



**South Tyneside**  
NHS Foundation Trust

# **ANNUAL REPORT & ACCOUNTS**

## **2018/19**



**SOUTH TYNESIDE NHS FOUNDATION TRUST**

**Annual Report and Accounts 2018/19**

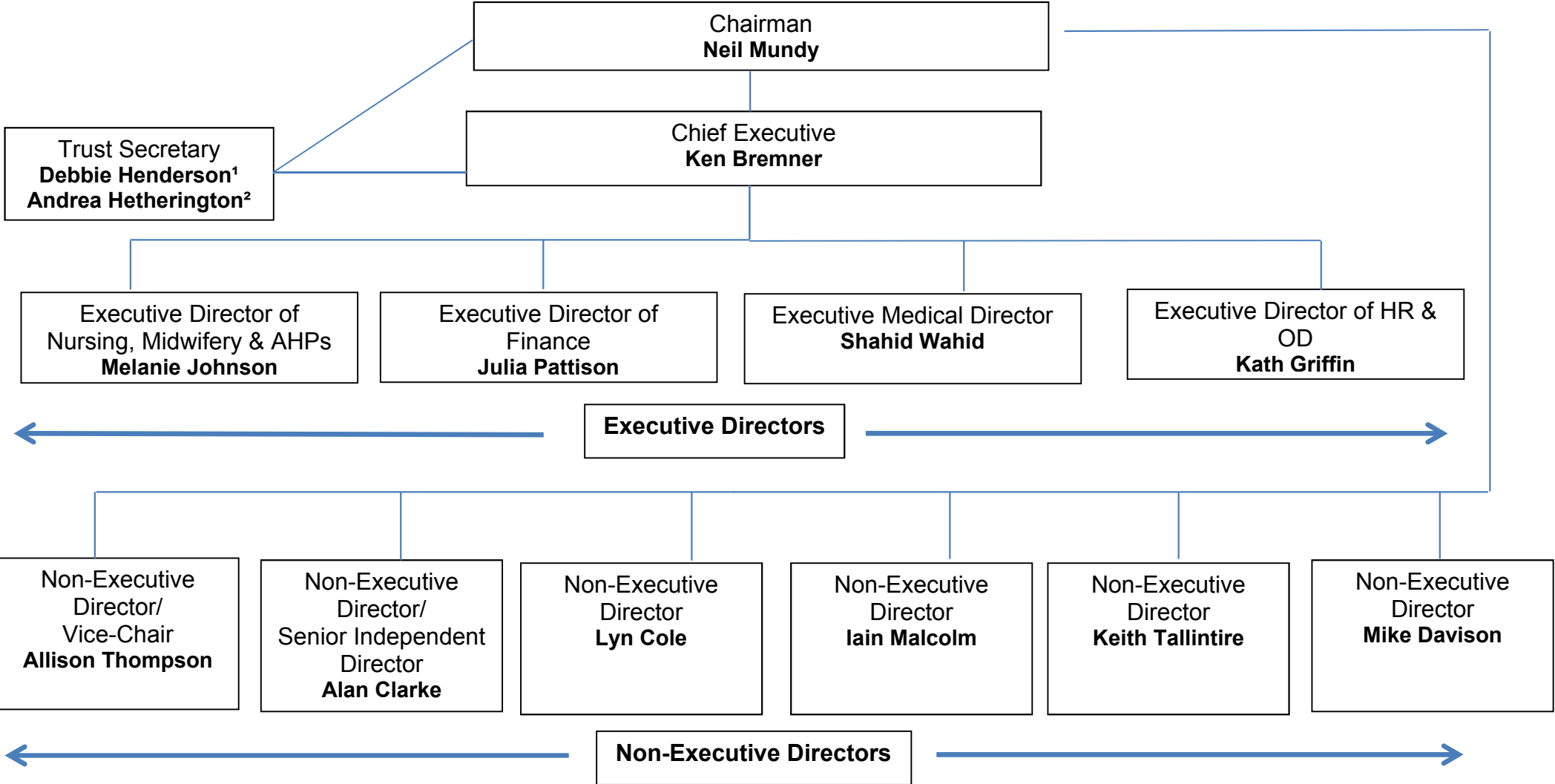
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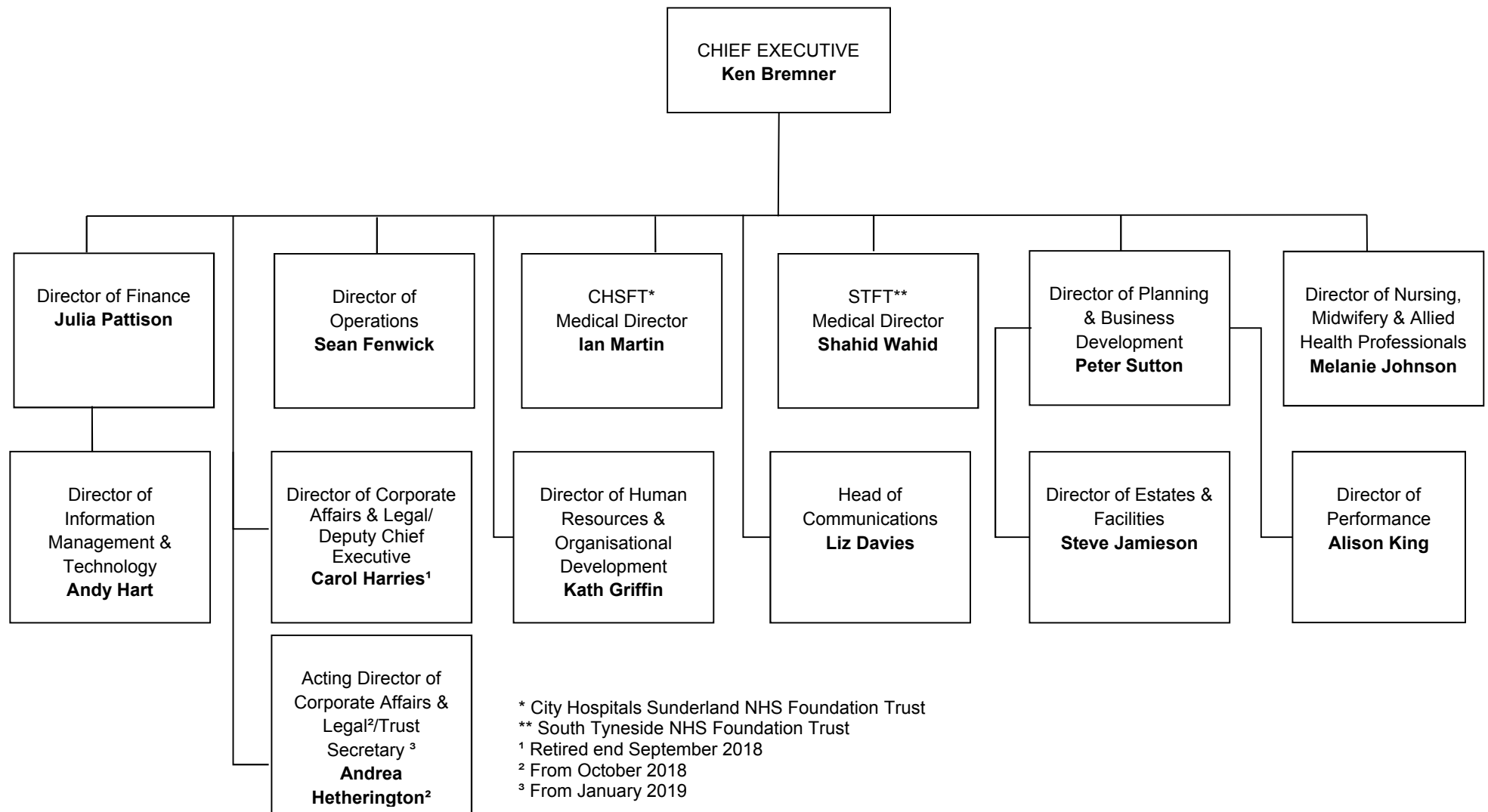
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**Board of Directors 2018/19**



¹ To January 2019  
² From January 2019

**Single Executive and Management Team**



## CHAIRMAN'S STATEMENT

I am delighted to present the Annual Report for South Tyneside NHS Foundation Trust for 2018/19.

Despite increasing pressures on services the Trust has achieved strong performance with significant improvements in providing the right care to our patients as well as receiving recognition in national awards for research and other activities.

Our teams have responded magnificently to the increasing demand placed on NHS services during last year in A&E and other services. This has been possible due to the professionalism and commitment of our staff and I would like to record my gratitude to them all.

Delivering good care is all about taking pride in what our staff do in the NHS, and nothing should make us feel more proud about the NHS than celebrating its 70th birthday on 5 July 2018. I wish to thank everyone who was part of that 70<sup>th</sup> celebration for their kindness and support for the Trust and its staff.

The Trust, as in previous years, has been subject to severe financial pressures. In 2018/19 it achieved the entire annual cost improvements required to meet and exceed our control total targets. The Trust has received additional resources as a result.

Steady progress has also been made throughout last year to improve safety; quality and sustainability of services provided by the Trust. Phase 1 of the clinical service reviews covering stroke services, maternity care and women's health, and urgent and emergency paediatric services was concluded through a positive outcome in the High Court.

2018/19 ended with the approval by Regulators (NHS Improvement), the Boards and Councils of Governors of both Trusts to the merger of South Tyneside NHS Foundation Trust and City Hospitals Sunderland NHS Foundation Trust into the enlarged South Tyneside and Sunderland NHS Foundation Trust.

Benefits from this closer working are already being experienced in recruitment of consultants, improved flexibility in managing staffing pressures and wider efficiencies in the day-to-day operation of the Trust. The full merger will realise even greater benefits for the patients we serve.

We continue to work to much closer integration with our local health and social care partners in the Local Authority, third sector, Police, Fire and Rescue and our Commissioners, particularly through the work of the South Tyneside Health and Wellbeing and Partnership Boards. It is most important for the enlarged Trust to continue to ensure we are involved in this partnership working and play an active part in the life of our local communities.

On behalf of the Board of Directors, I would like to thank our volunteers who give up their time freely to support the Trust and its services, many of whom have been doing so for a number of years. Their efforts are valued enormously.

I wish to express sincere thanks to our Council of Governors for their extraordinary commitment, hard work and support to oversee the merger process and help develop the enlarged Trust's future constitution to shape our services across the communities we serve.

Enormous thanks to the Chief Executive and all of my colleagues on the Board of Directors for their expertise, support and leadership during the year. It has been a privilege to serve as Chairman.

A handwritten signature in black ink, appearing to read 'Neil Mundy', with a long horizontal line extending from the end of the signature.

**Neil Mundy**  
**Former Chairman**

**Note: Statements throughout the remainder of this document must be signed by the Chairman in post at the time of signing. Therefore where a Chair's signature is required, this will be undertaken by John N Anderson, Chairman of the newly formed South Tyneside and Sunderland NHS Foundation Trust (following merger of South Tyneside NHSFT and City Hospitals Sunderland NHSFT)**

## CHIEF EXECUTIVE'S STATEMENT

For South Tyneside NHS Foundation Trust 2018/19 was always going to be an interesting year. The previous year ended with two major issues being set in motion. Firstly the Path to Excellence (Phase 1) – where the Clinical Commissioning Groups had agreed, after consultation, the best future models of care for three of our key services – stroke, maternity and urgent and emergency paediatrics. Secondly, the need to look in detail at whether a formal merger should be undertaken with City Hospitals Sunderland NHS Foundation Trust, on the basis it was in the future interests of our patients and staff. These two issues in particular would set the tone for the year ahead. What we didn't anticipate, was how much time we would need to spend in the latter half of the year considering the likely impact of a 'no deal' Brexit outcome. Despite reassurances from the centre over preparations to ensure the continued access to medicines, supplies etc, the Board felt that nonetheless we should try, as far as practicable, to test all major systems on a risk based basis.

Before I go into these issues in a touch more detail, I want to focus on our performance for the year.

Julia Pattison, Director of Finance, will explain in more detail our financial performance later on, but suffice to say here the Trust significantly improved on the control total set for us by NHS Improvement by £3.4m and ended the year with a £8.773m deficit. We also kept cash balances under regular review and with in-year borrowings ended the year with £14.12m cash to carry forward into 2019/20. A good result.

On the NHS Constitution targets, the Trust was yet again one of the highest performers in the country, never mind the region. A&E performance in March was 92.9% - again delivered against another increase in demand during the year (2.7%) and ended the year at 94.57% (only marginally below the 95% target). Referral to Treatment (RTT – 18 weeks) improved slightly in March to 95.49% and has been above the 92% standard for the whole year – an excellent outcome with no patients waiting over 52 weeks. The year end waiting list figure was also well below the target of 3,639 at 3,453. The number of people waiting longer than 6 weeks for a diagnostic scan remained well below the target of 1% and ended the year at 0.05%.

Cancer performance displayed one or two blips in-year. The most challenging cancer target remains 62 days (85% or above) and I'm pleased that despite a very slight dip in Q1 performance for the year was 87.13% - again an excellent result. In terms of the other targets for cancer, 31 days was delivered all year however the two week target was not (89.32%), with all issues relating to capacity problems in gastroenterology.

Considering the Trust was going through a period of sustained change and uncertainty as outlined previously, this level of performance is to be applauded and my thanks go to all staff – hospital and community – for ensuring our patients have continued to access timely, high quality services throughout the year, without our eyes ever being taken from the ball! The Trust has remained in NHS Improvement segment 2 all year, the second highest of four under the single oversight framework.

Despite the CCGs agreeing in January 2017 (post-consultation) the best way forward for Phase 1 services in the Path to Excellence programme, as we moved into 2018/19 it became clear that the decision and process was going to be referred nationally for review – despite the very thorough consultation process the CCGs had undertaken. Early in

year, therefore, we learned that a referral had been made by the Joint Overview and Scrutiny Committee (Sunderland City Council and South Tyneside Council) to the Secretary of State for Health and Social Care. He immediately asked the independent review panel (setup to consider this type of issue) to report back to him with their considered views. They did, sometime later (September 2018), and thankfully concluded that the proposed service models were in the interests of the residents of both South Tyneside and Sunderland. Unfortunately we weren't out of the woods yet – this then prompted a legal challenge from – amongst others – the campaign group 'Save Our Hospital' predominantly from within South Tyneside. This ended up in the High Court in December and again, verbally, we got the right outcome. However, four months on the CCGs haven't yet had the written judgement/transcript, which still leaves the opportunity for a final appeal, and has delayed implementation well into 2019/20.

Phase 2 of the Path to Excellence is in progress and I will report more on that in next year's report, as part of the newly merged Trust.

Of course much more has been going on in addition to all the above. The Trust held its first Recognition Awards in March 2019 which was a resounding success. I love these events – it's not only a chance to meet lots of staff but also to celebrate their individual and collective success. Congratulations to all the winners as well as those nominated and well done to Jayne Billings who received my own, Chief Executive's award. Her smile will never leave me! Congratulations to Colin Rees on becoming a Professor at Newcastle University as well as helping to keep the flag flying for research at South Tyneside. The new Medical School in Sunderland has taken a step nearer this year – and its first intake in September 2019 is filling up nicely. I'm hoping there will be plenty of interest from local people wishing to embark on a medical career, and that they choose to stay local once qualified. Congratulations to Dr Mark Shipley (Chest Physician), who has been appointed as the Director of Undergraduate Clinical Studies at the University of Sunderland.

I want to leave the last word this year to our merger and staff. As I write this report we are now live as South Tyneside and Sunderland NHS Foundation Trust and last year's hard work by many has now moved into the implementation phase. Nonetheless it was a magnificent effort by lots of people – too many to mention here. You all have my sincere thanks and gratitude for helping to get this merger transaction successfully delivered at a very difficult and challenging time. I am proud to have the opportunity of leading this new Trust and I will do so without forgetting our past and heritage, without forgetting what worked well for patients and staff and remembering it's the people who make the organisation. No matter what your role, you will all be valued and thanked for the great work you do.

My thanks must also go to Neil Mundy, outgoing Chairman and to the Non-Executive Directors too, particularly those standing down. You have all carried out your roles with skill, integrity and purpose and supported myself and the whole Executive Team deliver what I know you believe to be in the best interests of our patients/residents.

To the governors too a big thank you. It was a difficult job dealing with some aspects of the merger, but it was rather fitting that the last act before the merger was gaining your approval that the Board of Directors had carried out proper due diligence as part of a robust process. I hope that many of will be back you as governors in the new merged Trust.

So we are now part of a new Trust – #oneteamonetrust – with exciting and challenging times ahead. Our hospitals remain embedded in the local communities, and it's important we don't forget this unique position and the loyalty that demands.

South Tyneside District Hospital has a great future even if some of the services can't stand still. But any changes will be in the interests of local people and supported by evidence and most importantly provide better quality of care either in hospital, community or closer to home.

Thank you.



**KEN BREMNER**  
**Chief Executive**



# PERFORMANCE REPORT

## ABOUT US

The Trust's principal activities are:

Acute Services	Community Services
Acute Medicine Anaesthetics Cardiology Diabetes and Endocrinology Elderly Care Gastroenterology Gastrointestinal Surgery General Surgery Haematology Obstetrics and Gynaecology Oncology Paediatrics Radiology Respiratory Medicine Specialist Palliative Care Trauma and Orthopaedics Urgent and Emergency Care	Community Learning Disability Community Matrons District Nursing Health Visiting Home Assessment and Therapy Home Care Support Intermediate Care Palliative Care Podiatry Psychological Therapies School Nursing Sexual Health Speech and Language Therapy

We also work closely with other providers to access a number of specialist services locally including:

Ear, Nose and Throat, Ophthalmology, Urology (provided by City Hospitals Sunderland NHS Foundation Trust) and Plastic Surgery (provided by County Durham and Darlington NHS Foundation Trust).

South Tyneside NHS Foundation Trust was authorised as an NHS Foundation Trust by Monitor (now NHS Improvement), the Independent Regulator of Foundation Trusts, on 1 January 2005. The principal purpose of the Trust is the provision of goods and services for the purposes of the health service in England. This does not preclude the provision of cross-border services to other parts of the United Kingdom. The Trust must comply with the Provider Licence conditions, and non-compliance may result in enforcement action by NHS Improvement. The Trust must also act in accordance with the terms of its legally binding contracts with commissioners.

On 1 July 2011 the Community Health Services for the Gateshead, South Tyneside and Sunderland Primary Care Trusts transferred to the Trust under the Transforming Community Services initiative.

## OUR PURPOSE, AIMS AND OBJECTIVES

### Vision

During the latter part of 2017/18 the Trust, in collaboration with City Hospitals Sunderland NHS Foundation Trust (CHSFT), looked to build on the alliance between the two organisations, and through the established Healthcare Group, developed one common vision and set of values.

The Trust's vision is:

***“To deliver nationally recognised, high quality, cost effective, sustainable healthcare for the people we serve, with staff who are proud to recommend our services”***

To achieve our shared vision, we make it our mission to:

- provide a wide range of high quality, safe and accessible healthcare services;
- recruit, retain and motivate skilled and compassionate staff, who are proud to act as ambassadors of the service they provide;
- be the employer of choice in the North East of England;
- listen, learn and innovate; and
- ensure financial performance provides value for money.

This is supported by our values:

- compassionate and dignified, high quality, safe patient care always the first priority;
- working together for the benefit of our patients and their families or carers;
- openness and honesty in everything we do;
- respect and encouragement for our staff; and
- continuous improvement through research and innovation.

Supporting the delivery of this vision and the objectives within, the Trust has a robust planning framework in place which describes the **objectives** of the Trust, the specific **goals** that need to be achieved, the **strategies** that will be adopted and the **measurements** that will be in place to track progress. The OGSM framework is now used across the Trust (and the wider Healthcare Group) to ensure all plans are aligned to deliver the Trusts key objectives.

## STRATEGIC PRIORITIES

### Community Services

In South Tyneside, we continued to support the integration of services and are actively involved in the development and refinement of 'health pathways'. Our clinical teams are working in partnership with local GPs to assist with the care and management of patients within South Tyneside. 'Health Pathways' are accessible to GPs during clinical consultations with patients and provide an up-to-date, step-by-step resource for the management of numerous clinical conditions. Each pathway includes information on self-care, social prescribing, available third sector support and referral processes to specialist services appropriate to the individual pathway.

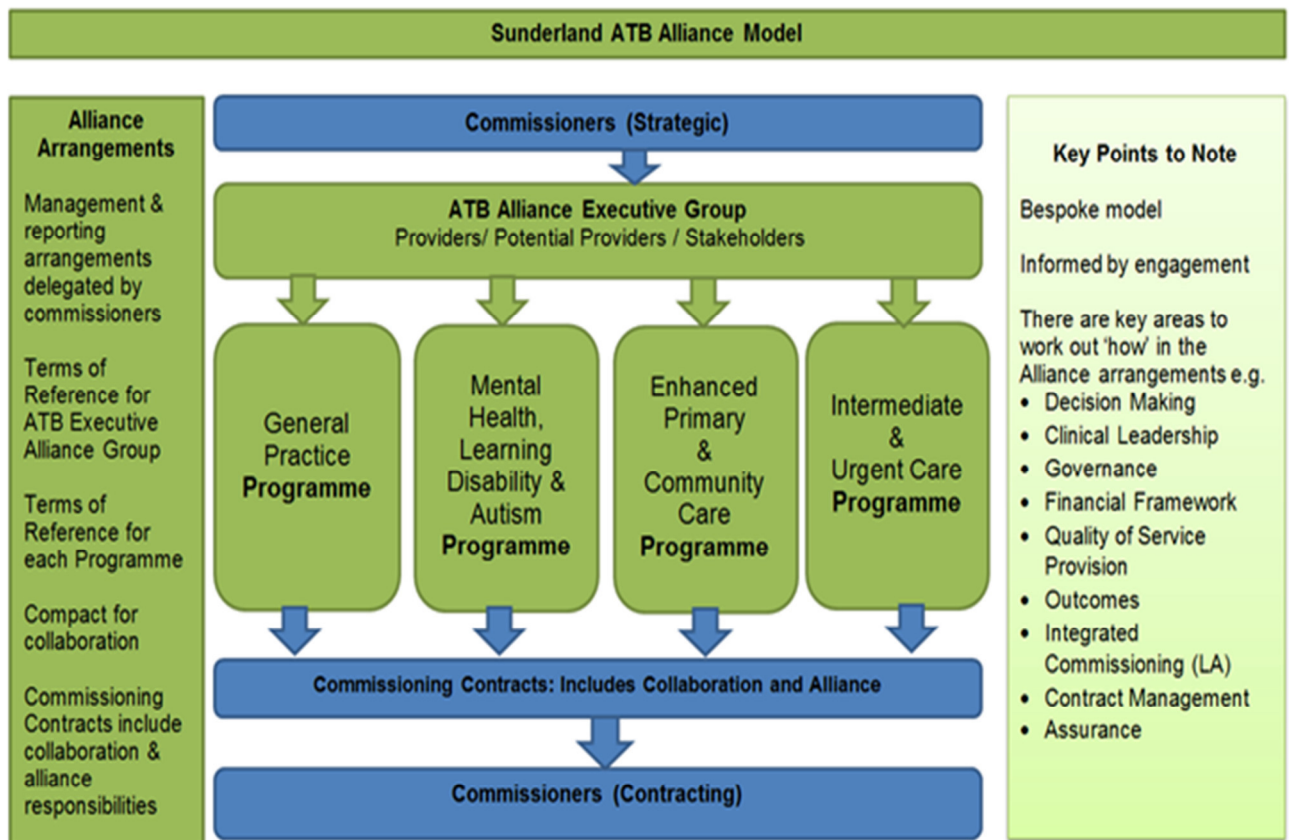
In South Tyneside, the Clinical Commissioning Group (CCG), Local Authority, Northumberland, Tyne and Wear NHS Foundation Trust and other partners are working through an alliancing approach to system working, which involves collaboration in planning and decision-making across commissioners and providers. The fundamental principles include the concept of all organisations within a system either succeeding together or failing together.

Within this approach, decisions are made on a 'best for patient, best for system' basis, encouraging joint ownership and reduced silo working. An Alliance Leadership Team oversees some of the key work programmes within the borough. This operates within parameters of high-trust and low-bureaucracy and tries to move the points of decision-making as close to the patient as possible, encouraging front-line staff to develop their own solutions.

In turn, the senior system leaders are encouraged to 'say yes' to these ideas and to find ways of making the money work to support them whilst spending the 'South Tyneside pound' more wisely. To this end, we have already established a number of Service Level Alliances to drive particular priority areas, including end of life care, frailty, respiratory disease and cancer.

In February 2018, NHS Sunderland CCG also made a decision to develop alliancing arrangements by securing a multi-specialty community provider (MCP), via an alliance approach, supported initially through a compact for collaboration and subsequently by an alliance executive. Following the CCG Governing Body decision to secure the MCP using an alliance approach a Shadow Board made up of the founding partners of the All Together Better has provided the input and ideas on the development of the alliance model for Sunderland. The membership includes representation from NHS Sunderland CCG, Sunderland City Council, South Tyneside NHS Foundation Trust (STFT), City Hospitals Sunderland NHS Foundation (CHSFT), Northumberland Tyne and Wear NHS Foundation Trust, and the Sunderland General Practice Alliance.

The aim of the alliance approach is to focus on *“person centred proactive and coordinated care which will support appropriate use of health and care services, will improve patient and carer experience and outcomes, ensuring people will live longer with better quality of life”*.



The governance arrangements of the model were agreed in 2018/19 (see diagram above) and STFT, along with CHSFT, is a key stakeholder (leading two of the four programmes) and part of the executive group as this important piece of work develops further during 2019/20.

### South Tyneside and Sunderland Healthcare Group

The South Tyneside and Sunderland Healthcare Group (STSHG) is an alliance between STFT and CHSFT. The two organisations have formally committed to collaborating to transform services to ensure that the local communities they both serve will continue to receive high quality, safe and sustainable hospital and community health services in the future.

### The Creation of South Tyneside and Sunderland NHS Foundation Trust

Building on the STSHG arrangements highlighted above, during 2018/19 the two Trusts explored various options and agreed a formal merger was required to ensure the Trusts could continue to deliver sustainable, high quality services that are financially viable for our local populations.

The merger was approved during March 2019, by our regulators (NHS Improvement - NHSI) and following agreement from the individual Trust Boards and the respective Council of Governors for each Trust. The merger subsequently went ahead on 1 April 2019.

Our regulators, NHSI, praised the detailed work we undertook during 2018/19 to prepare for the merger and agreed with the clear strategic rationale and what they described as a

‘compelling clinical case for the Trusts to continue their integration journey and build on patient benefits achieved to date’.

This is an exciting new chapter in our journey of working together and looking ahead into 2019/20 we will integrate our teams, bring our two cultures together and continue to push the boundaries of excellence in everything we do in the years ahead as South Tyneside and Sunderland NHS Foundation Trust.

### **Clinical Services Review (Path to Excellence)**

One of the priorities of the Healthcare Group, which will also continue into the new organisation, is a programme of jointly reviewing and planning services through a programme of clinical service reviews.

The review of clinical services is a large scale programme covering both STFT and CHSFT. The reviews continued during 2018/19 and it is expected that all clinical services will be reviewed as part of this programme and will complete during 2019/20. Any service changes will be subject to full public consultation. These reviews are clinically led and each team has been asked to address 4 key issues:

- clinical efficacy and sustainability;
- accessibility and choice;
- deliverability and capacity; and
- affordability and financial sustainability.

### *Clinical Service Reviews – Phase 1*

The first phase of work covered stroke services, urgent and emergency paediatrics, and obstetrics and gynaecology. Changes to these services were subject to an extensive consultation exercise which completed in February 2018. After receiving and considering feedback from members of the public and other key stakeholders, NHS Sunderland and South Tyneside Clinical Commissioning Groups (CCGs) met in February 2018 to make their decisions on the future of these services.

For maternity (obstetrics) and women’s healthcare (inpatient gynaecology) services both CCGs recommended the following to be taken forward for implementation:

- a new midwife-led Birthing Centre at South Tyneside District Hospital for low risk deliveries;
- consultant-led maternity care for high risk deliveries and co-located midwifery-led care at Sunderland Royal Hospital (including Special Care Baby Unit and Neonatal Intensive Care);
- outpatient antenatal and postnatal care to continue on both main hospital sites;
- community midwifery care delivered through a joined-up team across both South Tyneside and Sunderland; and
- gynaecology outpatients to continue on both main hospital sites (with the majority of day case surgery at South Tyneside District Hospital and inpatient surgery at Sunderland Royal Hospital).

For stroke services both CCGs recommended the following to be taken forward for implementation:

- to combine all hyper-acute and acute stroke care at Sunderland Royal Hospital; and
- all hospital-based acute rehabilitation to be delivered at Sunderland Royal Hospital.

The decision on urgent and emergency paediatrics was more complicated with both CCGs recommending the following to be taken forward for implementation:

- a day time nurse-led paediatric minor injury/illness service at South Tyneside District Hospital and 24/7 paediatric emergency department at Sunderland Royal Hospital as the most sustainable long-term model.

However, both CCGs recognised that it would take a period of time for work to be done to develop the nursing workforce to make this option deliverable. Both CCGs therefore also recommended as a transitional step towards the above, that a day time medical-led paediatric emergency department and children's short stay assessment unit at South Tyneside District Hospital and 24/7 paediatric emergency department at Sunderland Royal Hospital, be implemented in the immediate short-term.

In addition as a result of feedback gained during the consultation, the CCGs agreed to amend the opening hours of the paediatric minor injuries unit at South Tyneside District Hospital to 8am until 10pm (rather than 8am until 8pm) with a two hour period after 10pm (internally) to allow children to be treated, discharged or transferred.

Outpatient and community-based paediatrics services would continue locally in both South Tyneside and Sunderland.

The original ambition was to work towards implementation by April 2019 and, in the case of paediatrics, to have the transitional model in place by April 2019 and work towards full implementation of the nurse-led model by April 2021. However, this has not been possible as both CCGs were challenged on the process and decision-making.

The case was heard in December 2018 and the judge ruled that the CCGs had carried out a fair and lawful public consultation process for the decisions made around the future of hospital-based stroke services, maternity and urgent paediatric care.

This judicial review outcome followed an independent expert view also received from the Independent Reconfiguration Panel (IRP) which concluded that the Phase One changes were in the interests of local health services.

These rulings provided the go ahead for implementation of Phase 1 service changes which are now planned for the summer of 2019.

### *Clinical Service Reviews – Phase 2*

As highlighted previously Phase 2 of the clinical service reviews continued during 2018/19 and it is expected that this will conclude during 2019/20, including full public consultation. Services included in Phase 2 are grouped into four areas:



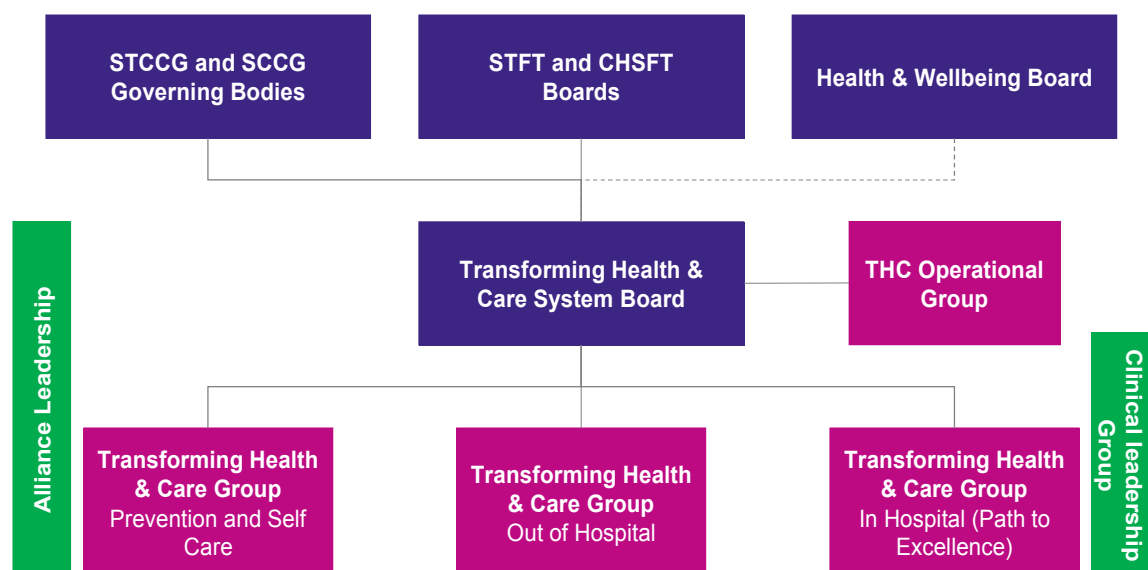


Significant staff and wider stakeholder engagement was undertaken during the last few months of 2018/19 to help shape the emerging ideas, which will then inform which models are taken forward to full consultation.

### The Wider Health Economy – South Tyneside and Sunderland

It is recognised that communities within the South Tyneside and Sunderland areas have poor outcomes against multiple measures. This highlights the additional pressures of health services within the local communities. In addition, the local health economy (LHE) also faces a significant financial challenge.

During the 2018/19 clinical leaders across the South Tyneside and Sunderland came together and agreed to collaborate and work differently with the aim of improving the outcomes for our local populations. The chart below outlines at a high level the governance structure to oversee the development and delivery of this plan.



In developing the Local Health Economy (LHE) Plan three key work streams have emerged:

- Prevention and Self Care;
- Out of Hospital; and
- In Hospital

These broadly align to the approach each organisation has been using in terms of its own plans.

*Prevention and Self Care* – covering

- out of hospital prevention;
- in hospital prevention; and
- children and young people (future prevention).

*Out of Hospital* – covering

- reactive and proactive community-based approach to urgent care;
- ongoing care needs and enhanced primary and community care;
- interface with specialists;
- mental health, learning disabilities and autism;
- primary care prescribing; and
- packages of care.

*In Hospital* – covering

- Path to Excellence clinical service reviews; and
- specialised service reviews.

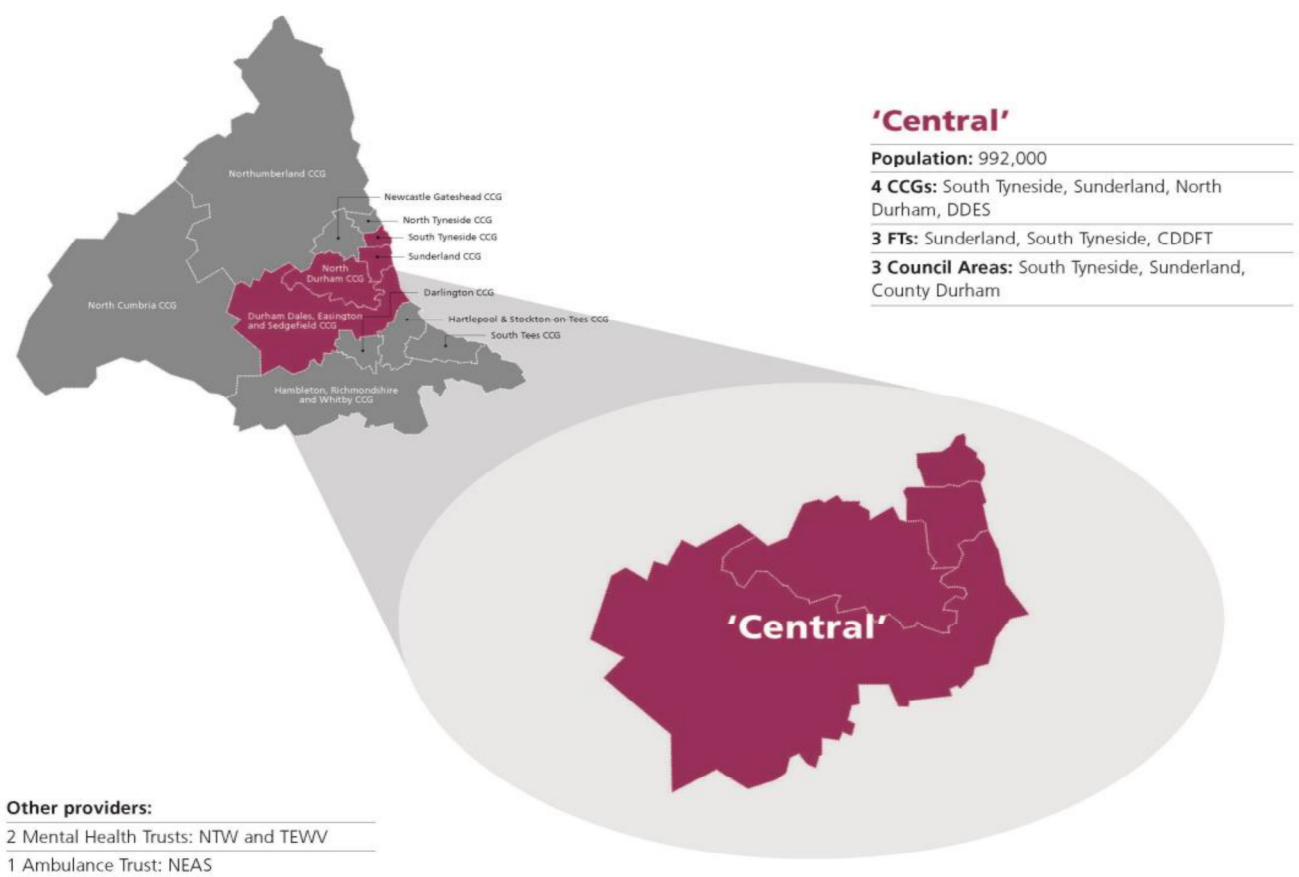
The ultimate aim of the plan is to improve the health outcomes for our local populations and to improve the financial efficiency of the services provided across health and care.

### **The Wider Health Economy – The Central Integrated Care Partnership (ICP)**

The 'Central' ICP is a partnership of commissioners and providers across the three constituent areas of County Durham, South Tyneside and Sunderland. During 2018/19 it was developed and overseen by an executive group comprising of:

- three acute Foundation Trusts – City Hospitals Sunderland, County Durham and Darlington, and South Tyneside (two acute Foundation Trusts from 1 April 2019 when STFT and STFT merge);
- one mental health Foundation Trust – Northumberland, Tyne and Wear NHSFT;
- one ambulance service – North East Ambulance Service NHS FT;
- four CCGs – Durham Dales, Easington and Sedgefield; North Durham, South Tyneside and Sunderland; and
- three local councils – Durham County Council, South Tyneside Council and Sunderland City Council.





In addition to this there are strong links with Tees, Esk and Wear Valleys NHS Foundation Trust as the provider of mental health and learning disability services in Durham.

## ICP Priorities

During 2018/19 discussions took place and consensus reached between system leaders to identify the most urgent priorities for transformation for the ICP based on the views of all parties.

These key priorities included:

- continued development and delivery of out of hospital models;
- primary care network development /5 Year Forward View for General Practice;
- delivery of the new vascular service in conjunction with specialised services commissioners;
- continuing work between partners on the priorities for efficiency as referenced in the NHS Long Term Plan including prevention, outpatient redesign, frail and elderly care, same day emergency care etc;
- developing robust and sustainable breast cancer services based around breast screening centres;
- Path to Excellence phase 1 delivery in South Tyneside and Sunderland;

- Path to Excellence phase 2 including consideration across Durham, South Tyneside and Sunderland of agreed priorities which include:
  - accident and emergency
  - ophthalmology
  - cardiology
  - rheumatology
  - dermatology
  - cancer 62 day wait achievement
  - paediatrics
- Maintaining close links and alignment with the Tees Valley Health and Care Partnership priorities for acute transformation which include:
  - maternity and paediatrics
  - stroke services
  - breast services
  - spinal surgery
  - frailty

These priority areas of work will continue into 2019/20 and beyond.

### Continuous Improvement

The Trust has developed a Lean Continuous Improvement Strategy which outlines our approach to the implementation of a lean continuous improvement philosophy. The goals and objectives of the strategy are:

- to do things right, first time every time;
- to ensure continuous improvement programmes and projects are clearly linked and aligned to the Trust's vision and priorities identified within our annual planning cycle ensuring quality and performance measures are met;
- to utilise a programme management approach to ensure that new organisational capacity is delivered and benefits realised;
- to continue to build organisational capacity and capability in lean and programme management methodology across corporate and clinical services; and
- to support a culture where sharing of best practice and learning from each other is the norm

During 2018/19 the Trust continued with a number of improvement initiatives and transformational programmes, including:

*Improving end of life care:* Over the past two years, a multidisciplinary team has been working with the South Tyneside Council, local GP practices, community and hospital teams, North East Ambulance Service and the third sector to improve palliative and end of life care services in South Tyneside. The work is focused on new ways of working collaboratively to improve the experience of patients, families and carers. The three clinical work-streams involved in the initiative have focused on improving the identification of palliative patients, ensuring patients receive the right support at the right time and ensuring easy access to appropriate medications at end of life.

*Surgical Centre:* There has been some dedicated service improvement resources assigned to the Surgical Centre at STFT. This was to support the roll out and embedding of the 5S philosophy to the ward environment and to review processes around communication and information flow on the ward. As a result there has been an

improvement to team working, improved handovers and a visibly improved physical environment.

*Community Services:* Within Speech and Language Therapy and Podiatry in the community there has been ongoing work undertaken to review the current state regarding capacity and demand and to increase lean and efficient ways of working to address any imbalances. This will result in improvements being made to waiting times for access to both services.

*Prostate Cancer Pathways:* An improvement initiative has been carried out to design and implement new prostate (faster diagnosis) pathways for urological cancer patients at South Tyneside. A full suite of lean methodologies have been used to support the project such as process mapping, actions logs and project plans aimed at reducing the diagnostic pathway for patients. The main aim of the work is to achieve prostate cancer waiting time targets, improve the patient experience and to minimise invasive procedures for some patients.

## PERFORMANCE ANALYSIS (NON-FINANCIAL)

### Performance against key targets 2018/19

During 2018/19 the Trust has continued to achieve national operational and quality requirements across a number of key measures (as shown below), including waiting times for cancer, consultant-led treatment and diagnostic tests, despite some of these not being achieved at a national level.

Indicator	Last Year 2017/18	Target 2018/19	2018/19	Variance	Year <sup>1</sup>
<b>Operational Performance Measures</b>					
A&E: Maximum waiting time of four hours from arrival to admission/transfer/discharge	94.35%	≥95.00%	94.57%	-0.43%	●
Referral to Treatment waits % incomplete pathways waiting less than 18 weeks <sup>2</sup>	95.87%	≥92.00%	95.49%	3.49%	●
All Cancer 62 day urgent referral to treatment wait	89.11%	≥85.00%	86.90%	1.90%	●
Diagnostic Test waiting times <sup>2</sup>	0.01%	<1.00%	0.05%	-0.95%	●
Improving Access to Psychological Therapies – patients moving to recovery	55.94%	≥50.00%	54.79%	4.79%	●
Improving Access to Psychological Therapies – patients seen within 6 weeks	99.89%	≥75.00%	98.88%	23.88%	●
Improving Access to Psychological Therapies – patients seen within 18 weeks	99.42%	≥95.00%	99.92%	4.92%	●
<b>National Operational Standards</b>					
Cancelled operations not rescheduled within 28 days	0	0	0	0	●
All Cancer Two Week Wait	94.99%	≥93.00%	89.32%	-3.68%	●
31 day standard for cancer diagnosis to first definitive treatment	100.00%	≥96.00%	100.00%	4.00%	●
31 day standard for subsequent cancer treatments - surgery	100.00%	≥94.00%	100.00%	6.00%	●
31 day standard for subsequent cancer treatments - anti cancer drug regimens	100.00%	≥98.00%	100.00%	2.00%	●
62 day wait for first treatment following referral from an NHS Cancer Screening Service	100.00%	≥90.00%	93.75%	3.75%	●
Mixed sex accommodation breach	0	0	0	0	●
<b>National Quality Requirements</b>					
RTT waits over 52 weeks for incomplete pathways	0	0	0	0	●
Ambulance Handover Delays 30-60 minutes	532	0	1069	1069	●
Ambulance Handover Delays 60+ minutes	115	0	150	150	●
Trolley waits in A&E not longer than 12 hours	0	0	0	0	●
No urgent operation should be cancelled for a second time	0	0	0	0	●
VTE risk assessment for inpatient admissions	95.95%	≥95.00%	96.66%	1.66%	●
<sup>1</sup> Rated as amber if performance is close to target i.e. within 2 percentage points or 5 individual cases					
<sup>2</sup> Excludes non English commissioners as per NHS England published statistics					

## Accident and Emergency (A&E)

During 2018/19 the Trust has continued to receive an increasing number of patients through our A&E departments with a 2.7% increase in unplanned attendances compared to 2017/18. As a result we narrowly missed the national standard of 95% of patients spending a maximum of 4 hours in the department. Despite this, performance was better than the national average and the Trust remained in the upper quartile nationally for the majority of the year and ranked 36th out of 159 Trusts. For 2018/19 national funding called Provider Sustainability Funding (PSF) was available in order to support Trusts to improve their financial position as well as a proportion based on A&E performance. The Trust achieved the full amount available i.e. £886,000 linked to A&E performance.

Our ability to achieve the standard was impacted by increasing attendances year on year and increased operational pressures over the winter period. The 95% standard was met for the first two quarters of 2018/19 however this winter we saw an increase in patients arriving by ambulance with a 4.8% increase compared to last winter and an increase in emergency admissions which impact on flow out of the emergency department.

The Trust continues to work with our local partners as part of the Local A&E Delivery Board (LAEDB) to provide leadership and focus to improve access to urgent and emergency care services.

## Referral to Treatment Time

The Trust continues to exceed the national standard of at least 92% of patients waiting less than 18 weeks for treatment from referral with no patients waiting over 52 weeks. Over the year the Trust has reduced the number of patients waiting for treatment and part of this was due to a planned transfer of contracted activity for ENT and Ophthalmology which was provided by City Hospitals Sunderland.

## Cancer Waiting Times

The Trust has continued to achieve the majority of cancer waiting time standards for the year with the exception of the 2 week wait standard from GP referral to first appointment. This was due to capacity challenges in gastroenterology in particular which have been addressed and performance returned back above the 93% standard for the last two quarters of the year.

## Diagnostic Waiting Times

The Trust has performed well against the diagnostic waiting time standard and was well below the 1% maximum target for the year. For the whole year there were only 11 patients who waited over 6 weeks for their test out of around 3500 tests carried out each month.

## Improving Access to Psychological Therapies (IAPT)

The Trust has exceeded the national standards around waiting times and patients moving to recovery for the full year. The services have seen a 7% increase in referrals and nearly 3% more patients entering into therapy than 2017/18. South Tyneside CCG received an outstanding rating for the assessment of Mental Health services in 2017/18,

part of which was linked to the Trust's Lifecycle Service and performance against the IAPT standards.

### **Approach to Measuring Performance – What and How We Measure**

Performance against targets such as waiting times for consultant-led treatment, cancer, diagnostic procedures and time in A&E are taken into consideration by NHS Improvement, the regulator of Trusts, as part of their regular assessment process, to determine any support required. NHS Improvement also reviews performance against other areas such as quality of care, finance and use of resources. Trusts are segmented into four categories based on the level of support required in order to meet required standards from 1 (maximum autonomy/no support) to 4 (special measures/mandated support). The Trust has remained in segment 2 during 2018/19.

The Trust measures performance across a wide range of indicators including:

- National indicators, Operational Performance Measures, National Operational Standards and National Quality Requirements – these are set by NHS Improvement and the Department of Health;
- Local Quality Requirements – agreed with commissioners and included in our contract; and
- Internal indicators – these are agreed as part of our annual planning process and KPIs are developed to measure progress against delivery of our corporate objectives.

To support performance monitoring, management and improvement, a performance framework is in place to ensure issues are identified early and acted upon to prevent failure of key standards where possible. This includes:

- Monthly reporting of key performance indicators by directorate and specialty to the Finance and Performance Committee, Executive Committee and Board of Directors;
- Regular corporate and operational management reports to monitor progress against delivery of key standards;
- Monthly meetings with directorate managers and representatives from the Contracting and Performance teams to identify trends and areas of concern in time to plan ahead and agree action plans; and
- Quality and contracting review meetings with the Clinical Commissioning Group.

### **Environmental Performance**

The Trust is acutely aware of the impact on the environment as a result of delivering the services provided to the local population. We place significant importance on reducing this impact as much as we can and have therefore developed both a Sustainable Development Strategy and a Sustainable Development Management Plan. More detailed information on environmental performance and sustainability can be found on page 190.

## Information Governance

Information governance relates to the way organisations process or handle information. It covers personal information, ie that relating to patients/service users and employees, as well as corporate information, eg financial and accounting records. Information governance provides a way for employees to deal consistently with the many different rules about how information is handled.

The four fundamental aims are:

- to support the provision of high quality care by promoting the effective and appropriate use of information;
- to encourage responsible staff to work closely together, preventing duplication of effort and enabling more efficient use of resources;
- to develop support arrangements and provide staff with appropriate tools and support to enable them to discharge their responsibilities to consistently high standards; and
- to enable organisations to understand their own performance and manage improvement in a systematic and effective way.

The Information Governance Toolkit was replaced by the Data Security and Protection (DSP) Toolkit in 2018/19. The DSP Toolkit is a Department of Health (DH) policy delivery vehicle that NHS Digital is commissioned to develop and maintain. The DSP Toolkit is based on the ten Data Security Standards identified by the 'National Data Guardian for Health and Care Review of Data Security, Consent and Opt-Outs'. Organisations in scope of this are required to carry out self-assessments of their compliance against the standard's requirements.

The Trust is required to carry out a self-assessment of its compliance against the DSP Toolkit. This consists of a detailed review of compliance against 40 requirements (32 of which are mandatory), consisting of 148 evidence items across the 10 Data Security Standards.

In 2018/19 the Trust undertook a full review of performance against the new DSP Toolkit standards ready for the year-end submission to NHS Digital. This confirmed that all 32 of the mandatory DSP standards had been met, and on this basis a submission of 'Standards Met' was made to NHS Digital on 31 March 2019.

The Trust can confirm it has systems and processes in place to ensure information risks are reliably identified, prioritised and managed. A report demonstrating the DSP Toolkit outcome for 2018/19 was approved by Executive Committee and Board of Directors. AuditOne has also independently substantiated this assessment.

The Trust reported two information governance breaches to the Information Commissioner's Office during 2018/19. The first was as a consequence of confidential information pertaining to a patient being disclosed by the patient's relative, a Trust employee, to their line manager. The line manager then further disclosed the information to their team. The incident was reported to the ICO who determined that no breach of legislation had occurred as the patient's relative had voluntarily disclosed the information.

The second incident related to a draft complaint response letter being sent to a member of the public rather than the intended internal recipient. The letter disclosed confidential information relating to a patient. Confirmation was received from the individual

highlighting the breach that the email had been destroyed. Processes have been reinforced with staff to prevent a repeat occurrence. Feedback from the ICO is still awaited with regard to this incident.

### European Union (EU) Exit Planning

Towards the end of 2018, in line with the rest of the NHS, the Trust was asked to assess the risk of the potential impact of the UK's exit from the EU, including planning for the case of a 'no deal' EU Exit. The Trust followed the approach recommended in the Department of Health and Social Care's EU Exit Operational Guidance and risk assessments were undertaken using the 7 key areas identified within the guidance, namely:

1. Supply of medicines and vaccines
2. Supply of medical devices and clinical consumables
3. Supply of non-clinical consumables, goods and services
4. Workforce
5. Reciprocal healthcare
6. Research and clinical trials
7. Data sharing, processing and access

The mitigating actions being taken from a national perspective were considered, along with those put in place at a more regional level and the overall risk of EU Exit has been placed on the Trust's Corporate Risk Register.

An EU Exit Planning Group was formed, Chaired by the Trust's Director of Planning and Business Development who is also the Board lead for Emergency Planning (and identified EU Exit Senior Responsible Officer) and this group has continued to meet regularly to monitor the Trust's action plan and risk assessment. Updates have been given at both Executive Committee and the Board of Directors.



## FINANCIAL PERFORMANCE

### Context

This year has seen a period of inordinate change with the development of a system-wide, longer term Financial Recovery Plan, and preparation for the merger of the Trust with its alliance partner City Hospitals Sunderland NHS Foundation Trust on 1 April 2019. It is within this context that this financial overview is presented.

The financial figures quoted within this section of the report are based on 'the Group' which is made up of the Trust and STFT Holdings Limited and South Tyneside Integrated Care Limited, which are both subsidiaries of the Trust.

At the start of the year as part of the Annual Plan process, the Trust had been set by its regulators a Control Total or financial limit, to hit a deficit target to be no worse than £3.5m. If this was achieved, the Trust would have access to additional sustainability funds of £5.9m. After careful consideration, and reflecting on the year end position in 2017/18 plus known pressures into 2018/19, the Board of Directors declined this control total, recognising that this would result in a lost sustainability funding opportunity of £5.9m. Following discussion with, and detailed reviews by, the regulators NHS Improvement (NHSI), revised the control total proposal to a £15.1m deficit, but reduced the sustainability funding opportunity by 50% to £3m. This would give a net planned deficit position of £12.1m. The Board of Directors subsequently accepted this revised control total.

Linked to this and the continued wider local health economy (LHE) work started in the previous financial year, work was undertaken with clinical leads across the local health system focused on identifying opportunities where we could improve patient outcomes within a more financially sustainable system. The 'system' is predominantly comprised of the two Commissioners in South Tyneside and Sunderland, plus the two Trusts of South Tyneside and City Hospitals Sunderland NHS Foundation Trusts, although other partners from health and social care are involved in some of the individual work programmes. This then led to the development of a Finance Recovery Plan (FRP) across all four partner organisations which took account of anticipated income and expenditure across all organisations over a three year period. The Boards and Governing Bodies of the respective organisations subsequently signed off the jointly authored FRP looking at longer term financial recovery. This was presented and accepted by the respective regulators in October 2018. This work formed the basis of all of the finances feeding into the merger preparation process and was robustly tested through the independent due diligence process required as part of a new Trust licence approval.

### Overview

Ahead of the start of the 2018/19 financial year, the Trust agreed block clinical income contracts with some of its major commissioners. The aim was to free capacity to focus on longer term financial recovery across a wider health system. It was recognised that many acute hospitals were facing financial pressures as a result of continued tariff reductions and shortfalls in commissioner allocations. In order to therefore address the underlying system financial gap a different approach was required; this had proved successful in the prior year and has enhanced the closer working relationships with major commissioners.

During the year, NHSI introduced an additional scheme whereby those Trusts who were able to improve on their control total targets could access additional incentive or bonus

funds which were on the basis of a £1 for £1 match for every £1 improvement on the plan. Other bonus schemes were also introduced linked to acceptance of the control total and delivery of recurrent cost improvement plans.

The control total for the year was £15.1m, offset by expected Provider Sustainability Funds (PSF) of £3m, giving a net planned deficit of £12.1m. To deliver this position, the Trust needed to deliver £11.4m worth of cost improvement plans (CIPs).

The Trust over achieved against its control total for the year by £4.1m and was therefore eligible for the core PSF funds and the additional PSF bonus and incentive funds. The additional PSF allocated to the Trust totalled £6.06m. The Trust overall deficit position was £2.7m, an improvement against plan of £9.44m.

	Group £000	Trust £000
<b>Deficit before PSF</b>	<b>(10,932)</b>	<b>(11,021)</b>
Less PSF – core and additional	(9,016)	(9,016)
Add back Impairments/donated assets	795	795
<b>Deficit reported in financial statements</b>	<b>(2,711)</b>	<b>(2,800)</b>

The deficit of £10.9m represents a favourable variance to the plan by £4.1m. The key reasons for this variance include:

- operating income (excluding PSF) was £7.1m higher than planned. Key factors behind this were funding for the 2018/19 pay-award, risk share funding and market rent funding to support increases in property rental costs.
- operating expenses were £3.4m higher than plan. Of this £2m related costs associated with the 2018/19 pay-award (which were funded in income) and non-employee costs being higher than planned across a range of categories – most notably clinical supplies and services.
- PDC dividend was £337k lower than plan.

Operating income included £2.0m to fund the Agenda for Change pay-award, the costs of which are included in operating expenses.

Further details are provided in the following sections.

The Trust has four subsidiary companies, two of which are dormant. STFT Holdings Limited is a wholly owned subsidiary of the Trust and holds the main contract with South Tyneside Council for the provision of an Integrated Care Services Hub (Haven Court). Haven Court is a purpose-built and innovatively designed community resource for older people in South Tyneside which is located on the north eastern boundary of the South Tyneside District Hospital site. South Tyneside Integrated Care Limited (STICL) is a wholly owned subsidiary of STFT Holdings Limited and is contracted by STFT Holdings Limited as a CQC approved organisation to deliver care services within Haven Court.

The financial position of STICL and STFT Holdings Limited, a net gain of £89k, has been consolidated into the reported position above. STFT Holdings Limited made a surplus of £106k in the period; partly offset by a loss of £17k in STICL.

## Statement of Comprehensive Income

The Group is reporting a deficit of £2.7m for the year.

### Income

Clinical Commissioning Groups (CCGs) commission services on behalf of their residents from the Trust under legally binding contracts which include planned activity levels and indicative values. The majority of the Trust's services, with the main exception being specialist services, are provided under block contracts, for which a fixed sum is payable irrespective of activity levels. Prior to 2016/17 services were provided under cost per case arrangements, with the amount payable to the Trust based on the actual activity during the year multiplied by the national tariff or local price for each type of activity.

Commissioning of healthcare services for NHS South Tyneside CCG, NHS Newcastle Gateshead CCG and NHS Sunderland CCGs for 2018/19 was carried out by North of England Commissioning Support Unit acting on behalf of each statutory body.

Commissioning arrangements continued to present a challenge as local CCGs face increased pressures to reduce their spend as a result of reduced allocations due to changes in national strategy.

The Trust formed an alliance with City Hospitals Sunderland NHS Foundation Trust at the end of 2015/16 and commenced a programme of clinical service reviews across the Trusts. In recognition of partnership working for the benefit of the local health economy between the Foundation Trusts and their respective main commissioners, both Trusts signed legally binding contracts for their services on a block basis for acute services in the year rather than contracts based on payment by results (PbR) activity.

Through a tender process, the Trust lost the Gateshead and Sunderland 0-19 service which was transferred to the new provider during 2018/19. The income and costs were removed from the budget although there remained a small element of cost left with the Trust.

Income for the period to 31 March 2019 amounted to £187.0m (2017/18 - £185.4m) and can be analysed as £167.5m from activities (2017/18 - £174.4m) and £19.5m other operating income (2017/18 - £11.1m). £138.1m (74%) of income from activities came from Clinical Commissioning Groups (CCGs) and covers planned and emergency care, outpatient attendances and Accident and Emergency attendances, as well as other patient care services such as district nursing.

Other operating income includes PSF income, income for education and training, research and development and for non-clinical services provided to other NHS bodies. Due to the over performance against the control total and therefore the additional PSF allocated, other operating is higher than planned and significantly higher than the 2017/18 figure where the control total was not achieved.

Charitable income of £889k (2017/18 £403k) was received during the year.

The Trust had planned to receive £3m (2017/18 nil) of core PSF income during the year. As the Trust exceeded the control funding in-year and achieved the A&E four hour wait target the core PSF income has been recognised in full. In addition the Trust received a

further £6.1m (2017/18 £1.1m) of PSF funding from the year-end incentive and bonus schemes.

## Expenditure

Ahead of the start of the year a review was undertaken on all acute-based nursing budgets. Historically wards had a 'vacancy factor' built into their permanent establishment budgets. As part of this budget setting process, this vacancy factor was removed and budgets were set at realistic levels, reflecting the professional nursing views of levels required to support the acuity of patients on those individual wards. This resulted in additional funding of over £4m being provided to ward areas.

