the scheme has been given a £75,000 NHS England grant as part of a Volunteering Innovators Programme to develop and expand across the rest of the hospital and it will also be rolled out to the other hospitals in the NCA Helpforce, the organisation working with hospitals to enhance the benefits of volunteering across the NHS, will work with the Trust to refine and share the project to help other Trusts in the UK adopt effective volunteer services.
- Following feedback from a patient focus group, the chief operating officer for Salford Royal undertook a 'back to the shop floor' experience, working shifts as a meet & greet volunteer. This led to the implementation of a rapid improvement event to identify key impact areas to improve access to and through outpatients. As a result several improvements are being tested and/or implemented including; visual aid maps to improve wayfinding across the site, working with Healthwatch to get feedback on letters that patients have said were confusing and new and improved signage at key points across the site.
- The Trust also developed an Animals in Hospital policy to support the safe introduction of 'pets as therapies' onto the site. The policy has been well received and a dog called 'scruffy' has made numerous trips to areas across the site.

Safer Salford

‘Safer Salford’ is an ongoing collaboration between Salford CCG Governing Body, Salford Royal Foundation Trust Board of Directors, and the Public Health Team from Salford City Council.

These partners are working towards the goal that “Salford will be safest health and care system”, as measured by:

- Continued improvements to safety in care homes.
- Establishment of a cross-system safety forum.
- Safer handover measures.

Below is a summary of the activity and learning from key programme workstreams during 2018/19.

Safer leadership

An annual forum to share learning from safety activity in a cross-system setting has been established. The content of this forum will be responsive to learning from the improvement work streams, transformation plans and regular review of safety information.

A restructured “Safer Salford Board” will supplement this annual event with quarterly meetings to share and identify emerging safety issues and themes.

Safer care homes

Representatives from the CCG, the Integrated Care Organisation, the Council and the CCG have been working together with Care Home Managers to support them in a range of quality improvement work.

- 5 learning events have been held with representation from over 20 homes.
- Innovation projects are being tested around nutrition, early access to hearing assessments and targeted support from a medicines technician.
- As a result of this work, significant improvement in the CQC ratings of Salford Care Homes has been achieved over the past 2 years.

CQC Ratings of Salford Care Homes

Overall rating	Jan 2017	Jan 2018	March 2019
Outstanding	0	0	0
Good	15	26	32
Requires Improvement	22	12	8
Inadequate	2	3	0
Not inspected	0	6	4
% rated Inadequate or Requires Improvement	67%	32%	20%

Mary and Michael are both residents at Thornton Lodge Care Home. They both require the use of walking aids, but were identified as not using them often. Carers decided to test “pimp my Zimmer” to encourage frequent fallers to identify and use their walking aids more often.

Since having their Zimmer frames pimped, Mary has not had a single fall. Michael has fallen twice, but less frequently than he was before.

“This lady wouldn’t walk at all before we did this, it’s improving her mobility and her family love it because she’s up and about” - Clinical lead nurse

In some care homes primary school children were invited in to decorate the Zimmer frames, increasing interaction between age groups.



Safer Salford *continued*

Safer handover

Four clear priorities have been identified for improvement. These projects address issues identified at the interface between primary and secondary care, and are designed to improve the quality of interaction between clinicians. Projects are led by clinicians and subject matter experts, with delivery underpinned with a robust approach to facilitating improvement.

The four projects are:

Access to advice and guidance

Advice and Guidance (A&G) enables GPs to directly contact specialist consultants in secondary care and work collaboratively to ensure patients receive the right care in the right place prior to a referral being made.

- The Advice and Guidance Programme for GPs to access a specialist opinion was established and is now delivered by 6 specialities at Salford Royal NHS Foundation Trust, 28 GP practices have accessed this service to date.
- 44 patient journeys through the hospital and back to the care of their GP have been reviewed to identify areas for improvement. Questionnaires and interviews were conducted with patients and their relatives. Tests of change to improve communication are being implemented as a result of this work.
- An electronic system to transfer information about changes in medicines for patients that have been in hospital to their local pharmacy has been established. This will reduce the potential for errors in dispensing the wrong medication to patients.

Patient pathway planning

The decision to transfer a patient from hospital to their usual place of residence requires considered planning to coordinate the completion of activities to support ongoing care for patients.

Salford CCG has provided Innovation Funding to support a patient pathway expert to learn from experiences of the current state and process of transferring the care of a patient from hospital to a GP. This evidence base will support development of new ideas and innovations which will move from the current state toward an ideal state.

Discharge summary and clinic letters

Every patient who is discharged from hospital is required to have a discharge summary, documenting many aspects of their care and condition during a visit or stay at hospital. This is a critical tool for communicating information with patients and GPs, however is not always used as effectively as it could be.

The SHOP75+ (Safer Handover for Older People) project team, led by consultants and junior doctors in Salford Royal, are focusing efforts on improving the quality of information included within the discharge summary. Initial effort has focused on establishing a feedback mechanism to review the quality of information, including self-evaluation and input from GPs. The agreed focus areas to improve content communicated are:

- Diagnosis and clinical summary.
- Changes in functional assessment.
- Medications started, stopped and changed.
- Follow up actions for GP, patient and other care services.

A number of additional changes are being developed to improve the IT system supporting discharge, for example, the inclusion of automatic Do Not Attempt Resuscitation (DNAR) update fields.

Safer Salford *continued*

Managing tasks in primary care

Primary care providers in Salford are managing patient actions and accessing up to date information from over 20 different clinical systems, with significant variation between providers and individuals in how these are being used. As new services are being developed, such as Salford Wide Extended Access Programme (SWEAP), requiring interaction between clinicians using these systems, clinicians have identified a need to streamline task management processes.

As part of the Improvement Science for Leaders programme, a team from Salford Primary Care Together are taking on the challenge to improve processes for managing tasks in primary care, with an initial focus on the SWEAP service.

Innovations and improvements from the four projects will be tested and scaled up in Salford.

Lessons from working at the interface between primary and secondary care clinicians will be used to improve new priority interfaces, for example, between secondary and mental health and secondary care and care homes.

Safer medicines

As part of the ongoing medicines safety work in Salford the CCG has funded a clinical pharmacist for medicines safety to further develop the medicines related admission work that was initially commissioned as a CQUIN. This has resulted in a significant increase in medicines related admissions being logged and reviewed. Improvement work has also focused on reporting of adverse events to the Medicines and Healthcare products Regulatory Agency (MHRA) via the national yellow card scheme and this has seen SRFT move from 12th regionally to 2nd regionally in number of yellow cards reported.

- Themes from medicine related admissions are now being taken forward for system improvement with reviews in primary care of key areas being identified, e.g. Direct Oral Anticoagulant Drugs (DOACs) dose adjustment in decreased renal function.
- Through the innovation fund Salford CCG has funded e-referrals from SRFT to patients Salford community pharmacy. This went live in February with a focus on patients receiving their medicines in a compliance aid, and saw 428 admission notifications being sent in the first six weeks.
- The safer medicines work has been shortlisted for a Health Service Journal (HSJ) Patient Safety Award.



**Safer
Salford**

Sepsis

91% of eligible patients attending the Emergency Department are screened for sepsis

100% of inpatients are screened for sepsis

Sepsis is a life threatening condition where the body's own response to infection injures tissues and organs. It can lead to shock, organ failure and death. Early identification and treatment improves outcomes for our patients.

Nationally there is an aim to reliably screen 90% of patients with possible sepsis within 1 hour, and to then give antibiotics within 1 hour for all patients who have sepsis.

What: To screen >90% of patients who may have sepsis within 1 hour of presentation to the Emergency Department or for inpatients within 1 hour of showing possible signs of sepsis

To then administer antibiotics to >90% of patients with sepsis within 1 hour

By when: April 2019

Outcome: Emergency Department screening of eligible patients is 91%

Inpatient screening is 100%

Emergency Department administering antibiotics within 1 hour is currently 39%

Current average time for administering antibiotics in the Emergency Department is 1 hour 44 minutes

Inpatient treatment within 1 hour of sepsis alert is currently 90%

Progress: On plan 

Emergency department position

Salford Royal has an established sepsis project in place focusing on how we improve our identification and management of sepsis for all our patients.

Within the Emergency Department there have been significant challenges in improving the time to antibiotic treatment. One of the main reasons for the delay in treatment is the sustained pressure on our Emergency Department which has a negative impact on the time to triage (screening) and the initial clinician contact.

The sickest patients are still seen quickly but patients who are less sick may wait longer than an hour to be fully assessed and diagnosed with sepsis. Since the Emergency Department manages a number of life threatening conditions, patients are seen according to their priority using the well-established Manchester Triage Tool & clinical observations.

Sepsis *continued*

Inpatient position

New incident sepsis occurring in inpatients is rare at Salford Royal and the response is usually prompt and appropriate. Where cases are identified with delayed recognition or treatment this is usually due to a delayed response to an elevated National Early Warning Score, rather than an issue in recognising sepsis as a possible diagnosis.

Therefore rather than treat inpatient sepsis as a distinct project it will become part of the Trust work around reducing patient deterioration (the Acutely Unwell Adult project on page 53). It will also be an area for enhanced monitoring at the Trust Mortality Review Group.

Future plans

The CQUIN for sepsis ends in March 2019 and there will no longer be a requirement for the Trust to submit reports around these indicators.

The Trust recognises the importance of continuing to improve the management of sepsis and therefore this inpatient sepsis work will be monitored within the Acutely Unwell Adult project and data will continue to be collected through the sepsis dashboard. There is improvement work ongoing with the Electronic Patient Record to capture all escalation events, rather than just those entered into a sepsis document and this will improve the accuracy of the sepsis dashboard. For the Emergency Department sepsis indicators, our improvement work will be progressed and monitored through the Directorate Clinical Management Board and reported through the Divisional Operations and Performance Board.

Theatres transformation programme

To provide sustainable clinical services we must meet our financial targets in a very difficult economic context.

We do believe that high quality care often costs less because it is well organised, carried out with minimal waste and meets the needs of patients the first time around.

We know that to successfully do this, we must take the learning from our improvement programmes that have reduced harm across the organisation over the last ten years. The Quality and Productivity Improvement Directorate (QPID) formed approximately 12 months ago which brought together QI (Quality Improvement) and productivity delivery (Operational Experience). This has brought together a wealth of experience and expertise, which has proven to be effective in allowing us to develop new methodologies and innovative working.

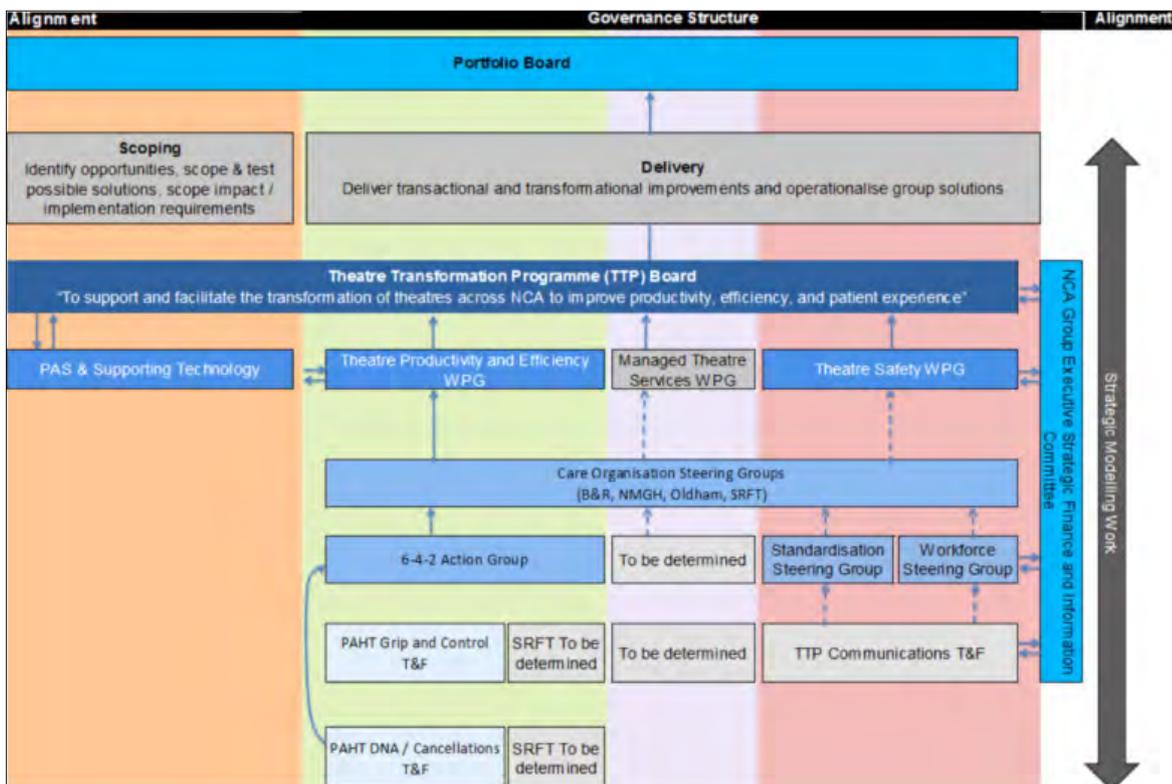
This approach to working has been applied to the NCA Transformation Programmes; Theatre Transformation, Elective Access Transformation (read more on page 81) and Diagnostics & Pharmacy Transformation.

What: To support and facilitate the transformation (standardisation) of theatres across the NCA to improve productivity, efficiency and patient experience

Progress: On plan 

Improvements achieved

A governance structure has been formed for the programme as shown in the diagram below, providing a clear escalation process and information flow between groups.



Governance structure for the Theatres Transformation Programme

Theatres transformation programme *continued*

The programme is made up of two work streams: Theatre Safety and Theatre Productivity and Efficiency. Steering groups at each Care Organisation sit below these with focussed task and finish groups established where necessary.

- A Theatre Assessment and Accreditation System is in development to identify a set of standards and indicators providing assurance that patients receive the highest standards of care within all our NCA theatres.
- An NCA wide survey of staff working in theatres is being undertaken to identify and understand areas of good practice, as well as areas requiring improvements, which will direct some of the work programme.

Further improvements planned for 2019/20:

- Standardisation of policies, standard operating procedures and working practices across NCA theatres.
- Piloting and roll out of Theatre Assessment and Accreditation System across NCA Theatres.
- Regular staff survey to ascertain progress on Safety Culture and continue to drive improvement.
- Further improvements to processes for booking and scheduling surgery, including 6-4-2 and Grip & Control processes.

Elective access transformation

We have launched a programme across our hospital sites to improve the quality of non-emergency care so that patients can have a better experience accessing our services.

What:

To enhance digital and technology solutions to facilitate the transformation of elective access across the Northern Care Alliance to deliver improved outcomes, patient experience and maximise value for our population

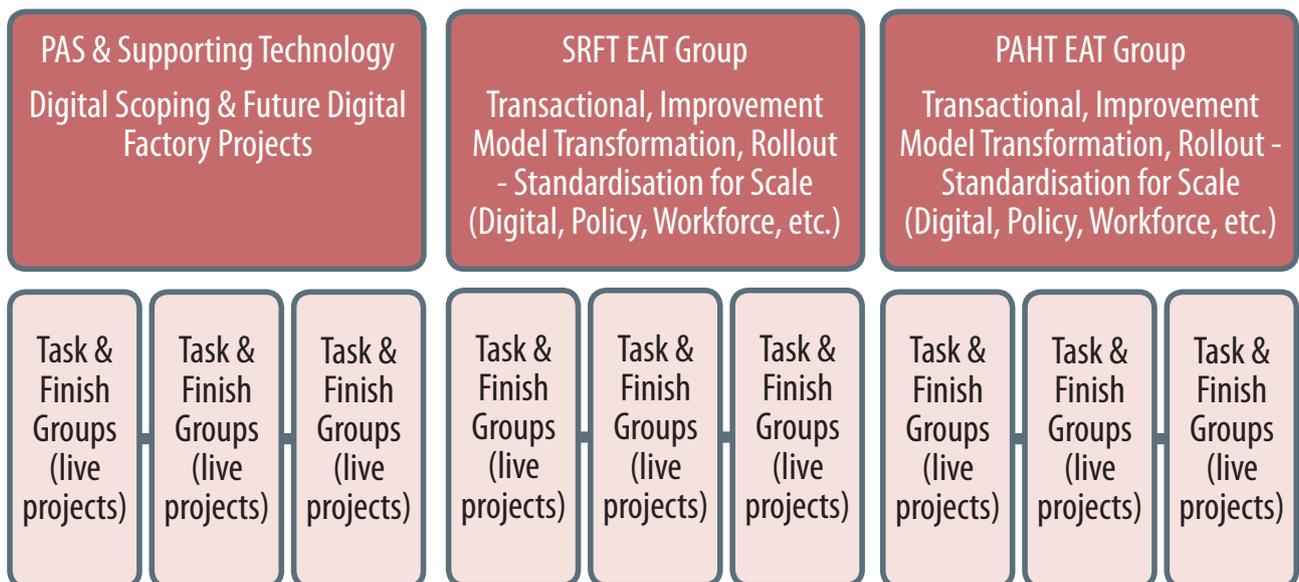
Progress: On plan 

Improvements achieved

- Governance arrangements established for the programme.
- Stakeholder engagement with Clinical Commissioning Groups and patients.
- Focused task and finish groups established.
- Identified and analysed key issues across elective access and categorised these into key themes which are now directing the programmes work.
- Improvement model designed to support bottom up transformation within focused services.

E.A.T Programme Board

“To enhance digital and technology solutions to facilitate the transformation of Elective Access across the NCA to deliver improved outcomes, patient experience and maximise value for our population” - SETTING STANDARDISATION FOR SCALE



Structure of the EAT Programme

Elective access transformation *continued*

Projects underway:

- Development and rollout of Vacant Slot Report to support full utilisation of available clinic slots.
- Rollout of a patient communication system - including text confirmations & reminders for appointment, and a patient information portal.
- Piloting a new process to support the full usage of our clinic rooms.
- Delivery of a number of improvements to tackle patient site navigation challenges through a series of Rapid Improvement Events.

Further improvements planned for 2019/20:

- Dermatology - Improvement Model designed to support bottom up approach to support transformation.
- Patient Access Policy rollout.
- Further development of the patient communication system - including patient led booking and digital correspondence.
- Further design, development and delivery of tailored digital solutions to support and enhance key processes across elective access.

Image below shows the programme on a page document which includes live and pipeline projects across the Northern Care Alliance.

Function	Oversight	Type of Work	Y1 – 18/19		Y2 – 19/20			
			Q3	Q4	Q1	Q2	Q3	Q4
			VISION To enhance digital and technology solutions to facilitate the transformation of elective access across the NCA to deliver improved outcomes, patient experience and maximise value for our population	SCOPING	EAT Board	Standardisation for Scale		Scope Standardised Patient Access Policy
Establish Workforce Baseline								
PAS & Supporting Technology Group	Digital Scoping							
	Future Digital Factory Projects	Interim Room Booking Solution						
		Text Reminder @ PAHT						
DELIVERY	SRFT EAT Group	BAU Transactional Projects		Vacant Slot Report Design & Rollout				
			Dr Doctor – Phase 1 Rollout		Dr Doctor – Phase 2 & 3 Rollout			
			Navigation & Wayfinding – Quick Wins					
		Transformational Improvement	Identify Service	Improvement Model – Wave 1 Dermatology		Fast Follower Spread	Improvement Model – Wave 2	
		Standardisation Rollout			Patient Access Policy Rollout - SRFT			
			Interim Room Booking - Rollout					
	PAHT EAT Group	BAU Transactional Projects	Vacant Slot Report Rollout					
			Clinic Optimisation					
		Transformational Improvement	Identify Service	Improvement Model – Wave 1	Improvement Model – Wave 1 Fast Follower Spread		Improvement Model – Wave 2	
		Standardisation Rollout			Patient Access Policy Rollout - PAHT			
			Text Reminder Service - Rollout					

2

Priorities for improvement and statement of assurances from the board



Priorities for improvement

In 2019, the Northern Care Alliance will launch a new Quality Improvement Strategy that brings together Salford Royal NHS Foundation Trust and Pennine Acute Hospitals Trust under one united vision for quality and safety. Both Trusts are already underway with many significant pieces of improvement work and, prior to the launch of the new strategy, we would like to highlight the following pieces of work as key priorities for 2019/20.

Pursue quality improvement to assure safe, reliable and compassionate care

Objective:

We will demonstrate continuous improvement towards our goal of being the safest health and social care organisations in England.

We aim to lower our mortality rates and ensure that fewer patients experience harm whilst in our care. One of the ways to reduce harm and lower mortality rates is to study the care pathways of those patients who have died so that lessons can be learned to improve care. Whilst it is rare that we encounter a case where death could have been prevented, the review of most patient pathways can teach us valuable lessons about improving care. In 2019/20 we will:

- Review 100% of deaths indicated for review using NHS England guidance.
- Work toward a stretch aim of 75% reduction in cardiac arrests (North East Sector – NES).
- 25% reduction in cardiac arrests (SRFT).

Improve care and services through integration, collaboration and growth

Objective:

We will improve patient and care pathways to deliver improved prevention, earlier diagnoses, earlier treatment and earlier discharge across the system (including care at home or in a supportive environment).

We commit to working collaboratively with localities and commissioners to deliver new models of care to reduce hospitalisation and reduce the number of 'stranded' patients (those who are medically ready to go home but are waiting for community resources to be put in place to enable this). In particular, we will work to improve care for patients with frailty and other priorities as set out by locality urgent care boards.

Priorities for improvement *continued*

Deliver operational excellence

Objective:

We will ensure good operational planning and execution to:

- Deliver on our urgent care, cancer and elective plans and trajectories.
- Deploy relevant standard operating models.

We know that poor experiences of care and patient harm can occur wherever there are blockages in the smooth flow of treatments and service to our patients. Taking a critical look at the interlinked operational systems and pathways that cut across our Organisation, and redesigning them where necessary, is fundamental to ensuring we deliver safe and effective care. In 2019/20 we will:

- Implement a new, state-of-the-art electronic Control Centre to give up to date, real time data on inpatient flow, outpatient utilisation and admission trends (SRFT).
- Continue development on the standard operating model for Elective Access, Booking and Choice at scale (NCA-wide).
- Run a Collaborative across the NCA that focuses on the A&E performance for non-admitted patients as well as reduction in length of stay on inpatient wards.

Support our staff to deliver high performance and continuous improvement

Objective:

We will support staff to have rewarding, productive and fulfilling careers, enabling us to recruit and retain talented people.

In 2019/20, we will be further developing our methods of change management and working on a 'method' to ensure this method is embedded with all staff at all levels of the organisation and indeed across the Northern Care Alliance.

We believe the best way to achieve high operational performance and patient/user satisfaction is to have happy staff that are empowered to improve and change their own environments. 2019 will be spent engaging with staff to develop a strategy to improve joy in work and staff satisfaction.

Progress to achieving these priorities will be monitored and measured at project level with a suite of measures for each including outcome, process, and balancing measures. These projects will be monitored by individual steering groups and through the Care Organisation's Quality and People Experience Committees. Trust-wide measurement will also be monitored through the Quality Dashboard and Quality Improvement Strategy Update Report that goes to the Board of Directors Quarterly.

The priorities chosen above are priorities stated in the Trust's Quality Improvement Strategy. This strategy was developed with wide collaboration and consultation with patients, members, governors, and staff.

Statements of assurance from the Board

During 2018/19 Salford Royal NHS Foundation Trust provided and or sub-contracted 11 relevant health services.

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

The income generated by the relevant health services reviewed in 2018/19 represents 100% of the total income generated from the provision of relevant health services by Salford Royal NHS Foundation Trust for 2018/19.

Participation in Clinical Audit

National clinical audit

During 2018/19, 53 national clinical audits and 5 national confidential enquiries covered NHS services that Salford Royal NHS Foundation Trust provides.

During that period Salford Royal NHS Foundation Trust participated in 51 [96%] national clinical audits and 5 [100%] national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.

The table below shows:

- The national clinical audits and national confidential enquiries that Salford Royal NHS Foundation Trust was eligible to participate in during 2018/19.
- The national clinical audits and national confidential enquiries that Salford Royal NHS Foundation Trust participated in during 2018/19.
- The national clinical audits and national confidential enquiries that Salford Royal 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.

Title	Eligible	Participated	% Submitted
National Adult Community Acquired Pneumonia	Yes	Yes	On-going
Acute Myocardial Infarction (MINAP)	Yes	Yes	100%
BAUS Urology Audit: Cystectomy	Yes	Yes	100%
BAUS Urology Audit: Nephrectomy	Yes	Yes	100%
BAUS Urology Audit: Percutaneous Nephrolithotomy	Yes	Yes	100%
BAUS Urology Audit: Female Stress Urinary Incontinence	Yes	Yes	100%
National Bowel Cancer Audit (NBOCAP)	Yes	Yes	100%
National Cardiac Rhythm Management Audit (CRM)	Yes	Yes	100%
Intensive Care National Audit & Research Centre - Case Mix Programme (ICNARC)	Yes	Yes	UTD
National Paediatric Diabetes Audit (NPDA)	Yes	Yes	100%
Elective Surgery (National PROMs Programme)	Yes	Yes	On-going
National Fracture Liaison Service Database (FLS-BD)	Yes	Yes	UTD*
National Hip Fracture Database	Yes	Yes	100%
National Inpatient Falls Audit	Yes	Yes	On-going

National clinical audit *continued*

Title	Eligible	Participated	% Submitted
UK IBD Registry (IBD) - Biologics Audit	Yes	No [^]	N/A
Learning Disability Mortality Review Programme (LeDeR)	Yes	Yes	On-going
UK Trauma Audit and Research Network (UKTARN)	Yes	Yes	100%
Mandatory Surveillance of Bloodstream Infections and Clostridium Difficile Infection	Yes	Yes	100%
National Audit of Dementia	Yes	Yes	100%
National Bariatric Surgery Registry (NBSR)	Yes	Yes	On-going
National Cardiac Arrest	Yes	No [^]	N/A
National Adult Asthma Audit	Yes	Yes	On-going
National Audit of Cardiac Rehabilitation	Yes	Yes	UTD*
National Audit of Care at the End of Life (NACEL)	Yes	Yes	100%
National Audit of Intermediate Care	Yes	Yes	UTD
National Audit of Seizures and Epilepsies in Children and Young People	Yes	Yes	On-going
National Clinical Audit for Rheumatoid and Early Inflammatory Arthritis (NCAREIA)	Yes	Yes	On-going
National Chronic Obstructive Pulmonary Disease (COPD) Audit programme - Secondary Care	Yes	Yes	On-going
The National Clinical Audit of Specialist Rehabilitation for Patients with Complex Needs Following Major Injury (June 2015- June 2018)	Yes	Yes	UTD
National Comparative Audit of Blood Transfusion - Use of Fresh Frozen Plasma and Cryoprecipitate in neonates and children	Yes	Yes	On-going
National Comparative Audit of Blood Transfusion – Management of massive haemorrhage	Yes	Yes	On-going
National Diabetes Audit (Adults) Core	Yes	Yes	100%
National Diabetes in Pregnancy Audit	Yes	Yes	On-going
National Diabetes Foot Care Audit	Yes	Yes	UTD
National Diabetes Inpatient Audit	Yes	Yes	On-going
National Emergency Laparotomy Audit (NELA)	Yes	Yes	100%
National Heart Failure Audit (NHF)	Yes	Yes	100%
National Joint Registry (NJR)	Yes	Yes	UTD
National Lung Cancer Audit	Yes	Yes	100%
National Mortality Case Record Review Programme	Yes	Yes	90%
NNAP Neurosurgical National Audit Programme (Society of British Neurological Surgeons) - Consultant Level Outcomes Publication	Yes	Yes	100%
National Oesophageal Cancer Audit (NOCGA)	Yes	Yes	UTD
National Audit of Non-Invasive Ventilation - Adults	Yes	Yes	On-going
Reducing the impact of serious infections (Antimicrobial Resistance)	Yes	Yes	100%
Reducing the impact of serious infections (Sepsis)	Yes	Yes	100%
National CEM Vital Signs in Adults	Yes	Yes	On-going
National CEM Feverish Children	Yes	Yes	On-going
National CEM VTE risk in lower limb immobilisation	Yes	Yes	On-going
National Prostate Cancer Audit (NPCA)	Yes	Yes	100%
National Renal Registry	Yes	Yes	100%
National Sentinel Stroke Audit Programme (SSNAP)	Yes	Yes	100%
Serious Hazards of Transfusion (SHOT): UK National Haemovigilance Scheme	Yes	Yes	100%
Seven Day Hospital Services	Yes	Yes	100%
Surgical Site Infection Service – (repair of Neck of Femur and Reduction of Long bone fractures)	Yes	Yes	100%

In some cases participation rates are estimated based on process and feedback from the relevant specialty. We have used "UTD" when we have been unable to determine an accurate participation rate with the information we have available.

*Participation for previous year was poor but there is a plan in place to improve the participation rate for the current data collection period.

[^]For information on reasons for non-participation please see the Trust's Clinical Audit Annual Report.

NCEPOD confidential enquiries

Title	Eligible	Participated	% Submitted
NCEPOD – Acute Heart Failure	Yes	Yes	Organisational questionnaire only
NCEPOD – Perioperative Diabetes	Yes	Yes	>50%
NCEPOD – Pulmonary Embolism	Yes	Yes	On-going
NCEPOD – Acute Bowel Obstruction	Yes	Yes	On-going
NCEPOD – Long Term Ventilation	Yes	Yes	On-going

National clinical audit: actions to improve quality

The reports of 35 national clinical audits were reviewed by the provider in 2018 and Salford Royal NHS Foundation Trust intends to take/has taken the following actions to improve the quality of healthcare provided.

Title	Outcome
National Heart Failure Audit	<ul style="list-style-type: none"> ➤ National report received in December 2018. The report contained analysis of 2016/17 data. ➤ Salford Royal performs consistently highly in a number of the key measures relating to medication on discharge, discharge planning and Heart Failure Nurse (HFN) follow-up. The most recent national report shows that we are “Better” than the national average in these measures. ➤ Due to the model of care used within Salford Royal we are shown as “Worse” than the national average for the percentage of patients that are admitted to a Cardiology ward. We operate an active “out-reach” service to ensure that patients are seen by appropriate health professionals and that patients with multiple co-morbidities receive the best care (often Ageing & Complex Medicine). ➤ We are also shown as “Worse” than the national average for the percentage of patients that receive input from a Consultant Cardiologist and receive input from a Heart Failure Specialist. A weekly Heart Failure Ward Round is now being undertaken which should increase the percentage of patients receiving input from a Cardiologist/HF Specialist, although this will not be reflected in the national audit results until the 2018/19 data is published in 2020. ➤ The report showed that we performed lower than the national average in relation to “Referral to Cardiology Follow-up” but better in relation to “Referral to HFN Follow-up” and the Cardiology Team are confident that patients are captured for follow-up in this way. ➤ During 2018/19, Salford Royal has been locally monitoring itself against the Best Practice Tariff (BPT) targets linked to HF. Local data analysis shows that these have been met for the first three quarters of the year. Quarter 4 data is not yet available.

National clinical audit: actions to improve quality *continued*

Title	Outcome
National Audit of Myocardial Infarction (MINAP)	<p>National report received in December 2018. The report contained analysis of 2016/17 data. Salford Royal performs highly in the majority of the key measures. For example;</p> <ul style="list-style-type: none"> ➤ The “Proportion of NSTEMI patients seen by a cardiologist” remains high (95%) and in line with the national average. This is supported by the Daily EAU in-reach service from cardiology and employment of new consultants. The figure will also be positively affected by the recent introduction of the COW/ COD model (Consultant of the Week/Day). However, we will not see the effect of any changes in the national report until the 2018/19 data is reported in 2020. ➤ The percentage of patients who had an “Echo performed during admission” has increased and Salford Royal is reported as “Better” than the national average for this measure. This is supported by the daily echo round performed by Cardiorespiratory Investigations (CRI) staff. <p>However, Salford Royal is reported as slightly worse than the national average in relation to the “Proportion of NSTEMI patients admitted to cardiac unit/ward”</p> <p>Whilst disappointing only 51.90% are admitted to Cardiac Care Unit (CCU)/Cardiology ward, it is reassuring that more than this will get a cardiology review regardless of location.</p>
National Inpatient Falls Audit	<p>Report received in December 2017 and reviewed by Falls Group in February 2018</p> <ul style="list-style-type: none"> ➤ Actions are incorporated into the outcomes from the Falls Improvement Work. ➤ A new Falls Risk Assessment and Care Planning Tool is undergoing a test of change on 7 wards across all Divisions from January 2019. The tool incorporates the existing elements of the change package, learning from the national falls audit, and learning from serious falls investigations and the Falls Panel. The fundamental development from the existing risk assessment tool is shifting the focus towards identifying the actions required to mitigate the individual patient’s risk of falling. It provides staff with greater direction and allows for recording the elements of falls prevention that have been included in the patient’s plan of care. ➤ The Trust’s quality improvement methodology continues with the falls steering group reviewing falls data and lessons learned from falls incidents on a monthly basis. This will be augmented by the revised National Audit of Inpatient Falls. Intentional Rounding remains a fundamental aspect of falls prevention with significant assurance that elements of falls prevention are being delivered reliably.
UK Trauma Audit and Research Network (UKTARN)	<p>Quarterly reports are available from the UKTARN database and these results are discussed at the Major Trauma Governance Board.</p> <p>Salford’s data is considered reliable by TARN as our death/survivor ratio for TARN & HES data is 1.02. The annual HES data clean-up exercise has been completed which will ensure our excellent ratio will remain. TARN data will continue to be discussed at each governance meeting and quarterly with the Greater Manchester Major Trauma Clinical Effectiveness Committee (CEC).</p> <p>In relation to the “MTCs deliver definitive cover of open fractures within BOAST 4 guidelines” measure - Numbers are low significantly affecting percentage rate. This was reviewed at Major Trauma Governance in February 2019. Process of coding and actual numbers to be reviewed.</p> <p>Measure “Rapid access to specialist MTC care - patients transferred to MTC within 2 days of referral request” - This is reviewed quarterly, delay is due to bed capacity. Admissions are reviewed by a Neurosurgeon and bed management team to triage most urgent admissions. We operate an elective transfer over in 2 weeks for planned surgery post anticoagulation reversal for stable Acute Subdural Haematoma (new bleed) and Chronic Subdural Haematoma (bleed has been there at least 7 days) (a/cSDH) post trauma. This affects our data as reported by TARN.</p>

National clinical audit: actions to improve quality *continued*

Title	Outcome
National Chronic Obstructive Pulmonary Disease (COPD) Audit programme - Secondary Care	<p>Report received in February 2018 and contains 2017 audit data.</p> <p>Salford Royal performed "Better" than the national average in the majority of the audit measures and now monitor performance on a quarterly basis against national BPT. Salford Royal has met BPT for the first three quarters of 2018/19; results for Quarter 4 are yet to be published.</p> <p>The Team are continuously working on ways to improve the standard of care provided to COPD patients.</p> <p>Implemented actions include:</p> <ul style="list-style-type: none"> ➤ Electronic Patient Record (EPR) alerts – patients who are known to have COPD have a corresponding health code recorded in their EPR. If these patients represent at Salford Royal, an electronic alert is generated and sent to the respiratory nurse team to make them aware of their admission. ➤ Screening EAU throughout the day to identify patients that have been admitted with symptoms of acute exacerbation of COPD who have not previously had a health code inputted. ➤ A respiratory nurse acronym has been developed to allow the respiratory nurse team to provide a comprehensive review and provide the medical team with a respiratory plan going forward. <p>Actions currently being progressed relate to improving the accuracy of documentation around smoking status, ensuring that the level of review by the Respiratory Team can be maintained during the winter period and the prescription of Nicotine Replacement Therapy.</p>
National COPD Audit Programme - Pulmonary Rehabilitation Organisational & Clinical Snap Shot Audit 2016/17	<p>Combined clinical and organisation report published in April 2018.</p> <p>The report showed that the service is performing in line with the national average for all outcomes with the exception of the percentage of patients receiving an assessment at discharge. This is due to the proportion of patients failing to complete the course at 6 weeks.</p> <p>The Team are currently taking part in a rolling audit which will capture the numbers of patients completing the course. The Team are working to improve communication with patients to ensure that we retain as many patients from start to completion of the course.</p>
National Sentinel Stroke Audit Programme (SSNAP) and Acute organisational report	<p>Quarterly and annual reporting.</p> <p>Since the centralisation of the Greater Manchester Stroke Services in 2014, the performance of the Comprehensive Stroke Centre at Salford Royal, as determined by SSNAP audit scores, has improved in all 10 domains addressing 44 key quality indicators of service delivery. The service has consistently been rated 'A' for most of the 10 domains over the last 24 months, despite being the busiest stroke centre in the country by a factor of almost two.</p> <p>The stroke mortality rate at Salford Royal in 2016/17, both crude and standardised, has dropped again for the fourth consecutive year. Our crude mortality rate was 8.6% which is more than a third lower than the mortality rate (13.7%) seen nationally in England and Wales. Our Standardised Mortality Ratio (SMR) was 0.80 which means we had 20% fewer deaths than the Royal College of Physicians (RCP) expected us to have given our case mix and is down by 0.12 from 2015/16. This equates to 42 fewer deaths than expected at Salford Royal for the year.</p> <p>Areas identified for improvement are:</p> <ul style="list-style-type: none"> ➤ Performance of multi-disciplinary teams (MDT) such as SALT (Speech and Language Therapy) team, Dieticians, Physiotherapy and Occupational therapy teams due to staffing numbers - Deep dive review of the MDT staffing levels followed by a business case to increase staffing levels as part of the higher level strategy review of the Comprehensive Stroke Centre, as well been addressed by the Senior executive team in the budget allocation for 2019/20 as a priority consideration. <p style="text-align: right;"><i>continued next page</i></p>

National clinical audit: actions to improve quality *continued*

Title	Outcome
National Sentinel Stroke Audit Programme (SSNAP) and Acute organisational report <i>continued</i>	<ul style="list-style-type: none"> ➤ Thrombolysis category - door to needle time above 40 minutes - Increase the SIM sessions and assure standardised and effective local induction of the junior doctors at all levels on start of their employment. We have from April 2019 in the first week of every month a whole day of SIM sessions for the Multidisciplinary Stroke team members - Regular repeated training and SIM (Live SIM) to embed, for example, "parallel working" to address the door to needle time. ➤ Arrival of stroke patients on the ward within 4 hours of arrival in hospital - We have identified a QI project to do an in depth review of stroke patient flow from time of arrival in the ED at Salford Royal. The flow coordinating band 6 nursing team will do an audit on reasons for delay and best practice examples. These will be presented to the Clinical Director (CD) and the executive team at Manchester Centre for Clinical Neurosciences (MCCN) and this will inform us about changes in the patient pathway to address this issue.
National Audit of Cardiac Rehabilitation (NACR)	<p>Report published in November 2018. Results for Salford Royal reflect the delays that are currently being faced with the timely extraction and upload of the data.</p> <p>The action plan includes:</p> <ul style="list-style-type: none"> ➤ Additional training to improve the quality of data entry. ➤ Changes to the standard operation around the way that data is captured. ➤ To identify Business Information Team support to extract the data reliably.
National Oesophageal Cancer Audit (NOCGA)	<ul style="list-style-type: none"> ➤ Report published in September 2018 (includes care received by patients diagnosed between 1 April 2015 and 31 March 2017). In summary: ➤ The audit findings shows that the key diagnosis and treatment of High Grade Dysplasia (HGD) patients by Salford Royal is in line with (or better than) the national average. ➤ The audit also shows that 100% of Oesophageal Cancer patients have an initial staging CT scan and demonstrates that Salford Royal has low post-operative mortality for OG cancer patients (0.8% and 2.3% for 30 and 90 day mortality respectively).
National Diabetes Foot Care Audit	<ul style="list-style-type: none"> ➤ Report published in March 2018 (includes patients first seen by a foot care service with a new ulceration between July 2014 and March 2017). ➤ Following implementation of high risk foot program in Salford and raised awareness, the data reflects that a much higher number of patients self-present at an early stage leading to significantly better outcomes compared to the rest of England and Wales. ➤ The Clinical Audit Team has also been working with the audit lead to improve the data collection process and ensure that all patients are being captured.
National Diabetes Audit (Adults) Core	<p>Report published in November 2018 (based on 2017/18 activity). The results of the audit are based on data submitted by general practices and specialist diabetes out-patient services.</p> <p>The results indicate that the percentage of Type 1 Diabetes patients receiving all care processes has improved since 2016/17 and remains "Higher than the national average". However, this figure has fallen for Type 2 Diabetes patients and is lower than the national average. This has been particularly affected by the smoking measure which is "Lower than expected" against the national average.</p> <p>The majority of Type 2 Diabetes patients are managed in primary care. GPs also record the smoking status. The Salford Royal Diabetes team are awaiting the replacement of the CCG lead for diabetes in order to arrange further education sessions for GP Practices.</p> <p>Compliance with treatment targets remains low for both groups of patients and Salford CCG have incentivised GPs to achieve treatment targets this year.</p>

National clinical audit: actions to improve quality *continued*

Title	Outcome
National Diabetes Audit (Adults) Core – Insulin Pump Audit	<p>Report published in June 2018</p> <p>Patients under Salford Royal on insulin pumps achieve significantly improved diabetes control compared to those not on pumps and slightly better diabetes control when compared to other pump users around the country.</p> <p>Patients on insulin pumps are more likely to achieve their Blood Pressure (BP) targets than those not on pumps in Salford but less likely to achieve lipid targets – this has been taken forward by the team with an action to focus on achievement of lipid targets in clinic review.</p> <p>BMI and smoking status recording is now being done by the healthcare practitioner along with patient Blood Pressure on arrival.</p>
National Diabetes Inpatient Audit	<p>Report published in March 2018 based on data collected 25 to 29 September 2017. Results are discussed at the Glucose Steering Group and multi-agency Salford Diabetes Core Group. Actions include:</p> <ul style="list-style-type: none"> ➤ The Hospital Inpatient Management of Diabetes Policy has been updated. ➤ The Team are looking to develop a business case for an additional Diabetes Nurse Specialist (DSN) to cover the surgical wards. ➤ Diabetes education sessions run by the DSNs are ongoing, including: FY1s at induction, teaching sessions for FY2s, workshops, link nurse meetings etc. Insulin pump therapy is to be incorporated in this. ➤ The Diabetes Team now receive notification of any diabetes adverse incident reports and have set an aim for >10% reduction this year with interventions implemented in EPR. ➤ The organisation is currently looking into setting up an NCA-wide quality improvement project looking at improving care for Diabetes inpatients. ➤ The team have requested that when the prescribing of feeds goes live in EPR that the insulin prescription is linked to it to ensure timely administration. ➤ A business case has been submitted for the implementation of blood ketone meters in the Trust.
National Paediatric Diabetes Audit	<p>Report published in July 2018 which includes 2016/17 data and shows that Salford Royal is “Higher than” or “Similar to” the national average in all of the key audit measures.</p> <p>Results show an increase in the percentage of patients treated by Salford Royal who receive all 7 key care processes measures recommended by National Institute for Health and Care Excellence (NICE). This has increased from 59.6% (in 2015/16) to 68.3% (in 2016/17) against a national average of 43.5% (2016/17). These care processes have been supported by the following actions:</p> <ul style="list-style-type: none"> ➤ Annual review clinics moved to Wednesday morning to enable additional dietetic appointment. ➤ Vector requested from IT to enable the diabetes team to access results and enter on EPR. ➤ Improved liaison with eye screening to obtain date and result and ensure that this is documented appropriately.
Intensive Care National Audit & Research Centre - Case Mix Programme (ICNARC)	<ul style="list-style-type: none"> ➤ 2017/18 data showed Salford Royal’s Critical Care Unit (CCU) as a negative outlier for “non-delayed out of hours discharges to ward”. This data is monitored internally on a monthly basis and actions taken to improve performance include all patients being reviewed in the 4pm ward round/handover to identify patients fit for step down. Then a bed request completed no later than 6pm. ➤ Data for the first 6 months of 2018/19 reflects the improvements made and shows that Salford Royal is no longer an outlier for this measure.

National clinical audit: actions to improve quality *continued*

Title	Outcome
National Emergency Laparotomy Audit (NELA)	<p>Report published in November 2018 (also reported locally on a quarterly basis).</p> <p>Salford Royal's Year 4 NELA results were better than the national average in relation to the majority of indicators. In particular, Salford Royal is significantly better than the national average for "Assessment by elderly medicine specialist in patients >70 years", achieving 76% against a national mean of 23%.</p> <p>However, the national report did identify two areas for further review:</p> <ul style="list-style-type: none"> ➤ CT reported before surgery (New definition for Year 4: Only cases where the CT scan was reported by an in-house consultant are now deemed to have met the standard). Salford Royal figures have dropped because we use an out of hours telemedicine service that is not in-house. (39.4% against a national mean of 64.4%). ➤ Preoperative input by a consultant intensivist when risk of death >10% (P-POSSUM). (42.6% against a national mean of 67.5%). <p>A Consultant Radiologist and Intensivist have now been invited to the NELA working group in order to look at ways to improve in these two areas.</p>
National CEM Procedural Sedation in Adults	<ul style="list-style-type: none"> ➤ Report published in August 2018 (data collected in 2017/18). This was a re-audit. ➤ The main action following the initial 2015/16 audit was the implementation of an ED Sedation Policy and the introduction of a sedation proforma. This was introduced as an electronic (EPR) document in September 2016. This greatly improved compliance with "Documented pre-procedural assessment, including; American Society of Anesthesiologists (ASA) grading, Prediction of difficulty in airway and Pre-procedural fasting status" from 2% to 79%. ➤ Compliance with several standards had fallen between the two audits, on the whole this appeared to be a documentation issue. For example, compliance with the "Location" standard had fallen significantly between the two audits. It is standard procedure and embedded practice in our ED to perform any sedation only in the resuscitation area. This audit has demonstrated that this fact is not documented and captured in the new EPR proforma. A new field for this has been added to improve documentation of the location where the procedure was performed. ➤ Formal assessment of suitability for discharge should be documented following procedural sedation. Documentation in this area has improved significantly since the 2015/16 audit and is now in the upper quartile of the national results.
National CEM Fractured Neck of Femur Audit (FNOF)	<ul style="list-style-type: none"> ➤ Report published in August 2018 (data collected in 2017/18). This was a re-audit. ➤ Salford Royal's results showed that we performed significantly better than the national average against a number of CEM standards, including the percentage of FNOF patients who; had their pain score assessed within 15 minutes of arrival, were admitted within 4 hours and have an X-ray within 120 minutes of arrival or triage, whichever is the earliest. ➤ However, timeliness of analgesia in patients in severe or moderate pain was poor both within Salford Royal and nationally. ➤ Salford Royal has taken action to improve this by introducing a new FNOF EPR document which has now gone live. This will support compliance with all CEM standards for FNOF patients, in particular time to analgesia and re-evaluation of pain. ➤ A local FNOF patient leaflet is also in development which will ensure that written information about hip fracture is available for patients and/or their relatives or carers.

National clinical audit: actions to improve quality *continued*

Title	Outcome
National Bowel Cancer Audit (NBOCAP)	<ul style="list-style-type: none"> ➤ Report published in December 2018 (Includes patients diagnosed 1 April 2016 to 31 March 2017). ➤ The report showed that Salford Royal had poor compliance with the percentage of patients with complete pre-treatment staging - An internal review of this data identified an issue with the electronic data upload from the Trust EPR system that meant missing fields were not picked up before the data was submitted. In addition, common abbreviations used in MDTs were classified as incomplete data by the national audit, leading to the audit showing a much lower rate of pre-treatment staging than was actually occurring. Actions have now been taken to address this in future audit submissions. ➤ Although Salford Royal was not identified as an outlier for “2 year all-cause mortality” by the national audit, the findings triggered an internal mortality case note review. All 80 patients who underwent a major resection during the reporting period were reviewed in order to identify more detail around the mortality alert. ➤ There were 21 deaths within 2 years of the date of surgery of which only 13 were cancer related deaths. NBOCAP does not report cancer related mortality for each site but published a separate sub-report demonstrating a national rate of cancer related 2 year mortality of 16%. For this year, Salford Royal has a 17% cancer related mortality.
Renal Registry	<p>Report published in July 2018 (includes analysis of 2016 incidence data).</p> <p>In response to an outlier notification for “Age adjusted 1 year prevalent patient survival (2015 cohort)” the Renal Team undertook an internal review of the data in mid-2018. The Team identified the following circumstances that may have adversely affected the reported survival rate:</p> <ul style="list-style-type: none"> ➤ As Salford Royal has one of the highest pre-emptive transplant rates in the country, this will account for a more co-morbid patient population on Renal Replacement Therapy (RRT). The UK Renal Registry have acknowledged that this may negatively impact RRT survival rates as the healthiest patients will be pre-emptively transplanted. ➤ In addition Salford Royal did not return co-morbidity data until 2017. An EPR solution is now functional, thereby providing more accurate co-morbidity data to enable more accurate survival analyses. <p>Mortality data is now reviewed in “Real-time” via a Renal Dashboard. This allows any shifts in mortality to be reviewed contemporaneously. The Dashboard will be reviewed at Renal Assurance and Risk Committee (RARC) quarterly to provide assurance moving forward. Variation outside 95% confidence interval to be escalated to for investigation and shared with Divisional teams.</p> <p>Actions have also been taken to address issues with the data completeness associated with the electronic extraction and upload of data. The Team expect that these improvements will be reflected in the 2017 and 2018 data results.</p>
National Joint Registry (NJR)	<p>Report published in September 2018.</p> <p>Salford Royal’s Patient Outcomes Quality Measures are all reported as “OK: As expected” in relation to the national data. However, the report highlighted an issue with the data completeness/timeliness of submission. On investigation we have identified that the reason for the reported low compliance rate is as follows:</p> <p>NJR Compliance, measures the proportion of cases reported to NJR, compared to cases reported through Hospital Episode Statistics (HES). This provides a basis for NJR to report on the completeness of its data.</p> <p>Where cases are outsourced to another provider, but reported through HES by the originally commissioned Trust, some procedures may be reported as ‘missing’ from the NJR. This is because the corresponding NJR record will have been submitted by the outsourced provider and the HES record does not accurately record the identity of that outsourced provider.</p> <p>As Salford Royal outsources elective work to Trafford General, this has affected the compliance rate as shown in the national report.</p> <p>There is a “fix” that can be used to address this issue and the Clinical Team are working on this to improve our compliance figures going forward.</p>

National clinical audit: actions to improve quality *continued*

Title	Outcome
National Prostate Cancer Audit	<ul style="list-style-type: none"> ➤ Last reported February 2019 (Patients diagnosed April 2016 to March 2017). ➤ Salford Royal's data quality results for the National Prostate Cancer Audit are generally better or in line with the national average. This is with the exception of Gleason score completion. On further investigation we have identified some issues with the EPR structured note where nurses have found it difficult to find where to enter certain fields. We are looking to resolve this issue and then update and resend more complete data to the National Team. ➤ Percentage of men who rated their overall care from Salford Specialist MDT (Salford Royal Hospitals Specialist MDT includes: Bolton Hospital NHS Trust, Salford Royal Hospital NHS Foundation Trust and Wrightington, Wigan and Leigh NHS Trust) as 8 or above was 92% which is in line with the national average of 89%.
National Lung Cancer Audit	<ul style="list-style-type: none"> ➤ National report received in January 2018. The report contained analysis of patients diagnosed in 2016. ➤ Salford Royal's results were in line with national average for key audit measures, however, there are possibly some data quality issues. The new audit lead has implemented a validation process in order to improve data completeness of the EPR upload with consultant support for data validation. ➤ The Trust works with the Sector MDT to review national audit results, improve Lung Cancer Services and shorten the Lung Cancer Pathway.
National Hip Fracture Database	<ul style="list-style-type: none"> ➤ Report published in October 2018 (includes January 2017 to December 2017 data) ➤ Salford Royal continued to display some of the lowest rates of pressure ulcer incidence in the UK and our quality improvement work in relation to this measure was highlighted in the national report. ➤ The findings showed that the organisation met Best Practice Tariff in 66% of cases. This is higher than the national average and falls into the 2nd quartile of results amongst participating Trusts. ➤ Following the previous year's audit findings, the Team identified a number of actions to improve compliance with the National Hip Fracture targets and these were implemented in late 2017. We should see the effect of these improvements in the 2018 data (to be reported in October 2019). However, the Clinical Team are in the process of agreeing an updated action plan in response to the most recent audit findings. ➤ Note: The report identified Salford Royal as a negative outlier for "overall length of stay". In Salford Royal the acute and intermediate care stay is integrated so that the total length of stay is longer than many Acute Trusts who have separate rehabilitation facility either at home or in another location. This is a feature of having a single integrated record combining acute and post-acute stay of NOF patients and not a reflection on quality of care.
National Fracture Liaison Service Database	<ul style="list-style-type: none"> ➤ Report published in December 2018 (2016 and 2017 data). ➤ The national report reflects the lack of resource available within the speciality to support the national audit during 2016/17. This was a known risk to audit delivery and was included on the Specialty Risk Register. ➤ The service has now addressed any staffing issues and there is a plan in place to ensure data is collected routinely for the audit. Participation in the audit is now included in nursing job plans and there is dedicated admin support in place.
NNAP Neurosurgical National Audit Programme - Consultant Level Outcomes Publication	<p>Consultant Level Outcomes are discussed internally at specialty governance meetings. For the most recent data publicly available, our 30 day risk-adjusted mortality rate was "within the expected range".</p>
National Bariatric Surgery Registry	<p>Most recent data published July 2018 (includes 2014 to 2017 data). In-hospital mortality rate and data completeness are in line with the national average.</p>

National clinical audit: actions to improve quality *continued*

Title	Outcome
British Association of Endocrine and Thyroid Surgery	Data last updated on website January 2018. Outcomes are reviewed internally at subspecialty governance meetings and no concerns were identified from the January 2018 report.
BAUS National Nephrectomy Audit	Outcomes are reviewed internally at specialty governance meetings and no concerns were identified from the most recently reported data. Outcomes are also discussed at operational meetings and form part of consultant appraisals.
BAUS National Percutaneous Nephrolithotomy (PCNL)	Outcomes are reviewed internally at specialty governance meetings and no concerns were identified from the most recently reported data. Outcomes are also discussed at operational meetings and form part of consultant appraisals.
BAUS National Stress Urinary Incontinence	Outcomes are reviewed internally at specialty governance meetings and no concerns were identified from the most recently reported data. Outcomes are also discussed at operational meetings and form part of consultant appraisals.
BAUS National Urology Audits: Cystectomy	Outcomes are reviewed internally at specialty governance meetings and no concerns were identified from the most recently reported data. Outcomes are also discussed at operational meetings and form part of consultant appraisals.
BAUS Urology Audits: Urethroplasty	Outcomes are reviewed internally at specialty governance meetings and no concerns were identified from the most recently reported data. Outcomes are also discussed at operational meetings and form part of consultant appraisals.
Antimicrobial Stewardship - Reducing the impact of serious infections (Antimicrobial Resistance)	<p>Data published on Public Health England (PHE) Fingertips on a quarterly basis in October, January, April & July and published annually in the English Surveillance Programme for Antimicrobial Utilisation and Resistance (ESPAUR) report.</p> <p>Local actions to combat total antimicrobial consumption and total carbapenem consumption include:</p> <ul style="list-style-type: none"> ➤ Targeted twice weekly consultant microbiologist antibiotic stewardship ward rounds to wards of high total antibiotic and high carbapenem usage (neurosurgery, general medicine, orthopaedics), in addition to regular stewardship visits to critical care, Medical High Dependency Unit (MHDU) and EAU. ➤ Consultant microbiologists have begun attending the orthopaedic arthroplasty MDT where patients on long term antimicrobials are discussed, to improve stewardship in this area. ➤ 5 additional ward rounds undertaken over the course of World Antibiotic Awareness week in November 2018 which visited all clinical areas and spread the message of antibiotic review, following guidance, access drugs, and the practical problems of resistance. ➤ Trust ward round document now live and includes a section for antimicrobial review, and reason for continuing IV antibiotics if doing so. ➤ For the first time influenza and Respiratory Syncytial Virus Polymerase Chain Reaction (RSV PCR) is available in-house from the start of the flu season. This should reduce some of the antibacterial prescriptions if clinicians can get an early confident diagnosis of viral infection. <p>The total antibiotic usage, and particularly carbapenem usage, is partly driven by being a neurosurgical and trauma centre. Many of these patients have indications for prolonged high dose treatment (e.g. high dose meropenem for post-surgical brain abscess) meaning that just 1 extra case of this in a month can sway our figures. Audit data and ward visits to neurosurgery suggest overall carbapenem use is sensible and almost invariably informed by either culture results or microbiology/MDT discussion.</p>
Antimicrobial Stewardship - Reducing the impact of serious infections (Sepsis)	<p>Data published on PHE Fingertips on a quarterly basis in October, January, April & July and published annually in the ESPAUR report.</p> <p>The Trust participates in the CQUIN for Sepsis which is reported separately. See Sepsis project on page 77 and the CQUIN on page 101.</p>

Local clinical audit

The reports of 70⁺ local clinical audits were reviewed by the provider in 2018/19. The table below includes examples of local audits reported in 2018/19. The table also includes actions planned and undertaken in response to the audit findings. A full list of local audits will be detailed in the Trust's 2018/19 Clinical Audit Annual Report.