During quarter four, St Clare's Hospice (an independent hospice within South Tyneside) unfortunately closed. The Trust had historically provided services such as payroll and facility support services to the hospice. As a result of the closure there were costs that were incurred by the Trust which remained unpaid and these are reflected in the financial position.

Operating expenses amounted to £187.9m, of which £132.1m relates to pay (70%). Operating expenses have decreased by £6.2m from 2017/18. The main movements can be summarised as follows:

- Employee expenses have reduced by £6.1m to £132.1m. This was in part due to the loss of the 0-19 services in Gateshead and Sunderland. These transferred to another provider in July 2018. The cost of the pay-award was £2.0m higher than plan and the Trust also made reductions in staffing costs throughout 2018/19, partly due to vacancies.
- Redundancy costs for 2018/19 are £13k, £0.7m lower than in 2017/18.
- Clinical negligence costs decreased by £0.7m in 2018/19 to £4.6m. This was partly a result of the decrease in the CNST premium levied by NHS Resolution and partly due to the Trust achieving the maternity incentive scheme and qualifying for a rebate of 10%.

One of the most significant expenditure pressures faced by the Trust continues to be in relation to agency expenditure. A total of £4.5m (an increase of £0.1m from 2018/19) was spent on agency staffing. This was due to national shortages in medical staff in some specialties as well as qualified nurses. The Trust has implemented guidance from NHSI in relation to agency staffing, however the 'agency ceiling' target was breached by £0.3m particularly due to pressures faced during the winter months.

Throughout 2018/19 there was a single Programme Management Office (PMO) function working across South Tyneside and City Hospitals Sunderland NHS Foundation Trusts. The Trust's CIP target for 2018/19 was £11.4m and the target was achieved in full. A higher proportion of the CIP than planned was delivered on a non-recurrent basis, with a recurrent CIP plan of £6.4m compared to actual recurrent delivery of only £2.1m.

## Financing and cash balances

Closing cash amounted to £14.1m, an increase of £1.5m compared to the value of £12.6m as at 31 March 2018. The increase in the year is largely a result of higher than planned creditor balances which are expected to be settled early in 2019/20.

The Trust currently has several loans from the Independent Trust Financing Facility as follows:

- £8m working capital facility for restructuring costs over a four year period which is fully drawn down;
- £8m loan for capital developments over a 10 year period which is fully drawn down; and
- £9.5m loan to build an Integrated Care Services Hub (Haven Court) over a 10 year period which is fully drawn down; and
- £12.2m of interim cash support to fund the deficit incurred in 2018/19.

The Trust earned interest of £86k in the year from cash balances held in Government Banking Services (GBS) Accounts.

### **Capital investment**

Capital investment in improvements to buildings, new medical equipment and information technology amounted to £9.0m in the year (2017/18 £4.1m).

The sum of £5.2m has been spent on a new energy centre which will result in lower utilities costs for the Trust and improve the resilience of the supply going forwards. The scheme is due to complete in the first quarter of 2019/20.

Investment in Estates and Facilities of £887k comprised a range of schemes relating to minor upgrades to the Trust's estate.

An investment of £662k was made in new medical equipment in the year. Schemes included the replacement of endoscopes and associated equipment.

The Trust is a 'Global Digital Exemplar' (GDE) 'fast follower' Trust and has invested £1.6m on the programme this year with further expenditure planned in the next two financial years. In addition to the GDE expenditure within information technology, a further £324k was spent on upgrading the Trust's IT infrastructure, including the replacement of PCs.

A further investment of £319k was made in the EMIS system.

## FINANCIAL OUTLOOK AND KEY RISKS FOR 2019/20

The financial agenda remains challenging. Once again most Trusts with acute services were dependent upon PSF funds in 2018/19. Without these funds the majority who were able to declare a breakeven or surplus position, would have been in deficit, a continued trend from prior years. Fundamentally this means that the current funding system for Trusts is not keeping pace with the costs they are incurring. As a result the NHS is at a crossroads in terms of making some critical decisions about the future and nature of service delivery nationally and locally.

The approach around joint working with partner organisations continued into 2018/19 and culminated in the merger of the two partner Trusts, South Tyneside and City Hospitals Sunderland Foundation Trusts from 1 April (forming South Tyneside and Sunderland NHS Foundation Trust). In addition the four organisations have developed a single strategic framework detailing how they are going to work together over the next few years to deliver system-wide financial sustainability. This has strengthened existing governance arrangements and a single transformation plan building on the Financial Recovery Plan work has been developed. The existing system work such as the Path to Excellence programme has been incorporated into this plan. The key work moving into 2019/20 is the delivery of the Financial Recovery Plan including the impacts from phase 1 of Path to Excellence and merger benefits. The FRP includes the 'normal' efficiency savings such as procurement as well as looking at improving patient pathways and removing unnecessary contacts through the improved use of technology and alternative means of provision.

The 2019/20 year is a refresh of the 2018/19 agreed contract and therefore the full impact of the NHS standard contract will apply. The 'Commissioning for Quality and Innovation' (CQUIN) payment scheme, has been reduced from 2.5% to 1.25% of overall clinical income with the balance being incorporated into the tariff. In addition the previous marginal rate emergency tariff process has been removed and refunded as marginal rate emergency tariff (MRET) where applicable, recognising that this has not had the benefits as originally envisaged nationally. The PSF scheme has also changed for 2019/20, with 50% being included into normal emergency tariff prices and the balance being paid upon the achievement of the control total, with the A&E achievement requirement now being removed. A further change for the year is the introduction of a Financial Recovery Fund which is accessible for those organisations who are facing financial challenges once they have produced a longer term financial recovery plan and show evidence of system working. Given the good work to date, the new Trust is able to access this fund.

As a principle the Trust has set budgets for 2019/20 based upon anticipated activity for the year and the national funding uplift of 0.1%. The plan was submitted on 4 April for the year and starts with the prior year closing position, adjusted for non-recurrent items (such as PSF) and new costs, offset by cost improvement plans (CIPs) of £19m for the new combined Trust.

The control total before assumed PSF is a £28.57m deficit compared to a comparable £33.5m (for the total of the two individual legacy Trusts) in 2018/19, therefore an expected improvement of £4.9m. The control total set by NHSI for 2019/20 was based upon the Trusts' own projections as part of the FRP and was therefore accepted by the previous legacy Boards and the new Board of Directors. By accepting the control total, the new Trust will have access to additional funding of PSF £9.4m, Financial Recovery Fund £15.5m and marginal rate emergency tariff £3.67m.



In total therefore the Trust is forecasting an overall breakeven position.

## **Financial Risks 2019/20**

The key financial risks facing the organisation in 2019/20 are expected to be significant. The Trust ended the 2018/19 financial year with an improved position against the control total but still in deficit. This position was heavily dependent upon the receipt of year-end PSF funds which may not be available in 2019/20.

The plan assumes a breakeven position. In order to achieve this, there is an assumption around the delivery of a £19m CIP some of which is predicated on significant pathway reform, reliance on partner organisations and management of demand. Historically the management of demand growth has not been particularly effective and the previous Trusts have continued to see continued growth and associated cost pressures, in almost all specialties and points of delivery. In a block contract environment with fixed income, it is critical that all parts of the local health system play their part to mitigate demand and minimise cost pressures in order to deliver against the challenging financial targets that the local system has set for itself.

If the Trust achieves this breakeven position, the need for further drawdown of working capital loans is negated, although there may be a small need dependent upon timing of income and expenditure on an individual month on month basis.

## **Accounts preparation**

The Trust's financial statements have been prepared in accordance with the Directions made, under paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006, by Monitor (now NHS Improvement), the Independent Regulator of NHS Foundation Trusts, with the approval of the Treasury.

## **Financial Instruments**

### **Price and Credit Risks**

The Trust has minimal exposure to price risk and credit risk.

### **Liquidity Risk**

The NHS Foundation Trust's net operating costs are incurred under legally binding contracts with local commissioning bodies, which are financed from resources voted annually by Parliament. The Trust has financed capital expenditure from internally generated resources. South Tyneside NHS Foundation Trust is not, therefore, exposed to significant liquidity risks other than cash.

### **Cash Flow Risk**

The newly formed South Tyneside and Sunderland NHS Foundation Trust has included a breakeven position in its Annual Plan submission for 2019/20 and is not currently planning to require any interim cash support.

### Events after the reporting date

On the 1 April 2019 South Tyneside NHS Foundation Trust and City Hospitals Sunderland NHS Foundation Trust merged, creating the new Foundation Trust; South Tyneside and Sunderland NHS Foundation Trust. The changes to organisational structures arising from the transaction will be accounted as a Machinery of Government change and therefore would not impact the Going Concern status of the entity or require any of the Trust's activities to not be considered as 'continuing'.

There were no other events following the Statement of Financial Position date, either requiring disclosure, or resulting in a change to the financial statements of the Trust or the Group.

### Overseas Operations

The Trust has no exposure or involvement with any overseas operations.



## GOING CONCERN

After making enquiries, the Directors have a reasonable expectation that the Trust and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the Going Concern basis in preparing these financial statements. On the 1 April 2019 South Tyneside NHS Foundation Trust merged with City Hospitals Sunderland NHS Foundation Trust to form South Tyneside and Sunderland NHS Foundation Trust with the functions of the Trust transferring to the new organisation. This will be accounted for as a transfer by absorption with the closing net assets of the Trusts being transferred to form the new Trust. On this basis it is appropriate to continue to prepare these accounts on a going concern basis.

Whilst recognising the significant financial challenges facing the new Trust, the Directors have considered the work undertaken as part of the local health economy which has culminated in the development of a system wide Financial Recovery Plan (FRP) which has been approved by regulators, who have recognised the robustness of the plan by setting control totals in line with the information provided in the FRP. The annual plan for 2019/20 has been set at breakeven including a cost improvement plan for the year which is historically lower than prior years. The additional PSF funding allocated as part of the 2018/19 year end processes means that the new Trust is unlikely to need additional cash drawdown in year.

Based on the above the Directors have a reasonable expectation that the 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.



**KEN BREMNER**  
Chief Executive

**28 May 2019**

## QUALITY REPORT

### What is a Quality Report?

The Quality Report (also known as a Quality Account) is an annual report published by providers of NHS healthcare about the quality of the services it provides. The report provides details on progress and achievements against the Trust's quality and safety priorities for the previous year and what the Trust will focus on in the next year.

### What should a quality report look like?

Some parts of the Quality Report are mandatory and are set out in national regulations. The Quality Report includes:

- Part 1 - A statement on quality from the Chief Executive summarising the quality of the NHS services provided;
- Part 2 – The organisation's priorities for quality improvement for 2019/20 and statements of assurance from the board;
  - Part 2.1 - Priorities for Quality improvement
    - Review of priorities for improvement 2018/19
    - Priority for quality improvement 2019/20
  - Part 2.2 - Statements of assurance from the Board.
  - Part 2.3 - Reporting against core indicators
- Part 3.1 - Other information – review of quality 2018/19 focusing on patient safety; clinical effectiveness; patient experience
- Part 3.2 – Performance against key national priorities 2018/19
- Annex one – Statements from our key stakeholders
- Annex two – Statement of Directors' responsibility for the quality report.
- How you can provide feedback on our Quality Report.

Every effort has been made to use clear and understandable language wherever possible during the production of the Quality Report. Given the nature of quality improvement in healthcare, the inclusion of some medical and healthcare terms is unavoidable. Further information about health conditions and treatments is available on the NHS Choices website, at [www.nhs.uk](http://www.nhs.uk).

### What does it mean for South Tyneside NHS Foundation Trust?

The Quality Report allows NHS healthcare organisations such as South Tyneside NHS Foundation Trust to demonstrate their commitment to continuous, evidence-based quality improvement and to explain its progress against agreed quality and safety priorities and improvement in other quality areas.

### What does it mean for patients, members of the public and stakeholders?

By putting information about the quality of services in an organisation into the public domain, NHS healthcare organisations are offering their approach to quality for scrutiny, debate and reflection. The Quality Report is designed to assure patients, members of the public and stakeholders that as an NHS healthcare organisation South Tyneside NHS Foundation Trust is scrutinising each and every one of its services, particularly focusing on those areas that require the most attention.

### **How will the Quality Report be published?**

In line with legal requirements all NHS Healthcare providers are required to publish their Quality Reports electronically on the NHS Choices website by June 2019. South Tyneside NHS Foundation Trust (now South Tyneside and Sunderland NHS Foundation Trust following a merger on 1 April 2019) will also make the Quality Report available on its website [www.stsft.nhs.uk](http://www.stsft.nhs.uk)

## **PART 1: STATEMENT ON QUALITY FROM THE CHIEF EXECUTIVE**

The Quality Report remains an important declaration and demonstration to the public that our services are safe, effective, caring and responsive. It provides a welcome opportunity to share with our community, whether patients, the public or our staff, where we have done well and, just as important, those areas where we need to improve.

Along with much of the NHS, we have experienced an extremely busy year across most of our clinical services. From 'front of house' and our emergency care services through to wards and departments at 'back of house', there have been times when the demands on our staff have been relentless. Despite this, we have risen to these challenges in a spirited and professional manner and endeavoured to always putting our patients first.

At South Tyneside NHS Foundation Trust, and with our colleagues at City Hospitals Sunderland we have had the added background of the joint Path to Excellence review of clinical services and the work required to achieve our ambition of becoming a single Foundation Trust. We have continued throughout the year with our joint health alliance with City Hospitals Sunderland and I am delighted that this has resulted in a successful merger of the two Trusts on 1/04/2019.

Of course nationally, we have the distraction of Brexit and the mammoth behind the scenes contingency planning that has gone on to ensure that whatever the final scenario, the NHS and local services in particular are ready and able to provide the full range of clinical services to our patients and their families.

As we begin our journey as South Tyneside and Sunderland NHS Foundation Trust it is important and only right that we take some time to reflect on the last 12 months at South Tyneside NHS Foundation Trust and highlight some of the excellent work, but also acknowledging some of the improvements that we need to make in our new Trust.

In looking at clinical performance I am delighted to report that our A&E performance was better than average last year and that in referral to treatment times we exceeded the national standards. We made excellent progress with implementation of the National Maternity Safety Strategy and I am confident that our merger with Sunderland will enhance our ability to continue to maintain this standard in the coming year. Review of our general surgery and orthopaedic teams as part of the Getting it Right First Time programme provided positive feedback of our achievement of nationally recognised standards.

In December, we were delighted to receive the positive judgement from the Judicial Review legal hearing which was brought about by local campaigners. The legal process ruled that our local CCGs did carry out a fair and lawful public consultation process for the decisions made around the future of our hospital-based stroke services, maternity and urgent paediatric care. Our aim now is to plan towards full implementation of the service changes in the months ahead so that patients benefit from these as soon as possible.

The positive outcome of the review also means that we can confidently continue with our joint review and consultation work within Phase 2, which began in 2018. To date, I have been impressed by the enthusiasm of staff who have been involved in discussing the challenges we face and how we might be able to best solve them. That work continues

and we hope to be in a position to share our plans through formal public consultation sometime later in 2019.

This year we launched our new Quality Strategy 2018-2023 “Improving Quality Together”, which provides our strategic framework and plan of action to improve quality across South Tyneside and Sunderland over the next five years. Patients and the public can therefore see very clearly what our priorities are, how we will achieve them and the progress we make. Even at this early stage, we are starting to see improvements in some key areas such as preventing serious injury from patient falls and involvement of patients in decisions about their care and treatment. Other notable strategic ambitions that we have committed to during the year include how we intend to improve services for people living with dementia and how patient care can benefit from our involvement in Research and Innovation. Once again our research activity throughout the year is worthy of note, continues to develop and will be enhanced by the successful application of Research Nurse Carly Brown to the national 70@70 research programme. More details about these strategic plans are included elsewhere in the Report.

We continue to participate in relevant national clinical audits and registries ensuring patients receive care that meets national standards. Once again, for most of the time, the outcomes show we are providing services that meet or actually exceed national standards. Where we find any variations in care then we will do our best to make changes to our practices. Examples of the many audits we have participated in are included later in the report. However one important set of results to highlight are those from the national stroke audit. Our latest data shows that the quality of stroke services has risen significantly over the past two years with more patients across South Tyneside and Sunderland now getting access to high quality stroke care and life saving treatment. In time we should be in a position to achieve some of the highest performance levels in the region.

We remain, as always, grateful for the ongoing commitment and contribution of patients, staff, governors, members, commissioners and other stakeholders in supporting our quality improvement activities and providing the oversight, scrutiny and constructive challenge that are essential to improving the quality of our services.

The content of this report has been subject to internal review and, where appropriate, to external verification. I confirm, therefore, that to the best of my knowledge and belief, the information contained within this report reflects a true, accurate and balanced picture of our performance.

Looking forward to 2019 and a new chapter for both South Tyneside and Sunderland, I hope you will all continue to embrace the changes and challenges that this new beginning gives us with positivity, pride and professionalism. Our communities deserve nothing less and I know we will do all we can to put our patients at the very heart of everything we do.



**KEN BREMNER**  
Chief Executive

**28 May 2019**

## PART 2: PRIORITIES FOR IMPROVEMENT AND STATEMENTS OF ASSURANCE FROM THE BOARD

OVERALL SUMMARY		RATING
Patient Safety	1. Reduce the incidence of category 2-4 pressure ulcers which have developed in our care	
	2. Reduce the incidence of severe harm from patient falls	
	3. Improve the recognition and management of deteriorating patients in hospital by: <ul style="list-style-type: none"> <li>accurate and timely recording of early warning scores</li> <li>reducing the number of cardiac arrests</li> <li>ensuring high-quality timely communication, decision-making recording in relation to decisions about cardio pulmonary resuscitation</li> </ul>	
	4. Improve compliance with: <ul style="list-style-type: none"> <li>nutritional screening on admission to hospital</li> <li>with the recording of fluid input and output</li> </ul>	
	5. Improve medicines management by: <ul style="list-style-type: none"> <li>ensuring that medicines reconciliation is achieved for patients within 24 hours of admission to our hospital</li> <li>reducing the incidence of missed doses of medicine</li> </ul>	
Clinical Effectiveness	1. Implement the recommendations from the National Maternity Safety Strategy	
	2. Improve the outcomes for patients with serious infection by ensuring timely identification and treatment of sepsis	
	3. Improve quality and efficiency and reduce variations in our services by implementing relevant recommendations from the Getting It Right First Time programme	
	4. Learn and act on the results from participation in national clinical audits and the reviews of patient deaths	
	5. Aspire to achieving the four priority standards for seven day working	
Patient Experience	1. Learn from patient feedback and aim to be in the top quartile in the national patient survey	
	2. Ensure that patients are involved as much as they want to be in decisions about their care and treatment by monitoring, audit and feed-back from multi-agency partners	
	3. Provide a safe, secure, clean and comfortable environment for our patients and their carers/families by monitoring hand hygiene compliance and infection rates	
	4. Ensure that patients receive adequate information and support for safe discharge from hospital by monitoring and audit	
	5. Ensure that all patients and specifically those with physical, mental health and learning disabilities receive person-centred care based on their needs and preferences and that we work within the Mental Capacity Act (2005) and consult with others where appropriate	



Priority achieved

Priority partially / mostly achieved or significant improvement achieved

Priority not achieved

## 2.1 REVIEW OF PRIORITIES FOR IMPROVEMENT 2018/19

Each year, we work with our staff, healthcare partners and local stakeholders to agree a number of areas for improvement. These priorities provide our focus for raising standards and improving quality for the coming year and we have put plans in place to continually review and report the progress we are making. Each section summarises the priorities we set for 2018/19; this is followed by a detailed account of our progress and achievements.

### Patient Safety

We aim to be recognised as one of the safest healthcare organisations both nationally and internationally. Our priority is to deliver safe, reliable and effective care to patients, but we recognise that harm does occur and that there is no single intervention which will improve patient safety. Our intention therefore is to focus on five salient areas of risk, to implement the recognised strategies to reduce the risk and to measure and monitor for reduction in avoidable harm.

<b>1</b>	<b>Reduce the incidence of category 2-4 pressure ulcers which have developed in our care by 25 %</b>
<b>Target</b>	<b>Reduction of 25%</b>

### Summary of performance 2018/19

Pressure ulcers remain a concerning, and often an avoidable harm associated with healthcare delivery. The improvement goal is to achieve a 25% reduction in avoidable category 2-4 healthcare developed pressure ulcers (HCDPUs) by 2023.

Using the metric of 'PU rate per 1,000 occupied bed days' for South Tyneside Acute Services this will amount to a gradual reduction from the baseline of **3.16** (2017/18 average) to **2.37** by 2023.

For South Tyneside and Sunderland Community Services using a metric rate of 10,000 CCG populations, this will amount to a gradual reduction of community developed pressure ulcers (CDPUs) from the baseline of **0.62** for South Tyneside Community (2017/18 average) to **0.47** and a baseline of **0.93** for Sunderland Community (2017/18 average) to **0.7** by 2023 (Table 1.1). The Trust's Ward/Team Dashboard (WTD) data indicating incidence and rate of avoidable cat 2-4 HDPUs is utilised to map improvement.

Table 1.1: Improvement Targets 2018-2023

<b>STFT Acute Baseline (2017-18)</b>	<b>Target Year 1 (2019)</b>	<b>Target Year 2 (2020)</b>	<b>Target Year 3 (2021)</b>	<b>Target Year 4 (2022)</b>	<b>Target Year 5 (2023)</b>
3.16	3.0	2.84	2.68	2.52	2.37
<b>South Tyneside Community Baseline (2017-18)</b>	<b>Target Year 1 (2019)</b>	<b>Target Year 2 (2020)</b>	<b>Target Year 3 (2021)</b>	<b>Target Year 4 (2022)</b>	<b>Target Year 5 (2023)</b>
0.62	0.59	0.56	0.53	0.5	0.47
<b>Sunderland Community Baseline (2017-18)</b>	<b>Target Year 1 (2019)</b>	<b>Target Year 2 (2020)</b>	<b>Target Year 3 (2021)</b>	<b>Target Year 4 (2022)</b>	<b>Target Year 5 (2023)</b>
0.93	0.88	0.84	0.79	0.75	0.7

The Trust's Tissue Viability Steering Group (TVSG) has developed an improvement plan and monitors progress with this quality priority.

The data for 2018/19 is presented in Tables 1.2 and 1.3 and Graphs 1.1 and 1.2 below.

Table 1.2: STFT HDPUs Data for April 2018 – March 2019

	Apr 18	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 19	Feb	Mar	Total
Total HDPUs (Cat 2-4)	30	22	11	26	28	21	18	19	18	28	19	26	266
Cat 2 HDPUs	26	22	10	23	23	19	16	19	18	28	19	22	245
Cat 3 HDPUs	3	-	-	3	5	2	2	-	-	-	-	4	19
Cat 4 HDPUs	1	-	1	-	-	-	-	-	-	-	-	-	2
Rate / 1,000 bed days	3.45	2.52	1.47	3.39	3.93	3.12	2.32	2.41	2.32	3.19	2.37	3.2	Average 2.81
Average	Q1 average = 2.48			Q2 average = 3.48			Q3 average = 2.35			Q4 average = 2.92			
Target	3.12	3.05	2.98	2.91	2.84	2.77	2.7	2.64	2.58	2.52	2.46	2.4	

Graph 1.1: HDPUs April 2018 – March 2019

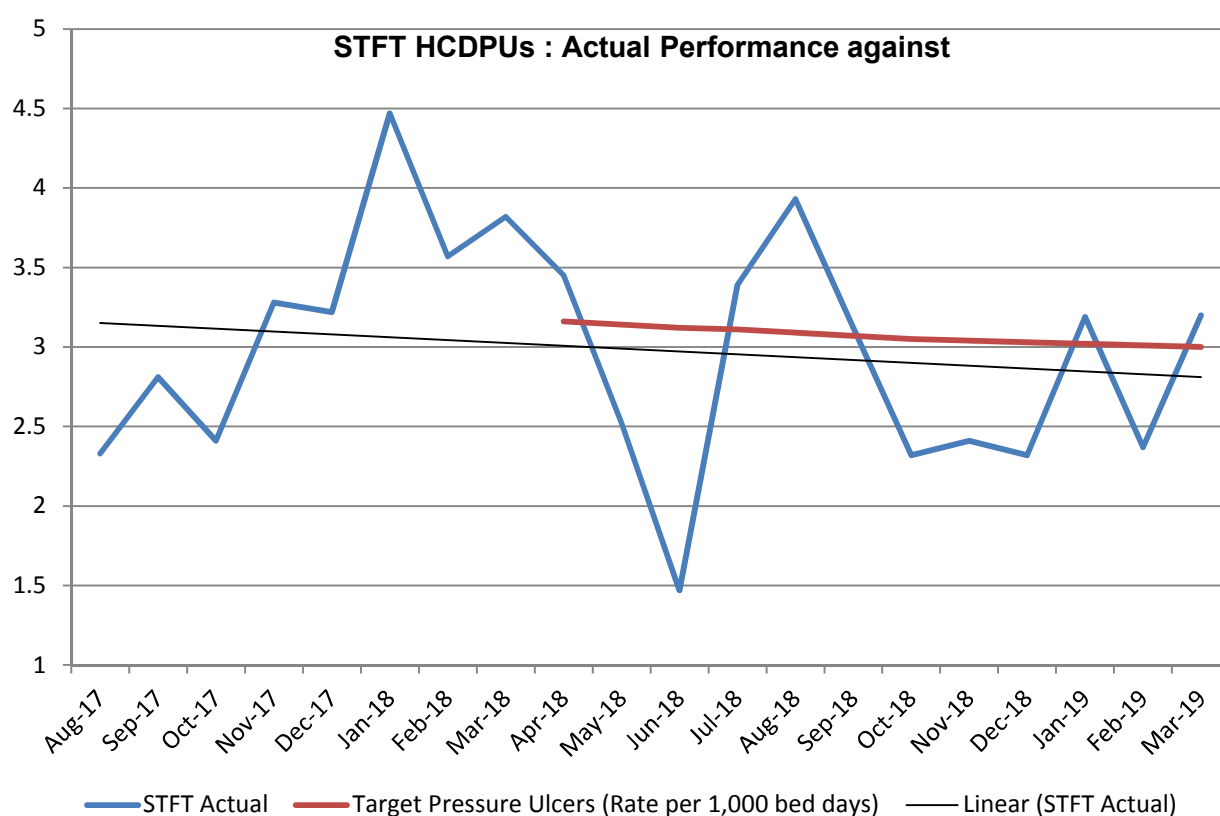
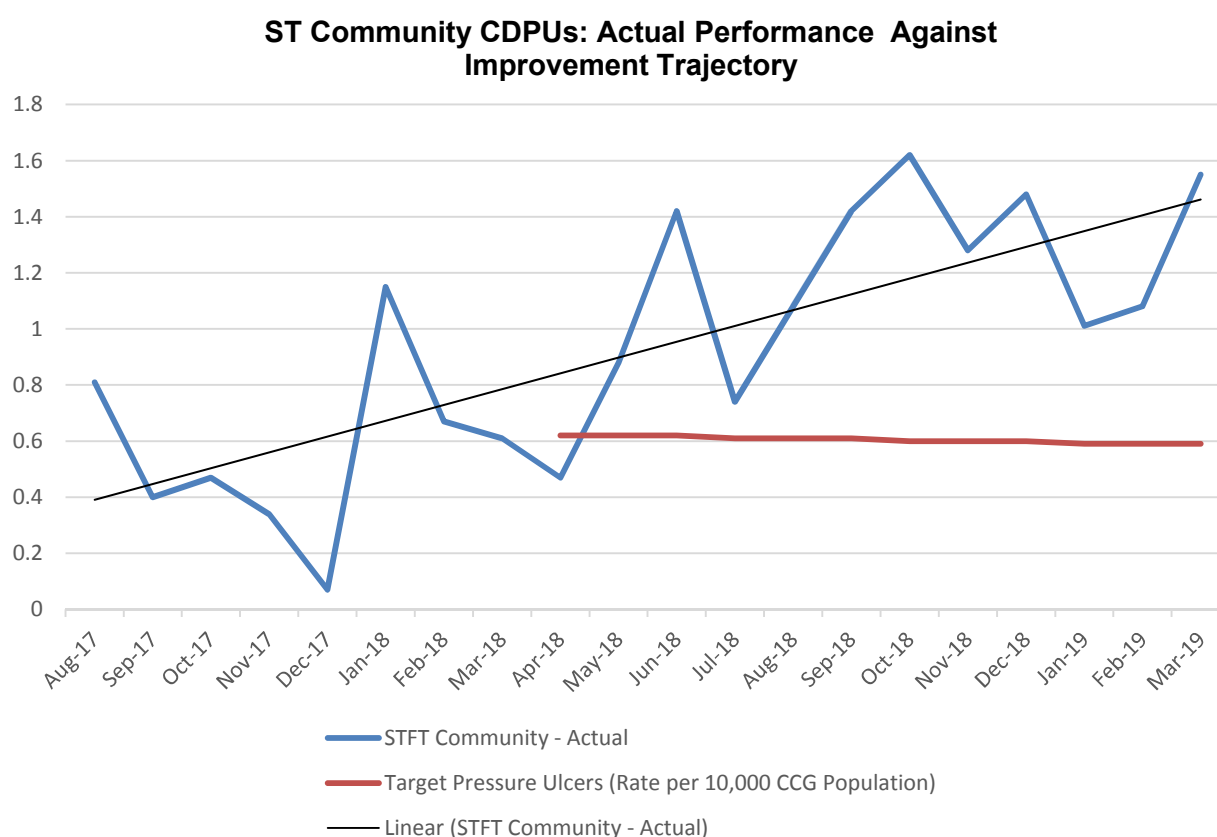




Table 1.3: STFT CDPU Data for April 2018 – March 2019

	Apr 18	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 19	Feb	Mar	Total
Total CDPUs (Cat 2-4)	7	13	21	11	16	21	24	19	22	15	16	23	208
Cat 2 CDPUs	7	13	21	11	16	21	24	19	21	14	14	23	204
Cat 3 CDPUs	-	-	-	-	-	-	-	-	1	1	-	-	2
Cat 4 CDPUs	-	-	-	-	-	-	-	-	-	-	-	-	0
Rate / 1,000 CCG pop	0.47	0.88	1.42	0.74	1.08	1.42	1.62	1.28	1.48	1.01	1.08	1.55	Average 1.17
Average	Q1 average = 0.92			Q2 average = 1.08			Q3 average = 1.46			Q4 average = 1.21			
Target	0.65	0.64	0.63	0.62	0.6	0.58	0.56	0.54	0.52	0.51	0.5	0.49	

Graph 1.2: STFT CDPUs April 2018 – March 2019



The charts and graphs above illustrate a significant reduction in the overall incidence of HDPUs within the acute hospital and an upward trend in the incidence of HDPUs over 2018/19 for community services. Whilst the increase in HDPUs is disappointing the small number of Category 3 pressure ulcers and lack of Category 4 pressure ulcers is reassuring in that strategies to prevent further deterioration once wound damage has occurred, are demonstrating a positive effect.

The Pressure Ulcer Reduction Plan has been revised and learning from Pressure Ulcer Review Panel incorporated into the improvement programme.

## Key achievements over 2018/2019

- New joint Pressure Ulcer Prevention and Care Policy to align practices across South Tyneside and Sunderland Healthcare Group (now a merged Trust) in all aspects of pressure ulcer prevention and management.
- More in depth interrogation of the data to fully understand HDPU incidence (e.g. patient demographics and ward incidence) in order to identify any themes and trends. Deep dive reports discussed at TVSG.
- Development of a new Patient/Carer Pressure Ulcer Prevention Information Leaflet.
- Launch and roll out of new Regional Wound Care Formulary to standardise wound management and dressing choice.
- Review of the tissue viability training programme with increased focus on ward-based practical on the job training for staff.
- Dissemination of lessons learned via Pressure Ulcer Review Panels (PURP) at matron and ward manager forums.

## Plans for 2019/2020

- Implementation of the new NHSI recommendations associated with PUs: revised definition and measurement (published in June 2018, for full implementation from April 2019). Reporting of PUs within the Trust monthly Quality Report will be amended in Q1 2019/20 to align with these NHSI recommendations.
- Alignment of Pressure Ulcer Risk Assessment tools across the newly merged Trust and development of a shortened assessment tool for high risk patients for use in the Emergency Departments.
- Undertake a survey to ascertain adequate pressure relieving aids/devices are available across the organisation.
- Review of information provided when patients are transferred between wards/discharged from acute care.
- Develop SSKIN bundle tool suitable for community use, to make care needs for PU prevention and management explicit to other care providers
- Recruitment of Tissue Viability Nurse Consultant to provide highly specialised professional advice and expert clinical leadership and lead on research and innovation to drive organisational improvements.
- Roll out of a fractured neck of femur pathway across Sunderland and South Tyneside hospital sites.
- Standardise nutrition guidelines for the prevention and management of pressure damage.
- Review referral process to Dietetics and Podiatry for patients with pressure damage.

<b>2</b>	<b>Reduce the incidence of severe harm from patient falls</b>
<b>Target</b>	<b>To be in the lower quartile of reporting Trusts nationally</b>

## Summary of performance 2018/19

The Trust has committed to continue to focus on the reduction of patient falls in hospital. The incidence of falls during 2018/19 is presented in Table 2.1 and Graph 2.1 overleaf. The source for this data is the Trust's Ward Dashboard data which indicates incidence of in-hospital falls each month and the rate of falls per month using the metric of 'rate per 1,000 occupied bed days'.

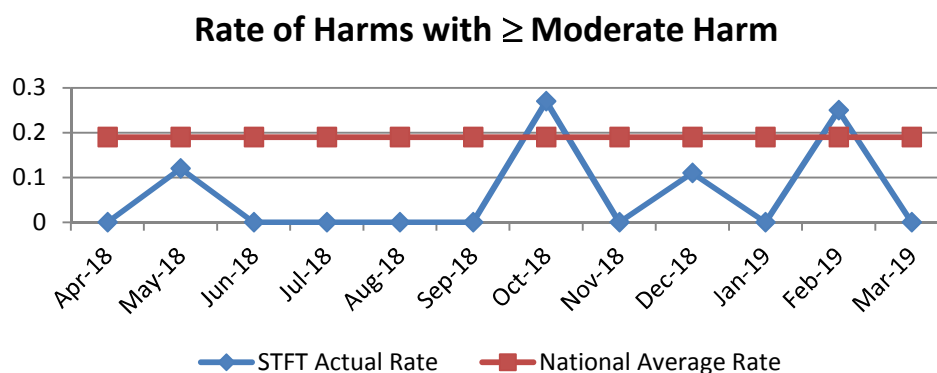
Table 2.1: Falls Data for April 2018 – March 2019

	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19
Total Falls	67	105	63	84	77	59	63	77	72	60	60	86
No harm	52	78	45	68	30	43	47	57	57	49	48	64
Minor harm	15	26	18	16	17	16	14	20	14	11	10	22
Moderate harm (resulting in fractures)	0	1 (1)	0	0	0	0	2 (2)	0	1 (0)	0	2 (2)	0 (0)
Severe harm (resulting in fractures)	0	0	0	0	0	0	0	0	0	0	0	0
Death	0	0	0	0	0	0	0	0	0	0	0	0
Total falls with ≥ Moderate Harm	0	1	0	0	0	0	2	0	1	0	2	0
Rate of falls with ≥ Moderate Harm / 1000 bed days	0	0.12	0	0	0	0	0.27	0	0.11	0	0.25	0

The national average rate for falls with ≥ Moderate Harm = **0.19** / 1,000 bed days. The data demonstrates that with the exception of October 2018 and February 2019, the Trust has been below the national average for patients suffering moderate or above harm from a fall in hospital.

The average rate of falls resulting in moderate or above harm over 2018/19 is **0.06** / 1,000 bed days, which is significantly below the national average.

Graph 2.1: Falls with ≥ Moderate Harm April 2018 – March 2019



### Key Achievements Over 2018/2019

- New joint Prevention and Management of Hospital-Based Falls in Adult Inpatients Policy to align practices across South Tyneside and Sunderland Healthcare Group (now merged Trust).
- NHS Improvement (NHSI) falls collaborative learning and rollout programme completed.
- Revised falls care documentation launched and rolled out across Trust.

- Development of standard operating procedure for enhanced care/observation of patients at risk of falls.

### Plans for 2019/2020

- The Trust's Falls Operational Group will merge with the Sunderland Falls Group to review falls reporting and investigation and ensure alignment and consistency across both sites.
- Participation in the Falls and Fragility Fracture Audit Programme (FFFAP); the national clinical audit run by the Royal College of Physicians (RCP).
- Review of the incident reporting form in Datix, to ensure that key information is recorded to assist with rapid identification of any acts or omissions in care to inform learning and improvement.
- Review of equipment and falls technology for falls prevention and management within the Trust.
- The Hospital Falls Reduction Group will continue to monitor falls data to learn lessons and drive improvements in relation to falls prevention and management within the Trust. The Group will also review all falls resulting in moderate or above harm, where omissions in care have been identified.

- 3 Improve the recognition and management of deteriorating patients in hospital by:**
- accurate and timely recording of early warning scores
  - reducing the number of cardiac arrests
  - ensuring high-quality timely communication, decision-making and recording in relation to decisions about cardio pulmonary resuscitation

### Summary of performance 2018/19

**Early Warning Scores. Target: 100% of patients to have accurate and timely recording of Early Warning Scores (NEWS2)**

The National Early Warning Score (NEWS) is used to help identify patients whose physical health may deteriorate whilst they are in hospital. Early Warning Scoring Systems have been widely and successfully used across the NHS since 2012 to improve the recognition of severity of illness in patients and to trigger escalation of care to senior staff.

In December 2017 a revised NEWS2 was recommended by the Royal College of Physicians and endorsed by NHS England and NHS Improvement. Implementation in acute and ambulance settings was mandated by NHS England by March 2019.

A range of information resources was made available to hospitals and ambulance services to help with implementation. All acute hospitals in the North East region indicated their intention to adopt NEWS2. South Tyneside District Hospital adopted a paper based NEWS2 form across acute services in August 2018. The implementation of NEWS2 was therefore achieved well in advance of the national deadline.

A revised audit tool was developed with monthly audit from September 2018 looking at compliance with the NEWS2 standard. Audit data from September 2018 – March 2019 is overleaf and demonstrates consistent achievement of the standard in over 95% of cases.

	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19
Standard Achieved (Target 100%)	98%	97%	98%	97%	96%	97%	97%

NEWS2 Audit data September 2018 – March 2019

### Reducing Cardiac Arrests. Target: 1% reduction in the number of cardiac arrests

When patients come into hospital and their clinical condition deteriorates, it is important that this unstable state is quickly detected and acted upon through rapid, appropriate escalation to senior medical staff. Unfortunately, this is not always the case and evidence has shown staff can, on occasions, fail to spot or act on changes signifying deterioration. Some patients may, as a result, experience a cardiac arrest and a proportion of these are predictable events which may be avoided through better management of acutely ill/deteriorating patients.

The National Cardiac Arrest Audit (NCAA) data is used by the Trust to monitor performance and is a nationwide database of in-hospital cardiac arrest events which meet ALL the following criteria:

- the individual is an adult or child over 28 days;
- the resuscitation event commenced in-hospital;
- the patient received chest compressions(s) and/or defibrillation; and
- a 2222 cardiac arrest call was made and the individual was attended to by the hospital based resuscitation team.

Reported numbers of patient admissions to South Tyneside District Hospital, 2222 calls and cardiac arrests attended by the team are presented below:

Period	Total number of admissions to your hospital	Total number of 2222 calls (including non-cardiac arrest)	Total number of reported cardiac arrests attended by the team that met the scope of NCAA	Number of individuals
2018/19	29,920	212	74	50
2017/18	31,376	196	71	67
2016/17	35,508	198	67	66

The number (and rate per 1000 hospital admissions) of cardiac arrests appears to be gradually increasing at South Tyneside District Hospital. The reasons for the increase are complex and multifactorial but may in part be due to the cardiac arrest team being called more frequently due to the increased awareness of deterioration as a result of better use of early warning scores.

### Do Not Attempt Cardiopulmonary Resuscitation

A Do Not Attempt Cardiopulmonary Resuscitation (DNACPR) order is a document issued and signed by the lead clinician, which directs the patient's healthcare team not to attempt cardiopulmonary resuscitation (CPR). The order is designed to prevent inappropriate, futile and/or unwanted attempts at CPR which may cause significant distress to patients and families, as a death with an inappropriate CPR attempt is undignified and traumatic. While some improvements have taken place in some aspects

of documentation and communication of DNACPR orders over the last few years, there is still further work required to be confident that we are getting this right all of the time.

The table below shows the results of annual audits undertaken in 2017/18 and 2018/19. Some elements show minor improvement or consistency of good performance however evidence of discussion regarding DNACPR in the patient record showed a decline from 2017 to 2018.

Element of audit	2017	2018
1. DNACPRs reported by Nurse-in-charge correlates with actual forms present in notes	99.6%	100%
2. Active DNACPR forms filed correctly	100%	100%
3. Communication with key people involved documented	77%	74%
4. DNACPR form countersigned by consultant	93.3%	95.4%
5. Evidence of discussion regarding DNACPR in patient record	70%	54%

Improvement is underway to introduce an electronic format for the DNACPR form, ie converting the previous paper form into an electronic version. It is anticipated that the electronic format will improve the completion, documentation and visibility of DNACPR orders in the future.

The Trust's Deterioration Recognition and Resuscitation Group (DRRG) has developed an improvement plan for this quality priority and monitors progress with this.

<b>4</b>	<b>Improve compliance with:</b> <ul style="list-style-type: none"> <li>• <b>nutritional screening on admission to hospital; and</b></li> <li>• <b>with the recording of fluid input and output</b></li> </ul>
<b>Target</b>	<ul style="list-style-type: none"> <li>a. Achieve at least 90% compliance with nutritional screening on admission to hospital</li> <li>b. Achieve at least 90% compliance with recording of fluid input</li> </ul>

### Summary of performance 2018/19

Providing patients with optimal nutrition and hydration is an integral part of their care, as provision of appropriate food and fluids to meet their needs is essential to support recovery and maximise individual health outcomes. However, there has been increasing concern over the high incidence of malnutrition and dehydration in patients in hospital. This has led to a growing interest in improving the overall nutrition and hydration care experience for patients together with delivery of appropriate care to promote health and improved clinical outcomes. Malnutrition and dehydration have the potential to affect large numbers of patients admitted to hospital and can adversely affect their clinical outcomes. The most vulnerable are the very young and the elderly, patients with cognitive impairment or learning disabilities, patients with swallowing difficulties, patients with impaired mobility and those with multiple comorbidities.

The Trust has identified nutritional screening and recording of fluid input and output as patient safety priorities in our Quality Strategy (2018-2023). The improvement goal is to achieve at least 90% compliance with:

- a) nutritional screening on admission to hospital or at first home visit in the community setting
- b) recording of fluid input and output for patients with an identified need.

The Malnutrition Universal Screening Tool (MUST) is utilised for nutritional screening: this is a simple five step tool to help identify adults who are underweight and at risk of malnutrition. The Trust's Nutrition and Hydration Steering Group is supporting this quality priority and is working with a detailed improvement plan to help achieve these targets. The audit data for 2018/19 is presented in Table 4.1 below and is sourced from the monthly nursing documentation audit completed in patient wards and departments.

Table 4.1: % Patients with MUST completed within 24 hours of admission

Baseline (2017/18)	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 18	Feb 18	Mar 18
%												
78 %	77.8	78.6	69.6	78.0	70.2	80.0	83.2	72.3	82.9	78.6	75.6	67.4

The data indicates that the average rate of completion of MUST screening within 24 hours of a patient being admitted to hospital is above 65%, however a sustained improvement in-year has not been achieved. Wards with the lowest compliance are to be selected for additional quality improvement support.

### Recording of fluid input and output

To reduce the risk of dehydration new fluid monitoring charts were piloted and implemented across the Trust in September 2018. Following further evaluation of these charts in 2019 the fluid monitoring standard operating procedure (SOP) will be revised to provide more direction for staff with the inclusion of examples of well recorded fluid monitoring charts to demonstrate the standard expected for both paper and electronic records. Compliance of the completion of fluid monitoring charts will be audited and the results reviewed by the Nutrition and Hydration Steering Group.

### Achievements over 2018/2019

- The Trust was successful in participating in a National Nutrition Improvement Collaborative organised by NHS Improvement (NHSI). The aim of this was to improve the accuracy of nutrition screening and appropriateness of interventions. The collaborative provided an opportunity to learn about quality improvement tools and techniques and put these into practice. The collaborative provided an excellent opportunity to share good practice and raise the profile of the Trust nationally.
- A new MUST e-learning module was developed by the Nutrition and Hydration Steering Group, the aim of which is to increase training opportunities and raise staff awareness of how to complete MUST correctly.
- Our annual Nutrition and Hydration Week took place on 11-17 March 2019 during which we highlighted the importance of adequate nutrition and hydration within the healthcare sector. Our Nutrition and Hydration Steering Group organised a series of themed events over the week, under the theme "A Global Challenge: Making a Difference Every Day". The events included meal observations, special 'treats' for our patients, promotion of a new e-learning programme and national webinars and display stands to publicise International Dysphagia Diet Standardisation Initiative (IDDSI) and the I-Hydrate initiative. Our Nutritional Link Nurses and Matrons played a key role by championing the week's activities and also promoting protected mealtimes for our patients.



- The newly aligned fluid monitoring charts were evaluated in March 2019; this identified minor improvements to be made to both paper and electronic versions to support staff compliance with accurate documentation. The chart is currently being amended.
- Training and guidance was launched in 2018 to ensure all staff are aware of the international dysphagia and standard terminology across the Trust. Updates will be provided throughout 2019 and monitored at the Nutrition and Hydration Steering Group.

### Plans for 2019/2020

The Trust's Nutrition and Hydration Steering Group will continue to lead on the initiatives and strategies outlined in the improvement plan and monitor performance against this in order to achieve the 90% compliance target stipulated in the Quality Strategy.

### Planned actions for 2019-2020

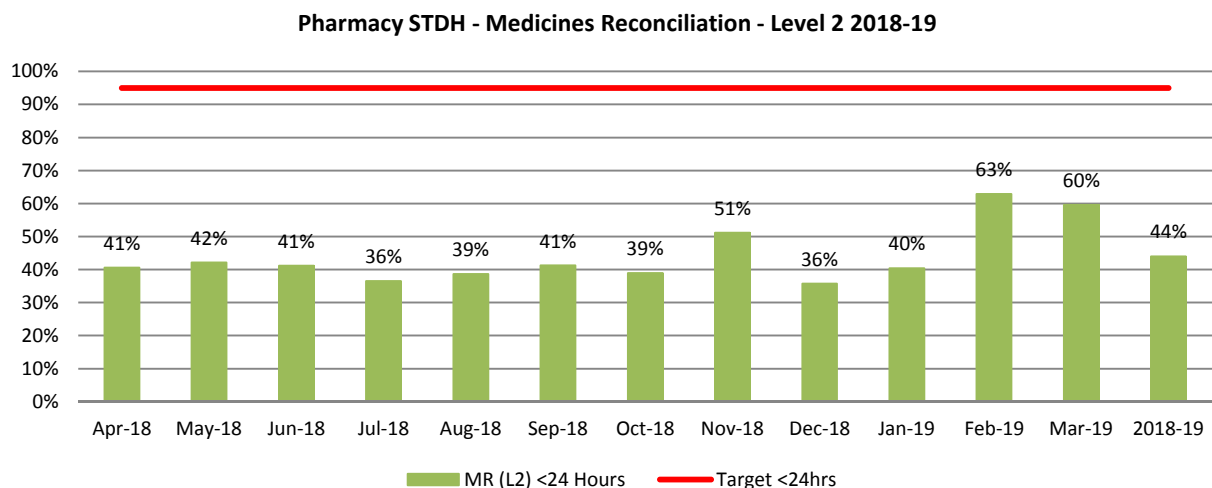
- Introduction of a new streamlined monthly documentation audit, with increased sample size will be launched in 2019. Reports will be produced for the Nutrition and Hydration Steering Group and Quality reports.
- Launch of the Food and Drink Strategy 2019-2023.
- Launch of the Nutrition and Hydration for Adult Patients policy.
- Launch of the new Transfer of Care Document which contains a prompt for MUST completion.
- Nutrition champions have been identified in the Trust, and will be supported by the Nutrition link Matrons who are actively communicating with champions in their areas and encouraging all to undertake the e-learning training over 2019-2020.
- E-learning training compliance will now be reportable: reports will be presented to the Nutrition and Hydration Steering Group.
- The Emergency Assessment Unit (EAU) will actively review their compliance data for completion of MUST for appropriate patients to improve timely assessments and purchase new weighing equipment.
- Community nursing services matron to develop a plan for the production of monthly reports generated by EMIS for the Nutrition and Hydration Steering Group.
- Further training for community staff on MUST via e-learning and face to face sessions will be advertised on the Nutrition and Hydration Newsletter.
- Ward managers to undertake a review of the measuring equipment on their wards and order correct equipment if not available.
- New data reports to be explored with the Information Services Team to enable analysis of the number of appropriate referrals to Dietitians.
- Protected meal time observation visits will be undertaken jointly by Catering and Matron leads (for nutrition and hydration the results will be reported to the Nutrition and Hydration Steering Group).
- Patient meals will continue to be reviewed by the Catering and Dietetics teams to continue to improve the menu for patients, staff and visitors.



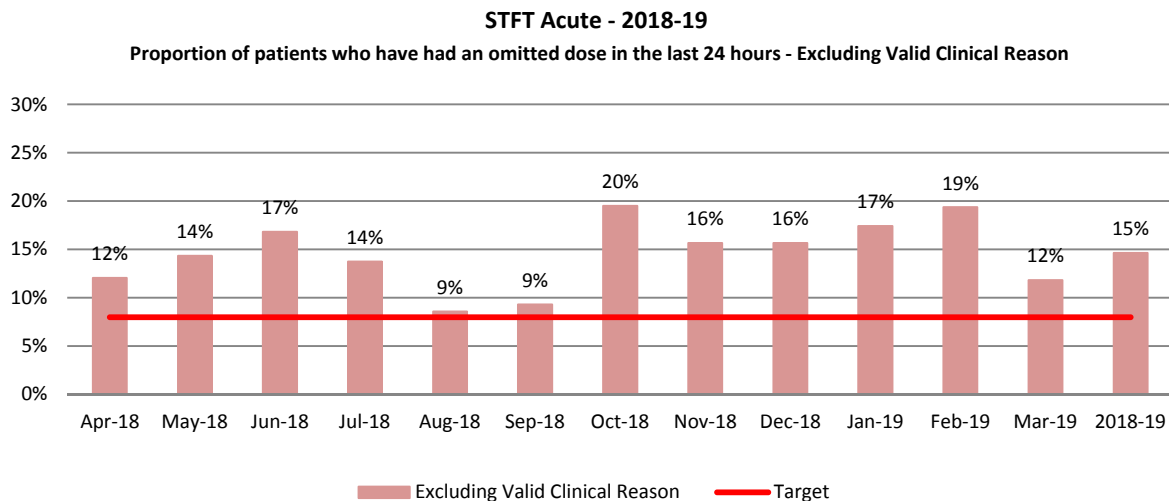
<b>5</b>	<b>Improve medicines management by:</b> <ul style="list-style-type: none"> <li>ensuring that medicines reconciliation is achieved for patients within 24 hours of admission to our hospital</li> <li>reducing the incidence of missed doses of medicine</li> </ul>
<b>Target</b>	a) Ensure that medicines reconciliation is achieved for 95% of patients within 24 hours of admission b) Reduce the incidence of missed doses of medicine by 50%.

Medication reconciliation is the process of ensuring that a patient's medication list is as up-to-date as possible. It is usually undertaken by a pharmacist, and may include consulting several sources such as the patient, their relatives or carers, or their GP. Best practice guidance states that medicines reconciliation should be carried out within 24 hours of admission to hospital. The Trust's current position has improved slightly during the year to 60% and will continue to be monitored and improvements made in order to increase the rate of medicines reconciliation in accordance with NICE recommendations.

Summary of performance 2018/19 is illustrated in the chart below.



When a medicine is prescribed there is usually the understanding that the patient will have the medicine administered according to the prescription schedule. Failure to do so can lead to, or has the potential to lead to, patient harm. Missed doses of high-risk drugs are potentially a bigger risk to patients and may result in increased morbidity and mortality. We want to put in place a series of measures to reduce those occasions where medications are missed, for whatever reason. Data on missed/omitted doses of medicines has been gathered throughout the year to understand the reasons for failure to administer the medicines. Improvement work with wards with the highest incidence of missed doses is planned.



## Clinical Effectiveness

We aim to ensure that the care we give or the service we deliver is explicitly evidence based, with the goal of achieving better outcomes. We want every patient contact to be a clinically effective contact wherever possible. We also want patients to be aware of clinical recommendations and options in discussing and agreeing pathways of care.

### 1 Implement the recommendations from the National Maternity Safety Strategy

A new national Maternity Strategy was launched by the NHS in support of the ambition to halve the number of stillbirths, deaths and brain injuries by 2025. It is widely acknowledged that improvements need to be made in learning from mistakes to reduce the number of injuries and baby deaths in childbirth. The strategy is wide ranging and includes initiatives to provide better and safer maternity care, improve the quality of information reviews and investigations and enhance opportunities for learning.

As an incentive to implement the strategy there was an opportunity for the Trust to receive a 10% rebate in its NHS Resolution (CNST) maternity premium if it was able to demonstrate full compliance with 10 key criteria for safer maternity care and neonatal services.

#### Summary of Performance 2018/19

South Tyneside NHSFT has reported full compliance with the 10 criteria as shown overleaf and the self-certification and supporting evidence was signed off by the Board of Directors in May 2018. Subsequently, the Trust received notification from NHS Resolution that it would receive the incentive payments. Work continues to consolidate progress in these areas within the revised model of maternity services across South Tyneside.

Criteria for safer maternity care		Compliance
1	Using the National Perinatal Mortality Review Tool to review perinatal deaths	
2	Submission of data to the Maternity Services Data Set	
3	Transitional care facilities in place and operational to support the implementation of the ATAIN Programme	
4	Effective systems of medical workforce planning	
5	Effective systems of midwifery workforce planning	
6	Compliance with all 4 elements of the Saving Babies' Lives care bundle	
7	Having a patient feedback mechanism in place for maternity services, such as the Maternity Voices Partnership Forum, and that you regularly act on feedback	
8	90% of each maternity unit staff group have attended an 'in-house' multi-professional maternity emergencies training session within the last training year	
9	Trust safety champions (obstetrician and midwife) are meeting bi-monthly with Board level champions to escalate locally identified issues	
10	Reporting 100% of qualifying 2017/18 incidents under NHS Resolution's Early Notification scheme	

<b>2</b>	<b>Improve the outcomes for patients with serious infection by ensuring timely identification and treatment of sepsis</b>
<b>Target</b>	a) Sepsis assessment - 90% of patients at risk are screened b) Antibiotic Administration - 90% of patients with sepsis treated within 1 hour c) Antibiotic Review - Perform an empiric review for at least 90% of cases in the sample

### Summary of performance 2018/19

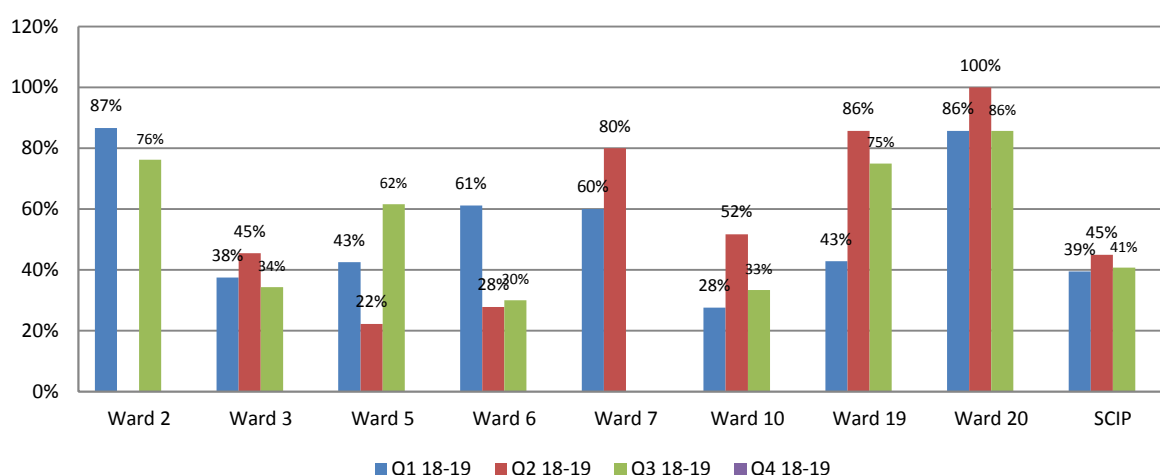
Significant in the treatment of patients with sepsis is early identification and prompt initiation of treatment. Compliance with the Sepsis 6 bundle of care, as recommended by the Royal College of Emergency Medicine, is audited regularly. The performance in the 2018/2019 year is outlined below:

Sepsis-6 standard	% performance
Antibiotics administered within 1-hour	47
Intravenous fluid administered within 1-hour	47
Oxygen administered within 1-hour (if required)	41
Lactate measured within 1-hour	79
Blood cultures taken within 1-hour	53
Urine output documented within 1-hour	43

The sepsis audit results are regularly reviewed at the ED huddle to promote multidisciplinary learning and performance review. The sepsis clinical leads have reviewed the current educational approach to sepsis in the Trust and are in the process of fully implementing them. Furthermore, both ED and EAU have invested in a trial of sepsis trolleys for the prompt delivery of the Sepsis 6 treatment bundle.

To monitor antibiotic guardianship an audit of inpatient medicine charts is carried out each week on the wards to review compliance with the antimicrobial guidelines as well as the completion of the 72 hour review (standard is 90%). The results for Q1, Q2 and Q3 2018/19 are illustrated overleaf. Data for quarter 4 is not yet available.

### Audit of IV Antimicrobial Prescribing 2018-19 72hr Review Results by Ward



The Consultant Microbiologist and Antimicrobial Pharmacist undertake regular 'teachings on the floor' educational sessions on the antibiotic guidelines and promoting antibiotic guardianship. The results of the medication chart audit have been shared with the consultant team and junior doctors by the Medical Director promoting the importance of effective antibiotic monitoring.

<b>3</b>	<b>Improve quality and efficiency and reduce variations in our services by implementing relevant recommendations from the Getting It Right First Time programme (GIRFT)</b>
<b>Target</b>	Implement speciality-specific recommendations from GIRFT (according to agreed action plan)

### Summary of performance 2018/19

There have been the following GIRFT visits in 2018/2019:

1. Surgery first visit. This identified a range of good practice and achievement of GIRFT standards. The need to improve elderly care surgical liaison and the availability of critical care beds for patients at high mortality risk was highlighted and is being considered as part of the Path to Excellence Clinical Service Review.
2. Orthopaedic revisit. This was a joint review with CHSFT and the final report is still awaited. Feedback on the day was very positive.

<b>4</b>	<b>Learn and act on the results from participation in national clinical audits and the reviews of patient deaths</b>
<b>Target</b>	Review all deaths that meet national criteria for stage 2 independent review

### Summary of performance 2018/19

The complete information for stage 1 mortality reviews is not available as reviews are ongoing. Of the 673 in-patient deaths in 2018/19, 106 (15.8%) met the criteria for a stage 2 mortality review. Of those 96% had a stage 2 mortality review. Lessons learnt and actions taken are summarised overleaf:

Key Learning Points	Action Taken
In a small number of cases communication with families could be better when managing acute illness.	Reminder sent by the Medical Director to all staff. Lessons included in Clinical Incident Review Group newsletter. Simulation scenario being developed.
On occasion the choice of antibiotic has not followed Trust policy or the 72-hour review has not been completed.	The Trust has invested in an antibiotic app with regular communications from the Consultant Microbiologist and Antimicrobial Pharmacist via a newsletter.
The use of the CURB-65 score to grade prognosis in pneumonia is not consistently used.	Regular teaching has been delivered by the Consultant Microbiologist and the Respiratory team.
A high percentage of patients who were admitted with a fractured neck of femur developed a hospital acquired pneumonia.	A "Hospital Acquired Pneumonia" bundle is being piloted by the Orthogeriatric team to help reduce this complication.
The review of deaths in learning disabilities has identified a range of good practice related to communication with families, following guidance on capacity and the strong links between the hospital and community teams.	To further support best practice an audit has been circulated to staff related to the training the Trust provides for mental capacity and deprivation of liberties to further strengthen it.
Instances of better handover between the ED and EAU have been identified. Patient outcome was not affected, but the patient journey could have been more efficient.	An MDT workshop with ED and EAU staff has identified areas to reinforce and to develop further to strengthen patient handover.
A diagnosis of urinary tract infection (UTI) was made often based on urine analysis alone. This is not an accurate method to diagnose UTI.	Audits have confirmed inappropriate use of urine analysis. Staff education has been provided and a tool is being developed to support staff.
There continue to be cases of sepsis where treatment could have been more timely.	A sepsis trolley has been introduced in ED and EAU where all the treatments required for sepsis with supporting information is in one place to promote early intervention.
Oxygen prescribing could be improved.	Medication chart has been redesigned to include oxygen prescribing. NEWS2 chart includes specific section on oxygen % and method of supply to act as a reminder. Oxygen Prescribing Task and Finish group has been set up.
Handover between A&E and within EAU could be improved.	A written process with readily accessible SBAR material has been introduced for A&E to EAU handover. An additional formal Consultant delivered handover on EAU has been introduced at 1300.
Some reviews have identified the need to improve the identification of potential harm of in-hospital falls and post fall review documentation.	Standardised falls assessment stickers and standardised medication reviews for falls have been implemented, along with an updated falls assessment document. This work has already resulted in a 53% reduction in harm following a fall over a one year period.

Key Learning Points	Action Taken
The type of dementia was not always being specified when mentioned in a cause of death.	A message has been sent by the Medical Director to all medical staff to reinforce the importance of specifying type of dementia. There has also been a drive to raise the awareness of delirium and its appropriate management, highlighting the difference between dementia and delirium.

## LEARNING FROM DEATHS

Information about patient deaths and review during the period  
April 2018 – March 2019 (provisional)



Total number of inpatient deaths



371

Patients who had a  
Stage 1 Screening Review

Note: This is the process where the department/team review the care provided as a team and this is done by an independent member of that department/team, based on national guidance to make a judgement on the preventability/avoidability of death and a rating of quality of care



101

Patients who had a  
Stage 2 Case Record Review

Note: These are patients reviewed by an independent Trust Consultant for patients being escalated from a stage 1 review or they have certain characteristics (e.g. younger than 40 years old) to make a judgement on the preventability/avoidability of death and a rating of quality of care. This provides further assurance of the process of reviews

## Stage 2 Reviews



Deaths judged as definitely  
not preventable

0%

Deaths judged as avoidable (>50% likelihood of avoidability). This is lower than the published rate of 3.6% in the national PRISM 2 trial (referred to by the Department of Health)



95%

Deaths reviewed where  
care during the last  
admission was graded  
as excellent or good

<b>5</b>	<b>Aspire to achieving the four priority standards for seven day working</b>
<b>Target</b>	<b>Four priority standards to be implemented by 2020</b>

### Summary of performance 2018/19

The Spring 2018 National Seven Day Services survey only included clinical standard 2. Previous results are presented for information.

Standard 2-14 hour Consultant review of emergencies				
	Sept 16	Mar 17	Sept 17	May 18
Week day	54%	80%	70%	71%
Weekend	40%	67%	60%	72%
7-days	50%	77%	71%	71%
Standard 5-diagnostics measured March 17				
Week day		100%		
Weekend		67%*		
*Echo and MRI not formally available				
Standard 6-Consultant directed interventions measured March 17				
Week day		80%*		
Weekend		70%#		
*Interventional Radiology and urgent DXT not available formally #In addition to latter cardiac pacing				
Standard 8- On-going daily reviews				
		Sept 16	Mar 17	
Twice-daily reviews	Week day	77%	84%	
	Weekend	50%	60%	
Once-daily reviews	Week day	98%	95%	
	Weekend	74%	41%	

There is regular review of performance. The Path to Excellence programme of clinical service reviews is the long-term route to improve performance and achieve the 90% target for standard 2.

### Patient Experience

Whilst safe, high quality clinical care must always be the first priority in the NHS, this is not enough by itself. Patients want and deserve to be treated with compassion, dignity and respect in a safe and caring environment, with staff putting their needs first to ensure a consistent positive patient experience. Our aim is to improve the patient and carer/family experience, from their very first contact with us right through to their safe discharge from our care.

### 1 Learn from patient feedback and aim to be in the top quartile in the national patient survey

### Summary of performance 2018/19

#### Current Position Against Target - National In patient survey (Published 2018)

There are 53 questions where performance can be directly compared to the survey undertaken last year. Using the 'expected' range approach:

- 10/53 (19%) of scores were 'better' than other Trusts, who participated in the survey;
- 43/53 (81%) of scores were 'about the same' as other Trusts; and
- None of the scores achieved were rated in the 'worst performing Trusts' category.



The Trust's in house in patient questionnaire (Q3) identifies that 98% of patients who responded said they were treated with kindness and compassion.

#### Actions to get back on target

- In-house in-patient "Your Experience Matters to Us" self-reported survey developed to monitor progress and prioritise areas for action - launched January 2019.
- Additional self-reported questionnaires being developed for all speciality services.
- Developing a process for sharing and displaying patient experience information.
- Establishing systems to demonstrate learning and acting on feedback and complaints.

#### Friends and Family Test (FFT) Benchmarking Results

FFT is a nationally mandated question which asks the patient if they would recommend the service to friends and family if they required similar care and treatment. There is no nationally mandated response rate. This question is asked as part of our in-patient "Your Experience Matters to Us" self-reported survey, and as a single question in other areas. In Maternity the FFT is 4 individual questions asked at various points of the pathway.

#### Inpatient

The Trust's score is 98%, and continues to remain above local (97%) and national average (96%) for patients who would recommend the ward to friends and family if they needed similar care or treatment.

#### A&E

The Trust's score remains on par with national and local averages for patients who would recommend A&E to friends and family if they needed similar care or treatment.

#### Maternity

The results for the Trust were suppressed.

#### Outpatient

At STFT 99% of patients indicated they would recommend the service, which is above local average (96%) and national average (95%).

#### Mental Health

In STFT community mental health services 100% of patients recommended the service, which is above local (99%) and national (98%) averages.

#### Community Health

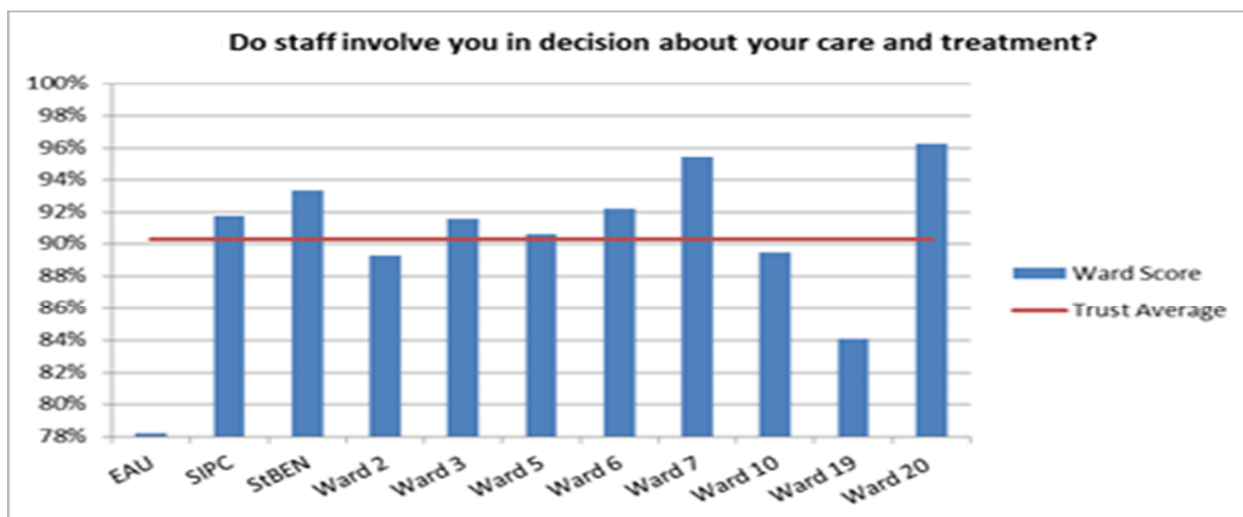
In STFT community services 87% of patients recommended the service, which is below local (94%) average but significantly higher than national (75%) averages.

2	Ensure that patients are involved as much as they want to be in decisions about their care and treatment by monitoring, audit and feed-back from Multi-Agency Partners
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#### Summary of performance 2018/19

The Trust's in-house survey (Q3) identified 90% of patients were involved as much as they wanted to be in their decisions about care and treatment.





### Actions to get back on target

- Pilot Carers Passport and develop roll out plan.
- Develop Carers action plan to deliver partnership working.
- Explore the possibility of open visiting.
- In house “Your Experience Matters to Us” survey developed to monitor progress launched January 2019.
- Self-reported questionnaires being developed for all specialities
- Task and Finish Group established to improve compliance with accessible information standards

**3**

**Provide a safe, secure, clean and comfortable environment for our patients and their carers/families by monitoring hand hygiene compliance and infection rates**

### Summary of performance 2018/19

Audits to review compliance have shown:

- Hand Hygiene - 99.77%,
- Bare below the elbow - 99.86%.
- MRSA Bacteraemia - Annual target = zero avoidable cases, however the Trust has reported 1 Trust apportioned avoidable MRSA bacteraemia.
- *C.difficile* Infection - Annual target = 7, and the Trust has reported 14 cases reported, 5 of which were successfully appealed, with a confirmed number of Trust apportioned cases of 9.
- E.Coli Bacteraemia - Annual target = 13 with 19 cases reported.

### Actions to get back on target

- Monthly hand hygiene audit undertaken.
- The Infection Prevention and Control (IPC) team has delivered targeted education and training Trust-wide on MRSA screening and decolonisation to inform the new Trust MRSA procedure.

- Action Plans to resolve future cross infection to be presented to the Clinical Incident Review Group.
- IPC nurses undertake clinical placements on affected wards.
- Adoption of the NHSI catheter passport.
- Educational sessions on urinary catheter management.
- Launch of i-Hydrate programme.
- Reduce inappropriate use of urine dipsticks through visual aid on nursing notes.

#### **4 Ensure that patients receive adequate information and support for safe discharge from hospital by monitoring and audit**

##### **Summary of performance 2018/19**

The Trust's Discharge Policy has been reviewed and is undergoing approval and ratification. The policy includes specific actions in relation to monitoring of compliance.

##### **Actions to get back on target**

- Launch of the reviewed Discharge Policy.
- Discharge planning improvement plan to be developed.
- Understand the patient experience in relation to the discharge process.
- Establish a task and finish group to identify and agree the actions required in relation to improving patient discharge.
- Develop an action plan to deliver safe patient discharge.

#### **5 Ensure that all patients and specifically those with physical, mental health and learning disabilities receive person-centred care based on their needs and preferences and that we work within the Mental Capacity Act (2005) and consult with others where appropriate**

##### **Summary of performance 2018/19**

##### **Current Position:**

Dementia Strategy launched with clinically focused workshop. Dementia training delivered. Orientation boards and "This is me" boards are being developed. Dementia Strategy Group well established.

##### **Carers**

Carer's Charter in place. Carer's passport redeveloped and currently being piloted on a number of Care of the Elderly wards. Carers awareness training ongoing.

##### **Learning Disabilities (LD)**

Specialist LD nurses are in post to co-ordinate care and ensure reasonable adjustments are made for patients with LD.

##### **Veterans**

The Trust is accredited by the Veterans Covenant Hospital Alliance and signed up to Armed Forces Covenant.

## Actions to get back on target (where applicable)

Carers action plan under development to include Partnership working with local carers centres.

Veterans action plan under development and this includes:

- identifying veterans on admission;
- ensuring veterans have access to information about support services; and
- raising awareness of veterans.

## Priorities for quality improvement 2019/20

	Patient safety	Measured by	Monitored by	Reporting to
1	<b>Reduce the number of hospital acquired pressure ulcers</b>	Ward Dashboard data	Tissue Viability Steering Group	Clinical Governance Steering Group
	<b>Target: Reduce the incidence of category 2-4 pressure ulcers which have developed in our care by 25%</b>			
	Reason why we will continue with this priority - further improvement necessary to achieve the Trust reduction target of 25 %.			
2	<b>Reduce the incidence of patient falls that result in moderate or above harm</b>	Incident reporting system	Falls Reduction Group	Clinical Governance Steering Group
	<b>Target: To be in the lower quartile of reporting Trusts nationally with respect to harm caused by inpatient falls</b>			
	Reason why we will continue with this priority – to be confident we are controlling the risk and learning from the investigation of any inpatient falls.			
3	<b>Improve the completion, documentation and visibility of 'Do Not Attempt Cardio Pulmonary Resuscitation' (DNACPR) orders across the organisation</b>	Internal reporting and audit	Resuscitation Group	Clinical Governance Steering Group
	<b>Target: 10% improvement on the previous year</b>			
	Reason why we will continue with this priority - further improvement necessary on the recording of discussion with patient and/or family.			
4	<b>Improve the recognition and management of deteriorating patients</b>	a) Local systems of audit b) National Cardiac Arrest Audit	a) Matrons Group b) Resuscitation Group	Clinical Governance Steering Group
	<b>Target: a) 100% of patients to have accurate and timely recording of Early Warning Scores b) 5% reduction in the number of preventable cardiac arrests</b>			
	Reason why we will continue with this priority – further improvement necessary, particularly in relation to the number of cardiac arrests and escalation as a result of early warning triggers.			
5	<b>Improve the standards of clinical documentation</b>	Local assurance audits	Trust Nutritional Group	Clinical Governance Steering Group
	<b>Target: a) Achieve at least 90% compliance with nutritional screening on admission to hospital b) Achieve at least 90% compliance with recording of fluid input and output</b>			
	Reason why we will continue with this priority – further improvement necessary to achieve the Trust target of screening within 24 hours of admission to hospital.			
6	<b>Improve medication management</b>	Internal report and audit	Medicines Safety Group	Clinical Governance Steering Group
	<b>Target: a) Ensure medicines reconciliation is achieved for 95% of patients within 24 hours of admission to our hospitals b) Reduce the incidence of missed doses of medicine by 50%.</b>			
	Reason why we will continue with this priority – further improvement necessary as although medicines reconciliation is carried out it needs to be more timely and the work on reduction of missed doses is at an early stage of the improvement programme.			

	Clinical Effectiveness	Measured by	Monitored by	Reporting to
1	<b>Implement the recommendations from the National Maternity Safety Strategy</b>	Maternity Indicators and Action Plan	O&G Clinical Governance Group	Clinical Governance Steering Group
	<b>Target: implement the 10 criteria for safer maternity care (agreed by National Maternity Champions)</b>			
	Reason why we will continue with this priority – to be confident that we are controlling risks and learning.			
2	<b>Improve the outcomes for patients with serious infection by ensuring timely identification and treatment of sepsis</b>	NHS Digital	Sepsis Group	Clinical Governance Steering Group
	<b>Targets: Sepsis assessment - 90% of screened cases</b>			
	<b>Antibiotic Administration - 90% of patients with sepsis treated within 1 hour</b>			
	<b>Antibiotic Review - Perform an empiric review for at least 90% of cases in the sample</b>			
	Reason why we will continue with this priority – further improvement necessary.			
3	<b>Improve quality, efficiency and reduce variations in our services by implementing recommendations from the Getting It Right First Time (GIRFT) programme</b>	Specialty Specific Action Plans	Operational Management Group	Clinical Governance Steering Group
	<b>Target: Implement specialty-specific recommendations from GIRFT (according to agreed action plan)</b>			
	Reason why we will continue with this priority - to be confident that we take every opportunity to learn from peers.			
4	<b>Learn and act on the results from reviews of patient deaths</b>	Mortality Review Outcomes	Mortality Review Group	Clinical Governance Steering Group
	<b>Target: Review all deaths that meet national criteria for stage 2 independent review</b>			
	Reason why we will continue with this priority – to be confident that we are controlling risks and making improvements when learning has been identified.			
5	<b>Integrate the four priority standards for seven day working.</b>	Action Plan Updates	Operational Management Group	Clinical Governance Steering Group
	<b>Target: Four priority standards to be implemented by 2020</b>			
	Reason why we will continue with this priority – further actions to be taken to ensure the Trust is able to meet this target by 2020.			

	Patient Experience	Measured by	Monitored by	Reporting to
1	<b>Learn from patient feedback</b>	National and local surveys, NHS Friends and Family Test, complaints, compliments and online sources (eg NHS Choices)	Patient Experience Team	Patient, Carer and Public Experience Committee
	<b>Target: To be in the top quartile in the national patient survey</b>			
	Reason why we will continue with this priority - to be confident that we are listening and responding to the experience of our patients.			
2	<b>Ensure that patients are involved as much as they want to be in decisions about their care and treatment by monitoring, audit and feed-back from multi-agency partners</b>	National and local surveys, NHS Friends and Family Test, complaints, compliments and online sources (eg NHS Choices)	Patient Experience Team	Patient, Carer and Public Experience Committee
	<b>Target: To be in the top quartile in the national patient survey</b>			
	Reason why we will continue with this priority – to be confident that we are involving patients in decisions about their care.			

	Patient Experience	Measured by	Monitored by	Reporting to
3	<b>Provide a safe, secure, clean and comfortable environment for our patients and their carers/families by monitoring hand hygiene compliance and infection rates</b>	Audit of compliance and annual PLACE inspection results	Infection Prevention and Control Team	Patient, Carer and Public Experience Committee
	<b>Target: 100 % hand hygiene compliance</b>			
	Reason why we will continue with this priority – to be confident that our patients receive their care in appropriate, high quality environments.			
4	<b>Ensure that patients receive adequate information and support for safe discharge from hospital by monitoring and audit</b>	National patient surveys and local real time feedback	Patient Experience Team	Patient, Carer and Public Experience Committee
	<b>Target: To be in the top quartile in the national patient survey</b>			
	Reason why we will continue with this priority – to be confident that we enhance the patient experience, improve continuity of care and reduce unnecessary readmissions.			
5	<b>Ensure that all patients and specifically those with physical, mental health and learning disabilities receive person-centred care based on their needs and preferences and that we work within the Mental Capacity Act (2005) and consult with others where appropriate</b>	Local Dementia Group Action Plan	Patent Experience Team	Patient, Carer and Public Experience Committee
	<b>Target: To be in the top quartile in the national patient survey</b>			
	Reason why we will continue with this priority – to be confident that we are providing person-centred care, which does not discriminate those patients with physical, mental health and learning disabilities.			

## **PART 2.2 STATEMENTS OF ASSURANCE FROM THE BOARD OF DIRECTORS**

### **Review of services**

During 2018/19 South Tyneside NHS Foundation Trust provided and/or sub-contracted 130 relevant health services.

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

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

The Trust routinely analyses organisational performance on key quality indicators, benchmarked against national comparisons, leading to the identification of priorities for quality improvement.

The Board of Directors and the Executive Committee review the Performance Report and dashboards monthly. There is a Quality Report presented monthly to the Board of Directors from the Governance Committee to provide further assurance from external sources such as the Care Quality Commission's Intelligent Monitoring Report, nationally reported mortality and outcomes data; information from our Methods Analytics clinical benchmarking system; the results of national audits and external inspections; data from the National Reporting and Learning System (NRLS); complaints; inquests and information from the Parliamentary and Health Service Ombudsman; the Trust Assurance Programme; and patient experience data such as the Friends and Family Test and the Patient Experience Survey, etc. The Governance Committee therefore provides assurance on the adequacy and effectiveness of risk management and integrated governance within the organisation.

### **Participation in Clinical Audit and the National Confidential Enquiries**

Clinical audit is an important and useful way to help improve standards of clinical care. The process involves evaluating patient care against expected standards and where necessary, making changes to improve outcomes for patients. A re-audit can then be used to confirm improvements have been effective. Clinical audits look at care at a national level and compare practice with other hospitals or can be more focused on what takes place in wards and departments in local hospitals and GP practices or indeed anywhere where healthcare is provided.

Participation in relevant national clinical audits in the National Clinical Audit Patient Outcomes Programme (NCAPOP) and National Confidential Enquiries (Clinical Outcome Review Programmes) is a mandatory requirement. NCAPOP comprises of more than 30 national audits related to some of the most commonly-occurring conditions. It involves the collection and analysis of data supplied by local clinicians to provide a comparative picture of performance against peers. NCAPOP also incorporates the National Confidential Enquiries known as Clinical Outcome Review Programmes.

This Clinical Audit Quality Account covers the period from 1 April 2018 to 31 March 2019.

During 2018/19, 47 national clinical audits and 13 national confidential enquiries covered health services provided by South Tyneside NHS Foundation Trust.

Of the national clinical audits and national confidential enquiries the Trust was eligible to take part in during 2018/19, South Tyneside NHS Foundation Trust participated in 91% (n=39/43) of national clinical audits and 100% (n=10/10) of national confidential enquiries (breakdown as below).

Of the 47 national clinical audits that the Trust was eligible to take part in, participation was not applicable to 4 audits for the following reasons:

Paediatric Asthma Secondary Care	Audit does not commence until June 2019.
National Audit of Intermediate Care (NAIC)	Trust did not participate as the configuration of services was deemed to be incompatible with the terms of the audit.
Prescribing Observatory for Mental Health (POMH-UK): QIP 19a: Prescribing antidepressants for depression in adults	Audit does not commence until May 2019.
Reducing the impact of serious infections (Antimicrobial Resistance and Sepsis): Antibiotic Consumption	STFT not participating in this CQUIN - for assurance a report goes to the Trust's Clinical Governance Steering Group.

The Trust participated in 39 of the remaining 43 national clinical audits. The Trust did not participate in 4 national audits for the following reasons:

National Audit of Cardiac Rehabilitation	No data submitted to clinical audit due to lack of resource. Trust has participated in organisational survey.
National Core Diabetes Audit	Unable to participate due to lack of resources.
National Diabetes Inpatient Audit (NaDIA)	Trust did not participate in NaDIA 'snapshot' upon direction of clinical audit lead. Available resources focussed upon NaDIA Harms.
National Clinical Audit of Anxiety and Depression (NCAAD): Psychological Therapies Spotlight Audit	Relevant to STFT Community Mental Health Services. The Trust was unaware of the audit – not featured in 2018/19 Quality Accounts list/NCAED published in March 2018 and no communications received.

Of the 13 confidential enquiries that the Trust was eligible to take part in, participation was not applicable to 3 confidential enquiries and the reasons are listed below. The Trust participated in all 10 of the remaining confidential enquiries.

National Confidential Inquiry into Suicide and Homicide (NCISH)	No relevant cases identified
Dysphagia in Parkinson's Disease	Data collection does not commence until May 2019
In-hospital management of out-of-hospital cardiac arrest	Data collection does not commence until April 2019

The national clinical audits and national confidential enquiries that South Tyneside NHS Foundation Trust participated in and for which data collection was completed during 2018/19 are listed in the table overleaf 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.



Due to the varied submission/reporting deadlines for on-going/continuous national audits, unless otherwise stated, the figures for such audits have been based upon the number of cases actually submitted out of the number of identified cases from 1st April 2018 to 28th February 2019.

## National Clinical Audits and National Confidential Enquiries 2018/19

National Clinical Audits 2018/19		Eligible	Participation	% Participation/Comment
Acute & Urgent Care				
Feverish Children (Royal College of Emergency Medicine)	✓	✓	100% (n=120/120)	
Major Trauma Audit (TARN)	✓	✓	100% (n=96/96) (For period 01/04/2018 to 31/12/2018 only)	
National Asthma and Chronic Obstructive Pulmonary Disease (COPD) Audit Programme (NACAP):				
• Paediatric Asthma Secondary Care	✓	N/A	Audit does not commence until June 2019.	
National Audit of Seizures and Epilepsies in Children and Young People (Epilepsy12)	✓	✓	2 cases in the process of being submitted.	
National Neonatal Audit Programme:				
• Neonatal Intensive and Special Care (NNAP)	✓	✓	100% (n=72/72)	
National Paediatric Diabetes Audit (NPDA)	✓	✓	60 patients identified to date for 2018/19 - all 2018/19 cases will be submitted during April and May 2019.	
Paediatric Intensive Care Audit Network (PICANet)	✗	N/A	N/A	
Vital Signs in Adults (care in emergency departments) (Royal College of Emergency Medicine)	✓	✓	102% (n=122/120)	
VTE risk in lower limb immobilisation (care in emergency departments) (Royal College of Emergency Medicine)	✓	✓	100% (n=68/68)	
Medicine & Care of Elderly				
Falls and Fragility Fractures Audit programme (FFFAP):				
• Fracture Liaison Service Database	✗	N/A	N/A	
• National Audit Inpatient Falls	✓	✓	100% (n=2/2) *Audit commenced in January 2019	
Inflammatory Bowel Disease (IBD) Registry, Biological Therapies Audit	✓	✓	49% (n=25/51)	
National Adult Community Acquired Pneumonia (CAP) Audit (BTS)	✓	✓	Data collection continues until 31/05/2019.	
National Adult Non-Invasive Ventilation (NIV) Audit (BTS)	✓	✓	Data collection continues until 30/06/2019.	
National Asthma and Chronic				



National Clinical Audits 2018/19		Eligible	Participation	% Participation/Comment
Obstructive Pulmonary Disease (COPD) Audit Programme (NACAP):				
• Adult Asthma Secondary Care		✓	✓	<b>98%</b> (n=55/56) <i>*Audit commenced November 2018</i>
• Chronic Obstructive Pulmonary Disease (COPD) Secondary Care		✓	✓	<b>98%</b> (n=498/507)
• Pulmonary rehabilitation		✓	✓	Prospective, continuous audit due to commence 01/03/2019.
National Audit of Cardiac Rehabilitation		✓	✗	No data submitted to clinical audit due to lack of resource. Trust has participated in organisational survey.
National Audit of Dementia (care in general hospitals) (NAD)		✓	✓	<b>100%</b> (n=50/50)
National Audit of Pulmonary Hypertension (NAPH)		✗	N/A	N/A
National Cardiac Arrest Audit (NCAA)		✓	✓	<b>100%</b> (n=69/69)
National Cardiac Audit Programme (NCAP):				
• Myocardial Ischaemia National Audit Project (MINAP)		✓	✓	<b>59%</b> (n=73/124)
• National Audit of Cardiac Rhythm Management (CRM)		✓	✓	<b>100%</b> (n=171/171)
• National Audit of Percutaneous Coronary Interventions (PCI) (Coronary Angioplasty)		✗	N/A	N/A
National Diabetes Audit (Adult):				
• National Core Diabetes Audit		✓	✗	Unable to participate due to lack of resources.
• National Diabetes Foot Care Audit		✓	✓	<b>100%</b> (n=59/59)
• National Diabetes Inpatient Audit (NaDIA)		✓	✗	Trust did not participate in NaDIA 'snapshot' upon direction of clinical audit lead. Available resources focussed upon NaDIA Harms.
• NaDIA-Harms - reporting on diabetic inpatient harms in England		✓	✓	<b>100%</b> (n=4/4)
• National Pregnancy in Diabetes Audit		✓	✓	<b>100%</b> (n=8/8) <i>(These figures are for 2018 calendar year)</i>
National Early Inflammatory Arthritis Audit (NEIAA)		✗	N/A	N/A
National Heart Failure Audit		✓	✓	<b>100%</b> (n=302/302)
National Lung Cancer Audit (NLCA)		✓	✓	<b>100%</b> (n=146/146) <i>(These figures are for 2018 calendar year)</i>
Sentinel Stroke National Audit programme (SSNAP)		✗	N/A	N/A
<b>Surgical Specialties &amp; Maternity</b>				
BAUS Urology Audits:				
• Cystectomy		✗	N/A	N/A
• Female Stress Urinary Incontinence Audit		✗	N/A	N/A
• Nephrectomy audit		✗	N/A	N/A
• Percutaneous Nephrolithotomy		✗	N/A	N/A

National Clinical Audits 2018/19		Eligible	Participation	% Participation/Comment
	(PCNL)			
	• Radical Prostatectomy Audit	✗	N/A	N/A
	Case Mix Programme (CMP)	✓	✓	100% (n=304/304)
	Elective Surgery (National PROMs Programme)			
	• Hips	✓	✓	48 questionnaires (Oct 2018 - Feb 2019)
	• Knees	✓	✓	37 questionnaires (Oct 2018 - Feb 2019)
	Falls and Fragility Fractures Audit programme (FFFAP):			
	• National Hip Fracture Database	✓	✓	100% (n=172/172)
	Mothers and Babies: Reducing Risk through Audits and Confidential Enquiries across the UK (MBRRACE-UK)	✓	✓	100% (n=1/1)
	National Audit of Breast Cancer in Older People (NABCOP)	✗	N/A	N/A
	National Bariatric Surgery Registry (NBSR)	✗	N/A	N/A
	National Cardiac Audit Programme (NCAP):			
	• National Adult Cardiac Surgery Audit	✗	N/A	N/A
	• National Congenital Heart Disease (CHD)	✗	N/A	N/A
	National Emergency Laparotomy Audit (NELA)	✓	✓	100% (n=62/62)
	National Gastrointestinal Cancer Programme:			
	• National Bowel Cancer Audit (NBOCA)	✓	✓	100% (n=90/90)
	• National Oesophago-gastric Cancer (NOGCA)	✓	✓	100% (n=40/40)
	National Joint Registry (NJR)	✓	✓	100% (n=209/209)
	National Maternity and Perinatal Audit (NMPA)	✓	✓	Trust's Maternity Services Dataset is submitted directly to NHS Digital. An organisational survey was submitted in February 2019.
	National Prostate Cancer Audit	✗	N/A	N/A
	National Vascular Registry	✗	N/A	N/A
	Neurosurgical National Audit Programme	✗	N/A	N/A
	Surgical Site Infection Surveillance Service	✓	✓	Unable to obtain information.

National Clinical Audits 2018/19		Eligible	Participation	% Participation/Comment
Other				
	Learning Disabilities Mortality Review Programme (LeDeR)	✓	✓	33% (n=2/6) (4 cases in the process of being submitted)
	Mandatory Surveillance of bloodstream infections and clostridium difficile infection	✓	✓	100% (n=2/2) - MRSA Blood Stream Infection 100% (n=64/64) - Clostridium difficile
	National Asthma and Chronic Obstructive Pulmonary Disease (COPD) Audit Programme (NACAP):			
	• Asthma (Adult and paediatric) and COPD Primary care	✗	N/A	N/A
	National Audit of Care at the End of Life (NACEL)	✓	✓	100% (n=40/40)
	National Audit of Intermediate Care (NAIC)	✓	N/A	Trust did not participate as the configuration of services was deemed to be incompatible with the terms of the audit.
	National Clinical Audit of Anxiety and Depression (NCAAD):			
	• Core Audit	✗	N/A	N/A
	• Psychological Therapies Spotlight Audit	✓	✗	Relevant to STFT Community Mental Health Services. The Trust was unaware of the audit – not featured in 2018/19 Quality Accounts list/NCAED published in March 2018 and no communications received.
	National Clinical Audit of Psychosis:			
	• Core Audit	✗	N/A	N/A
	• EIP Spotlight	✗	N/A	N/A
	National Clinical Audit of Specialist Rehabilitation for Patients with Complex Needs following Major Injury (NCASRI)	✗	N/A	N/A
	National Comparative Audit of Blood Transfusion programme:			
	• Management of massive haemorrhage	✓	✓	100% (n=2/2)
	• Use of Fresh Frozen Plasma and Cryoprecipitate in neonates and children	✗	N/A	N/A
	National Confidential Inquiry into Suicide and Safety in Mental Health (NCISH)	✓	N/A	No relevant cases identified.
	National Mortality Case Record Review Programme	✓	✓	There is no central data submission. STFT information is published as quarterly Board papers.
	National Ophthalmology Audit (NOD)	✗	N/A	N/A

National Clinical Audits 2018/19	Eligible	Participation	% Participation/Comment
Prescribing Observatory for Mental Health (POMH-UK):			
• Assessment of side effects of depot and LAI antipsychotic medication	✗	N/A	N/A
• Monitoring of patients prescribed lithium	✗	N/A	N/A
• Prescribing Clozapine	✗	N/A	N/A
• QIP 19a: Prescribing antidepressants for depression in adults	✓	N/A	Relevant to STFT Community Mental Health Service. Data collection commences in May 2019.
• Rapid tranquilisation	✗	N/A	N/A
Reducing the impact of serious infections (Antimicrobial Resistance and Sepsis)			
Antibiotic Consumption	✓	N/A	STFT not participating in this CQUIN. As assurance, a report goes to the Trust's Clinical Governance Steering Group.
Antimicrobial Stewardship	✓	✓	Data is not submitted nationally. The Trust conducts local audit and monitoring against CQUIN indicators. Performance is monitored regarding reduction in antibiotic consumption in line with national standards/targets.
Serious Hazards of Transfusion (SHOT): UK National haemovigilance scheme	✓	✓	100% (n=5/5)
Seven Day Hospital Services Self-Assessment Survey	✓	✓	STFT participated fully in the national data collection in the May 2018 7-day services audit that centred on Priority Standard 2: Consultant review within 14 hours of emergency admission to hospital.
UK Cystic Fibrosis Registry	✗	N/A	N/A

Source: National Clinical Audit and Enquiries Directory – March 2019 (Healthcare Quality Improvement Partnership)

### National Confidential Enquiries (Clinical Outcome Review Programmes)

As has been stated earlier these are collectively known as Clinical Outcome Review Programmes. These enquiries or types of audit are designed to help assess the quality of healthcare by reviewing the care provided to patients for specific conditions. South Tyneside NHS Foundation Trust continues to take part in all relevant enquiries.

The full list of current Clinical Outcome Review Programmes are noted below:

Enquiry title	Organisation	Acronym
Child Health Clinical Outcome Review Programme: • Long-term ventilation in children, young people and young adults • Young People's Mental Health	National Confidential Enquiry into Patient Outcome and Death	NCEPOD
Learning Disability Mortality Review Programme	University of Bristol's Norah Fry Research Centre	LeDeR
Maternal, Newborn and Infant Clinical Outcome Review Programme	MBRRACE-UK Collaborative	MBRRACE

Enquiry title	Organisation	Acronym
Medical and Surgical Clinical Outcome Review Programme: <ul style="list-style-type: none"> <li>• Acute Bowel Obstruction</li> <li>• Acute Heart Failure</li> <li>• Cancer in Children, Teens and Young adults</li> <li>• Dysphagia in Parkinson's Disease</li> <li>• In-hospital management of out-of-hospital cardiac arrest</li> <li>• Perioperative diabetes</li> <li>• Pulmonary embolism</li> </ul>	National Confidential Enquiry into Patient Outcome and Death	NCEPOD
Mental Health Clinical Outcome Review Programme	National Confidential Inquiry into Suicide and Safety in Mental Health	NCISH
National Mortality Case Record Review Programme	Royal College of Physicians	NMCRR

A detailed overview of our specific contribution to the medical and surgical programme known as the National Confidential Enquiry into Patient Outcome and Death is highlighted below.

### National Confidential Enquiry into Patient Outcome and Death

The National Confidential Enquiry into Patient Outcome and Death (NCEPOD) is concerned with maintaining and improving standards of medical and surgical care. During 2018/19 South Tyneside NHS Foundation Trust was eligible to enter data into 3 of the NCEPOD studies. The tables below and overleaf provide a summary of our participation:

#### Child Health Clinical Outcome Review Programme:

**Long-term ventilation in children, young people and young adults** – The aim of the study is to identify remediable factors in the care of patients before their 25th birthday who are receiving, or have received, long-term ventilation (LTV).

Data collection is ongoing until May 2019. Publication of report planned for December 2019.

**Young People's Mental Health** – The aim of the study was to identify the remediable factors in the quality of care provided to young people treated for mental health disorders with specific reference to depression and anxiety, eating disorders and self-harm. In addition to this, the study will examine the interface between different care settings and also transition of care.

Organisation questionnaire received	Cases included	Clinician questionnaires requested	Clinician questionnaires received	Number of sets of case notes received	Number of excluded cases
2	1	1	1	1	0

Data collection closed prior to this accounting period. Publication of report delayed by NHS England – now scheduled for Summer 2019.

## Medical and Surgical Clinical Outcome Review Programme:

**Acute Bowel Obstruction Study** – The aim of the study is to identify remedial factors in process of care of patients with both large and small intestinal obstruction.

Questionnaire dissemination is ongoing until May 2019. Publication of report planned for November 2019.

**Acute Heart Failure Study** – The aim of the study was to identify and explore avoidable and remediable factors in the process of care for patients admitted to hospital with acute heart failure.

Organisation questionnaire received	Cases included	Clinician questionnaires requested	Clinician questionnaires received	Number of sets of case notes received	Number of excluded cases
1	6	6	6	5	1

Data collection closed prior to this accounting period.

**Cancer in Children, Teens and Young adults** - The aims of this study were to examine the process of care of children, teenagers and young adults aged 24 years and under who died and/or had an unplanned admission to critical care within 60 days of receiving systemic anti-cancer therapy (SACT).

Data collection closed prior to this accounting period. Organisational questionnaire was submitted only. Clinical questionnaires were not applicable as the Trust did not identify any patients that matched the inclusion criteria.

**Dysphagia in Parkinson's Disease** – The aim of the study is to examine the pathway of care of patients with Parkinson's Disease who are admitted to hospital when acutely unwell. In particular, to identify and explore multidisciplinary care and review organisational factors in the process of identifying, screening, assessing, treating and monitoring the ability to swallow.

Data collection will commence in May 2019. Publication of report planned for Winter of 2020.

**In-hospital management of out-of-hospital cardiac arrest** – The aim of the study is to investigate variation and remediable factors in the processes of care of patients admitted to hospital following an out of hospital cardiac arrest (OHCA).

Data collection will commence in April 2019. Publication of report planned for Summer 2020.

**Perioperative Diabetes Study** – The aim of the study was to highlight where care could be improved in patients with diabetes undergoing surgery.

Organisation questionnaire received	Cases included	Surgical questionnaires (CQ – A) received	Anaesthetic questionnaires (CQ – B) received	Number of sets of case notes received
1	6	5	3	2

Data collection closed prior to this accounting period.

**Pulmonary Embolism Study** – To identify and explore avoidable and remediable factors in the process of care for patients diagnosed with pulmonary embolism.

Organisation questionnaire received	Cases included	Clinician questionnaires received	Number of sets of case notes received	Number of excluded cases
1	5	4	4	1

Trust submitted data during 2018/19.

## National clinical audits

The reports of 39 national clinical audits were reviewed by the provider in 2018/19 and South Tyneside NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided:

- ensuring the lead clinician produces an action plan
- the action plan is signed off by the appropriate strategic group or committee; and
- progress is monitored through the appropriate committee.

These reports were agenda items at the Trust's Clinical Audit Group and in addition, the reports of all national audits are reviewed through local clinical governance arrangements. Some examples are given below:

Audit title	Good outcomes/Actions taken
<b>National Diabetes Foot Care Audit (NDFA)</b>	<p>It is very important that diabetic patients take good care of their feet as diabetes increases the risk of foot problems. Poor circulation and severe infection may delay or prevent healing. Although foot ulcers can be very serious, they usually respond well to treatment. The NICE guidelines should be followed by all healthcare professionals.</p> <p>The NDFA commenced in July 2014, collecting data on patients and services in England and Wales. It is a measurement system of care structures, patient management and the outcomes of care for people with active diabetic foot ulcers. The NDFA Third Annual Main Report was received into the Trust in May 2018 and included patients who underwent their first expert assessment between 14 July 2014 and 31 March 2017.</p> <p>The following national findings for patient management and outcomes were reported:</p> <ul style="list-style-type: none"> <li>• Longer times to expert assessment are associated with more severe ulcers, poorer healing rates and more hospital admission, revascularisations and amputations.</li> <li>• Ulcers with a time first assessment of more than 2 months were more likely to be severe (56% vs 35-50%)</li> <li>• People with severe ulcers were more likely to be admitted (61% vs 40%) within 6 months.</li> <li>• In England and Wales foot ulcers in their first 6 months accounted for 163,471 bed-days.</li> <li>• Within 6 months of referral: <ul style="list-style-type: none"> <li>- 8% of people with foot ulcers underwent re-vascularisation</li> <li>- 7% had a minor amputation</li> <li>- 2% had a major amputation</li> </ul> </li> <li>• Severe ulcers are less likely to be healed at 24 weeks (56% vs 74%)</li> <li>• Severe ulcers are more likely to lead to amputation (14% vs 4%).</li> <li>• Healing rates between providers differed by more than 40 percentage points.</li> </ul> <p>Overall, results were better than the national average in South Tyneside NHS Foundation Trust in terms of patients presenting with less severe ulceration and healing quicker at 12 and 24 weeks with better outcomes for survival, hospital admission and major amputation. STFT has an effective screening service and fully functional multidisciplinary diabetic foot service both in clinic and for inpatients.</p>



Audit title	Good outcomes/Actions taken
	<p>It was found that 64% of the South Tyneside patients self-presented. Of the 34% who did not self-present, only a small proportion was seen by the foot clinic within 2 days (majority seen within 3-14 days).</p> <p>The following improvements/actions have been undertaken:</p> <ul style="list-style-type: none"> <li>• communication circulated in a Diabetes Newsletter; and</li> <li>• review of the referral form which has made the referral process easier.</li> </ul>
<p><b>National Emergency Laparotomy Audit (NELA)</b></p>	<p>An emergency laparotomy is a surgical operation for patients, often with severe abdominal pain, to find the cause of the problem and treat it. General anaesthetic is used and usually an incision is made to gain access to the abdomen. NELA is a national audit with the aim to improve key outcomes after emergency laparotomy in line with professional standards. It focusses on preoperative assessment of risk of death and disability, prompt CT scanning and antibiotics, timely access to theatre and critical care and appropriate input from multidisciplinary teams.</p> <p>The Fourth NELA Patient Report was published on 8 November 2018. Nationally the 30-day mortality rate for emergency laparotomy patients has fallen from 11.8% in 2013 to 9.5% in 2017 - this now means that 700 fewer patients die each year. Improvements in care have resulted in a reduction in the number of days a patient spends in hospital with an estimated £34 million saved in 2017.</p> <p>The Trust is collaborating in the development of a regional laparotomy pathway.</p> <p>In South Tyneside NHS Foundation Trust case ascertainment was 100% (n=77/77) for the audit period 1 December 2016 to 30 November 2017 (ie all identified cases within this time period were submitted to the audit).</p> <p>The Trust performed well in key areas demonstrating that:</p> <ul style="list-style-type: none"> <li>• patients arrived in theatre within the appropriate timescales (92% against a national mean of 83%);</li> <li>• high-risk patients (risk of death predicted as 5% or more) had a consultant surgeon present in theatre in 100% cases (national mean 93%) and both a consultant surgeon and consultant anaesthetist present in theatre in 92% cases (national mean 83%); and</li> <li>• 92% of highest-risk patients (risk of death predicted as 10% or more) were admitted to critical care following their surgery (national mean 88%).</li> </ul> <p>The length of hospital stay and 30 day mortality for these patients were within the expected range.</p> <p>Actions taken by the Trust to enable further improvement include:</p> <ul style="list-style-type: none"> <li>• introduction of a new booking form which ensured completion of a risk assessment along with details of an ITU contact for emergency laparotomy patients. Risk assessment prior to surgery is now achieved for 100% of patients (compared with 76.6% in 2017);</li> <li>• continuous monitoring of ITU bed capacity/availability to ensure all patients with mortality risk of 5% or more are admitted to critical care; and</li> <li>• patients aged 70 years and over undergoing laparotomy should be assessed by a Care of the Elderly Specialist after surgery. This was evident in only 20% of cases within STFT. The Elderly Care Referral Pathway with a NELA Elderly Care Consultant rota was implemented in November 2018. The pathway has been a success</li> </ul>



Audit title	Good outcomes/Actions taken
	<p>with regard to its implementation and all eligible patients are now referred on this pathway. Its outcome will be monitored in the forthcoming annual audit.</p>
<p><b>National Hip Fracture Database (NHFD)</b></p>	<p>For older people, hip fracture is the most common serious injury, most common reason for emergency anaesthesia and surgery and the commonest cause of death following an accident. One and a half million hospital bed days are used each year. A quarter of older hip fracture patients do not regain their previous abilities, requiring long-term care. As a result, hip fracture is associated with a total cost to health and social services of over £1 billion per year (equivalent of approximately 1% of the whole NHS budget).</p> <p>The NHFD was established in 2007. All 175 eligible hospitals in England, Wales and Northern Ireland now regularly upload data regarding the process and outcome of care provided to people presenting with a hip fracture. The NHFD Annual Report September 2018 was published in November 2018.</p> <p>In South Tyneside NHS Foundation Trust case ascertainment was 100% for the audit period 1 January 2017 to 31 December 2017 (i.e. all identified cases within this time period were submitted to the audit).</p> <p>The Trust performed very well in key areas demonstrating that:</p> <ul style="list-style-type: none"> <li>• patients had their surgery on the day they were admitted or the day after in 85.1% of the cases (national 69.4%);</li> <li>• perioperative medical assessment rate was 96.9% (national 88.8%);</li> <li>• overall hospital length of stay had reduced from 26.8 days to 23.1 days;</li> <li>• patients were discharged to original residence within 120 days in 82.7% of the cases (nationally 69.7%); and</li> <li>• best practice criteria was in 75.8% of the cases (national 57.1%)</li> </ul> <p>More importantly, adjusted 30-day mortality for STFT patients was 3.8% (national 6.9%). This was the lowest mortality in the North East and 5<sup>th</sup> lowest nationally.</p> <p>Actions taken by the Trust to enable further improvement include:</p> <ul style="list-style-type: none"> <li>• introduction of new documentation to aid communication from the point of admission until the patient is home and in the community;</li> <li>• a new checklist to streamline transfer/admission of patients;</li> <li>• patient/carer information leaflet;</li> <li>• identification of patients at risk of fall to prevent inpatient fractures;</li> <li>• referral to a dietitian upon admission for all fractured neck of femur patients;</li> <li>• daily huddles/meetings with orthopaedic and medical staff to discuss inpatient cases;</li> <li>• monthly Morbidity and Mortality meetings to review patient outcomes and reflect on lessons learned; and</li> <li>• new multi-disciplinary focus groups to consider strategies which will: <ul style="list-style-type: none"> <li>- further reduce the length of stay for patients; and</li> <li>- reduce the risk/incidence of pressure damage for these patients.</li> </ul> </li> </ul>
<p><b>National Paediatric Diabetes Audit (NPDA)</b></p>	<p>Diabetes is a condition where the amount of glucose in the blood is too high because the body cannot use it properly. High blood glucose levels over time may cause complications associated with diabetes including damage to small and large blood vessels and nerves. Over time this can result in blindness, kidney failure, heart disease, stroke, and amputations. However, with good diabetes care and blood glucose control, the risks of complications are markedly reduced, enabling children and young people with diabetes to live a healthy, happy and longer life.</p>

Audit title	Good outcomes/Actions taken
	<p>The NPDA was established to compare the care and outcomes of all children and young people with diabetes receiving care from Paediatric Diabetes Units (PDUs) in England and Wales. The NPDA Report 2016/2017 (Care Processes and Outcomes) was published in July 2018.</p> <p>Nationally, the key successes identified include the continuing downward trend in HbA1c and increases in the percentages of children and young people with Type 1 and Type 2 diabetes receiving recommended health checks. The audit continues to identify variation in care and outcomes at unit, regional and national level. Poorer outcomes continue to be associated with non-white ethnicity, adolescence, female gender, and living in a deprived area. Inequalities in treatment deprivation observed previously were also shown to be widening, with children and young people in the least deprived areas being even more likely to be using an insulin pump compared to those in the most deprived areas than in previous audit cycles. These inequalities will be addressed as part of local and national improvement strategies to improve outcomes for patients.</p> <p>Locally, results were excellent for the Paediatric Diabetes Team at South Tyneside NHS Foundation Trust, having the best mean HbA1c result in the region for the second year running and the second best in the country. The team acknowledges that the engagement of the patients and their families has been key in achieving this.</p> <p>The Trust performed well in key areas demonstrating that:</p> <ul style="list-style-type: none"> <li>• 95% of patients aged 12 years and older received all of the key care processes annually and this was within the expected range of Trust performance;</li> <li>• the Trust was a positive outlier for case-mix adjusted mean of 58.5% for HbA1c (mmol/mol); and</li> <li>• the use of 'Diasend' (which enables families to upload blood glucose meters/insulin pumps at home) has helped patients to increase their skills in self-management and a reduction in their HbA1c. This practice has now been widely adopted regionally following the success in STFT.</li> </ul> <p>Actions taken by the Trust to enable further improvement include:</p> <ul style="list-style-type: none"> <li>• the development of a system to monitor urine collection rates and identify patients who haven't submitted a sample; and</li> <li>• ascertaining and recording smoking status at least annually in order to improve the collection of data.</li> </ul>

## Local clinical audit

The reports of 54 local clinical audits featured in monthly outcomes reports and were reviewed by the Clinical Audit Group in 2018/19 - examples below:

Audit title	Good outcomes/Actions taken
<b>Patient Identification Wristband Re-audit 2017</b> (Report received April 2018)	<p>This audit is part of an ongoing review of wristband compliance. These audits are specific to the white wristband worn by all patients admitted to hospital for the purpose of patient identification. These audits confirm that the Trust's patient identification meets with the standards required for safe patient identification and compliance with Trust's Patient Identification Policy.</p> <p>The results were:</p> <ul style="list-style-type: none"> <li>• Is patient wearing a white wristband? Expected compliance 100%; 2017 Compliance 99%.</li> <li>• Is wristband printed showing all details? Expected compliance 100%; 2017 Compliance 99%.</li> </ul> <p>This audit shows continuing evidence of good practice on wards supporting positive patient identification to be part of the operational culture within STFT. The work of the ward staff in maintaining the high compliance rate is acknowledged.</p> <p>Monitoring of patient identification is an on-going process and will continue to be audited on a bi-annual basis. Ad hoc visits to ward areas, particularly areas which have shown some non-compliance, will be carried out.</p>
<b>Radiology – Compliance with Local Safety Standards for Invasive Procedures (LocSSIPs) for cardiology procedures undertaken in the Radiology Department</b> (Report received November 2018)	<p>In September 2015 the NHS England Patient Safety Domain produced National Safety Standards for Invasive Procedures (NatSSIPs) with the aim of reducing the number of patient safety incidents related to invasive procedures in which surgical Never Events could occur. The NatSSIPs set out broad principles of safe practice and advise healthcare professionals on how they can implement best practice, such as through a series of standardised safety checks and education and training. The NatSSIPs support the development of local standards (LocSSIPs) with the aim of harmonising practice across an organisation so that there is a consistent approach to the care of patients undergoing invasive procedures in any location.</p> <p>This was a retrospective audit to measure compliance with LocSSIPs for cardiology procedures carried out within the Radiology Department. Data was collected between 12th February 2018 and 9th March 2018 inclusive, involving 45 patients, 37 of whom had coronary angiograms and 8 had pacemaker procedures.</p> <ul style="list-style-type: none"> <li>• Key findings included:               <ul style="list-style-type: none"> <li>- 100% compliance with all 9 safety steps set out in the LocSSIPs for the above procedures; and</li> <li>- safety briefing data highlighted the importance of ward nurse attendance at the Safety Briefing for pacemaker procedures and urgent coronary angiography.</li> </ul> </li> <li>• Outcomes included:               <ul style="list-style-type: none"> <li>- the procedure specific safety checklist for coronary angiography was revised;</li> <li>- findings were shared with the MDT to highlight the importance of punctual attendance at safety briefings; and</li> <li>- rota devised to ensure full team, active participation in facilitating the safety brief/de-brief and reading out the safety checklists within the room.</li> </ul> </li> </ul>

Audit title	Good outcomes/Actions taken
<p><b>Intensive Care- Adherence to Guidelines Controlling Haemodialysis Catheters (VasCath) Insertion</b> (Report received September 2018)</p>	<p>All patients who were admitted to ITU between 1 January 2017 and 31 December 2017 were included in this re-audit.</p> <p>Findings of the re-audit strongly supported the first audit: patients with right chest side haemodialysis catheters live longer than patients with left side and catheter tip position at the level of the carina (-/+) 1 cm or deeper (particularly for the left chest side catheters) survive longer than superficial catheter tips with the evidence of mean survival and the number of haemodialysis catheters used per Acute Kidney Injury (AKI) episode.</p> <p>The ITU Team opted for using the left chest side for central venous catheter (CVC) insertion or use two catheter one vein technique to try to do more right chest side dialysis catheters that led to less catheters required and less interrupted therapy per AKI per patient.</p> <p>Audit results show significant progress but wide room for improvement regarding the use of ultrasound during haemodialysis catheter use and infection control checklists/care plan use for each catheter inserted. Tip position data suggests targeting the level of the carina for the right side, and either level of carina or below level of carina for the left side. More importantly target catheter tip parallel to vessel wall.</p> <p>The ITU Team implemented educational/training sessions regarding use of ultrasound for IV access in ITU.</p>
<p><b>CQUIN - Wound assessments for wounds which have failed to heal after 4 weeks (Third cycle)</b> (Report received October 2018)</p>	<p>Failure to complete a full assessment for wounds can contribute to ineffective treatment which delays the rate of wound healing or wound failing to heal. This has significant consequences for patients in respect of their quality of life and also for healthcare resources. In 2017, NHS England introduced a CQUIN Indicator to increase the implementation of a full wound assessment (against a national minimum dataset) for wounds that failed to heal after 4 weeks. To date, the Trust has undertaken 3 rounds of audit and a fourth round is underway.</p> <p>The purpose of the third cycle audit was to identify further improvement from the previous audits for the numbers of full wound assessments undertaken on patients who had a wound that had not healed within 4 weeks of it occurring.</p> <p>The improvement goal is to attain 80% compliance with all elements of a generic full wound assessment for wounds which have failed to heal for 4 weeks or more. An incremental improvement trajectory was agreed locally to plot outcome measures against the improvement goal monitored through a second, third and fourth cycle of audit.</p> <p>The trajectory shows good progress with the Trust exceeding the targets of 40% for the Q4 2017/18 audit, and 60% for this third round audit which was undertaken during Q2 2018/19.</p> <p>Trust compliance for this third cycle was 66% (99/150 of audited cases were compliant with all elements for full wound assessment).</p>
<p><b>Adherence to NICE guidance with regards to extended pharmacological Venous Thromboembolism (VTE) prophylaxis in colorectal cancer patients</b> (Report received April 2018)</p>	<p>The aim of this audit was to establish if STFT patients had been receiving pharmacological VTE prophylaxis as per NICE guidelines. As expected prescription rates were high; the importance of the prolonged VTE course is emphasised by NICE guidelines and the senior doctors on the ward ensure that this is clear to Foundation Doctors when completing the discharge prescriptions.</p> <p>Concordance rates were also high (89%). Reasons for this could</p>

Audit title	Good outcomes/Actions taken
	<p>include the post-operative instructions, that the medication is injectable rather than oral and the perceived importance of 'cancer' treatment.</p> <p>One area this study did highlight is the reliance on the District Nurses for administering the medication despite it being a relatively simple medication. Education of patients and families will help to decrease the reliance on District Nurses, though not completely negate it.</p> <p>In general, however, the high concordance rates and positive patient experience show that the well-proven efficacy of the treatment will be taken up by patients post-operatively.</p>
<p><b>Appropriateness of serum carcinoembryonic antigen marker requests from colorectal outpatient clinics</b> (Report received September 2018)</p>	<p>The aim of the audit was to assess the effectiveness of an information technology intervention to alter the practice of inappropriate request of serum carcinoembryonic antigen in symptomatic patients without a diagnosis of colorectal cancer.</p> <p>Initial audit was performed April-August 2014 to identify existing practice. Consecutive patients referred to surgical clinics via the lower gastrointestinal 2-week wait pathway were included. The audit showed that 91% of requests were inappropriate to the clinical context.</p> <p>Following an intervention strategy which involved screen prompts to appear on the software platform for laboratory requests at the time of requesting the test, a snapshot evaluation was carried out after 12 months to assess effectiveness of the intervention followed by a prospective re-audit between August and December 2017 involving patients referred to the same clinic on the same pathway to determine any sustainable change in clinical practice. The snapshot audit revealed only 4% of requests being inappropriate to clinical context and the final re-audit (253 patients, 123 men, 130 women, median (IQR) age 68 (59-79) years brought the incidence of inappropriate request to 0.4% (1 inappropriate request in 253 consecutive patients).</p> <p>Thus the appropriate use of a simple information technology intervention resulted in a significant and sustained change in clinical practice.</p> <p>This audit won the International Travelling Fellowship Prize of the Coloproctology section of the prestigious Royal Society of Medicine. The paper was presented at the Society's meeting at Lisbon, Portugal in May 2018.</p>

## Research

The NHS Long Term Plan confirms that research and innovation is key to driving improvement and confirms a commitment to increase the number of people participating in health research.

The number of patients receiving relevant health services provided or sub-contracted by South Tyneside NHS Foundation Trust in 2018/19 who were recruited during that period to participate in research approved by a Research Ethics Committee was 925.

There are currently 129 research studies approved by the Health Research Authority (National Research Ethics Committee) registered at South Tyneside NHS Foundation Trust with 1 industry sponsored study recruiting 4 participants of the total 925.