Audit title	Examples of actions planned / undertaken
Safe Storage of Medicines at Ward Level	The findings of the audit are broken down to ward level in order to identify specific areas requiring action. The data allows us to identify any issues that exist regarding ward infrastructure, e.g. broken locks that may be preventing compliance with the required standards and these can be acted upon in real time.
Infection Control Ward Audits	The Infection Control (IC) Team undertakes a rolling programme of ward and community area infection control audits. Wards/areas are audited annually and individual reports are returned to the ward manager / lead manager for action. Reports highlight areas of concern which require improvement. Wards/areas are required to produce an action plan to address any issues of concern and submit these to the IC Team. Wards/areas are RAG Rated as Green, Amber or Red. Any areas receiving a Red Rating are followed up within one week, any areas receiving an Amber Rating within 6 months to ensure improvements have been made. Example actions include; repairs, training on Aseptic Non Touch Technique (ANTT), replacement of mattress, replace flooring, replacement of chair covers, etc.
WHO Surgical Checklist	The audit process is integrated into our theatre management system (Theatreman), this system makes completion of the WHO questions a mandatory element of the patient progressing through peri-operative care as there is a failsafe that the patient cannot be progressed without prior completion. Data is reported within the peri-operative care compliance report. In addition to the quantitative audits a qualitative audit in the form of an observational (secret shopper) audit is undertaken. This involves assessment against pre-selected quality markers, including who was present and integration/silent focus of the clinical team.
Intentional Rounding Monthly Audit	Intentional Rounding underpins the prevention of patient harm, enhancing patient experience and supports the Registered Nurses' responsibility for assessing and planning care. In January 2018, a weekly audit commenced to provide assurance of compliance with the Intentional Rounding policy. The weekly results are cascaded through Divisional Directors of Nursing and Assistant Directors of Nursing (ADNS) to ward and department teams, and are also collated into a monthly report providing a comparison over time. Divisional improvement plans with trajectories established and monitored alongside weekly and monthly audit results through Directorate and Divisional Governance meetings.
Trust-wide Consent Audit	<ul style="list-style-type: none"> ➤ A Trust Lead for Consent has been identified, and a review of the processes around obtaining valid consent is in progress. This will include; a review of appropriate training and the processes in place for delegated consent. ➤ Improving awareness of the Mental Capacity Act (MCA). Promote the Quick Reference Guide (QRG) for patients who lack the capacity to consent to investigation or treatment which is contained within the consent policy. ➤ The current consent re-audit will involve a qualitative assessment of consent, as well as a staff and patient questionnaire to assess patient understanding and staff knowledge/training. ➤ An electronic consent is the long term aim to improve the documentation & recording of information, this will allow capture of the information that is shared with patients & support the reconfirmation of the consent process.

Local clinical audit *continued*

Audit title	Examples of actions planned / undertaken
Monthly Mental Capacity Act (MCA) and Deprivation of Liberty Safeguards (DoLS) Audit	<p>The organisation undertakes a monthly DoLS/MCA audit, compliance is currently variable and the results are not yet robust enough to use as a basis for formal reporting or QI work.</p> <p>The Clinical Audit and Safeguarding Team are working to improve the methodology of the ward audit and provide training to improve the quality of the data returned by the wards.</p> <p>The Safeguarding Lead Nurse also undertakes ad hoc audits on individual wards and these are feedback directly to ward staff for local action. There is a trust-wide MCA/DoLS Action Plan.</p>
Re-audit of Correct Level Spinal Surgery	<p>The audit results identified no (or only minor) cause for concern. We are highly (>95%) compliant with all key standards of care being audited against.</p>
Trust-wide Nurse Record Keeping Re-audit	<p>Ward Matrons/Managers asked to review own area scores and action plans to be added to their current NAAS action plan.</p> <p>Individual team reports will be discussed when NAAS / CAAS reviewed:</p> <ul style="list-style-type: none"> ➤ Bi-monthly review of compliance and action plan progress at Matrons meeting. ➤ Continue audits as per plan. 3 audits per each Registered Nurse. ➤ Audit Results to be core agenda item on local governance and nursing group agendas, twice yearly. ➤ Audit results to be circulated widely across clinical groups via governance managers, ADNNSs, Lead Nurses and Matrons. ➤ Electronic questionnaire implemented and to remain on SharePoint for access for nursing staff.
Are patients identified as high falls risk in Dual-energy x-ray absorptiometry (DXA) being referred to the falls service?	<p>In 2018, the Salford Royal falls pathway was updated to identify a greater number of patients at risk of falls. Actions from the audit include:</p> <ul style="list-style-type: none"> ➤ Updating the DXA risk assessment questionnaire to reflect the new Salford falls pathway. ➤ Exploring the feasibility of direct referral to the falls service by the DXA radiographers. ➤ Training DXA staff on pathway and gaining consent from patient for referral. ➤ Develop SOP detailing process for referral following DXA scan. ➤ Re-audit.
Nurse verification of expected death Audit	<p>All wards and district nursing teams now have access to tissue donation leaflets to prompt discussion regarding choices at the end of life.</p>
Local Ward Based Nursing Audits	<p>Local Ward Based Nursing Audits are managed through the Ward management teams to provide assurance with; Malnutrition Universal Screening Tool (MUST), Catheters, Early Warning Score (EWS), Intentional Rounding, Oxygen, Infection Control. Areas for action are identified and acted upon at ward level.</p>
Speech and Language Therapy Department Fiberoptic Endoscopic Evaluation of Swallowing (FEES) Re-audit	<p>The findings of the audit showed an improvement since the initial audit cycle.</p> <p>Staff have been made aware of this year's findings and actions continue to focus on ensuring that the FEES assessment protocol is used for all patients and if there is any reason why the protocol could not be carried out, this should be documented within the notes.</p>

Local clinical audit *continued*

Audit title	Examples of actions planned / undertaken
An Audit on the Consent for Children Referred for Dental Extractions under General Anaesthesia at Salford Royal NHS Foundation Trust Community Dental Service.	<p>Actions from the audit include:</p> <ul style="list-style-type: none"> ➤ Raise audit findings at monthly staff and governance meetings. ➤ Use pre-populated stickers for all general anaesthetic consent forms. ➤ Use clear and consistent tooth notation including both Palmer-Zsigmondy and long hand on written consent forms to enable better patient and parent/legal guardian understanding. ➤ Ensure correct and consistent patient details - use patient stickers where possible. ➤ Improve the quality of scanned digital copies of surgical pathways. ➤ Ensure appropriate induction training for new or locum staff members involved in general anaesthetic assessments and consent. ➤ Prospective re-audit following implementation of action plan to monitor changes.
Audit and re-audit of Nimodipine prescriptions in subarachnoid haemorrhage	<p>Re-audit data showed that the number of prescriptions with a correct stop-date has improved after intervention. There were no patients on Nimodipine without a stop date or an incorrect stop-date. The team has requested that stop-date be a mandatory field on EPR when prescribing Nimodipine, which should ensure prescribers add the correct stop-date on initial prescription. A re-audit will be undertaken once this has been implemented.</p>
Audit of NICE Skin Cancer Quality Standards	<p>The audit found that a significant proportion of patients were referred on the two week wait pathway. For those that were not, in the majority of cases there was a reasonable explanation for this.</p> <ul style="list-style-type: none"> ➤ There was excellent documentation of dermoscopic examination of pigmented lesions (>95%). ➤ There was good documentation of patient access to the skin cancer nurse specialist particularly at Stockport. ➤ There was good evidence (>90%) that eligible patients had a discussion regarding sentinel lymph node biopsy (this discussion takes place at a different trust). <p>The key areas for improvement of our service are:</p> <ul style="list-style-type: none"> ➤ To ensure all patients are given access to the skin cancer nurse specialist and that this is documented accordingly. ➤ Set up acronym expansion on EPR to act as an aide memoire for doctors in clinic to ensure dermoscopic findings are documented within the notes - action complete.
Speech and Language Therapy Dysphagia Audit	<p>The key areas for improvement/action following the audit are:</p> <ul style="list-style-type: none"> ➤ New referrals will be prioritised during paper triage. The paper triage form will be amended to show whether the feeding referral is urgent/not urgent. <p>If urgent, the admin team will forward the electronic referral to a dysphagia trained SALT to prioritise as a matter of urgency.</p> <ul style="list-style-type: none"> ➤ Written advice to be consistently produced in a timely manner following assessment/review and discussions. ➤ Standardised feeding advice forms will be used for all clients. The form used will depend on detail required and setting. It will be clear who the advice has been copied to. ➤ Re-audit.
Referral and management of temporal bone fractures	<p>The key areas for improvement/action following the audit are:</p> <ul style="list-style-type: none"> ➤ Development of a pathway for the management of temporal bone fractures, for non-Ear, Nose and Throat (ENT) teams (A&E, Intensive Care Unit (ICU), neurosurgery, neuro-rehab) and ENT juniors, specifying initial assessment, actions and when and how to refer to ENT. This has been reviewed by the ENT skull base consultants and should inform future re-audit. ➤ The audit results communicated to the A&E, ICU, neurosurgery, and neuro-rehab teams and to future ENT juniors. ➤ Re-audit.

^ This number is a forecast and will be more accurately reported in the Trust Clinical Audit Annual Report which is produced after the year end when all of the relevant information is available.

Participation in clinical research

The Trust is committed to research and transformation as a driver for improving the quality of care we provide to our patients. It enables our staff and the wider NHS, regionally and nationally, to improve the current and future health outcomes of the people we serve. Only by carrying out research into “what works” can we continually improve treatment for patients, and understand how to focus NHS resources where they will be most effective.

We currently support 695 research studies, of which 185 are clinical trials involving medicinal products. Our engagement with clinical research demonstrates the Trust’s commitment to testing and offering the latest medical treatments and techniques. During 2018/19, we recruited patients to 199 National Institute for Health Research Clinical Research Network (NIHR CRN) clinical research studies. The number of patients receiving relevant health services provided or sub-contracted by Salford Royal NHS Foundation Trust in 2018/19 that were recruited during that period to participate in research approved by a research ethics committee was 6,887.

The Trust’s reputation for attracting, initiating and delivering high quality industry trials has continued to grow this year, with the Trust currently supporting 114 industry sponsored trials. Our extensive collaborations with industry provide our patients with the very latest access to state of the art treatments and interventions.

Goals agreed with commissioners: Commissioning for Quality and Innovation (CQUIN) payment framework

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

CQUIN schemes were agreed covering the period April 2018 to March 2019 as shown in the following tables.

For 2018/19 the baseline value of the CQUIN was 2.5% of the contract value (excluding drugs and devices etc.) for CCGs and NHS England (public health and dental). This equates to £3.6m.

For NHS England (specialised commissioners) the CQUIN baseline value equated to 2% of the contract value (excluding drugs and devices etc.) which was £2.1m.

A further £738K relates to mental health CQUINs which have been agreed as part of our sub-contract arrangements with Greater Manchester Mental Health Foundation Trust.

In terms of in-year performance, if the agreed milestones were not achieved during the year or the outturn contract value was lower than the baseline contract, then a proportion of CQUIN monies would be withheld. If activity in 2018/19 is higher than the plan, the additional activity also attracts a CQUIN payment of 2.5% or 2% depending on commissioner.

In 2017/18 the Trust recovered £7.5m of CQUIN money.

Further details of the agreed goals for 2018/19 and for the following 12-month period are available on request via Craig.Sharples@srft.nhs.uk.

Goals agreed with commissioners: commissioning for Quality and Innovation Payment Framework (CQUIN)

Indicator number	Indicator name	Sub-indicator or description	Anticipated acute and specialised scheme value £ (opening contract)	Anticipated scheme values associated with mental health contracts £ (opening contract)	Total scheme values £ (opening contract)	
NATIONAL SCHEMES	1a	Improving NHS Staff Health and Wellbeing	Improvement of health and wellbeing of NHS staff	234,187	51,304	285,492
	1b		Healthy food for NHS staff, visitors and patients	233,914	51,255	285,169
	1c		Improving the uptake of flu vaccinations for frontline staff within providers	233,914	51,255	285,169
	2a	Reducing the impact of serious infections (antimicrobial resistance and sepsis)	Timely identification and screening for sepsis in emergency departments and acute inpatient settings	135,373	-	135,373
	2b		Timely treatment of sepsis in emergency departments and acute inpatient settings	135,373	-	135,373
	2c		Antibiotic review	135,373	-	135,373
	2d		Reduction in antibiotic consumption per 1,000 admissions	135,373	-	135,373
	3a	Improving physical healthcare to reduce premature mortality in people with serious mental illness	Cardio metabolic assessment and treatment for patients with psychoses	65,218	108,696	173,913
	3b		Collaborating with primary care clinicians	20,919	34,685	55,783
	4	Improving services for people with mental health needs who present at A&E	Reducing the number of attendances to A&E for a selected cohort of frequent attenders	689,710	133,306	823,016
	5	Transitions out of Children and Young People's Mental Health Services (CYPMHS)	Improving the experience and outcomes for young people as they transition out of CYPMHS	79,984	133,306	213,290
	6	Offering advice and guidance	This CQUIN requires providers to set up and operate advice and guidance services for non-urgent GP referrals	541,491	-	541,491
	9a	Preventing ill health by risky behaviours - alcohol and tobacco	Tobacco screening	40,330	16,407	56,737
9b	Tobacco brief advice		142,864	34,865	177,729	
9c	Tobacco referral and medication offer		177,042	41,017	218,059	
9d	Alcohol screening		177,042	41,017	218,059	
9e	Alcohol brief advice or referral		177,042	41,017	218,059	
10	Improving the assessment of wounds	Increasing the number of wounds which have failed to heal after 4 weeks and receive a full wound assessment	102,352	-	102,352	
11	Personalised Care and Support Planning	Embedding personalised care and support planning for patients with long term conditions	102,352	-	102,352	
13	Nationally standardised dose banding for Adult Intravenous Anticancer Therapy (SACT)	Expanding on the 19 SACT agents with standardised dosing tables developed for 2016-17 – implementing standard doses for a new range of SACT agents.	50,303	-	50,303	

Goals agreed with commissioners: commissioning for Quality and Innovation Payment Framework (CQUIN) *continued*

Indicator number	Indicator name	Sub-indicator or description	Anticipated acute and specialised scheme value £ (opening contract)	Anticipated scheme values associated with mental health contracts £ (opening contract)	Total scheme values £ (opening contract)	
NATIONAL SCHEMES	14	Clinical Utilisation Review (CUR)	<p>CQUIN requires:-</p> <ul style="list-style-type: none"> ➤ Daily use in practice of CUR can be evidenced on agreed bed numbers with an achievement of 85-95% compliance rate. ➤ Delivery against agreed Key Performance Indicators (KPIs) for the reduction of bed usage throughout the period of CUR operation where patients do not meet clinical criteria for admission or continued stay. ➤ Monthly and quarterly reports. 	1,186,311	-	1,186,311
	16	Activation System for Patients with Long Term Conditions	<p>We are proposing this CQUIN is in 2 parts</p> <ul style="list-style-type: none"> a) Continuing with existing cohort for Patient Activation Measures (PAM) within heart failure / Chronic Obstructive Pulmonary Disease (COPD) and metabolic Medicine. b) Expanding to Lysosomal Storage Disorders (LSD) homecare 	94,414	-	94,414
	17	Medicines Optimisation	<p>CQUIN requires:-</p> <ul style="list-style-type: none"> ➤ Faster adoption of prioritised best value medicines as they become available, ➤ Improving drugs Minimum Data Set (MDS) data quality, ➤ Cost effective dispensing routes 	394,040	-	394,040
	19	Spinal surgery networks, data, Multi-Disciplinary Team (MDT) oversight	<p>The CQUIN scheme has three elements:</p> <ul style="list-style-type: none"> (1) Continue with delivery of Spinal MDT: (2) Data - All spinal activity delivered by SRFT will be entered onto Spinal Tango (3) MDT Governance - Complex spinal cases (i.e. instrumented cases) will be discussed at the MDT and surgery will proceed where agreed by the MDT. 	94,414	-	94,414
	20	Dermatology Hub and Spoke	<p>This CQUIN is to develop a hub and spoke model, develop MDTs, protocols around the delivery of specialised dermatology treatments starting with adalimumab for the treatment of patients with Hidradenitis Suppurativa (HS).</p>	176,060	-	176,060
	21	Critical care discharges		94,414	-	94,414
Total Opening Scheme Values			5,649,806	738,311	6,388,117	

Statements from the Care Quality Commission (CQC)

Salford Royal NHS Foundation Trust is required to register with the Care Quality Commission (CQC) and its current registration status is registered without conditions.

Salford Royal NHS Foundation Trust has the following conditions on registration “none”.

The CQC has not taken enforcement action against Salford Royal NHS Foundation Trust during 2018/19.

Salford Royal NHS Foundation Trust has not participated in any special reviews or investigations by the CQC during the reporting period.

CQC inspection

Introduction

During April and May 2018 the CQC inspected services at Salford Royal NHS Foundation Trust. The CQC inspected urgent and emergency care, medical care, surgery and critical care as part of the continual checks on safety and quality of healthcare services. Outpatients was also inspected as it was rated as ‘Requires Improvement’ following the 2015 inspection. Community dental services were also inspected for the first time. The CQC report has now been published (August 2018).

The overall rating for the Trust was ‘Outstanding’. It was rated ‘Outstanding’ because:

- ‘Well led’ was rated as ‘Outstanding’.
- ‘Caring and responsive’ were rated as ‘Outstanding’.
- ‘Safe and effective’ were rated as ‘Good’.
- ‘Use of resources’ was rated as ‘Outstanding’.

Corporate highlights

- Salford Royal is the only NHS acute and community Trust to have been rated as ‘Outstanding’ on two consecutive occasions which is an astonishing achievement - given the financial and clinical staffing challenges faced since the last inspection.
- Emphasis has been placed on the way patients are cared for, respected and treated as individuals - inspectors were reported to have been moved to tears during the inspection with examples of the compassionate care that has been provided.
- Services had comprehensive systems co-designed by staff embedded into practice to keep people safe.
- The Nursing Assessment and Accreditation System and Community Assessment and Accreditation System provided a high level of transparency to the Group, Care Organisation and to patients in relation to clinical performance indicators and measures. This information was publicised throughout the wards and clinical areas for people to consider and scrutinise.
- The Trust was part of the Global Digital Exemplar programme which provided technology solutions to embed safe care. The electronic patient record was assessed against an international set of quality indicators and Salford Royal was in the top 5% internationally.
- Excellent care and services for patients with dementia, for example, reminiscence pods and a dementia courtyard.
- Innovative medicines and pharmacy projects.

Divisional highlights

Integrated Care Division

- Inspectors said we are a national exemplar for integrated care, reducing delayed transfers of care and supporting the wider health and social care system.
- Services had comprehensive systems co-designed by staff embedded into practice to keep people safe.
- The pharmacy department had embraced working as an Integrated Care Organisation and staff worked across primary and secondary care boundaries.
- Innovative practice noted in fracture clinic: physiotherapists providing a service that enables patients to exercise at home.
- Excellent examples of improving care for patients living with dementia.
- Significant work has been undertaken to develop a coaching collaborative style to support senior clinical and non-clinical managers.

Surgery and Tertiary Medicine and Clinical Support Services

- The overall rating for Surgery improved on this inspection and is now rated as 'Good'. Improvements were noted with regards to the application of the 5 steps to safer surgery.
- Improvements in outpatients – environmental issues improved, high quality patient level feedback, doctors, nurses and healthcare professionals from different specialities supported and worked together as a team to improve patient care.
- In critical care, we saw outstanding practice that demonstrated staff consistently treated patients in a compassionate, dignified, and respectful way.

- Innovative practice noted in community dental services: staff on Thursday afternoons treated homeless patients from a local drop-in centre.
- There were a number of innovative medicines and pharmacy projects.
- Excellent examples of improving care for patients living with dementia.
- Significant work has been undertaken to develop a coaching collaborative style to support senior clinical and non-clinical managers.
- The Trust continues work to improve outcomes for patients with acute kidney injury (AKI) and the wards involved had seen a reduction in patients developing AKI while in hospital and a reduction in patients progressing from early stage AKI to more severe AKI.

Manchester Centre for Clinical Neurosciences

- The stroke service worked with external partners to redesign and improve the service.
- Staff worked together as a team to benefit patients. There were regular multidisciplinary meetings from admission through to discharge planning.
- Significant work has been undertaken to develop a coaching collaborative style to support senior clinical and non-clinical managers.
- Staff provided emotional support to patients to minimise their distress.
- Excellent examples of improving care for patients living with dementia.
- The service had a tracheostomy steering group to help improve and standardise the care of tracheostomy patients with complex needs in the community. There was joint working with international colleagues, pre-discharge visits by district nurses to help understand patient needs, and the trialling of technology to help improve communication.

Well led:

The CQC overall rating of well-led stayed the same. It has rated it as 'Good' because:

- The Trust had an experienced leadership team with the skills, abilities, and commitment to provide high-quality services.
- Managers across most services promoted a positive culture that supported and valued staff, creating a sense of common purpose based on shared values.
- The Trust had effective systems for identifying risks, planning to eliminate or reduce them, and coping with both the expected and unexpected.
- There were examples where services engaged well with patients, staff, the public and local organisations to plan and manage appropriate services, and worked with partner organisations effectively.
- The Trust used a systematic approach to continually improve the quality of its services and safeguarding high standards of care by creating an environment in which excellence in clinical care would flourish.
- Managers took action to improve services by learning from when things go well and when they go wrong.
- The Trust collected, analysed, managed and used information well to support all of its activities, using secure electronic systems with security safeguards.
- Staff had access to up-to-date, accurate and comprehensive information on patients' care and treatment, though an electronic records system that they could all update.
- The Trust had a clear, systematic and proactive approach to seeking out and embedding new and more sustainable models of care. There was a strong record of sharing work locally, nationally and internationally.

The CQC identified 2 key actions the Trust **SHOULD** take Trust-wide:

- The Trust should ensure that it improves its response times to complaints.
- The Trust should ensure that serious investigation reports are consistent in quality and gaps in root cause analysis are resolved.

The CQC also identified a further number of 'Should Dos' to ensure continued improvement to care delivered across Salford Royal.

The full CQC report has established evidence that Salford Royal NHS Foundation Trust overall, is rated as Outstanding with no services newly rated as Requires Improvement.

The Trust's CQC inspection ratings are shown in the below tables:

Rating for the whole Trust

Safe	Effective	Caring	Responsive	Well-led	Overall
Good ↔ Aug 2018	Good ↔ Aug 2018	Outstanding ↔ Aug 2018	Outstanding ↔ Aug 2018	Outstanding ↔ Aug 2018	Outstanding ↔ Aug 2018

The rating for well-led is based on our inspection at trust level, taking into account what we found in individual services. Ratings for other key questions are from combining ratings for services and using our professional judgement.

Rating for Salford Royal

	Safe	Effective	Caring	Responsive	Well-led	Overall
Urgent and emergency services	Good ↓ Aug 2018	Good ↔ Aug 2018	Good ↓ Aug 2018	Good ↔ Aug 2018	Good ↓ Aug 2018	Good ↓ Aug 2018
Medical care (including older people's care)	Good ↓ Aug 2018	Good ↔ Aug 2018	Good ↔ Aug 2018	Outstanding ↔ Aug 2018	Good ↓ Aug 2018	Good ↓ Aug 2018
Surgery	Good ↑ Aug 2018	Good ↔ Aug 2018	Good ↔ Aug 2018	Good ↔ Aug 2018	Good ↑ Aug 2018	Good ↑ Aug 2018
Critical care	Good ↔ Aug 2018	Good ↔ Aug 2018	Outstanding ↑ Aug 2018	Good ↓ Aug 2018	Good ↔ Aug 2018	Good ↔ Aug 2018
Services for children and young people	Good Mar 2015	Good Mar 2015	Good Mar 2015	Good Mar 2015	Requires improvement Mar 2015	Good Mar 2015
End of life care	Good Mar 2015	Good Mar 2015	Outstanding Mar 2015	Outstanding Mar 2015	Outstanding Mar 2015	Outstanding Mar 2015
Outpatients	Good Aug 2018	N/A	Good Aug 2018	Good Aug 2018	Good Aug 2018	Good Aug 2018
Overall*	Good ↔ Aug 2018	Good ↔ Aug 2018	Outstanding ↔ Aug 2018	Outstanding ↔ Aug 2018	Good ↔ Aug 2018	Outstanding ↔ Aug 2018

*Overall ratings for this hospital are from combining ratings for services. Our decisions on overall ratings take into account the relative size of services. We use our professional judgement to reach fair and balanced ratings.

Rating for Community Health Services

	Safe	Effective	Caring	Responsive	Well-led	Overall
Community health services for adults	Good Mar 2015	Good Mar 2015	Outstanding Mar 2015	Good Mar 2015	Outstanding Mar 2015	Outstanding Mar 2015
Community health services for children and young people	Good Mar 2018	Good Mar 2015	Good Mar 2015	Requires improvement Mar 2015	Good Mar 2015	Good Mar 2015
Community health inpatient services	Good Mar 2015	Good Mar 2015	Good Mar 2015	Good Mar 2015	Good Mar 2015	Good Mar 2015
Community end of life care	Good Mar 2015	Outstanding Mar 2015	Good Mar 2015	Outstanding Mar 2015	Outstanding Mar 2015	Outstanding Mar 2015
Community dental services	Good Aug 2018	Good Aug 2018	Good Aug 2018	Good Aug 2018	Good Aug 2018	Good Aug 2018
Overall*	Good Aug 2018	Good Aug 2018	Good Aug 2018	Good Aug 2018	Outstanding Aug 2018	Good Aug 2018

*Overall ratings for community health services are from combining ratings for services. Our decisions on overall ratings take into account the relative size of services. We use our professional judgement to reach fair and balanced ratings.

NHS number of General Medical Practice code validity

Salford Royal NHS Foundation Trust submitted records during 2018/19 to the Secondary Uses Service (SUS) for inclusion in the Hospital Episodes Statistics which are included in the latest published data.

The figures opposite are based on April 2018 to December 2018 data at the Month 09 inclusion date (neither an average nor end of year position):

The percentage of records in the published data submitted to the SUS which included a valid NHS number was:

99.8% for admitted patient care;
99.9% for outpatient care; *and*
98.6% for Accident and Emergency care

The percentage of records in the published data which included a valid General Medical Practice Code was:

99.9% for admitted patient care;
99.9% for outpatient care; *and*
100% for Accident and Emergency care

Information Governance and Information Security Assurance

The Information Governance Toolkit is no longer used nationally and has been replaced by the Data Security and Protection Toolkit (DSPT).

For the period 2018/19, Information Governance standards in place at the Trust have been assessed against the new DSPT. DSPT is an online self-assessment, which allows the Trust and partners to assess themselves against the National Data Guardian ten data security standards and the key requirements of the General Data Protection Regulation (GDPR). The Trust has received Moderate Assurance levels in its first submission against this new standard.

Salford Royal NHS Foundation Trust has additionally achieved the Cyber Essentials PLUS. Attainment of the new standards remain fundamental to accessing the NHS N3 secure network and to promote safe data sharing both key in supporting delivery of effective clinical care.

Clinical coding error rate

Salford Royal NHS Foundation Trust was not subject to the 'Payment by Results Clinical Coding Audit' during 2018/19 by the Audit Commission.

During the course of 2018/19, a number of internal audits took place as part of our overall Clinical Coding Assurance programme. The below accuracy rates were submitted as evidence for the DSPT Standard 1 requirement. The Trust achieved the Mandatory standard based on the below audit results.

The audit programme includes random samples of activity from all three clinical divisions, mortality indicators and data quality metrics.

The results should not be extrapolated further than the actual sample audited.

Primary Diagnosis	90.44%
Secondary Diagnoses	96.66%
Primary Procedure	97.32%
Secondary Procedure	96.65%

Data quality: relevance of data quality and action to improve data quality

Good quality information underpins the effective delivery of safe and effective patient care.

Reliable data of high quality informs service design and improvement efforts. High quality information enables safe, effective patient care delivered to a high standard.

High quality information is:

- ✓ Complete
- ✓ Accurate
- ✓ Relevant
- ✓ Up-to-date (timely)
- ✓ Free from duplication (for example, where two or more different records exist for the same patient)

Salford Royal NHS Foundation Trust will be taking the following actions to improve data quality:

- Validation to improve ethnicity recording for acute and community activity.
- Identification, review and resolution of potential duplicate patient records.
- Regular use of the demographic batch service to trace records against the National Spine portal to ensure accurate data (i.e. NHS number).
- Monitoring of day case activity and regular attenders to improve timeliness and accuracy of data for patients admitted to shorter stay areas.
- Validation of discharges entered for times between 11pm to 6am discharges to ensure accuracy.
- Notification of planned outpatient activity with no outcome recorded to ensure activity is fully captured in hospital information systems.
- Tracing demographics for outpatients who did not attend their appointments to identify those with updated demographics (home/ correspondence addresses).
- Monitoring of undelivered and invalid correspondence reported by the Trust mail handler.
- Review of rejected GP correspondence sent via electronic document transfer.
- Review of patient related correspondence returned to the Trust to ensure correct demographic data is held.
- Review of any inpatient, outpatient and A&E activity that has not undergone automatic contract/commissioner allocation.
- Review of death reports from National Spine portal to ensure out of hospital deaths are recorded on the Trust's Patient Administration System (PAS).
- Gathering user feedback of an efficient and effective service to the wider organisation.
- Advising and guiding users and service managers on the proper capture of hospital activity according to national information standards and NHS Data Model and Dictionary.
- Regular review of data validity as published through the SUS Data Quality Dashboard.

Learning from deaths

During 2018/19, 1,396 of Salford Royal NHS Foundation Trust patients died. This comprised the following number of deaths which occurred in each quarter of that reporting period:

344 deaths in the first quarter.

306 deaths in the second quarter.

362 deaths in the third quarter.

384 deaths in the fourth quarter

By 21/04/2019, 1,040 case record reviews and 21 investigations have been carried out in relation to 1,396 of the deaths.

In 21 cases a death was subjected to both a case record review and an investigation. The number of deaths in each quarter for which a case record review or an investigation was carried out was:

268 in the first quarter.

231 in the second quarter.

273 in the third quarter.

268 (to date) in the fourth quarter.

3 deaths, representing 0.2% of the patient deaths during the reporting period, are judged to be more likely than not to have been due to problems in the care provided to the patient. In relation to each quarter this consisted of:

1 death representing **0.3%** for the first quarter.

1 death representing **0.3%** for the second quarter.

1 death representing **0.3%** for the third quarter.

0 deaths representing **0%** for the fourth quarter.

These numbers have been estimated using the PRISM 2 methodology applied to local case record review tools, Structured Judgment Review and governance investigation. Figures for the third and fourth quarters are provisional and correct at the time of writing.

A summary of what the provider has learnt from case record reviews and investigations conducted in relation to the deaths identified is shown below.

Theme 1: Risk management of “atypical” presentations to the generalised hospital setting or through specialist tertiary referral

The following areas should be a focus for reducing the risk posed by conditions presenting in an atypical manner to the acute hospital:

- Communication.
- Staff education.
- Policies and guidelines.

Theme 2: Medication safety: administration of intravenous electrolyte solutions by polyfusor

Medication packaging and presentation is a well-recognised potential cause of error in healthcare. This can be exacerbated systemically by the following factors:

- Drug storage.
- Staff vigilance.
- Familiarity and checking processes.

Theme 3:**Management of inpatient acute cognitive/behavioural disturbance**

There are multiple factors that can cause a decline in a patient's pre-existent mental health or precipitate delirium. Prevention is crucial and can be supported by:

- Providing a safe and supportive care environment.
- Medication safety (ensuring regular medications reviewed/continued where applicable and recognition of potential for withdrawal).
- Communication (including early recognition and handover).
- Patient assessment and observation.

In acute crisis, management should be proportional and least restrictive as possible with an immediate focus on establishing capacity and using best interest's decisions/Deprivation of Liberty Safeguards (DoLS) where necessary.

Any Mental Health Act (MHA)/Mental Health Liaison Team (MHLT) input can be applied afterwards as needed.

Theme 4:**Management of electrolyte deficiency**

There are a range of electrolyte abnormalities in clinical medicine. The following elements may support more consistent management:

- Structured ward round document templates within the EPR.
- Daily review of any medications/conditions (with input from pharmacy where necessary).
- Fatal cardiac arrhythmias (including prolonged QT interval) can be precipitated by severe electrolyte deficiency and warrant daily 12 lead electrocardiogram (ECG) during correction and consideration of observed telemetry/escalation.

Theme 5:**Management of major haemorrhage (excluding Code Red Emergency Department pathway)**

In order to deal effectively with major haemorrhage, focus on the following elements for success:

- Stopping ongoing bleeding.
- Give blood volume back.
- Clear communication with the transfusion laboratory is critical and summarised within Salford Royal guidelines and standard operating procedures (SOPs) (found within the Salford Royal thrombosis and anticoagulation hub on the intranet).
- Teamwork/leadership and non-technical skills (focus for simulation-based training).

Theme 6:**Optimising use of acute non-invasive ventilation (NIV)**

Salford Royal is currently focusing on the following areas of improvement in the delivery of acute non-invasive ventilation:

- Initiation, ongoing reassessment and discontinuation (including palliation where necessary).
- Staff education.
- Equipment (type and use).

Theme 7:**Code Red for Acute Confusion!**

The acute confusional state is a potential early warning sign of a change in patient condition and is classed as a “CODE RED” scoring an **IMMEDIATE 3** and should trigger medical review and an increase in observation frequency (Salford Royal Adult National Early Warning Score Observation Policy).

The following tools should be used to support management of acute delirium:

- Diagnosis and Management of Delirium Guideline.
- Delirium and Dementia Assessment EPR document (4AT/CAM screening tools and TIME Bundle).

A description of the actions which the provider has taken in the reporting period, and proposes to take following the reporting period, in consequence of what the provider has learnt during the reporting period.

Theme 1:**Risk management of “atypical” presentations to the generalised hospital setting or through specialist tertiary referral**

Responses include:

- An emphasis on high risk “stroke mimics” in junior doctor teaching, coupled with an online referral system being trialled by the GDE team to improve communication.
- More general clinical guidance to support the identification and management of infective discitis (under development).

Theme 2:**Medication safety: administration of intravenous electrolyte solutions by polyfusor**

Responses include:

- Circulation of an organisational safety alert
- Polyfusor labelling standards have been flagged to the MHRA for review
- Pharmacy has rearranged and improved labelling of the fluid storage area, as well as implementing an SOP to ensure double checking of these items.
- Ward stocks are under review following an organisation wide audit.

Theme 3:**Management of inpatient acute cognitive/behavioural disturbance**

Responses include:

- Available tools and guidance to support the management of patients with delirium reiterated through the local learning from death programme.

Theme 4:**Management of electrolyte deficiency**

Responses include:

- Pharmacy are finalising a series of quick reference guides (QRGs) to support safe electrolyte replacement. This will act as a catalyst for a future EPR solution.

Theme 5:**Management of major haemorrhage (excluding Code Red ED pathway)**

Responses include:

- The major haemorrhage protocol QRG has been updated and posted in key areas throughout the theatre complex.
- There are ongoing simulation drills to reinforce learning.

Theme 6:**Optimising use of acute non-invasive ventilation (NIV)**

Responses include:

- A multi-specialty working group has been tasked with developing updated Trust guidance and maintaining oversight of the areas identified previously.

Theme 7:**Code Red for Acute Confusion!**

Responses include:

- Establishment of the Acutely Unwell Adult Quality Improvement Collaborative (see page 11) across the NCA, including Salford Royal.

Impact of learning from deaths work:

The themes identified previously are the subject of ongoing work by a variety of groups within the organisation, ranging from small task-and-finish groups through existing steering committees to a larger QI collaborative addressing the care of the acutely unwell adult. The output is accountable to the established divisional and organisational bodies (Clinical Effectiveness Committee/Quality and People Experience/Care Organisation Assurance and Risk Committee) with scrutiny by the Medical Director/Board and CCG partners.

The impact is being realised through the greater depth of assurance we are able to provide bereaved families on completion of an investigation and supports the work of the District Coroner in this respect also.

We continue to report our number of preventable deaths and aim to reduce this number as a key impact measure in the long-term alongside our rolling HSMR which continues to fall and remains below both our peers and national average.

1,089 case record reviews and 29 investigations completed after 01/04/2017 which related to deaths which took place before the start of the reporting period.

7 representing 0.5% of 1,527 patient deaths before the reporting period are judged to be more likely than not to have been due to problems in the care provided to the patient. This number has been estimated using Preventable incidents, survival and mortality (PRISM) 2 methodology applied to local case record review tools, Structured Judgment Review and governance investigation.

8 representing 0.5% of 1,527 patient deaths during 2017/18 are judged to be more likely than not to have been due to problems in care provided to the patient.

How we are implementing the priority clinical standards for seven day working

Salford Royal NHS Foundation Trust has committed to implementing the National Health Service Improvement (NHSI) standards for seven day hospital services.

The seven day services programme is designed to ensure patients that are admitted as an emergency, receive high quality consistent care, whatever day they enter hospital. There are ten clinical standards with four being deemed as priority which strive to achieve the following:

- Our patients don't wait longer than 14 hours to initial consultant review.
- Our patients get access to diagnostic tests with a 24-hour turnaround time, for urgent requests within 12 hours and for critical requests within one hour.
- Our patients get access to specialist, consultant-directed interventions.
- Our patients with high-dependency care needs receive twice-daily specialist consultant review, and those patients admitted to hospital in an emergency will experience daily consultant-directed ward rounds.

Please see below the progress that has been made against the four priority standards.

Time to first consultant review

- The overall proportion of patients seen and assessed by a suitable consultant within 14 hours of admission is above the 90% standard
- A revision of the consultant working practices within medicine has enabled an increase in weekend cover to 6 consultants. This includes Acute Physicians, Geriatricians and Gastroenterologists who provide consultant reviews to medical patients between 8.00am and 8.00pm.

- All specialties within the Organisation support A&E with consultant reviews for the most unwell emergency admissions.
- Consultant-led ward rounds are in place 7 days a week within the Surgical and Neurosurgical specialties including Stroke, Neurology and General Surgery.

Diagnostics

- Radiology and Pathology services are provided 24 hours per day, 7 days per week to support timely access to diagnostics for all emergency admissions.

Intervention key services

- The Trust provides 24 hour access, 7 days per week to key consultant directed interventions. For example Critical Care, Endoscopy, Emergency Surgery and Stroke Thrombolysis.
- For specialist interventions that the Trust does not routinely perform we have developed robust clinical pathways with our neighbouring Trusts to ensure our patients still have 24/7 access to these services. For example: Percutaneous Coronary Intervention, Urgent Radiology and Interventional Radiology.

Ongoing Review

- Within our critical care areas, all patients with high dependency needs are seen a minimum of twice daily by the consultant 7 days a week.
- For the patients who are on our High Dependency area, they are seen by a consultant at least once a day. However, if there was deterioration in their condition the consultant would be contacted to provide further reviews.

Freedom to Speak Up (FTSU)

The Whistleblowing / Concerns Reporting Policy outlines and guides staff about how to speak up if they have worries or concerns. This policy provides support, reassurance and signposting for staff who may wish to report a concern.

In the first instance, staff are encouraged to raise concerns via their line manager / human resources or using the incident reporting system (Datix). However, it is recognised that staff may feel it is challenging to report a concern and the Freedom to Speak Up Team have been established to provide confidential support to staff, particularly with regards to concerns which are related to patient safety. Staff are also informed about Safecall which is another independent means for staff to raise concerns.

The FTSU Team consists of a lead guardian and a team of sub-guardians independent of existing divisions and representing various staff groups and disciplines. The FTSU model was launched in August 2016.

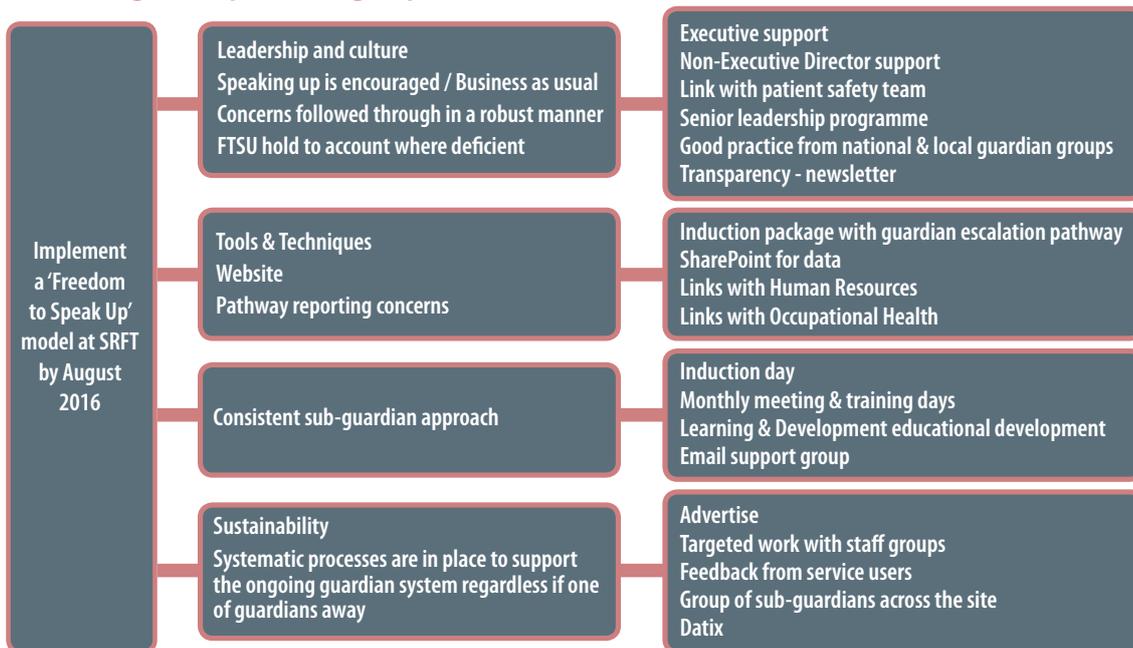
The FTSU Team is responsible for supporting a culture where staff can feel confident to raise concerns. The service does this through increasing awareness of how to raise concerns, supporting individuals who wish to speak up and making sure that individuals who raise concerns receive feedback and outcomes related to their issues. The service works proactively to tackle barriers to speaking up.

The FTSU team do not get directly involved in investigations, but remain independent and impartial to this process. The FTSU guardian ensures regular contact is maintained with the staff member who has raised the concern. Updates and outcomes from any investigations are sought from the investigating team and are shared with the individual wherever possible. If all outcomes cannot be disclosed (e.g. if it infringes the right to confidentiality of others) the guardian will explain this to the individual.

FTSU also ask for feedback from individuals who have approached the service.

Since the team has been established, 53 concerns have been raised to FTSU.

Driver diagram representing implementation of FTSU



Reducing rota gaps

There is currently an ongoing piece of work being undertaken between Human Resources (HR), Finance and Service Teams to determine Trust appointed doctor gaps. This piece of work will enable the Trust to report on gaps that are both for established and funded posts.

Below are the Deanery Doctor gaps as of the 31 March 2019:

Specialty	Grade & number of vacancies
Cardiology	ST3+ 1 vacancy
Gastroenterology	ST3+ 1 vacancy
Histopathology	ST3+ 1 vacancy
ICU	ST1/2 1 vacancy & ST3+ 3 vacancies
Neuro-Rehab	ST3+ 2 vacancies
Neurosurgery	ST3+ 1 vacancy

The following actions are being taken to address rota gaps:

- The Rotational Clinical Fellow (RCF) programme was introduced in August 2017 with the primary objective of filling gaps on rotas across several different specialities (including both medicine & surgery) but also with the intention of supporting junior doctors in training by providing flexibility and permitting them to attend protected teaching sessions as dictated by Health Education England (HEE). The rotations introduced by the project offer posts of up to 3 years with 6 monthly placements in various specialities. Placements are offered in hard to fill / understaffed areas or those areas where we have identified a deanery doctor gap. This provides stability and sustainability for those areas with a reliable medical resource rather than unpredictable and often high cost locums. The programme has placed 46 Rotational Clinical Fellows across the Trust to date, 44 of these posts would normally require often expensive agency locums to cover gaps if the RCF was not in post.
- Senior Clinical Fellows / MBA Programme: The Trust has recently advertised for Senior Fellowships in Quality & Safety (Q&S). This scheme aims to attract doctors to Emergency Medicine (adult or paediatric), Acute Medicine, Stroke Medicine, Radiology, Neurosurgery, or Orthopaedics. They will have the opportunity to obtain a fully funded place on a world-class triple accredited MBA programme via Aston University, majoring in Q&S.
- Certificate of Eligibility for Specialist Registration (CESR): The organisation is actively supporting doctors who wish to apply for a certificate of eligibility for specialist registration (CESR). This enables doctors in Staff Grade, Specialty Doctor, or Associate Specialist posts to gain a specialist qualification and gives them an opportunity to apply for consultant posts. The aim is to harness the SAS workforce and encourage them into achieving consultant status especially in shortage specialities. We currently have our first doctor on the CESR programme working in Neurosurgery.
- Medical Training Initiative (MTI): This is a national scheme designed to allow a small number of doctors to enter the UK from overseas for a maximum of 24 months so that they can benefit from training and development in NHS services before returning to their home countries. We are currently working with the Royal College of Physicians (RCP) and hope to have a doctor in Stroke Medicine via the MTI programme by April 2019.

Reporting against core indicators

Since 2012/13, NHS Foundation Trusts have been required to report performance against a core set of indicators using data made available to the Trust by NHS Digital.

The core indicators are listed in the table below:

Domain	Indicator	2018/19	National average	Where applicable - Best performer	Where applicable - Worst performer	Trust statement	2017/18	2016/17	2015/16
Preventing people from dying prematurely	SHMI value and banding (most recent full year of data available)	SHMI value = 0.918 Lower than expected (October 2017-September 2018) (latest period available)	1.00	N/A	N/A	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. Mortality reduction has been a constant focus for the Trust over the course of successive Quality Improvement Strategies. The Salford Royal NHS Foundation Trust has taken the following actions to improve this rate, and so the quality of its services, by the implementation of wide ranging Quality Improvement Strategies which have aimed to improve mortality and harm by focussing on a series of interventions including: Trust wide harm reduction Quality Improvement Collaboratives (as can be seen through the content of this Quality Account).	SHMI value = 0.900 Lower than expected (April 2017 - March 2018 Rolling report)	SHMI value = 0.866 Lower than expected	SHMI value = 0.935 As expected
Enhancing quality of life for people with long-term conditions	% patients deaths with palliative care coded at either diagnosis or speciality level (most recent full year of data available)	43.00% (February 2018 - January 2019)	31.63% (National Average) 28.21% (Peer Group)	N/A	N/A	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. The Trust has a very well established Palliative Care Team, who provide in reach to all areas of the hospital. The Salford Royal NHS Foundation Trust continues to take the actions highlighted in this Quality Account to improve this percentage and so the quality of its services, by continuing to place the upmost importance on high quality palliative care for our patients.	43.59% (April 2017 - March 2018)	45.7%	45%
Helping people recover from episodes of ill health or following injury	Patient reported outcome scores for groin hernia surgery (1 April to 30 September 2017 - final data published in June 2018)	Data collection for this procedure ceased on 1 October 2017				The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. The Trust has undertaken a significant amount of work in the area of Theatres Improvement. The Salford Royal NHS Foundation Trust continues to take the following actions to improve this outcome and so the quality of its services, by implementation of our Quality Improvement Strategy.	*data not nationally published due to low numbers	0.375	*data not nationally published due to low numbers
	Patient reported outcome scores for varicose vein surgery	This procedure is not carried out at the Trust.				This procedure is not carried out at the Trust.	N/A	N/A	N/A
	Patient reported outcome scores for hip replacement surgery (1 April to 30 September 2018 - most recent provisional data release)	Less than 30 modelled responses	0.48	N/A	N/A	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. The Trust has undertaken a significant amount of work in the area of Theatres Improvement. The Salford Royal NHS Foundation Trust continues to take the following actions to improve this outcome and so the quality of its services, by implementation of our Quality Improvement Strategy.	*data not nationally published due to low numbers	0.498	0.445
	Patient reported outcome scores for knee replacement surgery (1 April to 30 September 2018 - most recent provisional data release)	Less than 30 modelled responses	0.343	N/A	N/A	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. The Trust has undertaken a significant amount of work in the area of Theatres Improvement. The Salford Royal NHS Foundation Trust continues to take the following actions to improve this outcome and so the quality of its services, by implementation of our Quality Improvement Strategy.	0.321	0.293	0.318
Helping people to recover from episodes of ill health or following injury	28 day readmission rate for patients aged 0-15	NHS Digital hasn't updated this metric since 2013, therefore we have included our own data on readmissions on the Trust Selected Metrics page.							
	28 day readmission rate for patients aged 16 or over	NHS Digital hasn't updated this metric since 2013, therefore we have included our own data on readmissions on the Trust Selected Metrics page.							