## 2018/19 Recruitment by Specialty/Study

Short Name	Managing Specialty	Participants
LuCID: Lung Cancer Indicator Detection	Cancer	79
CR UK Stratified Medicine Pilot study	Cancer	20
Prepare-ABC	Cancer	17
Cancer Diagnosis via Emergency Presentation Study (Empress) v1.0	Cancer	11
Add-Aspirin	Cancer	4
STAMPEDE	Cancer	3
MARS 2	Cancer	3
NEMO (EORTC 08112-LCG): Nintedanib maintenance in mesothelioma	Cancer	1
AF-GEN-UK: UK extension of Long-term Registry of Atrial Fibrillation	Cardiovascular Disease	11
The Popular Age Registry	Cardiovascular Disease	6
POETICS 2	Critical Care	6
Obesity related Colorectal Adenoma Risk	Gastroenterology	229
IBD Bioresource	Gastroenterology	129
SCOPE-ME PREM development	Gastroenterology	100
The WASH Study: Water Assisted Sigmoidoscopy in NHS BSSP	Gastroenterology	52
ContactME-IBS	Gastroenterology	10
Predicting serious drug side effects in gastroenterology	Gastroenterology	2
OPTBreathe: Preference & cost-effective support for breathlessness	Health Services Research	24
Equality for CYP with learning disabilities (LD) - Phases 2-4	Health Services Research	4
PrEP Impact Trial	Infection	31
Alleviating Specific Phobias Experienced by Children Trial (ASPECT)	Mental Health	38
Barrett's oEsophagus Trial 3 (BEST3)	Primary Care	6
QUIDS	Reproductive Health and Childbirth	22
QUIDS 2	Reproductive Health and Childbirth	14
ANODE Trial	Reproductive Health and Childbirth	7
The FUTURE Study	Reproductive Health and Childbirth	5



Short Name	Managing Specialty	Participants
Gabapentin for Pelvic Pain (GaPP 2)	Reproductive Health and Childbirth	1
EMBARC: European Bronchiectasis Registry	Respiratory Disorders	53
MERMAIDS ARI	Respiratory Disorders	21
Bisoprolol in COPD study (BICS)	Respiratory Disorders	4
Treating pulmonary fibrosis with co-trimoxazole	Respiratory Disorders	1
PARAS v1	Stroke	7
geko VLU efficacy study	Surgery	4

## Research – Key Achievements

The Trust has had a very successful year with regard to research and achievements include:

- A new and ambitious five year (2019 – 2024) Research and Innovation Strategy was launched, outlining the vision, aims and objectives for the organisation.
- Lead Research Nurse, Carly Brown was one of 70 nurses nationally to be offered a place on the NIHR 70@70 programme. As part of this three year programme Carly will champion research and innovation, embed a research active culture and inform research priorities.
- Awarded the British Healthcare Trade Award 2018 for our research collaboration with industry and academia in delivering the ADENOMA and B-adenoma trials.
- Awarded the Research Impact Award at the Bright Ideas in Health Awards 2018 for Improving Patient Care for Leading Collaborations to Deliver Practice Changing Research.
- Dr Liz Fuller was appointed as Honorary Senior Lecturer at Newcastle University and is leading a regional lung cancer screening evaluation in collaboration with Newcastle University.
- The Trust successfully achieved the 2018/19 NENC CRN Quality Improvement Incentive targets; this scheme was linked to the accurate recording of research activity data.
- The Obesity related Colorectal Adenoma Risk (OSCAR) study has recruited 1319 patients with recruitment exceeding planned timelines.
- The Scope-Me study closed in December 2018; the study recruited 887 patients from four NHS sites. Data analysis is underway.
- Dr Shalabh Srivastava was awarded a ‘Green shoot’ award, receiving a 0.5PA dedicated research PA to drive renal research across the Trust.
- The Rightpath Study – a collaboration led by Newcastle University involving the Trust and The Great North Children’s Hospital, was awarded Best Practice Award at the British Society for Rheumatology 2018.

- Professor Colin Rees was awarded a £1.25million grant from GUTS UK to deliver the COLO-COHORT Study which will develop a risk prediction model for colorectal cancer. This trial will be a collaboration of Newcastle University and the Trust.
- Research Nurse, Nadia Elkaram, was appointed as a mentor supporting the North East and North Cumbria Clinical Research Network (NENCCRN) to deliver the Research Awareness Programme.

### Information on the use of the Commissioning for Quality and Innovation (CQUIN) framework

The Commissioning for Quality and Innovation (CQUIN) framework enables commissioners to reward excellence by linking a proportion of the Trust's income to the achievement of local quality improvement goals.

A proportion of South Tyneside NHS Foundation Trust's income in 2018/19 was conditional on achieving quality improvement and innovation goals agreed between South Tyneside 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.

Further details of the agreed goals for 2018/19 and for the following 12 month period are available electronically at [www.stsft.nhs.uk](http://www.stsft.nhs.uk).

For 2018/19, approximately £3.2m of income (£3.2m in 2017/18) was conditional upon achieving quality improvement and innovation goals through the CQUIN framework. The Trust achieved the majority of these quality goals and has received a monetary total of approximately £3.2m (100%) – subject to reconciliation at the end of Q1 2019/20 (£2.1 m in 2017/18) for the associated payment in 2018/19 relating to delivery of these schemes.

The full CQUIN scheme 2018/19 and where we have achieved our targets are highlighted below:

No	Topic	Indicator	Priority	Achievement*
1	Improving the health and wellbeing of NHS Staff	Improvement of health and wellbeing of NHS staff	National	
		Healthy food for NHS staff, visitors and patients		
		Improving the uptake of flu vaccinations for frontline clinical staff		
2a	Reducing the impact of serious infections	i) Timely identification of patients with sepsis in the emergency department	National	
		ii) Timely identification of patients with sepsis who are inpatients		
2b		Timely treatment of sepsis in emergency departments and acute inpatient settings		
2c		Assessment of clinical antibiotic review between 24-72 hours of patients with sepsis who are still inpatients at 72 hours		
2d	Reduction in antibiotic consumption	i) % of antibiotics by DDD** per 1,000 admissions	National	
		ii) % of carbapenem by DDD per 1,000 admissions		
		iii) % of piperacillin-tazobactam by DDD per 1,000 admissions		



3	Improving services for people with mental health needs who present to A&E	Improving services for people with mental health needs who present to A&E	National	
No	Topic	Indicator	Priority	Achievement*
4a	Advice and guidance	Proportion of services available	National	
4b		Proportion of responses within 2 days		
4c		Proportion of responses within 5 days		
5	e-Referral	e-referrals	National	
6	Supporting proactive and safe discharge	Supporting proactive and safe discharge	National	

\* based on indicative position to be agreed with South Tyneside Clinical Commissioning Group

\*\*DDD defined daily dose

#### Key

	Full achievement
	Partial achievement or further work on-going
	Not achieved

### Information relating to registration with the Care Quality Commission

The Care Quality Commission (CQC) is the independent regulator of health and adult social care services in England. From April 2010, all NHS Trusts have been legally obligated to register with the CQC. Registration is the licence to operate and to be registered and providers must, by law, demonstrate compliance with the regulatory requirements of the CQC (Registration) Regulations 2009. From April 2015 all providers had to meet the new Health and Social Care Act 2008 (Regulated Activities) Regulations 2014 (Part 3).

South Tyneside NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is **without conditions** for all services provided.

Activities that the Trust is registered to carry out	Status	Conditions apply
Accommodation for persons who require nursing or personal care	✓	No conditions apply
Assessment or medical treatment for persons detained under the Mental Health Act 1983	✓	No conditions apply
Diagnostic and screening procedures	✓	No conditions apply
Family planning	✓	No conditions apply
Maternity and midwifery services	✓	No conditions apply
Surgical procedures	✓	No conditions apply
Termination of pregnancies	✓	No conditions apply
Treatment of disease, disorder or injury	✓	No conditions apply

The Care Quality Commission **has not** taken enforcement action against South Tyneside NHS Foundation Trust during 2018/19.

South Tyneside NHS Foundation Trust **has not** participated in any special reviews or investigations by the Care Quality Commission during the reporting period.

### NHS Number and General Medical Practice Validity

South Tyneside NHS Foundation Trust submitted records during 2018/19 to the Secondary Uses Service (SUS) for inclusion in the Hospital Episode Statistics which are included in the latest published data. The percentage of records in the published data:

Which included the patient's valid NHS number was:		Which included the patient's valid General Medical Practice Code was:	
Percentage for admitted patient care	99.9%	Percentage for admitted patient care	98.5%
Percentage for outpatient care	99.9%	Percentage for outpatient care	90.0%
Percentage for accident and emergency care	99.6%	Percentage for accident and emergency care	99.7%

Actions taken to improve documenting the NHS number and General Medical Practice codes were:

#### Quality of data - Clinical coding error rate

Audits conducted during 2018/19 have been undertaken in accordance with the NHS Digital's Terminology and Classifications Delivery Service Clinical Coding Audit Methodology 2018/19 Version 12.0. During the reporting period the error rates reported in the latest audit report for that period for diagnoses and treatments coding (clinical coding) were:

- Primary Diagnoses Incorrect - 8.00%
- Secondary Diagnoses Incorrect - 13.00%
- Primary Procedures Incorrect - 5.34%
- Secondary Procedures Incorrect - 12.65%

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

An action plan has been developed on the basis of the recommendations made in the final audit report which will support continuous improvement in the accuracy of our clinical coding.

### Statement regarding progress in implementing the priority clinical standards for Seven Day Hospital Services

The Seven Day Services programme is designed to ensure patients that are admitted as an emergency receive safe, high quality, consistent care, whatever day they present at hospital. In 2013 the NHS Seven Days a Week Forum developed ten clinical standards describing the minimum level of service patients admitted through urgent and emergency hospital routes should expect to receive, on every day of the week.

With the support of the Academy of Medical Royal Colleges (AoMRC), four of the ten clinical standards were identified as priorities on the basis of their potential to positively affect patient outcomes. These are:

**Standard 2:** Time to first consultant review

**Standard 5:** Access to diagnostic tests

**Standard 6:** Access to consultant-directed interventions

**Standard 8:** On-going review by consultant twice daily for high dependency patients, daily for other patients.

In line with the Government's Seven Day Services agenda, all Trusts must meet the four priority standards by 2020.

Our vision for Seven Day Services is to provide and deliver a more responsive and equitable service across seven days at South Tyneside NHS Foundation Trust. A robust implementation plan has been developed to support delivery of the four priority clinical standards within affordable plans, in line with the national perspective.

### **Response to the Gosport Independent Panel Report**

The Trust has a number of Freedom to Speak up Guardians throughout the organisation and their role is widely publicised. Staff are encouraged and supported to speak up and feedback is given directly to those individuals who raise concern and indirectly when a concern is raised anonymously. Staff can contact a Freedom to Speak up Guardian to raise a concern or they can contact their manager, any member of the Human Resources Team or via the incident reporting system.

## PART 2.3 REPORTING AGAINST CORE INDICATORS

NHS Foundation Trusts are required to report performance against a number of core mandatory indicators using data made available by NHS Digital. For each indicator the number, percentage or scores for at least the last two reporting periods are presented. In addition, a comparison is made against the national average and those Trusts with the highest and lowest scores, where the information is publicly available.

### Domain 1: Preventing people from dying prematurely

#### (i) Summary hospital-level mortality indicator (SHMI)

SHMI is a hospital-level indicator which measures whether mortality associated with a stay in hospital was in line with expectations. SHMI is the ratio of observed deaths in a Trust over a period of time, divided by the expected number given the characteristics of patients treated. A score above 1 indicates a Trust has a higher than average mortality rate, whilst a score below 1 indicates a below average mortality rate, which is associated with good standards of care and positive outcomes. Each SHMI score reported is accompanied by a banding decision, either Band 1 (mortality rate is 'higher than expected'), Band 2 (mortality rate is 'as expected') or Band 3 (mortality rate is 'lower than expected').

This indicator is divided into two parts:

- (a) SHMI values and banding for the reporting period; and
- (b) percentage (%) of patient deaths with palliative care coded at either diagnosis or specialty level for the reporting period.

#### (a) SHMI values and banding

Indicator	Oct 16 – Sep 17	Jan 17 – Dec 17	Apr 17 – Mar 18	Jul 17 – Jun 18	Oct 17 – Sep 18
Month of release	Mar 18	July 18	Sept 18	Nov 18	Feb 19
South Tyneside NHS Foundation Trust SHMI	1.17	1.20	1.23	1.26	1.27
SHMI banding	Band 1	Band 1	Band 1	Band 1	Band 1
National average	1.00	1.00	1.00	1.00	1.00
Highest SHMI value – national ( <i>high is worse</i> )	1.25	1.22	1.23	1.26	1.27
Lowest SHMI value – national ( <i>low is better</i> )	0.73	0.72	0.70	0.70	0.69

Data Source – NHS Digital <http://content.digital.nhs.uk/qualityaccounts>

#### (b) Percentage (%) of patients whose treatment included palliative care

The coding of palliative care in a patient record has a potential impact on hospital mortality. The SHMI however makes no adjustments for palliative care coding (unlike some other measures of mortality). This is because there is considerable variation between Trusts in the coding of palliative care. Therefore all patients who die are included in the SHMI measure, not just those expected to die.

Indicator	% of provider spells with palliative care coding (at diagnosis level)					% of deaths with palliative care coding				
	Oct 16 – Sep 17	Jan 17 – Dec 17	Apr 17 – Mar 18	Jul 17 – Jun 18	Oct 17 – Sep 18	Oct 16 – Sep 17	Jan 17 – Dec 17	Apr 17 – Mar 18	Jul 17 – Jun 18	Oct 17 – Sep 18
Trust	2.2	2.5	2.8	2.9	2.9	29.6	31.9	34.3	35.9	34.7
National average	1.7	1.7	1.7	1.8	1.8	31.5	32.0	32.3	32.9	33.6
Highest national	33	3.4	3.4	3.3	3.4	59.5	60.3	59.0	58.7	59.5
Lowest national	0.7	0.7	0.8	0.8	0.8	11.5	11.7	12.6	13.4	14.3

Data Source – NHS Digital <http://content.digital.nhs.uk/qualityaccounts>

South Tyneside NHS Foundation Trust considers that this data is as described for the following reason:

- SHMI is calculated by NHS Digital from information provided by the Trust. It is formally signed off by the Medical Director; and
- the data has been subject to internal and external scrutiny.

South Tyneside NHS Foundation Trust has taken / intends to take the following actions to improve the indicator and percentages in a) and b), and so the quality of its services, by:

- reviewing all published SHMI values and their contextual factors at the Trust Mortality Review Group; and
- continuing to undertake mortality case reviews in line with national Learning from Deaths programme, enabling the Trust to identify any cases of potentially avoidable mortality, formulate action plans and disseminate learning across the organisation.

## Domain 2: Enhancing quality of life for people with long-term conditions

Indicators within this domain are not relevant to South Tyneside NHS Foundation Trust .

## Domain 3: Helping people to recover from episodes of ill health or injury

### (i) Patient reported outcome measures (PROMS)

Information about our PROMS performance across the four elective procedures is highlighted below.

PROMS measure (EQ-5D index) Patients reporting improvement following:	2015/16 Adjusted average health gain	2016/17 Adjusted average health gain	2018/19(p) Adjusted average health gain	2018/19 Adjusted average health gain	National England average 2018/19
Hip replacement	0.419	0.431	0.485	Data not yet available	
Knee replacement	0.287	0.319	0.264		
Groin hernia procedures	0.083	0.076	0.047		

Data source – NHS Digital – Dataset 18: PROMS

(p) – Provisional data

South Tyneside NHS Foundation Trust considers this data is as described for the following reason:

- the Trust follows nationally determined PROMS methodology

South Tyneside NHS Foundation Trust intends to take the following actions to improve these outcomes, and so the quality of its services, by:

- continuing to monitor and maximise patient participation for each elective procedure; and
- actively reviewing published PROMS outcomes and supporting clinical teams in their interpretation for the local service.

## (ii) Emergency readmissions to hospital within 28 days of discharge

Emergency readmission indicators help the NHS monitor success in avoiding (or reducing to a minimum) readmission following discharge from hospital. Not all emergency readmissions are likely to be part of the originally planned treatment and some may be avoidable. To prevent avoidable readmissions it may help to compare figures with, and learn lessons from, organisations with low readmission rates.

This indicator looks at the percentage of patients aged (i) 0 to 15 and (ii) 16 and over readmitted to hospital within 28 days of being discharged.

% of patients readmitted to hospital within 28 days of being discharged from hospital (Large acute or multi service)	South Tyneside	National average	Highest national	Lowest national
2018/19				
0-15 years	6.72%	Data not yet available		
16 and over	10.10%			
2017/18				
0-15 years	4.69%	10%	19%	0%
16 and over	9.16%	17%	21%	10%
2016/17				
0-15 years	5.27%	12%	22%	0%
16 and over	9.21%	23%	32%	0%

Source – This indicator on the NHS Digital Indicator Portal was last updated in December 2013 and the next update is yet to be confirmed. Therefore, in the absence of national data, information has been provided from our Methods Analytics ‘Stethoscope’ benchmarking system. This uses different inclusion and exclusion criteria for the indicator which explains the marked increases in values compared to previous years.

South Tyneside NHS Foundation Trust considers this data is as described for the following reason:

- the figures presented are from the Trust’s electronic performance monitoring system in the absence of datasets from NHS Digital which have not been updated since December 2013.

South Tyneside NHS Foundation Trust intends to take the following actions to improve this data, and so the quality of its services, by:

- continuing to review readmission data to identify emerging trends, ie the rate rising in a particular specialty, for a particular procedure or for a particular consultant. Where a

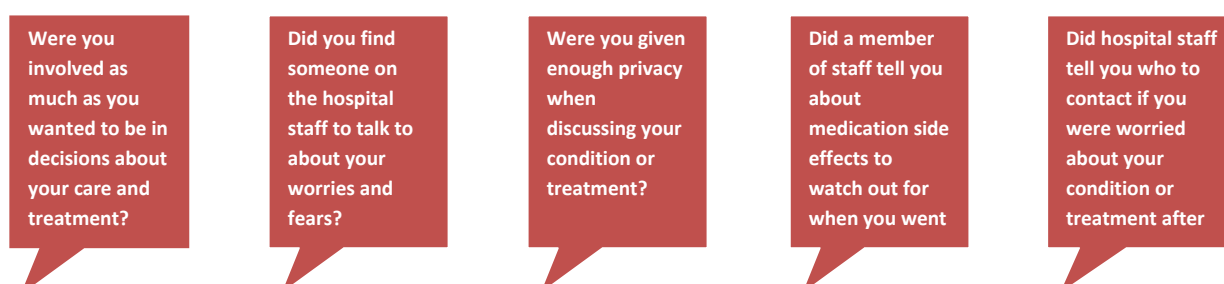
trend occurs, we will undertake an audit of practice to see if we could have done anything differently to prevent the readmission;

- using our Methods 'Stethoscope' clinical benchmarking system to drill down to patient level data so individual cases can be reviewed in detail, if required; and
- discussing readmission activity data and plans to reduce unnecessary readmissions at performance reviews meetings with relevant directorates.

#### Domain 4: Ensuring that people have a positive patient experience

##### (i) Responsiveness to patients' personal needs

The measure is based on a composite score calculated on the average from five individual survey questions from the National Adult Inpatient Survey (Care Quality Commission). A high responsiveness rate suggests that a Trust is meeting the needs of its patients and acting effectively on their feedback.



The results are shown in the table below; the higher the score out of 100 the better the patient experience.

Composite score	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
South Tyneside NHS Foundation Trust	71.9	71.6	72.8	70.1	72.0	Data not yet available
National average	68.7	68.9	69.6	No longer published	No longer published	
Highest national	84.2	86.1	86.2	No longer published	No longer published	
Lowest national	54.4	59.1	58.9	No longer published	No longer published	

Data source - National Adult Inpatient Survey 2018 (Care Quality Commission)

South Tyneside NHS Foundation Trust considers that this data is as described for the following reason:

- The Trust has a strong culture of quality and improvement and a good track record of receiving positive patient feedback a majority of the time. Where we have not achieved certain standards in the eyes of our patients we will do what we can, as quickly as we can, to address these issues. Strategic oversight of results from the National Adult Inpatient Survey is undertaken by the Patient, Carer and Public Experience Committee



South Tyneside NHS Foundation Trust intends to take the following actions to improve this data, and so the quality of its services, by:

- Demonstrating through changes in practice and our delivery of services that we have listened and acted on the patient feedback we receive. The results of this national survey will be used alongside our programme of local patient experience surveys, including our new Patient Experience Survey "Your Experience Matters to Us" to identify areas for improvement; and
- Sharing results of local patient feedback with internal groups, wards and departments to enable them to reflect and then act on the results.

(ii) Percentage of staff employed by, or under contract, to the Trust who would recommend the Trust as a provider of care to their family or friends

How members of staff rate the standard of care in their local Trust is recognised as a meaningful indication of the quality of care and a helpful measure of improvement over time. One of the questions asked in the annual NHS Staff Survey includes the following statement: "If a friend or relative needed treatment, I would be happy with the standard of care provided by this Trust".

Indicator (Acute Trusts only)	2014	2015	2016	2017	2018	National average	Highest national	Lowest national
"If a friend or relative needed treatment, I would be happy with the standard of care provided by this Trust"	63%	61%	58%	62%	64%	70%	90%	49%

Source – NHS Staff Survey 2018 (Picker Institute)

\* Percentage calculated by adding together the staff who agree and who strongly agree with this statement

South Tyneside NHS Foundation Trust considers that this data is as described for the following reasons:

- the data published by the Picker Institute is consistent with the staff survey results received by the Trust for the 2018 staff survey.

South Tyneside NHS Foundation Trust intends to take the following actions to improve this percentage, and so the quality of its services, by:

- maximising staff participation in the Staff Friends and Family Test and the NHS Staff Survey and using the additional information obtained to make changes to the work environment for all staff when possible;
- continuing to develop and monitor the Trust's action plan in response to the findings of the staff survey with updates for staff available on the Trust Intranet and communicated through staff briefing sessions;
- improving the quality of leadership and line management through targeted learning and support;
- improving staff health and well-being through a range of health-promoting initiatives;
- improving the quality of staff appraisals and non-mandatory training and education;
- involving staff in the implementation of the Trust Quality Strategy and its associated work streams; and
- embedding our Trust vision, values and behaviours in key people processes such as staff recruitment, appraisal, learning and development.



Last year, additional indicators from the NHS Staff Survey were required to be included in Quality Reports. We have provided the scoring for these specific indicators again which show very little change:

Indicator (Acute Trusts only)	2015	2016	2017	2018
Q14 – Percentage of staff believing that the Trust provides equal opportunities for career progression or promotion ( <i>higher score is better</i> )	85%	87%	87%	87%
13b – Percentage of staff experiencing harassment, bullying or abuse from managers in the last 12 months ( <i>lower score is better</i> )	13%	12%	9%	11%
13c – Percentage of staff experiencing harassment, bullying or abuse from colleagues in the last 12 months ( <i>lower score is better</i> )	16%	17%	17%	20%

## Domain 5: Treating and caring for people in a safe environment and protecting them from avoidable harm

### (i) Percentage of patients who were admitted to hospital and who were risk assessed for venous thromboembolism (VTE)

National guidance has advised healthcare professionals, that all adults (older than 18 years of age) who are admitted to hospital should have a risk assessment completed to identify those patients most at risk of developing a blood clot. A high level of VTE risk assessments show that a Trust is doing all it can to identify and address the factors that increase a patient's risk.

Reporting period	Trust	National Average	National Acute Range
Q1 2018/19	96.37%	95.63%	75.84-100%
Q2 2018/19	98.73%	95.49%	68.67-100%
Q3 2018/19	96.41%	95.65%	54.86-100%
Q4 2018/19	94.91%	Results not yet available	
2015/16 (96.43%)	2016/17 (96.16%)	2017/18 (95.46%)	

Data source NHS England

South Tyneside NHS Foundation Trust considers that this percentage is as described for the following reasons:

- the Trust has exceeded compliance with the 95% NHS Standard Contract threshold throughout the year with the exception of Q4. This indicates that clinicians have largely been completing VTE risk assessments in a timely way which helps to direct appropriate VTE prophylactic measures for patients who need it.

South Tyneside NHS Foundation Trust intends to take the following actions to improve this percentage, and so the quality of its services, by:

- strengthening the process of clinical review of all confirmed cases of hospital acquired thrombosis to see if any changes to VTE practice are needed; and
- agreeing with colleagues from Sunderland a consistent approach to VTE risk assessment, prophylaxis and management practices which will be covered within a single overarching policy.

## (ii) Rate of *Clostridium difficile* infection

*Clostridium difficile*, also known as *C. difficile* or *C. diff*, is a bacterium that can infect the bowel and cause diarrhoea. The infection most commonly affects people who have recently been treated with antibiotics, but can spread easily to others. *C. difficile* infections are unpleasant and can sometimes cause serious bowel problems, but they can usually be treated with another course of antibiotics.

This measure looks at the rate per 100,000 bed days of cases of *C.difficile* infection reported within the Trust among patients aged 2 or over.

Rate per 100,000 bed days for specimens taken from patients aged 2 or over (Trust apportioned cases)*					
	2014/15	2015/16	2016/17	2017/18	2018/19
South Tyneside	7.8	5.3	3.5	11.8*	19.2
National average	15.0	14.9	13.2	15.7*	14.1
Highest national	62.2	66.0	82.7	95.6*	90.0
Lowest national	0.00	0.00	0.00	0.00	0.0

Source – NHS Digital Indicator Portal

\* Some of the data values have changed following final publication of the data and therefore may be different to those previously published

South Tyneside NHS Foundation Trust considers that this data is as described for the following reasons:

- the Trust has continued to work hard to reduce the numbers of *C difficile* infection. Performance on this measure is highlighted later in the report.

South Tyneside NHS Foundation Trust intends to take the following actions to improve this rate, and so the quality of its services, by:

- continuing with our initiatives to reduce *C. difficile* infection, monitoring of infection prevention practices, and continuing with our antimicrobial stewardship programme;
- promoting high standards of staff and patient hand hygiene, environmental cleanliness and the continued vigilance and awareness of staff; and
- undertaking root cause analysis of all hospital acquired cases in order to ensure opportunities to improve practice are identified and acted upon.

## (iii) Rate of patient safety incidents and percentage resulting in severe harm or death

STFT reporting	Rate*	National average	Highest national	Lowest national
1 April 2018 – 30 September 2018	27.5	44.5	107.4	13.1
1 October 2017 - 31 March 2018	24.19	42.55	124	24.19
1 April 2017 – 30 September 2017	23.47	42.84	111.69	23.47
1 October 2016 - 31 March 2017	24.6	41.10	68.97	23.13

Source – Organisation Patient Safety Incident Reports (acute – non specialist) via NHS Improvement

\* Incidents reported per 1,000 bed days

Incidents reported by degree of harm		South Tyneside	National average	Highest national	Lowest national
1 April 2018 – 30 September 2018	Severe Harm	2 (0.2%)	0.2%	0.9%	0.0%
	Death	0 (0.0%)	0.1%	0.6%	0.6%
1 October 2017 - 31 March 2018	Severe Harm	0 (0.0%)	0.2%	1.2%	0.0%
	Death	0 (0.0%)	0.1%	0.5%	0.0%
1 April 2017 – 30 September 2017	Severe Harm	0 (0.0%)	0.3%	1.5%	0.0%
	Death	0 (0.0%)	0.1%	0.5%	0.0%
1 October 2016 - 31 March 2017	Severe Harm	2 (0.2%)	0.3%	2.1%	0.0%
	Death	0 (0.0%)	0.1%	0.5%	0.0%

Source – Organisation Patient Safety Incident Reports (acute – non specialist) via NHS Improvement

South Tyneside NHS Foundation Trust intends to take/has taken the following actions to improve this number and rate, and so the quality of its services, by:

- enhancing the incident reporting system and including a facility to report incident anonymously
- progressing the improvement plans relating to Patient Safety which are indicated in our Quality Strategy.

## PART 3: OTHER INFORMATION – REVIEW OF QUALITY 2018/19

### 3.1 Indicators for Improvement

Like most healthcare systems over the world there are times when unintended mistakes are made and patients experience unexpected harm. Improving safety is about understanding what has happened in these predominately uncommon events and putting systems in place to further reduce risk and minimise these mistakes. The NHS has embarked on a journey to become one of the safest healthcare systems in the world and we have worked hard to share in that ambition so that all our patients are treated in a safe environment and protected from avoidable harm.

#### Focusing on Patient Safety

#### Patient Safety Alerts

Patient safety alerts are issued by NHS Improvement to rapidly warn the healthcare system of risks. They provide guidance on preventing potential incidents that may lead to patient harm or even death. They are issued periodically via the Central Alerting System, which is a web-based cascading system which provides important safety critical information and guidance to the NHS. The expectation is that Trusts will work towards meeting the alert recommendations in the timescales dictated.

The table below shows those alerts that have either been issued during 2018/19 or where the Trust has declared compliance with alert recommendations in line with deadlines stated within 2018/19.

Title of alert	Published	Deadline	Compliant
<b>NHS/PSA/W/2018/001</b> Risk of death and severe harm from failure to obtain and continue flow from oxygen cylinders	9 January 2018	20 February 2018	Yes
<b>NHS/PSA/W/2018/002</b> Risk of death or severe harm from inadvertent intravenous administration of solid organ perfusion fluids	17 April 2018	31 May 2018	Yes
<b>NHS/PSA/RE/2018/003</b> Resources to support the safe adoption of the revised National Early Warning Score (NEWS2)	25 April 2018	21 June 2018	Yes
<b>NHS/PSA/2018/004</b> Resources to support safer modification of food and drink	27 June 2018	1 April 2019	Yes
<b>NHS/PSA/2018/005</b> Resources to support safer bowel care for patients at risk of autonomic dysreflexia	25 July 2018	25 January 2019	Yes
<b>NHS/PSA/2018/006</b> Resources to support safe and timely management of hyperkalaemia (high level of potassium in the blood)	8 August 2018	8 May 2019	Yes
<b>NHS/PSA/2018/007</b> Management of life threatening bleeds from arteriovenous fistulae and grafts	12 November 2018	13 May 2019	Yes
<b>NHS/PSA/RE/2018/008</b> Safer temporary identification criteria for unknown or unidentified patients	5 December 2018	5 June 2019	Yes
<b>NHS/PSA/W/2018/009</b> Risk of harm from inappropriate placement of pulse oximeter probes	18 December 2018	18 June 2019	Yes
<b>NHS/PSA/D/2019/001</b> Wrong selection or orthopaedic fracture plates	12 February 2019	10 May 2019	Yes
<b>NHS/PSA/D/2019/002</b> Assessment and management of babies who are accidentally dropped in hospital	9 May 2019	8 November 2019	Yes

## Duty of Candour

Occasionally, patients are involved in a safety incident when in our care. A small number of these incidents cause harm. When things do go wrong, we have a duty to inform our patients about what has happened and, where necessary, learn to prevent them from occurring again in the future. This is in essence what we mean by duty of candour and is very much part of our culture in the Trust.

The duty of candour applies when the confirmed harm to a patient, as the result of a patient safety incident, is moderate or worse. In 2018/19 there were 27 such identified cases. Duty of candour requirements are initiated (i.e. interested parties are informed, receive an apology, given advice and support and are offered written feedback following completion of the investigation) once the level of harm has been confirmed by the Rapid Review Group (RRG) who is also responsible for monitoring compliance with the process. Overall compliance with the statutory requirements in 2018/19 was 100.

	Q1	Q2	Q3	Q4
Incidents which require duty of candour 2018/19	5	7	6	9

Quarter	Compliance with Statutory Requirement (Stage 1)
Q1	100%
Q2	100%
Q3	100%
Q4	100%

## Never Events

Never events are serious and largely preventable. An updated list of never events is published by the Department of Health each year. This list includes a number of safety related incidents that should not occur if best practice guidance is followed. Each never event has the potential to cause serious patient harm or death. However, serious harm or death is not required to have happened as a result of a specific incident for that incident to be categorised as a never event. When a never event occurs it is essential to ensure learning takes place to mitigate any risk of a similar event occurring again. It is also important for the patient and/ or family affected to be kept fully informed and supported, in line with Duty of Candour.

The Trust declared zero never events during 2018/19.

## Serious Incidents

Serious Incidents (SIs) in health care are adverse events, where the consequences to patients, families and carers, staff or organisations are so significant or the potential for learning is so great, that a heightened level of response is justified. The Trust is committed to identifying, reporting and investigating SIs, and ensuring that learning is shared across the organisation and actions taken to reduce the risk of recurrence.

SIs are reported via the Strategic Executive Information System (StEIS) and monitored through the North East Commissioning Support Unit (NECSU). Each incident is subject to a full root-cause analysis and the deadline for completing SI investigations is 60 working days from the date reported to StEIS. There are occasions when the Trust has not been able to meet this reporting standard and complete its investigations. The Risk Team works closely with directorates to assist in completing all overdue SI investigations.

The Clinical Commissioning Group has an established Serious Incident Panel in place to review all completed root-cause analysis reports, consider requests for ‘downgrading’ incidents and for closing investigations.

In total, 26 SIs have been declared by South Tyneside NHS Foundation Trust in 2018/19. The table below show the number of incidents logged by cause group.

Cause Group	Number
Tissue Viability	13
Falls	8
Maternity Related	2
Delay in Diagnosis	1
Medication	1
Treatment delay meeting SI criteria	1
Total	26

### Nutrition and Hydration Week 2019

11–17 March 2019 was *National Patient Safety Nutrition and Hydration week* where the importance of adequate nutrition and hydration within the healthcare sector was highlighted. The Trust’s Nutrition and Hydration Steering Group organised a series of themed events over the week, under the strapline “*A Global Challenge: Making a Difference Every Day*”. The planned events included meal observations, special “treats” for our patients provided by our catering department, promotion of a new E-learning programme and national webinars and display stands to publicise IDDSI (International Dysphagia Diet Standardisation Initiative) and the “I-Hydrate” initiative.

Prizes were awarded to staff for the first member of staff to complete the new MUST e-learning programme; the team who had the most members of staff completing the MUST e-learning programme over the week; and the team who had the best overall meal observation results.

### Sign Up To Safety “National Kitchen Table Week”

18–24 March 2019 was *Sign Up To Safety National Kitchen Table Week*. Kitchen Table events provide an opportunity to bring people together, to reconnect through conversations built around respect, humility, curiosity, kindness, and civility. They provide the opportunity to talk to each other in a way that helps people to open up, so that anything that is on their minds or relates to how they work – whether positive or negative – can be voiced. The events are termed ‘kitchen tables’ to bring to mind the times people sit round a table and share their day. Like the kitchen table at home, it is a place where people can talk openly and honestly, without judgement and, above all, be listened to.

The focus of this year’s event was relationships and how people talk to and listen to each other, as this is imperative in creating a safety culture. There is an undeniable link between safety and staff health and wellbeing, which is dependent upon the way people behave towards each other and the way they are led, trusted and supported, especially when things don’t go as planned. The Kitchen Table events are an excellent opportunity to explore what staff need to help them work effectively and safely, what they think goes well now, what needs to change, what brings them joy, and what they may have on their minds.

Some interesting topics and concerns were discussed, which are being taken forward by the patient safety team.

## Reducing Healthcare Associated Infection

Preventing and reducing Healthcare Associated Infection (HCAI) remained high priority for the Infection Prevention and Control team.

In order to attain the mandatory targets for MRSA and *E.coli* bacteraemia and *Clostridium difficile* infection a robust HCAI action plan was produced and monitored until completion by the Infection Prevention and Control Groups. Strategies employed were:

- a structured programme of surveillance and audit which included environmental cleanliness, management of IV devices, management of urinary catheters, MRSA screening and decolonisation, completion of Bristol stool charts, use of urinary dipsticks and surgical site infection;
- total room decontamination following manual cleaning with UVC light;
- IPCN placements on poor performing areas;
- sharing lessons learned at ward and department manager forums;
- education and training events;
- continued analysis of antimicrobial prescribing;
- environmental screening;
- root cause analysis following device related MSSA, MRSA and *E.coli* bacteraemia;
- trial of a national hydration programme; and
- participation in a four day national UTI collaborative to compare strategy for reduction of avoidable infections

Attainment of the mandatory targets are as follows:

- MRSA Bacteraemia - One avoidable bacteraemia reported – target not attained but an improvement on the previous year's performance of two avoidable bacteraemia.
- *Clostridium difficile* infection - 9 Trust apportioned reported cases against a target of 7.
- *E.coli* bacteraemia – 19 Trust apportioned reported cases against a target of 13.
- MSSA bacteraemia - No target but 10 Trust apportioned cases reported compared to 8 the previous year.

Strategy to maintain / improve attainment of targets agreed and detailed in the HCAI Plan for 2019/20. This included:

- surveillance and audit programme reviewed and continued to ensure compliance with key measures to prevent healthcare associated infection. Escalation process for non-compliance agreed including monthly feedback on performance to directorate management teams and escalation to action plan;
- to implement total room decontamination with Hydrogen Peroxide vapour following every case of *Clostridium difficile*;
- refreshed education and training strategy to include quarterly half day events on specific key topics, lessons learned, policy and procedural review and progress with attainment of targets;
- extend screening for *Clostridium difficile* carriage for high risk patients at CHSFT and STFT;
- embed use of urinary catheter passports;



- embed hydration programme;
- embed appropriate use of urine dipsticks through written and electronic prompts;
- review and launch revised procedures for MRSA screening and decolonisation, hand hygiene, disinfection and management of patients with *Clostridium difficile* infection; and
- develop an e-learning programme for asepsis.

## Focusing on Patient Experience

The thoughts, opinions and observations of patients and relatives who use our services are very important to us. Our aim is that every patient's experience is a positive one and understanding what matters most to them and their families is a key factor in achieving this. We collect patient feedback in many different ways, including national and local patient surveys, the Friends and Family Test, patient interviews and focus groups, as well as any formal complaints received. Each approach provides a valuable source of information that we use to direct and drive improvements across the organisation.

### National Patient Surveys

The NHS Patient Survey Programme systematically gathers the views of patients about the care they have recently received. Feedback is normally collected via a series of postal questionnaires and reminders although options are being looked at to make this available to patients online. The programme provides valuable comparative feedback and a useful way to see whether actions taken have led to improvements in reported patient experience.

For 2018/19 South Tyneside NHS Foundation Trust participated in the following national patient surveys:

Type of survey	Published
National Adult Inpatient Patient Experience Survey 2017	June 2018
National Adult Cancer Patient Experience Survey 2017	Sept 2018
Urgent and Emergency Care 2018	To be confirmed
National Adult Inpatient Patient Experience Survey 2018	To be confirmed
National Adult Cancer Patient Experience Survey 2018	To be confirmed

### Cancer Patient Experience 2017

The National Cancer Patient Experience Survey 2017 is the seventh iteration of the survey first undertaken in 2010. It has been designed to monitor national progress on cancer care and to provide information to drive local quality improvements in hospitals that provide cancer services.

The sample for the survey included all adult (aged 16 and over) NHS patients, with a confirmed primary diagnosis of cancer, discharged after an inpatient episode or day case attendance for cancer related treatment in the months of April, May and June 2017. The fieldwork was undertaken between October 2017 and March 2018. In South Tyneside 194 eligible patients were sent a questionnaire and 108 were returned completed giving a response rate of 62%, which was just below the 63% national average, and less than the 65% response rate in the previous year. The survey includes 52 questions broken down into 12 sections covering the cancer journey.



### Questions where performance was higher than expected range

Patient responses to the following questions were positive and exceeded both the national average scores and the upper limit of the expected range:

- Q8 Finding out what was wrong with you** – Patient told they could bring a family member or friend when first told they had cancer (scoring 90% exceeding the expected upper limit score of 86% and national average score of 77%)
- Q41 Hospital care as a day patient / outpatient** – Patient was able to discuss worries or fears with staff during visit (scoring 86% exceeding the expected upper limit score of 80% and national average score of 71%)
- Q54 Your overall NHS care** – Hospital and Community staff always worked well together (scoring 79% exceeding the expected upper limit score of 71% and national average score of 62%)
- Q57 Your overall NHS care** - Length of time for attending clinics and appointments was right (scoring 85% exceeding the expected upper limit of 81% and national average score of 69%)

### Questions where performance was lower than expected range

Patient responses were less positive in one question:

- Q23 Support for people with cancer** – staff told patient they could get free prescriptions (scoring 69% matching lower limit score of 69% and less than national average 81%)

### National Adult Inpatient Survey 2017

The 2017 survey was the 15<sup>th</sup> iteration of the survey and included 148 acute and specialist NHS Trusts across England. Responses were received from 72,778 patients across the country, a response rate of 41% (44% in 2016). Eligible patients were aged 16 years or over, who had spent at least one night in hospital during July 2016 and were not admitted to maternity or psychiatric units. Trusts who participated sampled 1250 patients who were discharged during July 2017. The number of South Tyneside District Hospital patients who completed a survey was 440, which gave a response rate of 35.7% (36% in 2016), which compares less favourably to the national response rate, but reflects the downward trend seen in national response rates as compared to the previous year.

The survey asked a total of 62 questions of which the Trust was rated as 'better than most other Trusts' in 10 and were rated 'about the same' as other Trusts in the remaining 52 questions. None of the scores achieved were rated in the 'worse performing Trusts' category.

There were 53 questions where performance can be directly compared to the survey undertaken in the previous year. Using the 'expected' range approach:

- 10/53 (19%) of scores were 'better' than other Trusts, who participated in the survey,
- 43/53 (81%) of scores were 'about the same' as other Trusts,
- scores were higher than in the previous year in 29 (54.72%) questions. The same in 4 (7.55%) and lower in 20 (37.73%) of the questions. It must be noted, however, that 3 of the questions that achieved a slightly lower score than last year were still rated as 'better' than scores of most of the other 143 hospitals who participated.

Themes within questions that significantly increased scores include:

- privacy in A&E
- staff working well together
- communication about and explanations given regarding operations/procedures
- staff telling patients about medication side effects to watch for at home
- staff telling patients who to contact, if they were worried about their condition or treatment, after they left the hospital.

Themes of the questions in which scores decreased include:

- length of time on waiting list before admission
- patients who brought their own medication into hospital being able to take this when they needed to
- receiving enough help from staff to eat meals.

## Complaints – Customer Services

### About the service

The Customer Services Department is open from 9am until 5pm, Monday to Friday and is located within Harton Wing at South Tyneside District Hospital. The service is advertised around the hospital site as well as on the Trust website.

The team liaises with the management team including Divisional Managers, Matrons, Ward Managers on behalf of patients, carers and relatives to highlight any concerns raised with the aim to resolve where possible to the patients satisfaction. The Trust tries to resolve all informal complaints as swiftly as possible for the benefit of the person involved but also to prevent the issue escalating to a formal complaint. All formal and informal complaints are logged on to the Datix risk management system.

It is the Trust's aim to draft a response and respond to the complainant within 20 working days.

All actions identified following a complaints investigation are shared with the Clinical Lead, Matron or Ward Manager for implementation. The Customer Services team will monitor the completion of the action plan system.

Data on the number and type of complaint is summarised in the tables below:

Formal complaints					
	2018/19	2017/18	2016/17	2015/16	2014/15
Quarter 1	47	44	44	42	52
Quarter 2	36	38	34	55	65
Quarter 3	36	43	35	51	35
Quarter 4	41	53	38	43	58
<b>Total</b>	<b>160</b>	<b>178</b>	<b>151</b>	<b>191</b>	<b>210</b>

Formal complaints by subject	Q1	Q2	Q3	Q4
Clinical Treatment	17	8	14	20
Patient Care	12	8	2	0
Communication	1	12	6	10
Values and Behaviours of staff	5	2	6	2
Appointments	3	2	1	1
End of Life Care	2	0	2	0
Facilities	1	0	0	0
Admissions and Discharge	2	2	0	0
Trust Policy	2	0	0	0
Privacy and Dignity	1	0	4	7
Waiting times	1	0	0	0
Equipment	0	1	0	0
Confidentiality	0	1	0	0
Other	0	0	1	0
Consent to treatment	0	0	0	1
<b>Total</b>	<b>47</b>	<b>36</b>	<b>36</b>	<b>41</b>

Informal complaints	
2018/19	554
2017/18	700
2016/17	734
2015/16	606
2014/15	612

### Parliamentary and Health Service Ombudsman (PHSO)

During 2018/19 13 complaints were referred to the PHSO during 2018/19 and of those 3 were not upheld, 6 withdrawn at the preliminary investigation stage and 4 cases are currently under investigation

Two further investigations have also been completed from the previous financial year including 1 informal complaint which was partially upheld when a referral from a GP was filed without action and 1 formal complaint partially upheld with a recommendation to send a letter of an apology and action plan, both of which have been done.

### Improvements as a result of complaints

The Trust is committed to delivering high quality, safe services, however, where this does not happen it is important we learn lessons and make improvements. Over the last year improvements as a result of complaints include:

- The Gateshead Equipment Service (GES) updated their IT system where online orders can be made, a delivery time slot can be booked and deliveries can be tracked. The new system will also improve route optimisation which will assist with the timing of urgent deliveries.
- The Community Dental Service has developed a new patient information leaflet which includes photographs of all crowns to ensure patients and their parents or guardians are fully informed of the look of the crowns before the procedure is carried out.
- The Emergency Department (ED) received a formal complaint regarding delays in the administration of antibiotic medication via a Hickman Line. The Matron and the clinical team for ED are working with the Oncology Team to devise a training programme for the ED Team on the use of Hickman Lines.

- The ED received a formal complaint from a patient who attended the department with a laceration to their hand. The wound was dressed with steri strips, however the wound deteriorated and the patient returned to the ED. The patient should have been given a medical review at this attendance and advised to attend the wound review clinic. As a result of analysis of the complaint findings the ED Clinical Lead has arranged training sessions for the Emergency Nurse Practitioners on various wound closure techniques including wound sutures.
- The father of a patient with autism and learning disabilities raised a formal complaint due to the length of time they had to wait in an out-patient department for treatment. Due to the wait, the patient had become very distressed. The outcome is that an individual person-centred protocol has been developed. A copy of the protocol has been given to the patient's father and carers, a copy has been placed within the patient's medical records and an alert put on the electronic system to ensure staff are aware of the protocol.

## Carers

The Carers UK report estimates that almost five million people are caring or loved ones while juggling a career. This is a rise of around three million since 2011. The Trust recognises the important role of carers and the following outlines the support available and the awareness raising events that have been undertaken to promote the role of carers in order to assist in the provision of the highest quality and most effective care possible.

### Carer's week 11-17 June 2018

Carer's Week annually raises awareness of caring, the challenges carers face and recognises the contribution they make to families and communities throughout the UK. In 2018 the focus was on supporting carers to be healthy and connected.

Caring can be a rewarding experience bringing satisfaction and well-being. However, caring for others often comes at a cost to carers' own health and well-being as they put the health needs of others before their own.

Carers need the information and practical support to care safely without harming their own physical and mental health as well as the right advice and financial support to be able to stay fit and healthy.

The Trust held information events during carers weeks that were open to both the general public and staff. There were contributions from a number of external agencies who also support carers. The Trust also promoted Johns Campaign and the Carers Passport to help staff recognise the importance of working with family carers in the care and support of patients with dementia. This can include extending visiting hours, staying overnight if necessary and being actively involved in care delivery.

There was also a series of awareness events for staff to talk about the importance of working in partnership with carers and utilising their knowledge and relationship with the patient to provide high quality, individual care.

### Carers Newsletter

The Carer and Patient Involvement Team continue to update staff on issues affecting carers via the Trust Carers Newsletter on a quarterly basis.

### Carers Rights Day 30 November 2018

Carer's Rights Day was used to raise awareness of carers and to publicise the launch of the Carer's Passport

### Carer's Passport

The Trust re-launched the passport for carers so they can get involved in all aspects of their loved one's treatment and care. The credit card-sized passport, worn on a lanyard, identifies carers to staff and enables them to: visit outside normal hours (including overnight) with the agreement of the ward manager, help the patient with eating and drinking as well as be actively involved in the patient's care and planning for discharge.

To accompany their passport 'badge', carers are given a special folder in which to keep useful leaflets with information relevant to the patient's care and a guide to the various support and advice organisations available in the locality as well as nationally.

Also included is a 'This is me' document relating to the patient containing details such as the patient's likes and dislikes and the name by which they prefer to be called. This can be shown to staff to help them to respond to patients' individual needs and provide more person-centred care.

Staff recognise the great value and importance of carers and are strongly committed to supporting and working in partnership with them in order to ensure that we can provide the highest quality and most effective care possible.

### Volunteers

Volunteers play an important role supporting our services and we know that their hard work and friendliness enhance the patient and family/carers experience. Our volunteers are not directly involved in patient care but help provide extra support to patients and staff. There are a number of reasons why people wish to volunteer, for many it is a chance to do something positive and to help others, or to gain experience to enhance their own career pathway. For others they simply have spare time and wish to give something back to the hospital community. South Tyneside encourages local people to volunteer their time and talents for the benefit of our patients, families and staff. Volunteering can be very rewarding and can be used to develop new skills, confidence and meet new friends.

We recruit volunteers twice a year via the NHS jobs website. All volunteers are asked to commit to at least one 2 hour shift per week and to engage in the volunteer role on a regular basis for a minimum period of 6 months. All volunteers are asked to commit to at least one 2 hour shift per week and to engage in the volunteer role on a regular basis for a minimum period of 6 months. Some of the roles undertaken by our current hospital based volunteers include; helping vulnerable and frail patients on wards, acting as meet and greet volunteers in the out-patient department. Other volunteering opportunities exist within the Chaplaincy service, Royal Voluntary Service and the League of Friends.

One of our younger volunteers has recently been accepted at Manchester University to start Medical training; by volunteering they felt it had enhanced their experience and knowledge of the hospital environment.

### Volunteers week 1-7 June 2018

The Trust held a thank you tea for volunteers during volunteer week which gave us the opportunity to say a huge thank you to all of our volunteers at South Tyneside NHS

Foundation Trust. Throughout the week we also celebrated our volunteers across social media.



### Patient-Led Assessment of the Care Environment (PLACE)

PLACE Inspection Scores 2018	Cleanliness	Food	Privacy, Dignity and Wellbeing	Condition Appearance and Maintenance	Dementia	Disability
National Average	98.5%	90.2%	84.2%	94.3%	78.9%	84.2%
South Tyneside NHSFT	99.64	93.34%	97.44%	98.95%	95.97%	91.78

### Mixed Sex Accommodation (MSA)

National reporting of unjustified mixing (i.e. breaches) in relation to sleeping accommodation commenced on 1 December 2010. MSA breach data is collected monthly from all NHS providers and other organisations that provide NHS-funded care (including Independent and Voluntary Sector organisations), and is collected, validated and published in accordance with the Code of Practice for Official Statistics. From April 2011, the MSA data return was made mandatory for all NHS Trusts.

“Sleeping accommodation” includes areas where patients are admitted and cared for on beds or trolleys, even where they do not stay overnight. It therefore includes all admissions and assessment units (including clinical decision units), plus day surgery and endoscopy units. It does not include areas where patients have not been admitted, such as accident and emergency cubicles.

Every patient has the right to receive high quality care that is safe, effective and respects their dignity. Same sex accommodation means that patients should not have to share sleeping accommodation or sanitary facilities other than when special circumstances exist, for example, due to clinical need (specialised or urgent care).

Where patients are nursed in bays, interchangeable signs are in place to identify the cohort of either male or female patients. There are no mixed sex wards.

Commissioning of all new building work (including alterations) continue to be designed to accommodate same sex facilities.



A breach occurs when a declaration is made regarding an unjustifiable breach of same sex accommodation principles. Breaches are reported via the incident reporting systems. Commissioners are then notified and a financial penalty incurred for each patient involved in the incident.

### Reporting of Same Sex Accommodation Breaches 2018/19

There have been no reported breaches throughout the period of 2018/19.

### New Discharge Lounge - South Tyneside District Hospital

In September we officially opened our new discharge lounge which has been relocated so it is now conveniently situated near to the main entrance. The discharge lounge aims to help make the transition from hospital to home as smooth as possible.

When patients are well enough for discharge and all the necessary arrangements have been made for them to return home, they can be transferred from the wards to the safe and comfortable environment of the discharge lounge, which is staffed by nurses and healthcare assistants. There, they can wait for any medication and to be collected by their families, or for other transport. This frees up beds on the wards more quickly, enabling further patients who require acute care to access the right services at the right time. The discharge process is managed by an integrated discharge team, which comprises experienced nurses and therapists, South Tyneside Council social care staff and Northumberland, Tyne and Wear NHS Foundation Trust mental health staff. By working together in one team, they are able to enhance the quality of patient care and improve the patient's experience, ensuring safe, timely discharge from hospital to the appropriate care setting. The team works closely with patients, families and carers prior to discharge to ensure the right care and support is in place for them on leaving hospital. To help further reduce the wait to leave hospital and ease pressure on patient transport provided by North East Ambulance Service, we are also working with St John Ambulance who collect patients from the discharge lounge and support a safe, effective and efficient discharge process during winter. Opening the new discharge lounge, South Tyneside NHS Foundation Trust chairman Neil Mundy said: *"I am certain that our new discharge lounge with its convenient location and comfortable surroundings, will be a tremendous asset, helping to improve patient flow not only during the winter months but throughout the year."* The Trust's medical director Dr Shaz Wahid said:

*"Planned, safe and timely discharge of patients is a key component in the efficient running of our hospital and it is particularly important during the winter months when we traditionally see more emergency hospital admissions, particularly amongst frail older people who are more vulnerable to illness. It is also very important for the patients themselves: an unnecessarily long hospital stay can place patients, especially older people, at more risk*

*of falls, fractures, infection, loss of muscle strength and increased dependency*

### Using Virtual Technology to Improve Dementia Care

The Trust arranged for nearly 200 of its staff working in South Tyneside's Community Integrated Care Teams, including community nurses, therapists, and the palliative care and bladder and bowel teams, to take a 'virtual dementia tour'. Using interactive equipment, they were able to experience at first-hand what living with dementia might be

like. Diagnosis of dementia is on the increase, with one in three people born in 2015 expected to die from the disease. The feedback from staff who did the training was very positive. It was found to be thought-provoking and they felt it would change the way in which they would care for dementia patients in the future. The South Tyneside Community Integrated Care Teams provide an effective, high quality and coordinated response for people with complex health and social care needs, ensuring the most appropriate care is delivered in the right place, at the right time, preventing hospital admissions and readmissions, and allowing patients to receive the support they need in their own homes.

### **Reduced Length of Stay - Bowel cancer surgery in South Tyneside**

In a milestone development, surgeons at the Trust have achieved a major breakthrough in improving the outcomes for bowel cancer patients, with a patient being able to return home after a single overnight stay. After close monitoring the patient was able to leave hospital at 6pm on the day after laparoscopic (keyhole) surgery. Mr Arun Krishna, lead surgeon for colorectal cancer at South Tyneside NHS Foundation Trust, personally stayed in the hospital until midnight after the patient's operation to ensure that her recovery was on course. He said: *"It is truly fantastic to be able to discharge a patient on the first post-operative day. This is a very rare occurrence following major bowel cancer surgery, not only in other surgical centres in the UK but also elsewhere in the world, including the USA. It was possible to offer this only because of the unique package of surgical innovation and pre and post-operative assessment and care that we provide at South Tyneside."*



## PART 3.2 PERFORMANCE AGAINST KEY NATIONAL PRIORITIES 2018/19

### Performance against key targets 2018/19

During 2018/19 the Trust has continued to achieve national operational and quality requirements across a number of key measures (as shown below), including waiting times for cancer, consultant-led treatment and diagnostic tests, despite some of these not being achieved at a national level.

Indicator	Last Year 2017/18	Target 2018/19	2018/19	Variance	Year <sup>1</sup>
<b>Operational Performance Measures</b>					
A&E: Maximum waiting time of four hours from arrival to admission/transfer/discharge	94.35%	≥95.00%	94.57%	-0.43%	●
Referral to Treatment waits % incomplete pathways waiting less than 18 weeks <sup>2</sup>	95.87%	≥92.00%	95.49%	3.49%	●
All Cancer 62 day urgent referral to treatment wait	89.11%	≥85.00%	86.90%	1.90%	●
Diagnostic Test waiting times <sup>2</sup>	0.01%	<1.00%	0.05%	-0.95%	●
Improving Access to Psychological Therapies – patients moving to recovery	55.94%	≥50.00%	54.79%	4.79%	●
Improving Access to Psychological Therapies – patients seen within 6 weeks	99.89%	≥75.00%	98.88%	23.88%	●
Improving Access to Psychological Therapies – patients seen within 18 weeks	99.42%	≥95.00%	99.92%	4.92%	●
<b>National Operational Standards</b>					
Cancelled operations not rescheduled within 28 days	0	0	0	0	●
All Cancer Two Week Wait	94.99%	≥93.00%	89.32%	-3.68%	●
31 day standard for cancer diagnosis to first definitive treatment	100.00%	≥96.00%	100.00%	4.00%	●
31 day standard for subsequent cancer treatments - surgery	100.00%	≥94.00%	100.00%	6.00%	●
31 day standard for subsequent cancer treatments - anti cancer drug regimens	100.00%	≥98.00%	100.00%	2.00%	●
62 day wait for first treatment following referral from an NHS Cancer Screening Service	100.00%	≥90.00%	93.75%	3.75%	●
Mixed sex accommodation breach	0	0	0	0	●
<b>National Quality Requirements</b>					
RTT waits over 52 weeks for incomplete pathways	0	0	0	0	●
Ambulance Handover Delays 30-60 minutes	532	0	1069	1069	●
Ambulance Handover Delays 60+ minutes	115	0	150	150	●
Trolley waits in A&E not longer than 12 hours	0	0	0	0	●
No urgent operation should be cancelled for a second time	0	0	0	0	●
VTE risk assessment for inpatient admissions	95.95%	≥95.00%	96.66%	1.66%	●
<sup>1</sup> Rated as amber if performance is close to target i.e. within 2 percentage points or 5 individual cases					
<sup>2</sup> Excludes non English commissioners as per NHS England published statistics					

## **Accident and Emergency (A&E)**

During 2018/19 the Trust has continued to receive an increasing number of patients through our A&E departments with a 2.7% increase in unplanned attendances compared to 2017/18. As a result we narrowly missed the national standard of 95% of patients spending a maximum of 4 hours in the department. Despite this, performance was better than the national average and the Trust remained in the upper quartile nationally for the majority of the year and ranked 36th out of 159 Trusts. For 2018/19 national funding called Provider Sustainability Funding (PSF) was available in order to support Trusts to improve their financial position as well as a proportion based on A&E performance. The Trust achieved the full amount available i.e. £886,000 linked to A&E performance.

Our ability to achieve the standard was impacted by increasing attendances year on year and increased operational pressures over the winter period. The 95% standard was met for the first two quarters of 2018/19 however this winter we saw an increase in patients arriving by ambulance with a 4.8% increase compared to last winter and an increase in emergency admissions which impact on flow out of the emergency department.

The Trust continues to work with our local partners as part of the Local A&E Delivery Board (LAEDB) to provide leadership and focus to improve access to urgent and emergency care services.

## **Referral to Treatment Time**

The Trust continues to exceed the national standard of at least 92% of patients waiting less than 18 weeks for treatment from referral with no patients waiting over 52 weeks. Over the year the Trust has reduced the number of patients waiting for treatment and part of this was due to a planned transfer of contracted activity for ENT and Ophthalmology which was provided by City Hospitals Sunderland.

## **Cancer Waiting Times**

The Trust has continued to achieve the majority of cancer waiting time standards for the year with the exception of the 2 week wait standard from GP referral to first appointment. This was due to capacity challenges in gastroenterology in particular which have been addressed and performance returned back above the 93% standard for the last two quarters of the year.

## **Diagnostic Waiting Times**

The Trust has performed well against the diagnostic waiting time standard and was well below the 1% maximum target for the year. For the whole year there were only 11 patients who waited over 6 weeks for their test out of around 3500 tests carried out each month.

## **Improving Access to Psychological Therapies (IAPT)**

The Trust has exceeded the national standards around waiting times and patients moving to recovery for the full year. The services have seen a 7% increase in referrals and nearly 3% more patients entering into therapy than 2017/18. South Tyneside CCG received an outstanding rating for the assessment of Mental Health services in 2017/18,

part of which was linked to the Trust's Lifecycle Service and performance against the IAPT standards.

### **Approach to Measuring Performance – What and How We Measure**

Performance against targets such as waiting times for consultant-led treatment, cancer, diagnostic procedures and time in A&E are taken into consideration by NHS Improvement, the regulator of Trusts, as part of their regular assessment process, to determine any support required. NHS Improvement also reviews performance against other areas such as quality of care, finance and use of resources. Trusts are segmented into four categories based on the level of support required in order to meet required standards from 1 (maximum autonomy/no support) to 4 (special measures/mandated support). The Trust has remained in segment 2 during 2018/19.

The Trust measures performance across a wide range of indicators including:

- National indicators, Operational Performance Measures, National Operational Standards and National Quality Requirements – these are set by NHS Improvement and the Department of Health;
- Local Quality Requirements – agreed with commissioners and included in our contract; and
- Internal indicators – these are agreed as part of our annual planning process and KPIs are developed to measure progress against delivery of our corporate objectives.

To support performance monitoring, management and improvement, a performance framework is in place to ensure issues are identified early and acted upon to prevent failure of key standards where possible. This includes:

- Monthly reporting of key performance indicators by directorate and specialty to the Finance and Performance Committee, Executive Committee and Board of Directors;
- Regular corporate and operational management reports to monitor progress against delivery of key standards;
- Monthly meetings with directorate managers and representatives from the Contracting and Performance teams to identify trends and areas of concern in time to plan ahead and agree action plans; and
- Quality and contracting review meetings with the Clinical Commissioning Group.

## Annex 1

### **Statement from the Commissioners: South Tyneside Clinical Commissioning Group, Sunderland Clinical Commissioning Group and Newcastle Gateshead Clinical Commissioning Group**

Thank you for sharing the Trust's draft Quality Report. The Clinical Commissioning Groups (CCGs) welcome the opportunity to review and provide commentary on the Quality Report for 2018/19.

As commissioners, South Tyneside Clinical Commissioning Group (STCCG), Sunderland Clinical Commissioning Group (SCCG) and Newcastle Gateshead Clinical Commissioning Group (NGCCG) are committed to commissioning high quality services from South Tyneside NHS Foundation Trust (STFT) and take seriously their responsibilities to ensure that patients' needs are met by the provision of safe, high quality services and that the views and expectations of patients and the public are listened to and acted upon.

Throughout 2018/19, the CCGs held bi-monthly Quality Review Group (QRG) joint South Tyneside and Sunderland Healthcare Group meetings with the Trust; these meetings provided positive engagement for the monitoring, review and discussion of quality issues. In addition to this, a programme of joint assurance visits between Sunderland CCG and South Tyneside CCG across the South Tyneside and Sunderland Healthcare Group took place during 2018/19. The purpose of these visits was to gain further insight into the quality of care provided and this will be further enhanced with the partnership approach being taken by the CCG and the newly formed South Tyneside and Sunderland NHS Foundation Trust with a collaborative visit programme in 2019/20.

The report provides a comprehensive description of quality improvement work within the Trust and an open account of where improvements in priorities have been made. The CCGs recognise the challenges faced by the Trust in the delivery of their 2018/19 priorities and their achievement to date. We welcome the Trust priorities for 2019/20 spanning patient safety, clinical effectiveness and patient experience and the CCGs consider that these are appropriate areas to target for continued improvements and which link to the CCGs' commissioning priorities.

We would like to note the positive contributions to research made by the Trust, who have led and continue to lead on a number of multi-centre trials. In particular the research collaboration with industry and academia in delivering the ADENOMA and B-adenoma trials which led to the Trust receiving the British Healthcare Trade Award 2018 and the Research Impact Award 2018.

The CCGs acknowledge the Trust's commitment to implement the priority standards for Seven Day Services, and congratulate the Trust on the progress to date. We look forward to receiving further updates around improvements to weekend rates through the QRG.

There has been ongoing CCG representation at the Trust Mortality Review Group and this will continue with the newly merged Trust during 2019/20. We would like to thank the Trust for their transparent process and commitment to Mortality Reviews and sharing information with the CCGs. Whilst the Trust has demonstrated an improvement in palliative

care coding, this remains below the national average, so we will look forward to receiving further updates.

The CCGs acknowledge the commitment of the Trust in seeking patient views on the services provided, and highlight the high percentage recommended scores achieved in the Friends and Family Test and would like to encourage the Trust to improve the response rates to ensure that data provided remains meaningful. We would like to acknowledge the work undertaken by the Trust in 2018/19 with the Carer's Charter and the re-developed Carer Passports to further give carers the recognition and involvement to enhance patient experience.

It was pleasing to note the further increase in the Trust's rate for national reporting of patient safety incidents and the CCGs look forward to receiving updates on further continued improvements following the extensive work undertaken in 2018 and 2019 in promoting a positive patient safety culture.

Overall the report is well written and presented and is reflective of quality activity across the organisation. As required under the Quality Report Regulations, staff within the CCGs have checked the accuracy of data relevant to the contract. In so far as we have been able to check the factual details, the CCGs view is that the draft report is materially accurate. It is clearly presented in the format required by NHS England and the information it contains accurately represents the Trust's quality profile.

To conclude, the CCGs look forward to working in partnership with the Trust during 2019/20 in an open and transparent way, to ensure that the care provided for patients is at the highest possible quality standards.



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**Jeanette Scott**  
Director of Nursing, Quality and Safety  
South Tyneside CCG



**Matthew Walmsley**  
GP Chair  
South Tyneside CCG

## South Tyneside Council Overview and Scrutiny Coordinating and Call-in Committee

Thank you for the opportunity to comment on your 18/19 Quality Report.

We wish to make the following comments.

- We broadly welcome the Trust's decision to merge into one as it provides scope for greater efficiencies and benefits of scale as well as providing a more attractive proposition for prospective clinicians. You have continued to give assurances of the key role that South Tyneside District General Hospital will play in the overall provision of services for South Tyneside and Sunderland residents. We hope, through the Path to Excellence programme, that the spread of services will be equitable across the two Boroughs.
- We congratulate the Trust on the much improved performance of the Stroke Unit. This provides some confidence to Members and residents alike who were initially reticent about the merging of the in-patient services at Sunderland DGH.
- We appreciate the efforts made by the two CCGs and the Trust to learn from the problems we encountered with the first phase of Path to Excellence. We feel that the engagement leading up to the formal consultation has been far more open and transparent and has led to the re-building of a level of trust in the process.

In terms of detailed comments on the Annual report, we do appreciate that the Trust works under substantial financial constraints and under such circumstances it is difficult to perform well in every area. However, we would want to point out our concerns in the following areas:

- We will be very interested to learn whether the measures taken to reduce pressure sores in the community have some impact in stemming the upward trend in this area.
- We would like some further understanding as to why the rate of Cardiac arrests is increasing.
- We would like to be informed of the effect of the electronic version of the DNACPR form to ensure that there is a reduced risk of this information not being clear.
- We would like to be kept informed on the impact of planned work to
  - Improve the nutrition and rehydration policy within the Trust
  - Decrease the incidence of missed doses
  - Improve the administration of the Sepsis 6 Standard
- It is noted that a number of audits have not been undertaken due to lack of resources.
- Whilst we acknowledge that the Trust is performing around about the national average, we do find it concerning that only 64% agree that "If a friend or relative needed treatment, I would be happy with the standard of care provided by this Trust"\*

We are happy that these concerns are covered by your improvement priorities for 19/20

I hope these comments are helpful.



**CLLR ROB DIX**

**Chair**

**South Tyneside Council Overview and Scrutiny Coordinating and Call-in Committee**

**24 May 2019**

## Statement from Healthwatch South Tyneside

On behalf of Healthwatch South Tyneside I am pleased to comment on the Quality Report. I know from my membership of the Trust's Patient Carer and Public Experience Committee (PCPEC) and the CCG's Local A&E Delivery Board how thoroughly and candidly the Trust addresses its Quality Report responsibilities. The report is given in four parts and I shall address these in turn, however, I will make reference to the overall summary and also link to some of the comments from last year but most of the comments will concern sections 2 and 3. It was noted that a number of areas were incomplete so it was not possible to form a holistic view of the Trust's performance and, it would have been very helpful, if the Trust based statements had been provided in the draft report.

It was good to see from the Overall Summary that there were no areas labelled: Priority not Achieved. Going back to my remarks about the PCPEC it worthy of note that those areas under the sub-heading Patient Experience are all flagged green, therefore, have been fully achieved. It is these areas that are considered by lay "critical friends", such as Healthwatch, at the PCPEC so perhaps ratings may improve in other areas if there was more lay involvement.

Last year we commented on a number of areas which have attracted our attention again this year; notably: identification and treatment of sepsis, the % of staff who would recommend the Trust as a place of choice for treatment and care which has only moved from 62% to 64 %- and 2-week cancer wait. HWST looks forward to the actions listed leading to improvements in future years.

In most areas in sections 2 and 3 the Trust performs well with respect to its key indicators; particular note was taken of the continued downward trendline in health care developed pressure sores. This needs to be matched by the same indicator for the community which has a continual adverse upward trend.

Within many of the other key indicators excellent performance is sometimes negatively impacted by low performance for communications element for issue under consideration; for example, element 5 under cardiopulmonary resuscitation. One area that is noted as exemplar is the compliance with the National Maternity Safety Strategy.

As mentioned earlier the 5 key indicators under patient experience are very good and a credit to the Trust and its staff.

The participation in audits is quite comprehensive with just 3 out 51 eligible audits where there was no participation. The reason for not participating in two of the three audits may benefit from a fuller explanation.

The participation in research seems strong although and, this is true elsewhere in the report, there is no comparative data or information so a judgement cannot be made how well the Trust is doing with respect to its peers. The list of associated achievements also appears impressive. A good reputation in this area of existential work should help the Trust attract and retain good calibre staff.



We commented on Commissioning for Quality and Innovation last year and in the same sense we are pleased the Trust's performance was good enough to achieve the maximum financial gain in this area of quality. There are, however, five areas where the target has not been achieved. One of these is important for the robustness of the new Trust, namely: the health and well-being of NHS staff. The indicator on bullying also shows an increase over and above the fluctuations in previous years.

In the next section, the milestones in bowel surgery and the vital changes in stroke services were welcomed. We would, however, like you to think about the whole of the patient's journey as well as the lifesaving events along that journey

Further on, the performance against key targets is very good with 16 out of 20 fully met. It is also noted that two of the missed targets are for ambulance handover which may be something which is outside or only partially within the Trust's control.

Finally, we would like to comment on the celebration of Carers and Volunteers. Recognition being given to those who look after loved ones or give freely of their time is always welcome to see; especially when it's linked to the quality delivered by the Trust.

**Peter Bower**  
**Co-Chair (Health)**

**23 May 2019**



## **Annex 2: Statement of directors' responsibilities for the Quality Report**

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

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

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

- the content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2018/19 and supporting guidance Detailed Requirements for Quality Report 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 March 2019;
  - papers relating to quality reported to the board over the period April 2018 to March 2019;
  - feedback from commissioners dated 29 May 2019;
  - feedback from local Healthwatch organisations dated 23 May 2019;
  - feedback from Overview and Scrutiny Committee dated 24 May 2019;
  - the Trust's complaints report published under Regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 28 May 2019;
  - the 2017 national patient survey dated 13 June 2018
  - the 2018 national staff survey dated 26 February 2019;
  - the Head of Internal Audit's annual opinion over the Trust's control environment dated 21 May 2019; and
  - CQC inspection report dated 2 March 2018.
- the Quality Report presents a balanced picture of the NHS Foundation Trust's performance over the period covered;
- the performance information reported in the Quality Report is reliable and accurate;
- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice;
- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review; and
- the Quality Report has been prepared in accordance with NHS Improvement's Annual Reporting Manual and supporting guidance (which incorporates the Quality Accounts Regulations) as well as the standards to support data quality for the preparation of the Quality Report.

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

By order of the Board

A handwritten signature in black ink, appearing to read 'John Anderson', with a stylized flourish at the end.

**JOHN ANDERSON <sup>1</sup>**  
Chairman

**Date: 28 May 2019**

A handwritten signature in purple ink, appearing to read 'Ken Bremner', with a horizontal line underneath.

**KEN BREMNER**  
Chief Executive

**Date: 28 May 2019**

<sup>1</sup> Chairman of newly formed South Tyneside and Sunderland NHS Foundation Trust (following merger of South Tyneside NHSFT and City Hospitals Sunderland NHSFT)

## **Independent auditor's report to the Council of Governors of South Tyneside NHS Foundation Trust on the quality report**

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

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

### **Scope and subject matter**

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

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

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

### **Respective responsibilities of the directors and auditors**

The directors are responsible for the content and the preparation of the quality report in accordance with the criteria set out in the 'NHS Foundation Trust Annual Reporting Manual' issued by NHS Improvement.

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

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

We read the quality report and consider whether it addresses the content requirements of the 'NHS Foundation Trust Annual Reporting Manual' and supporting guidance, and consider the implications for our report if we become aware of any material omissions.

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

- board minutes for the period April 2018 to March 2019
- papers relating to quality reported to the board over the period April 2018 to March 2019;
- feedback from Commissioners, dated 29 May 2019;
- feedback from local Healthwatch organisations, dated 23 May 2019;
- feedback from Overview and Scrutiny Committee, dated 24 May 2019;
- the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 28 May 2019;
- the 2017 national patient survey, dated 13 June 2018;
- the 2018 national staff survey, dated 26 February 2019;
- Care Quality Commission inspection report, dated 2 March 2018;
- the Head of Internal Audit's annual opinion over the trust's control environment, dated 21/05/2019

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

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

### **Assurance work performed**

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

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

A limited assurance engagement is smaller in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient

appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

## **Limitations**

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

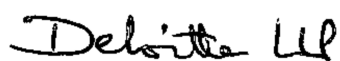
The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the 'NHS Foundation Trust Annual Reporting Manual' and supporting guidance.

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

## **Conclusion**

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

- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS Foundation Trust Annual Reporting Manual' and supporting guidance;
- the quality report is not consistent in all material respects with the sources specified in section 2.1 of the NHS Improvement Detailed guidance for external assurance on quality reports; and
- the indicators in the quality report subject to limited assurance have not been reasonably stated in all material respects in accordance with the 'NHS Foundation Trust Annual Reporting Manual' and supporting guidance.



**Deloitte LLP**  
**Leeds**  
**29 May 2019**

# ACCOUNTABILITY REPORT

## DIRECTORS' REPORT

### Board of Directors

The Board of Directors provides leadership of the Trust within a framework of prudent and effective controls, enabling risk to be assessed and managed. It determines the strategic direction of the Trust and reviews and monitors operating, financial and risk performance. A formal schedule of matters reserved to the Board includes:

- defining the values, strategic aims and objectives of the Trust;
- approving of the Trust's Annual Plan;
- adoption of policies and standards on financial and non-financial risks; and
- approval of significant transactions, mergers, acquisitions, separations or dissolutions.

The Executive Committee of the Trust is responsible to the Board for:

- delivering the strategy; and
- overall performance of the Trust, and managing the day to day business of the Trust.

The matters reserved to the Council of Governors are:

- to hold the Non-Executive Directors, individually and collectively, to account for the performance of the Board of Directors;
- to represent the interests of the members of the Trust, and the public as a whole;
- to appoint, re-appoint or remove the Chairman and other Non-Executive Directors of the Trust and decide the remuneration and allowances thereof;
- to appoint, re-appoint or remove the Trust's auditor;
- to be presented with the Trust's Annual Report and Accounts;
- to approve an appointment by the Chairman and Non-Executive Directors of the Chief Executive;
- to give the views of the Council of Governors to Directors for the purpose of preparing the Trust's Annual Plan;
- to approve significant transactions or approve an application by the Trust to enter into a merger, acquisition, separation or dissolution;
- to decide whether the Trust's non-NHS work would significantly interfere with its principal purpose; and
- to approve amendments, with the Board of Directors, to the Trust's Constitution.

The Board of Directors has a balance of skills and experience to undertake the business of the Trust. As at 31<sup>st</sup> March 2019, the Board of Directors, excluding the Chairman, has a 50/50 balance of Executive and Non-Executive Directors. The Non-Executive Directors are drawn from a diverse background bringing a broad range of views and experience to Trust deliberations. Through a successful appointments process we have maintained the balance and appropriateness of the membership of the Board.

## Composition of the Board of Directors during the year 1 April 2018 – 31 March 2019

**Neil Mundy**

**Chairman of Trust Board and Council of Governors**

**First term of office 1 January 2016 until 31 December 2018**

**Second term of office 1 January 2019 until 31 March 2019**

Mr Mundy has extensive experience in both executive and non-executive roles in public, private and third sector organisations in the North East and London. Mr Mundy is Vice Chair of the Joint Audit Committee for the Police and Crime Commissioner and Chief Constable of Northumbria Police, Treasurer and Trustee of Holy Island Development Trust and a Non-Executive Director of Northumberland Theatre Company. Mr Mundy was previously a Non-Executive Director, Chair of Audit Committee and Senior Independent Director for Northumbria Healthcare NHS Foundation Trust, Director of Finance at One North East and Non-Executive Director and Chair of the Audit Committee at the Port of Tyne Authority. He was also Principal Finance Officer for a large London borough; Deputy Chief Executive of the Tyne and Wear Development Corporation and, as a senior management consultant, has advised on major city regeneration projects.

**Allison Thompson**

**Independent Non-Executive Director/Vice Chair**

**First term of office from 1 November 2012 until 31 October 2015**

**Second term of office from 1 November 2015 until 31 October 2018**

**Third term of office from 1 November 2018 until 31 March 2019**

Mrs Thompson built her career on solid, business, commercial and marketing foundations over a 24 year period and latterly held executive positions as Chief Operating Officer and Human Resources Director. Mrs Thompson has a track record of significant commercial and restructuring success throughout her career.

**Alan Clarke**

**Independent Non-Executive Director/Senior Independent Director**

**First term of office from 13 July 2012 until 12 July 2015**

**Second term of office from 13 July 2015 until 12 July 2018**

**Third term of office from 13 July until 31 March 2019**

Mr Clarke has had a long career in local government, working for South Tyneside and Newcastle City Councils before becoming Assistant Chief Executive at Sunderland City Council in 1995 and Chief Executive of Northumberland County Council in 2000. Alan was Chief Executive of One Northeast from 2003 to 2012 and was awarded a CBE in 2011 for services to regeneration in the North East.

**Lyn Cole**

**Independent Non-Executive Director**

**First term of office from 9 April 2018 to 31 March 2019**

Mrs Cole has extensive experience at director level of delivering high impact strategic change programmes working with large, multi-site and multi-functional team. She is Deputy Chair of the Appointments Committee for the General Pharmaceutical Council and a Non-Executive Director for South Tyneside Integrated Care Ltd. Ms Cole is a Trustee of the EY Foundation and was named in the 2016 'New View 50' list as one of the most influential BAME people working in the public sector

**Keith Tallintire**

**Independent Non-Executive Director/Audit Committee Chair**

**First term of office from 1 April 2015 until 31 March 2018**

**Second term of office from 1 April 2019 until 31 March 2019**

Mr Tallintire held a number of senior financial and board positions in the manufacturing sector and is an associate member of the Chartered Institute of Management Accountants and Chartered Institute of Purchasing and Supply and a member of the Chartered Institute of Housing. He also has previous experience in the NHS as a board member of NHS Durham Dales, Easington and Sedgfield Clinical Commissioning Group and, before that, he was a Non-Executive Director of County Durham and Darlington Primary Care Trust.

<b>Iain Malcolm</b>	<b>Independent Non-Executive Director</b> <b>First term of office from 1 November 2012 until 31 October 2014</b> <b>Second term of office from 1 November 2014 until 31 October 2017</b> <b>Third term of office from 1 November 2017 until 31 October 2018</b> <b>Fourth term of office from 1 November 2018 until 31 March 2019</b>
<p>Cllr Malcolm was elected Local Authority Councillor in May 1988 and is currently Leader of South Tyneside Council. Cllr Malcolm is also Chairman of the Local Government Commission Urban Commission. After leaving university, he commenced work with a Member of the European Parliament and in 1998, was appointed Chief of Staff to the Leader of the European Parliamentary Labour Party. In January 2001 Cllr Malcolm was appointed Chief Executive of a Public Affairs Consultancy, Sovereign Strategy.</p>	
<b>Mike Davison</b>	<b>Independent Non-Executive Director</b> <b>First term of office from 26 July 2017 to 31 March 2019</b>
<p>Mr Davison is a qualified Chartered Management Accountant and until his retirement at the end of March 2008 was Finance Director at the Port of Tyne Authority from 1995 and is a Trustee of the pension scheme. He is a lay member of the Newcastle University Council and Senate and is a member of its Audit Committee after serving a number of years as Chairman. Mr Davison was formally Vice Chairman and Senior Independent Director of City Hospital Sunderland NHS Foundation Trust. He is also a Church Elder and is a Governor of Dame Allen's Schools and Chairs its Finance Committee.</p>	
<b>Ken Bremner</b>	<b>Chief Executive</b> <b>From 12 September 2016</b>
<p>Mr Bremner is a qualified accountant and has worked in the NHS since 1982. He joined Sunderland in 1988, initially working with Sunderland Health Authority and then at City Hospitals Sunderland. He was Director of Finance and Deputy Chief Executive at City Hospitals until February 2004 when he was appointed to the post of Chief Executive. Mr Bremner is Chair of the Sunderland Partnership Board, a member of the SAFC Foundation of Light Audit Committee and the North East and North Cumbria Academic Health Science Network. Mr Bremner took up post as Chief Executive of South Tyneside NHS Foundation Trust on 12 September 2016. He was awarded an MBE in 2018 for services to NHS Leadership and is also an Honorary Fellow of the University of Sunderland.</p>	
<b>Kath Griffin</b>	<b>Director of Human Resources and Organisational Development</b> <b>From 1 May 2016</b>
<p>Ms Griffin joined the NHS in Sunderland in 2003 before extending her role to South Tyneside Foundation Trust in 2016. Prior to joining the NHS, Ms Griffin spent 20 years working in a variety of roles, primarily HR, in Scotland and England firstly with the Post Office Group before moving onto Social Services in Sunderland. Ms Griffin is a qualified HR professional and became Director of Human Resources and Organisational Development for the Trust in May 2016.</p>	
<b>Melanie Johnson</b>	<b>Director of Nursing, Midwifery and Allied Health Professionals</b> <b>From 21 November 2016</b>
<p>Ms Johnson is a Registered Nurse who has worked in the NHS since 1985 and joined City Hospital Sunderland NHS Foundation Trust in January 2016. She has worked in a variety of clinical and management posts in London, Leeds and was Director of Nursing in Newcastle and Edinburgh. Ms Johnson became Director of Nursing, AHPs and Patient Experience in November 2016. In 2018, Ms Johnson was appointed as Visiting Professor University of Sunderland and Chair of RCN UK Professional Nursing Committee.</p>	



<b>Julia Pattison</b>	<b>Director of Finance From 21 November 2016</b>
Mrs Pattison is a Qualified Accountant and has worked in the NHS since 1989. She joined City Hospital Sunderland NHS Foundation Trust in May 2006 as Head of Finance and Contracting and became Director of Finance in July 2008. She previously worked as Head of Finance and Service Level Agreements at North of Tyne Commissioning Consortium. Mrs Pattison became Director of Finance in November 2016.	
<b>Shahid Wahid</b>	<b>Medical Director From 1 December 2015</b>
Dr Wahid was previously the Clinical Lead Emergency Care at the Trust with specialist skills in Acute Medicine, General Medicine, Diabetes and Endocrinology. Dr Wahid came to South Tyneside District Hospital in October 2003 as Consultant Physician with an interest in Diabetes and Endocrinology. Having reshaped this specialty into a service acknowledged as one of the best in the region by 2006, he was instrumental in the development of a state-of the art, integrated Emergency Care Centre at the District Hospital, which opened to patients in November 2012.	

The Non-Executive Directors bring independent judgement on issues of strategy development, performance management, risk and quality through their contribution to Board, Sub Committee and Governor Meetings. The Board has concluded via its annual review of compliance against the requirements of the NHS Foundation Trust Code of Governance, that each of the Non-Executive Directors is independent in character and judgement.

The extensions to terms of office for Mrs Allison Thompson, Mr Alan Clarke and Councillor Iain Malcolm are not in line with the NHS Foundation Trust Code of Governance, which suggests that any term beyond two three year terms should be subject to particularly rigorous review and should take into account the need for progressive refreshing of the Board. The Council of Governors considered this element of the Code and felt continuity in Board leadership was important as the Trust was pursuing merger with City Hospitals Sunderland NHS Foundation Trust and therefore approved the extensions to terms of office until the end of the financial year. The Trust is therefore not compliant with section B.7.1 of the Code as a consequence. All other Non-Executive Director terms of office were revised to cease on 31 March 2019 in view of the Trust's merger with City Hospitals Sunderland NHS Foundation Trust and the requirement for a new Board to be formed.

The Board has appointed an Independent Non-Executive Director, Mrs Allison Thompson, to be Vice Chair, and Mr Alan Clarke to be the Senior Independent Director in accordance with the provisions of the NHS Foundation Trust Code of Governance. It is for the Council of Governors at a general meeting to appoint or remove the Chairman and other Non-Executive Directors. Removal of a Non-Executive Director requires the approval of three-quarters of the members of the Council of Governors. All appointments are made for a period of office in accordance with the Terms and Conditions of appointment decided by the Council of Governors.

Individual evaluation of the Executive and Non-Executive Directors was undertaken during 2018/19. As part of this process, the Chairman undertook appraisals with each of the Non-Executive Directors and Chief Executive. The Chief Executive carried out formal appraisals of each of the Executive Directors. The Senior Independent Director met all

Non-Executive Directors, and the Lead Governor to undertake the appraisal of the Chairman and a review of his performance during the year.

Each Sub Committee of the Board undertakes an annual self-assessment against the requirements of its Terms of Reference.

Following the above evaluations, the Directors have concluded that the Board, its Sub Committees and the Council of Governors operate effectively and also consider that each Director is contributing to the overall effectiveness and success of the Trust and demonstrate commitment to the role. NHS Improvement's Single Oversight Framework sets an expectation for NHS Foundation Trusts to carry out an external review of their leadership and governance every three to five years. This guidance was set out in the document 'Developmental Reviews of Leadership and Governance using the Well-led Framework'. The Trust has not undertaken its own well-led review in the last year as it had previously been subject to a Care Quality Commission Well-Led Inspection between October and December 2017.

The Trust holds a Register of Interests for both Directors and Governors, which includes company directorships where the company is likely to do business or is possibly seeking to do business with the Trust. These are available for public inspection upon request to the Company Secretary, South Tyneside District Hospital, Harton Lane, South Shields, NE34 0PL or by visiting the Trust's website ([www.stsft.nhs.uk](http://www.stsft.nhs.uk))

All Directors, both Executive and Non-Executive, meet the requirements of the 'Fit and Proper Persons Test' as described in the Trust's Provider Licence. No Directors, including the Chairman and Chief Executive, have any significant interests or commitments which may conflict with their management responsibilities.

### **Compliance with the NHS Foundation Trust Code of Governance**

NHS Improvement (previously Monitor), the Independent Regulator of NHS Foundation Trusts, has issued guidance detailing best practice for governance of NHS Foundation Trusts, entitled The NHS Foundation Trust Code of Governance (the Code).

South Tyneside NHS Foundation Trust has applied the principles of the Code of Governance on a 'comply or explain' basis. The Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012. The Board considers that it was fully compliant with the provisions of the Code in 2018/19 with the exception of Code B.7.1, the reason for which is explained on page 127.

The Board is committed to the highest standards of good corporate governance and follows an approach that complies with the main and supporting principles of the Code. The Board of Directors ensures compliance with this Code through the arrangements in place for ensuring its governance structures, policies and processes are kept under review. These arrangements are set out in documents that include:

- the Constitution of the Trust;
- Standing orders and Standing financial instructions;
- Schemes of delegation and decisions reserved by the Board;
- Terms of reference for the Board of Directors, the Council of Governors and their committees;

- annual declarations of interest;
- Annual Governance Statement; and
- Annual Report to the Board of Directors on compliance with the Code.

### Attendance of Meetings of Board of Directors

		Number of meetings applicable	Actual Attendance
<b>Board of Directors</b>			
N Mundy	Chairman	11	11
A Thompson	Non-Executive Director/Vice Chair	11	11
A Clarke	Non-Executive Director/Senior Independent Director	11	10
L Cole	Non-Executive Director	11	10
M Davison	Non-Executive Director	11	9
I Malcolm	Non-Executive Director	11	8
K Tallintire	Non-Executive Director	11	9
K Bremner	Chief Executive	11	10
K Griffin	Director of Human Resources & Organisational Development	11	9
M Johnson	Director of Nursing, Midwifery & Allied Health Professionals	11	9
J Pattison	Executive Director of Finance	11	10
S Wahid	Executive Medical Director	11	11
<b>Audit Committee</b>			
K Tallintire	Non-Executive Director (Chair)	6	6
A Clarke	Non-Executive Director	6	4
A Thompson	Non-Executive Director	6	4
J Pattison	Executive Director of Finance	6	5
<b>Charitable Funds Committee</b>			
I Malcolm	Non-Executive Director (Chair)	3	3
L Cole	Non-Executive Director	2	2
J Pattison	Executive Director of Finance	3	1
M Johnson	Executive Director of Nursing, Midwifery and AHPs	2	0
<b>Finance and Performance Committee*</b>			
A Thompson	Non-Executive Director (Chair)	11	10
M Davison	Non-Executive Director	3	3
K Tallintire	Non-Executive Director	11	7
K Bremner	Chief Executive	11	5
J Pattison	Executive Director of Finance	11	11
<b>Governance Committee</b>			
M Davison	Non-Executive Director (Chair)	11	10
I Malcolm	Non-Executive Director	11	6
M Johnson	Executive Director of Nursing, Midwifery & AHPs	11	6
J Pattison	Executive Director of Finance	11	5
K Tallintire	Non-Executive Director	5	4
S Wahid	Executive Medical Director	11	9
<b>Patient, Carer and Public Engagement Committee*</b>			
L Cole	Non-Executive Director	3	2
M Johnson	Director of Nursing, AHPs & Patient Experience	3	2
<b>Policy Committee*</b>			
M Davison	Non-Executive Director (Chair)	10	6
M Johnson	Executive Director of Nursing, Midwifery & AHPs	10	2
<b>Strategy Committee*</b>			
A Clarke	Non-Executive Director (Chair)	4	4
K Bremner	Chief Executive	4	3
J Pattison	Executive Director of Finance	4	2
M Davison	Non-Executive Director	2	2
J Pattison	Executive Director of Finance	2	1

		Number of meetings applicable	Actual Attendance
<b>Workforce Committee*</b>			
A Clarke	Non-Executive Director (Chair)	4	3
I Malcolm	Non-Executive Director	4	2
K Griffin	Executive Director of Human Resources & Occupational Development	4	4
M Johnson	Executive Director of Nursing, Midwifery & AHPs	4	0
S Wahid	Executive Medical Director	4	2
<b>Remuneration Committee*</b>			
A Thompson	Non-Executive Director (Chair)	2	2
K Tallintire	Non-Executive Director	2	1
K Bremner	Chief Executive (for Executive Directors only)	2	2
<b>Council of Governors</b>			
N Mundy	Chairman	5	5
A Thompson	Non-Executive Director/Vice Chair	5	3
A Clarke	Non-Executive Director/Senior Independent Director	5	0
M Davison	Non-Executive Director	5	0
I Malcolm	Non-Executive Director	5	1
K Tallintire	Non-Executive Director	5	1
K Bremner	Chief Executive	5	5
K Griffin	Executive Director of Human Resources & Organisational Development	5	1
M Johnson	Executive Director of Nursing, Midwifery & AHPs	5	1
J Pattison	Executive Director of Finance	5	3
S Wahid	Executive Medical Director	5	1

\*Joint meeting with colleagues from City Hospitals Sunderland NHS Foundation Trust

## Salary and Pension Entitlements

Details of the remuneration of senior employees of the Trust and the relationship between the highest paid director and the median are provided and can be found in the Remuneration Report. Accounting policies for pensions and other retirement benefits are set out in the notes of the financial statements.

## Board Sub-Committees

Following the formalisation of the alliance between South Tyneside NHS Foundation Trust and City Hospitals Sunderland NHS Foundation Trust via the implementation of the Single Executive and Management Team in November 2016, the Board of Directors in both Trusts respectively engaged in detailed discussion with regard to the need for a review of the Board committees. This also included a decision to establish 'joint' committees where appropriate to enhance oversight, avoid duplication where possible, and support the shared vision going forward for both Trusts. The revised Committee structure was implemented from 1 April 2017.

## Audit Committee

The Audit Committee is comprised of Non-Executive Directors and is chaired by Mr Keith Tallintire. The role of the Audit Committee is to ensure that the Trust's financial systems and internal controls are working effectively and to monitor progress and assurance. Other members of the Committee during the year were Mr Alan Clarke and Mrs Allison Thompson.

The Director of Finance and/or the Deputy Director of Finance are in attendance at each meeting. Also in attendance at each meeting were the Trust's External Auditors (Deloitte LLP) and Internal Audit (AuditOne).

As well as the standard progress reports received from Internal and External Audit teams and the Trust's Financial Team, significant issues considered by the Audit Committee during the year included: assurance framework benchmarking; a review of audits where significant weaknesses were reported; data quality audits; IR35 Intermediaries Legislation; clinical audit; review of the Local Counter Fraud Work Plan; and sector developments during the course of the year. The Audit Committee provides updates to the Board of Directors following every meeting and provides an annual update to the Council of Governors on the performance of the External Auditors. An Annual Report on the business of the Audit Committee is also submitted to the Board of Directors at the end of each financial year.

### External Auditor

Deloitte LLP were appointed as the Trust's External Auditor in June 2014 for three years from the year ended 31 March 2014 to the year ended 31 March 2017 with an option to extend the contract for up to two years. The Council of Governors approved an extension to the contract for a further year until 31 March 2018, supported by an assurance report from the Audit Committee. A second further extension of an additional year to 31 March 2019 was subsequently approved. The Audit Committee assesses the performance of External Audit by reference to performance indicators including evidence of compliance with mandatory auditing standards and professional standards and external quality assurance by a recognised supervisory body. In addition, information on achievement of planned audit days, the quality of audit reports and consultation / liaison with management is also taken into account.

There were no fees paid in relation to non-audit services during 2018/19.

In accordance with the Trust's policy, the Audit Committee considered the objectivity and independence of the Auditors in relation to the provision of non-audit services. The Committee were satisfied that robust arrangements were in place within the firm to ensure independence and objectivity.

The total remuneration paid to Deloitte LLP in respect of audit work in 2018/19 was £48,700 excluding VAT and comprised the following:

	2018/19 £	2017/18 £
Statutory Audit	34,000	33,000
Quality Report	7,700	7,420
Audit of Subsidiary Companies	7,000	7,000
<b>Total</b>	<b>48,700</b>	<b>47,420</b>

## **Internal Audit**

Internal Audit provide the Accounting Officer, in an economical, efficient and timely manner, with an objective evaluation of, and opinion on the overall adequacy and effectiveness of the Trust's framework of governance, risk management and control.

An internal audit strategy is designed by the Head of Internal Audit to detail the work necessary to fulfil these requirements in accordance with the Trust's Standing Financial Instructions and the NHS Internal Audit Standards. The Head of Internal Audit Opinion is a key element of the framework of assurance to assist the Board in the completion of its Annual Governance Statement.

An Internal Audit Charter has been agreed by the Audit Committee which states that if the Head of Audit or the Audit Committee considers that the level of Audit resources in anyway limit the scope of internal audit or prejudice its ability to deliver a service consistent with the definition of internal audit they will advise the Board accordingly. The Internal Audit function for 2018/19 was carried out under contract by AuditOne. AuditOne is hosted by Northumberland Tyne and Wear NHS Foundation Trust.

## **Countering Fraud**

The Trust's contracts with commissioners for healthcare services include specific clauses and schedules regarding counter fraud arrangements.

Local Counter Fraud Specialist Services are provided to the Trust by staff working for AuditOne. Individuals appointed as Local Counter Fraud Specialists (LCFS) have been approved as suitable for this role by NHS Protect and have been accredited by the Counter Fraud Professional Accreditation Board. The Lead LCFS for the Trust is Kathryn Wilson, Local Counter Fraud Specialist who undertakes a variety of activities to manage the risks of fraud, bribery and corruption. An annual plan for counter fraud work on behalf of the Trust is presented to the Audit Committee by the Lead LCFS.

The LCFS provides regular updates to the Audit Committee on counter fraud work being undertaken, and produces an annual report for the committee on the Trust's compliance with the counter fraud requirements in its contracts with commissioners and on work performed in relation to the NHS Counter Fraud Strategy. The current Fraud and Corruption Response Policy is available to all staff via the Trust intranet.

The Local Security Management Specialist is Glenn Mattinson, who is an employee of the Trust. Security policies and procedures are available to all staff via the Trust intranet.

## **Charitable Funds Committee**

The Charitable Funds Committee is comprised of two Non-Executive Directors, the Director of Finance, the Deputy Director of Finance, the Director of Corporate Affairs and Legal and two members of the Council of Governors. Due to the retirement of the Director of Corporate Affairs and Legal at the end of September, the Director of Nursing, Midwifery and AHPs also joined the committee. The Committee is chaired by Cllr Iain Malcolm.

The role of the Committee is to provide the Board of Trustees with an independent and objective review of the management and deployment of charitable funds across the Trust



which manages all charitable activities of the Trust. It also makes recommendations to the Board of Trustees on issues of policy, investment and strategy relating to the management of Charitable Funds.

### **Governance Committee**

The Governance Committee is comprised of three Non-Executive Directors, the Director of Nursing, Midwifery and AHPs, the Medical Director, the Director of Finance, the Director of Operations, the Company Secretary/Head of Corporate Governance (until January 2019) and Head of Corporate Risk and Head of Assurance. The Committee was chaired by Mr Mike Davison, Non-Executive Director. The Committee has delegated responsibility for ensuring the achievement of the highest standards of patient safety, quality of service, and risk management. In October 2018, the committee became a joint committee with City Hospitals Sunderland NHS Foundation Trust.

### **Finance and Performance Committee**

The Finance and Performance Committee is comprised of three Non-Executive Directors, the Director of Finance, the Chief Executive, the Director of Operations, and the Director of Performance. The Committee is chaired by Mrs Allison Thompson, Non-Executive Director and has delegated responsibility for providing assurance to the Board on the quality and effectiveness of financial and performance management within the Trust in delivering the Trust's operational and strategic plans. In June 2018, the Committee became a joint committee with City Hospitals Sunderland NHS Foundation Trust.

### **Joint Workforce Committee**

The Joint Workforce Committee is comprised of three Non-Executive Directors (two STFT Non-Executive Directors and one CHSFT Non-Executive Director), the Director of HR and OD, the Deputy Director of HR and OD, the Director of Nursing, Midwifery and AHPs, the Medical Director, the Director of Operations and the Director of Finance. The Committee is chaired by Mr Alan Clarke, Non-Executive Director and has delegated responsibility for ensuring that an overarching Workforce and Organisational Development Strategy is developed and approved and that assurance is obtained in the delivery of that Strategy.

### **Joint Policy Committee**

The Joint Policy Committee is comprised of two Non-Executive Directors (one STFT Non-Executive Director and one CHSFT Non-Executive Director), the Director of Corporate Affairs and Legal, the Company Secretary/Head of Corporate Governance (to January 2019), the Director of Nursing, AHPs and Patient Experience, the Director of Operations, the Deputy Medical Director (for CHSFT), and Clinical Director (for STFT), the Head of Corporate Risk and a Directorate Manager. The Committee is chaired by Mr Mike Davison and is responsible for ensuring standardisation in the formulation of policies to support the provision of safe care across the organisation(s) and the reduction of exposure to risk.

### **Joint Patient, Carer and Public Experience Committee**

The Joint Patient, Carer and Public Experience Committee is comprised of two Non-Executive Directors (one STFT Non-Executive Director and one CHSFT Non-Executive Director), the Director of Nursing, Midwifery and AHPs, the Director of Corporate Affairs and Legal, the Company Secretary/Head of Corporate Governance (to January 2019), a governor representative from STFT, a governor representative from CHSFT, the Head of Patient Experience and Practice Development, and Healthwatch representatives from South Tyneside and Sunderland. The Committee is chaired by the Non-Executive Director from CHSFT and is responsible for driving forward quality improvements in patient, carer and public experience when using Trust services.

### **Joint Remuneration Committee**

The Joint Remuneration Committee is comprised of the Independent Non-Executive Director/Vice-Chair of STFT, the Independent Non-Executive Director/Vice-Chair of CHSFT, one other Non-Executive Director of CHSFT and one other Non-Executive Director of STFT. The Committee is chaired by Mrs Allison Thompson, Non-Executive Director/Vice-Chair and is attended by the Chief Executive (when discussing remuneration and terms and conditions of Executive Directors) and the Director of HR and OD in an advisory capacity only as and when required.

Director attendance at all Board Sub-Committee meetings is provided on pages 129-130 of the report.



## COUNCIL OF GOVERNORS

NHS Foundation Trusts are 'public benefit corporations' and are required by the National Health Service Act 2006 to have a Council of Governors (the Council), the general duties of which are to:

- hold the Non-Executive Directors individually and collectively to account for the performance of the Board of Directors; and
- represent the interests of the members of the Trust as a whole and the interests of the wider public.

The Council of Governors and Board of Directors communicate principally through the Chairman, with support from the Company Secretary, who is the formal conduit between the two corporate entities. Clear communication between the Board and the Council is further supported by the public meetings of the Board, and Executive and Non-Executive Directors regular attendance at meetings of the Council of Governors.

The Board of Directors relies on the Chair, and other Non-Executive Directors to represent the views of the Council of Governors on any matters it may determine. Council of Governor's responsibilities include the appointment of auditors, review of performance of the Chairman and Non-Executive Directors, contributing to the development of strategic and operational plans and review of quality priorities. These items are discussed at public meetings and are supported by a Governor Development Programme as well as specific governor working groups who report back to the full Council.

The Chief Executive is invited to every meeting of the Council of Governors. In addition, both Executive and Non-Executive Directors attend meetings of the Governors as appropriate to the matters under discussion. Governors and Non-Executive Directors also participate in visiting programmes to our services and facilities. These visits provide an excellent opportunity to meet patients, staff and volunteers. It also provides a vehicle for understanding how clinical and non-clinical services function and whether they are responding to the needs of the local population.

Both Executive and Non-Executive Directors participate in the induction and on-going training programmes for governors and attend members meetings arranged to consider specific health topics.

The Board of Directors present the Annual Accounts, Annual Report and Auditor's Report to the Council of Governors and members at the joint Annual General Meeting/Annual Members' Meeting held during the year.

The Council of Governors has developed a good working relationship with the Chairman and the Board of Directors, and through the forums of governors' meetings, working groups, sub-groups and other opportunities for Trust involvement, governors are provided with information and resources to enable them to engage in a challenging and constructive dialogue with the Board on the business and planning of the Trust. A full copy of the constitution is available on request from the Company Secretary, South Tyneside District Hospital, Harton Lane, South Shields, NE34 0PL.

## Composition of the Council of Governors

The Council of Governors of South Tyneside NHS Foundation Trust is comprised of nine public governors for South Tyneside, four public governors for Sunderland, four public governors for Gateshead and one public governor to represent the rest of the North East of England. These constituencies represent the areas served by the Trust. The composition of the Council also includes four clinical staff governors and two non-clinical staff governors, as well as stakeholder representatives from our partner organisations including: CCGs, Local Authorities, higher education and the community and voluntary sector. The composition of the Council is outlined below:

### COUNCIL OF GOVERNORS

<b>Chairman</b>	<b>1</b>
<b>Public Governors</b>	
South Tyneside	9
Sunderland	4
Gateshead	4
Rest of North East of England	1
<b>Total</b>	<b>18</b>
<b>Staff Governors</b>	
Clinical	4
Non Clinical	2
<b>Total</b>	<b>6</b>
<b>Appointed Governors</b>	
Clinical Commissioning Groups	1
South Tyneside Local Authority	1
Sunderland Local Authority	1
Gateshead Local Authority	1
Voluntary organisations	3
Higher Education	1
<b>Total</b>	<b>8</b>

## Public Governors

The Public Constituency consists of people over the age of 16, living within the boundaries of Gateshead, Sunderland, South Tyneside and people living within the North East of England, including patients and their carers.

## Staff Governors

The Staff Constituency includes all staff on a substantive contract, those working for the Trust for a period of 12 months or more, and those, although not directly employed by the Trust, who exercise functions for the Trust. The staff constituency is divided into two classes: clinical staff; and non-clinical staff.

## Appointed Governors

Appointed Governors are appointed by our partner organisations including Local Authorities, Education Authorities, commissioning organisations and representatives from the community and voluntary sector.

## Meetings of the Council of Governors

Governor General Meeting Attendance for the year 1 <sup>st</sup> April 2018 – 31 <sup>st</sup> March 2019			
Elected Public Governors (and term of office)		Number of Meetings Applicable	Actual Attendance
<b>Gateshead</b>	Robert Buckley	5	2
	Tom Scott	5	3
	Vacant x 2		
<b>South Tyneside</b>	Mo Abuzahra	5	2
	Alan Cormack	5	5
	Eleanor Dawson (until Sep 2018)	2	0
	David Donohue	5	3
	Terry Haram	5	5
	David Herbert	5	5
	Ian Leonard	5	4
	Bashir Malik	5	3
	Nigel Thomas	5	2
	Vacant		
<b>Sunderland</b>	Paul Chapman	5	4
	Hemendra Gandhi	5	2
	Anita Hagon	5	4
	Christine Morgan	5	4
<b>Rest of North East of England</b>	Vacant		
Elected Staff Governors			
<b>Clinical</b>	Simon Ayre	5	4
	Maria Patterson	5	1
	Ashish Rajkumar	1	1
	Mark Tull	5	3
	Vacant		
<b>Non-clinical</b>	James Hughes	5	0
	Marion Langley	5	3
Appointed Governors			
<b>Local Authority – Sunderland</b>	Kelly Chequer	4	2
<b>Clinical Commissioning Group</b>	Stephen Clark	5	3
<b>Higher Education Sector</b>	Stephen Taylor	5	2
<b>Voluntary Sector – South Tyneside</b>	Allyson Stewart (Lead Governor)	5	5
<b>Local Authority – South Tyneside</b>	Joyce Welsh	5	4
<b>Voluntary Sector – Gateshead</b>	Vacant		
<b>Voluntary Sector – Sunderland</b>	Vacant		

Meetings of the Council of Governors are scheduled to follow the Board meetings held in public, and good attendance by governors at both has meant governors are kept up to date on current matters of importance and have the opportunity to follow up on queries in more detail with members of the Board.

There were five Council of Governors meetings in the year, and in addition to being attended by Governors and Trust representatives, they are also open to members and the general public, including the Annual Members' Meeting. All governor activity and the

business of the sub committees and working groups are formally reported to the Council of Governors meetings. There is also a standing agenda item of an update from the Chairman and Chief Executive, providing an opportunity to brief governors on the significant issues facing the Trust. Other standing agenda items include: patient stories; updates on Trust/service developments; operational and financial performance reports; and regulatory updates. The structure of the agenda for the meeting of the Council of Governors allows time for governors' questions and discussion. This is valued by governors and Board members alike, and has helped to provide greater interaction between the two groups. Key areas where the Council of Governors have been involved during 2018/19 have included:

- involvement in our PLACE inspections;
- ensuring arrangements are in place for management of charitable funds;
- receiving assurance on the Trust's approach to quality, safety and patient experience;
- receiving assurance on the Trust's approach to risk management and corporate governance;
- contributing to the Trust's approach to patient and public involvement;
- involvement in the Path to Excellence Stakeholder Reference Group; and
- involvement in the judging panel for the Trust's Recognition Awards.

Throughout the year a number of joint meetings were held with the Council of Governors of City Hospitals Sunderland NHS Foundation Trust where progress with the application for merger of the two organisations was discussed. In addition two governor sub-groups (jointly with colleagues from Sunderland) were formed. One group (the Constitution Sub-Group) focused on drafting the key elements of a new constitution for the proposed merged Trust and the other (the Criteria Sub-Group) focused on developing the criteria to be used by governors to receive assurance that the Board had been thorough and comprehensive in reaching its proposal to merge and had obtained and considered the interests of Trust members, the public and stakeholders as part of the decision-making process.

### **Nomination, Appointments and Remuneration Committee**

The Governors' Nomination, Appointments and Remuneration Committee is a formal Committee of the Council of Governors established in accordance with the Trust's Constitution and the NHS Foundation Trust Code of Governance, for the purpose of carrying out the duties of governors with respect to the appointment, re-appointment removal, remuneration and other terms of service of the Chairman and Non-Executive Directors.

Membership consists of governors selected from the full Council and is chaired by the Chairman of the Trust (when dealing with matters relating to Non-Executive Directors) and the Senior Independent Director (when dealing with matters relating to the Chairman). The Chief Executive and Company Secretary also attend meetings of the Committee in an advisory capacity. Recommendations of the Committee are submitted to the full Council of Governors for ratification. Attendance at meetings of the committee is detailed overleaf.

Governor	Constituency	Number of Meetings Applicable	Actual Attendance
Alan Cormack	South Tyneside	2	2
Marion Langley	Non Clinical	2	2
Tom Scott	Gateshead	2	1
Allyson Stewart	Appointed Voluntary Sector/Lead Governor	2	2
Nigel Thomas	South Tyneside	2	2

The committee has continued to follow a new process for annual review of performance for Non-Executive Directors and the Chairman. This involves a self-assessment against the core competencies of an NHS Foundation Trust Non-Executive Director and 360 degree approach to feedback.

The Committee met on two occasions during the year to consider the performance of the Non-Executive Directors and the re-appointment of Mr Neil Mundy, Mrs Allison Thompson, Mr Alan Clarke and Cllr Iain Malcolm until 31 March 2019

### Election details

The public and staff governors are elected by secret ballot of the membership. In respect of appointed governors, nominations were sought from partner organisations, including the Clinical Commissioning Groups, Local Authorities, the community and voluntary sector and higher education.

All Governors hold a term of office for up to three years, at which point they are eligible for re-appointment to a maximum of 3 terms.

No elections took place in 2018/19.

### Membership

The Trust's membership numbers at the end of March 2019 are shown in the table below and overleaf:

Public constituency	
Gateshead	234
South Tyneside	4,734
Sunderland	420
Rest of North East of England	191
At year end (March 31)	5,579
Staff constituency	
Clinical	2,222
Non Clinical	964
At year end (March 31)	3,186

Analysis of public membership	
Age (years):	
0-16	0
17-21	30
22+	5,119
Ethnicity	
White	4,487
Mixed	20
Asian or Asian British	99
Black or Black British	22
Other	6
Socio-economic groupings*:	
AB	1,085
C1	1,489
C2	1,296
DE	1,702
Gender	
Male	1,682
Female	3,795
<p><i>The analysis section of this report excludes:</i></p> <p>- 430 public members with no dates of birth; 945 members with no stated ethnicity; and 102 members with no gender recorded.</p> <p>* Socio-economic data has been completed using profiling techniques (eg postcode) or other recognised methods</p> <p><u>Definitions</u></p> <p>AB-Higher managerial, administrative, professional intermediate managerial, administrative, professional</p> <p>C1-Supervisory, clerical, junior managerial</p> <p>C2-Skilled manual workers</p> <p>DE-Semi-skilled and unskilled manual workers, casual labourers, pensioners, unemployed</p>	

## Membership strategy

Our existing strategy for achieving a representative membership has initially focused on those methods which have proved successful in the past; although we are always keen to explore new ways in which we could increase our membership base. Members of the Council of Governors assist in membership recruitment by raising awareness of the role of the governor and membership in their local communities. The benefits of membership are also advertised in public areas of the Trust as well as on the Trust's website.

Staff members are recruited automatically on joining the Trust on a substantive contract or after 12 months employment on a temporary contract. Information on membership is included within the staff handbook, given to new starters, and includes information on the option to opt out of membership, if desired.

Members are invited to Medicine for Members presentations; receive a welcome pack; a membership card which provides access to discounts in the Staff Restaurant, in local shops, holidays, electrical goods, entertainment, insurance, etc; and receive a members' newsletter so they can be kept up to date about Trust developments.

Members also have the opportunity to attend the public Council of Governors meeting to receive information about service developments and Trust performance.

In 2018/19 members received information about the Trust's intention to merge with City Hospitals Sunderland NHS Foundation Trust and were invited to public engagement events to learn more about the reasons for merger and the anticipated benefits.

### **Contacting the Trust and becoming a Member**

Existing members and anyone interested in becoming a member of the Foundation Trust can contact the Trust by emailing [membershipOffice.STFT@stft.nhs.uk](mailto:membershipOffice.STFT@stft.nhs.uk), visiting the website at [www.stsft.nhs.uk](http://www.stsft.nhs.uk) to complete the online application form or by calling the Membership Office on 0191 2024121 (24hour answerphone) or writing to:

Harton Wing  
South Tyneside District Hospital  
FREEPOST  
NAT 13663  
South Shields  
NE34 0AF

## STATEMENT OF COMPLIANCE WITH COST ALLOCATION AND CHARGING GUIDANCE ISSUED BY HM TREASURY

The Trust has complied with the costs allocation and charging requirements set out in HM Treasury and Office of Public Sector Information Guidance.

### Political donations

The Trust has made no political donations in the year (2017/18 – nil).

### Income Disclosures

The Trust's income from the provision of goods and services for the purposes of the health service in England ("principal purpose income") is 94% of total income, and is, therefore, greater than its income from the provision of goods and services for any other purposes ("non-principal purpose income"). Sustainability and Transformation Funding has been included within income from the provision of goods and services for the purposes of the health service when calculating the above.

Non-principal purpose income (6% of total income) mainly relates to research and development, education and training of medical and nursing staff, non-clinical services provided to other NHS bodies, rental income and income from services such as car parking and catering which provide a contribution towards the provision of goods and services for the purposes of the health service in England.

### Better Payment Practice Code

The Government's better payment practice code requires public sector bodies to pay all trade creditors within 30 days. The performance of the Trust in 2018/19 against the target of 95% of invoices by value and number is shown below.

The Trust is an approved signatory of the prompt payment code, which is hosted by the Institute of Credit Management on behalf of the Department of Business Innovation and Skills. Signatories to the Code commit to:

- pay suppliers within agreed terms;
- ensure suppliers know how to invoice them; and
- encourage good practice.

Better Payment Practice Code - measure of compliance		
	Number	Value £000
Total bills paid in the year	27,276	86,992
Total bills paid within target	22,531	73,134
Percentage of bills paid within target	<b>82.60%</b>	<b>84.07%</b>
The Better Payment Practice Code requires the Trust to aim to pay all valid non-NHS invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.		

During 2018/19 no interest was payable under the Late Payments of Commercial Debts (Interest) Act 1998.



<b>The Late Payment of Commercial Debts (Interest Act) 1988</b>		
	Year ended 31 03 19 £000	Year ended 31 03 18 £000
Amounts included within other interest payable arising from claims made under this legislation	0	0
Compensation paid to cover debt recovery costs under this legislation	0	0

### **Directors' statement on audit information**

As far as the Directors are aware, there is no relevant audit information of which the auditors are unaware, and the Directors have taken all of the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

### **Statement of Directors' responsibilities**

The Directors of the Trust are responsible for maintaining proper accounting records and preparing annual financial statements which give a true and fair view, and which have been prepared on the basis set out in the Foundation Trust Annual Reporting Manual and in particular to observe the Accounts Direction issued by NHS Improvement. In preparing those financial statements, the Directors are required, so far as is consistent with the Accounts Directions made by NHS Improvement, to:

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed in the financial statements
- Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Trust will continue in business

The Directors are responsible for keeping proper accounting records, in such form as NHS Improvement, with the approval of the Treasury, directs.

The Directors are also under a duty to prepare an Annual Report for each financial year complying in form and content with the requirements of NHS Improvement.

### **Disclosures relating to Quality Governance**

There are no material inconsistencies between the Annual Governance Statement, the annual and quarterly board statements required by the Single Oversight Framework, the Corporate Governance Statement submitted with the Annual Plan, the Quality Report, and Annual Report and reports arising from Care Quality Commission reviews of the Trust. The Directors' approach to quality governance is explained in more detail in the Annual Governance Statement and Quality Report.

### **Quality Governance**

It is vitally important that the Board ensures that governance arrangements remain fit for purpose. Good governance is essential in addressing the challenges the Trust faces and the Board must ensure it has oversight of care quality, operational matters and finance.

The Board achieves this through detailed discussion at its various formal sub committees of the Board of Directors.

Details of how the Board ensures arrangements are in place are identified within the:

- Performance report;
- Directors Report;
- Quality report; and
- Annual Governance Statement

Detailed information on progress against our Quality Priorities for 2018/19 and our Quality Priorities identified for 2019/20 can be found within the Quality Report.

## **ARRANGEMENTS FOR MONITORING IMPROVEMENTS IN QUALITY OF CARE**

The Trust is required to register with the Care Quality Commission and its current registration status is registration in full, with no conditions. Activities that the trust is registered to carry out are:

- Diagnostic and screening procedures
- Family planning services
- Maternity and midwifery services
- Surgical procedures
- Termination of pregnancies
- Treatment of disease, disorder or injury
- Accommodation for persons who require nursing or personal care
- Assessment and care of patients under the Mental Health Act

Following the CQC inspection in 2017 an action plan was developed to address the actions required which was monitored to completion via the Governance Committee.

### **Assurance Programme**

The Assurance function within the Trust provides an independent test of the organisation's compliance against regulatory and evidence based standards through a structured and responsive programme.

As agreed by the Governance Committee the assurance format has changed during 2018/19 into an Assurance Dashboard. This broadens the scope of the original Assurance Programme and improves the oversight of the current position of the Trust particularly in relation to CQC standards.

The Assurance Dashboard is an overview of compliance against each of the five CQC key questions, ie is the organisation safe, effective, caring, responsive and well-led. Under each of the key lines of enquiry are a number of prompts and each of these have been populated and rated red, amber or green on current evidence available.

The Assurance Dashboard therefore provides a visual representation of the overall current Trust compliance and highlights areas of concern where action and improvement is required.

### **Customer Services and Complaints Handling**

South Tyneside NHS Foundation Trust strives to provide the highest level of service to our patients. However, we recognise that there may be occasions when things go wrong and patients/their relatives may not be entirely satisfied with the level of care they have received. The Trust welcomes both positive and negative feedback from our patients and an important part of our work with complaints in the Trust is to understand what went wrong and, where possible, to take action to prevent reoccurrence, or indeed share learning across the Trust. An annual report of the themes and lessons learnt is provided to the Board of Directors.

The Trust has established complaints handling policies in line with the Department of Health's NHS and Social Care Complaints Regulations. The policies confirm that the Trust has robust systems in place to allow patients (or their nominated representative)

the opportunity to have their concerns formally investigated and to receive a comprehensive written response from the Chief Executive.

The Concerns and Complaints policies are based on the principles of Good Complaints Handling published by the Parliamentary and Health Service Ombudsman. The key principles are as follows:

- Getting it right;
- Being customer focused;
- Being open and accountable;
- Acting fairly and proportionately;
- Putting things right; and
- Seeking continuous improvement.

We aim for complainants to receive early contact by telephone to agree the issues and response format for example a written response or a meeting. Most complainants should receive a response within 25 working days. Where response times are beyond 25 working days this additional time will be following negotiation with the complainant and will be due to complexities associated with the investigation. Complainants are given information about Independent Complaints Advocacy (ICA), who can support them in making a complaint if required.

Formal complaints are investigated locally by the directorate or department management team who have responsibility for ensuring that a comprehensive investigation is undertaken, and that where actions for improvement are identified these are implemented as soon as possible. Responses to complainants will identify our findings, learning and confirmation of any plans for improvement. The Chief Executive provides a formal written response to the complainant who is given the opportunity to contact the Directorate Manager to discuss any outstanding concerns. If the complainant remains dissatisfied, they are offered the opportunity to attend a meeting with staff members to allow a more personal and open discussion in an attempt to provide further clarification and resolve any outstanding concerns. When local resolution is exhausted, if complainants remain dissatisfied they are encouraged to contact the Parliamentary and Health Service Ombudsman (PHSO).