Reporting against core indicators *continued*

Domain	Indicator	2018/19	National average	Where applicable - Best performer	Where applicable - Worst performer	Trust statement	2017/18	2016/17	2015/16
Ensuring that people have a positive experience of care	Responsiveness to inpatients' personal needs: CQC national inpatient survey score	71.4% (2017/18 is the most recent data release)	68.6% (2017/18 is the most recent data release)	85.0% (The Royal Marsden NHS Foundation Trust)	60.5% (Barts Health NHS Trust)	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. The Trust has undertaken a Patient Family and Carer Experience Collaborative which was started in January 2013 and aims to improve all elements of experience. The Salford Royal NHS Foundation Trust continues to take the following actions to improve this outcome and so the quality of its services, by continuing to deliver a Patient, Family and Carer Experience strategy.	71.4%	69.9%	72.7%
	Percentage of staff who would recommend the provider to friends or family needing care (Extremely likely/likely to recommend %)	87% (April 2018 - March 2019)	81%	100% (Multiple Trusts) (Q2)	31% (Multiple Trusts) (Q2)	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. The Trust has undertaken a Patient Family and Carer Experience Collaborative which was started in January 2013 and aims to improve all elements of experience. The Salford Royal NHS Foundation Trust continues to take the following actions to improve this outcome and so the quality of its services, by continuing to deliver a Patient, Family and Carer Experience strategy.	88%	79%	82%
Treating and caring for people in a safe environment and protecting them from avoidable harm	% of admitted patients risk-assessed for Venous Thromboembolism (most recent data release)	96.02% (YTD March 2019)	96% (Q3 - latest available)	N/A	N/A	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. The Trust reviews all cases of hospital acquired Venous Thromboembolism to ensure that all elements of best practice are adhered to. The Salford Royal NHS Foundation Trust continues to take the following actions to improve this outcome and so the quality of its services, by developing systems to ensure that patients receive risk assessments for venous thromboembolism. VTE forms part of the thrombosis improvement project which is described within project pages of previous quality accounts.	96.21% (Backdated data as of February 2019)	95.73%	96%
	Rate of <i>C.Difficile</i> per 100,000 bed days	8.29 23 Trust apportioned cases (April 2018 - March 2019)	N/A	N/A	N/A	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. Infection control remains one of the Trust's highest priorities with all cases of Hospital Acquired <i>C.Difficile</i> reviewed and opportunities for learning are shared. The Salford Royal NHS Foundation Trust continues to take the following actions to improve this outcome and so the quality of its services, by placing infection control as the highest priorities and ensuring that all staff are fully compliant with mandatory training for antiseptic non-touch technique.	7.42 24 Trust apportioned cases (April 2017 - March 2018)	8.7 21 Trust apportioned cases	6 14 Trust apportioned cases
Treating and caring for people in a safe environment and protecting them from avoidable harm	Rate of patient safety incidents per 1000 bed days	47.0 (count of incidents = 6,072) (April 2018 - September 2018) (latest available data)	35.2 (April 2018 - September 2018) (latest available data)	107.4 Croydon Health Services NHS Trust	13.1 Weston Area Health NHS Trust	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. The Trust continues to promote a culture of open and honest reporting and endorsing a fair blame culture. The Salford Royal NHS Foundation Trust continues to take the following actions to improve this outcome and so the quality of its services, by encouraging a culture of voluntary reporting and endorsing a fair blame culture.	42.2 (count of incidents = 11,054) (April 2017 - March 2018)	41.2 (count of incidents = 10,063) (April 2016 - March 2017)	38.1 (count of incidents = 8,864) (April 2015 - March 2016)
	Rate of patient safety incidents that resulted in severe harm or death per 1000 bed days	0.10 (count of incidents=18) (April 2018 - September 2018) (latest data available)	0.03	0.00 (Multiple Trusts)	0.62 York Teaching Hospital NHS Foundation Trust	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. The Trust continues to promote a culture of open and honest reporting and endorsing a fair blame culture. The Salford Royal NHS Foundation Trust continues to take the following actions to improve this outcome and so the quality of its services, by encouraging a culture of voluntary reporting and endorsing a fair blame culture.	0.10 (count of incidents=38) (April 2017 - March 2018)	0.20 (count of incidents=38) (April 2016 - March 2017)	0.10 (count of incidents=21) (April 2015 - March 2016)
Ensuring that people have a positive experience of care	Inpatient Friends and Family Test	90% (March 2019)	96% (March 2019) 90% Target	100% (Multiple Trusts) (March 2019)	78% (Multiple Trusts) (March 2019)	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. The Trust continues to promote a culture of open and honest reporting and endorsing a fair blame culture. The Salford Royal NHS Foundation Trust continues to take the following actions to improve this outcome and so the quality of its services, by continuing to deliver a Patient, Family and Carer Experience Strategy.	90% (March 2018)	91% (March 2017)	90% (January 2016)
Ensuring that people have a positive experience of care	Accident and Emergency Friends and Family Test	89% (March 2019)	86.0% (March 2019) 90% Target	100.0% (Multiple Trusts) (March 2019)	56.0% (Multiple Trusts) (March 2019)	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. The Trust has undertaken a Patient Family and Carer Experience Collaborative which was started in January 2013 and aims to improve all elements of experience. The Salford Royal NHS Foundation Trust continues to take the following actions to improve this outcome and so the quality of its services, by continuing to deliver a Patient, Family and Carer Experience Strategy.	88% (March 2018)	90% (March 2017)	91% (January 2016)

3

Other information



Performance against locally selected indicators

		Target/Benchmark	2018/19	2017/18	2016/17	2015/16	2014/15	Comment
Patient Safety Outcomes	Hospital standardised mortality rate (calculated using annual benchmark)	Expected ratio = 100. Under 100 is better than expected	85.54	83.55	84.05	77.85	82.40	Feb 2018 to Jan 19 – latest data available
	Stroke Mortality Rates (Acute Cerebral Vascular Disease)	Expected ratio = 100. Under 100 is better than expected	90.9	86.90	78.02	87.90	108.03	Feb 2018 to Jan 19 – latest data available
	Cardiac Arrests outside critical care units per 1,000 admissions	Local measure not nationally benchmarked	0.27	0.41	0.53	0.52	0.48	YTD to March 2019
	Orthopaedic Surgical Site Infections (inpatients & readmissions)	Latest data release relates to 2018/2019	2.69% (to Dec 2018)	2.02% (Backdated data)	3.21% (Test patient removed)	4.83%	2.50%	
	Safety thermometer acute - % of patients safe from new harm	Local target: Above 95%	97.89%	98.76%	97.50%	97.90%	98.20%	March 2019
	Safety thermometer community - % of patients safe from new harm	Local target: Above 95%	99.25%	98.04%	96.80%	97.20%	96.60%	March 2019
	Pressure Ulcers acute	Local count not nationally benchmarked	57	36	77	49	37	YTD March 2019
	MRSA	Local target: 0	5	0	2	0	0	YTD March 2019
	C.diff - All cases (including unavoidable)	Local Trajectory: 21 avoidable cases	23	24	21	14	26	YTD March 2019
	28 Day Readmission	Peer Value: 8.058%	6.50%	6.89%	Rate: 8.55% Relative Risk: 100.49	Rate: 8.41% Relative Risk: 102.85	Rate: 8.49% Relative Risk: 103.77	April 2018 to February 2019 - latest data available Relative Risk is not available on CHKS
Clinical Effectiveness*	Advancing quality - Composite Quality Score for Hip and Knee surgery	Target 88.6% Regional Average 93.4%	90.70%	84.30%	99.6% Jan-Mar 2016 80.5% Apr-Sept 2016	99.30%	98.65%	
	Advancing quality - Appropriate Care score for hip and knee surgery	Regional Average 71.0%	61.80%	39.00%	97.8% Jan-Mar 2016 80.5% Apr-Sept 2016	96.80%	94.62%	
	Advancing quality - Composite Quality Care score for AKI**	N/A	N/A	32.80%	N/A	N/A	N/A	
	Advancing quality - Appropriate Quality care score for AKI**	N/A	N/A	2.40%	N/A	N/A	N/A	
	VTE Risk assessment	95% NHS Contract Threshold	96.02%	96.21%	95.73%	96.00%	96.00%	YTD to March 2019 2017/18 VTE Assessment Data has been backdated
	Rate of CAUTI per 1000 bed days	N/A	0.3	0.48	0.67	0.80	1.58	

Performance against locally selected indicators *continued*

		Target/Benchmark	2018/19	2017/18	2016/17	2015/16	2014/15	Comment
Patient Experience	% of adult inpatients who felt they were treated with respect and dignity	N/A	N/A	N/A	86.00%	85.00%	85.00%	No longer on inpatient survey
	% of adult inpatients who had confidence in the trust doctors treating them	N/A	N/A	83.00%	84.00%	87.00%	89.00%	No longer on inpatient survey
	Count of patients who waited more than 52 weeks for treatment	Local target is 0	3	5	3	7	20	YTD to March 2019 (recording incomplete breaches only)
	GP Out of Hours - Time from case active to definitive telephone clinical assessment. Urgent calls within 20 minutes	Local target: full compliance is 95-100%	93.50%	91.67%	97.74%	100.00%	100.00%	
	GP Out of Hours - Time from case active to definitive telephone clinical assessment. Non-urgent calls within 60 minutes	Local target: full compliance is 95-100%	89.23%	91.87%	95.38%	95.06%	96.53%	

* Four Advancing Quality audits that were included in previous Quality Accounts are no longer included here as the Trust no longer participates in them.

** The reliability of the automatically extracted data related to AKI metrics submitted to Advancing Quality was considered suboptimal without clinical adjudication. At this stage the Trust could not support clinical adjudication. Data submission options will be reviewed for 2019/20.

Performance against national indicators 2018/19

Salford Royal aims to meet all national indicators. We have provided an overview of the national indicators and minimum standards including those set out within NHS Improvement indicators framework below. Further indicators can be found in Section 2 of the Quality Report.

		Target/ Benchmark	2018/19	2017/18	2016/17	2015/16	2014/15	Comment
Access to treatment	18 weeks RTT - patients on incomplete pathway	92%	90.83%	92.30%	92.90%	94.40%	94.27%	YTD to March 2019
Access to A&E	% of patients waiting a maximum of 4 hours in A&E from arrival to admission, transfer or discharge	95%	83.67%	85.74%	85.95%	93.30%	95.01%	YTD to March 2019
Infection control	Number of <i>C.diff</i> cases	21	23	24	21	14	26	YTD to March 2019
Access to cancer services	% of cancer patients waiting a maximum of 31 days from diagnosis to first definitive treatment	96%	98.52%	99.20%	98.80%	96.90%	97.00%	YTD to March 2019 2017/18 Cancer Data has been backdated
	% of cancer patients waiting a maximum of 31 days for subsequent treatment (anti cancer drugs)	94%	100.00%	100.00%	100.00%	100.00%	100.00%	
	% of Cancer patients waiting a maximum of 31 days for subsequent treatment (surgery)	94%	98.06%	99.26%	97.50%	96.30%	96.50%	
	% of cancer patients waiting a maximum of 31 days for subsequent treatment (radiotherapy)	98%	N/A This is no longer reported on	100.00%	100.00%	100.00%	100.00%	
	% of cancer patients waiting a maximum of 62 days from urgent GP referral to treatment**	85%	88.39%	89.72%	88.70%	88.20%	86.20%	
	% of cancer patients waiting a maximum of 62 days from the consultant screening service referral to treatment	90%	91.43%	76.92%	95.50% Target was not achieved in quarter 1 but the number of applicable patients was below the de minimis and there was only a 0.5% breach	95.80%	82.60% However, there have been less than 5 applicable patients per quarter	
	% of cancer patients waiting a maximum of two weeks from urgent GP referral to date first seen	93%	95.37%	95.96%	95.50% and target achieved each quarter	94.70%	96.00%	
	% of symptomatic breast patients (cancer not initially suspected) waiting a maximum of two weeks from urgent GP referral to date first seen	N/A	N/A	Breast service now managed on behalf of SRFT by University Hospital of South Manchester	N/A	88.60%	96.20%	
Diagnostics	Maximum 6-week wait for diagnostic procedures	99%	98.02%	96.56%	99.25%	99.19%	99.06%	YTD to March 2019
	VTE Risk assessment	95% NHS Standard Contract Threshold	96.02%	96.21%	95.73%	96.00%	96.00%	YTD to March 2019 2017/18 VTE Assessment Data has been backdated
Cancelled operations	No. of patients whose operations were cancelled by the hospital for non clinical reasons on the day of or after admission to hospital	0%	1.64%	1.24%	1.2%*	0.90%	0.66%	YTD to March 2019 *2016/17 was previously reported as 1.33%. The methodology has been reviewed for 2017/18 and the 2016/17 figure amended to be consistent
Cancelled operations not treated within 28 days	No of those patients whose operations were cancelled by the hospital for non-clinical reasons on day of or after admission to hospital, and were not treated within 28 days	0%	5.50%	3.78%	7.45%	2.62%	3.44%	YTD to March 2019

** Please note that the '% of cancer patients waiting a maximum of 62 days from urgent GP referral to treatment' will be reported in accordance with national allocation rules for that period of time.

NHS England patient safety alerts information 2018/19

Patient safety alerts are issued by NHS England (NHSE) to warn the healthcare system of risks and provide guidance on preventing incidents that may lead to harm or death.

The table below details the alerts issued by NHSE during 2018/19 and the Trust's response to each alert.

Reference	Alert title	Issue date	Progress action	Deadline date
NHS/PSA/W/2018/002	Risk of death or severe harm from inadvertent intravenous administration of solid organ perfusion fluids.	20.04.18	Pharmacy and Theatres confirm we do not hold stocks of this fluid in the organisation.	31.5.18
NHS/PSA/RE/2018/003	Resources to support the safe adoption of the revised National Early Warning Score (NEWS2).	25.4.18	Lead EAU Consultant who has actioned the alert – NEWS2 Champions appointed for SRFT. Observations Policy updated.	21.6.18
NHS/PSA/RE/2018/004	Resources to support safer modification of food and drink.	27.04.18	AHP Lead for Adult Speech & Language Therapist (SALT) has a local implementation plan shared with colleagues at Pennine. SRFT AHP Lead confirms for SCO now progressed to IDDSI levels for diet and fluids. SALT staff are aware not to use the term 'soft' for anyone with dysphagia and to use the modified diet levels. All documentation/training packages etc. have been amended.	1.4.19
NHS/PSA/RE/2018/005	Resources to support safer bowel care for patients at risk of autonomic dysreflexia.	25.7.18	SRFT: Clinical and Nurse Leads identified to implement actions required in Alert. Documentation reviewed. Actions completed.	25.1.19
NHS/PSA/RE/2018/006	Resources to support safe and timely management of hyperkalaemia (high level of potassium in the blood).	8.8.18	Clinical Director for Clinical Effectiveness is identified lead. Action plans in progress.	8.5.19
NHS/PSA/RE/2018/007	Management of life threatening bleeds from arteriovenous fistulae and grafts.	12.11.18	ADNS discussed with Divisional Governance Lead. Lead identified as Vascular Access (VA) Service Lead who feeds in to the regional QI workstream on VA.	13.5.19
NHS/PSA/RE/2018/008	Safer temporary identification criteria for unknown or unidentified patients.	5.12.18	Sent to Medical Director & Director of Nursing. Leads identified to address actions. EPR lead for Salford drafting flow chart.	5.6.19
NHS/PSA/RE/2018/009	Risk of harm from inappropriate placement of pulse oximeter probes.	5.12.18	Leadership & Organisational Development leading on updating Training. Actions in progress.	5.6.19

Medical device alerts

Medical Device Alerts (MDA) are issued from the Medicines and Healthcare Products Regulatory Agency (MHRA) and relate to medical devices and equipment that require remedial action to ensure they are functioning correctly and to prevent harm.

The table below details the alerts issued by the MHRA during 2018/19 and the Trust's response to each alert.

Reference	Alert title	Issue date	Affects the Trust	Response	Deadline	Status
MDA/2018/009	Bag valve mask (BVM) manual resuscitation system - risk of damage to lungs by delivery of excessive pressure	2.3.18	Yes	Action completed: Theatres has quarantined affected stock and emailed product recall form to suppliers	17.4.18	Closed
MDA/2018/010	All T34 ambulatory syringe pumps - risk of unintended pump shutdown and delay to treatment	28.3.18	Yes	MDSO confirms - used by Palliative Care (acute and community) and issued by Pharmacy. Alert emailed to Palliative Care and Pharmacy	25.6.18	Closed
MDA/2018/011	Bone cement: Optipac 40 Refobacin Revision and Optipac 80 Refobacin revision - risk of revision	20.4.18	No	Action completed: MDSO & Supplies have confirmed we have not purchased any of the products listed in this alert	14.5.18	Closed
MDA/2018/012	BD Vacutainer® EDTA & BD Vacutainer® Lithium Heparin Tubes – risk of incorrect results for lead testing or other assays using ASV methodology	26.4.18	No	Action completed: MDSO and Supplies have confirmed this product not used at SRFT	25.5.18	Closed
MDA/2018/013	Cobas b 221 instruments with AutoQC module - software limitation affecting automatic QC measurements	1.5.18	Yes	MDSO confirms required action completed	1.6.18	Closed
MDA/2018/014	Infinity Acute Care System and M540 Patient Monitors software versions VG2.2-VG6.0 – risk that alarms are not activated	2.5.18	No	MDSO & Supplies confirm that this product not used at SRFT	5.6.18	Closed
MDA/2018/015	Gambro Ultrafilter U9000 microbial water filter for haemodialysis – risk of hypovolemia due to filter leaks during use	16.5.18	No	Action completed: MDSO & Supplies have checked our records and confirmed we have not purchased any of these products in the Trust	8.8.18	Closed
MDA/2018/016	Home use and Point of Care blood glucose monitoring system: Accu-Chek Aviva, Accu-Chek Performa and Accu-Chek Inform II test strips - risk of strip error messages and false high and low blood glucose results	18.5.18	Yes	Action completed: POCT confirms this alert does not affect our Inform II current stock or previous stock. The notification was only issued to those sites affected; hence we did not receive it directly	18.6.18	Closed
MDA/2018/017	Cook Vacuum Pump for IVF - risk of electric shock or burn to operator	24.5.18	No	Action not required: MDSO has confirmed we have not purchased any of these pumps	22.6.18	Closed
MDA/2018/018	Various Arrow Critical Care devices – recall due to incomplete packaging seals	31.5.18	No	Action not required: MDSO confirmed we do not stock any of these devices, not affected by the alert	28.6.18	Closed
MDA/2018/019	JM103 and JM105 Jaundice Meters – risk of misinterpretation of measurement in hyperbilirubinemia cases	11.6.18	No	Action not required: MDSO confirms we do not have any of these devices (No neonatal care in the Trust)	6.8.18	Closed

Medical device alerts *continued*

Reference	Alert title	Issue date	Affects the Trust	Response	Deadline	Status
MDA/2018/020	Smiths Medical CADD® Non Flow-Stop Medication Cassette Reservoirs – recall of specific lots due to risk of under delivery of medication	20.6.18	No	MDSO confirmed this product not used at Salford	18.7.18	Closed
MDA/2018/021	Alaris Smartsite add-on bag access device - removal and destruction of specific batches due to risk of disconnection or leakage	21.6.18	No	MDSO confirms we do not use this supplier Urine Analyser. So alert does not affect SRFT	2.8.18	Closed
MDA/2018/023	Combur10 Test UX and Chemstrip 10 A test strips – risk of falsely low results when measuring test strips on the Urisys 1100 urine analyser	5.7.18	No	MDSO confirms We do not use this supplier Urine Analyser. So alert does not affect SRFT	2.8.18	Closed
MDA/2018/022	SAM XT Extremity Tourniquet - recall due to the risk of tourniquet failing in use	5.7.18	No	Action not required: - superseded by alert MDA/2018/022R	2.8.18	Closed
MDA/2018/022R	SAM XT Extremity Tourniquet - recall due to the risk of tourniquet failing in use - Updated Alert Supersedes MDA/2018/022	6.7.18	No	Action not required: MDSO confirms do not use this product on the SRFT site	3.8.18	Closed
MDA/2018/025	Novaline haemodialysis bloodlines used with Baxter/Gambro haemodialysis machines - recall of specific products due to various problems encountered during clinical use	11.7.18	No	Action not required: superseded by MDA/2018/25R	5.9.18	Closed
MDA/2018/024	All Alaris™ and Asena™ GS, GH, CC, TIVA, PK, enteral syringe pumps - risk of uncontrolled bolus of medicine	11.7.18	Yes	Action not required: superseded by MDA/2018/24R	3.10.18	Closed
MDA/2018/025R	Novaline haemodialysis bloodlines used with Baxter/Gambro haemodialysis machines - recall of specific products due to various problems encountered during clinical use - Updated Alert Supersedes MDA/2018/025	12.7.18	Yes	MDSO confirms: SRFT instigated this Corrective action. All our stock replaced when the FSN (Field Safety Notice) came out. Confirmation from the renal team stopped using this product in January 2018	5.9.18	Closed
MDA/2018/024R	All Alaris™ and Asena™ GS, GH, CC, TIVA, PK, enteral syringe pumps – risk of uncontrolled bolus of medicine - Updated Alert Supersedes MDA/2018/024	12.7.18	Yes	Carried out many of the action when this was released as a FSN. Action: <ul style="list-style-type: none"> ➤ All clinical users have been advised of the risk of bolus release ➤ All old stock of Springs have been removed from use ➤ New instruction manual has been added to our technical library ➤ Our test procedures are being reviewed to include the revised inspection ➤ Currently waiting stock of new springs so a phased program of replacement can be carried out 	3.10.18	Closed

Medical device alerts *continued*

Reference	Alert title	Issue date	Affects the Trust	Response	Deadline	Status
MDA/2018/026	First generation JOURNEY BCS Knee System - higher than expected risk of revision	23.7.18	No	Action not required: Supplies & theatres confirm this product not used within the Trust	20.8.18	Closed
MDA/2018/027	Breast implants, all types, makes and models continue to report suspected cases of Breast Implant Associated - Anaplastic Large Cell Lymphoma (BIA - ALCL)	26.7.18	No	MDSO & Supplies confirmed these implants not used at Salford	6.9.18	Closed
MDA/2018/028	Orthopaedic bone plates and cortical screws: ADVANSYS MLP-DLP, ADVANSYS TTC, Large QWIX, TIBIAXYS and UNI-CP- Sterile – Risk of infection	1.8.18	No	Confirmation from MDSO & Theatres new deal not used in theatres at SRFT	29.8.18	Closed
MDA/2018/029	Benchmark automated slide stainer series - Flo Lok Iii reagent dispenser issue for Ihc and Ish kits including inform Hpv Iii family 16 probe (B)	13.9.18	No	Supplies confirm no evidence of this product on the PO reports or the NHSSC reports	18.10.18	Closed
MDA/2018/031	Suresigns VS & VM patient monitors and viewing stations manufactured before 3 May 2018- risk of batteries overheating or igniting	19.9.18	No	Do not use these monitors at SRFT, so alert does not affect use	14.11.18	Closed
MDA/2018/030	Flex connectors in Halyard closed suction kits - risk of interruption of ventilation	19.9.18	-	Supplies confirm this product not purchased at SRFT	17.10.18	Closed
MDA/2018/032	Various trauma guide wires - risk of infection due to packaging failure	24.9.18	No	Supplies find no evidence of these particular product codes on the NHSSC or PO reports	12.11.18	Closed
MDA/2018/033	CoaguChek test strips for point of care and home use - risk of false high results	8.10.18	Yes	This was dealt with when the field safety notice was received. All actions to date completed	22.10.18	Closed
MDA/2018/035	All T34 ambulatory syringe pumps – update concerning battery information	14.11.18	Yes	Action completed. Correct batteries are available to order from supplies	8.1.19	Closed
MDA/2018/034	Suction catheters, gastro-enteral tubes, intermittent urology catheters and sterile urine drainage bags – potential breach in sterile barrier packaging	14.11.18	Yes	Field safety notice received. Supplies distributed information to wards & depts. Actions completed	13.2.19	Closed
MDA/2018/036	Batteries for the Heartstart Mrx monitor/ defibrillator may fail to charge or to provide power	29.11.18	No	MDSO confirms this model of defibrillator is not used at Salford	28.12.18	Closed
MDA/2018/037	Fabian +Ncpap evolution, Fabian therapy evolution and Fabian Hfo - risk of total loss of patient ventilation	21.12.18	No	MDSO confirms this model of equipment not used at SRFT	15.2.19	Closed
MDA/2019/001	Datex-Ohmeda Aisys CS2 and Aisys anaesthesia devices with software version 11 and version 11 SP01 (service pack) - risk of ventilation loss, inadequate anaesthesia and hypoxia or severe hypotension	17.1.19	No	MDSO confirms this supplier of anaesthetic machine not used at Salford	14.3.19	Closed

Medical device alerts *continued*

Reference	Alert title	Issue date	Affects the Trust	Response	Deadline	Status
MDA/2019/002	Nellix Endovascular Aneurysm Sealing (EVAS) System - device recall and enhanced patient surveillance	25.1.19	No	MDSO confirms this kit not used in theatres at Salford	15.2.19	Closed
MDA/2019/003	Freestyle Libre flash glucose sensor - use of barrier methods to reduce skin reactions to the sensor adhesive	29.1.19	Yes	Alert forwarded to the community team who will give the appropriate advice to patients who they see with the Libre in clinics. The Libre is started in secondary care and a list of all users is held by Diabetes Consultant	26.2.19	Closed
MDA/2019/004	Arjo Minstrel passive floor lift (portable hoist) - risk of spreader bar detachment from lifts without a scale	29.1.19	Yes	SRFT use the Minstrel hoist. All joists of this model have been checked and none are affected by this alert. All are later versions	26.2.19	Closed
MDA/2019/005	Recall of certain batches of Eurotrol Haemoglobin controls due to microbial contamination	30.1.19	Yes	Path Lab confirmed this has been dealt with. Removed the lot number indicated and received replacement ones from the company and POCT manager has checked the EQA for the machines	27.2.19	Closed
MDA/2019/006	Orthopaedic implant rhead radial head and uni-elbow: risk of early loosening	8.2.19	No	FSN was sent some months ago. On receipt of the MDA Medical Devices and procurement carried out checks and confirmed the products not purchased at SRFT. Further confirmation received from Clinical Director Orthopaedics these implants not used at SRFT	1.3.19	Closed
MDA/2019/007	Ophthalmic implant raindrop near vision inlay - risk of corneal haze	13.2.19	No	Procurement confirm this implant not used by the SRFT	10.4.19	Closed
MDA/2019/008	Implantable cardiac pacemakers: Specific brands of dual chamber pacemakers - risk of syncope due to pause in pacing therapy	13.2.19	No	Confirmed his product not used at SRFT	13.5.19	Ongoing
MDA/2019/009	Accu-Chek® insight insulin pumps – some need to be fitted with key frames to reduce the risk of accidentally unlocking keys or pressing the bolus buttons	19.2.19	Yes	Alert sent to Community Diabetes team for action. Diabetes Clinical Service Manager confirms users of the Roche insight pump are being supported by staff to apply the key frames	2.4.19	Closed
MDA/2019/010	Professional use monitor/defibrillator: Lifepak 15 - risk of device failure during patient treatment and possible failure to deliver therapy	20.2.19	No	Procurement confirm this defibrillator not used by the Care Organisation	6.3.19	Closed
MDA/2019/011	Multi parameter patient monitors: CareScape B450, B650, B850, B20, B40, B20i, B40i, B125, B105, Dash 3000, 4000, 5000, Solar 8000m/l, 9500 - risk of loss of patient monitoring	27.2.19	Yes	FSN received. Response from MDSO: Currently going through a replacement program for all these monitors so they will all be withdrawn as part of this program. Records updated and FSN closed	31.5.19	Ongoing

Medical device alerts *continued*

Reference	Alert title	Issue date	Affects the Trust	Response	Deadline	Status
MDA/2019/012	Potentially breached sterile packaging of: rectal tubes, Universal drainage systems, SimpaVac, sterile suction connecting tubes, sterile connecting pieces, suction handles/sets (FilterFlow™/Deltaflo), oxygen catheters, sterile nasal oxygen cannulas, sterile oxygen connecting tubes, and sterile forceps	28.2.19	Yes	Checks currently in progress	29.4.19	Ongoing
MDA/2019/013	All T34 ambulatory syringe pumps need a sponge pad fitted to the battery compartment to prevent battery connection issues	4.3.19	Yes	This MDA replaces MDA/2018/035. SRFT Medical Device team confirms have already initiated the order for the kits to rectify the situation following receipt of the FSN	28.5.19	Ongoing
MDA/2019/014	All bard urogynaecological mesh - Voluntary product withdrawal, implanted devices do not need to be removed	7.3.19	No	Confirmation from procurement this doesn't affect Salford	21.3.19	Closed
MDA/2019/015	Enflow174; lv fluid and blood warmer - risk of unsafe levels of aluminium leaching from the device	8.3.19	Yes	Action not required: Alert superseded by MDA/2019/016	29.3.19	Closed
MDA/2019/016	Enflow174; lv fluid and blood warmer - risk of unsafe levels of aluminium leaching from the device - updated safety advice from manufacturer	19.3.19	Yes	SRFT have these products. All have been withdrawn from clinical use and an alternative is being introduced	10.4.19	Closed
MDA/2019/017	MDA Alert MDA 2017 017 Pagewriter Cardiographs (Tc20/30/50/70) manufactured before 20 November 2018 and Efficia Monitors (Cm10/12/100/120/150) manufactured before 25 October 2018 - risk of batteries overheating or igniting	20.3.19	Yes	FSN received. SRFT have the TC range of records. Started actions when the FSN came out. MEMS have Changed testing procedures to take this action into account	1.5.19	Ongoing
MDA/2019/018	Fresenius 5008 & 5008S haemodialysis machines low risk of inadequate fluid removal during treatment	29.3.19	No	Confirmation from MDSO that SRFT do not use this supplier of Dialysis machines	21.6.19	Closed

Never events

Never events are serious incidents that have occurred despite the presence of national guidelines or safety recommendations that should have prevented them from happening. Never events provide important insights into safety processes and highlight potential areas for improvement across the Trust.

During 2018/19, 0 never events were reported by the Trust.

Annex 1: Statement from local commissioner, overview and scrutiny committees

Clinical Commissioning Group (CCG) response to Salford Royal NHS Foundation Trust Quality Accounts (2018/19)

NHS Salford Clinical Commissioning Group (CCG) welcomes the opportunity to comment on the 2018/19 Quality Accounts for Salford Royal NHS Foundation Trust.

We have worked closely with the Trust during the year reviewing a range of indicators in relation to quality and performance; gaining assurance of the delivery of safe and effective services. The material presented within the Quality Accounts is consistent with information supplied to commissioners over the past 12 months.

Review of regulatory inspections form part of our quality assurance processes and we commend the Trust on retaining their 'Outstanding' rating from the Care Quality Commission (CQC). This is a huge achievement and reflects the emphasis that the Trust places on delivering safe and effective services. The importance of this independent view is helpful in providing additional assurance to our direct discussions and observations.

The document outlines the organisation's continued commitment to improving safety; evidence of a sustained approach to reducing avoidable harm is highlighted throughout this report. The progress made in reducing community acquired pressure ulcers is particularly pleasing to note as is the progress made in learning from mortality reviews. We welcome the plans for further development in this area including embedding the Learning Disability Mortality Review (LeDeR) process and refining the mortality review process for children.

As partners in the Safer Salford programme we are pleased to see that the outcome of this work is highlighted; our collaborative approach in supporting care homes has resulted in significant improvements in their CQC ratings which is hugely positive.

It is particularly noteworthy that our integrated approach to improving the safety of medicines has been recognised nationally in being shortlisted for a safety award. We will continue to work with the Trust and other partners in driving safety improvement with a refresh of our Safer Salford programme during 2019/20.

The continued commitment to the experience of people using services is evidenced within the report, the inclusion of examples of changes that have been made as a result of patient feedback illustrate this. The Enhanced Carer Support Service and use of volunteers across the organisation to improve patient experience are excellent examples of innovative approaches to this agenda.

We continue to work closely with the Trust in supporting transformation programmes to deliver more integrated, community based health and social care services. We recognise that this work is a fundamental component to address the challenges faced in increasing demand for urgent care which impacts on the achievement of the A&E four hour standard.

We are pleased to endorse these Quality Accounts for 2018/19 and look forward to continued partnership working on driving improvements in safety and quality for the benefit of our population.

Anthony Hassall
Chief Accountable Officer
NHS Salford Clinical Commissioning Group

Health and Social Care Scrutiny Panel Statement

Our work with Salford Royal NHS Foundation Trust over the past 12 months has provided an ongoing demonstration by the Trust to provide outstanding services to the people of the city. The delivery of these standards shows the clear commitment of the Trust to its staff, patients and visitors.

The Panel notes the organisational changes to both the Northern Care Alliance and Salford Royal NHS Foundation Trust. It wishes to place on record its thanks to Sir David Dalton and James Sumner for their leadership, dedication, service and passion during their time at the Trust.

The Panel would like to offer congratulations and thanks to all employees of the Trust, without whose endless dedication and professionalism, the achievements and improvements of the organisation would not be possible.

We look forward to further progressing our partnership work with the Trust in 2019/20.

Councillor Margaret Morris, MBE
Chair of the Health and Social Care Scrutiny Panel
Salford City Council

Salford Healthwatch Statement

Thank you for sending the Salford Royal NHS Foundation Trust (SRFT) Quality Account 2018/19. As stated last year we aim to have a proactive role influencing what the quality priorities should be. We take into consideration:

- If the Quality Account reflect people's real experiences told to Healthwatch by service users and their families and carers over the past year?
- Is there evidence that any of the basic things are not being done well by the provider?
- Is it clear that there is a learning culture within the provider organisation that allows people's real experiences to be captured and used to enable the provider to improve?
- Are the priorities for improvement challenging enough to drive improvement and is it clear how improvement has been measured in the past and how it will be measured in the future?

Our statement is influenced by signposting and feedback data, direct comments on this draft from Healthwatch Salford members, collaborative work we have undertaken and interactions we have had during the last 12 months.

The Northern Care Alliance is ambitious in its scope, so we support the work going on with Clinical Reliability Groups in the hope that this will drive up standards across the hospital group by sharing and replicating good practice.

We congratulate Salford Royal for being rated twice as 'Outstanding' by the Care Quality Commission. This is a great achievement for all involved with Salford Royal. However, we would also encourage SRFT, as recommended by the CQC, to improve its response times to complaints as this mirrors some feedback that Healthwatch Salford have received.

The great work focused on audit and quality reviews is welcome and we are pleased to confirm that this mirrors our experience of working with SRFT within the last 12 months. We have collaborated with improvement initiatives such as the Salford Royal Emergency Department Test of Change for the Urgent Treatment Centre and the Radiology 100 Days Care Improvement Campaign. We also thank SRFT for helping us to talk to more patients and carers at SRFT and wish to continue the closer ties we have established with the engagement and patient experience teams.

We do believe that work to improve access to appointments, waiting times, improved the dementia care, community-based care and staff development to ensure they always deliver high quality services is beneficial to the people of Salford.

Yours sincerely,



Delana Lawson
Chief Officer
Healthwatch Salford

Independent Practitioner's Limited Assurance Report to the Council of Governors of Salford Royal NHS Foundation Trust on the Quality Report

We have been engaged by the Board of Governors of Salford Royal NHS Foundation Trust to perform an independent limited assurance engagement in respect of Salford Royal NHS Foundation Trust's Quality Report for the year ended 31 March 2019 (the "Quality Report") and certain performance indicators contained therein as part of our work.

NHS Trusts are required by section 8 of the Health Act 2009 to publish a Quality Account which must include prescribed information set out in The National Health Service (Quality Account) Regulations 2010 and as subsequently amended in 2011, 2012, 2017 and 2018 ("the Regulations").

NHS Trusts have the option to include these quality account requirements in a quality report, together with additional requirements for quality reports set out in 'Detailed requirements for quality reports 2018/19' issued by NHS Improvement.

Scope and subject matter

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

- Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge
- 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 Practitioner

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

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

- The Quality Account presents a balanced picture of the Trust's performance over the period covered;
- The performance information reported in the Quality Account is reliable and accurate;
- There are proper internal controls over the collection and reporting of the measures of performance included in the Quality Account, and these controls are subject to review to confirm that they are working effectively in practice;
- The data underpinning the measures of performance reported in the Quality Account is robust and reliable, conforms to specified data quality standards and prescribed definitions, and is subject to appropriate scrutiny and review; *and*
- The Quality Account has been prepared in accordance with Department of Health and NHS Improvement guidance.

As the Trust has opted to produce a Quality Report for 2018/19 the directors are also responsible for the content and the preparation of the Quality Report in accordance with the additional requirements set out in the 'Detailed requirements for quality reports 2018/19' 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 Regulations and 'Detailed requirements for quality reports 2018/19';
- The Quality Report is not consistent in all material respects with the sources specified in NHS Improvement's 'Detailed requirements for external assurance for quality reports 2018/19'; *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 "Detailed requirements for quality reports 2018/19" and the six dimensions of data quality set out in the "Detailed requirements for external assurance for quality reports 2018/19".

We read the Quality Report and consider whether it addresses the content requirements of the Regulations and the "Detailed requirements for quality reports 2018/19", and consider the implications for our report if we become aware of any material omissions.

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

- Board minutes for the period 1 April 2018 to 24 May 2019;
- Papers relating to quality reported to the Board over the period 1 April 2018 to 24 May 2019;
- Feedback from commissioners dated 2 May 2019;
- Feedback from local Healthwatch organisations dated 15 May 2019;
- Feedback from the Overview and Scrutiny Committee dated 10 May 2019;
- Feedback from governors dated 4 May 2019
- The Trust's complaints report published under regulation 18 of the Local Authority, Social Services and National Health Service Complaints (England) Regulations 2009, dated April 2019;
- The national patient survey dated 17 October 2017 (2018 survey will be published in May/June 2019);
- The national staff survey dated 26 February 2019;
- The annual governance statement dated May 2019;
- The Head of Internal Audit's annual opinion over the Trust's control environment dated 26 April 2019;
- The Care Quality Commission's inspection report dated 24 August 2018.

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

The firm applies International Standard on Quality Control 1 (Revised) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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 Board of Governors of Salford Royal NHS Foundation Trust as a body, to assist the Board of Governors in reporting Salford Royal 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 Board of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Governors as a body, and Salford Royal 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 indicators;
- Making enquiries of management;
- Limited testing, on a selective basis, of the data used to calculate the indicators tested against supporting documentation;
- Comparing the content requirements of the "Detailed requirements for quality reports 2018/19' and supporting guidance to the categories reported in the Quality Report; and
- Reading the documents.

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

Limitations

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

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

Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the Quality Report in the context of the criteria set out in the Regulations and 'Detailed requirements for quality reports 2018/19'.

The scope of our limited assurance work has not included governance over quality or non-mandated indicators, which have been determined locally by Salford Royal NHS Foundation Trust.

Our audit work on the financial statements of Salford Royal NHS Foundation Trust is carried out in accordance with our statutory obligations and is subject to separate terms and conditions. This engagement will not be treated as having any effect on our separate duties and responsibilities as Salford Royal NHS Foundation Trust's external auditors. Our audit reports on the financial statements are made solely to Salford Royal NHS Foundation Trust's directors, as a body, in accordance with the Local Audit and Accountability Act 2014.

Our audit work is undertaken so that we might state to Salford Royal NHS Foundation Trust's directors those matters we are required to state to them in an auditor's report and for no other purpose. Our audits of Salford Royal NHS Foundation Trust's financial statements are not planned or conducted to address or reflect matters in which anyone other than such directors as a body may be interested for such purpose.

In these circumstances, to the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than Salford Royal NHS Foundation Trust and Salford Royal NHS Foundation Trust's directors as a body, for our audit work, for our audit reports, or for the opinions we have formed in respect of those audits.

Conclusion

Based on the results of our procedures, as described in this report, 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 Regulations and the "Detailed requirements for quality reports 2018/19";
- The Quality Report is not consistent in all material respects with the sources specified in NHS Improvement's 'Detailed requirements for external assurance for quality reports 2018/19'; *and*
- The indicators in the Quality Report identified as having been subject to limited assurance have not been reasonably stated in all material respects in accordance with the "Detailed requirements for quality reports 2018/19" and the six dimensions of data quality set out in the "Detailed requirements for external assurance for quality reports 2018/19".

Grant Thornton UK LLP
Chartered Accountants

4 Hardman Square
Spinningfields
Manchester
M3 3EB

Date: 28 May 2019

Annex 2: Statement of responsibilities for the Quality Report

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

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

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

- The content of the Quality Report meets the requirements set out in the NHS Foundation Trust annual reporting manual 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 24 May 2019.
 - Papers relating to quality reported to the board over the period April 2018 to 24 May 2019.
 - Feedback from commissioners dated 02/05/2019.
 - Feedback from governors dated 04/05/2019.
 - Feedback from local Healthwatch organisations dated 15/05/2019.
 - Feedback from Overview and Scrutiny Committee dated 10/05/2019.
 - The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated April 2019.
- The 2017 national patient survey 17/10/2017 (2018 survey will be published in May/June 2019)
- The 2018 national staff survey 26/02/2019.
- The Head of Internal Audit's annual opinion of the Trust's control environment dated 26/04/2019.
- CQC inspection report dated 24/08/2018.
- 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.
- 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 compiled the above requirements in preparing the Quality Report.

By order of the board.



James J Potter
Chairman

Date: 28 May 2019



Raj Jain
Chief Executive & Accounting Officer

Date: 28 May 2019

4

Appendices



Appendix A

Glossary of definitions

Term	Explanation
4AT/CAM	A rapid clinical assessment test for delirium.
Acute Care	A branch of secondary health care where a patient receives active but short-term treatment for an injury or episode of illness.
Acute Kidney Injury (AKI)	Acute kidney injury (AKI) is sudden damage to the kidneys that causes them to not work properly. It can range from minor loss of kidney function to complete kidney failure.
Allied Health Professionals (AHP)	Allied health professions are health care professions distinct from nursing, medicine, and pharmacy.
Always Events	Aspects of care that patients should always receive when they use our services.
Ambulatory Emergency Care (AEC)	Ambulatory emergency care (AEC) is a service that provides same day emergency care to patients in hospital.
American Society of Anaesthesiologists (ASA) Score	A global score that assesses the physical status of patients before surgery.
Anticoagulation	Anticoagulants are medicines that help prevent blood clots.
Aseptic Non Touch Technique (ANTT)	A tool used to prevent infections in healthcare settings.
Best Practice Tariff (BPT)	A national price paid to providers that is designed to incentivise high quality and cost-effective care
Blood Clots (VTE)	A condition where a blood clot forms in a vein.
Board Rounds	Board rounds are a summary discussion of the patient journey and what is required that day for it to progress.
Breakthrough Series Collaborative (BTS)	Quality Improvement method undertaken at Salford Royal.
Care Organisation	Our four Care Organisations with the Northern Care Alliance are; Salford, Oldham, Bury/Rochdale and North Manchester. Whilst our Care Organisations provide hospital care, they play a much broader role in each locality and are supporting the establishment of new integrated models of care.
Care Pathway	A multidisciplinary management tool based healthcare plan for a specific group of patients with a predictable clinical course.
Catheter	Catheters are medical devices that can be inserted in the body to treat diseases or perform a surgical procedure. Catheters are used for many reasons, for example, draining urine and in the process of haemodialysis.
Catheter associated urinary tract infection (CAUTI)	An infection which it is believed has been caused by a urinary catheter.
CCG	Clinical Commissioning Responsible for most healthcare services available within a specific geographical area.
Ceilings of Care	Decisions made with the patient about the extent to which they would like to be treated. For example, if a patient would want to be resuscitated or not.
Change Package	A group of changes or interventions developed to help tackle a particular problem.
Chronic Obstructive Pulmonary Disease (COPD)	A common lung disease, two of the main forms being Chronic Bronchitis and Emphysema.
Clinical Coding	The transformation of medical conditions, procedures or diagnoses into universal medical codes.
Clinical Reliability Groups	An improvement approach, used by hospitals which operate as the group, whereby the individual hospitals come together to work under a common structure.
Clinical Utilisation Review (CUR)	A process that enables both commissioning and provider organisations to make objective, evidence-based assessments about patient care.
Clostridium difficile	A type of infection.
Co-design Approach	Is an approach to design that attempts to include all stakeholders.
Collaborative	Working together towards a shared purpose.
Community Assessment and Accreditation System (CAAS)	An assessment criteria that is used to assess the quality of care in the community.
Co-morbidity	The presence of one or more additional diseases or disorders co-occurring with a primary disease.
COPD	Chronic obstructive pulmonary disease. The name for a collection of lung diseases including chronic bronchitis, emphysema and chronic obstructive airways disease.
COSHH	Control of Substances Hazardous to Health legislation.
CQC	Care Quality Commission - The independent regulator of all health and social care services in England.

Appendix A

Glossary of definitions *(continued)*

Term	Explanation
CQUIN	Commissioning for Quality and Innovation. This is a system introduced in 2009 to make a proportion of healthcare providers' income conditional on demonstrating improvements in quality and innovation in specified areas of care.
Datix	Salford Royal's incident reporting system.
Deep vein thrombosis	A blood clot that forms in the deep veins within the body.
Delirium	State of mental confusion.
Dementia	A condition that includes symptoms such as memory loss and confusion.
Dementia United Transformation Programme	A programme designed to improve the lived experiences of people with dementia.
Diagnostics	A device or substance used for the analysis or detection of diseases or other medical conditions.
Dietetics	A section of healthcare concerned with the diet and its effects on health.
Discharge Summary	A document communicating a patient's care plan to a post-hospital care team (for example a GP), outlining the inpatient's stay and the care they received.
Dispensing	The provision of medications by the pharmacy.
DoLS	The Deprivation of Liberty Safeguards, which aim to ensure that people in care organisations are looked after in a way that does not inappropriately restrict their freedom.
Domiciliary Visits	A visit to a private dwelling.
Do Not Attempt Cardiopulmonary Resuscitation (DNACPR)	The purpose of a DNACPR decision is to provide immediate guidance to those present (mostly healthcare professionals) on the best action to take (or not take) should the person suffer cardiac arrest or die suddenly.
EAU	Emergency admissions unit.
ECG	An electrocardiogram, used to check your heart's rhythm and electrical activity.
Elective Surgery	Surgery that is scheduled in advance because it does not involve a medical emergency.
Electronic Patient Record (EPR)	The system used to store patient health record information.
Emergency Village	A ward of the hospital which receives different types of patients into the hospital for example from the emergency department.
End PJ Paralysis	A national campaign to encourage patients to get out of bed and wear their own clothes while in hospital.
Enhanced Care Teams	A service that provides urgent care in an attempt to avoid hospital admissions.
FAIR	An assessment tool used to assist in a diagnosis of dementia.
Fit 2 Sit Campaign	A campaign that encourages staff to get patients out of bed into their own clothes.
General Data Protection Regulation (GDPR)	A regulation in EU law on data protection and privacy for all individuals.
Global Digital Exemplar (GDE)	A programme that provides additional resources to enhance digital services within the Trust.
GP Stream Service	A service that provides access to a GP in A&E to avoid inappropriate admissions.
Harm	An unwanted outcome of care intended to treat a patient.
HAT	A blood clot that forms while in hospital or as a consequence of treatment within hospital.
Health Economy	A reference to all healthcare providers across a region.
HIMSS	Healthcare Information and Management Systems Society.
HomeSafe	HomeSafe is an improvement programme in the Trust concerned with treating more patients at home.
HSMR	Hospital Standardised Mortality Ratio - A system which compares expected mortality of patients to actual.
INR Self-Testing Kit	A self-testing kit that reports on INR levels in blood.
Integrated Care Organisation (ICO)	Organisation within the Trust integrating hospital, community and social care.
Intermediate care units	Units which patients go to when they no longer require the acute care of the hospital but are not yet ready to go home.
Intervention	A treatment which is intended to improve a patient's condition.
Key Performance Indicators (KPI)	A type of performance measurement, evaluating the success of an organisation or a particular activity.

Appendix A

Glossary of definitions *(continued)*

Term	Explanation
MBE	The Most Excellent Order of the British Empire award, given to individuals with prominent national or regional achievements.
MCA	Mental Capacity Act.
MHA	Mental Health Act.
MHLT	Mental Health Liaison Team.
MHRA	The Medicines and Healthcare products Regulatory Agency.
Morbidity	Morbidity comes from the word morbid, which means "of or relating to disease".
Mortality	Mortality relates to death. In health care mortality rates means death rate.
Mortality Reviews	A national initiative to review if a hospital could have prevented any deaths and the learning that can be shared from those.
Mortality Review Committee	An assurance committee to validate mortality data within the Trust.
MRSA blood stream infection	Methicillin-resistant Staphylococcus aureus (MRSA) is a type of infection.
Multidisciplinary	Consisting of members of staff from different professional groups, for example doctors, nurses, physiotherapists and pharmacists.
Multiple Sclerosis	Multiple sclerosis (MS) is a neurological condition of the brain and spinal cord, affecting muscle control, vision, balance and causing fatigue, loss of sensation or numbness.
Musculoskeletal	Relating to the musculature and skeleton together.
N3 Secure Network	The NHS' secure internet network.
National Audit of Dementia	A clinical audit programme looking at the quality of care received by people with dementia in general hospitals.
NatSSIP'S	National Safety Standards for Invasive Procedures.
NCEPOD	The National Confidential Enquiry into Patient Outcome and Death reviews clinical practice following a patient death.
Never Event	Never Events are patient safety incidents that are preventable and should not occur.
NEWS	A system to monitor deterioration in a patient's health while in hospital.
National Institute for Health and Care Excellence (NICE)	Provides national guidance and advice to improve health and social care.
Northern Care Alliance (NCA)	The name for the newly formed group that includes Salford Royal NHS Foundation Trust and Pennine Acute Hospitals NHS Trust.
Nursing Assessment and Accreditation System (NAAS)	An assessment criteria that is used to assess the quality of care on inpatient wards.
Oesophago-gastric surgery	Surgery of the lower part of the oesophagus.
Outpatients	A department in the hospital that treats patients that do not require an overnight stay.
Palliative Care	Care for the terminally ill and their families.
PANDA	The Paediatric Assessment and Decision Area in Salford Royal, which provides dedicated emergency care for children.
Pathology	A service within the hospital that studies disease, it's cause and progression.
Pathways of Care	Standardised process of best practice to be followed in the treatment of a patient with a certain condition.
Patient Administration System (PAS)	An electronic system recording the patient's demographics and details of all patient contact with the hospital.
Patient Focus Group	A meeting with a group of patients to gain a better understanding of how our care impacts on patients and if there are any areas where we could improve.
Patient-Led Assessments of the Care Environment (PLACE)	Patient-led assessments of how the local environment supports the provision of care in the hospital, e.g. privacy and dignity, food and cleanliness.
PDSA	Plan, Do, Study, Act cycle, a method for testing change within the Trust.
Pressure Ulcer	Localised damage to the skin and/or underlying tissue as a result of long-term pressure.
Primary Care	Healthcare provided in the community for people making an initial approach to a medical practitioner.
Preventable incidents, survival and mortality (PRISM) 2 Methodology	A recognised methodology used in research to identify potentially preventable deaths.
Pulmonary Embolism (PE)	A blood clot which has become lodged in the lungs.

Appendix A

Glossary of definitions *(continued)*

Term	Explanation
QT interval	A measurement made on an electrocardiogram used to assess some of the electrical properties of the heart.
Quality and Productivity Improvement Directorate (QPID)	A department which brought together Quality Improvement and productivity delivery (Operational Experience).
Quality Improvement Strategy	A document which outlines the aims and objectives of the Trust relating to patients safety and improving quality.
Rapid Improvement Event	A Rapid Improvement Event generally spans from 1 to 5 days and involves key participants focusing on solving a narrowly scoped process improvement opportunity.
Rapid Review	A form of knowledge synthesis simplifying a review process to quickly produce information.
Reality Rounding	Leaders of the organisation visiting and engaging with ground-level staff to gain an understanding of problems with our care and how we can improve them.
Reliability science	The science relating to ensuring that all processes and procedures perform their intended function.
Root Cause Analysis (RCA)	A method of problem solving that is used for identifying the root causes of faults or problems.
Run Charts	Run charts are graphs used to display data for quality improvement purposes. Run charts are easier for teams to work with than control charts, although they may be less statistically sensitive. Run charts helpful in monitoring performance and monitoring improvement work. If there is an active improvement effort going on, these tools can also be used to determine if an improvement has indeed been made.
Safety Checklist	A document assessing the safety of each patient in the Emergency Department.
Safety Huddle	Brief and routine meetings for sharing information about potential or existing safety problems facing patients and workers.
Safety Thermometer	A point of care survey which is used to record the occurrence of four types of harm (pressure ulcers, falls, catheter associated urinary tract infection and venous thromboembolism).
Salford Care Organisation (SCO)	SCO is responsible for providing healthcare services to the local community. Whilst the Care Organisation provides hospital care, it plays a much broader role in the locality and supports the establishment of new integrated models of care.
Salford Together Partnership	The Salford Together Partnership – an alliance formed by NHS Salford Clinical Commissioning Group, Salford City Council, Salford Royal NHS Foundation Trust and Greater Manchester West Mental Health NHS Foundation Trust. The Partnership aims to bring together home care, mental health and community nursing, hospital and out-of-hospital services together, ushering in a new era of joined-up care.
Salford Wide Extended Access Programme (SWEAP)	A programme enabling registered individuals with Salford GP access weekday evening and weekend morning GP appointments.
SCAPE	This is awarded to wards who have achieved the criteria of delivering care that is Safe Clean and Personal every time.
Secondary Uses Service (SUS)	A single, comprehensive repository for healthcare data.
Sepsis	Life threatening condition caused when the body is overcome by infection.
SHOP	A structured method of performing a ward round.
Social Prescribing	Is a means of enabling GPs, nurses and other primary care professionals to refer people to a range of local, non-clinical services.
SSI (Surgical Site Infection)	A healthcare-associated infection in which a wound infection occurs after an invasive (surgical) procedure.
Steering group	A committee that decides on the priorities or order of business of an organisation and manages the general course of its operations.
Step-down	A bed that is used to provide a lower level of care for a patient when their current level of care is no longer necessary.
Stranded Patients	A patient who's been in hospital for more than 7 days.
Structured Judgement Review	An evidence-based method of reviewing a patients records to understand if their death was preventable.
SUS+DQ	An organisation that provides advice on data quality reporting.
Tertiary Care	Specialist care in a large hospital after referral from primary and secondary care.
The Trust	Salford Royal NHS Foundation Trust.
Theatre	A facility where surgical operations are carried out in an aseptic environment.
Thrombolysis	The dissolution of a blood clot.
Thrombosis	A condition where a blood clot forms in a vein.
Urgent Treatment Centre	A walk-in clinic focused on the delivery of ambulatory care to minor injuries patients.
Venous Thromboembolism	A condition in which a blood clot forms often in the deep veins of the leg, groin or arms.
WHO	World Health Organisation.
Work stream	An area of activity or project within the Trust.

2

Accountability report



Directors report

As described in the introductory section, with effect from 1 April 2017, Salford Royal Board of Directors and the Trust Board at Pennine approved the establishment of a Group Committees in Common (CiC) and delegated the exercise of their functions. The Group CiC has responsibility for effectively managing both Trusts. The Executive Directors of Salford Royal are also Group Chief Officers and voting members of the Group CiC. During 2018/19 the Group CiC comprised the Chairman and six Non-Executive Directors along with six Executive Directors; Chief Executive, Chief Medical Officer, Chief Nursing Officer, Chief Financial Officer, Chief Strategy & Organisational Development Officer and Chief Delivery Officer. Care Organisation Chief Officers are also non-voting members of the Group CiC.

Composition of the Board of Directors

Executive Directors (Group Chief Officers) and Non-Voting Members



Sir David Dalton

Salford Royal Board of Directors: Chief Executive Officer

Group Committees in Common: Group Chief Executive Officer

Sir David has been a Chief Executive for over 20 years; he has a strong profile, both locally within Greater Manchester, and also nationally in the areas of quality improvement and patient safety. Under Sir David's leadership, Salford Royal set out its clear ambition to be the safest organisation in the NHS and has adopted a disciplined approach of applied 'improvement science' coupled with deep staff involvement. In addition to his role at Salford Royal, Sir David was appointed as the Chief Executive of Pennine on 1 April 2016, and Chief Executive Officer for the Group CiC in March 2017. Sir David retired as the Chief Executive Officer for Salford Royal, and therefore the Group Committees in Common on 31 March 2019.



Mr Chris Brookes

Salford Royal Board of Directors: Executive Medical Director

Group Committees in Common: Chief Medical Officer

Chris continues to practice as a Senior Consultant in A&E. Chris continues to focus efforts on reducing mortality and morbidity and infection control and through the contribution of all staff members in Salford Royal there has been significant progress made in ensuring that our patients receive care which is safe and does not expose them to harm. In March 2017, Chris was appointed Chief Medical Officer for the Group CiC in addition to his post as Executive Medical Director for Salford Royal.



Mrs Elaine Inglesby-Burke CBE

Salford Royal Board of Directors: Executive Nurse Director

Group Committees in Common: Chief Nursing Officer

Elaine qualified as a Registered Nurse in 1980 at Warrington District General Hospital and specialised in critical care and general medicine and held various clinical positions at Ward level and Nurse Specialist. Educated to postgraduate degree level, Elaine maintains her professional/clinical development through regular clinical shifts and Executive Safety Shifts with frontline staff and has a strong track record in professional nursing and operational management. In addition to her role at Salford Royal, Elaine was appointed as Executive Nurse Director of Pennine on 1 August 2016 and Chief Nursing Officer for the Group CiC in March 2017.

Executive Directors (Group Chief Officers) and Non-Voting Members *continued*



Mr Ian Moston

Salford Royal Board of Directors: Executive Director of Finance
Group Committees in Common: Chief Financial Officer

Ian began his NHS career in 1991 as a Regional Financial Management Trainee and has held Finance Director positions in Primary Care, Acute and Intermediate Tier organisations since 2005. During this time he has worked on a number of large scale transactions, including the development of a new national service for cancer treatment and the development of a joint venture company to deliver benefits to the NHS. In addition to his role at Salford Royal, Ian was appointed as Chief Financial Officer for the Group CiC in March 2017.



Mrs Judith (Jude) Adams

Salford Royal Board of Directors: Executive Director of Group Delivery
Group Committees in Common: Chief Delivery Officer

Jude has over 30 years experience in the NHS, starting her career as a Registered Nurse in the North West region and then working in London based hospitals, before moving into operational management. Jude has been involved in a number of major change programmes including the development and move to the new Alder Hey Children's Hospital in 2015, where she held the position of Chief Operating Officer. In addition to her role at Salford Royal, Jude was appointed as Chief Delivery Officer for the Group CiC in March 2017.



Mr Raj Jain

Salford Royal Board of Directors: Executive Director of Corporate Strategy and Business Development/Deputy Chief Executive

Group Committees in Common: Chief Strategy & Organisational Development Officer

Raj spent the early part of his career in the oil and gas industry. He is an economist by training and a Human Resources and Organisational Development professional. Raj has held senior roles in a number of NHS Trusts, including Chief Executive, and Managing Director of the Greater Manchester Academic Health Science Network, bringing together healthcare and academic organisations in partnership with industry, local authorities and other agencies to improve health and economic wealth through the spread of innovation. In addition to his role at Salford Royal, Raj was appointed as Chief Strategy and Organisational Development Officer for the Group CiC in March 2017. From the 1 April 2019, Raj was appointed as the Chief Executive Officer for Salford Royal, and therefore the Group Committees in Common.



Mr James Sumner

SRFT Board of Directors: Director of Performance and Improvement
(Non-voting member of the Board of Directors)

Group Committees in Common: Chief Officer Salford Care Organisation

James began his NHS career in primary care and has held a number of roles in commissioning, provider and regional health organisations. James brings years of experience in operational management in Board Level Executive roles and, for the last two years, was Deputy Chief Executive at a nearby NHS Foundation Trust. In March 2017 James was appointed as the Chief Officer for Salford Care Organisation, assuming full responsibility for all matters relating to the Salford site and its community services, and is a non-voting member of the Group CiC.

Executive Directors (Group Chief Officers) and Non-Voting Members *continued*



Mr Jack Sharp

SRFT Board of Directors: Director of Service Strategy and Development
(Non-voting member of the Board of Directors)

Group Committees in Common: N/A

Jack started his career in the NHS as graduate management trainee and has held a wide range of general management posts during his career. Jack has led the development of a number of large scale change programmes, including the transfer and integration of community services within the Trust and the development of Salford's strategy to integrate health and social care services for older people.



Dr Peter Turkington

SRFT Board of Directors: Medical Director Standards and Performance
(Non-voting member of the Board of Directors)

Group Committees in Common: N/A

Pete completed his medical training in Yorkshire before moving to Salford Royal in 2003 to take up his Consultant Post in Respiratory Medicine. His main subspecialty interests are Obstructive Sleep Apnoea, Ventilatory Failure and Non-Invasive Ventilation (NIV). Pete was Clinical Director of Respiratory Medicine between 2007 and 2010 and Chair of the Division of Salford Healthcare between 2010 and 2013 during which time he led the development of the Emergency Village and seven day working for acute medicine. Pete is the Medical Director of Salford Care Organisation.

Non-Executive Directors



Mr James (Jim) Potter

SRFT Board of Directors: Chairman

Group Committees in Common: Chairman

Jim spent most of his working life in electrical engineering, initially as an engineer before moving into management. In 1990 Jim was made Managing Director of a packaging company based in Salford, a position he held until July 2016. In addition to his role at Salford Royal, Jim was appointed as Chairman of Pennine on 1 April 2016.

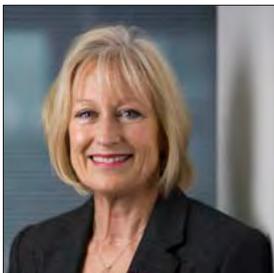


Mr John Willis CBE

SRFT Board of Directors: Non-Executive Director/Vice-Chairman/Chairman of Audit Committee

Group Committees in Common: Non-Executive Director/Vice-Chairman/Chairman of Audit Committee

John is a qualified accountant and was Chief Executive of Salford City Council from 1992 until his retirement in 2006. John led the team that secured funding for The Lowry and oversaw much of the regeneration of Salford. In addition to his role at Salford Royal, John was appointed as a Non-Executive Director at Pennine on 1 August 2016.



Mrs Diane Brown

SRFT Board of Directors: Non-Executive Director/Senior Independent Director

Group Committees in Common: Non-Executive Director

Diane has over 30 years' experience as a HR Director, Talent Director and Global Business Partner. Diane has worked with Senior Global Leaders in FTSE 100 companies including AstraZeneca Pharmaceuticals, M&S Money and Marks and Spencer PLC. Diane is a Fellow of the Chartered Institute of Personnel and Development. In addition to her role at Salford Royal, Diane was appointed as a Non-Executive Director at Pennine on 1 October 2016. Diane stood down from her Non-Executive Director roles on 31 March 2019.



Professor Chris Reilly

SRFT Board of Directors: Non-Executive Director

Group Committees in Common: Non-Executive Director

Chris is a scientist and business leader with over 30 years' experience in medical research, life science consultancy and venture capital in the UK, USA and Sweden. Chris has a Ph.D in Biochemistry from the University of Georgia and performed his postdoctoral work in the Massachusetts Institute of Technology.

Non-Executive Directors *continued***Dr Hamish Stedman**

SRFT Board of Directors: Non-Executive Director

Group Committees in Common: Non-Executive Director

Hamish was educated at St Andrews and Victoria Universities, qualifying as a Doctor in 1978. He has worked in most of Salford's hospitals and has recently retired from his role as a General Practitioner in Swinton, and Chair of Salford CCG and the Association of Greater Manchester CCGs. Hamish continues as a part time Medical Officer at St Ann's Hospice in Little Hulton and Neighbourhood Primary Care Lead for Salford Primary Care Together. Hamish was appointed as a Non-Executive Director at Pennine from 1 April 2019.

**Mrs Christine Mayer CBE**

SRFT Board of Directors: Non-Executive Director

Group Committees in Common: Non-Executive Director

Chris was Chief Executive of Her Majesty's Court Service, accountable for the day to day operation of 550 court centres across England and Wales until 2010. Chris is a consultant in leadership and executive coaching and is an associate with Fiona Macneill Associates. Chris has also been a Non-Executive Director at Pennine since 2011.

**Mr Kieran Charleson**

SRFT Board of Directors: Non-Executive Director

Group Committees in Common: Non-Executive Director

Kieran is the North West Regional Director for BT Group and represents BT's interests from broadband to broadcast in the region. He has held UK and international leadership roles in the digital sector with IBM and BT over a 30 year period and has extensive experience in developing and leading strategic partnerships. He leads BT's UK engagement with the Federation of Small Businesses and the Institute of Directors.

**Mrs Carmen Drinkwater** *(from 1 April 2019)*

SRFT Board of Directors: Non-Executive Director

Group Committees in Common: Non-Executive Director

Carmen is the Director for HR Projects and HR Transformation for Sodexo in the UK. She joined Sodexo in July 2013 as HR Director for the HR Shared Services function at Sodexo, accountable for smooth operation of employee relations, HR transactional and payroll services for a multi-site, multi-services business with 37,000 employees across the UK. Prior to joining Sodexo, Carmen held a number of senior HR roles creating and running shared services operations and has built breadth and depth in this specialism and in business transformation by holding the leader position for HR Shared Services at Royal Bank of Scotland, SPX Corporation and AstraZeneca.

Executive Directors

Name	Responsibilities	Appointment date		Group Committees in Common attendance	Board of Directors attendance
		From	To		
Sir David Dalton	Chief Executive/Group Chief Executive Officer	2001	31/3/19	10/10	4/4
Mr Chris Brookes	Executive Medical Director/Chief Medical Officer	2010	Present	10/10	4/4
Mrs Elaine Inglesby-Burke CBE	Executive Nurse Director/Chief Nursing Officer	2004	Present	10/10	4/4
Mr Ian Moston	Executive Director of Finance/Chief Finance Officer	2014	Present	10/10	4/4
Mr Raj Jain	Executive Director of Corporate Strategy and Business Development/Chief Strategy & Organisational Development Officer	2015	Present	9/10	3/4
Mrs Judith Adams	Executive Director of Group Delivery/ Chief Delivery Officer	2017	Present	10/10	4/4
Mr James Sumner	Director of Performance and Improvement/Chief Officer Salford Care Organisation	2016	Present	10/10	4/4
Mr Steve Taylor	Chief Officer Bury & Rochdale Care Organisation	2017	Present	9/10	N/A
Mrs Nicola Firth	Interim Chief Officer Oldham Care Organisation	2018	Present	10/10	N/A
Mr Damien Finn	Chief Officer North Manchester Care Organisation	2017	Present	10/10	N/A
Mr Jack Sharp	Director of Service Strategy and Development	2014	Present	N/A	4/4
Dr Peter Turkington	Medical Director Standards and Performance/Salford Medical Director	2014	Present	N/A	3/3

Non-Executive Directors

Name	Responsibilities	Appointment	Group Committees in Common attendance	Board of Directors attendance
Mr James Potter	Chairman	In post as Vice-Chairman when Salford Royal became a Foundation Trust in August 2006. Appointed as Chairman on 1.7.08. Re-appointed from 1.7.12 until 30.6.15. Re-appointed from 1.7.15 until 2017 AMM. Tenure extended until 30.06.18. Re-appointed from 1.07.18 until 30.6.19. Re-appointed from 1.7.19 until 30.6.20. Jim is now in his 13th year.	10/10	4/4
Mr John Willis CBE	Vice-Chairman Chairman of Audit / Charitable Funds Committees	Appointed 1.1.08 to 31.12.11. Re-appointed 1.1.12 to 31.12.13. Reappointed 1.1.14 to 31.12.14. Reappointed 1.1.15 to 31.12.15. Reappointed 1.1.16 to 31.12.17. Reappointed 1.1.17 to 31.12.17. Tenure extended until 31.03.19. Reappointed from 1.04.19 to 31.5.19. John is now in his 12th year.	10/10	4/4
Mrs Diane Brown	Non-Executive Director/ Senior Independent Director	Appointed 1.1.09. Re-appointed 1.1.12 to 31.12.14. Re-appointed 1.1.15 to 31.12.16. Reappointed 1.1.17 to 31.12.17. Tenure extended until 31.03.19. Diane stood down following her 11th year.	10/10	4/4
Professor Chris Reilly	Non-Executive Director	Appointed 1.10.14 to 30.9.17. Reappointed 1.10.17 to 30.09.20. Chris is now in his 5th year.	8/10	4/4
Dr Hamish Stedman	Non-Executive Director	Appointed 1.9.16 to 31.8.19. Hamish is now in his 3rd year.	8/10	2/4
Mrs Christine Mayer CBE	Non-Executive Director	Appointed 1.4.17 to 31.5.20. Chris is in her 3rd year.	8/10	4/4
Mr Kieran Charleson	Non-Executive Director	Appointed 1.12.17 to 30.11.20. Kieran is in his 2nd year.	10/10	4/4

Declaration of interests of the Board of Directors

The Group CiC, including all members of the Board of Directors, undertakes an annual review of its Register of Declared Interests and compliance with the Fit and Proper Persons Requirements as applicable to all members of Group CiC, the Board of Directors and Care Organisation Leadership Teams. At each meeting of the Group CiC and the Board of Directors a standing agenda item requires all members to make known any interest in relation to the agenda or other matters, and any changes to their declared interests.

The Register of Declared Interests is made available to the public via the Group CiC papers and within the Declarations of Interests Register available on Salford Royal's website (www.srft.nhs.uk/media-centre/publications/register/). Members of the public can also gain access by contacting the Group Secretary:

Mrs Jane Burns
 Director of Corporate Services
 Group Secretary
 3rd Floor, Mayo Building
 Salford Royal NHS Foundation Trust
 Stott Lane
 Salford
 M6 8HD.

Tel: **0161 206 5185**

Email: **jane.burns@srft.nhs.uk**

Statutory statements required within the Directors report

Salford Royal has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance.

A statement describing adoption of the Better Practice Payment Code is included within the Annual Accounts.

Income disclosures as required by Section 43 2(A) of the NHS Act 2006 are included within the Financial Performance section of the Performance Report.

The total amount of any liability to pay interest which accrued by virtue of failing to pay invoices within the 30 day period where obligated to do so, and the total amount of interest actually paid in discharge of any such liability.

All Directors of Salford Royal have undertaken to abide by the provisions of the Code of Conduct for Board Level Directors; this includes ensuring that each Director at the time that this Annual Report is approved:

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

The provisions of the Code of Conduct also confirm, and directors have undertaken to have taken, all the steps that they ought to have taken as a director in order to do the things mentioned above and:

- Made such enquiries of his/her fellow directors and of the company's auditors for that purpose *and*
- Taken such steps (if any) for that purpose, as are required by his/her duty as a director of the company to exercise reasonable care, skill and diligence

NHS Improvement's well led framework

During 2016/17 the Salford Royal Board of Directors commissioned an independent review, delivered by MIAA, in partnership with AQuA, of governance arrangements in accordance with NHSI, (formerly Monitor's publication) 'Well-led framework for governance reviews: Guidance for NHS Foundation Trust's Updated April 2015'.

The report from this independent review was received by the Salford Royal Board of Directors at the end of March 2017 and determined that 'it is a Board that is open to the necessity for transformation and a Board that has the clearest of commitments to quality; safety; patient experience; improvement; and robust risk management and governance processes'.

Stepping into 2017/18, and aware of the new guidance for NHS Trusts and NHS Foundation Trusts regarding 'Developmental reviews of leadership and governance using the well led framework', in November 2017 each Care Organisation conducted a self-assessment of their developing leadership and governance arrangements. Following this, MIAA in partnership with AQuA, led a series of 'Confirm and Challenge' workshops, providing early opportunity to explore integrated quality, operational and financial governance arrangements within each Care Organisation, interface with the Group CiC, and undergo consideration of further evidence to support the developmental self-assessments.

In the latter part of 2018/19, the NCA completed a Self-Assessment against the Well-Led Framework for Governance. Mersey Internal Audit (MIAA) conducted an independent review of the self-assessment, considering comprehensiveness and sources of evidence, in order to provide further assurance with respect to compliance with the Key Lines of Enquiry (KLOEs).

The outcome of the independent review, in summary, concluded that the position statements were comprehensive and presented a compelling and positive picture of the NCA. It added that the thoroughness and quality of the self-assessment placed the NCA in a strong and informed position in terms of selecting an external review approach that adds most value (if and when appropriate).

The Annual Governance Statement describes, in further detail, Salford Royal's approach to ensuring services are well led.

The Quality Report describes quality improvements and quality governance in more detail.

Remuneration report

Annual statement from the Chairman of the Northern Care Alliance's Remuneration Committees

In accordance with the requirements of the HM Treasury Financial Reporting Manual (FReM) and NHS Improvement, we have divided this Remuneration Report into the following parts:

- An annual statement on remuneration from the chairman of the remuneration committees
- The Senior Managers' Remuneration Policy
- The Annual Report on Remuneration, which includes details about directors' service contracts, the governance arrangements for key committees and business conducted

I am pleased to present the Remuneration Report for the financial year 2018/19 on behalf of the Northern Care Alliance's Remuneration Committees.

As delegated by the Salford Royal NHS Foundation Trust Board of Directors, the Nominations, Remuneration and Terms of Service (NRTS) Committee is established by the Group Committees in Common (Group Board). The NRTS Committee has primary regard to the nominations, remuneration and terms of service of Executive Directors.

The Nominations, Remuneration and Terms of Office (NRTO) Committee is established by the Council of Governors and has regard to the nominations, remuneration and terms of service Non-Executive Directors.

2018/19 major decisions on remuneration

During 2018/19, the NRTS Committee made the following major decisions on remuneration:

- Bonus payments were not awarded
- In line with recommendation received from NHSI and DHSC, flat rate uplift of £2,075 was applied to the basic salaries of executive directors and senior leaders, where personal contribution had been assessed as 'successful' or above for the 2017/18 financial year. This mirrored the national Agenda for Change pay award provisions for staff on the maximum of bands 8c, 8d and 9. The uplift was applied from 1 October 2018
- Incremental remuneration uplifts were considered and awarded as appropriate to Executive Directors
- In accordance with advice received from NHSI, the committee set the remuneration for the Chief Executive Officer, including incremental pay progression and earn-back arrangements. The new Chief Executive commenced in post on 1 April 2019
- Remuneration was approved for the new position of Executive Director Pennine Transactions. This is a part time position for one year

As described earlier in this year's Annual Report, Salford Royal NHS Foundation Trust has continued throughout 2018/19 to implement the agreement in place with NHS Improvement to manage The Pennine Acute Hospitals NHS Trust. The Chief Executive and Executive Nurse Director hold executive responsibility for both organisations.

To reflect these arrangements the salaries of the Chief Executive and Executive Nurse Director are split and paid equitably by Salford Royal NHS Foundation Trust and Pennine Acute Hospitals NHS Trust.

The NRTO Committee reviewed the remuneration levels of the Chairman and Non-Executive Directors in March 2019 and made recommendations to the Council of Governors. The Council of Governors approved the following recommendations, to apply from 1 April 2019:

- An increase of 1.7%, in line with the national pay award, to be applied to the remuneration banding of Non-Executive Directors, including the Chairman
- Revised remuneration bandings for the Senior Independent Director, Vice-Chairman and Chairman of Audit Committee

The NRTS and NRTO committees aim to ensure that non-executive and executive directors' remuneration is set appropriately, taking in to account relevant comparator data and market conditions.

The committees ensure all directors and senior managers are rewarded appropriately for their contribution in delivering personal goals and objectives that are directly aligned to the organisation's principal business objectives. The committees fulfil their responsibilities and report directly either to the Group Committees in Common or Group Council of Governors.



Mr James Potter
*Group Chairman and Chairman of the
Northern Care Alliance's Remuneration Committees*

Senior managers' remuneration policy

The Northern Care Alliance is currently reviewing its senior manager remuneration arrangements. The intention is to have the new Group arrangements in place during 2019/20.

Salford Royal has a stated intention for pay to be in the upper quartile of equivalent NHS organisations and that improvements to individual remuneration should consider organisational performance as a leading provider, achievement of annual plan, affordability and consideration of national issues as well as personal contribution.

Principles for wider Executive and senior manager reward incentives are that they should be designed to reward sustained high performance at a team and individual level.

Future policy table

Element of pay	Purpose and link to company's strategy	How operated in practice	Maximum opportunity	Description of performance metrics	Changes to 2017/18 remuneration policy from the previous year
Base salary	To help promote the long term success of SRFT, as part of the Northern Care Alliance NHS Group (NCA) and to attract and retain high-calibre Executive Directors to implement the NCA's strategy. To provide a competitive salary relative to comparable healthcare organisations in terms of size and complexity.	As determined by salary bands. Increments reviewed annually and approval based upon successful performance. The highest point of bands are only reached for sustained high performance and pay at this level can cease in light of poor personal performance The Committee considers: <ul style="list-style-type: none"> ➤ Individual responsibilities, skills, experience and performance; ➤ Salary levels for similar positions in other Foundation Trusts; ➤ The level of pay increases awarded across the NCA (with the exception of promotions); ➤ Economic and market conditions; and ➤ The performance of the NCA. The Committee retains the right to approve a higher increase in exceptional cases, such as major changes to the Executive Director's role/duties or internal promotions to the position of Director. In these circumstances a full explanation of the increases awarded will be provided in the Annual Report on Remuneration. Salaries are paid monthly in arrears. The NRTS Committee would ensure particularly rigorous review of any proposal to pay a senior manager more than £150,000, in order to satisfy itself that the proposed remuneration level is reasonable.	There is no prescribed maximum annual increase. The Committee on occasions may need to recognise changes in the role and/or duties of a Director; movement in comparator salaries; and salary progression for newly appointed directors	N/A	No change
Benefits (taxable)	To help promote the long term success of Salford Royal, as part of the NCA, and to attract and retain high-calibre Executive Directors and to remain competitive in the market place.	Benefits for Executive Directors include: <ul style="list-style-type: none"> ➤ lease car or personal car allowance. ➤ Pension related benefits - annual increase in NHS pension entitlement Non-Executive Directors do not receive benefits	There is no formal maximum.	N/A	No change
Pension	To help promote the long term success of Salford Royal, as part of the NCA, and the NHS. To attract and retain high-calibre Executive Directors and to remain competitive in the market place.	Salford Royal operates the standard NHS pension scheme without any exceptions.	As per standard NHS pension scheme	N/A	No change

Future policy table *continued*

Element of pay	Purpose and link to company's strategy	How operated in practice	Maximum opportunity	Description of performance metrics	Changes to 2017/18 remuneration policy from the previous year
Annual Bonus	<p>To motivate and reward Executive Directors for the achievement of demanding financial objectives and key strategic measures over the financial year.</p> <p>The performance targets set are stretching whilst having regard to the nature and risk profile of Salford Royal, as part of the NCA.</p> <p>Variable remuneration allows Salford Royal, as part of the NCA, to manage its cost base by giving it the flexibility to react to changes in the health economy and any unforeseen events.</p>	<p>The scheme is based on corporate performance domains (regulatory and organisational) and structured to reward high and sustained organisational performance as well reflecting individual contribution.</p> <p>NRTS Committee determines and reviews performance against the targets on an annual basis, and the conditions that cancel bonus payments in a specific year. If the scheme is to be applied, NRTS Committee determines the size of the overall bonus budget and reviews individual performance as measured at the end of the financial year. The level of bonus is calculated at that point.</p> <p>Possible bonus payment is between 0-10% of base salary, dependent upon organisational and individual performance and paid in cash.</p> <p>Annual bonus is not pensionable.</p>	Maximum earning potential of up to 10% of base salary.	As defined by Salford Royal's Contribution Framework	No change
Non-Executive Directors' fees (including the Chairman)	To attract and retain high quality and experienced Non-Executive Directors (including the Chairman).	<p>The remuneration of the Non-Executive Directors, including the Chairman, is set by the Council of Governors on the recommendation of a NRTO Committee having regard to the time commitment and responsibilities associated with the role.</p> <p>The remuneration of the Chairman and the Non-Executive Directors is reviewed annually taking into account the fees paid by other Foundation Trusts.</p> <p>Non-Executive Director fees are paid in cash. The Non-Executive Directors do not participate in any performance related schemes (e.g. annual bonus or incentive schemes) nor do they receive any pension or private medical insurance or taxable benefits.</p> <p>No additional fees are payable for membership of Board Committees however, additional fees are paid to the Chairman of the Audit, Committee and the Senior Independent Director.</p>	Non-Executive Director fees take into account fees paid by other Foundation Trusts.	N/A	No change

Notes to future policy table

Salford Royal has operated a non-recurrent annual reward scheme since 2009. This has been in operation to reward sustained high performance at a team and individual level and for short and long term organisational performance.

The scheme has been designed to make payments of between 0% and 10% of base salary and considers organisational performance in the following areas: patient safety against national standards; financial performance; and contractual obligations, along with NHSI's Single Oversight Framework performance measures.

Senior managers are only eligible for a payment under this scheme if they achieve at least a 'successful' rating and will not receive any payment if they leave Salford Royal (other than for retirement at normal retirement age) before the completion of the financial year in question.

A revised annual reward scheme was introduced in 2015/16, which formally described a structure for determining overall Trust performance across a number of measures aligned to the Annual Plan. In accordance with this policy and given the financial constraints faced by the organisation during 2018/19, it was confirmed by NRTS Committee that the formal reward scheme would not run for this year, irrespective of performance in the other domains.

A provision for earn-back has been introduced for the new Chief Executive appointment and will be considered for future senior manager appointments. No other new components have been introduced to senior manager remuneration packages.

Our general policy for employee remuneration is to follow nationally set terms and conditions and salary bands. Salford Royal senior managers are employed on local Trust terms and conditions, which seek to ensure we remain competitive with equivalent NHS organisations. In certain cases, in addition to base salaries, we also offer a car allowance and annual reward schemes that have been previously described.

During 2018/19, the NRTS Committee agreed an uplift of £2075 to base salaries of all senior managers who were assessed as satisfactory or above, including directors of the Trust who had an existing salary in excess of £150k. This was felt appropriate given the advice on VSM pay received from NHSI. In addition, two directors were progressed to their final point on their agreed incremental pay scale; these scales having been determined by reference to external comparators, the published NHSI salary ranges and with advice from external pay specialists. The salary of the Executive Director of Group Delivery was reviewed and remuneration uplift was awarded which took total remuneration beyond £150k. Where appropriate, opinion is sought from NHSI on remuneration levels. The Trust employs one senior manager who would earn in excess of £150k if their appointment was full time. This appointment and remuneration was agreed with the Chief Executive and Chief Strategy and OD Officer. NHSI was notified of this fixed term appointment and their advice sought.

The following tables and the fair pay multiple, which are subject to external audit, shows the remuneration of senior managers' remuneration for the year. Taxable benefits in column B relates to lease car or personal car allowances. It has been confirmed via Audit Committee that this report provides information about named individuals in senior positions having authority or responsibility for directing or controlling the major activities of the Foundation Trust. They are members of the Board of Directors and/or Group Committees in Common and include, the chairman, the executive directors including the chief executive, the non-executive directors and the chief officers of the care organisations.

Non-Executive Directors are not eligible to join the pension scheme.

The Trust operates six month notice periods in the contracts of senior managers.

Remuneration for the year to 31 March 2019

The Chief Executive has determined, for the purpose of the Annual Report and Accounts, those officers who have authority and/or responsibility for directing or controlling the major activities of the Trust, i.e. who influence decisions of the Trust as a whole rather than individual Care Organisations or divisions. These officers include all members of the Board of Directors and Group Committees in Common (voting and non-voting).

Executive Directors and non-voting members:

Status	Name	Role	Remuneration proportion
Voting SRFT	Sir David Dalton	Chief Executive	50%
Voting SRFT	Mrs E. Inglesby-Burke CBE	Executive Director of Nursing	50%
Voting SRFT	Mr C. Brookes	Executive Medical Director	100%
Voting SRFT	Mr R. Jain	Executive Director of Corporate Strategy & Business Development / Deputy CEO	100%
Voting SRFT	Mr I. Moston	Executive Director of Finance	100%
Voting SRFT	Mrs J. Adams	Executive Director of Group Delivery	100%
Non-Voting SRFT	Mr J. Sharp	Director of Service Strategy & Development	100%
Non-Voting SRFT	Dr P. Turkington	Medical Director Standards and Performance/Salford Medical Director	100%
Non-Voting SRFT	Mr J. Sumner	Director Performance & Improvement (commence 01.12.16) / Chief Officer, Salford Care Organisation	100%

Chairman and Non-Executive Directors

Voting SRFT	Mr J. Potter	Chairman	-
Voting SRFT	Mrs D. Brown	Senior Independent Director	-
Voting SRFT	Prof C. Reilly	Non Executive Director	-
Voting SRFT	Mr J. Willis CBE	Vice Chairman & Non Executive Director	-
Voting SRFT	Dr H. Stedman	Non Executive Director	-
Voting SRFT	Mrs C. Mayer CBE	Non Executive Director (commenced 01.04.17)	-
Voting SRFT	Mr K. Charleson	Non Executive Director (commenced 01.12.17)	-

Footnote 1: The delegation of the Board of Directors' powers to Group Committees in Common is described on page 185. The Group Committees in Common comprises all voting members of the Salford Royal NHS Foundation Trust Board of Directors. The following Care Organisation Chief Officers are also members of the Group Committees in Common as follows:

Mr J. Sumner Chief Officer, Salford Care Organisation
 Mr S. Taylor Chief Officer Bury & Rochdale Care Organisation
 Mrs N. Firth Chief Officer Oldham Care Organisation
 Mr D. Finn Chief Officer North Manchester Care Organisation

Footnote 2: Mr S Taylor, Mrs N Firth and Mr D Finn received 100% of their remuneration from PAHT (as detailed in PAHT's Annual Report)

Footnote 3: Sir David Dalton receives 50% of his remuneration from SRFT (as detailed above) and 50% of his remuneration from PAHT (as detailed within PAHT's annual report). In total the remuneration for Sir David Dalton for the 2018/19 financial year is £249,209.

Footnote 4: Mrs E Inglesby-Burke CBE receives 50% of her remuneration from SRFT (as detailed above) and 50% of her remuneration from PAHT (as detailed within PAHT's annual report). In total the remuneration for Mrs E Inglesby Burke CBE for the 2018/19 financial year is £157,761.

Footnote 5: 50% of the Chairman's total remuneration is paid from SRFT and 50% is paid from PAHT. Non-executive Directors, who are members of both the SRFT and PAHT Board of Directors, receive £6k remuneration from PAHT (in line with national NHS Trust NED remuneration) and the remainder of their remuneration from SRFT.

Remuneration for the year to 31 March 2019

The following table, which is subject to external audit, shows the Directors' remuneration for the year. Taxable benefits in column B were for lease car or personal car allowances.

The following table includes performance-related bonuses. These are awarded non-recurrently and are excluded from pension calculations.

Non Executive Directors are not eligible to join the pension scheme.

The rate of inflation used has increased from 1% in 2017/18 to 3% in 2018/19.

Salaries 2018/19

Executive Directors	Note	Salary bands of £5000 £000	Taxable benefits (lease car or car allowance) rounded to nearest £100 £000	Annual performance-related bonuses bands of £5000 £000	Long-term performance-related bonuses £000	Pension related benefits - annual increase in NHS pension entitlement bands of £2500 £000	Total salary bands of £5000 £000
Sir David Dalton Chief Executive	1	125-130	6,400	0	0	80-82.5	210-215
E. Inglesby-Burke CBE Executive Director of Nursing	2	75-80	2,800	0	0	0	80-85
C. Brookes Executive Medical Director	7	210-215	0	0	0	0	210-215
R. Jain Executive Director of Corporate Strategy & Business Development/Deputy CEO		180-185	4,900	0	0	55-57.5	240-245
I. Moston Executive Director of Finance		150-155	5,600	0	0	40-42.5	200-205
J. Adams Executive Director of Group Delivery		140-145	5,600	0	0	0	150-155
J. Sharp Director of Service Strategy & Development		125-130	5,600	0	0	22.5-25	150-155
P. Turkington Medical Director, Salford Care Organisation	7	195-200	0	0	0	55-57.5	250-255
J. Sumner Director of Performance & Improvement / Chief Officer Salford Care Organisation		140-145	0	0	0	40-42.5	180-185
Chairman and Non-Executive Directors							
J. Potter Chairman	8	30-35	0	0	0	N/A	30-35
D. Brown Senior Independent Director	9	15-20	0	0	0	N/A	15-20
R. Burns Non-Executive Director (left 31.7.2017 but included here as Mrs R Burns has comparative information from 2017/18 below)	4	0	0	0	0	N/A	0
C. Reilly Non-Executive Director		15-20	0	0	0	N/A	15-20
J. Willis CBE Vice Chairman / Non-Executive Director	9	15-20	0	0	0	N/A	15-20
H. Stedman Non-Executive Director	5	15-20	0	0	0	N/A	15-20
C. Mayer CBE Non-Executive Director	5,9	10-15	0	0	0	N/A	10-15
K. Charleson Non-Executive Director	6	15-20	0	0	0	N/A	15-20

Notes

- Sir David Dalton is represented in this statement for the proportion of time attributable to Salford Royal Foundation Trust (50% for Salary bands and Taxable Benefits. Full Pension related benefits are included in this statement). During 2018/19 Sir David Dalton also held the role of Chief Executive for Pennine Acute Hospitals NHS Trust and is represented in their accounts accordingly (50%).
- Mrs E Inglesby-Burke CBE is represented in this statement for the proportion of time attributable to Salford Royal Foundation Trust (50% for Salary bands and Taxable Benefits. Full Pension related benefits are included in this statement). From 1 August 2016 Mrs E Inglesby-Burke CBE also held the role of Executive Nurse Director for Pennine Acute Hospitals NHS Trust and is represented in their accounts accordingly (50%).
- Ceased to be a Board member at Salford Royal Foundation Trust on 31 May 2017
- Ceased to be a Non-Executive Director 31 July 2017
- Commenced 1 April 2017
- Commenced 1 December 2017
- Included in the salary figure is the amount received by Dr C Brookes and Dr P Turkington for their clinical duties (£76k and £70k respectively).
- 50% of the Chairman's total remuneration is paid from PAT and 50% is paid from SRFT
- Non-executive Directors, who are members of both the PAT and SRFT Board of Directors, receive £6k remuneration from PAT (in line with national NHS Trust NED remuneration) and the remainder of their remuneration from SRFT

Remuneration for the year to 31 March 2018

The following table, which is subject to external audit, shows the Directors remuneration for the year. Taxable benefits in column B were for lease car or personal car allowances.

The following table includes performance related bonuses. These are awarded non-recurrently and are excluded from pension calculations. Non-Executive Directors are not eligible to join the pension scheme.

Salaries 2017/18

Executive Directors	Note	Salary bands of £5000 £000	Taxable benefits (lease car or car allowance) rounded to nearest £100 £000	Annual performance-related bonuses bands of £5000 £000	Long-term performance-related bonuses £000	Pension related benefits - annual increase in NHS pension entitlement bands of £2500 £000	Total salary bands of £5000 £000
Sir David Dalton Chief Executive	1	115-120	1,000	0	0	27.5-30	145-150
E. Inglesby-Burke CBE Executive Director of Nursing	2	70-75	2,800	0	0	20-22.5	95-100
C. Brookes Executive Medical Director	7	205-210	0	0	0	0	205-210
R. Jain Executive Director of Corporate Strategy & Business Development/Deputy CEO		170-175	5,200	0	0	97.5-100	275-280
I. Moston Executive Director of Finance		145-150	5,600	0	0	165-167.5	320-325
J. Adams Executive Director of Group Delivery		145-150	600	0	0	0	145-150
P. Renshaw Director of Organisational Development and Corporate Affairs (left 31.5.17)	3	105-110	1,000	0	0	17.5-20	125-130
J. Sharp Director of Service Strategy and Development		120-125	5,600	0	0	37.5-40	165-170
P. Turkington Medical Director Standards and Performance/Salford Medical Director	7	190-195	0	0	0	32.5-35	225-230
J. Sumner Director of Performance & Improvement / Chief Officer Salford Care Organisation		140-145	0	0	0	87.5-900	230-235
Chairman and Non-Executive Directors							
J. Potter Chairman		55-60	0	0	0	N/A	55-60
D. Brown Senior Independent Director		15-20	0	0	0	N/A	15-20
R. Burns Non-Executive Director	4	15-20	0	0	0	N/A	15-20
C. Reilly Non-Executive Director		15-20	0	0	0	N/A	15-20
J. Willis CBE Vice Chairman / Non-Executive Director		15-20	0	0	0	N/A	15-20
H. Stedman Non-Executive Director	5	15-20	0	0	0	N/A	15-20
C. Mayer CBE Non-Executive Director	5	15-20	0	0	0	N/A	15-20
K. Charleson Non-Executive Director	6	5-10	0	0	0	N/A	5-10

Notes

- Sir David Dalton is represented in this statement for the proportion of time attributable to Salford Royal NHS Foundation Trust (50% for Salary bands and Taxable Benefits. Full Pension related benefits are included in this statement). During 2017/18 Sir David Dalton also held the role of Chief Executive for Penine Acute Hospitals NHS Trust and is represented in their accounts accordingly (50%).
- Mrs E Inglesby-Burke CBE is represented in this statement for the proportion of time attributable to Salford Royal Foundation Trust (50% for Salary bands and Taxable Benefits. Full Pension related benefits are included in this statement). From 1 August 2016 Mrs E Inglesby-Burke CBE also held the role of Executive Nurse Director for Pennine Acute Hospitals NHS Trust and is represented in their accounts accordingly (50%).
- Ceased to be a Board member at Salford Royal NHS Foundation Trust on 31 May 2017
- Ceased to be a Non-Executive Director 31 July 2016
- Commenced 1 April 2017
- Commenced 1 December 2017
- Included in the salary figure is the amount received by Dr C. Brookes and Dr P. Turkington for their clinical duties (£76k and £68k respectively)

Pension benefits for the year to 31 March 2019

Executive and Advisory Board-level Directors	Note	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at age 60 at 31 March 2019	Lump sum at age 60 related to accrued pension as at 31 March 2019	Cash equivalent transfer value at 1 April 2018	Real increase in cash equivalent transfer value	Cash equivalent transfer value at 31 March 2019
		(Bands of £2500) £000	(Bands of £2500) £000	(Bands of £5000) £000	(Bands of £5000) £000	£000	£000	£000
Sir David Dalton Chief Executive	1	7.5-10	25-27.5	110-115	340-345	2,241	417	2,726
E. Inglesby-Burke CBE Executive Director of Nursing		-	-	75-80	225-230	1,664	134	1,847
C. Brookes Executive Medical Director	2	-	-	55-60	165-170	1,133	-	1,167
R. Jain Executive Director of Corporate Strategy and Business Development & Deputy CEO		2.5-5	7.5-10	55-60	175-180	1,146	186	1,366
I. Moston Executive Director of Finance		2.5-5	0-2.5	55-60	140-145	909	160	1,096
J. Adams Executive Director of Group Delivery		-	-	-	-	-	-	-
J. Sharp Director of Service Strategy and Development		0-2.5	-	30-35	75-80	435	94	542
P. Turkington Medical Director of Standards & Performance		2.5-5	0-2.5	45-50	105-110	651	136	807
J. Sumner Director of Performance and Improvement		2.5-5	-	35-40	80-85	456	103	573

Notes

- 1 The pension values shown relate to the individual for period ending 31 March 2018 and have not been apportioned for duties outside of Salford Royal NHS Foundation Trust at Pennine Acute Hospitals NHS Trust.
 - 2 The pension values shown relate to the individual for period ending 31 March 2018 and have not been apportioned for duties outside of Salford Royal NHS Foundation Trust at Pennine Acute Hospitals NHS Trust.
- * Please note pension figures relate to the full year entitlements for each Board Member.

In April 2015 there were reforms to public service pension schemes including NHS staff which moved employees from final salary schemes to career average schemes with retirement ages equal to State Pension Age. Protected members within 10 years of their normal pension age at 1 April 2012 were allowed to remain in their final salary schemes.

Similar changes were made to public service pension schemes for firefighters and judges and representatives of these professions have claimed this 'protection' amounted to unlawful discrimination on age grounds. The judgement is referred to as the 'McCloud Judgement'.

The British Medical Association (BMA) has recently confirmed that it intends to pursue similar age discrimination claims against the Government in relation to the NHS Pension Scheme reforms in 2015, which meant younger doctors were moved into the 2015 Scheme. The Government is considering the judgment and is seeking permission to appeal the ruling.

The benefits and related CETVs do not allow for a potential future adjustment arising from the McCloud judgement.

Pension benefits for the year to 31 March 2018

Executive and Advisory Board-level Directors	Note	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at age 60 at 31 March 2018	Lump sum at age 60 related to accrued pension as at 31 March 2018	Cash equivalent transfer value at 1 April 2017	Real increase in cash equivalent transfer value	Cash equivalent transfer value at 31 March 2018
		(Bands of £2500) £000	(Bands of £2500) £000	(Bands of £5000) £000	(Bands of £5000) £000	£000	£000	£000
Sir David Dalton Chief Executive	1	2.5-5	7.5-10	100-105	305-310	2,058	163	2,241
E. Inglesby-Burke CBE Executive Director of Nursing		0-2.5	5-7.5	70-75	220-225	1,534	114	1,664
C. Brookes Executive Medical Director	2	-	-	50-55	160-165	1,133	-	1,144
R. Jain Executive Director of Corporate Strategy and Business Development & Deputy CEO		5-7.5	15-17.5	50-55	160-165	1,001	135	1,146
I. Moston Executive Director of Finance		7.5-10	15-17.5	50-55	135-140	724	178	909
J. Adams Executive Director of Group Delivery		-	-	-	-	-	-	-
P. Renshaw Director of Organisational Development and Corporate Affairs	3	0-2.5	-	5-10	-	81	13	95
J. Sharp Director of Service Strategy and Development		2.5-5	0-2.5	30-35	70-75	374	57	435
P. Turkington Medical Director of Standards & Performance		2.5-5	0-2.5	40-45	100-105	579	67	651
J. Sumner Director of Performance and Improvement	3	5-7.5	5-7.5	30-35	80-85	367	86	456

Notes

- 1 The pension values shown relate to the individual for period ending 31 March 2018 and have not been apportioned for duties outside of Salford Royal NHS Foundation Trust at Pennine Acute Hospitals NHS Trust
 - 2 The pension values shown relate to the individual for period ending 31 March 2018 and have not been apportioned for duties outside of Salford Royal NHS Foundation Trust at Pennine Acute Hospitals NHS Trust
 - 3 Left the Trust on 31 May 2017
- * Please note pension figures relate to the full year entitlements for each Board Member

This Remuneration Report confirms that where Salford Royal has released an Executive Director, for example to serve as a Non-Executive Director elsewhere, and payment is provided to Salford Royal, the Director does not retain such earnings with the exception of the below:

- Dr Chris Brookes is released as the Principal Medical Advisor to the Greater Manchester Multi Specialty Community Provider Vanguard. The Trust is reimbursed 2 Programmed Activities (PAs) for this position, 1 of which is retained by Dr Chris Brookes

Fair pay multiples

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

The mid-point banded remuneration of the highest paid director in Salford Royal NHS Foundation Trust in the financial year 2018/19 was £210.5k* (2017/18, £209.5k). This was 6.9 times (2017/18, 7.3) the median remuneration of the workforce, which was £30.4k (2017/18, £28.7k).

In 2018/19, 0 (2017/18, 1) employee received remuneration in excess of the highest-paid director, in addition the Trust paid a higher rate on a full time equivalent basis to a number of locum medical staff during the year. Remuneration paid to employees ranged from £17k to £210k (2017/18, £15k-£225k).

* The highest paid director in 2018/19 includes payment for clinical duties of £77k

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

The calculation is based on full-time equivalent staff employed as at 31 March paid via the Trust's own payroll and also includes costs of staff recharged from other NHS or university organisations and the costs of bank and agency nursing staff and locum medical staff as at 31 March 2018 multiplied by 12 to estimate an annualised total pay cost per full-time equivalent.

Expenses

During the year, Executive and Non-Executive Directors were reimbursed expenses incurred on travel and other costs associated with their work for Salford Royal. The total amounts paid are summarised below.

	Total eligible	Total received	2018/19 expenses rounded to the nearest £100	2017/18 expenses rounded to the nearest £100
Total expenses paid to Executive Directors who served during the financial year	9	7	5.3	4.7
Total expenses paid to Non-Executive Directors who served during the financial year	7	4	2.0	2.1
TOTAL	16	11	7.3	6.8

During the year, Governors were reimbursed expenses incurred on travel and hospitality. The total amounts paid are summarised below.

	Total eligible	Total received	2018/19 expenses rounded to the nearest £100	2017/18 expenses rounded to the nearest £100
Total expenses paid to Governors who served during the financial year	41 (14 2017/18)	8 (9 2017/18)	1000	500

Service contract obligations

The contracts of employment for all senior managers are substantive (permanent), continuation of which is subject to regular and rigorous review of performance. All such contracts contain a notice period of six months.

Policy on payment for loss of office

All senior manager contracts contain a notice period of six months. In relation to loss of office; if this is on the grounds of redundancy, then this would be calculated in line with agenda for change methodology. Loss of office on the grounds of gross misconduct will result in a dismissal without payment of notice. Loss of office on the grounds of personal capability will result in dismissal with notice.

Statement of consideration of employment conditions elsewhere in the Foundation Trust

The remuneration policy for senior managers has been set to ensure Salford Royal is in the upper quartile of comparative Trusts to ensure we can attract and retain high calibre leaders.

Salford Royal has not consulted with employees when preparing the senior manager remuneration policy, however benchmarking exercise comparing Salford Royal remuneration packages to comparative NHS Foundation Trusts and using published data was used by the NRTS Committee to set senior manager salary bandings.

Annual report on remuneration

Service contracts

As described above, senior manager contracts contain a notice period of six months. Open-ended (permanent) contracts are issued to senior managers.

Non-Executive Directors serve terms of three years, up until six years have been served. The Council of Governors will consider and set terms of office for Non-Executive Directors beyond that point that meet the needs of the organisation, taking into account NHS Improvement's guidance that terms beyond that point should be set on an annual basis. Further details about the terms of office of each individual Non-Executive Director can be found in the Directors' Report within this Annual Report and Accounts.

Further information about the Remuneration Committees

Nominations, Remuneration and Terms of Service (NRTS) Committee

The Board of Directors has established a Nominations, Remuneration and Terms of Service Committee. Its responsibilities include consideration of matters pertinent to the nomination, remuneration and associated terms of service for Executive Directors (including the Chief Executive), matters associated with the nomination of Non-Executive Directors and remuneration of senior managers/clinical leaders.

The Committee comprises Salford Royal's Chairman and all Non-Executive Directors of Salford Royal.

Attendance during 2018/19 was as follows:

Mr James Potter	6/6
Mrs Diane Brown	5/6
Mr Kieran Charleson	6/6
Mrs Christine Mayer CBE	5/6
Professor Chris Reilly	6/6
Dr Hamish Stedman	5/6
Mr John Willis CBE	5/6

The Chief Executive attended the Committee in relation to discussions about Board composition, succession planning, remuneration and performance of Executive Directors. The Chief Executive was not present during discussions relating to his own performance, remuneration and terms of service. The Chief Strategy and Organisational Development Officer provided employment advice and guidance, and withdrew from the meeting when discussions about his own performance, remuneration and terms of service were held. The Director of Corporate Services and Group Secretary is the Committee Secretary.

In June 2018, the NRTS agreed to develop a talent management programme for Executive Directors, Care Organisation Directors and Functional Directors to inform a succession planning programme, in the first instance, for Executive Directors. It was agreed by NRTS Committee and Group Committees in Common that leadership assessments would be facilitated by an external partner with specialist skills. GatenbySanderson was contracted through a compliant procurement process and selected as the external partner on the basis of the professional rigour they would bring to the project, with deep expertise in supporting the developing of executive leaders in the health sector and proven track record of supporting exceptional leaders to navigate complex challenges and transform organisations and communities.