To ensure that the Trust is learning from experience, a complaints report is submitted to the Patient, Carer and Public Experience Committee, a formal sub-committee of the Board regarding complaints activity and outcomes.

Complaints data is also included in the Trust's Quality Report which is presented to the Governance Committee and the Board of Directors to triangulate with the patient safety data enabling it to identify and monitor trends and themes, and ensure organisational action is taken to reduce the risk of recurrence.

A number of initiatives which have been introduced as a result of complaints including:

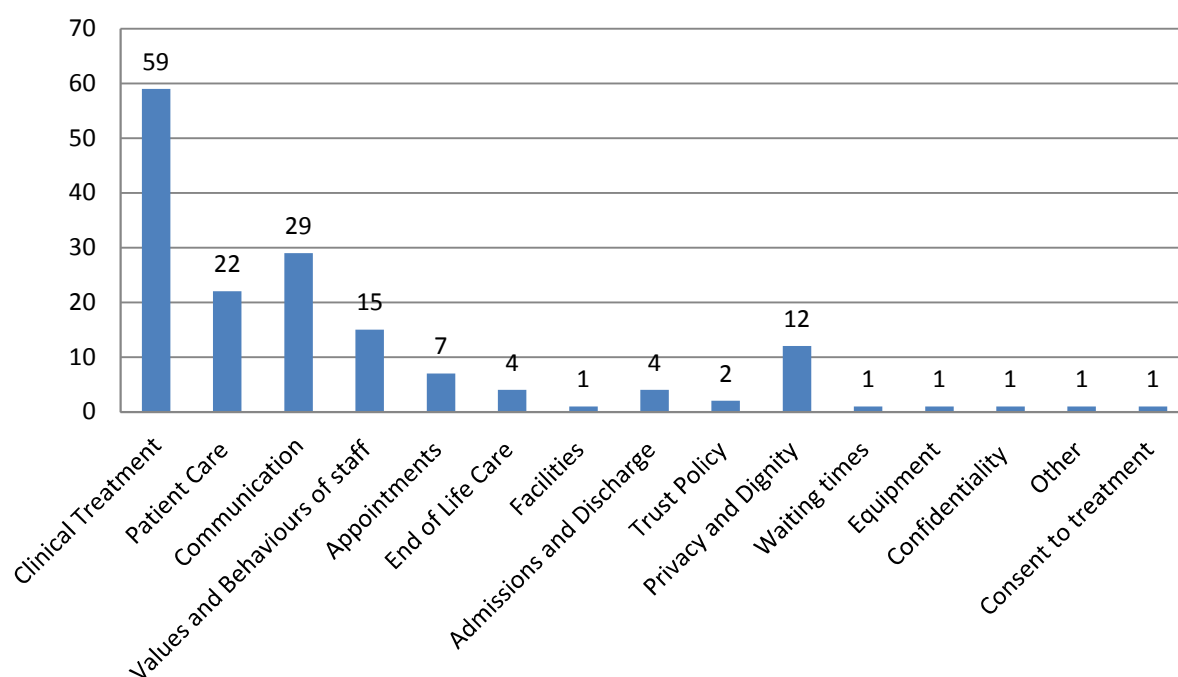
- the Gateshead Equipment Service has implemented a new IT system in order to improve the delivery of equipment;
- new patient information leaflet developed by the Community Dental Service to include photographs;
- awareness raised in relation to wound care and additional training on wound closure techniques provided in the Emergency Department; and

- individual person-centred protocols have been implemented ensuring effective communication between staff and relatives of vulnerable patients when communication can be challenging.

There were 160 formal complaints received in 2018/19. We also receive considerable informal feedback which in addition to formal complaints also helps us to understand where improvements are necessary or services are working well. It is a requirement that the Trust reports the number of complaints that are “well founded”. In 2018/19 we have attempted to make a judgement, following investigation, as to whether complaints were justified. Of the 148 complaints responded to:

31 were upheld;  
49 were partially upheld; and  
68 were not upheld.

The main themes arising from complaints can be found in the chart below:



### Referrals to Parliamentary Health Service Ombudsman (PHSO)

During 2018/19, 13 complainants referred their complaints to the PHSO. Of these, 6 were withdrawn by the PHSO at the preliminary investigation stage, 3 were not upheld and 4 are still under review.

## **SIGNIFICANT PARTNERSHIPS AND ALLIANCES**

The Trust has worked hard to develop strong and effective partnerships not only within the health and social care economy in South Tyneside but also across NHS North East.

The Trust has continued to work in an alliance with City Hospitals Sunderland NHS Foundation Trust and during the year the decision was made to explore the possibility of a merger of the two organisations. Following an extensive and thorough process the application for merger was granted by NHS Improvement with the new organisation, South Tyneside NHS Foundation Trust, being formed with effect from 1 April 2019.

As has already been detailed within the report, the Trust has worked with local health economy partners extensively throughout the past year to identify opportunities where the system can be improved to enhance patient outcomes as well as financial sustainability.

We continue to have a strong relationship with our main commissioner, NHS South Tyneside CCG, and now also NHS Sunderland CCG, who like ourselves want to achieve better health for the people of South Tyneside and Sunderland. Our challenge will be to do that by not only improving the integration of services across health and social care but also by underpinning any developments with more effective clinical decision making.

The Trust has also continued to work closely with the South Tyneside City Council and is an active member of a number of city-wide groups.

### **Public and Stakeholder Involvement**

#### **Patient, Carer and Public Experience Committee**

The Trust continues to develop the work of the Patient, Carer and Public Experience Committee, a formal sub-committee of the Board of Directors. The committee is chaired by one of the Non-Executive directors and has governor, Healthwatch and carer representation. Its key responsibilities are to ensure patient, carer and public involvement is integral to the Trust's overall strategy and to ensure the Trust takes account of the NHS Constitution in its decisions and actions – in particular the rights and pledges to which patients, carers, the public and staff are entitled.

The committee also monitors the outcomes and resulting actions from national surveys such as the inpatient survey, maternity services survey, and the cancer patient experience survey. These provide valuable feedback from patients on how services are being delivered but more importantly how they can be improved.

#### **Path to Excellence Phase Two**

Path to Excellence is a five-year transformation of healthcare services across Sunderland and South Tyneside. It has been set up to secure the future of local NHS services and to identify new and innovative ways of delivering safe, high quality, joined up, sustainable care that will benefit the populations of both South Tyneside and Sunderland for many years to come.

During 2018/19 extensive work has taken place to engage and involve staff, patients, members of the public and key stakeholders in Phase Two of the Path to Excellence programme which is looking at the following areas of hospital care:

- **emergency care and acute medicine** - the care provided when patients arrive at the Emergency Department or need emergency admission to hospital;
- **emergency surgery** - the care provided when patients are admitted to hospital as an emergency and require an immediate operation;
- **planned care (including surgery and outpatients)** - the care provided when patients are referred to hospital by their GP for a test, scan, treatment or operation; and
- **clinical support services** – these services provide vital care such as therapy services, diagnostics and radiology (imaging) and pharmacy.

Over 9,000 views from all stakeholders have been collected as part of our engagement process and this has helped inform the development of draft evaluation criteria that will be used to help determine which scenarios move forward to formal public consultation and, ultimately, by our local Clinical Commissioning Groups (CCGs) in their final decision making process.

Work undertaken throughout 2018/19 has been led by clinical service review design teams which include a variety of frontline staff from South Tyneside and Sunderland. A Draft Case for Change document was published in July 2018 to help explain the challenges being faced by local hospital services and in March 2019 an updated Draft Case for Change was published which also included the 'working ideas' for change developed by the clinical service review design teams.

Our robust engagement process is being assured by the Consultation Institute in line with best practice as we work towards a formal public consultation on future service models which is expected later in 2019/20.

### Proposed Merger

Between 30 July and 28 September 2018, a nine week period of widespread engagement activity took place to proactively gather views from staff, patients, the public and key stakeholders about the proposed merger of City Hospitals Sunderland and South Tyneside NHS Foundation Trusts. Engagement activity was aimed at improving understanding and support for the proposed merger amongst all key stakeholders with the following objectives to:

- clearly articulate the strategic business case and strengths of coming together as one organisation in the future;
- clearly outline the benefits that one organisation would bring for both staff and patients, as well as the drawbacks of 'doing nothing';
- reinforce the achievements and successes so far through the Healthcare Group;
- allay any fears, myths or rumours about what one Trust might mean;
- give a clear and consistent message about the collective future vision and firm reassurance about a secure positive future for both local hospitals; and
- actively seek views and feedback from staff, stakeholders and the public about the two Trusts becoming one.

Throughout the engagement period, over 1000 pieces of feedback, comments and questions were received and a number of key themes emerged which were included as part of the full business case and post-transaction implementation plan. The majority of staff across both Trusts (69%) understood the benefits of the proposed merger compared to 55% of patients and the public who struggled to see the proposed merger as a

separate process to the Path to Excellence clinical transformation programme. There was strong support for the proposed merger from a range of key stakeholders who supported the strategic rationale for joining the two Trusts together as one statutory NHS organisation.

### Meetings Held in Public

Meetings of the Board of Directors and the Council of Governors are all held in public and members of the public are very welcome to attend. The meetings are advertised through the Trust's website, in members' newsletters and within the organisation. A number of regular attendees are mailed papers in advance of any meeting. Governors and directors are available at the end of every meeting to discuss any issues or concerns.

Communication and consultation with employees has been detailed in the staffing report.



## NHS IMPROVEMENT'S SINGLE OVERSIGHT FRAMEWORK

The Trust is required to submit performance information to the Foundation Trust regulatory body NHS Improvement (NHSI) on a monthly basis in line with their requirements. At the start of each financial year, the Trust is required to submit an annual plan identifying the expected performance against financial targets and a range of national targets set by the Department of Health and Social Care and other regulatory bodies.

The financial performance is assessed over a range of metrics including liquidity and in-year income and expenditure performance. The Use of Resources risk rating ranges from 1 to 4 with 1 being the best.

The Trust submits actual performance information compared to the plan and NHSI assesses this performance with formal feedback provided each quarter on the rating of the Trust. The planned versus actual performance for 2018/19 is detailed in the table below. The quarter 4 position detailed in the table is based on submitted information and is subject to confirmation by NHSI.

Performance has been positive this year with the majority of national targets being met. An A&E trajectory was submitted as part of the Annual Plan process and these were monitored every quarter as part of the Sustainability and Transformation Fund requirements.

In terms of financial reporting, the Trust had planned to deliver an overall deficit of £12,157k and a planned Use of Resources metric of 3. The actual position improved to £2,711k deficit however this did not change the overall Use of Resources risk rating which remained at a 3 throughout the year.

2018/19				
	Q1	Q2	Q3	Q4
<b>Use of Resources</b>	3	3	3	3

In this system a score of 1 is the best, with 4 being the poorest.

The Single Oversight Framework (SOF) came into effect on 1st October 2016 which outlines the approach of NHS Improvement to regulate and support NHS providers. It is designed to help NHS providers attain, and maintain, Care Quality Commission ratings of 'Good' or 'Outstanding', with providers segmented, based on the level of support each Provider requires across the five themes of: quality of care; finance and use of resources; operational performance; strategic change; and leadership and improvement capability. The Trust has remained in segment 2 for the full year. The definitions of the support required for each segment is:

- Segment 1 – Providers with maximum autonomy: no potential support needs identified. Lowest level of oversight; segmentation decisions taken quarterly in the absence of any significant deterioration in performance
- Segment 2 – 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 2, more evidence may need to be gathered to identify appropriate support

- Segment 3 – Providers receiving mandated support for significant concerns: there is actual or suspected breach of licence, and a Regional Support Group has agreed to seek formal undertakings from the provider or the Provider Regulation Committee has agreed to impose regulatory requirements
- Segment 4 – Providers in special measures: there is actual or suspected breach of licence with very serious and/or complex issues. The Provider Regulation Committee has agreed it meets the criteria to go into special measures

In addition to this, the financial performance of Trusts will be assessed using the use of resources score (scoring providers from 1 (best) to 4 (worst)) and metrics relating to: capital service capacity; liquidity; I&E margin; variance from financial plan; and agency spend. As at 31 March 2019, the Trust's use of resources rating is 3.

Area	Metric	2018/19 Q3 score	2018/19 Q4 score
<b>Financial Sustainability</b>	Capital service capacity	4	4
	Liquidity	3	1
<b>Financial Efficiency</b>	I&E margin	4	3
<b>Financial Controls</b>	Distance from financial plan	1	1
	Agency spend	1	2
<b>Overall Scoring</b>		<b>3</b>	<b>3</b>

## STAFFING REPORT

The following table, which is subject to audit, details the analysis of the average staff numbers by occupational code categories for 2018/19:

	Group					
	Total Year Ended 31 Mar 2019	Permanently Employed	Other	Total Year Ended 31 Mar 2018	Permanently Employed	Other
	Number	Number	Number	Number	Number	Number
Medical and dental	204	192	12	200	188	12
Administration and estates	563	544	19	624	590	34
Healthcare assistants and other support staff	318	270	48	294	244	50
Nursing, midwifery and health visiting staff	1,476	1,419	57	1,684	1,635	49
Nursing, midwifery and health visiting learners	9	9	0	22	22	0
Scientific, therapeutic and technical staff	403	398	5	392	386	6
Healthcare science staff	40	33	7	38	32	6
Other	8	8	0	8	8	0
<b>Total</b>	<b>3,021</b>	<b>2,873</b>	<b>148</b>	<b>3,262</b>	<b>3,105</b>	<b>157</b>
	Trust					
	Total Year Ended 31 Mar 2019	Permanently Employed	Other	Total Year Ended 31 Mar 2018	Permanently Employed	Other
	Number	Number	Number	Number	Number	Number
Medical and dental	204	192	12	200	188	12
Administration and estates	557	538	19	619	585	34
Healthcare assistants and other support staff	304	256	48	283	233	50
Nursing, midwifery and health visiting staff	1,414	1,357	57	1,621	1,581	40
Nursing, midwifery and health visiting learners	9	9	0	22	22	0
Scientific, therapeutic and technical staff	403	398	5	392	386	6
Healthcare science staff	40	33	7	38	32	6
Other	7	7	0	7	7	0
<b>Total</b>	<b>2,938</b>	<b>2,790</b>	<b>148</b>	<b>3,182</b>	<b>3,034</b>	<b>148</b>

The following table details the breakdown of the number of male and female employees at the year-end 2018/2019, including directors:

Staff Group	Female	Male	Total
<b>Directors</b>	0	2	2
<b>Senior Managers</b>	13	9	22
<b>Employees</b>	2767	542	3309
<b>Total</b>	<b>2780</b>	<b>553</b>	<b>3333</b>

\*This reflects the number of Directors employed directly by South Tyneside NHS Foundation Trust. The Trust has a single Executive leadership team in conjunction with City Hospitals Sunderland NHS Foundation where the remaining directors are contractually employed.

\*\*The above figure is taken in accordance with occupation code guidance – included as senior managers those staff at executive level and also includes those who report directly to the members of the executive team (Band 8c and above)

Staffing numbers exclude non-executive directors

## Staff Costs

The table below and overleaf, which is subject to audit, shows the Trust's staffing costs for the year ended 31 March 2019 compared with the previous year.

Group				
	Total for Year Ended 31 March 2019	Permanently employed	Other	Year Ended 31 Mar 2018
	£000	£000	£000	£000
Salaries and wages	105,627	99,468	6,159	110,293
Social security costs	9,804	9,804	0	10,462
Apprenticeship Levy	485	485	0	519
Pension costs - defined contribution plans	11,718	11,718	0	12,548
Termination benefits	0	0	0	0
Agency/contract staff	4,475	0	4,475	4,349
<b>Total</b>	<b>132,109</b>	<b>121,475</b>	<b>10,634</b>	<b>138,171</b>
Trust				
	Total for Year Ended 31 March 2019	Permanently employed	Other	Year Ended 31 Mar 2018
	£000	£000	£000	£000
Salaries and wages	104,008	97,849	6,159	108,782
Social security costs	9,681	9,681	0	10,341
Apprenticeship Levy	477	477	0	512
Pension costs - defined contribution plans	11,625	11,625	0	12,462
Termination benefits	0	0	0	0
Agency/contract staff	4,295	0	4,295	4,048
<b>Total</b>	<b>130,086</b>	<b>119,632</b>	<b>10,454</b>	<b>136,145</b>

The total employer pension contribution payable in the year from 1 April 2018 to 31 March 2019 was £11,485,475 (2017/18 £12,163,320).

## Occupational Health

South Tyneside NHS Foundation Trust places significant emphasis on the health and wellbeing of its staff.

The Trust is very proud to report that in 2018/19, its Occupational Health service was successfully re-accredited by the Faculty of Occupational Medicine against their 'Safe Effective Quality Occupational Health Service Standards' assessment.

In 2018/19 over 75% of front line healthcare workers working in a hospital or community setting were vaccinated against flu. This ensured increased protection for staff, patients, families and carers.

The support offered to maintain and improve the psychological wellbeing of staff has also been refreshed, in July 2018. An Employee Assistance Programme was introduced, which provides telephone, face-to-face and online counselling support as well as legal and financial advice. Staff can now access impartial advice and support for a range of issues that impact upon wellbeing and mental health 24 hours a day, every day of the year.

In July 2018, in partnership with our employee assistance provider, the free interactive 'Zest' app was launched, which is a tool to help staff make positive changes to improve their wellbeing, including physical activity, weight, stress, smoking, alcohol and sleep.

The Trust has Ambassador Status in the 'Better Health at Work' awards scheme and is considered as Maintaining Excellence (Year 2), which is the highest achievement possible. Throughout the year more than 750 staff attended the various health and wellbeing events, which included, 'A Moment on the Lips', 'Are you faking it?' and 'New Broom'. In addition, over 300 staff across the Trust chose to undertake a wellbeing/health check undertaken.

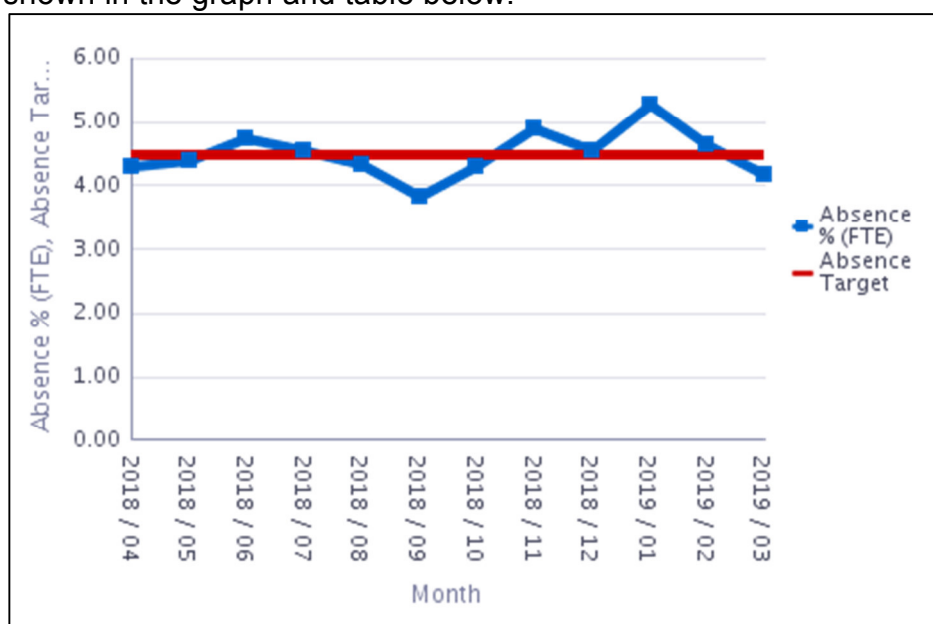
The Trust appreciates childcare can be a concern for some staff and we try to be a supportive employer. The childcare voucher scheme is still operational for staff members who were part of the scheme pre-October 2018. New employees to the Trust are now given information on the government tax free childcare scheme. We currently have 161 staff at the Trust using childcare vouchers.

Enquiries regarding childcare come in on a daily basis with one to one meetings set up if staff would rather meet face to face to discuss these issues. Numbers of enquiries differ from month to month with an increase in calls being received around holiday periods or if there is an influx of staff returning from maternity leave. In addition, monthly drop-in sessions over a two hour period are also held with numbers attending ranging from 5 to 15 staff.

The Trust also recognises the important caring responsibilities of some staff and the carer coordinator continues to meet face to face with those staff who need support. Referrals are received from managers and the Occupational Health team. Numbers of carers seen over the year fluctuates month to month and the level of support required varies depending upon the circumstances. Support can be by telephone, email or face to face. This year, 45 carers were met on a face to face basis some with more than one follow up meeting needed. There is also a monthly drop in session for carers to attend.

## Sickness Absence Data

The Trust's sickness absence average was 4.49 % and data for the each month during 2018/19 is shown in the graph and table below:



Month	Absence % (FTE)	Absence Days (FTE)	Available Days (FTE)
<b>April 2018</b>	4.30%	3,855.28	89,684.37
<b>May 2018</b>	4.39%	4,071.47	92,710.36
<b>June 2018</b>	4.75%	4,258.92	89,605.09
<b>July 2018</b>	4.54%	3,880.38	85,446.93
<b>August 2018</b>	4.32%	3,685.08	85,245.48
<b>September 2018</b>	3.82%	3,143.08	82,315.16
<b>October 2018</b>	4.29%	3,654.94	85,270.15
<b>November 2018</b>	4.89%	4,000.17	81,798.82
<b>December 2018</b>	4.54%	3,840.01	84,566.98
<b>January 2019</b>	5.27%	4,489.80	85,122.30
<b>February 2019</b>	4.63%	3,573.94	77,115.20
<b>March 2019</b>	4.11%	3,527.29	85,767.99

## Recognition Awards

In March the Trust held a Recognition Awards evening where approximately 200 people celebrated achievements of staff. Whilst a similar event had been held previously in the Trust there had been a break for a number of years. We know our staff provide high quality services for our patients and the Board of Directors and the Executive Management Team wanted to be able to give staff the opportunity to celebrate the contribution of teams and individuals across the range of services provided by the Trust. The response to the call for nominations was extremely positive and the judging panel had a difficult task in terms of short-listing and choosing eventual winners in each category. The winners can be found in the table below:

Category	Winner
Customer Service Award – Individual	Lindsey Grieves, Receptionist, Special Care Dental Team
Customer Service Award – Team	Coalfields Community Integrated Team (Sunderland)
Service Improvement and Innovation Award	Keith Richardson, Anticoagulation Service Manager, Pharmacy Lucy Baxter, Simulation Fellow
Care and Compassion Award	Delivery Suite Midwives
Excellence Award	Riverview District Nursing Team
Leadership Award	Janice Tate, Advanced Nurse Practitioner, Community Dermatology
Clinical Team of the Year Award	Adult A&E Team
Non Clinical Team of the Year Award	Waste Team
Outstanding Contribution Award	Victoria Cowens, Cognitive Behaviour Therapist & Safe Care Lead
Council of Governors' Award	Antenatal/Postnatal Ward
Chief Executive's Award	Jayne Billings, Theatre Manager

## Developing our future workforce

### *Apprenticeships*

Over 30 staff started apprenticeships in 2018/19, with the apprenticeships being in different fields and at different levels, including the Trust's first apprentices studying to be a registered nurse.

This is an increase on the numbers of apprenticeship starts in 2017/18, and reflecting the Trust's efforts to develop its future workforce. The apprentices were of a wide age range and were a mixture of staff recruited into jobs as apprentices, and others who were existing staff who were already in post.

Apprenticeships are being utilised to develop staff as clinical support workers, registered nurses, administration workers, and leaders and managers at different levels of the organisation.

### *Careers*

The Trust's annual Healthcare Careers Fair is now well established, and is held at the University of Sunderland. This successful careers fair provides staff with the opportunity to showcase different healthcare careers to a range of school and college students in South Tyneside and Sunderland. By working with the university it has been possible to extend this to paramedic careers also.

The annual fair provides a broad outline of different health careers but this is now supplemented by a series of 'Discover' events which showcase a specific career to those who have a definite interest in the field. In 2018/19 the Trust ran 'Discover Medicine', 'Discover Nursing' and 'Discover Healthcare Science' events. These have generated interest from potential applicants for pre-registration programmes for health careers and encouraged pupils to study for future roles in the Trust at their local University.

### *Pre-Registration programmes*

During the past year, the Trust has worked with the University of Sunderland to:

- expand its student numbers from the university's adult nursing degree;
- started work to plan for placements for the first students from the university's new Medical School which opens in September 2019; and
- supported the university in establishing degree programmes for both Occupational Therapy and Physiotherapy, which also commence in September 2019.

The first student nurses from the university graduate in April 2019, and the Trust's first adult nursing apprentices also commenced in January 2019, studying with the University of Sunderland.

All of the above work is in support of the Trust's strategic work with the University of Sunderland to train more health professionals locally, and retain as many as possible as employees to provide a future workforce.

### *Safeguards*

The Trust has an approved mandatory training needs analysis. This is training which is deemed essential by the organisation for the safe and efficient delivery of services. It helps reduce risks to patients and staff and ensures the organisation complies with health and safety legislation and national directives.

There is a robust process for the approval, monitoring and compliance reporting of mandatory training. Competences are attached to roles within the electronic staff record (ESR) so staff are fully aware of their mandatory training responsibilities. Compliance is monitored and reported to the Board via the quarterly workforce report. Over the year, the Trust has implemented new competences in line with a regional agreement and redefined existing competences, with compliance for individual topics increasing to between 80 and 94%, achieving an overall rate of 88% for core mandatory training and 86% overall rate for core and role specific mandatory training.

To minimise risk and ensure completion of mandatory training prior to starting work, the Trust operates standardised start dates for new starters. Clinical support workers complete both corporate induction and the Care Certificate training programme before starting work.

The latter was introduced in 2017 and extended as a requirement for all clinical support workers. Completion is measured by attendance at the programme and achievement of clinical competency based assessments.

### *Library Services*

The library has continued to develop over the last 12 months and much work has been done to integrate the services at South Tyneside and Sunderland in order that staff can access resources at each site. The contract for access to University of Sunderland libraries and the Library Management System has been extended to South Tyneside staff and good use has been made of the service.



The library was successful in funding bids to Health Education England which has allowed us to enhance the office space to provide a better work space for staff and library customers.

As well as group teaching on Nurse Preceptorship and Foundation Doctor programmes we offer a range of group or 1:1 information literacy and literature searching sessions for any member of staff.

## **Staff Policies and Actions**

### *Staff Engagement and Involvement*

We know the importance of staff being kept informed and involved in the developments of the Trust and we are committed to engaging with all staff to achieve a common awareness of issues and matters affecting the organisation and involving employees in decision making where appropriate.

We have a trade union recognition agreement with a wide range of organisations including Royal College of Nursing, Unison and Unite with mechanisms for consultation and negotiation with trade union representatives through regular Joint Consultative Group (JCG) meetings. During the year the JCG has been involved in regular discussions surrounding a number of key human resource policies and workforce initiatives. Information relating to Trade Union Facility Time disclosures can be found on page 161.

Formal mechanisms to ensure staff are informed and involved include:

- inductions for new members of staff;
- staff newsletters;
- a weekly e-bulletin circulated via email and published on the Trust's intranet;
- regular updating of the Trust's intranet and internet sites, providing information on a range of subjects including Trust policies, procedures and guidelines and the latest news on key Trust issues, local directorate/departmental news and the wider NHS news;
- formal monthly team briefing following Executive Committee meetings to cascade key strategic messages including regular updates on finance, performance and quality issues across the Trust but more importantly to encourage feedback;
- the Chief Executive holding a number of regular forums with senior medical staff, senior managers, key nursing staff and allied health professional staff;
- clinicians contributing to policy and clinical practice guidelines by actively engaging in various national and local clinical networks across a range of specialities;
- focus groups following the results of the annual staff survey;
- focus groups on the development of value based recruitment for consultants;
- quarterly briefing sessions led by the Executive Management Team informing and updating staff on key issues such as clinical service review programme and financial matters;
- six monthly Chief Executive roadshows which give staff the opportunity to hear directly from the Chief Executive on issues affecting the Trust and the wider NHS;
- patient safety walkabouts;
- Freedom to Speak Up walkabouts;
- regular visits by Board members to wards and departments; and

- opportunities for staff working in the clinical services being reviewed as part of the Phase 2 Path to Excellence programme to be involved and informed.

We have continued to undertake significant work this year in order to achieve a common awareness on the part of all staff on the financial and economic factors affecting the Trust's performance including staff roadshows and special briefings. Employee engagement remains absolutely critical for us and this has been demonstrated over the year by the Trust's financial recovery programme and Programme Management Office which has put staff at the heart of decision making and service improvement.

### **The Role of the Trust as a Local Employer**

South Tyneside NHS Foundation Trust offers excellent employment opportunities to new and existing staff. We aim to be a model employer and are constantly working hard to further develop links with local strategic partners, educational and voluntary organisations across South Tyneside, Sunderland and surrounding areas, looking for ways to engage with communities and improve the working lives of our staff. We pride ourselves in offering good working conditions, job security, lifelong learning, fair pay, an excellent range of benefits, staff involvement and a balance between work and personal life.

### **Equality and Diversity**

We are committed to promoting human rights and providing equality of opportunity not only in our employment practices but also in the way we provide and deliver services. To ensure that this commitment is put into practice we adopt positive measures which will seek to remove barriers to equal opportunity and eliminate unfair and unlawful direct and indirect discrimination.

The Trust is a Disability Confident Employer which demonstrates our commitment to ensuring that people with disabilities have full and fair consideration of all vacancies. If employees become disabled during their employment we will endeavour to adjust their workplace environment wherever possible to allow them to maximise their potential and return and remain in employment with us. We support disabled employees in terms of access to training and career development to ensure they are not discriminated against in relation to career progression.

All policies within the Trust are subject to an Equality Impact Assessment which ensures that as an organisation we give due regard and consideration of the effects that our policies will have on people who share a protected characteristic.



In November 2018 South Tyneside NHSFT was one of the 25 acute hospital Trusts accredited by the Veterans Covenant Hospital Alliance (VCHA) to lead the way in improving NHS care for veterans and members of the armed forces community by:

- providing training to staff to be aware of veterans' specific needs;
- making past and present servicemen and women aware of appropriate charities or NHS services beneficial to them, such as mental health services or support with financial and/or benefit claims; and
- ensuring that the armed forces community is never disadvantaged when receiving services compared to other patients, in line with the NHS's commitment to the Armed Forces Covenant.



Having signed the Armed Forces Covenant earlier in the year we received a Silver Employer Recognition Award. The photograph above shows the Chief Executive and Director of Human Resources and Organisational Development receiving the award from the Assistant Chief of Defence Staff (Reserves) at an awards dinner held in Newcastle.

### Trade Union Facility Time Disclosures

Number of employees who were relevant union officials during 2018/19	Full-time equivalent employee number
<b>16</b>	<b>14.7</b>
Percentage of time spent on trade union facility time by employees who were relevant union officials during 2018/19	Number of employees
<b>0%</b>	<b>0</b>
<b>1 – 50%</b>	<b>13</b>
<b>51% - 99%</b>	<b>2</b>
<b>100%</b>	<b>1</b>
Pay bill spent on paying employees who were relevant union officials for facility time during 2018/19	
<b>Total cost of facility time</b>	<b>£78.303</b>
<b>Total pay bill</b>	<b>£132,109,000</b>
<b>Percentage of the total pay bill spent on facility time</b>	<b>0.06%</b>
Hours spent (as a percentage of total paid facility hours) by employees who were relevant union officials during 2018/19 on paid trade union activities	
<b>Time spent on trade union activities as a percentage of total paid facility time hours</b>	<b>100%</b>

## **Staff Survey**

### *Staff Engagement*

The Trust's vision and values recognise that meaningful, two way dialogue with staff at all levels in the Trust is key to ensuring we deliver the highest quality of care for patients and improve the work experience for all of our staff.

By engaging and communicating clearly and regularly with staff, the Trust aims to maintain and improve staff morale, especially during periods of change.

Engagement happens when our staff feel their work is meaningful and valued and when they are engaged in activities that support a common purpose, one which demonstrates care and quality for patients and colleagues alike.

We do this in a number of ways, including involving them in decision making, giving staff freedom to voice ideas and encouraging them to perform well through regular feedback, all culminating in an annual appraisal which supports their personal and professional development.

The NHS Staff Survey provides an opportunity for us to survey staff in a consistent and systematic way, making it possible to build up a picture of staff experience and to compare and monitor change over time. Feedback from our staff is a vital part of staff engagement and is crucial in being able to enhance their experience so that in turn they are able to provide improved patient care.

The 2018 survey results have been released and feedback has been shared with staff via the weekly e-bulletin, team brief, intranet and with staff side colleagues via JCG meetings.

Locality reports for directorates will also be shared with relevant operational managers. These include an overview of the results by survey theme, local benchmarks, and comparison of results with other localities in the organisation and a detailed breakdown of the results.

Staff have been invited to attend engagement events led by the Organisational and Leadership Development Team so that they can hear more about the results. These events focused on listening to staff experience and developing ideas for taking action to address the key issues identified.

### *NHS Staff Survey Results*

The NHS staff survey is conducted annually. From 2018 the results from all the 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.

The overall response rate to the 2018 survey was 44% which was slightly down on the previous year but higher than the average response rate for similar Trusts (40%). Scores for each indicator together with that of the survey benchmarking group are presented overleaf:

	2018/19		2017/18		2016/17	
	Trust	Benchmarking Group	Trust	Benchmarking Group	Trust	Benchmarking Group
Equality, diversity and inclusion	9.3	9.2	9.3	9.2	9.3	9.3
Health and Wellbeing	5.8	5.9	5.9	6.0	5.9	6.1
Immediate managers	6.7	6.8	6.7	6.8	6.5	6.8
Morale	5.9	6.2	-	-	-	-
Quality of appraisals	4.9	5.4	4.9	5.3	4.8	5.4
Quality of care	7.6	7.4	7.6	7.5	7.5	7.5
Safe environment – bullying and harassment	8.2	8.1	8.5	8.1	8.3	8.2
Safe environment – violence	9.6	9.5	9.7	9.5	9.6	9.5
Safety culture	6.7	6.7	6.7	6.7	6.5	6.7
Staff engagement	6.8	7.0	6.7	7.0	6.6	7.0

There has been a steady increase since 2016 in the Trust's overall staff engagement score. Although it remains slightly lower than the national average for acute and community Trusts.

Compared to 2017 results, the Trust was significantly better in 9 of the 82 questions and significantly worse in 11. The remaining questions showed no significant change.

### Future Focus

The results from both the 2017 and 2018 surveys will continue to feed into our Human Resources and Organisational and Learning Development Plans in 2019/20. Plans include engaging further with staff to understand more about their experience of working for the Trust and how we can support them to ensure they have a long and successful career with the organisation whilst also providing the best possible care for patients. This will include work around 'Talent Management' including reviewing the processes that support it including appraisal.

### High paid off-payroll arrangements

The Trust has issued guidance to all staff to ensure that payments are not made gross to any individuals who should be classed as employees. This note provides details of the criteria used by HMRC to determine employment status. Any proposal to make gross payments to an individual, on the basis of self-employment, must be assessed against this checklist and then submitted to the Director of Finance and Director of Human Resources and Organisational Development for approval before reaching any agreement with an individual. As a result of this process there were no high off-payroll arrangements made directly by the Trust.

The Trust uses NHS Professionals to administer the recruitment, through agencies, of temporary medical staff and process a payroll on behalf of the Trust to make payments to them, making the necessary checks as required. National shortages in medical staff have resulted in difficulties recruiting in the year which has led to temporary staff being required for longer periods of time. No temporary medical staff were paid through a Personal Service Company for more than six months of the year.

HM Revenue and Customs (HMRC) has issued updated legislation with effect from 1 April 2017 on making off-payroll payments which is known as IR35 – Intermediaries Legislation. The legislation has been issued as HMRC believe that there is evidence of widespread non-compliance with the legislation and the Government believes public sector bodies have a duty to ensure people working for them are paying the correct tax.

As a result of this, the Trust has reviewed its processes and documented the changes it has made to ensure compliance. NHS Improvement has assessed the Trust's application for permission to engage workers through personal service companies from 1 April 2017 and has confirmed that they are content that as long as the Trust follows the processes in the application, compliance with HMRC's requirements will be maintained.

### Pension Liabilities

Three individuals retired early on ill-health grounds during the year with additional pension liabilities of £424,749 (five in 2017/18 at a cost of £155,967).

### Consultancy

The Trust incurred £284,355 in consultancy costs in the year as follows, compared to £202,734 in 2017/18:

2018/19	
Purpose	£
Consultancy cost in relation to management of Haven Court	73,402
Consultancy cost in relation to membership engagement	22,966
Consultancy cost in relation to merger	120,000
Other Consultancy Costs under £15,000	67,987
<b>Total Consultancy Costs</b>	<b>284,355</b>
2017/18	
Purpose	
Consultancy cost in relation to management of Haven Court	61,851
Consultancy cost in relation to review of Child Health and Paediatrics	43,800
Consultancy cost in relation to development of MCP and Joint Leadership	15,504
Other Consultancy Costs under £15,000	81,579
<b>Total Consultancy Costs</b>	<b>202,734</b>



## Staff Exit Packages (Audited)

There were 31 staff exit packages agreed in 2018/19 amounting to £121,236 (compared to 19 totalling £639,920 in 2017/18) as shown in the table below.

Exit package cost band	Number of compulsory redundancies	Number of other departures	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures	Total number of exit packages by cost band
	<b>2018/19</b>			<b>2017/18</b>		
<£10,000	2	27	29	1	2	3
£10,000 - £25,000	0	2	2	0	2	2
£25,001 - £50,000	0	0	0	0	11	11
£50,001 - £100,000	0	0	0	0	3	3
£100,001 - £150,000	0	0	0	0	0	0
Total number of exit packages by type	2	29	31	1	18	19
Total resource cost	£12,580	£108,656	£121,236	£4,447	£635,173	£639,920

## Non-Compulsory Departure Payments

	Agreements Number	Total Value of Agreements	Agreements Number	Total Value of Agreements
	<b>2018/19</b>		<b>2017/18</b>	
Voluntary redundancies including early retirement contractual costs	0	0	18	£635,173
Contractual payments in lieu of notice	29	£108,656	0	0
Non-contractual payments requiring HMT approval	0	0	0	0
Total	29	£108,656	18	£635,173

**KEN BREMNER**  
**Chief Executive**  
**Date: 28 May 2019**

## STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE ACCOUNTING OFFICER OF SOUTH TYNESIDE 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 South Tyneside 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 South Tyneside NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

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

- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements;
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance; 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 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*.



**KEN BREMNER**  
Chief Executive  
Date: 28 May 2019



## REMUNERATION REPORT

### Annual Statement on Remuneration

The Joint Remuneration Committee is chaired by the Vice Chairman of South Tyneside NHS Foundation Trust and other members include the Vice Chairman of City Hospitals Sunderland and two further Non-Executive Directors. The committee agrees the remuneration, allowances and other terms and conditions of office of the Chief Executive, Executive Directors and other designated Directors/Senior Managers, ensuring they are fairly rewarded for their individual and collective contribution to the organisation, having proper regard to the organisation's circumstances and performance and to the provisions of any national arrangements or guidance where appropriate. Membership of the committee and attendance at the meetings is identified on page 130 of the report. The Chief Executive is not part of the deliberation in relation to his performance or remuneration but joins the committee after this has taken place. The Director of Human Resources attends in an advisory capacity. Recommendations of the Committee are formally ratified by the remaining Non-Executive Directors and the Chairman of the Trust.

As a result of the review of Board Sub-Committees and the move toward implementation of 'joint' committees where appropriate, a decision was taken by the Boards of both South Tyneside NHS Foundation Trust and City Hospitals Sunderland NHS Foundation Trust to establish a 'Joint' Remuneration Committee given the establishment of a Single Executive Team for both Trusts. The Joint Committee makes a recommendation to the Chair and Non-Executive Directors of the individual Trusts.

### Senior Managers' Remuneration Policy

An individual staff appraisal system operates for all staff, which assesses performance against agreed objectives and/or standards. Comparisons with other organisations are primarily through external assessments and benchmarking exercises. We do not operate a performance related pay system for the majority of staff although the Agenda for Change pay system incorporates gateways, where staff can only progress if they demonstrate acceptable performance and development.

The Chief Executive and Executive Directors are on permanent contracts with notice periods that range from 3-6 months. Directors' redundancy entitlements are in line with Agenda for Change Conditions of Service, ie one month's remuneration for each full year of service up to a maximum of 24 months. No compensation for loss of office paid or receivable has been made under the terms of an approved compensation scheme.

In determining the remuneration levels a range of benchmarking evidence is used including: NHS-wide governance; local comparators from other Trusts (where information is available); and salary surveys for NHS Chief Executive's and Executive Directors. The following three Executive Directors received a salary in excess of £150,000 in the year:

- Chief Executive
- Director of Finance
- Medical Director

The Committee advises the Board of Directors on appropriate remuneration for the Executive Directors. The Chief Executive's remuneration has been set on the basis of benchmarking information and is comparable with peers in similar sized Trusts.

The Medical Director also holds a clinical role in the Trust and receives payment of a Clinical Excellence Award along with Additional Programmed Activity and On Call payments which increases his salary above £150,000.

The key components of the remuneration package for senior managers are: salary and fees; all taxable benefits; annual performance based bonuses where applicable; and pension related benefits. Some terms are specific to individual senior managers, which are assessed on a case-by-case basis such as lease car and on-call arrangements. Individual base salaries take into account the overall performance of the Trust and any responsibility changes in the context of comparable organisations and the direction being taken by the NHS overall.

No Executive Directors currently serve as Non-Executive Directors elsewhere therefore, do not retain any earnings relating to such appointments.

The remuneration of Non-Executive Directors is determined by the Council of Governors together with allowances and other terms and conditions of service. The Council of Governors also has an established Nomination and Appointments Committee of the Council of Governors. The Chairman agrees objectives with each Non-Executive Director and a formal appraisal is undertaken annually. The Senior Independent Director and Lead Governor take the lead in the assessment and appraisal of the Chairman on an annual basis.

### **Annual Report on Remuneration**

Details of the membership of the Remuneration Committee can be found on page 130, along with the number of meetings attended by individual members. The Committee did not commission any external advice or services throughout the year. The Committee is chaired by Mrs Allison Thompson and membership is comprised of all remaining Non-Executive Director and the Chairman. Its purpose is to ensure appropriate succession plans are in place for the Board of Directors and in so doing oversees the appointment of Executive Directors. The Committee also reviews the Terms and Conditions of Executive Directors and senior managers. The Committee met on two occasions during 2018/19 to: review the performance of the Chief Executive and Executive Directors; and to review the processes for succession planning to ensure Board stability and strong leadership in the future. Full details of the remuneration of senior managers can be found on the following pages.

## Salary and Pension Entitlements of Senior Managers – Total Single Figure 2018/19 (Audited)

Name and Title	Full Year 2018-19									
	Salary & Fees	Taxable Benefits *	Annual Performance Related Bonuses	Long-term Performance Related Bonuses	Pension-Related Benefits**	Total Remuneration	Recharges Salary & bonus ***	Recharge taxable Benefits***	Recharge Pension-Related Benefits***	Remuneration Net of Recharges***
	(bands of £5000) £000	(Total nearest £100) £000	(bands of £5000) £000	(bands of £5000) £000	(bands of £2,500) £000	(bands of £5,000) £000	(bands of £5,000) £000	(Total nearest £100) £000	(bands of £2,500) £000	(bands of £5,000) £000
MR KW BREMNER Chief Executive	260-265	11.0	10-15	0	12.5-15	295-300	(145-150)	(5.5)	(5-7.5)	135-140
MRS C HARRIES Deputy Chief Executive (Retired 30th September 2018)	55-60	3.5	0-5	0	0	65-70	(45-50)	(2.6)	0	15-20
DR S WAHID**** Medical Director (see note below)	135-140	0	35-40	0	12.5-15	185-190	0	0	0	185-190
MRS J PATTISON Director of Finance	155-160	7.0	5-10	0	0	170-175	(90-95)	(3.5)	0	75-80
MRS K GRIFFIN Director of Human Resources & Organisational Development	135-140	7.0	0-5	0	5-7.5	155-160	(70-75)	(3.5)	(2.5-5)	75-80
MRS M JOHNSON Director of Nursing, Midwifery & Allied Health Professionals	145-150	7.0	0-5	0	0	155-160	(80-85)	(3.5)	0	70-75
MR N MUNDY Chairman	50-55	0	0	0	0	50-55	0	0	0	50-55
MRS AM THOMPSON Vice Chairman	10-15	0	0	0	0	10-15	0	0	0	10-15
MR A CLARKE Non Executive Director/Senior Independent Director	10-15	0	0	0	0	10-15	0	0	0	10-15
MR K TALLINTIRE Non Executive Director	10-15	0	0	0	0	10-15	0	0	0	10-15
MR I MALCOLM Non Executive Director	10-15	0	0	0	0	10-15	0	0	0	10-15
MR M DAVISON Non Executive Director	10-15	0	0	0	0	10-15	0	0	0	10-15
MRS E COLE Non Executive Director (Commenced 9th April 2018)	10-15	0	0	0	0	10-15	0	0	0	10-15

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## Notes

\* All benefits in kind relate to either lease cars provided under the Trust's Lease Car Scheme or car allowances.

\*\* Pension related benefits represent the annual increase in pension entitlement determined in accordance with the 'HMRC method', they do not represent payments made to senior managers in the year. The annual increase will vary from manager to manager depending upon the number of years accrued pension they have, any pensionable pay increases received in the year and the rate of inflation. Where there is a decrease in the benefits in the year this is recorded as "Nil" in the table above. In accordance with guidance received from NHS Pensions the inflation figures used over the two years were 3% (2018/19) and 1% (2017/18).

\*\*\* Joint Executive Team in place during year with City Hospitals Sunderland NHS Foundation Trust

\*\*\*\*Remuneration details for Dr S Wahid, Medical Director include payment for clinical work between £100k-£105k per annum

Performance related elements of remuneration were awarded to the Medical Director and were set at a maximum of 2.5 % of salary. The performance targets reflect the strategic objectives of the organisation and the Committee agreed to award 2.38 % on the basis of the objectives achieved below.

Medical Director - Objectives	Weighting	RAG
• Deliver the Path to Excellence phase 1 objectives and plan the delivery and infrastructure of phase 2 towards consultation, ensuring learning from phase 1 is implemented	25	
• Control agency spend within agreed NHSI limits	5	
• Provide STFT senior input into local and regional strategy, in particular: Local Health Economy, South Tyneside Alliance Leadership Team, Health Pathways, STP Optimising Acute Sector work stream (MD sponsor for Acute Medicine and Acute Neurology work streams), Smoking cessation	10	
• Deliver against agreed infection control and VTE targets	5	
• Lead on new portfolio elements taken over from former Director of Quality and Transformation: Caldicott Guardian, End of Life, Organ Donation, Clinical Audit, NICE, NCEPOD, Safety Alerts, Clinical Guidelines, Mental Health	5	
• Ensure CQC must do's with direct responsibility for are delivered (WHO checklist and ITU Governance) and that there is a robust plan to deliver the should do's by December 2018	5	
• Deliver the Maternity Safety Strategy	5	
• Ensure medical revalidation (including appraisal) is complete and robust for all relevant medical staff at STFT	15	
• Ensure your direct reports are up to date with all mandatory training	5	
• Lead the implementation of a mortality review process in line with the "learning from deaths" national guidance, including the development of a dashboard for public board meetings	10	
• Review the reported high SHMI statistic for the Trust providing assurance to the Board, commissioners and regulators that the issue relates to the non-disaggregation by site when reported by NHS Digital, i.e. inclusion of St Benedict's Hospice		
• Participate in the due diligence process for merger by providing input into the relevant work streams when asked. This includes clinical governance, medical staffing and information governance	5	
• Managed the temporary suspension of SCBU and births at STDH on the grounds of patient safety due to staffing issues; working with Exec colleagues, the clinical teams and external partners to provide governance oversight and assurance to lift the suspension	5	

Name and Title	Full Year 2017-18									
	Salary & Fees	Taxable Benefits *	Annual Performance Related Bonuses	Long-term Performance Related Bonuses	Pension-Related Benefits**	Total Remuneration	Recharges Salary & bonus ***	Recharge taxable Benefits***	Recharge Pension-Related Benefits***	Remuneration Net of Recharges***
	(bands of £5000)	(Total nearest £100)	(bands of £5000)	(bands of £5000)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)	(Total nearest £100)	(bands of £2,500)	(bands of £5,000)
MR KW BREMNER Chief Executive	255-260	12.0	10-15	0	0	280-285	(145-150)	(5.9)	0	130-135
MRS C HARRIES Deputy Chief Executive (Commenced 8th November 2017)	45-50	7.0	0-5	0	30-32.5	85-90	(25-30)	(3.5)	(15-20)	40-45
DR S WAHID**** Medical Director (see note below)	135-140	0	35-40	0	30-32.5	200-205	0	0	0	200-205
MRS J PATTISON Director of Finance	155-160	7.0	5-10	0	37.5-40	210-215	(85-90)	(3.5)	(15-20)	95-80
MRS K GRIFFIN Director of Human Resources & Organisational Development	135-140	7.0	0-5	0	45-47.5	190-195	(70-75)	(3.7)	(20-25)	90-95
MRS M JOHNSON Director of Nursing & Patient Experience	140-145	7.0	0-5	0	62.5-65	210-215	(70-75)	(3.5)	(30-35)	105-110
DR RJ BROWN Director of Quality and Transformation (Leaver 1st September 2017)	45-50	0	0	0	15-17.5	65-70	(20-25)	0	(5-10)	30-35
MR N MUNDY Chairman	50-55	0	0	0	0	50-55	0	0	0	50-55
MRS AM THOMPSON Vice Chairman	10-15	0	0	0	0	10-15	0	0	0	10-15
MR A CLARKE Non Executive Director/Senior Independent Director	10-15	0	0	0	0	10-15	0	0	0	10-15
MR K TALLINTIRE Non Executive Director	15-20	0	0	0	0	15-20	0	0	0	15-20
MR I MALCOLM Non Executive Director	10-15	0	0	0	0	10-15	0	0	0	10-15
MRS P HARLE Non Executive Director (Leaver 31st December 2017)	10-15	0	0	0	0	10-15	0	0	0	10-15
MR M DAVISON Non Executive Director (Commenced 26th July 2017)	10-15	0	0	0	0	10-15	0	0	0	10-15

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## Notes

\* All benefits in kind relate to either lease cars provided under the Trust's Lease Car Scheme or car allowances.

\*\* Pension related benefits represent the annual increase in pension entitlement determined in accordance with the 'HMRC method', they do not represent payments made to senior managers in the year. The annual increase will vary from manager to manager depending upon the number of years accrued pension they have, any pensionable pay increases received in the year and the rate of inflation. Where there is a decrease in the benefits in the year this is recorded as "Nil" in the table above. In accordance with guidance received from NHS Pensions the inflation figures used over the two years were 1% (2017/18) and 0% (2016/17).

\*\*\* Joint Executive Team in place during year with City Hospitals Sunderland NHS FT

\*\*\*\*Remuneration details for Dr S Wahid, Medical Director include payment for clinical work between £100k-£105k per annum

## Pension benefits 2018/19

Name and title	Real Increase in Pension at Pension Age  (bands of £2500) £000	Real Increase in Pension Lump Sum at Pension Age  (bands of £2500) £000	Total Accrued Pension at Pension Age at 31 March 2019  (bands of £5000) £000	Lump Sum at Pension Age related to accrued pension as at 31 March 2019  (bands of £5000) £000	Cash Equivalent Transfer Value at 1 April 2018  (Nearest £1000) £000	Real Increase in Cash Equivalent Transfer Value  (Nearest £1000) £000	Cash Equivalent Transfer Value at 31 March 2019  (Nearest £1000) £000	Employer's contribution to stakeholder pension
MR KW BREMNER Chief Executive*	0-2.5	5-7.5	90-95	280-285	1,961	202	2,252	0
MRS C HARRIES Deputy Chief Executive (Retired 30th September 2018) *	0	0	50-55	155-160	0	0	0	0
Dr S WAHID Medical Director	0-2.5	0	40-45	100-105	628	90	757	0
MRS J PATTISON Director of Finance*	0	0	0	0	1,016	0	0	0
MRS K GRIFFIN Director of Human Resources and Organisational Development*	0-2.5	0	45-50	110-115	783	86	913	0
MRS M JOHNSON Director of Nursing, Midwifery & Allied Health Professionals	0-2.5	0-2.5	50-55	160-165	1,154	92	1,302	0

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## Notes

\* Posts are shared between South Tyneside NHS Foundation Trust and City Hospitals Sunderland NHS Foundation Trust. Full pension figures attributed to the employee have been disclosed in the table above pro-rated for the period in post rather than the amount chargeable to the Trust.

As Non-Executive members do not receive pensionable remuneration, there are no entries in respect of pensions for Non-Executive members.

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

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

CETV calculation is not applicable for C Harries as over NRA in existing scheme

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



## Pay multiples (information in this section is audited)

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid Director in their organisation, and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in South Tyneside NHS Foundation Trust in the financial year 2018/19 was £170k-175k (2017/18 was £170k-£175k). This was 5.83 times (2017/18 was 6.00 times) the median remuneration of the workforce, which was £29,608 (2017/18 £28,746). In 2018/19, five employees (2017/18, seven) received remuneration in excess of the highest-paid director. Remuneration ranged from £7k to £217k (2017/18 £15k to £215k).

Total remuneration includes salary, non-consolidated performance-related pay, benefits in kind as well as severance payments. It does not include employers' national insurance contributions, employers' pension contributions and the cash equivalent transfer value of pensions.

The ratio has decreased due to increase in median remuneration of 3%. This increase is in line with the inflationary uplift applied to salaries paid at the top of the pay band as part of the three year pay deal implemented from 1 April 2018. In 2018/19 the NHS Agenda for Change pay award was applied to all staff.

Expenses paid to governors during the reporting period	2018/19	2017/18
Total number of governors (in-year)	26	31
Number of governors receiving expenses in the reporting period	5	3
Aggregate sum of expenses paid to governors (to the nearest £00)	1,400	£300
Expenses paid to directors during the reporting period	2018/19	2017/18
Total number of directors in office	14	14
Number of directors receiving expenses in the reporting period	1	0
Aggregate sum of expenses paid to directors (to the nearest £00)	£100	£0



**KEN BREMNER**  
**Chief Executive**  
**Date: 28 May 2019**

## **ANNUAL GOVERNANCE STATEMENT 2018/19**

### **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 South Tyneside 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 South Tyneside 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**

The Trust is committed to a risk management strategy, which minimises risks to patients, staff, the public and other stakeholders through a common framework of internal control, based on an ongoing risk management process.

The strategy identifies the key principles, milestones and operational policies governing the management of all types of risk faced by the organisation. This strategy is subject to regular review.

The Audit Committee meets regularly and is well represented by Non-Executive Directors and the Trust's External Auditors with the Director of Finance and Director of Corporate Affairs and Legal also in attendance. The committee ensures scrutiny, monitoring, discussion and input. The Finance and Performance Committee reports to the Board and includes reporting on internal Cost Improvement Programmes. Finance Reports are presented in a format consistent with those submitted to NHS Improvement. The Governance Committee leads the work of the Clinical Governance Steering Group and Corporate Governance Steering Group. The Board receives appropriate, timely information and reports from the Governance Committee via a monthly 'Quality and Risk Assurance' (QRA) report enabling adequate and appropriate assessment of risk and management of performance. During the year both Committees became joint, receiving reports for both South Tyneside and South Tyneside NHS Foundation Trusts.

As part of the ongoing process of review, the Trust's top risks (previously adopted by the Board) were scrutinised to ensure that they properly reflected the risks which were identified in the departmental Risk Registers. During the year, the Board formally signed off the Board Assurance Framework (BAF) including risk assessments against each area on the framework. In addition the Group Board (comprising the Chair, Vice Chairs of South Tyneside and City Hospitals Sunderland NHS Foundation Trusts, plus the joint Chief Executive) signed off a Group Risk Register, recognising that some risks were wider than an individual Trust and were related to the process of working more closely together. The Trust has reviewed with its partner, City Hospitals Sunderland NHS Foundation Trust, the risk management arrangements and has adapted its approach in year. This has culminated in the development of a new Datix system

The Trust's risk management programme comprises:

- a single incident reporting process for all risks and hazards identified by systematic risk assessment, risk management review and adverse incidents reporting. The system has been upgraded and improved with training provided to managers who use the system;
- the system allows for real time assessment of all risks and mitigating actions;
- common grading framework and risk register/risk action planning process applied to all types of risk across the organisation;
- comprehensive programme of multi-level risk management training for all new and existing staff;
- ongoing monitoring and review of both internal and external risk management performance indicators at all levels across the organisation; and
- a communication strategy which ensures appropriate levels of communication and consultation with both internal and external stakeholders.

### **The risk and control framework**

The Trust's Board Assurance Framework (BAF):

- identifies the principal objectives of the Trust and the principal risks to achieving them;
- sets out the controls to manage these risks;
- documents assurances about the effectiveness of the operation of the controls; and
- identifies to the Board where there are significant control weaknesses and/or lack of assurance.

These high level objectives and the principal risks to achieving them are underpinned by the detailed risks and associated actions set out in the Trust's risk register. Responsibility for the overall Framework lies with the Board of Directors. The Board uses the framework to ensure that the necessary planning and risk management processes are in place to provide assurance that all key risks to compliance with licence requirements have been appropriately identified and addressed. The Trust introduced risk ratings onto the Board Assurance Framework for the first time in year and this will evolve to reflect risk appetite in future years.

The use of a common grading structure for incidents and risks ensures that relative risks and priorities are assessed consistently across all directorates. No risk is treated as acceptable unless the existing situation complies with relevant guidance and legislation (eg control of infection, health and safety, Standing Financial Instructions).

The establishment of a dedicated risk management team and programme of risk management training, including use of the intranet, ensures that the strategy is co-ordinated across the whole organisation and progress is reported effectively to the Board and its Governance Committee and other relevant sub committees.

The Trust's assurance framework incorporates the need to achieve compliance with the Care Quality Commission's requirements. This is assessed in year by the Clinical Governance Steering Group and the Corporate Governance Steering Group reviewing in detail compliance against the relevant standards.

The assurance framework is based on the Trust's strategic objectives and an analysis of the principal risks to the Trust achieving those objectives. The key controls, which have been put in place to manage the risks, have been documented and the sources of assurance for individual controls have been identified. The main sources of assurance are those relating to internal management controls, the work of internal audit, clinical audit and external audit, and external assessments by outside bodies such as the Care Quality Commission, NHS Resolution and the Health and Safety Executive.

The involvement of external stakeholders in the Trust's risk management programme is a key element of the Trust's Risk Management Strategy. This involves timely communication and consultation with external stakeholders in respect of all relevant issues as they arise.

This process applies in particular to the involvement of external stakeholders in patient safety and the need to co-ordinate how risks are managed across all agencies, including the Medicines and Healthcare Products Regulatory Agency, Local Authority Adult and Children's Services, the Coroner, the emergency services, representative patient groups and local Clinical Commissioning Groups.