Their specialist leadership and talent practice was made up of a team of occupational psychologists, leadership and talent development professionals and executive coaches. The fee was charged on the basis of a Group-wide programme. The charge paid by the Foundation Trust was £22,400 plus vat.

In determining succession plans for all Executive Directors, the NRTS Committee also benefited from the expertise and professionalism of Carol Rothwell. Carol is employed by the NCA as Group Organisational Development Consultant. She is a qualified and experienced chartered occupational psychologist with extensive experience in the design and implementation of solutions to organisational development challenges.

The committee meets its responsibilities, as set out in its terms of reference, by:

- Determining succession plans for all Executive Directors
- Setting the role description, responsibilities and person specification for the Chief Executive
- Determining and implementing a robust search and selection process for a new Chief Executive
- Monitoring and evaluating the performance of the Chief Executive and Executive Directors and Chief Officers
- Determining appropriate remuneration, relative to individual and organisational performance
- Overseeing local remuneration and performance-related pay/bonus arrangements for the most senior managers (sub-Executive Director level)
- Evaluating the balance of skills, knowledge and experience on the Board (Group Committees in Common) and approving descriptions of roles, and appointment processes, for the appointment of Executive Directors/Chief Officers

Nominations, Remuneration and Terms of Office (NRTO) Committee

The NRTO Committee comprises: the Chairman of the NCA, or the Vice-Chairman when matters associated with the Chair's nomination are being considered; the Lead Governor; one other elected Governor; and one appointed Governor. Further to approval at the Council of Governors meeting in December 2017, the membership was extended to also include an elected shadow governor. All elected governors, both public and staff, are invited to express an interest in taking one place on the committee.

All appointed governors are invited to express an interest in taking one further place on the committee. In the event of more than one elected, or more than one appointed governor expressing an interest, the Council of Governors has directed that the Lead Governor decide which elected governor and/or which appointed governor will attend on a fair and rotational basis. Governors are only eligible for membership, when considering the appointment of Non-Executive Directors, including the Chairman, if they have successfully completed Salford Royal's recruitment training and/or have relevant experience regarding recruitment practice.

When the Chairman's performance or remuneration is being considered, the Chairman withdraws from the meeting and the Lead Governor chairs the committee. When the Chair's nomination is being considered the Vice-Chairman chairs the committee.

Only members of the committee are entitled to attend committee meetings. However, the committee can invite members of the Group Committees in Common to attend, in particular the Chief Executive and Chief Strategy and Organisational Development (OD) Officer. The Group Secretary, acting as Committee Secretary, will normally be in attendance.

The Senior Independent Director will attend when matters associated with the Chairman’s performance are being discussed. The committee may invite others to attend for the purpose of receiving specialist and/or independent advice on any matter, relevant to its scope and function.

The NRTO Committee has taken into account available benchmarking information and specialist reports with respect to the remuneration of Non-Executive Directors and Chairman.

The Council of Governors, through the Nominations, Remuneration and Terms of Office Committee, ensured appropriate oversight and decision relating to:

- 2017/18 performance appraisal of the Chairman
- Reappointment of the Chairman
- 2017/18 performance appraisals of Non-Executive Directors
- Reappointment of a Non-Executive Director
- Appointment of Non-Executive Directors with expertise in Financial Strategy and Organisational Development
- Remuneration of all Non-Executive Directors, including the Chairman

Attendance during 2018/19 was as follows:

Date	Items	Attendees
22 November 2018	● Shortlisting for the appointment of Non-Executive Directors with expertise in Financial Strategy and Organisation Development	<ul style="list-style-type: none"> ➤ Chairman ➤ Lead Governor ➤ Elected Staff Governor Salford (Agnes Leopold-James) ➤ Appointed Governor Salford City Council (Councillor Richard Critchley) ➤ Shadow Public Governor Oldham (Robert Scott) ➤ Chief Strategy and Organisational Development Officer ➤ Director of Corporate Services/Group Secretary
29 November 2018	● Interviews for the appointment of Non-Executive Director with expertise in Financial Strategy and Organisation Development	<ul style="list-style-type: none"> ➤ Chairman ➤ Lead Governor ➤ Elected Staff Governor Salford (Agnes Leopold-James) ➤ Appointed Governor Salford City Council (Councillor Richard Critchley) ➤ Shadow Public Governor Oldham (Robert Scott) ➤ Chief Strategy and Organisational Development Officer ➤ Director of Corporate Services/Group Secretary ➤ Chairman of East Lancashire Hospitals NHS Trust, Independent Assessor
30 November 2018	<ul style="list-style-type: none"> ● Review of Chairman’s Performance 2017/18 ● Appointment Review of the Chairman ● Review of Non-Executive Directors Performance 2017/18 including Reappointment of 1 Non-Executive Director 	<ul style="list-style-type: none"> ➤ Chairman ➤ Lead Governor ➤ Elected Staff Governor Salford (Deborah Seddon) ➤ Appointed Governor University of Manchester (Professor Ruth Boaden) ➤ Shadow Public Governor Bury & Rochdale (Terri Evans) ➤ Senior Independent Director ➤ Chief Strategy and Organisational Development Officer ➤ Director of Corporate Services/Group Secretary
7 March 2019	● Review of Remuneration of Non-Executive Directors including the Chairman	<ul style="list-style-type: none"> ➤ Chairman ➤ Lead Governor ➤ Elected Public Governor Rest of England and Wales (Sandra Breen) ➤ Shadow Staff Governor Bury & Rochdale (Gemma Liveseley) ➤ Chief Strategy and Organisational Development Officer ➤ Director of Corporate Services/Group Secretary ➤ Apologies received from Appointed Governor University of Manchester (Professor Ruth Boaden)

Signed: 
 Date: 28 May 2019
 Raj Jain
 Chief Executive

Staff report

At the end of 2018/19 Salford Royal NHS Foundation Trust employed 8,361 people. Details of our workforce are provided below. This table has been subject to external audit.

	2018/19			2017/18		
	Total (FTE)	Permanently employed (FTE)	Other (headcount)	Total (FTE)	Permanently employed (FTE)	Other (headcount)
Medical and dental	669.51	470.98	0	627.08	446.93	0
Administration and estates	2198.66	2042.17	0	2130.34	2004.97	0
Healthcare assistants and other support staff	2246.14	2148.95	0	2093.4	2025.44	0
Nursing, midwifery and health visiting staff	1947.60	1904.71	0	1858.92	1841.57	0
Scientific, therapeutic and technical staff	434.94	405.93	0	422.88	392.57	0
Bank staff	0	0	104	0	0	96
Agency staff	0	0	0	0	0	0
Other	0	0	4	8	4	4
TOTAL	7496.85	6972.74	104	7140.62	6715.48	96

Inclusion and equality

The Group CiC recognises that delivering on inclusion and equality is a key driver to achieving the Trust's overall strategic aims. It gives us a real opportunity to place people at the centre of the work we undertake, recognising how actively involving individuals from diverse groups enables us to prioritise and address health and employment inequalities.

We have an executive lead for equality and diversity, recognising the need to ensure visible and accountable leadership at a board level.

Our Equality, Diversity and Inclusion (EDI) leadership approach is to empower the principle that all staff and managers have a responsibility to own and implement inclusion within their workplaces and as part of our service delivery. We continually work to embed robust systems that support everyone to deliver this agenda throughout their working lives.

We will continue to engage and involve our staff to ensure they have the necessary skills and confidence to understand the root causes of health and employment inequalities of protected groups, review their services to improve outcomes and enable them to support the diverse needs of service users and colleagues. The NCA has outlined its commitment to this agenda through ensuring Inclusion and Equality training is mandatory for all staff.

Salford Royal is fully committed to meeting its requirements of the Equality Act 2010 and the Public Sector Equality Duty. Salford Royal's monitoring data/statistics and other relevant information can also be viewed on the website (www.srft.nhs.uk) which forms part of a single NCA Annual Equality Report.

This information enables Salford Royal to review and monitor outcomes for both its workforce and service user data by protected groups.

It also includes the Trust's report on the Workforce Race Equality Standard (WRES) and Gender Pay Gap Report.

The NCA has committed to a four year EDI Strategy, and our "Inclusion Road Map" sets out a number of steps on our journey to becoming a Centre of Excellence for Inclusion across the NHS.

In year achievements

The senior leadership team signing a commitment with other Greater Manchester Public Sector Leaders on Workforce Race Equality this year gave a strong commitment that as an organisation we will drive a culture of transformation and improvement to ensure our workplaces are inclusive for all.

We are also proud to have been shortlisted for the Best Diversity Resource Award as part of the National Inclusive Companies Awards 2018. At the awards it was also announced that the NCA was included within the top 25 of the 'UKs Inclusive Employers Top 50' list, an improvement on where we placed at 39 in 2017.



Accessible Information Standard

Salford Royal has implemented the Accessible Information Standard (AIS) and is continuing to embed the standard across all services through the AIS Action Plan, which sets out how we will achieve the Standard both internally and in partnership with other NHS and Adult Social Care providers and commissioners. Progress of the implementation is being monitored through a new Accessible Information Standard Implementation Committee.

Supporting the Trust members

The EDI Team continues to support members to develop their knowledge and understanding of equality standards and engagement with protected groups through training and sharing good practice. Members are always invited to attend events and have been active participants in several throughout the year, including introducing and supporting our Equality Delivery System (EDS2/3) community scoring event.

Workforce Race Equality Standards (WRES)

The NCA has developed a Workforce Race Equality Strategy which, through its implementation, we hope will support in making significant progress in reducing the inequalities faced by our Black and Minority Ethnic (BAME) staff, as highlighted through the WRES Metrics.

As a demonstration of the recognition of the NCA's commitment to leading on this agenda within Greater Manchester and of the expertise within the EDI Team, we were successful in winning a £100,000 contract to provide a range of interventions and resources to transform workforce race equality across public sector organisations within the Greater Manchester Footprint. This includes the Police, Fire, Local Authorities and other NHS Organisations.

In 2018, two of our EDI Team members graduated as part of Cohort 1 of NHS England's National Workforce Race Equality Experts programme.

We have continued to promote leadership development opportunities for BAME staff through leadership programmes such as Stepping Up and Ready Now. As part of our WRES action plan, we have also developed a network of Cultural Ambassadors as part of the Royal College of Nursing's promoted programme to reduce bias and inequalities in Disciplinary Panel decisions and recruitment. During 2019/20 we will continue to recruit people to become Cultural Ambassadors and further integrate their roles within existing processes.

Equality Impact Assessments (EQIAs)

To help further embed inclusion across all our governance and decision making pathways, we have continued to develop our approach to Equality Impact Assessments in order to ensure that we are able to demonstrate how decision makers have considered the potential impact of decisions on under-served communities, including the protected characteristics from the Equality Act 2010, and what actions have been taken to ensure these impacts don't take place or are mitigated. This work has included the development of a single point of access for quality assurance of all newly completed EQIAs, coordination and support for Equality Champions, and the delivery of training and development for staff around the EQIA process.

We have built in a maximum four-week service delivery standard for quality assurance of EQIAs for our authors, to provide support around sustainable time lines in developing policies, leaflets and transformation programmes, and have provided a clear exception route to fast track documents or programmes where required.

Further training, coaching and resources will be developed to support both authors and Equality Champions during 2019/20.

Training and development

We have developed and delivered a series of training and awareness sessions throughout the year to improve outcomes for diverse groups. These have enabled staff to have face to face conversations with a number of representatives from diverse groups and develop practical ways to support these individuals.

During 2019/20 we will be reviewing our learning offer to ensure staff have access to the right range of courses and interventions to support the delivery of our four year Inclusion Road Map.

Future priorities and targets

Priorities for 2019/20 include:

- Design of the Race Equality Change Agents Programme Curriculum
- Launch of the NCA Inclusion Council
- Evaluation of previous Reverse Mentoring Programme and launch of 2019/2020 cohorts
- Development of our Centre of Excellence for Inclusion "offer"

Performance and monitoring of these priorities will be undertaken by the development of a specific EDI Strategic Dashboard and through the Inclusion & Equality Committee, Inclusion Council and local governance structures.

External assessment of our performance and development will be delivered through engagement with key stakeholders and the Equality Delivery System (EDS2/3).

Age band	2018/19		2017/18	
	Headcount	%	Headcount	%
16-19	26	0.38%	49	0.76%
20-29	6,149	70.71%	1,544	22.89%
30-59	682	7.67%	5,877	70.65%
60-74	1,501	21.19%	474	5.64%
Over 75	3	0.04%	4	0.06%
TOTAL	8,361	100%	7,948	100%
Ethnic group				
White - British & Irish	6,683	79.01%	6,422	79.95%
Asian	691	8.19%	654	8.13%
White - Other	307	4.00%	295	4.09%
Black	264	3.53%	231	3.25%
Mixed	137	1.76%	118	1.59%
Any other Ethnic Group	131	1.54%	101	1.20%
Not Specified	109	1.47%	93	1.33%
Chinese	39	0.50%	34	0.45%
TOTAL	8,361	100%	7,948	100%
Gender				
Female	6,428	76.50%	6,120	76.57%
Male	1,933	23.50%	1,828	23.43%
TOTAL	8,361	100%	7,948	100%
Disabled				
No	6,557	83.51%	6,035	81.58%
Not Declared	1,430	11.88%	1,564	13.89%
Yes	374	4.60%	349	4.53%
TOTAL	8,361	100%	7,948	100%

Sickness absence

It is our aim to reduce sickness to a target level of 3.6%. During 2018/19 4.13% absence levels compared favourably to the previous year's level of 4.33%. Within this figure, 1.77% related to short term absence whilst long term absence accounts for 2.36% in total, 30% of our staff recorded no sickness absence.

Salford Royal performs well in comparison with other North West NHS Trusts and our absence rates have remained stable where others have deteriorated; however, national data suggests that absence rates are higher than average in the North West region.

Salford Royal has procedures in place to manage short term and long term sickness absence. For frequent short term absence, trigger points (3 absences or 8 days in a 12 month period) have been set and managers are required to review absence and set a target for improvement.

For long term absence where there is a single underlying cause, staff are referred to Occupational Health and absence is reviewed on a regular basis, providing support and giving due consideration to redeployment, reasonable adjustments (in the case of a disability) and phased return to work. Salford Royal operates an Employee Assistance Programme which offers confidential support to staff both online and via the telephone.

This service is available 24/7 and complements the existing counselling service. Staff may be offered the option to consult an external counsellor particularly where there is an urgent need. Furthermore, staff may be referred to the Occupational Health Physiotherapy Service where they suffer from a musculoskeletal issue and referral would support a return to work.

Salford Royal produces a HR Dashboard which details absence data by ward /department. This includes number of episodes of sickness absence, length and cause of absence, enabling managers to identify those areas and individual employees requiring additional intervention and support. Absence data is shared on a regular basis with Staff-Side organisations.

Staff sickness absence	2018/19	2017/18	2016/17	2015/16
Days lost - long term	91,526	91,005	84,317	79,630
Days lost - short term	35,444	35,656	32,836	30,450
Total days lost	126,970	126,661	117,153	110,080
Total staff years	7,285	7,819	7,335	6,943
Average working days lost	17.4	16.2	16.0	15.9
Total staff employed in period (headcount)	8,361	7,948	7,574	6,974
Total staff employed in period with no absence (headcount)	2,515	3,216	2,126	2,091
Percentage staff with no sick leave	30.08%	40.46%	27.66%	29.98%

	2018/19	2017/18	2016/17	2015/16	2014/15
01 April	3.76%	3.91%	3.89%	4.27%	4.35%
02 May	3.58%	3.94%	3.85%	3.89%	3.94%
03 June	3.62%	4.14%	3.77%	3.85%	4.06%
04 July	3.97%	4.31%	3.84%	3.88%	4.22%
05 August	4.30%	4.20%	4.07%	4.13%	4.07%
06 September	4.08%	4.10%	4.14%	4.31%	4.26%
07 October	4.31%	4.47%	4.53%	4.38%	4.46%
08 November	4.36%	4.54%	4.52%	4.55%	4.83%
09 December	4.58%	4.75%	4.90%	4.59%	5.28%
10 January	4.49%	5.16%	5.01%	4.76%	4.98%
11 February	4.60%	4.44%	4.71%	4.39%	4.32%
12 March	3.85%	3.97%	4.03%	4.03%	4.53%
Overall percentage	4.13%	4.33%	4.28%	4.25%	4.40%

Engaging with our people

Salford Royal has policies on employing individuals with disabilities, long term conditions and those on ill health and disability redeployment, along with permanent adjustments in order to help maintain the employment of staff with disabilities or long term conditions. Salford Royal has a Single Equality Scheme and action plan and ensures that, as a 'positive about disabled people' employer, those applicants with a disability who apply for a post and meet the essential criteria are shortlisted.

Salford Royal systematically provides employees with information on matters of concern to them as employees:

- Leaders are invited to attend the monthly Leaders' Forum, receiving a briefing on key issues and developments, from which messages and information are then cascaded outwards to their wider teams
- 'Connect', NCA's e-newsletter, is distributed to all staff on a weekly basis
- Regular and relevant information is posted for staff on Salford Royals' intranet, including a Performance Section
- A Medical Staff Engagement forum has been established to communicate with Consultant colleagues
- Directors regularly spend time with colleagues on the frontline, providing the opportunity to find out more about the issues that matter most to our people

Salford Royal's formal consultation processes include managers meeting on a regular basis with trade union representatives. There are regular meetings of the Staff Partnership Forum, Medical Staff Engagement forum and the Health and Safety Committee.

The Clinical Advisory Board brings together senior managers and clinical leaders from across the organisation to ensure that the views of Trust staff are taken into account in the development of Salford Royal's strategic direction.

Contribution Framework

The Contribution Framework ensures our people's goals and objectives are aligned to the Annual Plan, thus encouraging the involvement of all employees in the organisation's overall performance. Pay progression is linked to a successful Contribution Framework review. Under the Contribution Framework all members of staff are encouraged to have regular conversations with their manager, both in relation to 'how' they are doing their job and 'what' they are achieving.

Apprenticeships

The Government has pledged to deliver 3 million apprenticeship starts by 2020. The key to achieving this target was the introduction of the Apprenticeship Levy and the Public Sector targets. Apprenticeships are delivered internally by the People Development Team within the Learning and Organisational Development Department, and are externally sourced from expert providers including Higher Education Institutions.

The Apprenticeship Levy came into force in May 2017. On an annual basis, Salford Royal pays approximately £1.3m into an account which can be used to pay for apprenticeship training. In addition to this the Government contributes a 10% top up on a monthly basis. The levy is being used to fund a variety of apprenticeships from Level 2 Business Administration to degree level management apprenticeships. This levy will also be used to fund the new Trainee Nurse Associate programmes.

The Enterprise Act (2016) states that 2.3% of the workforce should be apprenticeship starts (based on headcount). The figures will be based upon a 3 year average between 2017 and 2020. Based upon the current headcount, Salford Royal would need 519 apprenticeship starts over this 3 year period, or 173 new apprenticeship starts each year. At the end of year two (2018/19) Salford Royal achieved 146 new apprenticeship starts, with 81 apprenticeship starts in year one. 292 apprenticeship starts in year 3 will be needed for the Public Sector target to be met.

Helping our people stay healthy and safe

Salford Care Organisation's Health and Safety Committee and Security Committee meet regularly to provide a forum for managers and trade unions to work together to promote health and safety and improve the working environment to aid a reduction in the number of serious incidents per year.

The below table describes the top 5 Health and Safety incidents reported during 2018/19.

Category	Total
Abuse verbal	284
Assault physical	232
Sharps/needlestick	168
Fall, slip or trip	75
Moving and handling	56

Countering fraud

Salford Royal has an established Anti-Fraud Service provided by Mersey Internal Audit Agency (MIAA), with a nominated Anti-Fraud Specialist (AFS) who undertakes a variety of activities in accordance with the Standards for Providers for Fraud, Bribery and Corruption. Salford Royal is committed to embedding an anti-crime culture throughout the organisation and this is supported in full by the Group CiC and monitored on a regular basis by the Audit Committee. Our commitment to protecting valuable public funds from the risks of fraud, bribery and corruption is unwavering and we continue to invest significantly in our efforts to proactively counter criminal activity.

A number of key tasks were undertaken this year to combat fraud, bribery and corruption in accordance with the agreed Anti-Fraud Work Plan. These include: ongoing awareness through presentations, articles, newsletters and joint events with Greater Manchester Police; local and national proactive exercises aimed at identifying potentials or apparent risks of fraud, bribery and corruption; review of policies and procedures to ensure that appropriate counter fraud, bribery and corruption measures are included; and investigations carried out where suspected or apparent fraudulent activity has been identified and redress of monies sought where appropriate.

Staff survey

Salford Royal's approach to staff engagement is described throughout the Annual Report. The 2018 staff survey was undertaken between October and December 2018 with the results being published by NHS England in early March 2019.

Salford Royal used the mixed mode method providing staff with the opportunity to complete the survey online or by completing paper surveys provided to those for whom access to emails is limited. The Picker survey was sent to all staff across different divisions, directorates and professions throughout the Trust; 7,905 in total.

The survey response rate was 43% (1% up on last year) with 3,330 staff completing the survey. 43% compares favourably to the average in the 43 organisations in our benchmark group where the average is a 41% response rate.

From 2018 onwards, the results from questions are grouped to give scores in ten indicators. The indicator scores are based on a score out of 10 for certain questions with the indicator score being the average of those.

Scores for each indicator together with that of the survey benchmarking group (Combined Acute & Community Trust) are presented below.

National staff survey results

	2018/19		2017/18		2016/17	
	Trust	Average	Trust	Average	Trust	Average
Equality, diversity and inclusion	9.0	9.2	9.0	9.2	9.1	9.3
Health and Wellbeing	5.9	5.9	6.0	6.0	6.0	6.1
Immediate Managers	6.8	6.8	6.8	6.8	6.7	6.8
Morale	6.1	6.2	-	-	-	-
Quality of appraisals	5.4	5.4	5.3	5.3	5.4	5.4
Quality of care	7.3	7.4	7.3	7.5	7.3	7.5
Safe environment - bullying and harassment	8.2	8.1	8.2	8.1	8.2	8.2
Safe environment - violence	9.5	9.5	9.5	9.5	9.5	9.5
Safety culture	6.7	6.7	6.7	6.7	6.7	6.7
Staff engagement	7.1	7.0	7.0	7.0	7.0	7.0

Significance testing for Salford Royal returned no negative and one positive significant variances year on year - Staff Engagement was up from 7.0 to 7.1.

Salford Royal results are within the parameters of best and worst national results for the 10 Themes

- For 2019 the themes of Quality of Care and Safe Environment - Violence should be focused on to ensure an upward trend towards the best organisation ratings
- There is a small upward trend on staff engagement (↑0.1)
- There is a small downward trend on Health & Wellbeing (↓0.1)
- The remaining themes are comparable to previous years results
- There are no areas of significant improvement against themes although there has been significant improvement (≥3%) against questions 5g, 5a, 21d, 17a, 5h

Salford Royal most improved from last survey	
39%	Q5g. Satisfied with level of pay
55%	Q5a. Satisfied with recognition for good work
80%	Q21d. If friend/relative needed treatment would be happy with standard of care provided by organisation
57%	Q17a. Organisation treats staff involved in errors fairly
56%	Q5h. Satisfied with opportunities for flexible working patterns

Analysing the comparative historical change, a number of indicators have improved by more than 8% better than the organisation average since last year.

1. Q14a. Not experienced physical violence from patients/SU, their relatives or other members of the public
3. Q16a. Not experienced harassment, bullying or abuse from patients/SU, their relatives or members of the public
4. Q11b. In the last month have not seen errors/near misses/incidents that could hurt patients
5. Q5h. Satisfied with opportunities for flexible working patterns
6. Q9a. Organisation definitely takes action on health & well-being

Three factors have significantly worsened (by more than 8% than the organisation average) in terms of reporting this year these are:

1. Q8c. Senior managers try to involve staff in important decisions
2. Q20f. Appraisal/performance review: training, learning or development needs identified (although on the positive side, other aspects of appraisal/your job were positive including – supported by my manager to receive training)
3. Q22b+. Receive regular update on patients/ service user feedback in my directorate/ department

In addition to the positives above, the cluster of questions focused on ‘management’ (Qs. 7a-8d = 11 in total) suggest good practice with the entire cluster doing better than comparator organisations.

Future priorities and targets

The focus of our attention in 2019/20 in respect of staff engagement will be on:

- The ‘Quality of Appraisals’ theme where Salford Royal scored least well compared to the best comparative organisations. Ensuring staff are receiving appraisals and that these are of a good quality through the major culture change programme mentioned earlier in this report. It is expected that the roll-out of ‘My Contribution Conversations’ will contribute to an improvement in these factors next year
- Maintaining our outstanding status remains a priority for Salford Royal and it is a concern that staff do not receive regular update on patient/SU feedback (Q22b+). It is expected that this will be addressed through the introduction of local staff engagement plans, working with senior leaders using local data to focus on teams that scored particularly poorly in this area. The local staff engagement plans will also help to resolve the perception that senior leaders do not engage staff in decision making (Q8c)

Trade union facility time

From 1 April 2017 public sector organisations are required to report on trade union facility time. Facility time is paid time off for union representatives to carry out trade union activities.

Table 1
Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full time equivalent employee number
24	22.54

Table 2
Percentage of time spent on facility time

Percentage of time	Number of employees
0%	5
1%-50%	17
51%-99%	1
100%	1

Table 3
Percentage of pay bill spent on facility time

First column	Figures (£)
Provide the total cost of facility time	48,263
Provide the total pay bill	357.3m
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time/total pay bill) x100	0.014%

Table 4
Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period/total paid facility time hours) x100	0%
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Expenditure on consultancy

Expenditure on consultancy during 2018/19 was £2.21m. This related to our global digital excellence exemplar programme and costs to support transformation of health and social care through our integrated care organisation and transaction programmes. Consultancy costs incurred by Salford Royal's hosted services were £1.31m.

Off-payroll engagements

Salford Royal limits the use of off-payroll arrangements for highly paid staff. Executive Director approval is required. In all cases, except where the appointment of medical staff is to be made on a locum basis, in these circumstances approval is required from the relevant Divisional Managing Director or Divisional Chair.

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

No. of existing engagements as of 31 March 2019	21
Of which:	
No. that have existed for less than one year at time of reporting	12
No. that have existed for between one and two years at time of reporting	5
No. that have existed for between two and three years at time of reporting	4
No. that have existed for between three and four years at time of reporting	0
No. that have existed for four or more years at time of reporting	0

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.

No. of new engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019	17
Of which:	17
Number assessed as within the scope of IR35	
Number assessed as not within the scope of IR35	
Number engaged directly (via PSC contracted to Trust) and are on the Trust's payroll	0
Number of engagements reassessed for consistency/assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

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.	0
Number of individuals that have been deemed 'board members and/or senior officials with significant financial responsibility' during the financial year. This figure must include both off-payroll and on-payroll engagements.	10

Exit packages

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	-	-	-
£10,000-£25,000	-	3	3
£25,001-£50,000	1	1	2
£50,001-£100,000	-	-	-
£100,000-£150,000	-	-	-
£150,001-£200,000	-	-	-
Total number of exit packages by type	1	4	5
Total resource cost	£38,238	£71,369	£109,607

Exit packages: non-compulsory departure payments

	Agreements number	Total value of agreements £000
Voluntary redundancies including early retirement contractual costs	2018/19 - 0 (2017/18 - 0)	2018/19 - 0 (2017/18 - £0k)
Mutually agreed resignations (MARS) contractual costs	2018/19 - 0 (2017/18 - 0)	2018/19 - 0 (2017/18 - £0k)
Early retirements in the efficiency of the service contractual costs	2018/19 - 0 (2017/18 - 1)	2018/19 - 0 (2017/18 - £40k)
Contractual payments in lieu of notice	2018/19 - 2 (2017/18 - 4)	2018/19 - £29k (2017/18 - £131k)
Exit payments following Employment Tribunals or court orders	2018/19 - 2 (2017/18 - 0)	2018/19 - £42k (2017/18 - £0k)
Non-contractual payments requiring HMT approval	2018/19 - 0 (2017/18 - 0)	2018/19 - 0 (2017/18 - £0k)
Of which:		
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	2018/19 - 0 (2017/18 - 0)	2018/19 - 0 (2017/18 - £0k)

Compliance with NHS Foundation Trust Code of Governance

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

The Group CiC has established governance policies and processes that reflect the principles of the NHS Foundation Trust Code of Governance, these include:

- An NCA Service Development Strategy and Operational Plan, including an Operational Plan for Salford Royal
- Group Governance Framework Manual – Incorporating the Standing Orders of the Board of Directors, Standards of Business Conduct Policy, Group Committees in Common Terms of Reference, Standing Orders of the Council of Governors, Shadow Group Council of Governors Terms of Reference, Scheme of Reservation and Delegation of Powers, and Standing Financial Instructions
- Established role of Senior Independent Director
- Agreed recruitment process for Non-Executive Directors
- Formal induction programme for Non-Executive and Executive Directors
- Regular private meeting between the Chair and the Non-Executive Directors
- Robust performance appraisal process for all Non-Executive Directors, including the Chairman, developed and approved by the Council of Governors
- Attendance records for Directors and Governors at key meetings
- Comprehensive Induction Programme and continuing Training and Development Programme for Governors
- Council of Governors Policy for Raising Serious Concerns and Resolving Disagreements between the Council of Governors and Board of Directors
- Established roles of Lead and Deputy-Lead Governor
- Private meetings between the Chair and Governors to discuss matters reviewed at the Group CiC meetings
- Comprehensive Performance Dashboard and assurance reports developed by the Council of Governors and provided to all meetings of the Council of Governors
- Council of Governors' subgroup structure
- Council of Governors' agenda setting process involving Chairman, Lead and Deputy Lead Governor, Vice-Chairman and Senior Independent Director
- Collective regular performance evaluation mechanism for the Council of Governors
- Membership and Public Engagement Strategy, Annual Implementation Plan and Key Performance Indicators
- Council of Governors' presentation of performance and achievement at Annual Members Meeting
- Nominations, Remuneration and Terms of Service Committee of the Board of Directors
- Nominations, Remuneration and Terms of Office Committee of the Council of Governors

- Well Led Governance Review conducted in 2016/17, with Care Organisation developmental self-assessments against the Well-Led Framework in November 2017 and an independent review of the NCA Self-Assessment against the Well-Led Framework in 2018/19
- Publicly available Register of Interests for Directors, Governors and Senior Staff
- Annual Fit and Proper Persons Declarations and Checks Proforma to ensure compliance with Fit and Proper Persons Requirement for Directors
- Code of Conduct for Board-level Directors
- Annual review of Non-Executive Directors' independence
- Code of Conduct for Council of Governors
- Robust Audit Committee arrangements
- Governor-led appointment process for External Auditor
- Whistle-blowing Policy and Counter Fraud Policy and Plan
- Going Concern Report

The Group CiC conducts an annual review of the Code of Governance to monitor compliance and identify areas for further development.

The Group CiC has confirmed that, with the exception of the following provisions, Salford Royal complies with the provisions of the NHS Foundation Trust Code of Governance issued by NHS Improvement (formerly Monitor) and updated in July 2014.

Salford Royal departed from the following provisions of the Code during 2018/19:

- *B.7.1 – In exceptional circumstances, NEDs may serve longer than six years (two three-year terms following authorisation of the FT) but subject to annual reappointment*

In March 2017, the Council of Governors extended the tenure of two Non-Executive Directors, the Vice Chairman and Senior Independent Director, both of whom had served more than six years. The original term of office for both was one year (1.1.17 until 31.12.17). This was extended to a term of office of two years and three months, until 31.03.19. Governors acknowledged the importance of stability during Group transitional arrangements, and the outstanding performance and significant expertise of these Non-Executive Directors, also appointed as PAHT Non-Executive Directors.

At 31 March 2019, the Vice-Chairman had served eleven years and three months. In December 2018, the Council of Governors reappointed the Vice-Chairman for a two month period, with a term of office ending on 31 May 2019, to ensure appropriate scrutiny of the 2018/19 Annual Report and Accounts via Audit Committee, prior to submission to NHS Improvement at the end of May 2019.

At 31 March 2019, the Senior Independent Director had served ten years and three months, and stood down as a Non-Executive Director.

Governance and organisational arrangements

The basic governance structure of all NHS Foundation Trusts includes:

- Public and staff membership
- A Council of Governors
- A Board of Directors

This structure is well developed at Salford Royal, and is set out in Salford Royal's Constitution that is published at www.srft.nhs.uk and in the NHS Foundation Trust directory on NHSI's website:

<https://www.gov.uk/government/groups/salford-royal-nhs-foundation-trust>

Membership

Local people and those accessing Salford Royal's services as a patient or carer are invited to become a member of Salford Royal. Membership strengthens the links between healthcare services and the local community; it is voluntary, free of charge and obligation. Members are able to give their views on relevant issues to help improve the experience for patients, visitors and staff.

Salford Royal membership is made up of public and staff members.

Public members

We have two public member constituencies, Salford and the Rest of England and Wales. All members of the public who are 14 years old or over, living in one of the constituencies can become a member.

Staff members

We have four staff member constituencies, largely reflective of Salford Royal's Corporate and Clinical Divisional Structure.

During 2018/19 Salford Royal endeavoured to maintain its significant membership base, in addition to improving areas of under representation.

How many members do we have?

The table below highlights Salford Royal's actual membership figures for 2018/19.

Constituency	Actual 31 March 2019
Public - Salford residents	9,495
Public - Rest of England & Wales	5,984
Staff	8,283
TOTAL	23,762

Staff constituency breakdown	Actual 31 March 2019
Clinical Support Services and Tertiary Medicine	2,426
Corporate and General Services	1,276
Salford Health and Social Care	2,385
Surgery and Neurosciences	2,196
TOTAL	8,283

The following tables analyse the current and estimated membership figures for a number of indicators to highlight areas of representation.

Public constituency	Number of members 31 March 2019	Eligible membership
Age (years)		
0-16	34	54,233
17-21	236	15,557
22+	13,791	184,174
Unknown	1,431	0
Ethnicity		
White	12,728	200,520
Mixed	206	4,643
Asian or Asian British	983	9,429
Black or Black British	699	6,541
Other	139	3,910
Unknown	737	0
Socio-economic grouping		
AB	3,426	13,468
C1	4,325	26,201
C2	3,401	15,230
DE	4,296	25,298
Unknown	0	0
Gender		
Male	5,638	128,240
Female	8,991	125,309
Non-Binary/Third Gendered	0	0
Unknown	863	0

During 2018/19, Salford Royal communicated with members, patients and the public regularly using a range of communication channels and feedback mechanisms. These included:

- Members Newsletter - The Loop
- E-Communications
- Salford Royal's Website
- Medicine for Members Seminars
- Patient Focus Groups
- Online Surveys
- Open Day and Annual Members Meeting 2018
- Social Media - Twitter and Facebook
- Partner communications including Salford CCG, Salford Health watch and Salford City Council

In October 2018, Salford Care Organisation hosted its 'Open Day', followed by the first NCA Joint Annual Members & Public Meeting, with numerous staff showcasing the innovative work of Salford Care Organisation including; Trauma & Orthopaedics, Dementia, Volunteers, Childrens Community, Critical Care, Palliative Care, Patient Experience, and Carers. At the NCA Joint Annual Members & Public Meeting members received an update on key strategic developments, and had a chance to ask questions to members of the Group Committees in Common.

We also work closely with partner organisation such as Salford CCG, Salford Healthwatch and Salford City Council, to ensure that the local community have the chance to get involved and share their views and ideas.

Council of Governors

Governors are the direct representatives of members, staff, our stakeholders and public interests, and form an integral part of the governance structures that exist in all NHS Foundation Trusts.

The overriding role of the Council of Governors is to hold the Non-Executive Directors individually and collectively to account for the performance of the Board of Directors and to represent the interests of NHS Foundation Trusts members and of the public.

Other statutory aspects of the Council of Governors' role include:

- Approving the appointment of the Chief Executive
- Appointing and removing the Chairman and other Non-Executive Directors
- Deciding the remuneration of the Chairman and Non-Executive Directors
- Appointing and removing the NHS Foundation Trust's Auditors
- Contributing to the forward plans of the organisation
- Receiving the NHS Foundation Trust's Annual Accounts, Auditors Report and Annual Report
- Reviewing the Membership and Public Engagement Strategy
- When appropriate, making recommendations and/or approving revisions of the Foundation Trust Constitution

The powers of Salford Royal's Council of Governors are established under statute. The Council of Governors may not delegate any of its powers to a committee or sub-committee; however, it may appoint a committee to assist in carrying out its functions.

Group Council of Governors

In March 2017 Salford Royal's Council of Governors approved changes to its own composition; and agreed to establish a subcommittee of the Salford Royal Council of Governors; the Shadow Group Council of Governors. Bearing resemblance to the establishment of the Group CiC to which the Boards of Salford Royal and Pennine delegated their functions, the Shadow Group Council of Governors, (known as the Group Council of Governors) includes both Salford Royal Governors and Shadow Pennine Governors and assists the Council of Governors by carrying out those functions set out in the Salford Royal Scheme of Reservation and Delegation of Powers.

The Group and SRFT Council of Governors held five general meetings during 2018/19, assisting in, and discharging, a number of our statutory duties including the appointment of two new non-executive directors, approval of the appointment (by the Chairman and Chief Executive), of the new chief executive and review of the performance of our chairman and non-executive directors.

One of the key pieces of work the Group and SRFT Council of Governors has been engaged with this year is the acquisition of the Oldham, Bury and Rochdale components of Pennine Acute by Salford Royal. Governors have been involved in a number of briefings and workshops to consider the additional benefit to the patients and populations of Salford, Oldham, Bury & Rochdale, and ensured that the views of members, and the community as a whole, are considered.

There have been a number of changes to the Group and SRFT Council of Governors during 2018/19. In addition, bi-elections were held in February 2019 to fill vacancies in the Oldham and North Manchester constituencies.

The composition of the Group Council of Governors as at 31 March 19 is as follows:

Name	Constituency / organisation	Term of office (end of the annual members meeting)
Public elected governors		
James Collins	Salford	3 years (2020)
David Pike (Lead Governor)	Salford	3 years (2020)
Chris Mullen	Salford	3 years (2020)
Gill Collins	Salford	2 years (2019)
Gary Kerr	Salford	2 years (2019)
Sandra Breen	Rest of England & Wales	3 years (2019)
Jeredine Benjamin	Rest of England & Wales	3 years (2019)
Shadow public elected governors		
David Davis ¹	Bury & Rochdale	3 years (2020)
John Rodgers ²	Bury & Rochdale	3 years (2020)
Terri Evans	Bury & Rochdale	3 years (2020)
Shaun Furlong	Bury & Rochdale	2 years (2019)
Brian Davies ³	Bury & Rochdale	2 years (2019)
David Edwards ⁴	Oldham	3 years (2020)
Mohammed Jahan ⁵	Oldham	3 years (2020)
James Allen ⁶	Oldham	2 years (2019)
Kevin Thomas	North Manchester	3 years (2020)
Mohammad Shafiq	North Manchester	2 years (2020)
Staff elected governors		
Deborah Seddon	Clinical Support & Tertiary Services	3 years (2020)
Nicola Kent	Corporate & General Services	3 years (2019)
Agnes Leopold-James	Salford Healthcare	3 years (2019)
Sheila Tose	Surgery & Neurosciences	3 years (2020)
Shadow staff elected governors		
Gemma Lievesley	Bury & Rochdale	3 years (2019)
Amanda Chesney	Bury & Rochdale	2 years (2019)
Eduard Siegg-Hogg ⁷	Oldham	3 years (2020)
Vacant ⁸	Oldham	2 years (2019)
Mark Taylor ⁹	North Manchester	3 years (2020)
Philippa Jones	North Manchester	2 years (2019)

Name	Constituency / organisation	Term of office (end of the annual members meeting)
Appointed governors		
Prof. Ruth Boaden ¹⁰	University of Salford	3 years (2020)
CLlr Richard Critchley	Salford City Council	3 years (2020)
Shadow appointed governors		
Brian Boag	University of Salford	3 years (2020)
CLlr Julie Reid (Manchester) ¹¹	Local Authority Governor	3 years (2020)
CLlr Wendy Cocks (Rochdale) ¹²	Local Authority Governor	3 years (2020)
CLlr Karen Leach (Bury) ¹³	Local Authority Governor	3 years (2020)
Vacant (Oldham)	Local Authority Governor	3 years (2020)

- Luise Fitzwalter resigned in September 2018
The next highest polling candidate was David Davis
- Sylvia Edney resigned in December 2018
The next highest polling candidate was John Rodgers
- Marie Douglas resigned in June 2018
The next highest polling candidate was Brian Davies
- Robert Scott resigned in January 2019
David Edwards was elected
- Fabha Chowdhury resigned in January 2019
Mohammed Jahan was elected
- Maurice Gorton resigned in December 2018
James Allen was elected
- Julia Riley resigned in January 2019
Eduard Siegg-Hogg was elected
- Georges Na Man Kwong resigned in November 2018
Current vacant post
- Mireia Cassou resigned in February 2019
Mark Taylor was elected
- Appointed Governor Nick Grey resigned in May 2018
Professor Ruth Boaden was selected
- CLlr Julie Reid (Manchester) was appointed in September 2018
- CLlr Wendy Cocks (Rochdale) was appointed in September 2018
- CLlr Karen Leach (Bury) was appointed in February 2019

The following table summarises governor attendance at Group and SRFT Council of Governor Meetings from 1 April 2018 to 31 March 2019.

Name	Constituency	Group Council of Governors meetings attended	SRFT Council of Governors meetings attended
Public elected governors			
James Collins	Salford	4/5	4/5
David Pike (Lead Governor)	Salford	4/5	4/5
Chris Mullen	Salford	4/5	4/5
Gill Collins	Salford	4/5	4/5
Gary Kerr	Salford	2/5	2/5
Sandra Breen	Out of Area	5/5	5/5
Jeredine Benjamin	Out of Area	3/5	3/5
Shadow public elected governors			
Terri Evans	Bury and Rochdale	4/5	
Shaun Furlong	Bury and Rochdale	2/5	
John Rodgers	Bury and Rochdale	2/2	
David Davis	Bury and Rochdale	2/3	
Brian Davies	Bury and Rochdale	3/5	
Sylvia Edney	Bury and Rochdale	1/3	
Marie Douglas	Bury and Rochdale	0/0	
Louise Fitzwalter	Bury and Rochdale	1/1	
Kevin Thomas	North Manchester	4/5	
Mohammad Shafiq	North Manchester	4/5	
James Allen	Oldham	1/1	
Mohammed Jahan	Oldham	1/1	
David Edwards	Oldham	1/1	
Robert Scott	Oldham	1/3	
Fabha Chowdrury	Oldham	0/3	
Maurice Gorton	Oldham	0/3	
Salford staff elected governors			
Deborah Seddon	Clinical Support & Tertiary Services	3/5	3/5
Nicola Kent	Corporate & General Services	0/5 (Maternity leave)	0/5 (Maternity leave)
Agnes Leopold-James	Salford Healthcare	4/5	4/5
Sheila Tose	Surgery & Neurosciences	4/5	4/5
Shadow staff elected governors			
Philippa Jones	North Manchester	4/5	
Mark Taylor	North Manchester	N/A	
Mireia Cassou	North Manchester	2/3	
Amanda Chesney	Bury & Rochdale	2/5	
Gemma Lievesley	Bury & Rochdale	5/5	
Julia Riley	Oldham	0/4	
Georges Ng Man Kwong	Oldham	0/4	
Eduard Siegg-Hogg	Oldham	0/1	
Appointed governors			
Clr Richard Critchley	Salford City Council	0/5	2/5
Professor Ruth Boaden	University of Manchester	1/1	2/5
Shadow appointed governors			
Brian Boag	Salford University	1/5	
Clr Julie Reid	Local Authority - Manchester	1/3	
Clr Wendy Cocks	Local Authority - Rochdale	3/5	
Clr Karen Leach	Local Authority - Bury	0/1	
Vacant	Local Authority - Oldham	N/A	

Mrs Chris Mullen was nominated as Deputy Lead Governor at the Council of Governors meeting in March 2018 with a term of office ending in June 2019.

Mr David Pike was nominated as Lead Governor at the Council of Governors meeting in September 2018 for a period of two years, ending in June 2020.

Council of Governors' register of interests

All Governors are required to comply with the Council of Governors Code of Conduct and declare any interests that may result in a potential conflict of interest in their role as Governor. The register of interest is publicly available via the Council of Governors' Meeting Minutes on Salford Royal's website. In addition, the register can be obtained via the Group Secretary at the follow address:

Trust Headquarters
Salford Royal NHS Foundation Trust
Stott Lane
Salford
M6 8HD

Tel: **0161 206 3133**

Email: **foundation@srft.nhs.uk**

Council of Governors' subgroups

The Group Council of Governors have established a Nominations, Remuneration and Term of Office (NRTO) Committee that meets to discuss the formal aspects of the Non-Executive Directors' role, this includes pay, terms of office and their annual performance evaluation. Membership comprises the lead governor, one Salford Royal elected governor, one Salford Royal appointed governor and one shadow governor as well as the Chairman and advisory Trust Officers. More information on the work of the committee is described within the Remuneration Report.

During 2018/19 the Group and SRFT Council of Governors' approved changes to its subgroup structure, moving from three subgroups focussed on Engagement, Quality and Strategic Direction, to a Care Organisation based subgroup structure. Each Care Organisation Subgroup; Salford, Oldham, Bury & Rochdale and North Manchester; will meet quarterly and will consider engagement, quality and strategic direction matters within their locality.

These subgroups will enable governors to carry out both their statutory and non-statutory duties, specifically giving focus to representing members and the public, as well as receiving information on key work projects.

Training and development for Governors

A full list of training and development opportunities provided is below; the training was delivered by internal and external trainers.

Event	Date	Attendance
North West Governor Forum	18 October 2018	3
Patient/Service User Experience Strategy Workshop	18 October 2018	8
Governor Listening Event	23 October 2018	11
Social Media Training	20 November 2018	6
MIAA – Learning from the Model Hospital	1 February 2019	5
Core Skills Refresher/Induction	18 March 2019	17
Governwell - Accountability	20 March 2019	4

Communicating with Governors

There are a number of easy ways for members and the public to communicate with the Council of Governors.

Email: **foundation@srft.nhs.uk**

Tel: **0161 206 3133**

Website: **www.srft.nhs.uk/for-members/council-of-governors/contact-your-governor**

Write to your Governor at:

Membership Department
Group Headquarters
Salford Royal NHS Foundation Trust
Stott Lane, Salford, M6 8HD

The Board of Directors and Group Committees in Common relationship with the Council of Governors and Members

The Group CiC and Group Council of Governors seek to work together effectively in their respective roles and avoid unconstructive adversarial interaction. To this effect the Group CiC and Council of Governors have established a clear policy detailing how disagreements will be resolved.

During the year, the Chairman and Group Secretary work closely with the Lead Governor to review all relevant issues and prior to each Council of Governors meetings, they meet with the Senior Independent Director, Vice Chairman and Deputy Lead Governor to produce the agenda for the upcoming Council of Governors meeting.

The Executive and Non-Executive Directors attend each meeting of the Council of Governors as observers and take part when further information is required.

The following table summarises Group CiC attendance at Group/SRFT Council of Governors:

Name	Title	Attendance
Mr Jim Potter	Chairman	5/5
Sir David Dalton	Chief Executive Officer	4/5
Mrs Elaine Inglesby-Burke CBE	Chief Nursing Officer	3/5
Dr Chris Brookes	Chief Medical Officer	1/5
Mr Ian Moston	Chief Finance Officer	3/5
Mr Raj Jain	Deputy Chief Executive/ Chief Strategy and Organisation Development Officer	3/5
Mrs Judith Adams	Chief Delivery Officer	2/5
Mrs Diane Brown	Non-Executive Director/Senior Independent Director	4/5
Mr Kieran Charleson	Non-Executive Director	3/5
Mrs Christine Mayer CBE	Non-Executive Director	2/5
Prof Chris Reilly	Non-Executive Director	4/5
Dr Hamish Stedman	Non-Executive Director	3/5
Mr John Willis CBE	Vice Chairman/Non-Executive Director/Chairman of the Audit Committee	4/5

Governors are encouraged to attend the public Group CiC meetings to gain a broader understanding of discussion taking place at board level and observation of the decision making processes and challenge from Non-Executive Directors.

Group Committees in Common and Salford Royal Board of Directors

The Board of Directors operates according to the highest corporate governance standards. It is a unitary board with collective responsibility for all aspects of the performance of the Salford Royal, and as the most senior managers of the operations of the NCA, including financial performance, clinical and service quality, and management and governance. Key responsibilities include:

- Setting the Trust's vision and governing objectives, with due regard to the ultimate intention of Salford Royal to establish a Group operation
- Setting the NCA and Trust's strategic direction (having taken into account the Council of Governors' views) and providing direction to the Care Organisations
- Leading the development of the workforce and delivery of the NCA's Workforce and Talent Management Strategy in conjunction with Care Organisations
- Ensuring that adequate systems and processes are maintained to deliver Salford Royal's Annual Plan
- Setting NCA-wide processes and standards (clinical and non-clinical) applicable across Trusts and all Care Organisations
- Ensuring effective processes are in place for the regular audit of clinical standards and patient experience, to support performance data provided by the Care Organisations
- Ensuring robust governance arrangements are in place, supported by an effective assurance framework, that supports sound systems of internal control
- Ensuring effective arrangements are in place for holding the Care Organisations to account for the performance of the business
- Leading capability development and providing scale for improvement in Care Organisations
- Ensuring that Salford Royal, at all times, is compliant with its Licence, as issued by the sector regulator NHS Improvement (formerly Monitor) *and*
- Exercising the powers of Salford Royal established under statute, as described within Salford Royal's Constitution available at www.srft.nhs.uk

The Group CiC is also responsible for establishing the values and standards of conduct for Salford Royal and its staff in accordance with NHS values and accepted standards of behaviour in public life. These include selflessness, integrity, objectivity, accountability, openness, honesty and leadership (The Nolan Principles). This is clearly set out within the Group Governance Framework Manual, publicly available on the website.

The Group CiC and Board of Directors have resolved that certain powers and decisions may only be exercised or made by the Group CiC or Board of Directors in formal session. These powers and decisions, and those of Salford Royal's Council of Governors, are set out in the Reservation of Powers and Scheme of Delegation within the Group Governance Framework Manual.

The Group CiC met in formal session on ten occasions during 2018/19. Each session was held in public, apart from where the Group CiC resolved to meet in private session due to the confidential nature of business. The Salford Royal Board of Directors met in formal session on four occasions during 2018/19. Each session was held in public apart from where the Group CiC and Salford Royal Board of Directors resolved to meet in private session due to the confidential nature of business.

The Group CiC (which comprises all members of Salford Royal Board of Directors) is of sufficient size and the balance of skills and experience is appropriate for the requirements of the business and the future direction of Salford and the NCA. Arrangements are in place to enable appropriate review of the Group CiC balance, completeness and appropriateness to the requirements of Salford Royal and establishment of a Group operation. All Executive and Non-Executive Directors undergo annual performance evaluation and appraisal.

The outcomes of the Executive Director appraisals are provided to Non-Executive Directors at a meeting of the Nominations, Remuneration and Terms of Service Committee. The outcomes of Non-Executive Director appraisals are provided to the Council of Governors' Nominations, Remuneration and Terms of Office Committee in detail, and in summary to the general meeting of the Council of Governors.

Independence of Non-Executive Directors

The Group CiC undertakes an annual review of the independence of its Non-Executive Directors. The Group CiC determines whether each director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the director's judgement. At its meeting in April 2019, the Group CiC acknowledged that some Non-Executive Directors had served terms of more than six years at Salford Royal; however uniquely, Non-Executive Directors at Salford Royal are members only of the Group CiC, Board of Directors and statutory committees.

They are not formal members of the Trust's management or assurance committees, although they retain the right to attend any such meeting. The Group CiC determined that these arrangements enable Non-Executive Directors to retain significant independence from the operational management of the Trust.

The Group CiC confirmed that it considers all Non-Executive Directors to be independent, namely:

- Mr James Potter
- Mr John Willis CBE
- Mrs Carmen Drinkwater (*Commenced as a Non-Executive Director on 1 April 2019*)
- Professor Chris Reilly
- Dr Hamish Stedman
- Mrs Christine Mayer CBE
- Mr Kieran Charleson

Committees of the Salford Royal Board of Directors and Group Committees in Common

The Salford Royal Board of Directors has established the following committees:

- Group Committees in Common
- Salford Royal Acquisition Committee

The Group Committees in Common has established the following committees:

- Audit Committee
- Nominations, Remuneration and Terms of Service (NRTS) Committee
- Charitable Funds Committee
- Strategy and Investment Committee
- Group Executive Risk and Assurance Committee
- Group Executive Development Committee

Salford Royal Acquisition Committee

The Salford Royal Acquisition Committee has been established as an interim committee of the Salford Royal Board of Directors. It has been established to provide strategic direction, programme oversight and stakeholder management in relation to the acquisition of the Bury and Rochdale and Oldham Care Organisations of Pennine. The committee has responsibility for ensuring that any transaction undertaken is robust, has sound financial underpinnings and meets strategy and compliance requirements of the Trust.

In 2018/19 the committee extended its responsibility to provide strategic direction, programme oversight and stakeholder management in relation to the acquisition of adult and children's community services currently provided by Pennine Care Foundation Trust (PCFT).

Audit Committee

The Group CiC has established an Audit Committees in Common for Salford Royal and Pennine, known as the Audit Committee. Audit Committee plays a key role in supporting the Group CiC by critically reviewing and reporting on the adequacy and effectiveness of effective systems of integrated governance, risk management, and internal control that support the achievement of Group objectives and its constituent Care Organisations.

In carrying out this work, the Audit Committee primarily utilises the work of internal and external audit, and established committees within the NCA Assurance Framework, specifically the Group Executive Risk and Assurance Committee (GRAC). Audit Committee also receives assurance from the views of other external agencies such as the Care Quality Commission.

Salford Royal's Non-Executive Directors (with the exception of the Chairman) are members of Audit Committee. Attendance during 2018/19 was as follows:

Mr John Willis CBE	6/6
Mrs Diane Brown	5/6
Mr Kieran Charleson	2/6
Mrs Christine Mayer CBE	2/6
Professor Chris Reilly	6/6
Dr Hamish Stedman	6/6

Support for the committee was provided by the Group Secretariat and meetings were regularly attended by the Chief Financial Officer, Deputy Chief Financial Officer, Chief Medical Officer, Chief Nursing Officer, Group Secretary and Internal and External Audit Teams.

During 2018/19, the Trust's Internal Audit function was carried out by Mersey Internal Audit (MIAA). Internal Audit provides an independent assurance service to the Group CiC, Audit Committee and management, focussed on reviewing the effectiveness and extent of compliance with the governance, risk management and control processes that the Group and Salford Royal has put in place. Audit Committee approved the Internal Audit and Anti-Fraud Work Plans for 2018/19 and received regular progress updates with respect to the work and findings of the respective plans.

Salford Royal's External Auditors regularly attend Audit Committee, providing an opportunity for the committee to assess their effectiveness. The Audit Plan for Salford Royal was presented to Audit Committee in February 2019, confirming that audit would be conducted with an understanding of the key challenges and opportunities Salford Royal was facing. The Audit Committee received assurance that the audit would consider the impact of key developments in the sector and take account of national audit requirements and ensure compliance with International Standards on Auditing (ISAs). In addition, the Audit Plan highlighted steps taken to safeguard and ensure compliance with ethical standards on independence. There were no other significant facts or matters that may impact on the External Auditors independence drawn to Audit Committee's attention during 2018/19.

At its meeting in April 2018, the Audit Committee reviewed the first draft of the Annual Report, including the Annual Governance Statement, Quality Report and unaudited Accounts 2017/18. This was followed by further review and approval, prior to submission to NHS Improvement, at the meeting in May 2018. Audit Committee also received the External Auditors Findings Report (ISA 260) in May 2018.

As the year began, Audit Committee reviewed the opening NCA Board Assurance Framework and confirmed that the strategic and operational risks identified were fully aligned to the Annual Plans submitted to NHSI. As Audit Committee's relationship with the GRAC developed during the year, a number of matters were referred to and from committee meetings, most notably request for further assurance with respect to the outstanding internal audit actions, specifically high priority IM&T internal audit actions that were overdue for implementation.

Following escalation via GRAC, subsequent reviews of 'Follow Ups' took place at the Audit Committee meetings held in September 2018 and November 2018. Audit Committee was informed that progress had been made across both Group and Care Organisations, with the majority of actions implemented or evidence provided to support progression, although further focus was required by management to ensure timely completion of those not yet implemented.

Alert to the significant number of outstanding audit actions that remained relating to IM&T, Audit Committee requested a deep dive on this matter and escalation to the GRAC. In February 2019, Audit Committee conducted a detailed review with respect to overdue high priority IM&T internal audit actions, including reflection of causal factors and current level of risk associated with the overdue actions. Audit Committee sought assurance regarding the clarity of vision for IM&T across the NCA and the progressive nature of investment required to stabilise the Pennine IM&T infrastructure.

The Audit Committee is authorised by the Group CiC to investigate any activity within its terms of reference and to seek any information it requires from staff. Senior managers from the Trust (including the Chief Officer of Salford Care Organisation, Chief Strategy & Organisational Development Officer, Director of Workforce, Head of Clinically Coded Data and Standards Assurance, Group Procurement Director and Director of Governance and Corporate Nursing) attended meetings during 2018/19 to provide a deeper level of insight into key issues within their respective areas of expertise.

In addition to reviewing key finance related matters, including losses and special payments reports and reviewing and approving write-off of non-NHS debtors, Audit Committee undertook a detailed review of the Salford Royal Financial Forecast and a mid-year financial review in the form of an updated Going Concern Report, providing the financial outlook until March 2019.

The Non-Executive Directors 'site visit' programme continued during 2018/19, encompassing services, wards and departments across the NCA. The programme enables Non-Executive Directors to triangulate information gathered during the visits with that presented to the Group CiC and Audit Committee, for the purpose of gaining assurance and obtaining feedback from staff and patients. The visits enable Non-Executive Directors to further understand how the organisation works and the impact of Board-level decisions on clinical services. The following Salford Royal services were visited during 2018/19: Estates & Facilities, Diagnostics & Pharmacy, Specialty Medicine, Dermatology and Neurosciences.

During 2016, Salford Royal and Pennine aligned their selection processes for an External Auditor, awarding two organisational contracts to a single External Auditor firm. In December 2016, the Council of Governors approved the appointment of Grant Thornton as the External Auditor for Salford Royal for a period of three years (conducting the 2017/18, 2018/19 and 2019/20 audits), with an option for this to be extended by a further 1 year subject to mutual agreement. The annual cost to Salford Royal would be £51,575, £50,000 and £48,425 (net of VAT) respectively.

Nominations, Remuneration and Terms of Service (NRTS) Committee

The Group CiC has established a Nominations, Remuneration and Terms of Service Committees in Common for Salford Royal and Pennine, known as the Nominations, Remuneration and Terms of Service (NRTS) Committee, to consider matters pertinent to the nomination, remuneration and associated terms of service for Executive Directors (including the Chief Executive), and matters associated with the nomination of Non-Executive Directors and remuneration of senior managers/clinical leaders. Further information regarding the NRTS Committee can be found in the Remuneration Report.

Charitable Funds Committee

The Group CiC has established a Charitable Funds Committees in Common for Salford Royal and Pennine, with responsibility for the on-going management of charitable funds on behalf of the Corporate Trustees. The membership of the Charitable Funds Committee comprises all Non-Executive Directors including the Chairman.

Strategy and Investment Committee

The Strategy and Investment Committee provides independent and objective review of, and assurances in relation to, major strategic initiatives, including investments/divestments of activities which significantly broaden, diversify or reduce the Group activity base, and ensure their alignment with the Group CiC approved strategy and risk framework.

Group Executive Risk and Assurance Committee

The Group Executive Risk and Assurance Committee has responsibility for providing assurance on the control of risk, including monitoring of all group level risks via the Board Assurance Framework, overseeing the Group's Single Oversight Framework which includes receiving the Care Organisation Statements of Assurance and reviewing Care Organisation Assurance Frameworks/Risk Registers.

Group Executive Development Committee

The Group Executive Development Committee oversees the development and delivery of Group's strategic ambitions, and takes appropriate action to mitigate risk.

Standing Committee reporting arrangements

The Group CiC receives a report on the work of each of its standing committees following each meeting. A comprehensive reporting cycle has been established for the Group CiC and its subcommittees to ensure timely review of an appropriate range of matters.

NHS Improvement's Single Oversight Framework

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

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

Based on information from these themes, providers are segmented from 1 to 4, where '4' reflects providers receiving the most support, and '1' reflects providers with maximum autonomy. A Foundation Trust will only be in segments 3 or 4 where it has been found to be in breach, or suspected breach, of its licence.

Segmentation

Salford Royal is currently placed in segment two defined by NHS Improvement as:

"Providers offered targeted support: there are concerns in relation to one or more of the themes. We've identified targeted support that the provider can access to address these concerns, but which they are not obliged to take up. For some providers in segment two, more evidence may need to be gathered to identify appropriate support."

This segmentation information is Salford Royal's position as at April 2019. Current segmentation information for NHS Trusts and Foundation Trusts is published on NHSI's 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 five themes feeding into the Single Oversight Framework, the segmentation of the Trust disclosed above might not be the same as the overall finance score here.

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

Signed:



Date: 28 May 2019

Raj Jain

Chief Executive & Accounting Officer
Salford Royal NHS Foundation Trust

Statement of the Chief Executive's responsibilities as the Accounting Officer of Salford Royal NHS Foundation Trust

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

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Salford Royal 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 Salford Royal 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 accounting policies on a consistent basis
- Make judgements and estimates on a reasonable basis

- State whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health and Social Care Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements
- 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 May 2019

Raj Jain
Chief Executive

Annual Governance statement

Scope of responsibility

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

The purpose of the system of internal control

The system of internal control 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 Salford Royal 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 Salford Royal NHS Foundation Trust for the year ended 31 March 2019 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

Salford Royal NHS Foundation Trust (Salford Royal) has established a group with The Pennine Acute Hospitals NHS Trust (Pennine). The Northern Care Alliance NHS Group (NCA) was launched on 1 April 2017. Whilst Salford Royal and Pennine remain statutory bodies, the Boards of both organisations have delegated the exercise of significant functions to the Group Committees in Common (Group CiC). Group CiC comprises all members of the Salford Royal Board of Directors and the Chief Officers of the NCA's four care organisations: Salford, Oldham, Bury & Rochdale and North Manchester. Group Executive, Non-Executive Directors and Care Organisation Leadership Teams across the NCA are clear about their roles and responsibilities, including the key risks to the operational plan for which they are accountable.

As the Chief Executive, I am responsible for overseeing risk management across all organisational, financial and clinical activities. I am the Chairman of the Group Executive Risk and Assurance Committee (GRAC), which reports directly to Group CiC and has overarching responsibility for risk management including: the development and implementation of the Group's Assurance Framework and Risk Management Strategy; monitoring of all Group-level risks; overseeing the Group's Single Oversight Framework; and reviewing Care Organisation Assurance Framework/Risk Registers. An important enabler to fulfilling this responsibility has been the development of purposeful interaction between the GRAC and the Group's Audit Committee.

Audit Committee provides a key forum through which the Group's Non-Executive Directors bring independent judgement to bear on issues of risk management and performance. The constructive interface between Audit Committee and GRAC supports the effectiveness of the Group's systems of internal control.

Each of the NCA's Care Organisations has a Chief Officer with responsibility for the effective and efficient use of resources, including the proactive identification and mitigation of risks to the delivery of annual business plans. The Chief Officers each chair their Care Organisations Assurance and Risk Committee (COARC), which have responsibility for providing leadership to, and ensuring appropriate oversight of, the achievement of the Care Organisation's principal objectives, through the effective mitigation of risk and review of relevant assurance. The Salford Care Organisation has all of the above arrangements in place.

The NCA has a single Risk Management Strategy in place covering all Care Organisations and Corporate Business Units, which are implemented via Group and Care Organisation governance structures. The Risk Management Strategy provides the framework for managing risk across the Salford Care Organisations and at all levels within the Group. It is consistent with best practice and Department of Health guidance.

The strategy provides a clear, systematic approach to the management of risks to ensure that risk assessment is an integral part of all clinical, managerial and financial processes. Risk management is supported in the following ways; a central NCA Risk Management Team, a centralised Health and Safety Team with support from Health and Safety Advisors and an Associate Director of Governance in place within each Care Organisation, supported by Governance Managers for each clinical division.

Salford Royal's capacity to handle risk was evidenced via the CQC Inspection, which reported in August 2018 that "the Trust had effective systems for identifying risks, planning to eliminate or reduce them, and coping with both the expected and unexpected."

The NCA is a learning organisation and has robust systems in place that ensures good practice is identified and shared via corporate and divisional governance systems and newsletters. Learning from incidents, complaints, claims and mortality reviews is shared via multiple mediums to reach all staff groups. New and innovative methods of shared learning are being developed and tested throughout the organisation, using patient experience, incident reports and learning from deaths to develop a culture of organisational learning. The Salford Care Organisation has strengthened the systems in place to receive and act upon National Patient Safety Alerts and recommendations during 2018/19 to ensure all reviews are robust.

The Group CiC receives assurances from the GRAC relating to the management of all serious untoward incidents, including Never Events. Learning from Experience and Patient Responsiveness Reports are also reported routinely to GRAC and Group CiC.

The risk and control framework

Risk management requires participation, commitment and collaboration from all staff. The process starts with the systematic identification of risks via structured risk assessments. Throughout the NCA identified risks are documented on risk registers.

These risks are then analysed in order to determine their relative importance using a risk scoring matrix. Low scoring risks are managed by the area in which they are found, whilst higher scoring risks are managed at progressively higher levels within the organisation.

Risk control measures are identified and implemented to reduce the potential for harm. The potential consequence and likelihood of the risk occurring are scored along with the effectiveness of existing control measures.

It is the sum of these scores which determines the level in the organisation at which the risk is reported and monitored to ensure effective mitigation.

Each Care Organisation within the NCA has in place a Board Assurance Framework/Corporate Risk Register (BAF/CRR), which is overseen by each Care Organisations' COARC. It directs management focus at Care Organisation level to the mitigation of significant risks. The Salford Care Organisation BAF/CRRs inform the Northern Care Alliance NHS Group (NCA) BAF/CRR, which has been developed during 2018/19 by the NCA Group CiC, and managed via GRAC.

Salford Royal seeks to reduce risk in so far as possible, however, it is understood that delivering healthcare carries inherent risks that cannot be eradicated completely.

Salford Royal therefore pursues assurance that controls continue to be operated for risks that cannot be reduced any further.

On this basis, risks are tolerated in line with an organisational risk appetite.

The NCA's Assurance Framework is based on six key elements:

- Clearly defined principal objectives agreed with stakeholders together with clear lines of responsibility and accountability
- Clearly defined principal risks to the achievement of these objectives together with assessment of their potential impact and likelihood
- Key controls by which these risks can be managed, this includes involvement of stakeholders in agreeing controls where risks impact on them
- Management and independent assurances that risks are being managed effectively
- Board-level reports identifying that risks are being reasonably managed and objectives being met together with gaps in assurances and gaps in risk control
- Board-level action plans which ensure the delivery of objectives, control of risk and improvements in assurances

The workplan of committees within the NCA's Assurance Framework is linked so that the Group CiC is assured that there is an aligned independent and executive focus on strategic risk and assurance. Routine referral of issues exists between committees ensuring a respective understanding of risk and assurance concerns.

The Internal Audit Assurance Framework Review 2018/19 confirmed that 'the organisation's Assurance Framework is structured to meet the NHS requirements, is visibly used by the Board and clearly reflects the risks discussed by the Board.'

Furthermore, the Group CiC has established and operates an oversight framework for each of its Care Organisations, called the Group Single Oversight Framework (Group SOF). The Group SOF provides assurance on delivery of the Care Organisation's Annual Plan objectives and supports quality and performance improvement. The five themes of the Group SOF reflect those of the NHS Improvement Framework:

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

The Group SOF segments Care Organisations, according to the scale of issues faced, and enables the Group CiC to determine the extent of support required by each Care Organisation. The Group SOF utilises an integrated reporting approach, including performance dashboards, board assurance frameworks, statements of assurance, annual plan reviews, well led reviews and CQC improvement plans.

Salford Royal has strong quality governance arrangements in place, which includes a Quality Improvement Strategy with ambitious Trust-wide quality goals. A quarterly Quality Improvement Progress Report, including Care Organisation Quality Improvement Dashboard, is reviewed by the Group CiC.

At Care Organisation level, the Salford Care Organisation Quality and Patient Experience (QPE) Governance Committee, reporting directly to the COARC reviews a suite of quality metrics that tracks performance against key quality indicators. The Quality Report, within this Annual Report and Accounts, describe quality improvements and quality governance in more detail.

The NCA has a Freedom to Speak Up (FTSU) Guardian to act in a genuinely independent and impartial capacity to support staff who raise concerns and will have access to the Chief Executive and the Trust's nominated Non-Executive Director for 'Freedom to Speak Up'.

Individuals are supported by FTSU Care Organisation Lead Guardian and team of sub-guardians, to ensure staff have easy access to practical support. A quarterly report of all concerns raised and themes is produced for the Salford Care Organisation QPE Governance Committee; summary information is provided for the COARC and, escalated to the GRAC via the Care Organisation Statement of Assurance. The Salford Care Organisations FTSU Guardian attends the QPE Governance Committee meeting to discuss all concerns raised and the NCA FTSU Guardian engages with the nominated Non-Executive Director on a quarterly basis.

A Group Self-Assessment against the Well-Led Framework for Governance was completed in 2018/19; key areas of strength and key developments to be undertaken in 2019/20 were identified. Aligning with reviews undertaken as part of the internal audit plan during 2018/19, Mersey Internal Audit (MIAA) conducted an independent review of the self-assessment to provide further assurance with respect to compliance with the Key Lines of Enquiry (KLOEs).

The outcome of this independent review, in summary, concluded that the position statements were comprehensive and presented a compelling and positive picture of the NCA. It added that the thoroughness and quality of the self-assessment placed the NCA in a strong and informed position in terms of selecting an external review approach that adds most value (if and when appropriate).

The outcome of this independent review, in summary, concluded that the position statements were comprehensive and presented a compelling and positive picture of the NCA. It added that the thoroughness and quality of the self-assessment placed the NCA in a strong and informed position in terms of selecting an external review approach that adds most value (if and when appropriate).

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

During April and May 2018, the Care Quality Commission (CQC) inspected services at Salford Royal. The CQC inspected urgent and emergency care, medical care, surgery and critical care as part of the continual checks on safety and quality of healthcare services. Outpatients was inspected as it was rated as 'requires improvement' following the 2015 inspection. Community dental services were also inspected for the first time. The overall rating for the Trust was outstanding.

It was rated outstanding because:

- Well led was rated as outstanding.
- Caring and responsive' were rated as outstanding
- Safe and effective' were rated as good
- Use of Resources was rated as outstanding

There were no 'Must' do requirements identified during the inspection and a comprehensive improvement plan has been developed to address the 'Should' do requirements, which is monitored through the Care Organisation's well established Board Assurance framework via the Quality Committee and at local divisional meetings.

Salford Royal has a well-established Nursing Assessment and Accreditation system (NAAS) across all wards and community settings.

The NAAS measures the quality of nursing care delivered by individuals and teams, it is based on the Essence of Care standards, key clinical indicators and each question is linked to Compassionate Care - The 6cs of: care, compassion, competence, communication, courage and commitment, whilst providing evidence for the CQCs Fundamental standards.

The introduction of NAAS has supported the Trust's aim of creating a culture of continuous improvement backed by robust governance and accountability arrangements from Board to Ward which ensures leaders are focused on the key risks to the delivery of excellent care.

In addition to the NAAS process a comprehensive programme of 'mock' CQC inspections have been implemented across those services which do not have a NAAS assessment undertaken, these include:

- Diagnostics
- Outpatients
- Theatres

The outcomes of these inspections are reported by the service to the Group audit committee following completion.

From April 2019 each service will be required to complete an annual self-assessment against the CQC key lines of enquiry reporting outcomes and risks through the Quality Committee and risk committee, in order to provide assurance against the CQC fundamental standard.

Dedicated Data Quality Teams pro-actively manage data quality within 'source' systems and provide appropriate training and guidance to the Care Organisation teams. Independent assurance regarding data quality is provided by regular monitoring using CHKS iCompare and SUS Dashboards, and independent external audits including the Data Security and Protection Toolkit self-assessment review by internal audit and external auditors, for example MIAA and Capita, who review the Trust's data and data systems.

Risks to data quality and data security are continuously assessed and added to the digital risk register, and score dependent, reviewed by the Informatics Management board and escalated to Group Executive Risk and Assurance Committee where appropriate.

During 2018/19, the Group CiC ensured on-going assessment of in-year and future risks. Major risks related to:

- Planned income levels and expenditure controls
- Developing and delivering an effective productivity improvement and cost reduction strategy
- Remodelling the workforce to deliver new models of care
- Compliance with access standards
- IM&T clinical systems and technical infrastructure
- Estate investment to remedy safety risks identified in North East Sector Care Organisations

The Group CiC oversees the management of all major risks, which are actively addressed by the GRAC. Key controls and assurances, and any identified gaps are continually reviewed and action plans developed and progressed accordingly. Outcomes are confirmed via this process and reported routinely to the Group CiC, via the Group CiC's Integrated Performance Dashboard.

Audit Committee reviews the Board Assurance Framework/Corporate Risk Register and commissions additional reviews where appropriate in order to provide necessary assurance to the Group CiC.

Risk management is embedded in the activity of the organisation. Care Organisations proactively identify risks through a programme of risk assessment which are recorded on the Care Organisations' risk registers.

Care Organisations also retrospectively identify risk through adverse incident reporting, receipt and response to complaints and claims, patient and staff surveys and feedback, and concerns raised by the coroner.

Due to the devolved nature of risk management including the management and compliance of incident reporting and investigation at a local level, quality and quantity of incident reporting continues to improve and develop. The NCA and each Care Organisation advocates a transparent reporting culture, combined with a fair blame culture which encourages openness and transparency.

During 2018/19, improvements have been made in incident management. Completion rates for incident investigations have improved, incident reporting has increased, serious incidents are now managed ahead of the national 60 day deadline (NCA operate a 45 working day deadline) to enable faster facilitation of Duty of Candour. Serious Incident Duty of Candour has been 100% for the Salford Care Organisation throughout 2018/19. Learning from incidents remains a top priority for the Northern Care Alliance, evidenced within the Take 5 learning environment and the continued development of a Patient Care Alert process to share and action incident learning and intelligence across Care Organisations.

There is a focus within risk management on organisational learning to address key themes identified during mortality reviews and incident investigations, to enable continuous improvement to patient safety.

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The NCA has in place risk share arrangements with its partners and public stakeholders to ensure that risks which impact across the system are managed appropriately. In addition to this, the serious incident investigation process ensures that those who are affected are engaged. The Salford Care Organisation has regular collective meetings with Salford Clinical Commissioning Groups, which ensures there are opportunities for public oversight of investigation processes and that learning takes place.

The Trust has assessed compliance with the NHS provider condition 4. Audit Committee reviewed the assessment in detail at its meeting on 24 May 2019 and confirmed that no material risks had been identified. The Trust believes that effective systems and processes are in place to maintain and monitor the following conditions:

- The effectiveness of governance structures
- The responsibilities of directors and subcommittees
- Reporting lines and accountabilities between the board, its subcommittees and the executive team
- The submission of timely and accurate information to assess risks to compliance with the Trust's licence *and*
- The degree and rigour of oversight the board has over the Trust's performance.

These conditions are detailed within the Corporate Governance Statement, the validity of which is assured via the Audit Committee.

Salford Royal NHS Foundation Trust ensures that short, medium and long term workforce strategies, approaches and staffing systems are in place, which assures the Group Committees in Common that staffing processes are safe, sustainable and effective. The Trust complies with the newly established 'Developing Workforce Safeguards' recommendations which build on the National Quality Board's (NQB) guidance and has established a Clinical Workforce Safeguards Programme Board.

Staffing establishments are reviewed annually as part of the budget setting process and revised in year as a consequence of business planning. Trendcare is in use at Salford Care Organisation to support establishment setting for nursing staff whilst professional judgement is used for other staff groups. E-rostering is in place for nursing and is now being implemented for medical staff. Job plans for medical staff have been reviewed and validated through a Scrutiny committee led by the Medical Director. Workforce forecasts have been determined in conjunction with workforce, finance and service managers.

The Foundation Trust has published an up-to-date register of interests for decision-making staff within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance.

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

The Foundation Trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP18). The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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

The financial plan is approved by the Group CiC and the Salford Royal Board of Directors. It is subsequently submitted to NHS Improvement. The plan, including forward projections, is monitored on a monthly basis by the Salford Care Organisation Finance, Information and Capital Governance Committee. Salford Care Organisation provides a monthly Statement of Assurance to the GRAC which confirms the sufficiency of plans for the effective use of resources. Key performance indicators and financial sustainability metrics are also reviewed monthly by the Group CiC.

Salford Royal's resources are managed within the framework set by the Group Governance Framework Manual, which includes Standing Financial Instructions. Financial governance arrangements are supported by internal and external audit to ensure economic, efficient and effective use of resources and monitored through Audit Committee.

Information Governance

Information governance and security risks are managed as part of the Trust risk management processes described above and assessed using the new Data Security & Protection Toolkit (DSPT) which has replaced the Information Governance Toolkit. The digital risk register includes all current information risks, with risks reviewed by the respective teams and exception reports and emerging serious risks reported to the Executive Digital Health Enterprise Committee, which in turn reports to GRAC. In line with national requirements, digital incidents are assessed using the DSPT assessment criteria and reported through to the Department of Health via the DSPT Incident Reporting Tool.

During 2018/19, there were eight serious incidents formally investigated and reported by the organisation, five of which were reported to the Information Commissioners Office.

The incidents related to:

- Unmonitored NHS Mail generic accounts containing personal data. The accounts have now been closed and a system is in place to prevent this from reoccurring
- Potential theft of computerised and paper data
- Patient transferred to another hospital, with notes transferred separately via a taxi not received. This matter is currently under review
- Inappropriate access to a health record. A full investigation has been completed and disciplinary action taken
- Letter sent to a wrong address. This matter is being reviewed by the Information Governance Steering Group, in particular looking at the 'human error' incidents and education has been put in regarding such matters

The ICO has not requested that the Trust take any further action.

Salford Royal has worked within time constraints to have all systems and processes functioning at the correct level to support the General Data Protection Regulations which became law on 25 May 2018. All major themes have been completed with some work in regards to information asset management to be completed by September 2019.

Annual Quality Report

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

The Annual Quality Report 2018/19 has been developed in line with relevant national guidance and is supported internally through the Board Assurance Framework. All data and information within the Quality Report is reviewed via the Salford Care Organisation QPE Governance Committee and supported through a comprehensive documented three year Quality Improvement Strategy. The Group CiC regularly reviews the Quality Improvement Dashboard and progress against identified projects.

The NCA has an identified Quality Improvement Department with relevantly skilled individuals to support the execution of the Quality Improvement Strategy across the organisation. Capability building in Quality Improvement techniques and skills has been and remains a key objective of the organisation.

Staff at all levels are exposed to either collaborative working or specific quality improvement educational programmes both internally and externally to ensure skills are developed and maintained.

The Quality Report 2018/19 has been reviewed through both internal and external audit processes and comments have been provided by local stakeholders including commissioners, patients and the local authority.

Salford Royal assures the quality and accuracy of elective waiting time data, and the associated risks. Performance is continually assessed through key governance committees to ensure mandated standards are adhered to. Each Division operates a weekly Access & Performance meeting where Patient Tracking Lists are scrutinised in detail by the service team and the Divisional Managing Director. The Patient Tracking Lists include all patients currently part of a Referral To Treatment (RTT) pathway.

The Divisions have processes that validate patient pathways prior to any monthly performance information being produced and/or submitted externally. This validation is reviewed and signed off by a Divisional Managing Director and subsequently by a member of the Salford Care Organisation Director Leadership Team. Any issues that are highlighted within the data are reported by the Service Team through to the Data Quality Team for investigation and are acted on appropriately.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework.

I have drawn on the content of the Quality Report attached to this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board and audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Trust's Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. Internal Audit provides me with an opinion about the effectiveness of the assurance framework and the internal controls reviewed as part of the internal audit plan.

The Head of Internal Audit opinion for 2018/19 gave substantial assurance on the system of internal control in place during the year. Work undertaken by internal audit is reviewed as relevant by the Assurance Framework's Committees and the Audit Committee.

During 2018/19 Internal Audit conducted 17 internal audits of which eight received a substantial assurance opinion, six a moderate assurance opinion and three a limited assurance opinion; these related to Medical Devices – Cyber Security Risks, Deprivation of Liberty Safeguards and Business Continuity.

Where internal audit issued a limited assurance report the relevant Chief Officer and/or Care Organisation Director attended the Audit Committee to discuss the report and actions taken.

The Board Assurance Framework/Corporate Risk Register is presented to the GRAC on a quarterly basis and all significant risks are detailed within the monthly Group Integrated Performance Dashboard presented to the Group CiC. This provides me and the Group CiC with evidence of the effectiveness of controls in place to manage risks to achieve the organisations principal objectives.

My review is also informed by External Audit opinion; in May 2018 External Audit issued an unqualified audit opinion of the financial statements 2017/18 and an unqualified value for money conclusion; inspections carried out by the Care Quality Commission and other external inspections, accreditations and reviews.

The processes outlined below are well established and ensure the effectiveness of the systems of internal control through:

- GRAC review of the NCA BAF/CRR, including review of Care Organisation BAF/CRR;
- Group CiC oversight of all significant risks;
- Audit Committee scrutiny of controls in place;
- Review of serious untoward incidents and learning by the Assurance Framework committees, including those for risk management and clinical effectiveness;
- Internal audits of effectiveness of systems of internal control

Conclusion

This Annual Governance Statement requires me to consider whether there are any significant internal control issues facing the Trust.

The Group CiC has extensive and effective governance assurance systems in operation. These systems enable the identification and control of risks reported through the BAF/ CRR. Internal and external reviews, audits and inspections provide sufficient evidence to state that no significant internal control issues have been identified during 2018/19, and that these control systems are fit for purpose.

Signed:

Date: 28 May 2019



Raj Jain
Chief Executive

3

Independent Auditor's report



Independent Auditor's report to the Council of Governors of Salford Royal NHS Foundation Trust

Report on the audit of the financial statements

Our opinion on the financial statements is unmodified

We have audited the financial statements of Salford Royal NHS Foundation Trust (the 'Trust') and its subsidiary (the 'group') for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Accounts Directions issued under 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.

In our opinion the financial statements:

- Give a true and fair view of the financial position of the group and of the Trust as at 31 March 2019 and of the group's expenditure and income and the Trust's expenditure and income for the year then ended;
- Have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, as interpreted and adapted by the Department of Health and Social Care group accounting manual 2018/19; *and*
- Have been prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

Overview of our audit approach

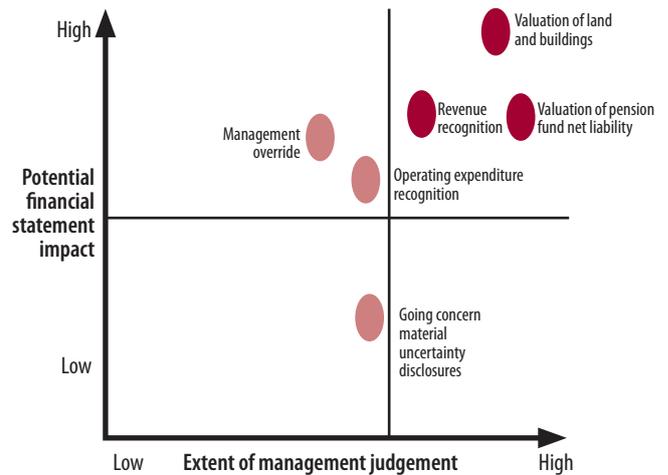
- Overall materiality: £13,050,000 which represents 1.71% of the group's gross operating costs (consisting of operating expenses and finance expenses);
- Key audit matters were identified as:
 - Valuation of land and buildings
 - Valuation of pension fund net liability
 - Revenue recognition
- The group consists of two components – the Salford Royal NHS Foundation Trust and the Salford Royal NHS Foundation Trust General Charitable Fund (the Charity).
- We performed a full scope audit of Salford Royal NHS Foundation Trust and analytical procedures on the Charity.

Conclusion on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

- We identified three significant risks in respect of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources in regard to financial sustainability, acquisition of part of another Trust and key performance indicators (see Report on other legal and regulatory requirements section).

Key audit matters

The graph below depicts the financial statement audit risks identified and their relative significance based on the extent of the financial statement impact and the extent of management judgement.



Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified.

These matters included those that had the greatest effect on the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

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

Key audit matter - Trust	How the matter was addressed in the audit – Trust
<p>Valuation of land and buildings</p> <p>The Trust holds a significant amount of land and buildings. Management revalue these assets on an annual basis to ensure that the carrying value is not materially different from its current value in use. The Trust commissioned an external valuer (the District Valuer) to value all the Trust's estate except community assets as at 31 March 2019.</p> <p>Management have determined, in valuing the Trust's estate, that the main hospital site, if needed to be replaced, would be rebuilt to modern conditions on an alternative site.</p> <p>The valuation of land and buildings is a key accounting estimate which is sensitive to changes in assumptions and market conditions. These valuations represent significant estimates by management in the financial statements.</p> <p>We therefore identified valuation of land and buildings as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> ➤ Evaluating management's assessment of the valuation of land and buildings and gaining an understanding of the valuation process, including the key controls and assumptions used by management; ➤ Critically assessing how key assumptions, such as the location of the alternative site, VAT recognition and the useful economic lives of the assets are determined by the Trust; ➤ Evaluating the competence, capabilities and objectivity of management's valuation expert; ➤ Challenging the information used by the valuer to assess its completeness and consistency with our understanding; ➤ Testing, on a sample basis, revaluations made during the year to ensure they have been input correctly into the Trust's asset register and financial statements. <p>The group's accounting policy is included in notes 1.9 to 1.13 to the financial statements and related disclosures are included in note 17.</p> <p>Key observations</p> <p>We obtained sufficient audit assurance to conclude that:</p> <ul style="list-style-type: none"> ➤ The basis of the valuation was appropriate, and the assumptions and processes used by the valuer in determining the estimate were reasonable; ➤ The valuation of land and buildings disclosed in the financial statements is reasonable.
<p>Valuation of pension fund net liability</p> <p>Following the creation of the Integrated Care Organisation (ICO) a number of social care staff who were members of the Greater Manchester Pension Fund (GMPF) transferred from Salford City Council (the Council) to the Trust. The Trust became an admitted member of GMPF, a defined benefit pension scheme. The Council agreed to remain liable for any historic pension fund deficit relating to the staff transferred.</p> <p>The Trust is required to account for its defined benefit net liability relating to this pension scheme where its share of the underlying assets and liabilities are identifiable. The Trust has therefore engaged Hymans Robertson to provide a valuation as at 31 March 2019.</p> <p>The value of this liability at £18.316 million and the associated transactions is material, the unusual nature of the scheme (for a Trust), and the requirement for reimbursement from the Council creates a risk that the transactions and balances will be incorrectly accounted for.</p> <p>We therefore identified the pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> ➤ Updating our understanding of the agreement between the Trust and the Council; ➤ Gaining an understanding of the processes and controls put in place by management to ensure that the Trust's pension fund net liability was not materially misstated and evaluating the design of the associated controls; ➤ Evaluating the Trust's accounting policy for accounting for the Trust's membership of the GMPF for appropriateness and compliance with the Department of Health and Social Care (DHSC) group accounting manual 2018/19; ➤ Evaluating the instructions issued by management to their management expert (Hymans Robertson LLP) for this estimate and the scope of the actuary's work; ➤ Evaluating the competence, capabilities and objectivity of the actuary who carried out the Trust's pension fund valuation; ➤ Testing the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary; <i>and</i> ➤ Engaging the auditors of GMPF to gain assurance that underlying data given to the Actuary was complete and accurate. <p>The group's accounting policy on the valuation of the pension fund net liability is shown in note 1.7 to the financial statements and related disclosures are included in notes 26 and 31.</p> <p>Key observations</p> <p>We obtained sufficient audit assurance to conclude that:</p> <ul style="list-style-type: none"> ➤ The basis of the valuation of the net pension fund liability was appropriate and the assumptions and processes used by management in determining the estimate were reasonable; ➤ The valuation of the pension fund net liability disclosed in the financial statements is reasonable.

Key audit matter - Trust	How the matter was addressed in the audit – Trust
<p>Revenue recognition</p> <p>Trusts are facing significant external pressure to restrain budget overspends and meet externally set financial targets, coupled with increasing patient demand and cost pressures.</p> <p>The Trust's significant income streams are operating income from patient care activities and other operating income. All the Trust's income from activities is derived from contracts with NHS commissioners. These contracts include the rates for, and level of, patient care activity to be undertaken by the Trust. The Trust recognises income from activities during the year based on the completion of these activities. This includes the block contract, which is agreed in advance at a fixed price, and patient care income from contract variations.</p> <p>Any patient care activities that are additional to those incorporated in these block contracts with commissioners (contract variations) are subject to verification and agreement by commissioners. As such, there is the risk that income is recognised in the accounts for these additional services that is not subsequently agreed to by the commissioners. Due to the nature of block contracts we have not identified a significant risk of material misstatement in relation to block contracts.</p> <p>11% of the Trust's income is recorded as other operating income (excluding education & training income, and Provider Sustainability Funding income (PSF)). The risk around other operating revenues is related to the improper recognition of revenues.</p> <p>Education & training income and PSF income are income streams that are principally derived from contracts that are agreed in advance at a fixed price, or in the case of PSF agreed by NHS Improvement (NHSI). We have not identified a significant risk of material misstatement in relation to these elements of other operating income.</p> <p>We therefore identified the occurrence and accuracy of income, other than from block contracts, education & training and PSF and the existence of associated receivable balances as a significant risk, which was one of the most significant assessed risks of material misstatement.</p> <p>We therefore identified the occurrence and accuracy of income, other than from block contracts, education & training and PSF, and the existence of associated receivable balances as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> ➤ Evaluating the Trust's accounting policy for recognition of income from patient care activities and other operating income for appropriateness and compliance with the DHSC group accounting manual 2018-19; ➤ Updating our understanding of the Trust's system for accounting for income from patient care and other operating income and evaluating the design of the associated controls <p>In respect of patient care income:</p> <ul style="list-style-type: none"> ➤ Using the DHSC mismatch report to investigate unmatched revenue and receivable balances over 300,000, corroborating the unmatched balances used by the Trust to supporting evidence; ➤ Agreeing, on a sample basis, income from contract variations and year end receivables to signed contract variations, invoices or other supporting evidence such as correspondence from the Trust's commissioners; ➤ Evaluating the Trust's accounting estimates and the judgments made by management with regard to the recognition of income from contract variations <p>In respect of other operating income:</p> <ul style="list-style-type: none"> ➤ Agreeing, on a sample basis, income and year end receivables from other operating income to invoices and cash payment or other supporting evidence <p>The group's accounting policy on revenue recognition is shown in note 1.6 to the financial statements and related disclosures are included in note 3.</p> <p>Key observations</p> <p>We obtained sufficient audit assurance to conclude that:</p> <ul style="list-style-type: none"> ➤ The group's accounting policies for recognition of income comply with the DHSC group accounting manual 2018/19 and have been properly applied; <i>and</i> ➤ Operating income from patient care activities and other operating income are not materially misstated.

Our application of materiality

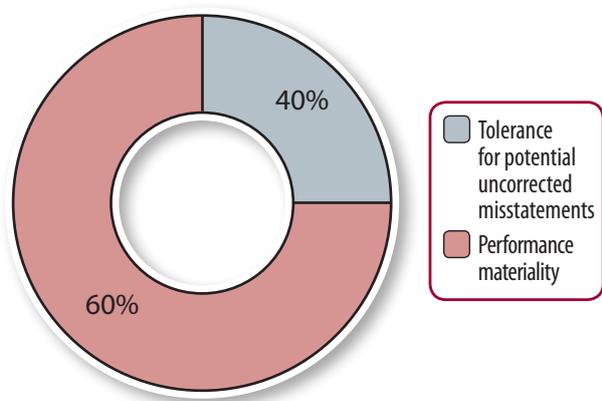
We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our audit work and in evaluating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

Materiality was determined as follows:

Materiality measure	Group	Trust
Financial statements as a whole	£13,050,000 which is 1.71% of the group's gross operating costs. This benchmark is considered the most appropriate because we consider users of the financial statements to be most interested in how the group has expended its revenue and other funding. Materiality for the current year is within the same percentage level of gross operating costs as we determined for the year ended 31 March 2018 as we did not identify any significant changes in the group or the environment in which it operates.	£12,789,000 which is 1.68% of the Trust's gross operating costs. This benchmark is considered the most appropriate because we consider users of the financial statements to be most interested in how the Trust has expended its revenue and other funding. Materiality for the current year is within the same percentage level of gross operating costs as we determined for the year ended 31 March 2018 as we did not identify any significant changes in the Trust or the environment in which it operates.
Performance materiality used to drive the extent of our testing	60% of financial statement materiality.	60% of financial statement materiality.
Specific materiality		Disclosures of senior manager remuneration in the Remuneration Report, £5,000 owing to sensitive nature of the disclosures.
Communication of misstatements to the Audit Committee	£300,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£300,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph opposite illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.

Overall materiality - Group and Trust



An overview of the scope of our audit

Our audit approach was a risk-based approach founded on a thorough understanding of the group's business, its environment and risk profile and in particular included:

- Gaining an understanding of and evaluating the group's internal controls environment including its financial and IT systems and controls;
- Evaluation by the group audit team of identified components to assess the significance of that component and to determine the planned audit response based on a measure of materiality and significance as a percentage of the group's gross costs based on qualitative factors, such as specific use or concerns over specific components;
- Full scope audit procedures on Salford Royal NHS Foundation Trust. The Trust's transactions represent over 99% of the group's income and expenditure and over 95% of its total net assets;
- Performing analytical procedures on Salford Royal NHS Foundation Trust General Charitable Fund which represents less than 1% of the group's income and expenditure and less than 5% of the group's total assets.

Other information

The Accounting Officer is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- Fair, balanced and understandable in accordance with provision C.1.1 of the NHS Foundation Trust Code of Governance – the statement given by the directors that they consider the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for patients, regulators and other stakeholders to assess the group and Trust's performance, business model and strategy, is materially inconsistent with our knowledge of the Trust obtained in the audit; *or*
- Audit Committee reporting in accordance with provision C.3.9 of the NHS Foundation Trust Code of Governance – the section describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust annual reporting manual 2018/19 or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Our opinion on other matters required by the Code of Audit Practice is unmodified

In our opinion:

- The parts of the Remuneration Report and the Staff Report to be audited have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the NHS foundation trust annual reporting manual 2018/19 and the requirements of the National Health Service Act 2006; *and*
- Based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Trust gained through our work in relation to the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources, the other information published together with the financial statements in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- We issue a report in the public interest under Schedule 10 (3) of the National Health Service Act 2006 in the course of, or at the conclusion of the audit; *or*
- We refer a matter to the regulator under Schedule 10 (6) of the National Health Service Act 2006 because we have reason to believe that the Trust, or a director or officer of the Trust, is about to make, or has made, a decision which involves or would involve the incurring of expenditure that was unlawful, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.

We have nothing to report in respect of the above matters.

Responsibilities of the Accounting Officer and those charged with governance for the financial statements

As explained more fully in the Statement of the Chief Executive's responsibilities as the accounting officer set out on page 193, the Chief Executive, as Accounting Officer, is responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions included in the NHS Foundation Trust annual reporting manual 2018/19, for being satisfied that they give a true and fair view, and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accounting Officer is responsible for assessing the group's and the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer has been informed by the relevant national body of the intention to dissolve the Trust and the group without the transfer of the Trust's services to another public sector entity.

The Audit Committee is Those Charged with Governance. Those charged with governance are responsible for overseeing the Trust's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Report on other legal and regulatory requirements - conclusion on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception - Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.

We have nothing to report in respect of the above matter.

Significant risks

Under the Code of Audit Practice, we are required to report on how our work addressed the significant risks we identified in forming our conclusion on the adequacy of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources. Significant risks are those risks that in our view had the potential to cause us to reach an inappropriate conclusion on the audited body's arrangements. The following table sets out the significant risks we have identified. These significant risks were addressed in the context of our conclusion on the Trust's arrangements as a whole, and in forming our conclusion thereon, and we do not provide a separate opinion on these risks.

Significant risks	How the matter was addressed in the audit
<p>Risk 1: Financial sustainability and going concern</p> <p>The Trust has historically achieved a strong financial position, with the Trust agreeing a financial plan for 2018/19 with NHS Improvement (NHSI) to deliver a £5.2 million surplus. This plan included delivering efficiency savings of £28.3 million.</p> <p>However, at December 2018, the Trust was no longer expecting to deliver a surplus and was instead forecasting a deficit of £12.3 million. This was attributed by management to risks identified in delivery of recurrent Better Care at Lower Cost (BCLC), financial pressures related to the delivery of key national performance standards and securing capital funding and recurrent revenue funding for MTC and Healthier Together.</p> <p>The Trust has set a deficit budget of £12.2 million for 2019/20 which has been agreed with NHSI. This budget is predicated on the delivery of £16.2 million of efficiency savings.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> ➤ Evaluating monthly reports submitted to NHSI and performance reports submitted to Committees in Common meetings to monitor the Trust's periodic and overall performance; ➤ Evaluating financial forecasts; ➤ Assessing the Trust's overall arrangements for achievement of its 2018/19 control total; ➤ Assessing the Trust's delivery of its 2018/19 Cost Improvement Plans (CIPs); ➤ Assessing the Trust's establishment of its 2019/20 CIPs. <p>Key observations</p> <p>The Trust has:</p> <ul style="list-style-type: none"> ➤ Delivered a £15.8 million surplus in 2018/19, after receipt of £ 22.9 million of Provider Sustainability Funding; ➤ Delivered £14.7 million of its ambitious £28.3 million efficiency savings target in 2018/19; ➤ Set a deficit budget of £12.2 million for 2019/20, which has been agreed with NHSI. This includes £16.2 million of planned efficiency savings which is in line with the level of savings achieved in 2018/19. <p>As at the end of March 2019, the Trust has fully developed savings plans for £5.0 million of its 2019/20 target and a further £8.1 million are in progress.</p>
<p>Management of the transaction to take over part of Pennine Acute Hospitals NHS Trust</p> <p>The Trust will acquire the remaining hospitals of Pennine Acute Hospitals NHS Trust (PAHT) after North Manchester General Hospital has transferred to Manchester Foundation Trust (MFT) in the latter part of 2019/20. The following hospitals will be transferring to the Trust: The Royal Oldham Hospital, Fairfield General Hospital (Bury) and Rochdale Infirmary. This represents a significant transaction and increase in the scale of the Trust's activities, so the Trust needs to have effective arrangements in place for the transfer.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> ➤ Discussions with senior management about the transaction and arrangements for working alongside NHS Improvement and Pennine Acute Hospitals Trust to prepare for the transfer; ➤ Assessing the plans and arrangements put in place during the 2018/19 financial year in order to prepare for the transfer. <p>Key observations</p> <ul style="list-style-type: none"> ➤ The 'transaction' is being carried out transparently and jointly between the Trust and the other acquiring Trust, namely, Manchester University NHS Foundation Trust; ➤ The Trust has established a Project Management Office; ➤ An acquisition Committee is in place, chaired by the Chair of the Trust. The committee reports directly to the Committees in Common and is involved with the development of a strategic plan; ➤ A shared facility, in the form of a data room, has been set up at Pennine Acute Hospitals NHS Trust where requests for information from the Trust and MFT are managed to assist the two acquiring trusts in preparing their strategic business cases for the transfer; ➤ An Independent Director has been appointed by the Northern Care Alliance (NCA) to oversee the Transaction; ➤ A Transaction Board, which is an external committee comprising NHS Improvement, MFT and PAHT, is also in place.
<p>Arrangements for meeting national Key Performance Indicators (KPIs)</p> <p>The Trust is required to meet a number of KPIs. Key targets include:</p> <ul style="list-style-type: none"> ➤ 95% of A&E patients seen within 4 hour waiting time (percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge). ➤ 85% of 62 day wait for all cancers. ➤ 91.82% of Summary Hospital-level Mortality Indicator (SHMI)/Add other targets e.g cancer target. <p>Our review and monitoring of the performance reports showed that the Trust's actual monthly performance for 2018/19 has consistently below the target KPIs.</p> <p>The Trust's entitlement to PSF income is contingent on the Trust achieving the A&E waiting times and agency staff cover targets.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> ➤ Evaluating key monitoring documentation and discussions with key staff to assess the arrangements in place to improve achievement of KPIs. <p>Key observations</p> <p>The Trust has:</p> <ul style="list-style-type: none"> ➤ Over-achieved on the 62- day cancer target in 2018/19 (87.96% against a standard of 85%); ➤ Achieved the target of 91.8 on Summary Hospital-level Mortality Indicator (SHMI) for the period October 2017 to September 2018; ➤ Failed to achieve the A&E 4 hour waiting time (percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge): the actual achieved was 83.67% against a standard of 95%. The Trust has therefore not received the PSF funding linked to this KPI.

Responsibilities of the Accounting Officer

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

Auditor's responsibilities for the review of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under paragraph 1 of Schedule 10 of the National Health Service Act 2006 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and to report where we have not been able to satisfy ourselves that it has done so. 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 its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in November 2017, as to whether in all significant respects, 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. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019, and to report by exception where we are not satisfied.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to be satisfied that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Report on other legal and regulatory requirements - certificate

We certify that we have completed the audit of the financial statements of Salford Royal NHS Foundation Trust in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Use of our report

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

Mark Heap
Key Audit Partner
for and on behalf of Grant Thornton UK LLP,
Local Auditor
4 Hardman Square
Spinningfields
Manchester
M3 3EB

Date: 28 May 2019

4

Annual accounts



Foreword to the accounts

Salford Royal NHS Foundation Trust

These accounts, for the year ended 31 March 2019, have been prepared by Salford Royal NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.



Raj Jain
Chief Executive

Date: 28 May 2019

Statement of comprehensive income

	Note	2018/19	Group	
		£000	2017/18 Restated*	2017/18 Previously reported £000
Operating income from patient care activities	3	663,638	630,583	630,583
Other operating income	4	107,304	98,942	98,867
Operating expenses	7,9	(753,341)	(724,629)	(724,712)
Operating surplus/(deficit) from continuing operations		17,600	4,896	4,738
Finance income	12	616	292	291
Finance expenses	13	(7,857)	(7,787)	(7,787)
Public dividend dividends payable		(463)	(248)	(248)
Net finance costs		(7,704)	(7,742)	(7,743)
Other gains	14	43	-	-
Surplus/(deficit) for the year from continuing operations		9,939	(2,846)	(3,006)
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations		-	-	-
Surplus/(deficit) for the year		9,939	(2,846)	(3,006)
Other comprehensive income				
Will not be reclassified to income and expenditure:				
Revaluations	18	(5,570)	9,809	9,809
Remeasurements of the net defined benefit pension scheme liability/asset	31	(4,480)	2,968	2,968
May be reclassified to income and expenditure when certain conditions are met:				
Fair value gains/(losses) on financial assets mandated at fair value through OCI	19	195	43	38
Total comprehensive income / (expense) for the period		84	9,974	9,810
Surplus/ (deficit) for the period attributable to:				
Non-controlling interest, and Salford Royal NHS Foundation Trust		- 9,939	- (2,846)	- (3,006)
TOTAL		9,939	(2,846)	(3,006)
Total comprehensive income/ (expense) for the period attributable to:				
Non-controlling interest, and Salford Royal NHS Foundation Trust		- 84	- 9,974	- 9,810
TOTAL		84	9,974	9,810

Statement of comprehensive income *continued*

The Trust (excluding the financial results of the Charitable Fund) has an underlying trading surplus of £15,800k in 2018/19 (surplus of £17,821k in 2017/18) made up as follows.

	Note	2018/19	Group	
		£000	2017/18 Restated*	2017/18 Previously reported
		£000	£000	£000
Adjusted financial performance:				
Surplus / (deficit) for the period		9,939	(2,846)	(3,006)
Remove impact of consolidating NHS charitable fund		(17)	23	182
Remove net impairments not scoring to the Departmental expenditure limit		2,904	18,698	18,698
Remove non-cash element of on-SoFP pension costs		2,974	2,365	2,365
Remove 2016/17 post audit STF reallocation (2017/18 only)		-	(419)	(419)
Adjusted financial performance surplus		15,800	17,821	17,821

*The previously reported Group consolidated accounts included unaudited Charity accounts. The restated figures have subsequently been amended for changes in the audited Charity accounts including a legacy which had been notified but not yet received.

The group results including the Trust and Charitable Fund are from continuing operations and the results are wholly attributable to the parent organisation, Salford Royal NHS Foundation Trust.