Key risks facing the Trust during 2018/19 included:

- development and approval of a Financial Recovery Plan during 2018/19 to address underlying financial pressures over a longer time period, both within the Trust and other partners within the Sunderland and South Tyneside local health economy;
- delivering the challenging Cost Improvement Target on top of maintaining the achievements from prior years;
- managing the spend level for agency workers within the financial 'cap' set by NHS Improvement;
- managing the delivery of the financial Control Total;
- managing the delivery of the Provider Sustainability Fund (PSF) including the financial and performance requirements in year;
- managing the cash requirements of the Trust, requiring the use of working capital loans in year;

- managing the capacity challenges of a 'Single Management Team' across South Tyneside and City Hospitals Sunderland NHS Foundation Trusts during the year;
- planning for the merger of the two Trusts from the 1 April 2019;
- maintaining the relevant performance standards including the 18-week target for 95% of admitted patients in year across all specialties and the maximum 4 hour wait for A&E waits and the 62 day cancer targets;
- managing infection rate targets including the MRSA and *C-Diff* targets; and
- maintaining the standards required by the Care Quality Commission to maintain compliance with licence requirements.

The Trust has considered the requirements of FT condition 4 relating to governance arrangements and in particular the principal risks of complying with the condition. These risks may include lack of clarity and effectiveness of governance structures; unclear reporting lines/accountabilities between the Board, its sub-committees and the Executive Leadership team; delay and ineffective scrutiny and oversight by the Board as a result of inaccurate and delayed information for Board and sub-committee decision-making; and insufficient capability at Board level to provide effective leadership and challenge.

The following paragraphs outline how these risk are mitigated in the organisation.

The Trust has a robust process in place to ensure all Executive and Non-Executive Directors are able to discharge their functions effectively with clear governance structures. In addition all committees have Terms of Reference which are reviewed regularly to ensure they remain effective.

The Board sub-committees include the Governance Committee, Audit Committee, Finance and Performance Committee, Patient Carer Public Experience Committee (PCPEC), Strategy Committee and Workforce Committee. Each has a distinct role around governance or performance management and provides opportunities for Board members at Executive and Non-Executive level to review in detail the key risks for the organisation and actions being taken to mitigate these risks. The PCPEC includes governor representative membership to support better understanding of these risks from a patient perspective. Minutes from all Committees are presented to the Board during the year. The Board receives monthly information relating to progress on performance, finance and quality metrics, and a quarterly workforce report, with actions to address any areas of concern.

A 'Quality Report' (QA) has continued to be developed and provides a visual approach to the management of quality metrics. The report is a standing monthly report at the Executive Committee, Governance Committee and Board of Directors and also includes a 'patient story' demonstrating Trust performance at individual patient level. The report also includes the work of the Mortality Review Panel which undertakes a review of deaths to better analyse the quality of care prior to expected death and whether there are any improvements required in clinical or organisational care. The process is consistent across the Northern region and has been recognised as good practice. In addition, the Board receives a quarterly 'Learning from Deaths (Mortality)' dashboard which is also published on the Trust website.

The QA report is the first formal item on the Board of Directors agenda recognising the importance placed on quality governance. The report focuses on clinical

effectiveness, patient experience, patient safety, risk management and assurance, drawing upon the work of relevant Committees and Groups including the Governance Committee, the Patient, Carer and Public Experience Committee, Clinical Governance Steering Group and the Mortality Review Panel, and includes feedback from independent external benchmarking, audit or other sources of information about the Trust's performance.

The Executive Committee, Finance and Performance Committee and the Board of Directors receive a monthly performance report detailing the performance against national, local and CQUIN indicators. The report identifies areas of concern and the lead Director highlights action undertaken to manage the area of concern.

The Trust has in place a system for performance and objective setting as well as personal development planning to ensure individuals are equipped to carry out their role within the organisation effectively. The Executive Management structure was reviewed in preparation for the Trust's merger with South Tyneside NHS Foundation Trust to ensure the Board was confident that the senior leadership team had sufficient capability and capacity.

The Trust has focused on a number of short, medium and long term workforce measures to ensure that the workforce numbers and skills are at the right level required and has taken account of the requirements detailed within the NHS Improvement document 'Developing Workforce Safeguards'.

Working closely with its partner City Hospitals Sunderland NHS Foundation Trust, the Trust has:

- supported the University of Sunderland in its aim of developing healthcare related degrees, which has resulted in the opening of the Sunderland based School of Nursing in 2016, and the commencement of students at their new Medical School in September 2019. The Trust has also worked closely with the University to develop allied profession programmes and with Occupational Therapy and Physiotherapy degree students, also commencing in September 2019;
- visited the Philippines to continue the ongoing successful recruitment programme for skilled nurses;
- introduced new roles into the workforce to support patient needs, including physicians associates, assistant practitioners and advanced clinical practitioners;
- commenced Apprenticeships in Registered Nursing for existing nursing support staff in January 2019;
- utilised apprenticeships, in order to train new staff in clinical support roles, and develop existing staff towards registered and associate professional roles.

Workforce Development initiatives are discussed and agreed at the Trust's Workforce Committee, which includes Non-Executive Director membership. New roles are formally evaluated to ensure that they are beneficial to patient experience and safety.

The Trust has a system of 6 monthly workforce reviews with all of its nursing teams to ensure that staffing establishments remain adequate for the levels of patient activity which are being delivered, and provide assurance to the Executive Director of Nursing, Midwifery and Allied Health Professionals, and the wider Trust Board of

safe staffing. The staffing reviews consider staffing numbers versus planned establishment, alongside other information such as patient acuity levels, patient experience feedback, bank usage, and reported incidents, to ensure staffing is at a safe level for the patient activity levels for the area. Where changes are required, funded staffing establishments are changed to reflect revised patient care needs.

The Trust uses e-rostering systems to ensure it deploys available staff effectively in each clinical area. The rostering systems plan shifts for all clinical staff to match patient needs, ensuring that staff working patterns are aligned with patient activity requirements. The use of 'NHS Professionals' has strengthened the Trust's ability to fill rota gaps by service or area and target resource accordingly. The Trust has reviewed payment rates in year to minimise nursing gaps.

The Trust has a group consisting of Executive Director Membership, which makes decisions as to which training should be mandated for all staff, and which should be compulsory for staff in certain roles. This is then measured through the electronic staff record (ESR) system, with quarterly reports to the Trust's Board on compliance.

Longer term, the Trust has been working with partners to consider changes to clinical service configurations to improve quality of care and patient outcomes whilst utilising the skills of staff to best support this. The programme, "Path to Excellence", is led by the local Clinical Commissioning Groups in South Tyneside and Sunderland, where service leaders, in consultation with staff and service users, have reviewed groups of clinical services across South Tyneside and Sunderland to identify better ways of working together to achieve improved patient outcomes.

The first phase of Path to Excellence concentrated on three services, stroke services, maternity and women's health, and emergency and urgent paediatric services. This identified ways of configuring services across South Tyneside and Sunderland and will be implemented during 2019/20, following a delay caused by a formal judicial review process. The subsequent outcome of the process ruled in the Clinical Commissioning Groups' favour, although the formal transcript has not yet been received and there remains a risk around a potential appeal.

A second phase of Path to Excellence is now underway covering acute medicine and emergency care, acute surgery, theatres and critical care, elective (planned) care and specialist services plus clinical support services. Options for service models in these areas are being explored and consultation will take place in summer 2019 subject to demonstrating capital availability. Quality Impact Assessments have and will continue to be undertaken throughout the service review process.

The annual planning process involves all corporate functions including Human Resources, Finance, Nursing and Medical Directors. The workforce figures are aligned between financial and ESR information and reflect current and projected workforce numbers across the Trust, linked to current and projected service changes. The plan is signed off by the Trust's Board.

The role of Freedom to Speak up Guardian is undertaken by the Director of Human Resources and Organisational Development and a quarterly update on activities is provided to the Board of Directors.

Work to develop a longer term workforce plan will be informed by the 'Path to Excellence' service reconfiguration work and the completion of the merger process with South Tyneside NHS Foundation Trust. This will be a focus of work during 2019/20.

The Corporate Governance Statement is presented to the Board of Directors for formal sign-off each year and is published on the Trust's website. The Board considers the proposed submission and associated evidence ahead of submission to NHS Improvement including work undertaken in year to improve compliance with relevant standards.

The 2018/19 financial year was the second full year of a single Executive Team working across South Tyneside and City Hospitals Sunderland NHS Foundation Trusts as part of the 'South Tyneside and Sunderland Healthcare Group'. A Memorandum of Understanding and Terms of Reference with membership from the Chief Executive, Chairs from both Trusts and Non-Executive Directors from both Trusts was previously developed for the Group. A joint Strategy Committee is working across both Trusts to oversee the development of a joint strategic vision. The appointment of a Communications lead has seen the approval of a communications strategy and improved engagement throughout the year with staff, Governors and other stakeholders across both organisations.

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

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 Adaption Reporting requirements are complied with.

### **Review of economy, efficiency and effectiveness of the use of resources**

The Trust's strategic planning and performance management arrangements ensure that all directorates are fully engaged in the continuous review of business objectives and performance.



The Trust uses an Objectives, Goals, Strategies and Measures (OGSM) framework as its strategic planning tool to provide a cascade process for the Trust's priorities and ensure optimal alignment of Trust resources to deliver its priorities.

Key elements of the Trust's arrangements for ensuring value for money in the delivery of its services are:

- an Annual OGSM planning process, which sets out priorities for the coming business year and reflects the requirements of and feedback from, our major Commissioners and stakeholders;
- performance management through regular reporting against the key deliverables set out in the corporate, directorate and departmental OGSMs and against national and local targets; and
- the achievement of efficiency savings through the Trust's cost improvement programmes with regular review by the Trust's Finance and Performance Committee.

Given the continuing financial pressures on the public sector, this year continued to be a difficult one for all public sector organisations with the focus on delivering the financial Control Total, reducing costs, coping with peaks in demand and improving the quality of patient care. The Trust worked with local health economy partners to develop a medium term financial recovery plan, plus prepare for a merger from the 1 April 2019. Therefore this year the OGSM was not revisited in detail as the longer term goal of merger will gradually align key strategic objectives.

The focus on cost reduction has been led by the Finance and Performance Committee which ensures detailed scrutiny of Cost Improvement Programmes as well as gaining an in depth knowledge of the underlying financial position of the Trust. The continuation and development of the 'Programme Management Group' to support the Finance and Performance Committee in its review of detailed programmes and individual projects has been welcomed by the Committee.

The Executive Committee, the Board of Directors and Council of Governors are actively involved in the business planning and performance management processes established by the Trust and in maintaining strong links with stakeholders.

During 2018/19 the Trust has:

- embedded the work of the Programme Management Office (PMO);
- updated the Trust standing financial instructions to ensure the control framework continued to be robust and fit for purpose;
- delivered a financial position better than the planned 'Control Total' resulting in access to incentive and bonus funds from the national 'Provider Sustainability Fund' (PSF);
- contributed to the development of a region wide 'Sustainability and Transformation Plan'; and
- worked closely with partners City Hospitals Sunderland NHS Foundation Trust, NHS Sunderland Clinical Commissioning Group and NHS South Tyneside Clinical Commissioning Group and clinical leaders to develop an approach to manage the financial risk across the 'local health economy' culminating in the production of a medium term financial recovery plan.

Additional assurance in respect of the Trust's arrangements for ensuring economy, efficiency and effectiveness in the use of resources is provided to the Board of Directors through the conduct of regular reviews undertaken by Internal Audit and by External Audit work undertaken in accordance with the Audit Code.

As part of reviewing the financial sustainability of the organisation, the Trust has worked more closely with partners within the local health economy (Sunderland and South Tyneside) but also across the wider STP area, to assess joint opportunities to reduce cost but maintain quality of services that we provide. To facilitate these discussions the Trust agreed 'block' contracts with its major commissioners to minimise financial risk across the system. Provider sustainability funding and additional resources from the financial recovery fund will be received in 2019/20 linked to the achievement of the financial control total. This is a risk for 2019/20 which has been recognised by the Board of Directors in the Annual Plan submission to NHS Improvement.

### **Information Governance**

The risk to data security is being managed and controlled through the monthly Information Governance Group, with quarterly updates to Corporate Governance Steering Group. The Data Security and Protection Toolkit assessments are conducted as required, and an annual report is produced confirming the outcome in readiness for the submission by 31 March. This report is presented to Executive Committee, Board of Directors and Council of Governors for approval. For the submission on 31 March 2019, there were 32 mandatory assertions and the Trust met all mandatory requirements. Internal audit has independently substantiated this assessment. During the year there were two potential information governance breach's reported to the Information Commissioner; one was subsequently confirmed as not being a breach.

### **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.

Over the past year, the Clinical Governance Steering Group has reviewed progress against a range of 'quality' issues on a regular basis. This group, the data previously reported and external reports (eg national clinical audits, peer reviews etc) have shaped our clinical quality improvement plans. The group has also reviewed trends and themes in relation to incidents, complaints and litigation and used the data to inform quality improvement of services.

The Clinical Governance Steering Group as our key group for the monitoring of clinical quality, provides reports to the Governance Committee which in turn is a sub committee of the Board. The Governance Committee receives these reports which provide assurance or highlight any risks to quality. The Corporate Governance

Steering Group in parallel to the Clinical Governance Steering Group reports to the Governance Committee on any non-clinical risks or quality issues eg in facilities. In turn, risks to quality identified through these mechanisms, are escalated through to the Board.

Quality Report metrics are also regularly reported throughout the year to the Board of Directors and Executive Committee. These indicators are all reported (along with a number of other metrics) as part of the Trust's Quality Report.

Most of the data used for these metrics is extracted directly from the Trust medical information system (Meditech). Where applicable, the system has been designed to conform to national data standards so that when the data is extracted it is already in a format consistent with national requirements and coding standards. The data is coded according to the NHS Data Model and Dictionary, which means that any performance indicators based upon this data can be easily prescribed and that the Trust is able to provide data that is both consistent nationally, and fit for purpose.

Internally, standard operating procedures are used consistently by staff involved in the production of the Trust's performance against national, local and internal indicators. This ensures that the process meets the required quality standards and that everyone uses a consistent method to produce an output. Wherever possible, our processes are fully or at least partially automated to make certain that the relevant criteria are used without fail. This also minimises the inherent risk of human error.

Data quality and completeness checks are built into processes to flag any erroneous data items or any other causes for concern, usually as part of the automated process. In addition, further quality assurance checks are performed on the final process outputs to confirm that the performance or activity levels are comparable with previous activity or expected positions. Where applicable, our performance against key indicators is also evaluated against available benchmarking data or peer group information to help understand at the earliest opportunity whether or not the Trust is likely to be an outlier, which in itself may prompt further investigation.

A rolling programme of data quality audits is in place in relation to Referral to Treatment Time indicators to ensure reporting is in line with national guidance and data quality issues are highlighted and acted upon. This is in addition to an annual training programme on waiting list and pathway management with key staff groups and regular data quality reports which are already in place. Acknowledging prior year issues flagged in the external report and in relation to the cancer 62 day waiting time standard the following actions were in place ahead of the year:

- implemented data quality audits around cancer waiting time standards in our rolling programme of data assurance audits; and
- implemented further sample quality assurance checks at the final stage of the process before performance is reported.

For most of the data, specific criteria and standards have to be used to calculate performance which is based on national data definitions where appropriate. To further ensure accuracy the report has been reviewed by two separate internal

departments, Clinical Governance and Performance Management, both of which are satisfied with the accuracy of the information reported.

In summary, a substantial proportion of the data used as part of this Quality Report has been previously reported to Board of Directors, Governance Committee, Clinical Governance Steering Group and Executive Committee throughout 2018/19 and feedback from these forums has been used to set future priorities. These arrangements have ensured that a balanced view on quality can be provided through the Quality Report for 2018/19.

With respect to setting the priorities for 2019/20 a consultation exercise has been undertaken. Consultation has taken place with the Clinical Governance Steering Group, Executive Committee, Council of Governors, Board of Directors and local commissioners, to ensure that the Quality Report includes views from key stakeholders.

### **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, the Audit Committee and Governance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Board and its committees have a key role in maintaining and reviewing the effectiveness of the system of internal control.

The Executive Committee and Board of Directors have received regular reports on the development of the Trust's risk management framework, in particular through the work of the Governance Committee. The Governance Committee receives reports from the Clinical Governance Steering Group and Corporate Governance Steering Group and coordinates the implementation of action plans through the Trust's risk register mechanism.

The Governance Committee has received regular reports on sources of external assurance including evidence from the CQC, national reviews and other independent evidence.

The Finance and Performance Committee have played an important scrutiny role and helped to ensure that efficiency plans are maximised by robust challenge and escalation of key issues to the Board.

The outcome of internal audit reviews has been considered throughout the year through regular reports to the Audit Committee. The Board of Directors receives and

considers the minutes of the Audit Committee where necessary. The Head of Internal Audit provides a separate update to me as Accounting Officer of the work undertaken during the year.

### **Conclusion**

My review confirms that no significant internal control issues have been identified.



**KEN BREMNER**  
**Chief Executive**  
**Date: 28 May 2019**

## HEALTH AND SAFETY

The Health and Safety Team has again successfully achieved continued certification to BS OHSAS 18001 which is the recognised international standard for our Occupational Health and Safety Management System following the audit of our internal processes, documentation and practice. The team was the first Health and Safety Team to achieve compliance to this standard in the NHS in England, and we are the only Health and Safety Team in the NHS to have achieved this level of certification for more than 8 years. We are currently working towards the new standard for Occupational Health and Safety Management Systems: ISO 45001:2018 during this transition phase.

For the fourth year running the Health and Safety Team has successfully achieved compliance with CHAS (Contractor's Health and Safety Assessment Scheme) for the Trust which supports the Trust's Business Development activity by ensuring evidence of Health and Safety compliance, with robust systems being embedded in the Trust, to satisfy the pre-qualification questionnaire stage of any tendering process. We also have incorporated access to the client information database held within CHAS.

To ensure the provision of an effective and robust Management System for Health and Safety in the Trust, the Health and Safety Team is using the 'Health, Safety and Wellbeing Partnership Group: Workplace Health and Safety Standards', revised in July 2013, as a template for assuring compliance within the Trust. This is an evidence based assessment of compliance against 264 criteria relating to Occupational Health and Safety. Following this work undertaken in 2018/19 the Health and Safety team has already identified areas for improvement that will form the key focus of the work planning for improvement in the coming twelve months.

The Health and Safety Team has satisfactorily completed a full noise assessment project focussing on Catering and Estates, taking noise measurements and producing a detailed report. We identified areas for improvement and included recommendations for specific areas but there were no significant contraventions identified.

The Health and Safety Team is continuing to provide significant and focussed support to ensure compliance with the Risk Assessment Agenda providing advice, guidance and support at front line and managerial levels. We are currently undertaking a Health and Safety Risk Assessment Audit throughout the Trust looking at compliance and advising Managers of any areas which require improvement. Early evidence of this audit shows that compliance with risk assessment processes is often seen as low priority in clinical areas, the plan for the coming year will include focused work to improve this crucial area.

There have been 12 incidents reported to the Health and Safety Executive over the last year under Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR), a decrease of 40% from the previous fiscal year, consisting of 7 incidents and 5 dangerous occurrences.

There was a 21% increase in health and safety reported incidents in this reporting period. Of the 235 health and safety related incidents reported through the DATIX risk management system:

- 9 were rated as near miss (4%);
- 84 were rated no harm (36 %);
- 133 were classed as minor harm (56.5%);
- 8 were classed as moderate harm (3%); and
- 1 incident identifying major harm (0.5%).

Analysis of the incidents showed no significant on-going trends apart from a concern relating to needle-stick injuries, with the Health and Safety Team providing managers with advice, guidance and support for this and all health and safety related issues.

Of the 150 workplace assessments that have been referred to the Health and Safety Team, Occupational Health Team, and Ergonomics Team, 34 assessments required specific health and safety support following self-referrals, and referrals from managers. The reports and associated action plans benefitting teams and individuals by identifying actions required to improve the working environment and workplace. The Health and Safety Team, working closely with the Ergonomics Team, has provided significant support to individuals and teams within the Trust through the current round of workplace and organisational change.

Work to reduce the levels of workplace stress and musculoskeletal injuries in the workplace has been a key concern nationally as our patient groups become more diverse and the process of change in all organisations increases. We recognise that as a Trust we must continue to develop our staff training and risk assessment processes to meet the ever changing demands of our services to enable us to maintain the safety of not only our patients but our staff as well.

Violence and aggression toward our staff has increased in the last 12 months with 131 staff physically assaulted in the workplace compared to 98 in 2017/18. The Trust recognises this is a challenging area and continues to work to improve its incident reporting and management of violence and aggression in the workplace. We recognise that training and support of our staff is of paramount importance and although many systems are in place to support our staff we recognise that there will always be opportunity to improve our pre-emptive and responsive services in this area.

The Health and Safety Group meets on a bi-monthly basis and successfully provides a decision-making forum for all health and safety issues, providing Board Assurance, and incorporates reports from other specialist teams within the Trust, including occupational health, security, ergonomics and wellbeing, environmental management, fire safety, infection prevention and control, and estates and facilities.

## SUSTAINABILITY AND CLIMATE CHANGE

Climate change is now recognised as one of the greatest threats facing the world today and can be seen as one of the greatest societal challenges as global communities join together to reduce its effects in the social, economic and environmental arena. In line with the UK Climate Projections 2018 (UKCP18) we will develop Climate Change Adaptation resilience plans to adapt to and deal with projected changes in climate and extreme weather events; this is an action point on our Sustainable Development Management Plan (SDMP).

All NHS Trusts must reduce emissions of greenhouse gases and manage the impacts of climate change and we recognise our role in reducing carbon dioxide emissions and the benefits of doing so. We participate fully in the Carbon Reduction Commitment Energy Efficiency Scheme and work with partners to identify evidence and reduce our emissions. The NHS Carbon Reduction Strategy requires that by 2020, the NHS as a whole will have reduced carbon emissions by 35% from a 1990 baseline. Targets set by the Climate Change Act for future years are a 55% reduction by 2030 and 80% reduction by 2050 from a 1990 baseline.

In 2018 we developed both a Sustainable Development Strategy and a Board approved Sustainable Development Management Plan (SDMP). This was a requirement of the Sustainable Development Unit (SDU) and the NHS Standard Contract, Service Condition 18. We continue to monitor and update the SDMP at our bi-monthly Sustainability Group meetings. The aim of our strategy and plan is to ensure that the Trust has a consistent approach to effective sustainable management with the primary aim to protect the environment from our acts or omissions, identify waste reduction opportunities and financial savings, address national priorities such as carbon reduction and reduce the Trust's exposure to risks.

We recognise that our organisation needs to be a visible and effective public sector contributor to sustainable development in general, and carbon reduction in particular. To do this, we need to operate efficiently, conscious of our core role in delivering safe and cost effective healthcare, whilst simultaneously operating economically and ethically, recognising our broader obligations to the health of the population and the planet as a good corporate citizen. To support this goal and see how we compare against other similar Trusts, the Trust will be completing the Sustainable Development Assessment Tool (SDAT). <https://www.sduhealth.org.uk/>

The Trust, in line with the UK government, pledges to 'eradicate all avoidable plastic waste' by the end of 2042 starting with the ban on specific single use plastics, ie cotton buds, straws and drink stirrers. We have already made inroads to support this pledge through the introduction of paper/recyclable straws and stirrers to replace their plastic equivalent and we will continue this work and where appropriate remove or replace all single-use plastic products.

Alongside carbon reduction work, we continue to work hard to ensure we maintain our pledge that 'none of our waste streams will go to landfill'. Despite the changes in accessibility to global recycling markets we have managed to maintain this pledge and all of our waste streams are reused, recycled and used as fuel at energy from waste plants. Our high risk clinical waste continues to be incinerated. During the year the Trust, in line with many other Trusts in the country, had to respond to a



national issue in relation to clinical waste collection due to an issue with the main contractor. Working together with the Local Authority, one of our other contractors and with City Hospitals Sunderland NHS Foundation Trust, we were able to quickly put in place alternative provision in order to avoid any impact on service provision.

We continue to make waste management a key priority and are working hard with the support of our waste contractors to introduce wider recycling for a wide variety of waste types. We continue to look at new opportunities to invest in new equipment to manage and process our confidential and cardboard waste streams which will generate income to the Trust and reduce carbon emissions by having fewer vehicle collections from our sites. We engaged the services of a new Waste Electrical and Electronic Equipment (WEEE) contractor who not only take away all waste electricals and batteries at no cost to the Trust but also guarantees that all of this waste will either be reused or recycled, with none going to landfill.

This year the Trust will continue to raise awareness of sustainability in the workplace with a number of targeted sustainability events to engage with staff and encourage a community approach to increase recycling and reduce electricity and water consumption. We will continue to explore all new and emerging technologies to reduce our carbon output and energy use including the purchase of more efficient catering equipment, a greener vehicle lease scheme, single-use plastics reduction, improved food waste management and the construction of a new energy centre to support the Trust's energy requirements.

From the table below, we have made steady progress in reducing our electricity consumption as a Trust overall although the Clarendon site is an exception, which is largely due to the increasing occupancy hours and of course is subject to level of demand from the teams using the building.

In terms of gas, the trend is broadly downwards (again with Clarendon as a significant exception).

Whilst not making huge impacts on consumption, the steady management of reduction has an exception in water. Increased flushing in unused accommodation, in order to ensure water quality remains safe results in areas where consumption has increased. Due to the age of some of the Trust's infrastructure there has been a small number of burst water pipes over the year. We will continue to improve our infrastructure to reduce risk by continuing to invest. It is important that investment is focused to suit the longer term Estates Strategy.

YEAR	Units	South Tyneside District Hospital	Palmer Community Hospital	Primrose Hill Hospital	Clarendon	St Benedicts Hospice	TOTAL
<b>Electricity consumed</b>							
2014/15	kWh	6,436,859	415,502	103,086	530,921	457,023	7,943,391
2015/16	kWh	6,220,014	378,300	140,960	472,810	410,400	7,622,484
2016/17	kWh	6,235,723	387,674	145,360	537,469	357,423	7,663,649
2017/18	kWh	6,065,996	344,259	136,359	609,279	397,081	7,552,974
2018/19	kWh	6,086,338	353,508	124,144	669,800	351,793	7,585,583
Shift		100%	103%	91%	110%	89%	100%

Gas consumed							
2014/15	kWh	19,407,571	1,487,041	351,236	266,584	299,996	21,812,428
2015/16	kWh	19,251,535	1,420,764	618,788	352,721	444,999	22,088,807
2016/17	kWh	18,583,138	1,463,850	572,963	381,782	749,960	21,751,693
2017/18	kWh	18,602,255	1,468,573	631,043	492,893	707,831	21,902,595
2018/19	kWh	18,580,057	1,386,895	500,610	600,250	546,450	21,614,262
Shift		100%	94%	79%	122%	77%	99%
Water volume							
2014/15	M <sup>3</sup>	87,042	1,059	433	1,556	2,120	92,210
2015/16	M <sup>3</sup>	95,193	1,098	656	1,067	2,043	100,057
2016/17	M <sup>3</sup>	122,923	6,875	1206	1,733	2,005	134,742
2017/18	M <sup>3</sup>	131,791	2,242	465	1,888	2,164	138,550
2018/19	M <sup>3</sup>	123,063	5,783	835	2,223	2,285	134,189
Shift		93%	258%	180%	118%	106%	97%

## **INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS AND BOARD OF DIRECTORS OF SOUTH TYNESIDE NHS FOUNDATION TRUST**

### **Report on the audit of the financial statements**

#### **Opinion**

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

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

We have audited the financial statements which comprise:

- the Group and Foundation Trust Statements of Comprehensive Income;
- the Group and Foundation Trust Statements of Financial Position;
- the Group and Foundation Trust Statements of Cash Flow;
- the Group and Foundation Trust Statements of Changes in Taxpayers' Equity; and
- the related notes 1 to 25.

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

#### **Basis for opinion**

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

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



#### **Emphasis of Matter – Merger with City Hospitals Sunderland NHS Foundation Trust**

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In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1.2 and note 25 of the financial statements concerning the basis of preparation of the financial statements and the merger of the foundation trust with City Hospitals Sunderland NHS Foundation Trust to form South Tyneside and Sunderland NHS Foundation Trust on 1 April 2019. As disclosed in notes 1.2 and 25 the functions of the Trust transferred to the new organisation and the change to the organisational structure has been accounted for as a Machinery of Government change which does not impact the going concern status of the entity or require any of the Trust's activities to not be considered as continuing. The financial statements have therefore been prepared on a going concern basis.



## Summary of our audit approach

<b>Key audit matters</b>	<p>The key audit matters that we identified in the current year was NHS revenue.</p> <p>Within this report, any new key audit matters are identified with  and any key audit matters which are the same as the prior year identified with .</p>
<b>Materiality</b>	The materiality that we used for the group financial statements was £3.74m which was determined on the basis of approximately 2% of income.
<b>Scoping</b>	All audit work for the Group was performed directly by the Group audit engagement team and accounts for 99% of the Group's net assets and 98% of the Group's deficit for the year.
<b>Significant changes in our approach</b>	Going concern was not identified as a key audit matter in 2018/19 due to improved financial performance and execution of financial stability plans, including the merger of the Trust with City Hospitals Sunderland NHS FT which took place on the 1 April 2019. We removed the Value for Money key audit matter on financial sustainability for the same reason. The Value for Money key audit matter on the Care Quality Commission (CQC) inspection was also removed in 2018/19 as the Trust has demonstrated progress in implementing the inspection findings.

## Conclusions relating to going concern

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

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

**We have nothing to report in respect of these matters.**

## Key audit matters

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

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

## NHS revenue

### Key audit matter description



As described in note 1, Accounting Policies, there are significant judgements in recognition of revenue from care of NHS patients and in provisioning for disputes with commissioners due to:

- the complexity of the Payment by Results regime, in particular in determining the level of over-performance and Commissioning for Quality and Innovation revenue to recognise;
- the judgemental nature of accounting for disputes, including in respect of outstanding over-performance income for quarters 3 and 4; and
- recognition of Provider Sustainability Fund income which is dependent on the Trust meeting certain performance targets.

Details of the Group's income, including £152m (2017/18 £160m) of Commissioner Requested Services, is shown in note 3.4 to the financial statements. NHS debtors are shown in note 11.1 to the financial statements.

The majority of the Group's income comes from South Tyneside CCG, increasing the significance of associated judgements.

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



We evaluated the design and implementation of controls over recognition of Payment by Results income.

We performed detailed substantive testing on a sample basis of the recoverability of over-performance income and adequacy of provision for underperformance through the year, and evaluated the results of the agreement of balances exercise.

We challenged key judgements around specific areas of dispute and actual or potential challenge from commissioners and the rationale for the accounting treatments adopted.

We have reviewed actual performance income from Commissioners based on year end performance, and compared this to baseline contract income and amounts accrued within the financial statements.

We reviewed the evidence to support the judgements made by management in relation to the recognition of Provider Sustainability Fund income and carried out tests of underlying data to support assumptions made.

### Key observations



Based on the work performed we concluded that the recognition of NHS revenue is appropriate.

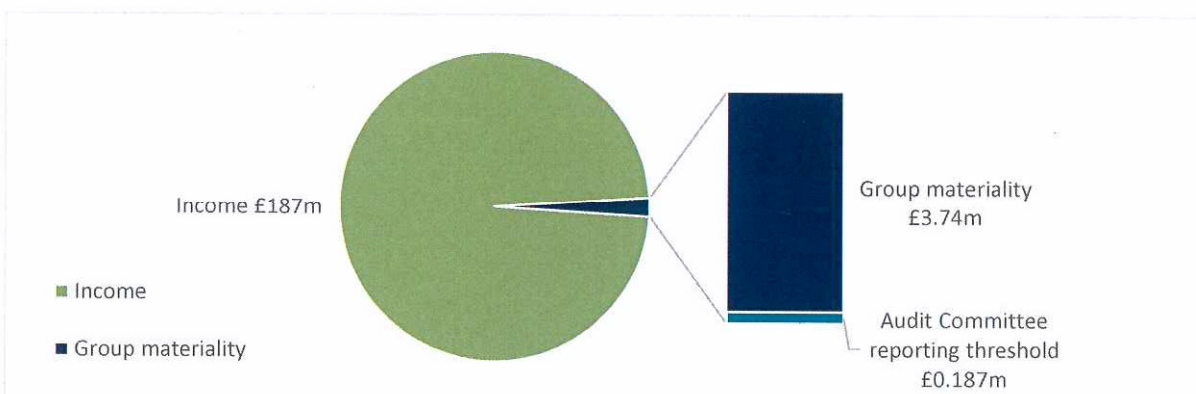


## Our application of materiality

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

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

	Group financial statements	Foundation trust financial statements
<b>Materiality</b>	£3.74m (2017/18: £3.7m)	£3.68m (2017/18: £3.65m)
<b>Basis for determining materiality</b>	2% of total income (2017/18: 2% of income)	2% of income (2017/18: 2% of income)
<b>Rationale for the benchmark applied</b>	Total income was chosen as a benchmark as the Foundation Trust is a non-profit organisation, and revenue is a key measure of financial performance for users of the financial statements. The substantial majority of the group's operations are carried out by the Trust.	



We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £187k (2017/18: £185k), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

## An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including internal controls, and assessing the risks of material misstatement at the Group level.

The focus of our audit work was on the Foundation Trust, with work performed at the Foundation Trust's head offices in South Tyneside directly by the audit engagement team, led by the audit partner.

South Tyneside NHS Foundation Trust is consolidated with its subsidiaries, South Tyneside Holdings Limited and South Tyneside Integrated Care Limited, and its charity, South Tyneside

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Trust General Charitable Fund. The two subsidiaries are subject to a separate external audit with the work performed by the group audit team. The Charity is subject to an independent examination which is not equivalent to a full audit. The independent examination is performed by the group audit team.

We performed a full scope audit over the Foundation Trust which accounts for 99% (2017/18 99%) of the Group's net assets and 98% (2017/18 98%) of the deficit for the year.

At the Group level we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement in the aggregated financial information of the remaining components that are not subject to audit or audit of specified account balances.

### Other information

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The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

***We have nothing to report in respect of these matters.***

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

### Responsibilities of accounting officer

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As explained more fully in the accounting officer's responsibilities statement, the accounting officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the accounting officer is responsible for assessing the group's and the foundation trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the group or the foundation trust or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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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



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material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Report on other legal and regulatory requirements

### Opinion on other matters prescribed by the National Health Service Act 2006

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In our opinion:

- the parts of the Remuneration Report and Staff Report to be audited have been properly prepared in accordance with the National Health Service Act 2006; and
- the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

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#### *Annual Governance Statement, use of resources, and compilation of financial statements*

Under the Code of Audit Practice, we are required to report to you if, in our opinion:

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is inconsistent with information of which we are aware from our audit;
- the NHS Foundation Trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources; or
- proper practices have not been observed in the compilation of the financial statements.

***We have nothing to report in respect of these matters.***

We are not required to consider, nor have we considered, whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

#### *Reports in the public interest or to the regulator*

Under the Code of Audit Practice, we are also required to report to you if:

- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit; or
- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the foundation trust, or a director or officer of the foundation trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency.

***We have nothing to report in respect of these matters.***



### Certificate

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We certify that we have completed the audit of the accounts in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

### Use of our report

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This report is made solely to the Council of Governors and Board of Directors ("the Boards") of South Tyneside NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the foundation trust and the Boards as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Thomson ACA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Leeds  
29 May 2019

## **FOREWORD TO THE FINANCIAL STATEMENTS**

### **SOUTH TYNESIDE NHS FOUNDATION TRUST**

These financial statements for the year ended 31 March 2019 have been prepared by the South Tyneside NHS Foundation Trust under Schedule 7 of the National Health Service Act 2006, paragraphs 24 and 25 and in accordance with directions given by Monitor, the sector regulator for health services in England.



**Ken Bremner**  
**Chief Executive**  
**28 May 2019**

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

	Note	Group 31 Mar 2019 £000	Trust 31 Mar 2019 £000	Group 31 Mar 2018 £000	Trust 31 Mar 2018 £000
<b>Operating income</b>	3.1	<b>186,985</b>	<b>184,272</b>	185,425	183,001
<b>Operating expenses</b>	4	<b>(187,855)</b>	<b>(185,268)</b>	(194,085)	(191,525)
<b>Operating deficit</b>		<b>(870)</b>	<b>(996)</b>	(8,660)	(8,524)
<b>Finance costs</b>					
Finance income	6	86	123	32	71
Finance costs - financial liabilities	7	(395)	(395)	(288)	(288)
Finance costs - unwinding of discount and change in discount rate on provisions		0	0	(3)	(3)
PDC dividends payable		(1,511)	(1,511)	(1,549)	(1,549)
<b>Net finance costs</b>		<b>(1,820)</b>	<b>(1,783)</b>	(1,808)	(1,769)
(Losses)/gains on disposals of assets		(21)	(21)	90	90
<b>DEFICIT FOR THE YEAR</b>		<b>(2,711)</b>	<b>(2,800)</b>	(10,378)	(10,203)
<b>Other comprehensive income:</b>					
<b>Will not be classified to income and expenditure:</b>					
Impairments		(1,463)	(1,463)	(33)	(33)
Revaluations	9.1	2,765	2,765	10,759	10,759
<b>Other comprehensive income</b>		<b>1,302</b>	<b>1,302</b>	10,726	10,726
<b>TOTAL COMPREHENSIVE (EXPENSES)/INCOME FOR THE YEAR</b>		<b>(1,409)</b>	<b>(1,498)</b>	348	523

The notes on pages 204 to 260 form part of these financial statements.

# STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

		Group	Trust	Group	Trust
		31 Mar 2019	31 Mar 2019	31 Mar 2018	31 Mar 2018
Note		£000	£000	£000	£000
<b>NON-CURRENT ASSETS</b>					
Intangible assets	8	1,677	1,670	244	230
Property, plant and equipment	9	85,561	85,247	82,884	82,496
Trade and other receivables	11.1/11.2	308	1,134	246	1,241
<b>Total non-current assets</b>		<b>87,546</b>	<b>88,051</b>	<b>83,374</b>	<b>83,967</b>
<b>CURRENT ASSETS</b>					
Inventories	10	2,293	2,293	2,206	2,206
Trade and other receivables	11.1/11.2	17,237	17,292	8,603	9,158
Cash and cash equivalents	17	14,139	13,609	12,628	12,006
<b>Total current assets</b>		<b>33,669</b>	<b>33,194</b>	<b>23,437</b>	<b>23,370</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	12.1	(23,616)	(23,095)	(19,039)	(18,925)
Borrowings	14	(4,811)	(4,811)	(4,731)	(4,731)
Provisions for liabilities and charges	15	(114)	(114)	(618)	(618)
Other liabilities	13	(1,347)	(1,347)	(1,407)	(1,407)
<b>Total current liabilities</b>		<b>(29,888)</b>	<b>(29,367)</b>	<b>(25,795)</b>	<b>(25,681)</b>
<b>NON-CURRENT LIABILITIES</b>					
Borrowings	14	(27,346)	(27,346)	(17,247)	(17,247)
Provisions for liabilities and charges	15	(304)	(304)	(345)	(345)
<b>Total non-current liabilities</b>		<b>(27,650)</b>	<b>(27,650)</b>	<b>(17,592)</b>	<b>(17,592)</b>
<b>TOTAL ASSETS EMPLOYED</b>		<b>63,677</b>	<b>64,228</b>	<b>63,424</b>	<b>64,064</b>
<b>TAXPAYERS' EQUITY</b>					
Public dividend capital		46,251	46,251	44,589	44,589
Revaluation reserve		21,160	21,160	20,711	20,711
Income and expenditure reserve		(3,734)	(3,183)	(1,876)	(1,236)
<b>TOTAL TAXPAYERS' EQUITY</b>		<b>63,677</b>	<b>64,228</b>	<b>63,424</b>	<b>64,064</b>

The financial statements on pages 199 to 260 were approved and authorised for issue by the Board of Directors on 28 May 2019 and signed on their behalf by:

Ken Bremner  
Chief Executive

Date: 28 May 2019

# STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Note	Group				Trust			
		Total £000	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000
<b>Taxpayers' equity at 1 April 2018</b>		<b>63,424</b>	<b>44,589</b>	<b>20,711</b>	<b>(1,876)</b>	<b>64,064</b>	<b>44,589</b>	<b>20,711</b>	<b>(1,236)</b>
Impact of implementing IFRS 15 on 1 April 2018		0	0	0	0	0	0	0	0
Impact of implementing IFRS 9 on 1 April 2018		0	0	0	0	0	0	0	0
Deficit for the year		(2,711)	0	0	(2,711)	(2,800)	0	0	(2,800)
Impairments	7.2	(1,463)	0	(1,463)		(1,463)	0	(1,463)	0
Revaluations gains and losses - property, plant and equipment	9.1	2,765	0	2,765	0	2,765	0	2,765	0
Public dividend capital received		1,662	1,662	0	0	1,662	1,662	0	0
Historic cost depreciation adjustment		0	0	(853)	853	0	0	(853)	853
<b>Taxpayers' equity at 31 March 2019</b>		<b>63,677</b>	<b>46,251</b>	<b>21,160</b>	<b>(3,734)</b>	<b>64,228</b>	<b>46,251</b>	<b>21,160</b>	<b>(3,183)</b>

# STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED MARCH 2018

	Note	Group				Trust			
		Total	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total	Public dividend capital	Revaluation reserve	Income and expenditure reserve
		£000	£000	£000	£000	£000	£000	£000	£000
<b>Taxpayers' equity at 1 April 2017</b>		62,071	43,584	10,439	8,048	62,536	43,584	10,439	8,513
Deficit for the year		(10,378)	0	0	(10,378)	(10,203)	0	0	(10,203)
Impairments*	7.2	(33)	0	(33)	0	(33)	0	(33)	0
Revaluations gains and losses - property, plant and equipment	9.3	10,759	0	10,759	0	10,759	0	10,759	0
Asset disposals		0	0	(60)	60	0	0	(60)	60
Public dividend capital received		1,005	1,005	0	0	1,005	1,005	0	0
Historic cost depreciation adjustment		0	0	(394)	394	0	0	(394)	394
<b>Taxpayers' equity at 31 March 2018</b>		<b>63,424</b>	<b>44,589</b>	<b>20,711</b>	<b>(1,876)</b>	<b>64,064</b>	<b>44,589</b>	<b>20,711</b>	<b>(1,236)</b>

\* Impairments relate to a change in the accounting estimate for the measurement of fair value of property from a modern equivalent asset basis to a modern equivalent asset basis based on an alternative site.

# STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

		Group 31 Mar 2019 £000	Trust 31 Mar 2019 £000	Group 31 Mar 2018 £000	Trust 31 Mar 2018 £000
	Note				
<b>Cash flows from operating activities</b>					
Operating deficit		(870)	(996)	(8,660)	(8,524)
<b>Operating deficit</b>		<b>(870)</b>	<b>(996)</b>	<b>(8,660)</b>	<b>(8,524)</b>
<b>Non-cash income and expense:</b>					
Depreciation and amortisation	4.1	5,473	5,390	5,107	5,030
Impairments	4.1	696	696	444	444
Non-cash donations credited to income		(28)	(28)	(211)	(211)
(Increase)/decrease in trade and other receivables		(8,474)	(7,805)	3,389	2,945
Increase in inventories		(87)	(87)	(178)	(178)
Increase in trade and other payables		4,570	4,163	7,835	7,923
Decrease in other liabilities		(60)	(60)	(206)	(206)
(Decrease)/increase in provisions		(547)	(547)	466	466
Other movements in operating cash flows		0	0	(3)	(1)
<b>Net cash generated used in operations</b>		<b>673</b>	<b>726</b>	<b>7,983</b>	<b>7,688</b>
<b>Cash flows used in investing activities</b>					
Interest received		86	123	32	71
Purchase of intangible assets		(1,530)	(1,530)	(145)	(145)
Purchase of property, plant and equipment		(7,402)	(7,400)	(2,384)	(2,389)
Receipt of cash donations to purchase capital assets		28	28	211	211
Sales of property, plant and equipment		0	0	274	274
<b>Net cash used in investing activities</b>		<b>(8,818)</b>	<b>(8,779)</b>	<b>(2,012)</b>	<b>(1,978)</b>
<b>Cash flows from financing activities</b>					
Public dividend capital received		1,662	1,662	1,005	1,005
Loans received from Independent Trust Financing Facility		14,825	14,825	4,500	4,500
Loans repaid to the Independent Trust Financing Facility		(4,613)	(4,613)	(3,280)	(3,280)
Capital element of finance lease repayments		(118)	(118)	(27)	(27)
Interest paid		(315)	(315)	(273)	(273)
Interest element of finance lease repayments		(52)	(52)	(14)	(13)
PDC dividend paid		(1,733)	(1,733)	(1,416)	(1,416)
<b>Net cash generated from financing activities</b>		<b>9,656</b>	<b>9,656</b>	<b>495</b>	<b>496</b>
<b>Increase in cash and cash equivalents</b>		<b>1,511</b>	<b>1,603</b>	<b>6,466</b>	<b>6,206</b>
<b>Cash and cash equivalents at 1 April</b>		<b>12,628</b>	<b>12,006</b>	<b>6,162</b>	<b>5,800</b>
<b>Cash and cash equivalents at 31 March</b>		<b>14,139</b>	<b>13,609</b>	<b>12,628</b>	<b>12,006</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 1 Accounting policies and other information

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 accounts.

#### 1.1 Accounting convention

These financial statements have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment.

#### 1.2 Going Concern

After making enquiries, the Directors have a reasonable expectation that the Trust and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the Going Concern basis in preparing these financial statements. On the 1 April 2019 South Tyneside NHS Foundation Trust merged with City Hospitals Sunderland NHS Foundation Trust to form South Tyneside and Sunderland NHS Foundation Trust with the functions of the Trust transferring to the new organisation. This will be accounted for as a transfer by absorption with the closing net assets of the Trusts being transferred to form the new Trust. On this basis it is appropriate to continue to prepare these accounts on a going concern basis.

#### 1.3 Continuing and discontinued operations, mergers and acquisitions

An operation is classified as discontinued when either:

- (a) it is classified as held for sale; or
- (b) the activities have ceased without transferring to another entity; or
- (c) the activities have been transferred to an entity outside the boundary of Whole of Government Accounts, such as the private or voluntary sectors.

Operations not satisfying all these conditions are classified as continuing.

Activities transferred to or from other bodies within the boundary of Whole of Government Accounts are "machinery of government changes" and are treated as continuing operations and accounted for as a transfer by absorption.

Activities acquired from outside the Whole of Government Accounts boundary are accounted for in accordance with IFRS 3.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 1 Accounting policies and other information (continued)

#### 1.4 Consolidation

##### *NHS Charitable Fund*

The Trust is required to consolidate any material charitable funds which it determines to be subsidiaries. Since the requirement was introduced the Trust has not consolidated the charitable fund in the financial statements on the grounds of the fund not being material.

The South Tyneside Trust General Charitable Fund is registered with the Charity Commission (registered number 1059500). As at the 31 March 2018, the value of the funds was £1,341k. As at 31 March 2019 the value of the funds is estimated as £1,341k representing a nil movement as income matched expenditure.

South Tyneside Trust General Charitable Fund's principal office is based at South Tyneside NHS Foundation Trust, South Tyneside District Hospital, Harton Wing, Harton Lane, South Shields, NE34 0PL.

##### *Other Subsidiaries*

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

South Tyneside Foundation Trust is the sole shareholder of STFT Holdings Limited which is in turn the sole shareholder of three limited companies, South Tyneside Integrated Care Limited, Gateshead Integrated Care Limited and Sunderland Integrated Care Limited. The financial statements of two of these subsidiaries, STFT Holdings Limited and South Tyneside Integrated Care Limited, have been consolidated into these group financial statements. The remaining subsidiaries Gateshead Integrated Care Limited and Sunderland Integrated Care Limited are dormant and have taken advantage of the exemption to file individual financial statements under Section 394A of the Companies Act.

All the Trust's subsidiaries are registered in the United Kingdom and their reporting period runs from 1 April to 31 March; in line with the Trust's reporting period.

There are no significant restrictions on the Trust's ability to access or use the assets and settle the liabilities of the group.

Notes within these financial statements include both 'Trust' and 'Group' figures except where the 'Trust' figure is indential to the 'Group' figure. Where this is the case this is identified within the relevant note.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 1 Accounting policies and other information (continued)

#### 1.5 Income

Where income is derived from contracts with customers, it is accounted for under IFRS 15. 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).

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 Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

The Trust accounts for income due on partly completed spells of patient care. Income is accrued based on length of stay using an average bed day rate for the appropriate specialty. Differences between these accruals and the actual income due when the spell is completed are accounted for in the year of completion.

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. If it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract then in these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the 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 Trust recognises revenue each year over the course of the contract.

The Trust receives income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit, 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 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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 1 Accounting policies and other information (continued)

#### 1.6 Expenditure on employee benefits

##### **Short-term employee benefits**

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

##### **Pension costs**

###### *NHS Pension Scheme*

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](http://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.

Employer's pension cost contributions are charged to operating expenses as and when they become due.

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

###### *National Employment Savings Trust (NEST)*

The Pensions Act 2008 (the Act) introduced a new requirement for employers to automatically enrol any eligible job holders working for them into a workplace pension scheme that meets certain requirements and provide a minimum employer contribution. The Trust implemented auto-enrolment on 1 May 2013.

Where an employee is eligible to join the NHS Pension Scheme then they will be automatically enrolled into this scheme, even if they have previously opted out. However, where an employee is not eligible to join the NHS Pension Scheme (e.g. flexible retiree employees and employees in the subsidiary companies then an alternative scheme must be made available by the Trust.

The Trust has chosen NEST as an alternative scheme. NEST is a defined contribution pension scheme that was created as part of the government's workplace pensions reforms under the Pensions Act 2008.

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

###### *Local Government Pension Scheme (LGPS)*

South Tyneside Integrated Care Limited is a member of the South of Tyne and Wear Pension Fund, a Local Government Pension Scheme operated by South Tyneside Council. The fund is a defined benefit pension scheme. The scheme assets and liabilities attributable to employees can be identified, however they are not included in these group accounts due to the timings of the valuation. Their exclusion for 2018/19 is not material to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 1 Accounting policies and other information (continued)

#### 1.6 Expenditure on employee benefits (continued)

The increase in the liability arising from pensionable service earned during the year is recognised within operating expenses. The net interest cost during the year arising from the unwinding of the discount on the net scheme liabilities is recognised within finance costs. Remeasurements of the defined benefit plan are recognised in the income and expenditure reserve and reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Further details of the schemes are provided at Note 5.5 to the financial statements.

#### 1.7 Expenditure on other goods and services

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

#### 1.8 Property, plant and equipment

##### Recognition

Expenditure on property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust;
- it is expected to be used for more than one financial year; and
- the cost of the item can be measured reliably.

In order for expenditure on property, plant and equipment to be capitalised it must also:

- individually have a cost of at least £5,000; or
- form a group of assets which individually have a cost of more than £250, collectively have a cost of at least £5,000, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- form part of the initial setting-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost.

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

##### Measurement

##### *Valuation*

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. The carrying values of property, plant and equipment are reviewed for impairment in year if events, or changes in circumstances, indicate the carrying value may not be recoverable. The costs arising from financing the construction of the property, plant and equipment asset are not capitalised but are charged to the Statement of Comprehensive Income in the year to which they relate.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 1 Accounting policies and other information (continued)

#### 1.8 Property, plant and equipment (continued)

All assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (i.e. operational assets used to deliver either from line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at their fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that the carrying values 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 costs on a modern equivalent basis

##### (a) Property assets

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

Fair values are determined as follows:

Land and non specialised buildings – market value for existing use;  
For non-operational properties including surplus land, the valuations are carried out at open market value;  
Specialised buildings – depreciated replacement cost.

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued.

The Trust complies with the above by valuing its land and buildings property using a Modern Equivalent Asset Valuation (MEAV) on an alternative site basis. The valuation is undertaken by professionally qualified valuers in accordance with Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. The Trust's external valuer is the District Valuer (North) based at the Durham Valuation Office.

IAS 16 requires that the carrying value of property is not materially different to fair value at the Statement of Financial Position date. In order to meet this requirement the Trust has contracted with the District Valuer (North) to provide a rolling programme of revaluation. An interim valuation has been carried out in 2018/19, including a physical inspection of any properties where material capital expenditure had taken place in the year. A further interim valuation will be carried out in 2018/19 followed by a full valuation in 2019/20. The previous valuation was carried out in 2014/15. Where assets are subject to significant volatility or where a change in year indicates a material difference in the valuation then annual revaluations may be required and will be assessed on an annual basis.

Additional alternative open market value figures have only been supplied for operational assets scheduled for imminent closure and subsequent disposal.

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 1 Accounting policies and other information (continued)

#### 1.8 Property, plant and equipment (continued)

##### (b) Non-property assets

The Trust elects to adopt a depreciated historical cost basis as a proxy for fair value for assets that have short useful lives or low values (or both). For depreciated historical cost to be considered as a proxy for fair value, the useful life must be a realistic reflection of the life of the asset and the depreciation method used must provide a realistic reflection of the consumption of that asset class.

Equipment surplus to requirements is valued at net recoverable amount.

##### *Subsequent expenditure*

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the Trust and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the year in which it is incurred.

##### *Depreciation*

Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use.

Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset as assessed by the NHS Foundation Trust's professional valuers. Leaseholds are depreciated over the primary lease term.

Equipment is depreciated on current cost evenly over the estimated life. Estimated PPE lives are:

Land	n/a
Buildings excluding dwellings	5 - 90 years
Dwellings	7 - 70 years
Plant and machinery	5 - 15 years
Transport equipment	7 years
Furniture and fittings	7 - 10 years
Information technology	5 - 8 years

Lives are initially set when equipment is first brought into use and are then re-assessed on a yearly basis.

##### *Revaluation gains and losses*

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



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 1 Accounting policies and other information (continued)

#### 1.8 Property, plant and equipment (continued)

Revaluation losses that do not arise from a loss of economic benefit are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

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

##### *Impairments*

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

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

An impairment arising from a clear consumption of economic benefit or service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating income to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

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

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. 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 would instead be treated as a surplus asset in accordance with IFRS 13.

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **1 Accounting policies and other information (continued)**

#### **1.9 Transfer by absorption**

Assets and liabilities received through transfers by absorption are recognised at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition. The corresponding net credit or debit reflecting the gain or loss is recognised within income or expenditure as appropriate but outside of operating activities.

The pre-transfer income, expenses, assets and liabilities of the Trust are not adjusted to include any pre-transfer activity of the function.

For property, plant and equipment assets and intangible assets the costs and accumulated depreciation (or amortisation) amounts from the transferring entity's financial statements are preserved when the assets are recognised in the Trust's financial statements.

Where any assets received had an attributable revaluation reserve balance in the transferring entity's financial statements, this is preserved in the Trust's financial statements by transferring the relevant amount from the income and expenditure reserve to the revaluation reserve.

#### **1.10 Donated assets**

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

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

#### **1.11 Intangible assets**

##### **Recognition**

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of the asset can be measured reliably.

Intangible assets are capitalised when they are capable of being used in a Trust's activities for more than one year; they can be valued; and they have a cost of at least £5,000.

All intangible assets held by the Trust relate to software.

Software which is integral to the operation of hardware e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware e.g. application software, is capitalised as an intangible asset.

Purchased computer software licences are capitalised as intangible assets where expenditure of at least £5,000 is incurred and amortised over the shorter of the term of the licence and their useful economic lives.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 1 Accounting policies and other information (continued)

#### 1.11 Intangible assets (continued)

##### Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are carried at depreciated historical cost as, due to the short useful life of the asset, this is not considered to be materially different from fair value.

##### Amortisation

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

The standard life for software intangible assets ranges from 3 – 5 years dependent upon the asset.

#### 1.12 Revenue, government and other grants

Government grants are grants from Government bodies other than income from NHS bodies 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.

Grant income relating to assets is recognised within income when the Trust becomes entitled to it, unless the grantor imposes a condition that the future economic benefits embodied in the grant are to be consumed as specified by the grantor and if it is not, the grant must be returned to the grantor.

Where such a condition exists, the grant is recognised as deferred income within liabilities and carried forward to future financial years to the extent that the condition has not yet been met. There are currently no unfulfilled conditions or other contingencies associated with any grants the Trust is in receipt of.

#### 1.13 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the First In, First Out (FIFO) method.

#### 1.14 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.

These balances exclude monies held in the NHS Foundation Trust's bank account belonging to patients (see note 1.27 Third Party Assets).

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **1 Accounting policies and other information (continued)**

#### **1.15 Financial instruments and financial liabilities**

##### **Recognition**

Financial assets and financial liabilities arise where the Trust is party to the contractual provisions of a financial instrument, and as a result has a legal right to receive or a legal obligation to pay cash or another financial instrument. The GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by ONS.

This includes the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements and are recognised when, and to the extent which, performance occurs, ie, when receipt or delivery of the goods or services is made.

##### **Classification and measurement**

Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through income and expenditure. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.

Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described in note 1.16.

Financial assets are classified as subsequently measured at amortised cost

Financial liabilities classified as subsequently measured at amortised cost

##### **Financial assets and liabilities at amortised costs**

Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 1 Accounting policies and other information (continued)

#### 1.15 Financial instruments and financial liabilities (continued)

##### **Impairment of financial assets**

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

The Trust, in accordance with IFRS 9, adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses. For other financial assets, the loss allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increases (stage 2).

Expected credit losses are the probability weighted losses expected from credit loss events occurring within a defined period. The defined period is the previous year end as at the 31 March 2019, in this instance the invoices raised in 2017/18. For each transaction it is assessed how much of the invoices was paid within 12 months and categorised in the following way:

- 100%
- Between 75% and 100%
- Between 50% and 75%
- Between 25% and 50%
- Between 0% and 25%
- Zero percent

A weighted average of these is then applied to all relevant outstanding invoices as at the end of 31 March 2019.

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

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

##### **Derecognition**

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

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

#### 1.16 Leases

##### **The Trust as lessee**

##### ***Finance leases***

Where substantially all risks and rewards of ownership of a leased asset are borne by the NHS Foundation 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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 1 Accounting policies and other information (continued)

#### 1.16 Leases (continued)

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for as an item of property, plant and equipment.

The annual rental is split between the repayment of the liability and a finance cost by apportioning each rental payment between a finance charge and a reduction of the lease obligation using the sum of digits method. 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 leases***

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

##### **The Trust as lessor**

##### ***Operating leases***

Rental income from operating leases is recognised on a straight line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are charged to income and expenditure as incurred.

#### 1.17 Provisions

The NHS Foundation Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount, for which it is probable that there will be a future outflow of cash or other resources, and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rate which varies from -0.76% to -1.99% in nominal terms, inflation is then applied. Prior to 2018/19 real terms discount rates were used and for 2017/18 these ranged from -2.42% to -1.56%. The only exception to this is early retirement provisions and injury benefit provisions which both use the HM Treasury's pension discount rate of 0.29% (2017/18 - 0.10%) in real terms.

##### ***Clinical negligence costs***

The NHS Resolution (formerly NHS Litigation Authority) operates a risk pooling scheme under which the NHS Foundation Trust pays an annual contribution to the NHSLA, 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 NHS Foundation Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the NHS Foundation Trust is disclosed in note 15 as "other legal claims" but it is not recognised in the Trust's financial statements.

##### ***Non-clinical risk pooling***

The NHS 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 the NHS Litigation Authority and in return receives assistance with the costs of claims arising. The annual membership contributions, and any 'excesses' payable in respect of particular claims are charged to operating expenses when the liability arises.