The Trust is corporate trustee of the Salford Royal NHS Charitable Fund and has control over and benefits from the Charity which makes the Charitable Fund a subsidiary of the Trust. As such, the financial results for the Charity for the year ended have been consolidated into the Trust's financial statements for the same period. A summary statement of the Charity's statement of financial activities and statement of financial position are provided on page i)a and i)b.

The accounting policies and notes on the following pages form part of these accounts. The totals in the notes show the detail of the consolidated group position including both the Foundation Trust and the Charity financial results.

Statement of financial position

	Note	Group			Trust	
		31 March 2019 £000	31 March 2018 Restated* £000	31 March 2019 Previously reported £000	31 March 2019 £000	31 March 2018 £000
Non-current assets						
Intangible assets	16	8,460	3,712	3,712	8,460	3,712
Property, plant and equipment	17	224,749	230,133	230,133	224,749	230,133
Other investments / financial assets	19	4,488	4,319	4,321	-	-
Receivables	23	4,455	1,802	1,802	4,455	1,802
Total non-current assets		242,152	239,966	239,968	237,664	235,647
Current assets						
Inventories	22	4,729	3,993	3,993	4,729	3,993
Receivables	23	76,277	85,175	85,080	76,650	85,724
Cash and cash equivalents	24	80,302	55,128	55,128	79,190	53,884
Total current assets		161,308	144,297	144,202	160,569	143,601
Current liabilities						
Trade and other payables	25	(120,033)	(105,171)	(105,172)	(120,027)	(105,166)
Borrowings	27	(4,051)	(3,746)	(3,746)	(4,051)	(3,746)
Provisions	29	(14,333)	(9,182)	(9,182)	(14,333)	(9,182)
Other liabilities	26	(9,410)	(7,254)	(7,254)	(9,410)	(7,254)
Total current liabilities		(147,827)	(125,353)	(125,354)	(147,821)	(125,348)
Total assets less current liabilities		255,633	258,910	258,815	250,412	253,900
Non-current liabilities						
Trade and other payables	25	(60)	(760)	(760)	(60)	(760)
Borrowings	27	(101,929)	(105,973)	(105,973)	(101,929)	(105,973)
Provisions	29	(5,060)	(4,491)	(4,491)	(5,060)	(4,491)
Other liabilities	26	(19,983)	(20,339)	(20,339)	(19,983)	(20,339)
Total non-current liabilities		(127,031)	(131,563)	(131,563)	(127,031)	(131,563)
Total assets employed		128,602	127,346	127,252	123,381	122,336
Financed by:						
Public dividend capital		125,745	124,573	124,573	125,745	124,573
Revaluation reserve		43,579	49,149	49,149	43,579	49,149
Income and expenditure reserve		(45,943)	(51,385)	(51,385)	(45,943)	(51,385)
Charitable fund reserves	21	5,221	5,009	4,915	-	-
Total taxpayers' equity and charitable funds		128,602	127,346	127,252	123,381	122,337

* The previously reported Group consolidated accounts included unaudited Charity accounts. The restated figures have subsequently been amended for changes in the audited Charity accounts including a legacy which had been notified but not yet received.

The notes on the following pages form part of these accounts.

The accounting policies and financial statements were approved by the Audit Committee with delegated authority from the Board of Directors on 24 May 2019 and signed on behalf of the Board of Directors by:



Raj Jain
Chief Executive

Date: 28 May 2019

Statement of changes in equity for the year ended 31 March 2019

Group	Public dividend capital £000	Revaluation reserve £000	Income & expenditure reserve £000	Charitable fund reserves £000	Total £000
Taxpayers' and others' equity at 1 April 2018 - brought forward	124,573	49,149	(51,385)	5,009	127,346
Surplus / (deficit) for the year	-	-	9,852	87	9,939
Revaluations	-	(5,570)	-	-	(5,570)
Revaluations and impairments - charitable fund assets	-	-	-	-	-
Transfer to retained earnings on disposal of assets	-	-	-	-	-
Share of comprehensive income from associates and joint ventures	-	-	-	-	-
Fair value gains on financial assets mandated at fair value through OCI	-	-	-	195	195
Fair value gains/(losses) on equity instruments designated at fair value through OCI	-	-	-	-	-
Recycling gains/(losses) on disposal of financial assets mandated at fair value through OCI	-	-	-	-	-
Foreign exchange gains/(losses) recognised directly through OCI	-	-	-	-	-
Remeasurements of the defined net benefit pension scheme liability	-	-	(4,480)	-	(4,480)
Public dividend capital received	1,172	-	-	-	1,172
Other reserve movements	-	-	70	(70)	-
Taxpayers' and others' equity at 31 March 2019	125,745	43,579	(45,943)	5,221	128,602

Statement of changes in equity for the year ended 31 March 2018

Group	Public dividend capital £000	Revaluation reserve £000	Income & expenditure reserve £000	Charitable fund reserves* £000	Total £000
Taxpayers' and others' equity at 1 April 2017 - brought forward	116,102	39,340	(51,531)	5,060	108,971
Prior period adjustment	-	-	-	-	-
Taxpayers' and others' equity at 1 April 2017 - restated	116,102	39,340	(51,531)	5,060	108,971
Surplus/(deficit) for the year	-	-	(2,892)	(113)	(3,006)
Revaluations	-	9,809	-	-	9,809
Fair value gains on available-for-sale financial investments	-	-	-	38	38
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	2,968	-	2,968
Public dividend capital received	8,471	-	-	-	8,471
Other reserve movements	-	-	70	(70)	-
Taxpayers' and others' equity at 31 March 2018	124,573	49,149	(51,385)	4,915	127,252
Prior period adjustment	-	-	-	94	94
Taxpayers' and others' equity at 31 March 2018	124,573	49,149	(51,385)	5,009	127,346

*The previously reported Group consolidated accounts included unaudited Charity accounts. The restated figures have subsequently been amended for changes in the audited Charity accounts including a legacy which had been notified but not yet received.

Statement of changes in equity for the year ended 31 March 2019

Group	Public dividend capital £000	Revaluation reserve £000	Income & expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2018 - brought forward	124,573	49,149	(51,385)	122,337
Surplus / (deficit) for the year	-	-	9,852	9,852
Revaluations	-	(5,570)	-	(5,570)
Remeasurements of the defined net benefit pension scheme liability	-	-	(4,480)	(4,480)
Public dividend capital received	1,172	-	-	1,172
Taxpayers' and others' equity at 31 March 2019	125,745	43,579	(46,013)	123,311

Statement of changes in equity for the year ended 31 March 2018

Group	Public dividend capital £000	Revaluation reserve £000	Income & expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2017 - brought forward	116,102	39,340	(51,531)	103,911
Prior period adjustment	-	-	-	-
Taxpayers' and others' equity at 1 April 2017 - restated	116,102	39,340	(51,531)	103,911
Surplus/(deficit) for the year	-	-	(2,892)	(2,892)
Revaluations	-	9,809	-	9,809
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	2,968	2,968
Public dividend capital received	8,471	-	-	8,471
Other reserve movements	-	-	70	70
Taxpayers' and others' equity at 31 March 2018	124,573	49,149	(51,385)	122,337

Information on reserves

Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to Trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the Trust, is payable to the Department of Health as the public dividend capital dividend.

Revaluation reserve

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

Income and expenditure reserve

The balance of this reserve is the accumulated surpluses and deficits of the Trust.

Charitable funds reserve

This reserve comprises the ring-fenced funds held by the NHS charitable funds consolidated within these financial statements. These reserves are classified as restricted or unrestricted; a breakdown is provided in note 1b.

Statement of cash flows

	Note	Group			Trust	
		2018/19 £000	2017/18 Restated* £000	2017/18 Previously reported £000	2018/19 £000	2017/18 £000
Cash flows from operating activities						
Operating surplus		17,600	4,896	4,738	17,714	5,021
Depreciation and amortisation	7.1	10,979	11,131	11,131	10,979	11,131
Net impairments	8	2,904	18,698	18,698	2,904	18,698
Non-cash movements in on-SoFP pension liability		2,974	2,365	2,365	2,974	2,365
(Increase)/decrease in receivables and other assets		6,842	(35,937)	(35,937)	6,810	(35,854)
(Increase)/decrease in inventories		(736)	314	314	(736)	314
Increase in payables and other liabilities		7,564	6,850	6,850	7,835	6,362
Increase in provisions		5,807	3,570	3,570	5,807	3,570
Movements in charitable fund working capital		59	(185)	(26)	59	(185)
Net cash flows from / (used in) operating activities		54,084	11,701	11,702	54,347	11,422
Cash flows from investing activities						
Interest received		485	191	191	485	191
Purchase of intangible assets		(5,940)	(750)	(750)	(5,940)	(750)
Purchase of PPE and investment property		(12,017)	(11,736)	(11,736)	(12,017)	(11,736)
Sales of PPE and investment property		43	-	-	43	-
Net cash flows from charitable fund investing activities		130	101	100	-	-
Net cash generated from/(used in) investing activities		(17,299)	(12,194)	(12,195)	(17,429)	(12,295)
Cash flows from financing activities						
Public dividend capital repaid		1,172	8,471	8,471	1,172	8,471
Movement on loans from DHSC		(512)	(512)	(512)	(512)	(512)
Capital element of PFI, LIFT and other service concession payments		(3,234)	(3,289)	(3,289)	(3,234)	(3,289)
Interest on loans		(218)	(259)	(259)	(218)	(259)
Other interest		(26)	-	-	(26)	-
Interest paid on PFI, LIFT and other service concession obligations		(7,701)	(7,524)	(7,524)	(7,701)	(7,524)
PDC dividend (paid) / refunded		(1,092)	(51)	(51)	(1,092)	(51)
Net cash generated from/(used in) financing activities		(11,612)	(3,163)	(3,163)	(11,612)	(3,163)
Increase/(decrease) in cash and cash equivalents		25,174	(3,656)	(3,656)	25,306	(4,036)
Cash and cash equivalents at 1 April - brought forward		55,128	58,750	58,750	53,884	57,886
Prior period adjustments		-	-	-	-	-
Cash and cash equivalents at 1 April - restated		55,128	58,750	58,750	53,884	57,886
Unrealised gains / (losses) on foreign exchange		-	34	34	-	34
Cash and cash equivalents at 31 March	24	80,302	55,128	55,128	79,190	53,884

*The previously reported Group consolidated accounts included unaudited Charity accounts. The restated figures have subsequently been amended for changes in the audited Charity accounts including a legacy which had been notified but not yet received.

Consolidation of NHS Charitable Funds

Provided below is the Charitable Fund's statement of financial activities and statement of financial position before consolidation.

A reconciliation of the amounts included in the Charity's financial statements to those disclosed in these consolidated accounts is also provided below.

1a Salford Royal NHS Foundation Trust Charitable Fund statement of financial activities for the year ended 31 March 2019

	Note	Unrestricted funds 2018/19 £000	Restricted funds 2018/19 £000	Endowment funds 2018/19 £000	Total funds 2018/19 £000	Total funds 2017/18 Restated*	Total funds 2017/18 Previously reported £000
Incoming resources							
Incoming resources from generated funds:							
Voluntary income: Donations and legacies		164	0	0	164	263	188
Income from investments		131	0	0	131	101	100
Total voluntary income		295	0	0	295	364	288
Other income		0	0	0	0	0	0
Total income and endowments		295	0	0	295	364	288
Expenditure on:							
Raising funds		(24)	0	0	(24)	(24)	(24)
Charitable activities		(254)	0	0	(254)	(364)	(447)
Total expenditure		(278)	0	0	(278)	(388)	(471)
Net gains/ (losses) on investments		195	0	0	195	43	38
Net income / (expenditure)		212	0	0	212	19	(145)
Net movement in funds		212	0	0	212	19	(145)
Funds brought forward		5,009	11	25	5,045	4,990	5,060
Total funds carried forward		5,221	11	25	5,257	5,009	4,915

*The previously reported Group consolidated accounts included unaudited Charity accounts. The restated figures have subsequently been amended for changes in the audited Charity accounts including a £70k legacy which had been notified but not yet received.

1b Salford Royal NHS Foundation Trust Charitable Fund statement of financial position for the year ended 31 March 2019

	Note	Unrestricted funds 2018/19 £000	Restricted funds 2018/19 £000	Endowment funds 2018/19 £000	Total funds 2018/19 £000	Total funds 2017/18 Restated* £000	Total funds 2017/18 Previously reported £000
Fixed assets							
Investments		4,477	0	11	4,488	4,321	4,321
Total fixed assets		4,477	0	11	4,488	4,321	4,321
Current assets							
Debtors		83	0	0	83	20	20
Cash at bank and in hand		1,087	25	0	1,112	1,244	1,244
Total current assets		1,170	25	0	1,195	1,264	1,264
Current liabilities							
Creditors: Amounts falling due within one year		(462)	0	0	(462)	(671)	(671)
Net current assets		708	25	0	733	594	594
Total assets less current liabilities		5,185	25	11	5,221	4,915	4,915
Net assets		5,185	25	11	5,221	4,915	4,915
The funds of the Charity							
Endowment Funds		0	0	11	11	12	12
Restricted		0	25	0	25	25	25
Unrestricted		5,185	0	0	5,185	4,878	4,878
Total Funds		5,185	25	11	5,221	4,915	4,915

*The previously reported Group consolidated accounts included unaudited Charity accounts. The restated figures have subsequently been amended for changes in the audited Charity accounts including a legacy which had been notified but not yet received.

Reconciliation of the Charitable Fund financial statements to the amounts consolidated

	31 March 2019 £000	31 March 2018 Restated* £000	31 March 2018 Previously reported £000
Statement of financial activities			
Total resources expended	271	464	471
Expended with Salford Royal NHS Foundation Trust	(70)	(70)	(70)
Disclosed in Consolidated Accounts	201	394	401

	31 March 2019 £000	31 March 2018 £000	31 March 2018 £000
Statement of financial position			
Creditors: amounts falling due within one year	462	669	671
Due to Salford Royal NHS Foundation Trust	(456)	(664)	(664)
Disclosed in Consolidated Accounts	6	6	7

Notes to the accounts

1 Accounting policies

Basis of preparation

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2018/19 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts

The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Going concern

The Foundation Trust's annual report and accounts have been prepared on a going concern basis. Non-trading entities in the public sector are assumed to be going concerns where the continued provision of a service in the future is anticipated, as evidenced by inclusion of financial provision for that service in published documents.

1.2 Accounting convention

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

1.3 Basis of consolidation

1.3.1 Subsidiaries

Subsidiary entities are those over which the Foundation 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. The capital and reserves attributable to minority interests are included as a separate item in the Statement of Financial Position.

The amounts consolidated are drawn from the published financial statements of the subsidiaries for the year (except where a subsidiary's financial year end is before 1 January or after 1 July in which case the actual amounts for each month of the trust's financial year are obtained from the subsidiary and consolidated).

Where subsidiaries' accounting policies are not aligned with those of the foundation trust (including where they report under UK FRS 102) then amounts are adjusted during consolidation where the differences are material. Inter-entity balances, transactions and gains/losses are eliminated in full on consolidation.

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

The NHS Foundation Trust is the corporate trustee to Salford Royal NHS charitable fund. The Foundation Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the Foundation Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The charitable fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102. On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:

- Recognise and measure them in accordance with the foundation trust's accounting policies; *and*
- Eliminate intra-group transactions, balances, gains and losses.

1.3.2 Associates

Associate entities are those over which the Trust has the power to exercise a significant influence. Associate entities are recognised in the Trust's financial statement using the equity method. The investment is initially recognised at cost. It is increased or decreased subsequently to reflect the Trust's share of the entity's profit or loss or other gains and losses (e.g. revaluation gains on the entity's property, plant and equipment) following acquisition. It is also reduced when any distribution, e.g., share dividends are received by the trust from the associate.

Associates which are classified as held for sale are measured at the lower of their carrying amount and "fair value less costs to sell".

The Foundation Trust has an associate entity in North West e Health Limited. The company was established on 1 November 2016 and the Foundation Trust has a 40% shareholding with the remaining shares owned by the University of Manchester (40%) and Salford Clinical Commissioning Group (20%).

1.3.3 Joint arrangements

Arrangements over which the Foundation Trust has joint control with one or more other entities are classified as joint arrangements. Joint control is the contractually agreed sharing of control of an arrangement. A joint arrangement is either a joint operation or a joint venture.

Joint operations are arrangements in which the Foundation Trust has joint control with one or more other parties and has the rights to the assets, and obligations for the liabilities, relating to the arrangement. The Foundation Trust includes within its financial statements its share of the assets, liabilities, income and expenses.

Joint ventures are arrangements in which the trust has joint control with one or more other parties, and where it has the rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method.

For projects hosted by the Foundation Trust where the arrangement involves other NHS organisations e.g. where the main source of income or cost for the joint arrangement or hosted service is from the NHS then transactions are accounted for on a gross basis. This is consistent with accounting treatment used in previous years.

Where the arrangement does not involve other NHS organisations and the Foundation Trust is acting solely as an agent then transactions are accounted for on a net basis.

1.4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Foundation Trust's accounting policies, management is required to make various judgements, estimates and assumptions. These are regularly reviewed.

1.4.1 Critical judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the Foundation Trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

PFI and similar contracts are agreements to receive services where the responsibility for making available the property, plant and equipment needed to provide the services passes to the contractor. As the Foundation Trust is deemed to control the services that are provided under the contract and as ownership of the property, plant and equipment will pass to the Foundation Trust at the end of the contract for no additional charge, the Foundation Trust holds the property, plant and equipment used under the contracts on its Statement of Financial Position.

Other key judgements made in preparing these accounts include the application of the accounting policies set out on pages 228 to 245 of this document in the recognition of transactions, assets and liabilities for the purposes of preparing these accounts.

1.4.1 Sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Valuation of property, plant and equipment

As at 31 March 2019, a valuation was provided by Mrs. S. Hall, MRICS, of the Valuation Office Agency of the Foundation Trust's land and building assets (estimated financial value and estimated remaining useful life) applying a modern equivalent asset method of valuation. The methodology employed to provide the valuation for 2018/19 has been on an alternative site basis i.e. a valuation based on a modern equivalent asset provided on a suitable alternative site built to accommodate existing services. This valuation, based on estimates provided by a qualified professional, led to a decrease in the reported value of the Foundation Trust's building asset values of £8.5m of which £2.9m has been charged to the Statement of Comprehensive Income with the balance to the Revaluation Reserve. Future revaluations of the Foundation Trust's asset base may result in further material changes to the carrying value of non-current assets.

The Trust's PFI assets have been valued using the modern equivalent asset method at depreciated replacement cost excluding VAT. By excluding VAT the Foundation Trust is accurately reflecting the depreciated replacement cost as a replacement asset would also be funded by PFI and, by the nature of the contract, recover VAT.

Equipment assets are carried at current value, with depreciated historic cost used as a proxy for current value.

Valuation of intangible assets

Our accounting policy is to carry intangible assets at current value in existing use. The values reported for intangible assets in the financial statements use amortised historic cost as a reasonable proxy as these assets have short expected lives and as a result this basis of measurement is not expected to be materially different to depreciated replacement cost for a similar asset.

Provisions

The Foundation Trust makes financial provision for obligations of uncertain timing or amount at the reporting date. These are based on estimates using as much relevant information as is available at the time the accounts are prepared. They are reviewed to confirm that the values included in the financial statements best reflect the current relevant information. Where this is not the case, the value of the provision is amended. The current provisions are set out in note 29 on page 269 of these accounts.

Partially completed spells

Income relating to in-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. This is based on estimated length of stay data that applies to the types of clinical activity being undertaken on an in-patient basis as at the reporting date and totals £1,125k as at 31 March 2019 (£1,158k as at 31 March 2018). The estimated length of stay and the type of in-patient clinical activity may vary materially from one balance sheet date to another.

Pension costs

For the NHS Pension Scheme, the foundation trust reports, as operating expenditure, employer contributions to staff pensions. This employer contribution is based on an annual actuarial estimate of the required contribution to meet the scheme's liabilities. It is an expense that is subject to change. The current employer contribution is 14.3% of pensionable pay as set out in note 10 on page 254.

For staff who are members of the Local Government Pension Fund scheme, the Foundation Trust also reports, as operating expenditure, employer contributions to staff pensions as part of the total annual service cost of the Local Government scheme. The element of service costs not related employer contributions is adjusted when reporting annual financial performance to NHS Improvement on an NHS control totals basis.

Accruals of income and expenditure

At the end of the financial year, the foundation trust may have received goods and services which have not been invoiced at the reporting date. In these circumstances, an estimated value of the cost is included in the reported financial results. In some cases the estimated value is based on the quoted value provided by the supplier when the goods were ordered; in other cases, the charge may be estimated based on methods such as the number of hours of service provided or the last price paid for the same goods or service.

The Foundation Trust has a financial liability for any annual leave earned by staff but not taken by 31 March to the extent that staff are able to carry forward untaken leave into the next financial year. The estimated cost of untaken annual leave at 31 March 2019 including annual leave entitlement for staff on maternity leave is £1,050k (2017/18 : £1,073k).

The Foundation Trust has two investments at the reporting date. The first is the value of the investment portfolio of the charitable fund which is included in the consolidated accounts of the Foundation Trust at market value.

The second is the Foundation Trust's 40% shareholding in North West e Health Limited (NWEH) which was established on 1 November 2016 with a combination of ordinary share capital and preference share capital (where the preference shares have preference on a return of capital but no rights to dividends or voting rights). The Foundation Trust has voting rights in NWEH of 33%. In recognition that the foundation trust has significant influence over NWEH and has a responsibility for the return on the investment in the entity, the equity method of accounting has been adopted where the investment is initially recorded at cost and is subsequently adjusted to reflect the Foundation Trust's share of the net assets and profit or loss of NWEH.

During their accounting year (1st January 2018 to 31 December 2018), NWEH reported a prior year adjustment to capitalise staff costs to more accurately reflect the amount of staff time spent on developing the company's software leading to a £2,545k increase in the carrying value of intellectual property with a corresponding improvement in the net assets position of the company. After review, the Foundation Trust's assessment is that the current value of the realisable net assets of NWEH at the reporting date is nil. In addition, the entity has reported a deficit in its profit and loss account of £2,177k in the year to 31 March 2019 which the Foundation Trust has not recognised in these accounts as there is no legal or constructive obligation on the Foundation Trust to do so.

1.5 Operating segments

Income and expenditure are analysed in the Operating Segments note and are reported in line with management information used within the Foundation Trust.

1.6 Revenue

Where income is derived from contracts with customers, it is accounted for under IFRS 15 in 2018/19. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS). As directed by the GAM, the transition to IFRS 15 in 2018/19 has been completed in accordance with paragraph C3 (b) of the Standard: applying the Standard retrospectively but recognising the cumulative effects at the date of initial application (1 April 2018).

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 Foundation Trust will not disclose information regarding performance obligations part of a contract that has an original expected duration of one year or less.
- The Foundation Trust is to similarly not disclose information where revenue is recognised in line with the practical expedient offered in paragraph B16 of the Standard where the right to consideration corresponds directly with value of the performance completed to date.
- The GAM has mandated the exercise of the practical expedient offered in C7(a) of the Standard that requires the Foundation Trust to reflect the aggregate effect of all contracts modified before the date of initial application.

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/ services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the foundation trust accrues income relating to performance obligations satisfied in that year. Where the Foundation Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

Revenue in respect of services provided is recognised when (or as) performance obligations are satisfied by transferring promised services to the customer, and is measured at the amount of the transaction price allocated to that performance obligation.

Where income is received for a specific performance obligation that is to be satisfied in the following year, that income is deferred.

Payment terms are standard reflecting cross government principles.

The main source of income for the foundation trust is contracts with commissioners for health care services. A performance obligation relating to delivery of a spell of health care is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the commissioner, but the customer benefits as services are provided to their patient.

Even where a contract could be broken down into separate performance obligations, healthcare generally aligns with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer. At the year end, the Trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete.

Revenue is recognised to the extent that collection of consideration is probable. Where contract challenges from commissioners are expected to be upheld, the Foundation Trust reflects this in the transaction price and derecognises the relevant portion of income.

Where the Foundation Trust is aware of a penalty based on contractual performance, the Foundation Trust reflects this in the transaction price for its recognition of revenue. Revenue is reduced by the value of the penalty.

The Foundation Trust incurs a penalty of £923k where between 9.79% and 11.1% of patients are readmitted within 30 days of discharge from a previous planned stay. If readmissions fall below 9.79% the penalty is reimbursed by commissioners. If the penalty increases above 11.1% a further £500k penalty is imposed by commissioners. Revenue is reduced by the value of the penalty which was £923k in 2018/19.

The Foundation Trust receives income from commissioners under Commissioning for Quality and Innovation (CQUIN) schemes. The Trust agrees schemes with its commissioner but they affect how care is provided to patients. That is, the CQUIN payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the contract.

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Foundation Trust's interim performance does not create an asset with alternative use for the Foundation Trust, and the Foundation Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Foundation Trust recognises revenue each year over the course of the contract.

The Foundation Trust receives income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Foundation Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts (21.89%) in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

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

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

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider, the corresponding notional expense is also recognised at the point of recognition for the benefit.

The Foundation Trust reports income received from contracts held by hosted services. The Foundation Trust acts as the 'host' NHS body for a number of services which are outside of the Trust's core business. These services are for specific areas of development both locally and nationally and cover fields such as research, quality and leadership. Services provided by hosted services are substantially the same and have a similar pattern of transfer. Revenue is recognised to the extent that collection of consideration is probable. Where contract challenges from customers are expected to be upheld, the Foundation Trust reflects this in the transaction price and derecognises the relevant portion of income.

Income in the comparator totals in the annual accounts has been prepared using the accounting standard in operation in 2017/19 (IAS 18 – Revenue Recognition). The key elements of the standard in operation during 2017/18 are set out below:

The main source of revenue for the Foundation Trust is contracts with commissioners in respect of healthcare services. Revenue 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. At the year end, the Foundation Trust accrues income relating to activity delivered in that year. Where a patient care spell is incomplete at the year end, revenue relating to the partially complete spell is accrued and agreed with the commissioner.

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

The Foundation Trust receives income under the NHS Injury Cost Recovery Scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Foundation Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit that the individual has lodged a compensation claim. The income is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful compensation claims and doubtful debts.

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.

1.7 Employee Benefits

1.7.1 Short-term employee benefits

Salaries, wages and employment-related payments, including payments arising from the apprenticeship levy, are recognised in the period in which the service is received from employees, including non-consolidated performance pay earned but not yet paid. The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

1.7.2 Retirement benefit costs

NHS Pensions

Past and present employees are covered by the provisions of the NHS Pensions Schemes. These schemes are unfunded, defined benefit schemes that cover NHS employers, General Practices and other bodies allowed under the direction of the Secretary of State in England and Wales. The schemes 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, the schemes are accounted for as though they were defined contribution schemes: the cost to the Foundation Trust of participating in a scheme is taken as equal to the contributions payable to the scheme for the accounting period.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the foundation trust commits itself to the retirement, regardless of the method of payment.

The schemes are subject to a full actuarial valuation every four years and an accounting valuation every year.

National Employment Savings Trust (NEST)

The Pension Act 2008 requiring that from 2012 all eligible workers, who are not already in a workplace scheme, must be automatically enrolled into a qualifying workplace pension scheme.

The NHS Pensions Scheme is a qualifying pension scheme and is the default Scheme for all NHS employees and they are automatically enrolled into it. However, not all staff are eligible to join the NHS Pension Scheme. These staff are automatically enrolled to the NEST Scheme where employers pension cost contributions are charged to operating expenses as and when they become due.

Local Government Pension Scheme

Following the establishment of the Salford Integrated Care Organisation on 1 July 2016, some Foundation Trust employees are members of the Local Government Pension Scheme. This is a defined benefit pension scheme. The scheme assets and liabilities attributable to these employees can be identified and are reported as a note to the accounts.

The net obligation is calculated by estimating the amount of future benefit that employees have earned in current and prior periods which is discounted to estimate its present value. The fair value of any plan assets (at bid price) are deducted. The liability discount rate is the yield at the reporting date on AA credit rated bonds having maturity dates aligned to the expected timing of the Trust obligations. The calculation is performed by a qualified actuary working for the Greater Manchester Pension Fund using the projected unit credit method.

1.8 Other expenses

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.

1.8.1 Value added tax

Most of the activities of the Foundation Trust are outside the scope of value added tax (VAT). Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.8.2 Corporation Tax

Under s519A Income and Corporation Taxes Act 1988 the Foundation Trust is regarded as a Health Service body and is, therefore, exempt from taxation on its income and capital gains. Section 148 of the 2004 Finance Act provided the Treasury with powers to disapply this exemption. Accordingly, the Foundation Trust is potentially within the scope of corporation tax in respect of activities which are not related to, or ancillary to, the provision of healthcare and where the profits exceed £50,000 pa. Activities such as staff and patient car parking are considered to be ancillary to the core healthcare objectives of the Foundation Trust (and not entrepreneurial) and therefore not subject to corporation tax. Any tax liability will be accounted for within the relevant tax year.

1.9 Property, plant and equipment

1.9.1 Recognition

Property, plant and equipment is capitalised if:

- 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 Foundation Trust
- It is expected to be used for more than one financial year
- The cost of the item can be measured reliably, and either
- The item has cost of at least £5,000, or
- Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control.

Items which form part of the initial equipping and setting up cost of a new building (or significant refurbishment) are capitalised irrespective of their individual or collective cost.

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

1.9.2 Measurement

All property, plant and equipment is measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. Assets that are held for their service potential and are in use are measured subsequently at their current value in existing use. Assets that were most recently held for their service potential but are surplus are measured at fair value where there are no restrictions preventing access to the market at the reporting date.

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

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

Where applicable assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements of the service being provided.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowing costs. Assets are revalued and depreciation commences when they are brought into use.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful economic lives or low values or both, as this is not considered to be materially different from current value in existing use.

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

1.9.3 Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and charged to operating expenses.

1.9.4 Useful economic lives of property, plant and equipment

Useful economic lives reflect the total life of an asset and not the remaining life of an asset. The range of useful economic lives are shown in the table below.

	Min life years	Max life years
Land	N/A	N/A
Buildings, excluding dwellings	5	47
Dwellings	41	41
Plant and machinery	1	15
Transport equipment	7	7
Information technology	2	10
Furniture and fittings	7	15

1.10 Intangible assets

1.10.1 Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the foundation 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 Foundation Trust; where the cost of the asset can be measured reliably; and where the cost is at least £5,000.

Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset.

Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use
- The intention to complete the intangible asset and use it
- The ability to sell or use the intangible asset
- How the intangible asset will generate probable future economic benefits or service potential
- The availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it, *and*
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

1.10.2 Measurement

Intangible assets acquired separately are initially recognised at cost. The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria for recognition are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at current value in existing use by reference to an active market, or, where no active market exists, at the lower of amortised replacement cost (modern equivalent assets basis) and value in use where the asset is income generating. Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

Revaluations and impairments are treated in the same manner as for property, plant and equipment.

1.10.3 Useful economic lives of intangible assets

Intangible assets - purchased	Min life years	Max life years
Software	1	8
Licences & trademarks	1	5

1.11 Depreciation, amortisation and impairments

Items of property, plant and equipment are depreciated over their remaining useful lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment which has been reclassified as 'held for sale' cease 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.

Otherwise, depreciation or amortisation is charged to write off the costs or valuation of property, plant and equipment and intangible assets, less any residual value, on a straight-line basis over their estimated useful lives. The estimated useful life of an asset is the period over which the Foundation Trust expects to obtain economic benefits or service potential from the asset. This is specific to the Foundation Trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis.

Assets held under finance leases are depreciated over the shorter of the lease term and the estimated useful life, unless the Foundation Trust expects to acquire the asset at the end of the lease term, in which case the asset is depreciated in the same manner as for owned assets.

At each financial year end, the Foundation Trust checks whether there is any indication that its property, plant and equipment or intangible assets have suffered an impairment loss. If there is indication of such an impairment, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually at the financial year end.

In accordance with the GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

1.12 De-recognition

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 abandoned 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 useful life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

1.13 Donated assets

Donated non-current assets are capitalised at current value in existing use, if they will be held for their service potential, or otherwise at fair value on receipt, with a matching credit to income. They are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations, impairments and sales are treated in the same way as for purchased assets. Deferred income is recognised only where conditions attached to the donation preclude immediate recognition of the gain.

1.14 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

1.14.1 The Foundation Trust as lessee

Finance lease

Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment.

The annual rental charge is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

Operating lease

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

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

1.14.2 The Foundation Trust as lessor

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

1.15 Private Finance Initiative (PFI) transactions

PFI transactions that meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the Foundation Trust. In accordance with IAS 17, the underlying assets are recognised as property, plant and equipment, together with an equivalent finance lease liability.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- Payment for the fair value of services received
- Repayment of the finance lease liability, including finance costs, and
- Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

1.15.1 Services received

The cost of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

1.15.2 PFI assets, liabilities and finance costs

The PFI assets are recognised as property, plant and equipment when they come into use. The assets are measured initially at fair value or, if lower, at the present value of the minimum lease payments, in accordance with the principles of IAS 17. Subsequently, the assets are measured at current value in existing use.

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the initial value of the assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the Statement of Comprehensive Income.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

The element of the annual unitary payment increase due to cumulative indexation is treated as contingent rent and is expensed as incurred.

1.15.3 Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the Foundation Trust's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at cost.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term accrual or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised.

The deferred income is released to operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

1.15.4 Assets contributed by the Foundation Trust to the operator for use in the scheme

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the Foundation Trust's Statement of Financial Position.

1.15.5 Other assets contributed by the Foundation Trust to the operator

Other assets contributed (e.g. cash payments, surplus property) by the Foundation Trust to the operator before the asset is brought into use, where these are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. When the asset is made available to the Foundation Trust, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

1.16 Inventories

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

1.17 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 Foundation Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

1.18 Provisions

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

Early retirement provisions are discounted using HM Treasury's real pension discount rate of positive 0.29% (2017/18: positive 0.10%) in real terms. All general provisions are subject to four separate discount rates according to the expected timing of cashflows from the Statement of Financial Position date:

- A nominal short-term rate of 0.76% (2017/18: negative 2.42% in real terms) for inflation adjusted expected cash flows up to and including 5 years from Statement of Financial Position date.
- A nominal medium-term rate of 1.14% (2017/18: negative 1.85% in real terms) for inflation adjusted expected cash flows over 5 years up to and including 10 years from the Statement of Financial Position date.
- A nominal long-term rate of 1.99% (2017/18: negative 1.56% in real terms) for inflation adjusted expected cash flows over 10 years and up to and including 40 years from the Statement of Financial Position date.
- A nominal very long-term rate of 1.99% (2017/18: negative 1.56% in real terms) for inflation adjusted expected cash flows exceeding 40 years from the Statement of Financial Position date.

All 2018/19 percentages are expressed in nominal terms with 2017/18 being the last financial year that HM Treasury provided real general provision discount rates.

1.19 Clinical negligence costs and non-clinical risk pooling

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Foundation Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Foundation Trust is disclosed at note 29 but is not recognised in the Foundation Trust's accounts.

The Foundation Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any "excesses" payable in respect of particular claims are charged to operating expenses when the liability arises.

1.20 Contingent liabilities and contingent assets

A contingent liability is:

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

A contingent liability is disclosed unless the possibility of a payment is remote.

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

Where the time value of money is material, contingent liabilities and contingent assets are disclosed at their present value.

1.21 Initial implementation of IFRS 9

IFRS 9 Financial Instruments as interpreted and adapted by the GAM has been applied by the Foundation Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to reserves on 1 April 2018. IFRS 9 replaces IAS 39 (financial instruments) and introduces a revised approach to classification and measurement of financial assets and financial liabilities, a new forward-looking 'expected loss' impairment model and a revised approach to hedge accounting.

Under IFRS 9, borrowings from the Department of Health and Social Care, which were previously held at historic cost, are measured on an amortised cost basis. The GAM expands the definition of a contract in the context of financial instruments to include legislation and regulations, except where this gives rise to a tax. Implementation of this adaptation on 1 April 2018 has led to the classification of receivables relating to Injury Cost Recovery as a financial asset measured at amortised cost.

1.22 Financial assets

Financial assets are recognised when the Foundation Trust becomes party to the contractual provision of the financial instrument or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or when the asset has been transferred and the Foundation Trust has transferred substantially all of the risks and rewards of ownership or has not retained control of the asset.

Financial assets are initially recognised at fair value plus or minus directly attributable transaction costs for financial assets not measured at fair value through profit or loss. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices where possible, otherwise by valuation techniques.

Financial assets are classified into the following categories: financial assets at amortised cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit and loss. The classification is determined by the cash flow and business model characteristics of the financial assets, as set out in IFRS 9, and is determined at the time of initial recognition.

1.22.1 Financial assets at amortised cost

Financial assets measured at amortised cost are those held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and where the cash flows are solely payments of principal and interest. This includes most trade receivables, loans receivable, and other simple debt instruments.

After initial recognition, these financial assets are measured at amortised cost using the effective interest method, less any impairment. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the life of the financial asset, to the initial fair value of the financial asset.

1.22.2 Financial assets at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income are those held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest.

1.22.3 Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss are those that are not otherwise measured at amortised cost or fair value through other comprehensive income. This includes derivatives and held for trading. A financial asset is classified in this category if it has been acquired principally for the purpose of selling in the short-term.

1.22.4 Impairment

For all financial assets measured at amortised cost or at fair value through other comprehensive income (except equity instruments designated at fair value through other comprehensive income), lease receivables and contract assets, the Foundation Trust recognises a loss allowance representing expected credit losses on the financial instrument.

The Foundation Trust adopts the simplified approach to impairment, in accordance with IFRS 9, and measures the loss allowance for trade receivables, contract assets and lease receivables at an amount equal to lifetime expected credit losses. For other financial assets, the loss allowance is measured at an amount equal to lifetime expected credit losses if the credit risk on the financial instrument has increased significantly since initial recognition (stage 2), and otherwise at an amount equal to 12-month expected credit losses (stage 1).

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

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

1.23 Financial liabilities

Financial liabilities are recognised when the foundation trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged – that is, the liability has been paid or has expired.

1.23.1 Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the amortised cost of the financial liability. In the case of DHSC loans that would be the nominal rate charged on the loan.

1.24 Public Dividend Capital (PDC) and PDC dividend

Public dividend capital is a type of public sector equity finance, which represents the Department of Health and Social Care's investment in the Trust. HM Treasury has determined that, being issued under statutory authority rather than under contract, PDC is not a financial instrument within the meaning of IAS 32.

At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received.

An annual charge, reflecting the cost of capital utilised by the Trust, is payable to the Department of Health and Social Care as PDC dividend. The charge is calculated at the real rate set by the Secretary of State with the consent of HM Treasury (currently 3.5%) on the average relevant net assets of the Trust.

Relevant net assets are calculated as the value of all assets less all liabilities, except for:

- Donated assets (including lottery funded assets)
- Average daily cash balances held with the Government Banking Service (GBS) and National Loans Fund (NLF) deposits (excluding cash balances held in GBS accounts that relate to a short term working capital facility)
- Any PDC dividend balance receivable or payable.

The average relevant net assets is calculated as a simple average of opening and closing relevant net assets.

In accordance with the requirements laid down by the Department of Health and Social Care, the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts. The PDC dividend calculation is based upon the Trust's group accounts (i.e. including subsidiaries), but excluding consolidated charitable funds.

1.25 Foreign exchange

The Foundation Trust's functional currency and presentational currency is pounds sterling, and figures are presented in thousands of pounds unless expressly stated otherwise. Transactions denominated in a foreign currency are translated into sterling at the spot exchange rate on the date of the transaction. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March.

Exchange gains and losses on monetary items (arising on settlement of the transaction or on retranslation at the Statement of Financial Position date) are recognised in the Statement of Comprehensive Income in the period in which they arise.

1.26 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Foundation Trust has no beneficial interest in them.

1.27 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled.

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the Foundation Trust not been bearing its own risks (with insurance premiums then being included as normal revenue expenditure).

1.28 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

1.29 Accounting Standards that have been issued but have not yet been adopted

The DHSC GAM does not require the following IFRS Standards and Interpretations to be applied in 2018/19. These standards are still subject to HM Treasury FReM adoption, with IFRS 16 being for implementation in 2018/19, and the government implementation date for IFRS 17 still subject to HM Treasury consideration.

- IFRS 16 Leases – Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted.
- IFRS 17 Insurance Contracts – Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.
- IFRIC 23 Uncertainty over Income Tax Treatments – Application required for accounting periods beginning on or after 1 January 2019.

2 Operating segments

From 1 April 2017, the Trust Boards of both organisations at Salford Royal and Pennine Acute Trust delegated their functions to a Group “Committees in Common”.

While the two Trusts will remain statutory bodies, the Group Committees in Common effectively manages both Trusts.

Financial reporting to Group Committees in Common for Salford Royal NHS Foundation Trust is separated into:

- Healthcare provided by the Salford Care Organisation. The Foundation Trust has a devolved divisional structure in place and the majority of risks faced by each division are fundamentally the same in the provision of healthcare. The clinical divisions are substantially similar working under a common governance structure reporting to Assurance Committees of the Management Board and to the Committees in Common.
- Adult social care and mental health services provided by the Foundation Trust.
- Corporate services provided at a ‘group’ level to support the care provision by the Salford Care Organisation (and other Care Organisations in the group).
- Hosted services. There are a number of hosted budgets for services administered by the Foundation Trust on behalf of other NHS bodies including:
 - Advancing Quality Alliance (AQuA).
 - NHS Transformation Unit.
 - East Lancashire Financial Services (ELFS).

Each hosted service manages its own income and expenditure although ultimately it is the responsibility of Salford Royal NHS Foundation Trust, as host, to act as the legal entity to issue or accept any contractual obligations. This is a standard arrangement in the NHS and the Foundation Trust hosts several other services in a similar way.

The financial performance of these ‘hosted services’ is reported separately to the Foundation Trust’s management through the Group Committees in Common.

Notes 3 to 5 show the breakdown of income received by the Foundation Trust during the financial year by customer type and by activity.

All income received in the Foundation Trust was in relation to health and social care. Income received into the Charitable Funds was predominantly from donations and legacies.

	2018/19						2017/18				
	Healthcare £000	Adult Social Care and Mental Health £000	Corporate costs £000	Hosted services £000	Charitable funds £000	Group £000	Healthcare £000	Adult Social Care and Mental Health £000	Hosted services £000	Charitable funds* £000	Group £000
Operating income	537,252	124,979	87,333	21,213	164	770,942	582,209	123,495	23,558	188	729,450
Operating expenditure	(512,812)	(127,436)	(103,377)	(17,232)	(147)	(761,003)	(585,658)	(124,288)	(23,145)	(371)	(733,462)
Included in operating expenditure is :											
Impairments	(4,592)	-	-	-	-	-	(20,309)	-	-	-	-
Reversal of impairments	1,688	-	-	-	-	-	1,611	-	-	-	-
Surplus / (deficit)	24,441	(2,456)	(16,044)	3,981	17	9,939	(3,449)	(793)	413	(183)	(4,012)
Prior period adjustment	-	-	-	-	-	-	0	0	0	159	159
Revised surplus / (deficit)	24,441	(2,456)	(16,044)	3,981	17	9,939	(3,449)	(793)	413	(24)	(4,012)
Net assets: Segment net assets	123,381	0	0	0	5,221	128,602	122,338	0	0	4,915	127,253
Included in net assets are impairments charged to other comprehensive income	(5,570)						9,809				

1 £70k (including £0k donated assets) of income reported by the Foundation Trust in 2018/19 (£70k in 2017/18) came from the Charitable Fund, therefore £70k (2017/18 - £70k) is eliminated from the consolidated total for income.

* Figures have been restated to reflect the prior period adjustment for Charitable funds.

2 All segment net assets belong to the Trust.

3 Operating income from patient care activities (Group)

All income from patient care activities relates to contract income.

3.1 Income from patient care activities (by nature)

	2018/19 £000	2017/18 £000
Acute services		
Elective income	75,301	71,259
Non-elective income	108,518	104,275
First out-patient income	31,656	30,607
Follow up outpatient income	39,098	37,843
A&E income	17,204	16,201
High cost drugs / devices income from commissioners	124,074	118,415
Other NHS clinical income		
Intensive care and high dependency services	18,261	18,481
Renal dialysis services	11,941	11,718
Intestinal failure services	6,247	8,214
Commissioning for Quality and Innovation (CQUIN)	7,964	7,412
Rehabilitation and continuing care services	9,803	7,311
Direct access to diagnostic services to GPs	6,134	5,945
Other clinical activity	27,727	20,922
Adult social care activity	93,193	91,508
Mental health services		
Pass through income paid to Greater Manchester Mental Health NHSFT for services provided	30,048	30,271
Community services		
Community services income from CCGs and NHS England	41,466	42,105
Income from other sources (e.g. local authorities)	5,611	4,696
All services		
Private patient income	1,003	1,070
Agenda for Change pay award central funding	4,763	-
Other clinical income	3,626	2,330
Total income from activities	663,638	630,583

3.2 Income from patient care activities (by source)

Income from patient care activities received from:	2018/19 £000	2017/18 £000
NHS England	205,866	198,509
Clinical commissioning groups	342,456	324,051
Department of Health and Social Care	4,763	-
Other NHS providers	414	704
NHS other	5,867	5,278
Local authorities	99,348	97,487
Non NHS private patients	780	1,070
Non-NHS: overseas patients (chargeable to patient)	362	309
NHS injury scheme	3,540	2,321
Non NHS: other	242	855
Total income from activities	663,638	630,583

Elective income has increased because of either strong case-mix or increased patient numbers within Orthopaedics, Neurosurgery and Dermatology.

Non-elective activity has increased with key areas including Acute Internal Medicine, Neurosurgery and Critical Care Medicine.

There has also been an increase in attendances across both A&E and Outpatients in 2018/19.

Mental health services transferred to the Foundation Trust as part of the Integrated Care Organisation (ICO) development in July 2016 when the Foundation Trust became the lead provider of health, mental health and adult social care for Salford. The full year value of the mental health services contract (£30,048k) is reported in these 2018/19 accounts.

'Other clinical income' from activities is Income that is earned under contracts with NHS commissioners. The most significant individual transactions are listed above.

The balance described as 'Other clinical activity' contains a number of smaller sums of income for services which are not classified into the points of delivery described above such Diagnostic Imaging, Neuro-rehabilitation and renal patient transport. Income which hasn't been fully coded and therefore estimates around value and commissioner are also classified under the heading 'Other clinical activity'.

The NHS Injury cost recovery income is subject to a provision for impairment of receivables of 21.89% to reflect expected rates of collection. This rate is based on national guidance.

Private patient income is variable for the Trust and has increased when compared to 2017/18. Income is largely earned in the specialties of Dermatology outpatient and Neurology inpatients. The biggest driver of the increase this year has been from Radiology and Pathology activity.

Income from NHS England has increased largely due to greater high cost drugs cost and usage as well as a transfer for Oesophageal Cancer services. Increased income from Clinical Commissioning Groups has been driven by patients outside of Salford.

'NHS Other' includes income received from non-English organisations.

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

	2018/19 £000	2017/18 £000
Income recognised this year	362	309
Cash payments received in-year	270	421
Amounts added to provision for impairment of receivables	200	168
Amounts written off in-year	16	-

4 Other operating income (Group)

	2018/19 £000	2017/18 £000
Other operating income from contracts with customers:		
Research and development (contract)	12,300	12,230
Education and training (excluding notional apprenticeship levy income)	17,207	18,001
Non-patient care services to other bodies	14,266	7,493
Provider sustainability / sustainability and transformation fund income (PSF / STF)	22,851	22,093
Other contract income	39,483	38,282
Other non-contract operating income:		
Education and training - notional income from apprenticeship fund	344	44
Rental revenue from operating leases	688	536
Charitable fund incoming resources	164	188
Total other operating income	107,304	98,867
Prior year adjustment to charitable fund incoming resources	0	75
Restated total other operating costs	107,304	98,942
of which:		
Related to continuing operations	107,304	98,942

Education and Training income is received from Health Education England (HEE). £20.1m was received from HEE during 2018/19 of which £17.2m relates to Education and Training. The balance of income is reported as clinical income or other income as appropriate.

Non-patient care services to other bodies has increased compared to 2017/18 partly as a result of including charges previously classified as 'other' including Integrated Care and other transformation funding (£5.8m) and recharges to other NHS organisations.

“Other contract income” includes £20,368k earned on behalf of hosted services, including Advancing Quality Alliance (AQuA) of £7,628k, NHS Transformation Unit (£4,531k) and East Lancashire Financial Services (£7,383k). The remaining £826k relates to the smaller services that we host, including Clinical Leaders Network, R & D North West, Stroke & Neuro Operational Delivery Networks, Workforce Transformation and Datawell.

AQuA is an NHS service that aims to drive quality improvements in NHS services in the North West. The NHS Transformation Unit provides NHS consultancy services ‘by the NHS for the NHS’ supporting service transformation and redesign and East Lancashire Financial Services (ELFs) provide outsourced financial accounts functions to NHS bodies.

Whilst all hosted services manage their own income and expenditure they are not legal entities and, as the host organisation, the Foundation Trust acts as a legal entity able to issue or accept contracts such as contracts of employment or contracts for service on their behalf. This is a typical arrangement in the NHS and the Foundation Trust hosts a number of other services in a similar way.

On 1 April 2018, the Academic Health Science Network hosted service left the Foundation Trust and transferred to Manchester Foundation Trust. Their income in 2017/18 was £5,729k.

A Provider Sustainability Fund (PSF) has been made available to NHS providers in 2018/19, linked to the achievement of financial controls and A&E performance standards. The Foundation Trust received 70% of its available PSF payment of £10,280k (2017/18 78% - £10,444k) linked to financial performance. No PSF income was earned during 2018/19 for A&E performance. The Foundation Trust expects to receive a further £12,570k PSF incentive payment in 2018/19 making a total of £22,850k. As not all PSF payments have been made as at 31 March 2019, an amount of £16,168k is included in receivables.

4.1 Other operating income - analysis of other income

	2018/19 £000	2017/18 £000
Car parking	1,068	1,091
Estates recharges	780	437
IT recharges	211	388
Staff contributions to employee benefit schemes	952	853
Clinical excellence awards	1,348	1,238
Catering	1	2
Property rentals	-	97
Income received on behalf of hosted services	12,985	16,737
Income received on behalf of ELFS financial services	7,383	6,820
Integrated Care ‘Vanguard’ funding (Greater Manchester Transformation)	1,250	2,714
Other Transformation Funding	-	623
Haelo (previously Hosted Service)	1,501	-
Global Digital Exemplar Programme	3,050	2,240
Community Equipment Store charges	1,585	-
Healthier Together Funding	1,410	-
Other	5,959	5,042
TOTAL	39,483	38,282

5.1 Additional information on contract revenue (IFRS 15) recognised in the period

	2018/19 £000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	7,254
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	-

5.2 Income from activities arising from commissioner requested services

Under the terms of its provider licence, the Trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	2018/19 £000	2017/18 £000
Income from services designated as commissioner requested services	658,714	626,028
Income from services not designated as commissioner requested services	4,924	4,555
TOTAL	663,638	630,583

5.3 Profits and losses on disposal of property, plant and equipment

During the year 2018/ 19 equipment surplus to requirements was sold for a profit of £43k. This equipment had been fully depreciated with no net value in the accounts.

6.1 Fees and charges (Group)

HM Treasury requires disclosure of fees and charges income. The following disclosure is of income from charges to service users where income from that service exceeds £1 million and is presented as the aggregate of such income. The cost associated with the service that generated the income is also disclosed.

	2018/19 £000	2017/18 £000
Income	2,010	1,914
Full cost	(1,991)	(1,783)
Surplus / (deficit)	19	131

The totals above relate to car parking charges made by the Foundation Trust to staff and visitors (shown within "Car Parking" and staff contributions to employee benefit schemes" in note 4.1). The charges made are set to recover cost to provide car parking facilities.

The Foundation Trust reports 'other income' on behalf of hosted services. Each hosted service manages its own income and expenditure although ultimately it is the responsibility of the foundation trust, as host, to act as the legal entity to issue or accept any contractual obligations. This is a standard arrangement in the NHS and the Foundation Trust hosts several other services in a similar way. Fees and charges made by hosted services are reported in their annual reports.

7.1 Operating expenses (Group)

	2018/19 £000	2017/18 £000
Purchase of healthcare from NHS and DHSC bodies	15,203	10,462
Purchase of healthcare from non-NHS and non-DHSC bodies	7,338	7,319
Purchase of social care	111,132	107,130
Staff and executive directors costs	357,946	335,743
Remuneration of non-executive directors	136	156
Supplies and services - clinical (excluding drugs costs)	36,490	34,705
Supplies and services - general	4,823	5,075
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	131,046	122,526
Inventories written down	35	49
Consultancy costs	4,784	4,821
Establishment	4,320	3,905
Premises	17,864	15,418
Transport (including patient travel)	449	394
Depreciation on property, plant and equipment	9,787	10,058
Amortisation on intangible assets	1,192	1,072
Net impairments	2,904	18,698
Movement in credit loss allowance: contract receivables / contract assets	167	-
Movement in credit loss allowance: all other receivables and investments	-	338
Increase/(decrease) in other provisions	4,194	-
Change in provisions discount rate(s)	(27)	46
Audit fees payable to the external auditor		
- audit services- statutory audit	47	49
- audit services- charitable fund	7	7
- other auditor remuneration (external auditor only)	6	6
Internal audit costs	183	283
Clinical negligence	12,722	12,268
Legal fees	286	(40)
Insurance	222	249
Research and development - staff costs	5,729	5,630
Research and development - non staff costs	6,917	6,228
Education and training	2,234	1,219
Rentals under operating leases	7,058	7,059
Early retirements	-	50
Redundancy	38	17
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT) on IFRS basis	5,117	4,833
Charges to operating expenditure for off-SoFP PFI / LIFT schemes	-	-
Car parking & security	261	160
Hospitality	-	-
Losses, ex gratia & special payments	218	43
Grossing up consortium arrangements	-	-
Other services, eg external payroll	850	833
Other NHS charitable fund resources expended	201	394
Other	1,462	7,510
TOTAL	753,341	724,712
Prior period adjustment to Charity Accounts		-83
Restated Total	753,341	724,629
Of which:		
Related to continuing operations	753,341	724,629

Purchase of Social care (£111,132k) includes a contract of £30,048k for provision of mental health services for the population of Salford provided by Greater Manchester Mental Health Foundation Trust with the balance of costs for packages of social care including contracts for residential care home placements and domiciliary care. A further £18,293k (2017/18 - £17,215k) of Social Care costs are included within Employee expenses taking the total expenditure on adult social care and mental health to £129,425k (2017/18 £124,287k).

Consultancy costs include £1,973k on behalf of hosted services.

During the year, the Foundation Trust commissioned the Valuation Office to provide up-to-date assessments of the value of the land and building assets with an effective date of 31 March 2019 on an alternative optimised site basis of valuation. The Valuation Office uses the existing use valuation methodology where possible to assess the value of the Foundation Trust's land and buildings which is based on market value. Where a building asset is specialised to the extent that no reliable market value can be estimated, a depreciated replacement cost based on a modern equivalent asset value has been used. As at 31 March 2019, following a valuation methodology based on alternative optimised site, a net reduction to the value of Trust assets of £8,474k has been recognised, of which £2,904k has been reported as expenditure; and £5,570k reported as a reduction to the revaluation reserve.

Audit fees are inclusive of VAT.

7.2 Other auditor remuneration (Group)

	2018/19 £000	2017/18 £000
Other auditor remuneration paid to the external auditor:		
1. Audit-related assurance service	6	6
TOTAL	6	6

7.3 Limitation on auditor's liability (Group)

The limitation on auditor's liability for external audit work is £2m (2017/18: £2m).

8 Impairment of assets (Group)

	2018/19 £000	2017/18 £000
Net impairments charged to operating (surplus) / deficit resulting from:		
Changes in market price	2,904	18,698
Total net impairments	2,904	18,698

9 Employment benefits (Group)

	2018/19 £000	2017/18 £000
Salaries and wages	280,248	264,859
Social security costs	27,055	25,351
Apprenticeship levy	1,390	1,224
Employer's contributions to NHS pensions	30,506	28,428
Pension cost - other	5,202	4,387
Termination benefits	110	478
Temporary staff (including agency)	26,920	25,743
Total gross staff costs	371,431	350,470
Recoveries in respect of seconded staff	(7,488)	(9,045)
Total staff costs	363,943	341,425
of which:		
Costs capitalised as part of assets	230	-

Included in 'Pension Cost - Other' is Greater Manchester Pension Fund. From 1 July 2016 the Foundation Trust became an admitted member of the Greater Manchester Pension fund responsible for making pension contributions for employees who transferred their employment from Salford City Council following the commencement of the Salford Integrated Care Organisation. The pension cost includes the employer contributions made during the year (£2,228k) plus the estimated share of the Foundation Trust's annual service cost commitment including £632k from the transfer of pension liabilities of staff at the Limes intermediate Care unit (£2,974k).

Capitalised costs include £72k on estate schemes and £159k on Local Healthcare Record Exemplar (a 2 year project commencing in 2018/19).

9.1 Retirements due to ill-health (Group)

During 2018/19 there were 4 early retirements from the Trust agreed on the grounds of ill-health (2 in the year ended 31 March 2018). The estimated additional pension liabilities of these ill-health retirements is £223k (£112k in 2017/18).

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

9.2 Director's remuneration and other benefits

During the year no long term incentives, other pension benefits, guarantees or advances were made to any director.

10 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions.

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.

continued next page

b) Full actuarial (funding) valuation

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

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

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

National Employment Savings Trust (NEST)

The Pension Act 2008 requiring that from 2012 all eligible workers, who are not already in a workplace scheme, must be automatically enrolled into a qualifying workplace pension scheme.

The NHS Pensions Scheme is a qualifying pension scheme and is the default Scheme for all NHS employees and they are automatically enrolled into it. However, not all staff are eligible to join the NHS Pension Scheme. These staff are automatically enrolled to the NEST Scheme where employers pension cost contributions are charged to operating expenses as and when they become due.

11 Operating leases (Group)**11.1 Salford Royal NHS Foundation Trust as a lessor**

This note discloses income generated in operating lease agreements where Salford Royal NHS Foundation Trust is the lessor.

	2018/19 £000	2017/18 £000
Operating lease revenue		
Minimum lease receipts	688	536
Total	688	536

	31 March 2019 £000	31 March 2018 £000
Future minimum lease receipts due:		
Not later than one year	688	536
Later than one year and not later than five years	1,770	1,770
Later than 5 years	1,328	1,328
Total	3,786	3,634

Future minimum lease receipts are for building leases and based on an expectation that the Trust will continue to provide accommodation in Foundation Trust buildings to the University of Manchester, ground rent to the Christie NHS FT for its Radiotherapy Centre on the Salford Royal site, staff nursery provision, staff accommodation and small sums related to accommodation and storage for non-NHS suppliers.

11.2 Salford Royal NHS Foundation Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Salford Royal NHS Foundation Trust is the lessee.

	2018/19 £000	2017/18 £000
Operating lease expense		
Minimum lease receipts	7,374	7,433
Less sublease payments received	(316)	(374)
Total	7,058	7,059

	31 March 2019 £000	31 March 2018 £000
Future minimum lease payments:		
Not later than one year	7,327	7,137
Later than one year and not later than five years	8,465	8,309
Later than 5 years	10,856	324
Total	26,648	15,770
Future minimum sublease payments to be received	(512)	(549)

	Land £000	Buildings £000	Other £000
2018 /19 Future minimum lease payments due:			
Not later than one year	273	4,335	2,719
Later than one year and not later than five years	90	120	8,255
Later than 5 years	-	-	10,856
Total	363	4,455	21,830

The future minimum lease payment- other includes forecast sums due to Vital Energy for energy efficiency schemes.

The Foundation Trust has operating leases for a number of buildings used to provide community-based patient care services and administrative accommodation. The plant and machinery leases are for clinical and non-clinical equipment and a number of leased vehicles including those used by the Foundation Trust's Transport Department and staff providing community clinical activity services.

12 Finance income (Group)

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

	2018/19 £000	2017/18 £000
Interest on bank accounts	485	191
NHS charitable fund investment income	131	101
Total	616	292

13.1 Finance expenditure (Group)

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

	2018/19 £000	2017/18 £000
Interest expense:		
Loans from the Department of Health and Social Care	218	233
Interest on late payment of commercial debt	26	26
Main finance costs on PFI and LIFT schemes obligations	4,759	4,915
Contingent finance costs on PFI and LIFT scheme obligations	2,942	2,609
Total interest expense	7,945	7,783
Unwinding of discount on provisions	(88)	4
Total finance costs	7,857	7,787

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

	2018/19 £000	2017/18 £000
Total liability accruing in year under this legislation as a result of late payments	26	26
Amounts included within interest payable arising from claims made under this legislation	26	26

14 Other gains / (losses) (Group)

	2018/19 £000	2017/18 £000
Gains on disposal of assets	43	0
Total other gains / (losses)	43	0

15 Trust income statement and statement of comprehensive income

In accordance with Section 408 of the Companies Act 2006, the Trust is exempt from the requirement to present its own income statement and statement of comprehensive income. The trust's surplus/(deficit) for the period was £9.9 million (2017/18: (£2.8) million). The Trust's total comprehensive income/(expense) for the period was £0 million (2017/18: £10.0 million).

16.1 Intangible assets - 2018/19

Group (all Group intangible assets belong to the Trust)	Software licenses £000	Licenses and trademarks £000	Total £000
Valuation/gross cost at 1 April 2018 - brought forward	11,899	4	11,903
Additions	490	-	5,940
Valuation / gross cost at 31 March 2019	12,389	4	17,843
Amortisation at 1 April 2018 - brought forward	8,191	-	8,191
Provided during the year	1,192	-	1,192
Amortisation at 31 March 2019	9,383	-	9,383
Net book value at 31 March 2019	3,006	4	8,460
Net book value at 1 April 2018	3,708	4	3,712

16.2 Intangible assets - 2017/18

Group	Software licenses £000	Licenses and trademarks £000	Total £000
Valuation/gross cost at 1 April 2017 - brought forward	11,149	4	11,153
Additions	750	-	750
Valuation / gross cost at 31 March 2018	11,899	4	11,903
Amortisation at 1 April 2017	7,118	-	7,118
Provided during the year	1,072	-	1,072
Amortisation at 31 March 2018	8,191	-	8,191
Net book value at 31 March 2018	3,708	4	3,712
Net book value at 1 April 2017	4,030	4	4,034

The Foundation Trust does not have a balance in the revaluation reserve that is attributable to intangible assets.

17.1 Property, plant and equipment 2018/19

Group	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets Under construction £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture and fittings £000	Total £000
Valuation/gross cost at 1 April 2018 - brought forward	10,000	195,523	1,414	1,842	48,724	110	20,995	2,791	281,399
Additions	-	4,000	-	2,067	5,174	-	1,636	-	12,877
Impairments	-	(4,592)	-	-	-	-	-	-	(4,592)
Reversals of impairments	-	1,688	-	-	-	-	-	-	1,688
Revaluations	-	(9,383)	-	-	-	-	-	-	(9,383)
Reclassifications	-	334	-	(2,387)	(271)	-	2,324	-	-
Disposals / derecognition	-	-	-	-	(43)	-	-	-	(43)
Valuation/gross cost at 31 March 2019	10,000	187,570	1,414	1,522	53,584	110	24,955	2,791	281,946
Accumulated depreciation at 1 April 2018 - brought forward	-	1,009	0	-	36,338	98	11,613	2,209	51,267
Provided during the year	-	4,406	36	-	2,878	2	2,177	288	9,787
Revaluations	-	(3,852)	39	-	-	-	-	-	(3,813)
Disposals / derecognition	-	-	-	-	(43)	-	-	-	(43)
Accumulated depreciation at 31 March 2019	-	1,563	75	-	39,173	100	13,790	2,497	57,198
Net book value at 31 March 2019	10,000	186,006	1,339	1,522	14,411	11	11,165	294	224,749
Net book value at 1 April 2018	10,000	194,513	1,414	1,842	12,386	13	9,382	582	230,133

17.2 Property, plant and equipment 2017/18

Group	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets Under construction £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture and fittings £000	Total £000
Valuation/gross cost at 1 April 2017 - brought forward	7,000	207,035	1,272	560	45,021	110	16,011	2,776	279,786
Additions	-	5,090	-	1,282	3,726	-	4,984	14	15,097
Impairments	-	(21,497)	-	-	-	-	-	-	(21,497)
Reversals of impairments	-	1,611	-	-	-	-	-	-	1,611
Revaluations	3,000	3,283	142	-	-	-	-	-	6,425
Disposals / derecognition	-	0	-	-	(23)	-	-	-	(23)
Valuation/gross cost at 31 March 2018	10,000	195,523	1,414	1,842	48,724	110	20,995	2,791	281,399
Accumulated depreciation at 1 April 2017 - as previously stated	-	(0)	0	-	33,901	95	9,885	1,898	45,780
Accumulated depreciation at 1 April 2017 - restated	-	(0)	0	-	33,901	95	9,885	1,898	45,780
Provided during the year	-	5,560	21	-	2,437	2	1,727	311	10,058
Impairments	-	(1,100)	-	-	-	-	-	-	(1,100)
Reversals of impairments	-	(88)	-	-	-	-	-	-	(88)
Revaluations	-	(3,363)	(21)	-	-	-	-	-	(3,384)
Accumulated depreciation at 31 March 2018	-	1,009	0	-	36,338	98	11,613	2,209	51,267
Net book value at 31 March 2018	10,000	194,513	1,414	1,842	12,386	13	9,382	582	230,133
Net book value at 1 April 2017	7,000	207,035	1,272	560	11,120	15	6,126	878	234,006

As at 31 March 2019 the Foundation Trust had no land, buildings or dwellings valued at open market values.

Key additions during the year include investment to replace the Foundation Trust's digital network; replacement of medical equipment including patient monitoring and diagnostic equipment and maintenance spend on the Foundation Trust's estate.

17.3 Property, plant and equipment financing - 2018/19

Group (all property, plant and equipment owned by Group is owned by the Trust)	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets Under construction £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture and fittings £000	Total £000
Net book value at 31 March 2019									
Owned - purchased	10,000	90,709	(0)	1,522	14,346	11	11,165	293	128,047
On-SoFP PFI contracts and other service concession arrangements	-	89,545	1,339	-	-	-	-	-	90,884
Owned - donated	-	5,752	-	-	65	-	-	1	5,818
NBV total at 31 March 2019	10,000	186,006	1,339	1,522	14,411	11	11,165	294	224,749

17.4 Property, plant and equipment financing - 2017/18

Group	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets Under construction £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture and fittings £000	Total £000
Net book value at 31 March 2018									
Owned - purchased	10,000	100,429	0	1,842	12,297	13	9,382	580	134,543
On-SoFP PFI contracts and other service concession arrangements	-	87,735	1,414	-	-	-	-	-	89,149
Owned - donated	-	6,349	-	-	90	-	-	2	6,441
NBV total at 31 March 2018	10,000	194,513	1,414	1,842	12,386	13	9,382	582	230,133

18 Revaluations of property, plant and equipment

As at 31 March 2019, the Valuation Office Agency provided a valuation of the Foundation Trust's land and building assets (estimated financial value and estimated remaining useful life) applying a modern equivalent asset method of valuation. The methodology employed to provide the valuation for 2018/19 has been on a suitable alternative site basis i.e. a valuation based on a modern equivalent asset provided on a suitable alternative site built to accommodate existing services. This valuation, based on estimates provided by a qualified professional, led to an decrease in the reported value of the Foundation Trust's building asset values. The carrying value of the Foundation Trust's land assets remains unchanged. The carrying value of building assets - including PFI buildings - has a net overall decrease of £8,474k; of which £2,904k has been charged to the Statement of Comprehensive Income and £5,570k charged to the Revaluation Reserve.

The Foundation Trust's PFI assets have been valued using the modern equivalent asset method at depreciated replacement cost excluding VAT. By excluding VAT the Foundation Trust is accurately reflecting the depreciated replacement cost as a replacement asset would also be funded by PFI and, by the nature of the contract, recover VAT.

19 Other investments financial assets (non-current)

All investments within the Group are owned by the Charity	Group	
	2018/19 £000	2017/18 Restated £000
Carrying value at 1 April - bought forward	4,319	4,302
Movement in fair value through OCI	195	43
Disposals	(26)	(26)
Carrying value at 31 March	4,488	4,319

The Foundation Trust has an associate entity in North West e Health Limited (NWEH). The company was established on 1 November 2016 and the Foundation Trust has a 40% shareholding with the remaining shares owned by the University of Manchester (40%) and Salford Clinical Commissioning Group (20%). The cost of the shares to the Foundation Trust was nil.

NWEH was established as a not-for-profit partnership for the Foundation Trust, University of Manchester and Salford CCG initially to develop tools to support clinical research and translation into quality clinical practice. It has developed a suite of software and related services to support clinical trials which is where the newly established entity plans to further develop electronic health solutions to support randomised controlled trials.

Associate entities are those over which the Foundation Trust has the power to exercise a significant influence. Associate entities are recognised in the Trust's financial statement using the equity method. The investment is initially recognised at cost in both the Foundation Trust accounts and the consolidated group accounts. It is increased or decreased subsequently to reflect the Foundation Trust's share of the entity's profit or loss or other gains and losses (e.g. revaluation gains on the entity's property, plant and equipment) following acquisition.

It is also reduced when any distribution, e.g., share dividends are received by the Foundation Trust from the associate.

The Foundation Trust has assessed the value of NWEH at the reporting date and considers the net asset value to be nil. The entity is reporting a deficit of £2,177k as at 31 March 2019 which the Foundation Trust has not recognised in these accounts as there is no legal or constructive obligation on the Foundation Trust to do so.

The Foundation Trust has two other projects that it classes as jointly controlled operations. These are the Sterile Services Decontamination Unit (SSDU) and Pathology At Wigan and Salford (PAWS).

The SSDU and PAWS projects are jointly controlled with Wrightington, Wigan and Leigh NHS Foundation Trust providing essential clinical and support services to both Foundation Trusts.

20 Disclosure of interests in other entities

The Foundation Trust does not have interests in other non-consolidated entities.

21 Analysis of charitable fund reserves

The Salford Royal Charitable Fund (registration number 1049226) is consolidated in the accounts of the Foundation Trust.

	31 March 2019 £000	31 March 2018 £000
Unrestricted funds:		
Unrestricted income funds	5,185	4,973
Restricted funds:		
Endowment funds	11	11
Other restricted income funds	25	25
Total	5,221	5,009

Unrestricted income funds are accumulated income funds that are expendable at the discretion of the trustees in furtherance of the charity's objects. Unrestricted funds may be earmarked or designated for specific future purposes which reduces the amount that is readily available to the charity.

Restricted funds may be accumulated income funds which are expendable at the trustee's discretion only in furtherance of the specified conditions of the donor and the objects of the charity. They may also be capital funds (e.g. endowments) where the assets are required to be invested, or retained for use rather than expended.

22 Inventories

	Group	
	31 March 2019 £000	31 March 2018 £000
All Group inventories are owned by the Trust		
Drugs	2,047	1,406
Consumables	2,611	2,503
Energy	72	85
Total inventories	4,729	3,993

Inventories recognised in expenses for the year were £62,655k (2017/18: £60,076k). Write-down of inventories recognised as expenses for the year were £35k (2017/18: £49k).

23.1 Receivables

	Group		Trust	
	31 March 2019 £000	31 March 2018 Restated £000	31 March 2019 £000	31 March 2018 £000
Current				
Contract receivables*	67,146	-	67,602	-
Trade receivables*	-	55,253	-	55,802
Accrued income*	-	20,432	-	20,432
Allowance for impaired contract receivables / assets*	(1,958)	-	(1,958)	-
Allowance for other impaired receivables	-	(2,267)	-	(2,267)
Prepayments (non-PFI)	5,080	7,160	5,080	7,160
PFI lifecycle prepayments	3,489	2,451	3,489	2,451
PDC dividend receivable	1,281	652	1,281	652
VAT receivable	1,156	1,380	1,156	1,380
NHS charitable funds: trade and other receivables	83	20	-	115
Total current receivables	76,277	85,080	76,650	85,724
Prior period adjustment for Charitable funds receivables	-	95	-	-
Restated total current receivables	76,277	85,175	76,650	85,724
Non-current				
Contract receivables*	5,399	-	5,399	-
Allowance for impaired contract receivables / assets*	(944)	-	(944)	-
Allowance for other impaired receivables	-	(533)	-	(533)
Other receivables	-	2,335	-	2,335
Total non-current receivables	4,455	1,802	4,455	1,802
Of which receivable from NHS and DHSC group bodies:				
Current	54,531	55,672	54,531	55,672

*Following the application of IFRS 15 from 1 April 2018, the Foundation Trust's entitlements to consideration for work performed under contracts with customers are shown separately as contract receivables and contract assets. This replaces the previous analysis into trade receivables and accrued income. IFRS 15 is applied without restatement therefore the comparative analysis of receivables has not been restated under IFRS 15.

In previous years accounts Trade receivables were stated as the combined total for Charity and Foundation Trust, these are now analysed separately.

Non-current contract receivables relates to income due from the NHS Injury Cost Recovery Scheme.

A Provider Sustainability Fund (PSF) has been made available to NHS providers in 2018/19, linked to the achievement of financial controls and A&E performance standards. The Foundation Trust received 70% of its available PSF payment of £10,280k (2017/18 78%-£10,444k). The Foundation Trust has been notified of additional PSF in 2018/19 relating to share of Greater Manchester incentive payment (£884k); PSF incentive payment (£3,490k) and PSF incentive (general distribution) (£6,716k) and PSF bonus funding (£1,480k) - a total of £22,850k. As not all PSF payments have been made as at 31 March 2019, an amount of £16,168k is included in contract receivables.

23.2 Allowances for credit losses - 2018/19

All of the Group's allowances for credit losses relate to the Trust's transactions	Contract receivables and contract assets £000	All other receivables £000
Allowances as at 1 April 2018 - brought forward	-	2,800
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018	2,800	(2,800)
New allowances arising	1,105	-
Reversals of allowances	(938)	-
Utilisation of allowances (write offs)	(65)	-
Allowances as at 31 March 2019	2,902	0

The Groups receivables reviewed under IFRS 15 and are deemed to be contract receivables. As such the allowances for credit loss are now categorised as allowances for credit loss on contract receivables.

The provision for impairment of receivables is only applied to receivables owed to the Trust (and not to the Charitable Fund) estimated based on three key factors:

- For NHS receivables, a provision is made where another NHS body registers a dispute against the value invoiced by the Foundation Trust where, in the opinion of Trust management, it is possible that following investigation, all or part of the charge will be reversed.
- For receivables expected from claims made via the NHS Injury Recovery scheme, a provision for impairment is made based on the percentage probability of not receiving income set out in the Government Accounting Manual.
- For receivables due from non-NHS customers, a provision for impairment is made based on an estimate of the value of outstanding debt that may not be recoverable even in those cases where legal judgement is given in favour of the Foundation Trust.

23.3 Allowances for credit losses - 2017/18

IFRS 9 and IFRS 15 are adopted without restatement therefore this analysis is prepared in line with the requirements of IFRS 7 prior to IFRS 9 adoption. As a result it differs in format to the current period disclosure.

	Group All receivables £000
Allowances as at 1 April 2017 - as previously stated	2,639
Allowances as at 1 April 2017 - restated	2,639
Increase in provision	1,539
Amounts utilised	(177)
Unused amounts reversed	(1,201)
Allowances as at 31 March 2018	2,800

23.4 Exposure to credit risk

Because the majority of the Foundation Trust's income comes from contracts with other public sector bodies, the Foundation 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 notes.

24.1 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	Group		Trust	
	2018/19 £000	2017/18 £000	2018/19 £000	2017/18 £000
At 1 April	55,128	58,750	53,884	57,886
Net change in year	25,174	(3,622)	25,306	(4,002)
At 31 March	80,032	55,128	79,190	53,884
Broken down into:				
Cash at commercial banks and in hand	1,217	1,265	115	237
Cash with the Government Banking Service	79,085	53,863	79,075	53,647
Total cash and cash equivalents as in SoFP	80,032	55,128	79,190	53,884

The Foundation Trust acts as the 'host' NHS body for a number of services which are outside of the foundation trust's core business. These services are for specific areas of development both locally and nationally and cover fields such as research, quality and leadership. The cash balance of these hosted services, including those brought forward from previous years, totalled £10,067k as at 31 March 2019 and is contained within the Foundation Trust's consolidated cash balance.

25.1 Trade and other payables

	Group		Trust	
	31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000
Current				
Trade payables	28,081	16,344	28,075	16,338
Capital payables	4,778	3,918	4,778	3,918
Accruals	74,996	77,609	74,996	77,609
Receipts in advance (including payments on account)	29	629	29	629
Social security costs	7,096	6,659	7,096	6,659
Accrued interest on loans*	-	7	-	7
Other payables	5,047	-	5,047	-
NHS charitable funds: trade and other payables	6	6	6	6
Total current trade and other payables	120,033	105,171	120,027	105,165
Non-current				
Trade payables	60	760	60	760
Total non-current trade and other payables	60	760	60	760
Of which:				
Current	11,550	9,877	11,550	9,877

*Following adoption of IFRS 9 on 1 April 2018, loans are measured at amortised cost. Any accrued interest is now included in the carrying value of the loan within note 27. IFRS 9 is applied without restatement therefore comparatives have not been restated.

25.2 Early retirements in NHS payables above

There are no payments in respect of early retirements included in the above payables.

26 Other liabilities

All Group other liabilities belong to the Trust	31 March 2019 £000	31 March 2018 £000
Current		
Deferred income: contract liabilities	9,410	7,254
Total other current liabilities	9,410	7,254
Non-current		
Deferred income: contract liabilities	1,667	9,477
Net pension scheme liability	18,316	10,862
Total other non-current liabilities	19,983	20,339

Non-current deferred income liabilities have been reclassified during the year to current liabilities or reviewed and released to the Statement of Comprehensive Income as the projects for which deferred income was held have ended. Pension liabilities are set out in note 31 to the accounts.

All other liabilities relate to the Trust. The Charitable Fund did not have any other liabilities in the year ending 31 March 2018 nor the previous year.

27 Borrowings

Group	31 March 2019 £000	31 March 2018 £000
Current		
Loans from DHSC	519	512
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	3,532	3,234
Total current borrowings	4,051	3,746
Non-current		
Loans from DHSC	6,928	7,440
Obligations under PFI, LIFT or other service concession contracts	95,001	98,533
Total non-current borrowings	101,929	105,973

The Foundation Trust's PFI borrowings relate to its two on-Statement of Financial Position privately financed assets - The Maples and the main hospital redevelopment scheme (see note 32). The Maples concession period ends in 2025. The hospital redevelopment concession ends in 2042.

The Foundation Trust borrowed £10 million in 2013/14 to be repaid in equal instalments bi-annually over a 20-year period at a rate of interest of 2.8% to the Department of Health to finance part of its capital expenditure plans during that year.

All borrowings relate to the Foundation Trust. The Charitable Fund did not have any borrowings in either the year ending 31 March 2018 or 31 March 2019

27.1 Reconciliation of liabilities arising from financing activities

Group	Loans from DHSC £000	PFI and LIFT schemes £000	Total £000
Carrying value at 1 April 2018	7,952	101,767	109,719
Cash movements:			
Financing cash flows - payments and receipts of principal	(512)	(3,234)	(3,746)
Financing cash flows - payments of interest	(218)	(4,759)	(4,978)
Non-cash movements:			
Impact of implementing IFRS 9 on 1 April 2018	7	-	7
Application of effective interest rate	218	4,759	4,978
Carrying value at 31 March 2019	7,447	98,533	105,980

The Foundation Trust makes interest payments bi-annually on 18 September and 18 March. The accounts include an accrual for interest payment covering 19 March to 31 March which, as a result of IFRS 9, is classed as liability arising from financing activities.

28 Finance leases

28.1 Salford Royal NHS Foundation Trust as a lessor

There are no future lease receipts due under finance lease agreements where the Foundation Trust or the Charity is the lessor.

28.1 Salford Royal NHS Foundation Trust as a lessee

There are no obligations under finance leases where the Foundation Trust or the Charity is the lessee.

29.1 Provisions for liabilities and charges analysis (Group)

Group	Pensions: injury benefits* £000	Legal claims £000	Re-struct urings £000	Other £000	Total £000
At 1 April 2018	2,529	283	1,158	9,702	13,673
Change in the discount rate	(27)	-	-	-	(27)
Arising during the year	351	152	731	12,322	13,556
Utilised during the year	(98)	(116)	(102)	(4,201)	(4,518)
Reclassified to liabilities held in disposal groups	-	-	-	-	-
Reversed unused	-	(66)	(189)	(2,949)	(3,204)
Unwinding of discount	(2)	-	(86)	-	(88)
At 31 March 2019	2,753	253	1,513	14,873	19,392
Expected timing of cash flows:					
Not later than one year	98	253	273	13,709	14,333
Later than one year and not later than five years	606	-	1,035	1,144	2,785
Later than five years	2,049	(0)	205	20	2,274
Total	2,753	253	1,513	14,873	19,392

29.2 Provisions for liabilities and charges analysis (Trust)

Trust	Pensions: injury benefits* £000	Legal claims £000	Re-struct urings £000	Other £000	Total £000
At 1 April 2018	2,784	262	1,506	5,547	10,099
Change in the discount rate	37	-	9	(0)	46
Arising during the year	159	217	130	7,709	8,215
Utilised during the year	(151)	(117)	(91)	(1,586)	(1,945)
Reversed unused	(304)	(79)	(396)	(1,967)	(2,746)
Unwinding of discount	4	-	-	0	4
At 31 March 2019	2,529	283	1,158	9,702	13,673
Expected timing of cash flows:					
Not later than one year	101	283	387	8,411	9,182
Later than one year and not later than five years	617	-	511	1,290	2,418
Later than five years	1,812	(0)	260	1	2,073
Total	2,529	283	1,158	9,702	13,673

*In 2018/19 the analysis of provisions has been revised to separately identify provisions for injury benefit liabilities. In previous periods, these provisions were included within other provisions.

Provisions for legal claims are based on information supplied by the NHS Resolution. The amount shown is based on the maximum sum the Foundation Trust would be required to fund on the event of a successful claim adjusted by a 'probability of settlement' factor.

The Foundation Trust has made a provision for other liabilities and claims based on information provided by professional advisers.

These include provisions for future pension payments for former staff claiming permanent injury benefit based on information supplied by NHS Pensions Agency and provisions for NHS employment costs.

£217,549k (2017/18 - £202,838k) is included in the provisions of NHS Resolution at 31 March 2019 in respect of clinical negligence liabilities on behalf of the Foundation Trust.

	2018/19 (nominal)	2017/18
Real Discount Rate (0 - 5yrs):	0.76%	-2.42%
Real Discount Rate (5 - 10yrs):	1.14%	-1.85%
Real Discount Rate (over 10yrs):	1.99%	-1.56%

The real discount rate applicable on 31 March 2019 to post employment benefit provisions is 0.29% (2017/18 0.10%).

29.3 Clinical negligence liabilities

At 31 March 2019, £217,549k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Salford Royal NHS Foundation Trust (31 March 2018: £202,838k).

30 Contractual capital commitments

Group	31 March 2019 £000	31 March 2018 £000
Property, plant and equipment	2,895	1,288
Intangible assets	-	-
Total	2,895	1,288

Contractual capital commitments relate to replacing the digital network across the Foundation Trust and a steam replacement scheme. Both these schemes relate to the Foundation Trust.

31 Defined benefit pension schemes

On 1 July 2016 Salford Royal NHS Foundation Trust became the provider of adult social care and adult mental health services for the City of Salford. A number of employees providing adult social care services transferred from Salford City Council to the Foundation Trust and subsequently, the Foundation Trust was admitted as a member of the Greater Manchester Pension Fund (GMPF).

The GMPF scheme is a defined benefit scheme administered by Tameside Metropolitan Borough Council. The Foundation Trust and employees pay contributions to the Fund calculated at a rate intended to balance pension liabilities with pension assets. The Foundation Trust's share of assets and liabilities can be separately identified in the Pension Fund and as at 31 March 2019 the Fund reported a net pension liability (shown in non-current liabilities) of £18,316k (2017/18 - £10,862k).

During 2018/19, a bulk transfer of new scheme members were included for the Foundation Trust following the transfer of 46 staff from The Limes - an intermediate care facility formerly operated by Aspire - to the Foundation Trust employment. The impact of the transfer is to increase the net scheme liabilities by £623k which has been charged to the Foundation Trust's Statement of Comprehensive Income.

The agreement with Salford City Council requires that the actual cost of employer contributions to the pension fund are fully funded through monthly payments to the Foundation Trust. As payments due to the pension fund are able to be estimated with a reasonable level of accuracy and the Foundation Trust is reimbursed on a fixed date each month, membership of the GMPF and employer's payments due do not have a detrimental impact on the foundation trust's cashflow.

The Scheme is a “career average” scheme. Annual pensions are dependent on the number of years an employee has been in the scheme. The current scheme is based on 1/49th of reckonable pay per year of membership. The standard package of benefits includes a pension but not an automatic lump sum. Employees can opt to create a lump sum by giving up a proportion of their pension. In 2018/19 the Foundation Trust’s employer’s contribution to the GMPF was £2,228k (2017/18 - £2,022k) based on 19.7% of employees’ pensionable pay.

The costs of retirement benefits in a defined benefit schemes are recognised when they are earned by employees and not when the benefits are paid as pensions. The additional charge recognised in the Statement of Comprehensive Income is £2,974k.

Hymans Robertson are the scheme actuaries. The pensions liability has been assessed on an actuarial basis using the results of the last formal valuation (31 March 2016) an using estimation to adjust for known changes in assets, pay costs and benefit accruals and FRS102 / IAS19 financial assumptions. The value of fund assets is based on bid value as summarised below:

	Period ended 31 March 2019				Period ended 31 March 2018			
	Quoted price in active market £000	Quoted price note in active market £000	Total £000	% of total assets	Quoted price in active market £000	Quoted price note in active market £000	Total £000	% of total assets
Equity securities	17,402	0	17,402	31%	15,007	0	15,007	31%
Debt securities	3,935	0	3,935	7%	3,522	0	3,552	7%
Private equity	0	2,657	2,657	5%	0	1,602	1,602	3%
Real estate	0	2,695	2,695	5%	0	1,639	1,639	3%
Investment funds and unit trusts	20,990	7,614	28,604	50%	20,423	3,932	24,335	51%
Derivatives	0	29	29	0%	0	0	0	0%
Cash and cash equivalents	1,417	0	1,417	2%	1,751	0	1,751	4%
Total	43,744	12,995	56,739	100%	40,703	7,173	47,876	100%

The actuary’s financial assumptions in calculating the components of the pension expense for the period ended 31 March 2019 were:

Period ended	31 March 2019 % per year £000	31 March 2018 % per year £000
Pension increase rate	2.5%	2.4%
Salary increase rate	3.3%	3.2%
Discount rate	2.4%	2.7%

The principal risks to the accuracy of the amounts included in these accounts describing the scheme value and projections are accuracy of longevity assumptions, statutory changes to the scheme, the accuracy of the discount rate applied, structural changes to the scheme (e.g. large scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme.

Mortality (longevity) assumptions have been applied to the estimated pension valuation with current pensioners given a life expectancy at 65 years of age of 21.5 years (male) and 24.1 years (female) and future pensioners 23.7 years (male) and 26.2 years (female) - assuming future pensioners are aged 45 at the last formal valuation date.

A sensitivity analysis has been completed and the table below summarises the estimated change to scheme liabilities if principal actuarial assumptions are adjusted:

Sensitivity - changes to assumptions at 31 March 2019	Approximate increase to obligation %	Approximate value %
0.5% decrease in real discount rate	13.0%	9,662
0.5% increase in salary increase rate	3.0%	2,249
0.5% increase in pension increase rate	10.0%	7,177

Looking ahead to 2019/20, the projected charge to expenses is £5,026k. The contributions paid by the Foundation Trust as employer are set by the Fund Actuary at the triennial valuation (with the most recent being 31 March 2016). Employers contributions are estimated to be £2,140k in 2019/20.

2019/20 projections	Assets £000	Obligations £000	Net (liability) / asset £000	% of pay
Projected service cost	0	4,558	(4,558)	-42.0%
Total service cost	0	4,558	(4,558)	-42.0%
Interest income on plan assets	1,396	0	1,396	12.8%
Interest cost on defined benefit obligation	0	1,864	(1,864)	-17.2%
Total net interest cost	1,396	1,864	(468)	-4.3%
Projected defined benefit cost for the period to 31 March 2020	1,396	6,422	(5,026)	-46.3%

31.1 Changes in the defined benefit obligation and fair value of plan assets during the year

Group	2018/19 £000	2017/18 £000
Present value of the defined benefit obligation at 1 April - restated	(58,738)	(55,268)
Current service cost	(4,172)	(4,034)
Interest cost	(1,778)	(1,497)
Contribution by plan participants	(734)	(680)
Remeasurement of the net defined benefit (liability) / asset:		
Actuarial (gains)/losses	(6,925)	(2,770)
Past service costs	(48)	(29)
Business combinations	(2,660)	-
Present value of the defined benefit obligation at 31 March	(75,055)	(58,738)
Plan assets at fair value at 1 April	47,876	43,803
Prior period adjustment	-	-
Plan assets at fair value at 1 April - restated	47,876	43,803
Interest income	1,428	1,173
Remeasurement of the net defined benefit (liability) / asset:		
Return on plan assets	2,445	198
Contributions by the employer	2,228	2,022
Contributions by the plan participants	734	680
Business combinations	2,028	-
Plan assets at fair value at 31 March	56,739	47,876
Plan deficit at 31 March	(18,316)	(10,862)

31.2 Reconciliation of the present value of the defined benefit obligation and the present value of the plan assets to the assets and liabilities recognised in the balance sheet

Group	31 March 2019 £000	31 March 2018 £000
Present value of the defined benefit obligation	(75,055)	(58,738)
Plan assets at fair value	56,739	47,876
Net (liability) / asset recognised in the SoFP	(18,316)	(10,862)

31.3 Amounts recognised in the SoCI

Group	2018/19 £000	2017/18 £000
Current service cost	(4,172)	(4,034)
Interest expense / income	(350)	(324)
Past service cost	(48)	(29)
Business combinations	(632)	-
Losses on curtailment and settlement	-	-
Total net charge recognised in SOCI	(5,202)	(4,387)

32 On-SoFP PFI, LIFT or other service concession arrangements

The Maples PFI scheme

The Maples scheme is for the provision of long-term clinical accommodation and hotel services for patients with acute neuro rehabilitation requirements. There are no guarantees, obligations or other rights associated with the scheme.

There are no deferred assets or residual interests associated with the Maples PFI transaction. The Maples scheme commenced in March 2000 with a 25 year concession period. At the end of the agreement, the Foundation Trust has a right to purchase the asset at open market value. The unitary payment for the Maples is subject to annual increase which is based on a formula that uses movements in the value of the retail price index calculated annually from February to February.

The Hospital Redevelopment PFI Scheme

The hospital redevelopment scheme is for the provision of clinical and non-clinical accommodation through an agreement with Consort, the PFI partner. This has been achieved by the construction of two new buildings and the development of link corridors to join existing Foundation Trust owned buildings to the PFI buildings.

The agreement also includes the provision of a number of services to the Foundation Trust by Consort including building maintenance and lifecycle services, grounds and gardens maintenance, security services, pest control, utilities and a helpdesk facility.

continued next page

The hospital redevelopment scheme commenced in 2007 with a 35 year concession period which ends in 2042. At the end of the agreement, the assets will pass to the Foundation Trust for nil consideration.

The full annual unitary payment is subject to annual increase in line with changes in the retail price index, calculated annually from February to February. Each 1% rise in the RPI index increases the unitary payment made by the Trust by c. £160k. RPI for 2018/19 applied to the PFI scheme was 3.6%, this will be 2.5% in 2019/20.

During 2013/14, the operator recalculated the financial model that sets the value of the unitary payment. The full impact of this recalculation is included in these financial results.

A limited number of the services provided within the agreement maybe subject to market testing every five years beginning in 2011 as required by the Foundation Trust. These eligible services include security services and pest control services. No market testing was undertaken in 2018/19.

Under the terms of the Project Agreement, the Foundation Trust has the right to use the assets built by Consort that are included as part of the scheme to deliver services to the public.

The agreement includes sections relating to termination of the contract. Termination may be implemented in the event of significant failures on the part of the PFI project company to deliver the specified level of quality and services, including completing construction of the assets by the agreed 'long-stop' dates. Other actions leading to a right to terminate include the project company becoming insolvent, undertaking a change in control outside of the scope allowed in the agreement, having a serious breach of health and safety law or a failure to pay the Foundation Trust material sums due on time.

The project agreement does not include renewal clauses. At the end of the concession period, all assets revert to the Foundation Trust.

During the concession period, the building assets are required to be maintained at a specified level of condition and service. The PFI project company manages and maintains a lifecycle plan to ensure that the assets remain in the specified condition. During the concession period it is likely that major works such as lift replacements and window replacements will be necessary. These will be the responsibility of the PFI project company.

Having considered the content included in International Financial Reporting Standards in respect of service concession arrangements, in particular International Financial Reporting Interpretations Committee (IFRIC) publication 12, the hospital redevelopment project has been classed as a service concession arrangement for the provision of infrastructure.

Under International Financial Reporting Interpretation Committee guidance 12 (IFRIC 12), both the Maples and the hospital redevelopment assets are treated as assets of the Foundation Trust. The substance of the contracts are that the Foundation Trust has a finance lease and the payment streams comprise two elements - imputed finance lease charges and service charges.

32.1 Imputed finance lease obligations

The following are obligations in respect of the finance lease element of on-Statement of Financial Position PFI and LIFT schemes:

	Group	
	31 March 2019 £000	31 March 2018 £000
Gross PFI, LIFT or other service concession liabilities	159,519	167,513
Of which liabilities are due		
Not later than one year;	8,138	7,995
later than one year and not later than five years	31,029	31,959
Later than five years	120,352	127,560
Finance charges allocated to future periods	(60,986)	(65,746)
Net PFI, LIFT or other service concession arrangement obligation	98,533	101,767
Not later than one year;	3,532	3,234
later than one year and not later than five years	14,340	14,581
Later than five years	80,661	83,952

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

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

	Group	
	31 March 2019 £000	31 March 2018 £000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	549,843	567,544
Of which liabilities are due		
Not later than one year;	18,143	17,701
later than one year and not later than five years	77,216	75,332
Later than five years	454,484	474,511

32.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the unitary payments made to the service concession operator:

	Group	
	2018/19 £000	2017/18 £000
Unitary payment payable to service concession operator	17,091	16,423
Consisting of:		
Interest charge	4,759	4,915
Repayment of finance lease liability	3,234	3,289
Service element and other charges to operating expenditure	5,117	4,833
Capital lifecycle maintenance	-	778
Revenue lifecycle maintenance	-	-
Contingent rent	2,942	2,609
Addition to lifecycle prepayment	1,039	-
Total amount paid to service concession operator	17,091	16,423

33 Off-SoFP PFI, LIFT and other service concession arrangements

The Foundation Trust does not have any off-SoFP PFI or LIFT arrangements.

34 Financial instruments

34.1 Financial risk management

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 service provider relationship that the Foundation Trust has with clinical commissioning groups, NHS England and local authorities and the way those commissioners of healthcare are financed, the 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 Foundation Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Foundation Trust in undertaking its activities.

The Foundation Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the policy agreed by the board of directors. The Foundation Trust's 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. The Foundation Trust has no overseas operations. The Foundation Trust therefore has low exposure to currency rate fluctuations.

Interest rate risk

The Foundation Trust is permitted to borrow to fund capital expenditure, subject to affordability as confirmed by Monitor, the Independent Regulator of Foundation Trusts.

In 2014, the Foundation Trust borrowed £10 million from the Department of Health at a fixed rate of interest of 2.80%. £7,447k of this loan remained outstanding at 31 March 2019 and therefore the Foundation Trust has a low exposure to interest rate risk.

Credit risk

Because the majority of the Foundation Trust's income comes from contracts with other public sector bodies, the Foundation Trust has low exposure to credit risk. The maximum exposures as at 31 March 2019 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk

The Foundation Trust's operating income is received under contracts with CCGs, NHS England and local authorities, which are financed from resources voted annually by Parliament. The Foundation Trust funds its capital expenditure from internally generated resources plus a fixed interest loan from the Department of Health. The Foundation Trust is not, therefore, considered to be exposed to significant liquidity risks.

Charitable Fund investment

The Charity's investments are managed by the investment managers, Investec, on a discretionary basis with an objective to provide a balance between capital growth and income whilst maintaining a medium level of risk. The Charitable Funds Committee receives regular updates from the investment advisers including full quarterly reports and uses this information to review and confirm the policy on managing the portfolio. The value of the investment portfolio at 31 March 2019 is £4,488k (31 March 2018-£4,319k) and generated income of £131k (2017/18-£101k). The Charitable Funds Committee Chairman and the Executive Director of Finance are notified if the portfolio value falls by a material sum and advice on required actions to minimise risk is taken from the investment managers.

34.2 Carrying values of financial assets

IFRS 9 Financial Instruments is applied retrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

Group	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total book value £000
Carrying values of financial assets as at 31 March 2019 under IFRS 9				
Trade and other receivables excluding non financial assets	69,643	-	-	69,643
Other investments / financial assets	-	-	-	-
Cash and cash equivalents	79,190	-	-	79,190
Consolidated NHS Charitable fund financial assets	5,683	-	-	5,683
Total at 31 March 2019	154,516	-	-	154,516

Group	Loans and receivables £000	Assets at fair value through the I&E £000	Held to maturity £000	Available-for-sale £000	Total book value £000
Carrying values of financial assets as at 31 March 2018 under IAS 39					
Trade and other receivables excluding non financial assets	75,884	-	-	-	75,884
Other investments / financial assets	-	-	-	-	-
Cash and cash equivalents	53,884	-	-	-	53,884
Consolidated NHS Charitable fund financial assets	1,264	-	-	4,321	5,586
Total at 31 March 2018	131,032	-	-	4,321	135,353

Trust	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total book value £000
Carrying values of financial assets as at 31 March 2019 under IFRS 9				
Trade and other receivables excluding non financial assets	70,099	-	-	70,099
Other investments / financial assets	-	-	-	-
Cash and cash equivalents	79,190	-	-	79,190
Total at 31 March 2019	149,289	-	-	149,289

Trust	Loans and receivables £000	Assets at fair value through the I&E £000	Held to maturity £000	Available-for-sale £000	Total book value £000
Carrying values of financial assets as at 31 March 2018 under IAS 39					
Trade and other receivables excluding non financial assets	76,548	-	-	-	76,548
Cash and cash equivalents	53,884	-	-	-	53,884
Total at 31 March 2018	130,431	-	-	-	130,431

34.3 Carrying values of financial liabilities

IFRS 9 Financial Instruments is applied retrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

Group	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Carrying values of financial liabilities as at 31 March 2019 under IFRS 9			
Loans from the Department of Health and Social Care	7,447	-	7,447
Obligations under PFI, LIFT and other service concession contracts	98,533	-	98,533
Trade and other payables excluding non financial liabilities	112,962	-	112,962
Total at 31 March 2019	218,942	-	218,942

Group	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Carrying values of financial liabilities as at 31 March 2018 under IAS 39			
Loans from the Department of Health and Social Care	7,952	-	7,952
Obligations under PFI, LIFT and other service concession contracts	101,767	-	101,767
Trade and other payables excluding non financial liabilities	98,637	-	98,637
Provisions under contract	13,077	-	13,077
Total at 31 March 2018	221,433	-	221,433

Trust	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Carrying values of financial liabilities as at 31 March 2019 under IFRS 9			
Loans from the Department of Health and Social Care	7,447	-	7,447
Obligations under PFI, LIFT and other service concession contracts	98,533	-	98,533
Trade and other payables excluding non financial liabilities	113,418	-	113,418
Total at 31 March 2019	219,398	-	219,398

Trust	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Carrying values of financial liabilities as at 31 March 2018 under IAS 39			
Loans from the Department of Health and Social Care	7,952	-	7,952
Obligations under PFI, LIFT and other service concession contracts	101,767	-	101,767
Trade and other payables excluding non financial liabilities	99,301	-	99,301
Provisions under contract	13,077	-	13,077
Total at 31 March 2018	222,097	-	222,097

34.4 Fair values of financial assets and liabilities

The fair value of all assets and liabilities is reported as being equal to their book value which the Trust considers to be materially the same as the fair value.

34.5 Maturity of financial liabilities

	Group		Trust	
	31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000
In one year or less	116,494	110,427	116,488	110,312
In more than one year but not more than two years	4,419	5,354	4,419	5,354
In more than two years but not more than five years	11,968	14,233	11,968	14,233
In more than five years	86,060	91,419	86,060	91,419
Total	218,942	221,433	218,936	221,318

35 Losses and special payments

Group and Trust	2018/19		2017/18	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Cash losses*	17	7	7	1
Bad debts and claims abandoned				
- Private Patients	49	25	-	-
- Overseas visitors	8	16	-	-
- Other	60	17	41	2
Stores losses and damage to property	4	36	2	49
Total losses	138	100	50	52
Special payments				
Ex-gratia payments				
- Loss of personal effects	19	15	6	1
- Personal injury with advice	35	250	36	238
- Other employment payments	5	110	14	478
Total special payments	59	375	56	716
Total losses and special payments	197	476	106	769

*Cash losses relate to overpayment of salary which has not been recovered.

36.1 Initial application of IFRS 9

IFRS 9 Financial Instruments as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to reserves on 1 April 2018.

IFRS 9 replaces IAS 39 and introduces a revised approach to classification and measurement of financial assets and financial liabilities, a new forward-looking 'expected loss' impairment model and a revised approach to hedge accounting.

Under IFRS 9, borrowings from the Department of Health and Social Care, which were previously held at historic cost, are measured on an amortised cost basis. Consequently, on 1 April 2018 borrowings increased by £7k, and trade payables correspondingly reduced.

Reassessment of allowances for credit losses under the expected loss model resulted in a £0k decrease in the carrying value of receivables.

The GAM expands the definition of a contract in the context of financial instruments to include legislation and regulations, except where this gives rise to a tax. Implementation of this adaptation on 1 April 2018 has led to the classification of receivables relating to Injury Cost Recovery as a financial asset measured at amortised cost. The carrying value of these receivables at 1 April 2018 was £0k.

36.2 Initial application of IFRS 15

IFRS 15 Revenue from Contracts with Customers as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to the income and expenditure reserve on 1 April 2018.

IFRS 15 introduces a new model for the recognition of revenue from contracts with customers replacing the previous standards IAS 11, IAS 18 and related Interpretations. The core principle of IFRS 15 is that an entity recognises revenue when it satisfies performance obligations through the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services.

As directed by the GAM, the Trust has applied the practical expedient offered in C7A of the standard removing the need to retrospectively restate any contract modifications that occurred before the date of implementation (1 April 2018).

37 Related parties

Salford Royal NHS Foundation Trust is a public interest body authorised by NHS Improvement.

Certain members of the Board of Directors, key members of staff (or parties related to them) and members of the Council of Governors have connections with organisations which also have transactions with the Foundation Trust. These are listed below.

Other related parties include local authorities, HM Revenue and Customs, the NHS Pensions Agency and Greater Manchester Pension Fund

The Department of Health is regarded as a related party and the parent organisation of the Trust. During the year Salford Royal NHS Foundation Trust has had a significant number of material transactions with the Department itself, and with other NHS bodies for which the Department is also regarded as the parent Department. These entities include:

Related parties include but are not limited to:

- The Department of Health and Social Care
- Other NHS providers
- CCGs and NHS England
- Other health bodies
- Other Government departments
- Local authorities

The following transactions have been made in 2018/19 with related parties:

- £327.6k with The Christie NHS Foundation Trust
- £103.3k with the University of Salford
- £0.1k with the Institute of Directors

The Foundation Trust also received revenue income from Salford Royal NHS Foundation Trust Charitable Fund of which it is a corporate trustee. Amounts relating to the charitable fund are consolidated into the group results in these financial statements.

38 Prior period adjustments

There are no material prior period adjustments. A number of adjustments have been made to the Charity accounts as set out in note 1a.

39 Events after the reporting date

There are no events to report after the reporting period.

Contacting Salford Royal

Salford Royal welcomes feedback from patients about its services. There are a number of different ways in which you can contact us or give us your views.

If you have an issue which you wish to raise about your care then you should initially discuss this with the ward or departmental staff in the area you are being cared for. Local staff are usually best placed to be able to answer questions about your own care, or those of your relatives.

We recognise that in some circumstances patients or relatives may prefer to discuss the matter with someone not directly involved in their care. In those circumstances you can also contact the Patient Advice and Liaison Service (PALS) on:

Tel: **0161 206 2003**

You can also email: **pals@srft.nhs.uk**

Social media

You can follow the Trust and its news and events on Twitter or Facebook @SalfordRoyalNHS

Report publication

The Annual Report, Quality Report and Annual Accounts are published on line at www.srft.nhs.uk

A printed copy is available free of charge, and in different formats, by contacting the Communications Department on:

Tel: **0161 918 4284**

or email: **enquiries@srft.nhs.uk**

Salford Royal **NHS**
NHS Foundation Trust

University Teaching Trust

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