##### ***Redundancy***

The NHS Foundation Trust makes provision for any redundancy costs in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 1 Accounting policies and other information (continued)

#### 1.18 Contingent liabilities

Contingent liabilities are not recognised, but are disclosed in note 16, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

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

#### 1.19 Value Added Tax

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

#### 1.20 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 Trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

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

#### 1.21 Corporation tax

STFT Holdings Limited and South Tyneside Integrated Care Limited are wholly owned subsidiaries of South Tyneside NHS Foundation Trust and are subject to corporation tax on profits. Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the individual profit and loss accounts of the two organisations except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities, for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted on the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

The main rate of UK Corporation Tax changed in 2018/19 was 19% (2017/18 - 19%).



## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **1 Accounting policies and other information (continued)**

#### **1.22 Foreign exchange**

The functional and presentation currencies of the Trust are sterling.

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

Where the Trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date, monetary items (other than financial instruments measured at 'fair value through income and expenditure') are translated at the spot exchange rate on 31 March.

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

The Trust had minimal monetary foreign exchange transactions and no non-monetary foreign exchange transactions in the year.

#### **1.23 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 NHS Trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

However, the losses and special payments note is compiled directly from the losses and compensations register which reports on an accruals basis with the exception of provisions for future losses.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 1 Accounting policies and other information (continued)

#### 1.24 Accounting standards that have been issued but have not yet been adopted

The following table presents a list of recently issued accounting standards and amendments which have not yet been adopted within the FReM, and are therefore not applicable to DH group accounts in 2018/19.

Standard	Change Published	Impact on Group
IFRS 14 Regulatory Deferral Accounts	Not EU-endorsed. Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable to DHSC group bodies.	Not applicable
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.	All leases will be brought on to the SoFP. The main change will be the Group's lease cars which are currently recognised in revenue.
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.	Minimal - the Group does not act as an insurer
IFRIC 23 Uncertainty over Income Tax Treatments	Application required for accounting periods beginning on or after 1 January 2019.	Limited - the Group's tax arrangements include few uncertainties

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 1 Accounting policies and other information (continued)

#### 1.25 Accounting standards issued that have been adopted early

There are no accounting standards that have been adopted early.

#### 1.26 Critical accounting judgements and key sources of

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

##### 1.26.1 Critical judgements in applying accounting policies

The following are critical judgements, apart from those involving estimations (see 1.26.2) that management has made in the process of applying the Trusts accounting policies and that have most significant effect on the amounts recognised in the financial statements.

The Trust has made critical judgements, based on accounting standards, in the classification of leases and arrangements containing a lease. The Trust assessed each contract potentially incorporating a lease in accordance with IAS 17 - Leases and applied the appropriate accounting treatment.

##### 1.26.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Valuation of Property, Plant and Equipment Management has estimated the asset values and useful economic lives of land and buildings using guidance given by the District Valuation Office. The values are determined using a Modern Equivalent Asset (MEA) alternative site and/or accommodation basis. This considers the likely position and design of the hospitals if they were constructed now. The valuer considered the differing internal space requirements taking into account; space, efficiencies and changes in technology, as opposed to what is currently physically occupied. The valuation assumed that the sites should have the same service potential as the existing assets. In addition, the site of the MEA may not be necessarily in the same location as the existing assets and therefore alternative sites have been considered.

In determining the fair value for non-specialised operational assets Existing Use Value has been used and for specialised operational assets as there is no market based evidence, Depreciated Replacement Cost has been used. The District Valuer has taken into account such factors as deterioration and technical obsolescence when determining the Modern Equivalent Asset valuation. Any deviation in these estimations could significantly impact on depreciation, impairments and the Public Dividend Capital Dividend.

#### 1.27 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the financial statements since the NHS Foundation Trust has no beneficial interest in them. However, they are disclosed in a separate note to the financial statements in accordance with the requirements of the HM Treasury's Financial Reporting Manual.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2 Segmental analysis

IFRS 8 requires disclosures of the results of significant operating segments. The standard provides for the information on income, expenses, surplus/deficit, assets and liabilities to be disclosed on the same basis as that used for internal reporting to the Chief Operating Decision Maker (CODM). The CODM is the Board of Directors.

The Trusts clinical services consist of two divisions which have similar economic characteristics, products, services and processes. They operate under the same regulatory framework and within the core business of healthcare within the same economic environment i.e. the UK economy. Clinical services is reported to the Board as one segment and the divisions are considered to meet the aggregation tests under the standard. The Trust has therefore concluded that a single segment of Healthcare should be reported in the financial statements.

The net surplus and total assets and liabilities for the single segment of Healthcare are therefore as disclosed in the Statement of Comprehensive Income for the Trust.

	<b>Group</b>	<b>Trust</b>	<b>Group</b>	<b>Trust</b>
	<b>Year Ended</b>	<b>Year Ended</b>	<b>Year Ended</b>	<b>Year Ended</b>
	<b>31 Mar 2019</b>	<b>31 Mar 2019</b>	<b>31 Mar 2018</b>	<b>31 Mar 2018</b>
	<b>Healthcare</b>	<b>Healthcare</b>	<b>Healthcare</b>	<b>Healthcare</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Income</b>				
Income from activities	167,457	164,089	174,360	171,026
Other Operating Income	19,528	20,183	11,065	11,975
<b>Total Income</b>	<b>186,985</b>	<b>184,272</b>	<b>185,425</b>	<b>183,001</b>
<b>Deficit by segment</b>				
Operating Deficit as reported to the Board of Directors	(870)	(996)	(8,660)	(8,524)
<b>Deficit per Statement of Comprehensive Income</b>	<b>(2,711)</b>	<b>(2,800)</b>	<b>(10,378)</b>	<b>(10,203)</b>
<b>Segment net assets</b>	<b>63,677</b>	<b>64,228</b>	<b>63,424</b>	<b>64,064</b>

The underlying deficit as reported to the Board of Directors in the year was £10.941m. This being the deficit reported on the Statement of Comprehensive Income of £2.711m, less Provider Sustainability Funding of £9.016m, less impairments of £0.696m, less adjustments for donated assets of £0.090m.

The Trust's revenues derive mainly from healthcare services provided to patients under contracts with commissioners within England. The main commissioners of services from the Trust, accounting for over 80% of revenues, are South Tyneside Clinical Commissioning Group (55%), Sunderland Clinical Commissioning Group (17%), Newcastle Gateshead Clinical Commissioning Group (4%), NHS England Cumbria and North East Local Office and North East Commissioning Hub (3%). Details of total income received from these commissioners during 2018/19 are shown in note 19.

South Tyneside NHS Foundation Trust is the sole shareholder of STFT Holdings Limited which is in turn the sole shareholder of three limited companies, South Tyneside Integrated Care Limited, Gateshead Integrated Care Limited and Sunderland Integrated Care Limited. These financial statements of these companies are consolidated in to these Group financial statements. STFT Holdings Limited made a loss in the year of £16k, South Tyneside Integrated Care Limited made a surplus of £106k, Sunderland Integrated Care Limited and Gateshead Integrated Care Limited were dormant throughout the financial year resulting in a net surplus of £90k within the subsidiary organisations. All intercompany transactions have been netted out in the consolidated Group position.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 3 Income

## 3.1 Operating income

	Group Year Ended 31 Mar 2019 £000	Trust Year Ended 31 Mar 2019 £000	Group Year Ended 31 Mar 2018 £000	Trust Year Ended 31 Mar 2018 £000
<b>Income from activities</b>				
<b>Acute income</b>				
Elective inpatient income	11,143	11,143	10,434	10,434
Non elective income	37,194	37,194	34,451	34,451
Outpatient income	8,752	8,752	9,066	9,066
Accident and emergency income	10,089	10,089	9,579	9,579
High cost drug income from commissioners**	4,230	4,229	3,696	3,696
Other NHS clinical income **	19,753	19,753	23,557	23,557
<b>Community income</b>				
Income from CCGs and NHS England	59,510	59,510	59,849	59,849
Income from other sources - incl local authorities	12,445	9,078	21,504	18,170
<b>Other Trust income</b>				
Private patient income	63	63	22	22
AfC pay award central funding	2,003	2,003	0	
Other non protected income **	2,275	2,275	2,202	2,202
<b>Total income from activities</b>	<b>167,457</b>	<b>164,089</b>	<b>174,360</b>	<b>171,026</b>
<b>Other operating income from contracts with customers:</b>				
Research and development	580	580	662	662
Education and training	4,200	4,200	4,541	4,541
Provider sustainability fund / Sustainability and transformation fund income (PSF / STF)	9,016	9,016	1,241	1,241
Rental revenue from operating leases - minimum lease receipts	834	1,124	776	1,210
Non-patient care services to other bodies	333	712	509	999
Income in respect of staff costs where accounted on gross basis	104	104	136	136
Other ***	3,534	3,520	2,586	2,572
	<b>18,601</b>	<b>19,256</b>	<b>10,451</b>	<b>11,361</b>
<b>Other non-contract operating income</b>				
Received from NHS charities: Receipt of grants/donations for capital acquisitions	13	13	135	135
Received from other bodies: Receipt of grants/donations for capital acquisitions - Donation (i.e. receipt of donated asset)	15	15	76	76
Charitable and other contributions to expenditure	899	899	403	403
	<b>927</b>	<b>927</b>	<b>614</b>	<b>614</b>
<b>Total other operating income:</b>	<b>19,528</b>	<b>20,183</b>	<b>11,065</b>	<b>11,975</b>
<b>TOTAL OPERATING INCOME</b>	<b>186,985</b>	<b>184,272</b>	<b>185,425</b>	<b>183,001</b>

Income in respect of staff costs includes charges to other Foundation Trusts for sessions carried out by Trust employed Consultants of £82,729 and charges to various organisations of other staff costs of £21,217.

Income from Other Sources includes £3,366,763 in relation to income received from South Tyneside Local Authority for the service provision with Haven Court. This income is included within consolidation.

All income from activities relates to contract income - as per accounting policy 1.5

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 3 Income (continued)

3.1 Operating income (continued)	Group Year Ended 31 Mar 2019	Trust Year Ended 31 Mar 2019	Group Year Ended 31 Mar 2018	Trust Year Ended 31 Mar 2018
<b>** Analysis of income from activities: and other non-protected Income</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Critical care	3,849	3,849	2,988	2,988
Ward attenders	349	349	349	349
Chemotherapy	775	775	3,497	3,497
Direct access	1,194	1,194	1,430	1,430
Community therapy	2,105	2,105	1,955	1,955
Specialist nursing	752	752	747	747
Community medical	384	384	389	389
Wheelchair services	404	404	404	404
Immunisations	632	632	497	497
Restructuring costs	0	0	446	446
Other clinical specialties	633	633	679	679
Clinical services provided to other NHS organisations	2,083	2,083	2,235	2,235
Urgent care service	785	785	575	575
NHS Injury Cost Recovery Scheme	349	349	272	272
Acutely sick and injured children's pathway	0	0	536	536
Excluded drugs and devices	4,367	4,367	1,193	1,193
 Ambulatory Care	 297	 297	 1,687	 1,687
Outpatient Diagnostics	1,171	1,171	1,199	1,199
Maternity Pathway	2,539	2,539	2,641	2,641
Other income	3,590	3,590	5,726	5,726
<b>Total other clinical income (NHS and non-protected)</b>	<b>26,258</b>	<b>26,258</b>	<b>29,445</b>	<b>29,445</b>

Other income includes Commission for Quality and Innovation (CQUIN) income for acute services based upon 2.50% of actual contracted activity £1,991,345 (2017/18 £1,898,895), Winter Resilience allocation £675,000 (2017/18 £675,000) and other income streams of £923,655 (2017/18 £3,152,171)

The total income relating to Commissioning for Quality and Innovation (CQUIN) for both acute and community services is £3,217,361 (2017/18 £3,266,405), the income relating to Community Services CQUIN of £1,234,383 (2017/18 £1,251,293) is included within Community Income from CCGs/NHS England.

The NHS Injury scheme income is subject to a provision for doubtful debts to reflect expected rates of collection. The Compensation Recovery Unit advise that there is a 21.89% in October 2018 (2017/18 22.84%) probability of not receiving the income. Following a review of local information the Trust has included a provision of 21.89% (2017/18 22.84%) in the financial statements for the year ended 31 March 2019.

**\*\*\* Analysis of Other Operating Income: Other**

	Group Year Ended 31 Mar 2019	Trust Year Ended 31 Mar 2019	Group Year Ended 31 Mar 2018	Trust Year Ended 31 Mar 2018
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Car parking	593	593	589	589
Pharmacy sales	21	21	22	22
Catering	601	601	627	627
Property rentals	1,022	1,022	886	886
Other income	1,297	1,283	462	448
<b>Total other income</b>	<b>3,534</b>	<b>3,520</b>	<b>2,586</b>	<b>2,572</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 3 Income (continued)

#### 3.2 Private patient income

The statutory limitation on private patient income in section 44 of the 2006 Act was repealed with effect from 1 October 2012 by the Health and Social Care Act 2012. The financial statements disclosures that were provided previously are no longer required.

The income disclosures required by Section 43(2A) of the 2006 Act, as amended by the 2012 Act, are included within the Trust's Annual Report.

#### 3.3 Overseas Visitors

	Group Year Ended 31 Mar 2019 £000	Trust Year Ended 31 Mar 2019 £000	Group Year Ended 31 Mar 2018 £000	Trust Year Ended 31 Mar 2018 £000
Income recognised in the year	33	33	11	11
Cash payments received in the year	20	20	11	11
Amounts added to provision for impairment of receivables	16	16	5	0
Amounts written off in the year	0	0	0	0

#### 3.4 Income from activities arising from Commissioner Requested Services (CRS) and all other services

	Group Year Ended 31 Mar 2019 £000	Trust Year Ended 31 Mar 2019 £000	Group Year Ended 31 Mar 2018 £000	Trust Year Ended 31 Mar 2018 £000
Income arising from Commissioner-Requested Services	151,752	151,752	160,165	160,165
Income arising from non-Commissioner-Requested Services	15,705	12,337	14,195	10,861
<b>Total income from activities</b>	<b>167,457</b>	<b>164,089</b>	<b>174,360</b>	<b>171,026</b>

Under the terms of its provider licence the Trust must provide specific healthcare services which are requested by Commissioners.

#### 3.5 Operating lease income

	Group Year Ended 31 Mar 2019 £000	Trust Year Ended 31 Mar 2019 £000	Group Year Ended 31 Mar 2018 £000	Trust Year Ended 31 Mar 2018 £000
Rents recognised as income in the year	834	1,124	776	1,210
<b>TOTAL</b>	<b>834</b>	<b>1,124</b>	<b>776</b>	<b>1,210</b>
<b>Future minimum lease payments due</b>				
- not later than one year	588	878	768	1,202
- later than one year and not later than five years	2,933	4,385	2,481	4,219
- later than five years	8,611	8,974	23,936	25,674
<b>TOTAL</b>	<b>12,132</b>	<b>14,237</b>	<b>27,185</b>	<b>31,095</b>

The main sources of rental income from operating leases relates to property leased to Northumberland, Tyne and Wear NHS Foundation Trust for the provision of Mental Health Services.

A lease exists between the Trust and the subsidiary for Haven Court. The duration of this lease is 25 years. This lease agreement is excluded on consolidation. Our subsidiary South Tyneside Integrated Care has a lease agreement with South Tyneside Council for elements of Haven Court. This contract is included on consolidation.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****4 Operating expenses**

	Group	Trust	Group	Trust
	Year Ended	Year Ended	Year Ended	Year Ended
	31 Mar 2019	31 Mar 2019	31 Mar 2018	31 Mar 2018
	£000	£000	£000	£000
<b>4.1 Operating expenses by Type</b>				
Purchase of healthcare from NHS and DHSC bodies	3,067	3,067	7,124	7,123
Purchase of healthcare from non NHS bodies	1,400	1,322	1,025	947
Employee Expenses - Executive directors	517	517	555	555
Employee Expenses - Non-executive directors	148	148	143	141
Employee Expenses - Staff	130,954	128,931	136,969	134,943
Supplies and services - clinical (excluding drug costs)	14,303	14,288	11,035	11,022
Supplies and services - general	1,837	1,760	1,807	1,720
Establishment	2,278	2,234	1,552	1,510
Research and development	709	709	784	784
Transport (business travel)	858	858	951	951
Transport (other)	122	122	345	310
Premises	7,346	7,227	6,680	6,554
Increase/(decrease) in provision for impairment of receivables	205	205	156	156
Drug costs	6,723	6,723	6,226	6,227
Rentals under operating leases - minimum lease payments	4,464	4,464	5,618	5,618
Depreciation on property, plant and equipment	5,377	5,301	5,016	4,939
Amortisation of intangible assets	96	89	91	91
Impairments of property, plant and equipment	696	696	444	444
Audit fees				
audit services - statutory audit	42	35	40	33
Other auditor remuneration				
other services	7	7	7	7
Clinical negligence	4,590	4,590	5,243	5,243
Legal fees	80	80	52	52
Consultancy costs	284	211	203	141
Internal Audit Costs	180	180	156	156
Training, courses and conferences	279	279	257	257
Patient travel				
Redundancy	13	13	664	660
Early retirements	31	31	61	61
Change in provisions discount rate	(3)	(3)	0	0
Insurance	241	211	210	210
Losses, ex gratia and special payments	48	48	102	102
Other	963	925	569	568
<b>Total</b>	<b>187,855</b>	<b>185,268</b>	<b>194,085</b>	<b>191,525</b>

Employers' pension contributions are included within employee expenses. Employee expenses for Executive Directors includes £42,974 (2017/18 £55,040) in respect of employer pension contributions.

Expenditure within other operating expenses for the year ended 31 March 2019 includes £156,643 (2017/18 £173,928) services from Local Authorities, national accreditation fees £164,630 (2017/18 £203,022), costs associated with the Trust Merger £299,920 (2017/18, £0) and the balance relates to other miscellaneous small costs.

Further details on the impairments of property, plant and equipment are shown in notes 7.2 and 9.8.



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****4 Operating expenses (continued)****4.2 Arrangements containing an operating lease**

	<b>Group Year Ended 31 Mar 2019 £000</b>	<b>Trust Year Ended 31 Mar 2019 £000</b>	<b>Group Year Ended 31 Mar 2018 £000</b>	<b>Trust Year Ended 31 Mar 2018 £000</b>
Minimum lease payments	4,464	4,464	5,618	5,618
Less sublease payments received	0	0	0	0
<b>Total</b>	<b>4,464</b>	<b>4,464</b>	<b>5,618</b>	<b>5,618</b>

The Trust has a large number of leases with various suppliers. Of the minimum lease payments, £4,165,677 relates to building lease agreements, £148,266 relates to vehicles, £92,393 to photocopiers and £58,105 to the lease of mattresses and medical equipment.

**4.3 Timing of minimum operating lease future payments**

	<b>Group Year Ended 31 Mar 2019 £000</b>	<b>Trust Year Ended 31 Mar 2019 £000</b>	<b>Group Year Ended 31 Mar 2018 £000</b>	<b>Trust Year Ended 31 Mar 2018 £000</b>
<b>Future minimum lease payments - buildings</b>				
- not later than one year;	2,043	2,043	2,316	2,316
- later than one year and not later than five years;	0	0	0	0
- later than five years	0	0	0	0
<b>Total</b>	<b>2,043</b>	<b>2,043</b>	<b>2,316</b>	<b>2,316</b>
<b>Future minimum lease payments - other</b>				
- not later than one year;	210	210	169	169
- later than one year and not later than five years;	298	298	316	316
- later than five years	0	0	0	0
<b>Total</b>	<b>508</b>	<b>508</b>	<b>485</b>	<b>485</b>
<b>Future minimum lease payments - total</b>				
- not later than one year;	2,253	2,253	2,485	2,485
- later than one year and not later than five years;	298	298	316	316
- later than five years	0	0	0	0
<b>Total</b>	<b>2,551</b>	<b>2,551</b>	<b>2,801</b>	<b>2,801</b>

**4.4 Auditor's remuneration**

The audit fee for the statutory audit for the Trust and its subsidiary companies, including the assurance of the Quality accounts, was £49,535 (2017/18 £47,420) excluding VAT.

The engagement letter was signed on 31 January 2019.

There were no additional non-audit fees paid to Deloitte LLP during the year ending 31 March 2019 (2017/18 £0).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 5 Employee expenses and numbers

#### 5.1 Employee expenses

	Group		
	Total for Year Ended 31 March 2019 £000	Permanently employed £000	Other £000
Salaries and wages	105,627	99,468	6,159
Social security costs	9,804	9,804	0
Apprenticeship Levy	485	485	0
Pension costs - defined contribution plans	11,718	11,718	0
Termination benefits	0	0	0
Agency/contract staff	4,475	0	4,475
<b>Total</b>	<b>132,109</b>	<b>121,475</b>	<b>10,634</b>

	Trust		
	Total for Year Ended 31 March 2019 £000	Permanently employed £000	Other £000
Salaries and wages	104,008	97,849	6,159
Social security costs	9,681	9,681	0
Apprenticeship Levy	477	477	0
Pension costs - defined contribution plans	11,625	11,625	0
Termination benefits	0	0	0
Agency/contract staff	4,295	0	4,295
<b>Total</b>	<b>130,086</b>	<b>119,632</b>	<b>10,454</b>

The total employer pension contribution payable in the year from 1 April 2018 to 31 March 2019 was £11,485,475 (2017/18 £12,163,320). This differs from the figure above as the figure above includes adjustments such as pension costs for staff recharged by other bodies, and for annual leave accruals.

	Group Year Ended 31 Mar 2019 £000	Trust Year Ended 31 Mar 2019 £000
<b>Staff costs included with operating expenses (note 4.1)</b>		
Employee Expenses - Executive directors	517	517
Employee Expenses - Staff	130,954	128,931
Research and development	638	638
Early retirements	0	0
<b>Staff costs included within operating expenses</b>	<b>132,109</b>	<b>130,086</b>
Staff costs capitalised as part of property, plant and equipment	512	512
<b>Total staff costs</b>	<b>132,621</b>	<b>130,598</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 5 Employee expenses and numbers (continued)

#### 5.2 Average monthly number of employees (whole time equivalent basis)

	Group					
	Total Year Ended	Permanently	Other	Total Year Ended	Permanently	Other
	31 Mar 2019	Employed		31 Mar 2018	Employed	
	Number	Number	Number	Number	Number	Number
Medical and dental	204	192	12	200	188	12
Administration and estates	563	544	19	624	590	34
Healthcare assistants and other support staff	318	270	48	294	244	50
Nursing, midwifery and health visiting staff	1,476	1,419	57	1,684	1,635	49
Nursing, midwifery and health visiting learners	9	9	0	22	22	0
Scientific, therapeutic and technical staff	403	398	5	392	386	6
Healthcare science staff	40	33	7	38	32	6
Other	8	8	0	8	8	0
<b>Total</b>	<b>3,021</b>	<b>2,873</b>	<b>148</b>	<b>3,262</b>	<b>3,105</b>	<b>157</b>

	Trust					
	Total Year Ended	Permanently	Other	Total Year Ended	Permanently	Other
	31 Mar 2019	Employed		31 Mar 2018	Employed	
	Number	Number	Number	Number	Number	Number
Medical and dental	204	192	12	200	188	12
Administration and estates	557	538	19	619	585	34
Healthcare assistants and other support staff	304	256	48	283	233	50
Nursing, midwifery and health visiting staff	1,414	1,357	57	1,621	1,581	40
Nursing, midwifery and health visiting learners	9	9	0	22	22	0
Scientific, therapeutic and technical staff	403	398	5	392	386	6
Healthcare science staff	40	33	7	38	32	6
Other	7	7	0	7	7	0
<b>Total</b>	<b>2,938</b>	<b>2,790</b>	<b>148</b>	<b>3,182</b>	<b>3,034</b>	<b>148</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 5 Employee expenses and numbers (continued)

#### 5.3 Staff exit packages

Exit package cost and band	Number of compulsory redundancies	Cost of compulsory redundancies £	Number of other departures agreed	Cost of other departures agreed £	Total cost of exit packages by cost band £	Year Ended 31 Mar 2018 £
<£10,000	2	12,580	27	80,080	92,660	14,440
£10,000 - £25,000	0	0	2	28,576	28,576	25,681
£25,001 - £50,000	0	0	0	0	0	348,439
£50,001 - £100,000	0	0	0	0	0	251,060
£100,001 - £150,000	0	0	0	0	0	0
<b>Total number of exit packages by type - No</b>	<b>2</b>		<b>29</b>			<b>18</b>
<b>Total resource cost - £</b>		<b>12,580</b>		<b>108,656</b>	<b>121,236</b>	<b>639,620</b>

The compulsory redundancy costs arose as a consequence of restructuring in corporate service teams.

Non compulsory departure payments are as a consequence of restructure in corporate service teams.

All exit packages relate to the Trust. There were no exit packages within the wider group.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 5 Employee expenses and numbers (continued)

#### 5.4 Early retirements due to ill health

During the year ended 31 March 2019 there were 3 early retirements from the Trust agreed on the grounds of ill health at an additional cost of £424,749 (2017/18 - 3 early retirements at a cost of £155,967). The cost of these retirements is borne by NHS Resolution.

#### 5.5 Retirement benefits

##### *NHS Pension Scheme*

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](http://www.nhsbsa.nhs.uk/pensions).

Both schemes are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

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

##### **a) Accounting valuation**

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 5 Employee expenses and numbers (continued)

#### 5.5 Retirement benefits (continued)

##### 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.

##### c) Scheme provisions

The NHS Pension Scheme provided defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained.

The 1995 and 2008 Schemes are "final salary" schemes. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as "pension commutation".

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) has been used and replaced the Retail Prices Index (RPI).

With effect from 1 April 2015 a pension scheme was introduced based on career average revalued earning (CARE) with benefits based on a proportion of pensionable earnings during an employee's career. There is a build up rate of 1/54 of each year's pensionable earnings. The annual increase in this scheme is based on CPI plus 1.5%.

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVCs run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 5 Employee expenses and numbers (continued)

#### 5.5 Retirement benefits (continued)

##### *National Employment Savings Trust (NEST)*

Automatic enrolment is the term given to the legal obligation that the government has now placed on employers to provide all 'workers' with access to a pension scheme. The staging date for the Trust to implement automatic enrolment was 1 May 2013. As a result of this, with effect from that date the Trust must:

- Provide a qualifying scheme for all workers;
- Automatically enrol all eligible jobholders onto the scheme; and
- Pay employer contribution for eligible jobholders to the scheme.

Where an employee is eligible to join the NHS Pension Scheme then they will be automatically enrolled into this scheme, even if they have previously opted out. Where an employee is not eligible to join the NHS Pension Scheme (e.g. flexible retiree employees) then an alternative scheme must be made available by the Trust.

NEST is a defined contribution pension scheme that was created as part of the government's workplace pensions reforms under the Pensions Act 2008. Details of the scheme can be found on their web site [www.nestpensions.org.uk](http://www.nestpensions.org.uk).

Further details regarding NEST as an alternative provider are as follows:

- A member can take their money out of NEST at any age from at least 55 and up to and just before their 75th birthday.
- Members who suffer from ill health may be able to take their money out of NEST before age 55.
- In the case of serious ill health, where a registered medical practitioner says the member has less than a year to live, the member can be paid their retirement pot as a lump sum. This can happen at any age before 75.

Employer contributions to the scheme are charged to the Statement of Comprehensive Income. Other creditors includes £7,728 (2017/18 £6,135) in relation to employee and employer contributions due to NEST at 31 March 2019. The total employers contributions for the year totalled £88,487 (2017/18 £34,989)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 5 Employee expenses and numbers (continued)

#### 5.5 Retirement benefits (continued)

##### *Local Government Pension Scheme (LGPS)*

During 2016/17 18 staff who are members of the LGPS administered by the Tyne and Wear Pension Fund staff transferred from South Tyneside Borough Council to South Tyneside Integrated Care Limited.

South Tyneside Integrated Care Limited became a member of the Tyne and Wear Pension Fund so that the staff that transferred could continue to be members of the scheme. Both the employees and employer make monthly contributions to the scheme.

The scheme is a defined benefit scheme and comprises the 2008 scheme (which is a final salary scheme) and the 2014 scheme (which is a career average revalued earnings scheme). Further details of the schemes can be found at [www.twpf.info](http://www.twpf.info).

The scheme assets and liabilities attributable to employees can be identified, however they are not included in these group accounts due to the timings of the valuation. Their exclusion for 2017/18 is not material to the financial statements.

Employee contributions to the scheme are charged to the Statement of Comprehensive Income. Other trade payables includes £7,714 (2017/18 - £6,682) in relation to employee and employer contributions due to the scheme at 31 March 2019. The total employers contributions for the year totalled £95,504 (2017/18 - £80,269).

#### 5.6 Senior managers' remuneration

	Year Ended 31 Mar 2019 £000	Year Ended 31 Mar 2018 £000
<b>Total of key management personnel compensation</b>		
Short term employee benefits	614	595
Post-employment benefits	70	132
<b>Total key management compensation</b>	<b>684</b>	<b>727</b>

No advances were made and no credits were granted by the Trust to directors during the year.

The Trust has not provided any guarantees on behalf of directors during the year.

Key management personnel comprises the Board of Directors and the Executive Board. Remuneration details for the Board of Directors are provided within the Trust's Annual Report.

As explained in note 5.5, the NHS pension scheme is an unfunded defined benefit scheme but is accounted for as if it were a defined contribution scheme.

The number of executive directors accruing benefits under the NHS Pension Scheme is 5 (2017/18 7). No Directors accrue benefits under money purchase schemes.



# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 6 Finance income

	Group	Trust	Group	Trust
	Year Ended	Year Ended	Year Ended	Year Ended
	31 Mar 2019	31 Mar 2019	31 Mar 2018	31 Mar 2018
	£000	£000	£000	£000
Interest on bank accounts	86	86	32	33
Interest on loans and receivables	0	37	0	38
<b>Total</b>	<b>86</b>	<b>123</b>	<b>32</b>	<b>71</b>

## 7 Finance costs

	Group	Trust	Group	Trust
	Year Ended	Year Ended	Year Ended	Year Ended
	31 Mar 2019	31 Mar 2019	31 Mar 2018	31 Mar 2018
	£000	£000	£000	£000
<b>7.1 Finance costs - financial liabilities</b>				
Department of Health Loans - Capital	194	194	225	225
Department of Health Loans - Revenue	157	157	48	48
Support				
Finance Lease	42	42	15	15
Unwinding of discount on provisions	2	2	0	0
<b>Total</b>	<b>395</b>	<b>395</b>	<b>288</b>	<b>288</b>

The Group has three loans from the ITFF to fund capital developments and redundancy payments. These loans are for £9.5m, £8m and £8m. All loans are fully drawn down. The Group has also taken out nine interim revenue support loans, also via the ITFF, during 2018/19 totalling £14.83m.

## 7.2 Impairment of assets (property, plant and equipment and intangibles)

	Group	Trust	Group	Trust
	Year Ended	Year Ended	Year Ended	Year Ended
	31 Mar 2019	31 Mar 2019	31 Mar 2018	31 Mar 2018
	£000	£000	£000	£000
(Reversal)/Impairment due to changes in market price	(5)	(5)	394	394
Impairment due to newly constructed assets brought in to use being valued less than the cost of construction	701	701	0	0
Impairment due to the abandonment of assets under the course of construction	0	0	50	50
<b>Impairment to Statement of Comprehensive Income</b>	<b>696</b>	<b>696</b>	<b>444</b>	<b>444</b>
Impairment due to change in market value taken from revaluation reserve	1,463	1,463	33	33
<b>Total impairments</b>	<b>2,159</b>	<b>2,159</b>	<b>477</b>	<b>477</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 8 Intangible assets

#### 8.1 Intangible assets 2018/19

	Group Software licences (purchased) £000	Trust Software licences (purchased) £000
<b>Gross cost at 1 April 2018</b>	<b>663</b>	<b>645</b>
Additions - purchased	1,530	1,530
Additions - Donated	0	0
Disposals	(34)	(34)
<b>Gross cost at 31 March 2019</b>	<b>2,159</b>	<b>2,141</b>
<b>Accumulated amortisation at 1 April 2018</b>	<b>419</b>	<b>415</b>
Provided during the year	96	89
Disposals	(33)	(33)
<b>Accumulated amortisation at 31 March 2019</b>	<b>482</b>	<b>471</b>
<b>Net book value</b>		
Net book value - purchased at 31 March 2019	<b>1,677</b>	<b>1,670</b>

#### 8.2 Intangible assets 2017/18

	Group Software licences (purchased) £000	Trust Software licences (purchased) £000
<b>Gross cost at 1 April 2017</b>	<b>597</b>	<b>579</b>
Additions - purchased	145	145
Additions - donated	0	0
Disposals	(79)	(79)
<b>Gross cost at 31 March 2018</b>	<b>663</b>	<b>645</b>
<b>Accumulated amortisation at 1 April 2017</b>	<b>407</b>	<b>403</b>
Provided during the year	91	91
Disposals	(79)	(79)
<b>Accumulated amortisation at 31 March 2018</b>	<b>419</b>	<b>415</b>
<b>Net book value</b>		
Net book value - purchased at 31 March 2018	<b>244</b>	<b>230</b>

#### 8.3 Intangible asset disposals

The Sophos Anti Virus software and Trust Smartphone App software was disposed of within the year. The assets' gross book values totalled £33,966, with a £1,029 net book value written off at the disposal date.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 9 Property, plant and equipment

#### 9.1 Property, plant and equipment 2018/19 - Group

	Group								
	Total	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Cost or valuation at 1 April 2018</b>	<b>102,141</b>	2,346	68,407	1,903	616	19,666	258	7,821	1,124
Additions - purchased	7,447	0	0	0	6,001	680	18	743	5
Additions - leased	0	0	0	0	0	0	0	0	0
Additions - donated	28	0	0	0	13	15	0	0	0
Impairments	(2,358)	0	(2,317)	(41)	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Revaluations	368	0	368	0	0	0	0	0	0
Reclassifications	0	0	758	0	(982)	0	0	224	0
Disposals	(1,150)	0	0	0	0	(563)	(38)	(548)	(1)
<b>Cost or valuation at 31 March 2019</b>	<b>106,476</b>	<b>2,346</b>	<b>67,216</b>	<b>1,862</b>	<b>5,648</b>	<b>19,798</b>	<b>238</b>	<b>8,240</b>	<b>1,128</b>
<b>Accumulated depreciation at 1 April 2018 as restated</b>	<b>19,257</b>	0	28	0	0	13,576	184	4,833	636
Provided during the year	5,377	0	2,536	64	0	1,455	11	1,212	99
Reversal of impairments	(199)	0	(199)	0	0	0	0	0	0
Revaluations	(2,397)	0	(2,333)	(64)	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Disposals	(1,123)	0	0	0	0	(562)	(38)	(522)	(1)
<b>Accumulated depreciation at 31 March 2019</b>	<b>20,915</b>	<b>0</b>	<b>32</b>	<b>0</b>	<b>0</b>	<b>14,469</b>	<b>157</b>	<b>5,523</b>	<b>734</b>
<b>Net book value</b>									
Net book value - owned at 31 March 2019	83,352	2,346	66,114	1,862	5,635	4,238	81	2,712	364
Net book value - finance lease at 31 March 2019	1,136	0	324	0	0	812	0	0	0
Net book value - government granted at 31 March 2019	13	0	13	0	0	0	0	0	0
Net book value - donated at 31 March 2019	1,060	0	733	0	13	279	0	5	30
<b>Net book value total at 31 March 2019</b>	<b>85,561</b>	<b>2,346</b>	<b>67,184</b>	<b>1,862</b>	<b>5,648</b>	<b>5,329</b>	<b>81</b>	<b>2,717</b>	<b>394</b>
<b>Cost or valuation of assets held at zero net book value at 31 March 2019</b>	<b>13,446</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,612</b>	<b>132</b>	<b>3,360</b>	<b>342</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 9 Property, plant and equipment (continued)

### 9.2 Property, plant and equipment 2018/19 - Trust

	Trust								
	Total	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Cost or valuation at 1 April 2018</b>	<b>101,640</b>	2,346	68,407	1,903	616	19,626	258	7,779	705
Additions - purchased	7,445	0	0	0	6,001	677	18	744	5
Additions - leased	0	0	0	0	0	0	0	0	0
Additions - donated	28	0	0	0	13	15	0	0	0
Impairments	(2,358)	0	(2,317)	(41)	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Revaluations	368	0	368	0	0	0	0	0	0
Reclassifications	0	0	758	0	(982)	0	0	224	0
Disposals	(1,150)	0	0	0	0	(563)	(38)	(548)	(1)
<b>Cost or valuation at 31 March 2019</b>	<b>105,973</b>	<b>2,346</b>	<b>67,216</b>	<b>1,862</b>	<b>5,648</b>	<b>19,755</b>	<b>238</b>	<b>8,199</b>	<b>709</b>
<b>Accumulated depreciation at 1 April 2018 as restated</b>	<b>19,144</b>	0	28	0	0	13,566	184	4,822	544
Provided during the year	5,301	0	2,536	64	0	1,449	11	1,204	37
Reversal of impairments	(199)	0	(199)	0	0	0	0	0	0
Revaluations	(2,397)	0	(2,333)	(64)	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Disposals	(1,123)	0	0	0	0	(562)	(38)	(522)	(1)
<b>Accumulated depreciation at 31 March 2019</b>	<b>20,726</b>	<b>0</b>	<b>32</b>	<b>0</b>	<b>0</b>	<b>14,453</b>	<b>157</b>	<b>5,504</b>	<b>580</b>
<b>Net book value</b>									
Net book value - owned at 31 March 2019	83,038	2,346	66,114	1,862	5,635	4,211	81	2,690	99
Net book value - finance lease at 31 March 2019	1,136	0	324	0	0	812	0	0	0
Net book value - government granted at 31 March 2019	13	0	13	0	0	0	0	0	0
Net book value - donated at 31 March 2019	1,060	0	733	0	13	279	0	5	30
<b>Net book value total at 31 March 2019</b>	<b>85,247</b>	<b>2,346</b>	<b>67,184</b>	<b>1,862</b>	<b>5,648</b>	<b>5,302</b>	<b>81</b>	<b>2,695</b>	<b>129</b>
<b>Cost or valuation of assets held at zero net book value at 31 March 2019</b>	<b>13,446</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,612</b>	<b>132</b>	<b>3,360</b>	<b>342</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 9 Property, plant and equipment (continued)

#### 9.3 Property plant and equipment 2017/18 - Group

	Group								
	Total	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Cost or valuation at 1 April 2017</b>	92,217	2,454	59,588	1,701	436	19,326	283	7,370	1,059
Additions - purchased	2,441	0	0	0	908	771	0	762	0
Additions - donated	1,286	0	350	0	0	936	0	0	0
Impairments	211	0	0	0	0	211	0	0	0
Reversal of impairments	(537)	(48)	(439)	0	(50)	0	0	0	0
Revaluations	53	0	48	5	0	0	0	0	0
Reclassifications	8,821	0	8,297	184	0	340	0	0	0
Removal of accumulated depreciation following revaluation	0	0	653	13	(678)	59	0	(120)	73
Disposals	(2,351)	(60)	(90)	0	0	(1,977)	(25)	(191)	(8)
<b>Cost or valuation at 31 March 2018</b>	<u>102,141</u>	<u>2,346</u>	<u>68,407</u>	<u>1,903</u>	<u>616</u>	<u>19,666</u>	<u>258</u>	<u>7,821</u>	<u>1,124</u>
<b>Accumulated depreciation at 1 April 2017</b>	18,353	0	0	0	0	13,612	198	4,079	464
Provided during the year	5,016	0	2,256	57	0	1,523	11	1,064	105
Reversal of impairments	(7)	0	(7)	0	0	0	0	0	0
Revaluations	(1,938)	0	(2,221)	(57)	0	340	0	0	0
Reclassifications	0	0	0	0	0	47	0	(119)	72
Disposals	(2,167)	0	0	0	0	(1,946)	(25)	(191)	(5)
<b>Accumulated depreciation at 31 March 2018</b>	<u>19,257</u>	<u>0</u>	<u>28</u>	<u>0</u>	<u>0</u>	<u>13,576</u>	<u>184</u>	<u>4,833</u>	<u>636</u>
<b>Net book value</b>									
Net book value - owned at 31 March 2018	80,478	2,346	67,269	1,903	616	4,843	74	2,981	446
Net book value - finance lease at 31 March 2018	1,244	0	339	0	0	905	0	0	0
Net book value - government granted at 31 March 2018	26	0	26	0	0	0	0	0	0
Net book value - donated at 31 March 2018	1,136	0	745	0	0	342	0	7	42
<b>Net book value total at 31 March 2018</b>	<u>82,884</u>	<u>2,346</u>	<u>68,379</u>	<u>1,903</u>	<u>616</u>	<u>6,090</u>	<u>74</u>	<u>2,988</u>	<u>488</u>
<b>Cost or valuation of assets held at zero net book value at 31 March 2018</b>	9,645	0	0	0	0	6,968	132	2,257	288

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 9 Property, plant and equipment (continued)

#### 9.4 Property plant and equipment 2017/18 - Trust

	Trust								
	Total	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Cost or valuation at 1 April 2017</b>	91,710	2,454	59,588	1,701	436	19,280	283	7,328	640
Additions - purchased	2,447	0	0	0	908	777	0	762	0
Additions - donated	1,286	0	350	0	0	936	0	0	0
Impairments	211	0	0	0	0	211	0	0	0
Reversal of impairments	(537)	(48)	(439)	0	(50)	0	0	0	0
Revaluations	53	0	48	5	0	0	0	0	0
Reclassifications	8,821	0	8,297	184	0	340	0	0	0
Removal of accumulated depreciation following revaluation	0	0	653	13	(678)	59	0	(120)	73
Disposals	(2,351)	(60)	(90)	0	0	(1,977)	(25)	(191)	(8)
<b>Cost or valuation at 31 March 2018</b>	<b>101,640</b>	<b>2,346</b>	<b>68,407</b>	<b>1,903</b>	<b>616</b>	<b>19,626</b>	<b>258</b>	<b>7,779</b>	<b>705</b>
<b>Accumulated depreciation at 1 April 2017</b>	18,317	0	0	0	0	13,609	198	4,077	433
Provided during the year	4,939	0	2,256	57	0	1,516	11	1,055	44
Reversal of impairments	(7)	0	(7)	0	0	0	0	0	0
Revaluations	(1,938)	0	(2,221)	(57)	0	340	0	0	0
Reclassifications	0	0	0	0	0	47	0	(119)	72
Disposals	(2,167)	0	0	0	0	(1,946)	(25)	(191)	(5)
<b>Accumulated depreciation at 31 March 2018</b>	<b>19,144</b>	<b>0</b>	<b>28</b>	<b>0</b>	<b>0</b>	<b>13,566</b>	<b>184</b>	<b>4,822</b>	<b>544</b>
<b>Net book value</b>									
Net book value - owned at 31 March 2018	80,090	2,346	67,269	1,903	616	4,813	74	2,950	119
Net book value - finance lease at 31 March 2018	1,244	0	339	0	0	905	0	0	0
Net book value - government granted at 31 March 2018	26	0	26	0	0	0	0	0	0
Net book value - donated at 31 March 2018	1,136	0	745	0	0	342	0	7	42
<b>Net book value total at 31 March 2018</b>	<b>82,496</b>	<b>2,346</b>	<b>68,379</b>	<b>1,903</b>	<b>616</b>	<b>6,060</b>	<b>74</b>	<b>2,957</b>	<b>161</b>
<b>Cost or valuation of assets held at zero net book value at 31 March 2018</b>	<b>9,645</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,968</b>	<b>132</b>	<b>2,257</b>	<b>288</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 9 Property, plant and equipment (continued)

#### 9.5 Assets held at open market value:

Of the property, plant and equipment held at 31 March 2019, £1,826,000 related to land valued at open market value and £3,183,000 related to buildings and dwellings valued at open market value.

9.6 Economic life of property, plant and equipment	Minimum life	Maximum life
Land	n/a	n/a
Buildings excluding dwellings	5	90
Dwellings	7	70
Plant and Machinery	5	15
Transport Equipment	7	7
Information Technology	5	8
Furniture and Fittings	7	10

#### 9.7 Property, plant and equipment disposals

A loss of £26,875 (2017/18 profit of £90,099) was recognised in the financial year relating to the disposal of property and equipment. £19,288 of the loss related to the disposal of the extramed theatre IT equipment. A profit of £6,337 was also recognised relating to the auction sale proceeds of previously disposed assets.

There were no disposals of land or buildings assets used in the provision of Commissioner Requested Services during the year (2017/18 nil).

#### 9.8 Property revaluation

In accordance with accounting policy 1.8, a revaluation was undertaken which was accounted for on 31 March 2019. This resulted in a net increase in carrying values of £605,947. Within the change in value, £1,307,388 related to an increase in property values due to changes in the property market since the last valuation. A reduction in value of £701,441 was recognised relating to revaluation where the increase in the value of property following expenditure was less than the amount spent. Overall, £696,246 was recognised as an impairment within the SoCI with the remaining £1,302,193 valuation increase taken to the revaluation reserve.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 Inventories	Group		Trust	
	Year Ended		Year Ended	
	31 Mar 2019		31 Mar 2018	
10.1 Inventories	£000		£000	
Drugs	661	661	679	679
Equipment services	422	422	378	378
Wheelchair services	125	125	95	95
Prostheses	39	39	34	34
Other	1,046	1,046	1,020	1,020
<b>Total inventories</b>	<b>2,293</b>	<b>2,293</b>	<b>2,206</b>	<b>2,206</b>
10.2 Inventories recognised in expenses	Group		Trust	
	Year Ended		Year Ended	
	31 Mar 2019		31 Mar 2018	
	£000		£000	
Inventories recognised in expenses	(17,233)	(17,233)	(16,166)	(16,166)
Write-down of inventories recognised as an expense	(42)	(42)	(56)	(56)
<b>Total Inventories recognised in expenses</b>	<b>(17,275)</b>	<b>(17,275)</b>	<b>(16,222)</b>	<b>(16,222)</b>



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 11 Trade and other receivables

#### 11.1 Trade and other receivables - Group

	Total 31 Mar 19 £000	Financial assets 31 Mar 19 £000	Non-financial assets 31 Mar 19 £000	Total 31 Mar 18 £000	Financial assets 31 Mar 18 £000	Non-financial assets 31 Mar 18 £000
<b>Current</b>						
NHS receivables - revenue	0	0	0	3,999	3,999	0
Contract receivables: invoiced	5,684	5,684	0	0	0	0
Contract receivables: not yet invoiced / non-invoiced	10,148	10,148	0	0	0	0
Other receivables with related parties - revenue	0	0	0	1,022	1,022	0
Allowance for impaired receivables	(516)	(516)	0	(317)	(202)	(115)
Prepayments	1,135	0	1,135	1,447	0	1,447
Accrued income	0	0	0	477	477	0
PDC dividend receivable	337	0	337	115	0	115
VAT receivable	193	0	193	248	0	248
Other receivables	256	252	4	1,612	1,083	529
<b>Total current trade and other receivables</b>	<b>17,237</b>	<b>15,568</b>	<b>1,669</b>	<b>8,603</b>	<b>6,379</b>	<b>2,224</b>
<b>Non-current</b>						
Provision for impaired receivables	(79)	(79)	0	(73)	0	(73)
Other receivables	387	387	0	319	0	319
<b>Total non-current trade and other receivables</b>	<b>308</b>	<b>308</b>	<b>0</b>	<b>246</b>	<b>0</b>	<b>246</b>

customers are shown separately as contract receivables and contract assets. This replaces the previous analysis into trade receivables and

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 11 Trade and other receivables

#### 11.2 Trade and other receivables - Trust

	Total	Financial	Non-financial		Financial	Non-financial
	31 Mar 19	31 Mar 19	31 Mar 19	31 Mar 18	31 Mar 18	31 Mar 18
	£000	£000	£000	£000	£000	£000
<b>Current</b>						
NHS receivables - revenue	0	0	0	3,999	3,999	0
Contract receivables: invoiced	5,586	5,586	0	0	0	0
Contract receivables: not yet invoiced / non-invoiced	10,148	10,148	0	0	0	0
Other receivables with related parties - revenue	0	0	0	1,465	1,465	0
Allowance for impaired receivables	(516)	(516)	0	(317)	(204)	(113)
Prepayments	1,135	0	1,135	1,555	0	1,555
Accrued income	0	0	0	477	477	0
PDC dividend receivable	337	0	337	115	0	115
VAT receivable	343	0	343	266	0	266
Other receivables	259	255	4	1,598	1,069	529
<b>Total current trade and other receivables</b>	<b>17,292</b>	<b>15,473</b>	<b>1,819</b>	<b>9,158</b>	<b>6,806</b>	<b>2,352</b>
<b>Non-current</b>						
Provision for impaired receivables	(79)	(79)	0	(73)	0	(73)
Other receivables	384	384	0	319	0	319
Loans with subsidiaries	829	829	0	995	995	0
<b>Total non-current trade and other receivables</b>	<b>1,134</b>	<b>1,134</b>	<b>0</b>	<b>1,241</b>	<b>995</b>	<b>246</b>

customers are shown separately as contract receivables and contract assets. This replaces the previous analysis into trade receivables and

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 11 Trade and other receivables (continued)

### 11.3 Allowances for credit losses - 2018/19 (Post implementation of IFRS 9)

	Group 31 Mar 2019 £000	Trust 31 Mar 2019 £000
Allowances as at 1 April 2018	390	390
New allowances arising	260	260
Reversal of allowances	(55)	(55)
Allowances as at 31 March 2019	<u>595</u>	<u>595</u>

### 11.4 Provision for impairment of receivables - 2017/18 (Pre Implementation of IFRS 9)

	Group 31 Mar 18 £000	Trust 31 Mar 18 £000
At 1 April 2017	234	234
Increase in provision	156	156
Amounts utilised	0	0
Unused amounts reversed	0	0
At 31 March 2018	<u>390</u>	<u>390</u>

### 11.5 Analysis of impaired receivables

	Group 31 Mar 2019 £000	Trust 31 Mar 2019 £000	Group 31 Mar 18 £000	Trust 31 Mar 18 £000
Ageing of impaired receivables				
0 - 30 days	3	3	3	3
30 - 60 days	146	146	3	3
60 - 90 days	3	3	3	3
90 - 180 days	25	25	62	62
180 - 360 days	418	418	319	319
Total	<u>595</u>	<u>595</u>	<u>390</u>	<u>390</u>

	Group 31 Mar 2019 £000	Trust 31 Mar 2019 £000	Group 31 Mar 18 £000	Trust 31 Mar 18 £000
Ageing of overdue non-impaired receivables				
0 - 30 days	84	84	0	0
30 - 60 days	133	133	132	132
60 - 90 days	203	203	199	199
90 - 180 days	986	986	359	359
180 - 360 days	686	686	146	146
Total	<u>2,092</u>	<u>2,092</u>	<u>836</u>	<u>836</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 12 Trade and Other Payables

#### 12.1 Trade and Other Payables - Group

	Total	Financial	Non-financial	Total	Financial	Non-financial
	31 Mar 19	liabilities	liabilities	31 Mar 18	liabilities	liabilities
	£000	31 Mar 19	31 Mar 19	31 Mar 18	31 Mar 18	31 Mar 18
		£000	£000	£000	£000	£000
<b>Current</b>						
Trade payables	11,051	11,051	0	9,561	9,561	0
Capital Payables (including capital accruals)	1,078	1,078	0	1,005	1,005	0
Accruals	8,820	8,820	0	5,859	5,859	0
Receipts in advance and payments on account	59	0	59	6	6	0
Social Security costs	1,354	0	1,354	1,455	0	1,455
VAT Payable	0	0	0	0	0	0
Other taxes payable	1,153	0	1,153	1,084	0	1,084
PDC dividend payable	0	0	0	0	0	0
Accrued Interest on Loans *	0	0	0	66	66	0
Other payables	101	101	0	3	3	0
NHS charitable funds: trade and other payables	0	0	0	0	0	0
<b>Total current trade and other payables</b>	<b>23,616</b>	<b>21,050</b>	<b>2,566</b>	<b>19,039</b>	<b>16,500</b>	<b>2,539</b>

#### Trade and Other Payables - Trust

	Total	Financial	Non-financial	Total	Financial	Non-financial
	31 Mar 19	liabilities	liabilities	31 Mar 18	liabilities	liabilities
	£000	31 Mar 19	31 Mar 19	31 Mar 18	31 Mar 18	31 Mar 18
		£000	£000	£000	£000	£000
<b>Current</b>						
Trade payables	10,782	10,782	0	9,524	9,524	0
Capital Payables (including capital accruals)	1,078	1,078	0	1,005	1,005	0
Accruals	8,568	8,568	0	5,785	5,785	0
Receipts in advance and payments on account	59	0	59	6	6	0
Social Security costs	1,354	0	1,354	1,455	0	1,455
VAT Payable	0	0	0	0	0	0
Other taxes payable	1,153	0	1,153	1,084	0	1,084
PDC dividend payable	0	0	0	0	0	0
Accrued Interest on Loans	0	0	0	66	66	0
Other payables	101	101	0	0	0	0
NHS charitable funds: trade and other payables	0	0	0	0	0	0
<b>Total current trade and other payables</b>	<b>23,095</b>	<b>20,529</b>	<b>2,566</b>	<b>18,925</b>	<b>16,386</b>	<b>2,539</b>

\* Following adoption of IFRS 9 on 1 April 2018, loans are measured at amortised cost. Any accrued interest is now included in the carrying value of the loan. IFRS 9 is applied without restatement therefore comparatives have not been restated.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 12 Trade and Other Payables (continued)

#### 12.2 Early retirements detail included in NHS payables on previous page

	31 Mar 2019 £000	31 Mar 2019 Number	31 Mar 2018 £000	31 Mar 2018 Number
- to buy out the liability for early retirements over 5 years	10		10	
- number of cases involved		25		27

### 13 Other liabilities

	Group 31 Mar 2019 £000	Trust 31 Mar 2019 £000	Group 31 Mar 2018 £000	Trust 31 Mar 2018 £000
<b>Current</b>				
Other deferred income	1,347	1,347	1,407	1,407

### 14 Borrowings

#### 14.1 Long term loans

	Group 31 Mar 2019 £000	Trust 31 Mar 2019 £000	Group 31 Mar 2018 £000	Trust 31 Mar 2018 £000
<b>Current</b>				
Department of Health Loans - Capital	1,990	1,990	1,946	1,946
Department of Health Loans - Revenue Support	2,726	2,726	2,667	2,667
Obligations from finance leases	95	95	118	118
<b>Total current borrowings</b>	<b>4,811</b>	<b>4,811</b>	<b>4,731</b>	<b>4,731</b>
<b>Non-current</b>				
Department of Health Loans - Capital	10,160	10,160	12,107	12,107
Department of Health Loans - Revenue Support	16,157	16,157	3,999	3,999
Obligations from finance leases	1,029	1,029	1,141	1,141
<b>Total non-current borrowings</b>	<b>27,346</b>	<b>27,346</b>	<b>17,247</b>	<b>17,247</b>

During 2018/19 the Trust drew down nine individual Interim Revenue Support loans. New borrowings totalled £14.825m. The principal is due be repaid in 2022 and the rate of interest is 1.5%.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 14 Borrowings (continued)

#### 14.2 Finance Lease Obligations

	Group 31 Mar 2019 £000	Trust 31 Mar 2019 £000	Group 31 Mar 2018 £000	Trust 31 Mar 2018 £000
<b>Gross Lease Liabilities</b>	<b>1,287</b>	<b>1,287</b>	<b>1,475</b>	<b>1,475</b>
<i>Of which liabilities are due:-</i>				
- Not later than one year	126	126	164	164
- Later than one year and not later than five years	606	606	605	605
- Later than five years	555	555	706	706
Finance charges allocated to future periods	(163)	(163)	(216)	(216)
<b>Present value of lease payable</b>	<b>1,124</b>	<b>1,124</b>	<b>1,259</b>	<b>1,259</b>
<b>Net Lease Liabilities</b>				
- Not later than one year	95	95	118	118
- Later than one year and not later than five years	503	503	483	483
- Later than five years	526	526	658	658
	<b>1,124</b>	<b>1,124</b>	<b>1,259</b>	<b>1,259</b>

The £1,124k obligation under finance leases in the Trust arises from the MRI scanner capital scheme.

There is no contingent rent payable in the lease. The Trust has an option to purchase the equipment at the end of the lease period (September 2027). There are no restrictions imposed by the lease arrangements.

#### 14.3 Reconciliation of liabilities arising from financing activities

	Loans from DHSC £000	Finance Leases £000	Total £000
<b>Carrying value at 1 April 2018</b>	<b>20,719</b>	<b>1,259</b>	<b>21,978</b>
<b>Cash movements:</b>			
Financing cash flows - payments and receipt of principal	10,212	(118)	10,094
Financing cash flows - payments of interest	(315)	(52)	(367)
<b>Non-cash movements:</b>			
Impact of implementing IFRS 9 on 1 April 2018	66	0	66
Application of effective interest rate	351	35	386
<b>Carrying value at 31 March 2019</b>	<b>31,033</b>	<b>1,124</b>	<b>32,157</b>

All loan values relate to the Foundation Trust

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 15 Provisions for liabilities and charges

	Group				Trust			
	Current		Non-Current		Current		Non-Current	
	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018
	£000	£000	£000	£000	£000	£000	£000	£000
Pensions relating to former directors	8	8	88	102	8	8	88	102
Pensions relating to other staff	30	32	62	61	30	32	62	61
Other legal claims	42	99	0	0	42	99	0	0
Restructuring	1	447	0	0	1	447	0	0
Other	33	31	154	183	33	31	154	183
<b>Total</b>	<b>114</b>	<b>617</b>	<b>304</b>	<b>346</b>	<b>114</b>	<b>617</b>	<b>304</b>	<b>346</b>

#### Provision for liabilities and charges

	Total	Pensions - former directors	Pensions - other staff	Other legal claims	Equal pay claims	Re-structuring	Other
	£000	£000	£000	£000	£000	£000	£000
<b>At 1 April 2018</b>	<b>963</b>	103	100	99	0	447	214
Change in the discount rate	(3)	(1)	(1)	0	0	0	(1)
Arising during the year	57	3	23	25	0	0	6
Utilised during the year	(123)	(8)	(32)	(50)	0	0	(33)
Reversed unused	(478)	0	0	(32)	0	(446)	0
Unwinding of discount	2	0	1	0	0	0	1
<b>At 31 March 2019</b>	<b>418</b>	<b>97</b>	<b>91</b>	<b>42</b>	<b>0</b>	<b>1</b>	<b>187</b>

#### Expected timing of cash flows:

- not later than one year;	114	8	30	42	0	1	33
- later than one year and not later than five years;	225	33	61	0	0	0	131
- later than five years.	79	55	1	0	0	0	23
<b>Total</b>	<b>418</b>	<b>96</b>	<b>92</b>	<b>42</b>	<b>0</b>	<b>1</b>	<b>187</b>

All provisions for liabilities and charges relate to the Foundation Trust.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 15 Provisions for liabilities and charges (continued)

Provisions relating to pensions are based on estimates of costs received from NHS Pensions. The timing of cash flows is unlikely to vary significantly as long as the pensions concerned continue to be drawn. The current discount rate is 0.29% (2017/18 - 0.10%). The impact of the change is shown in the provisions for liabilities and charges note on the previous page.

The other legal claims against the Trust are expected to be largely settled in 2018/19. The total of £42,993 relates exclusively to outstanding claims concerning the costs of risk pooling for non-clinical claims.

The other provision relates to estimated costs for injury benefits amounting to £187,537. The amounts due have been discounted to their present value using the pensions discount rate which is currently 0.29% (2017/18 - 0.10%).

A previously provided provision to fund an operational service restructure has been reversed in year as it was no longer required.

#### 15.1 Clinical negligence liabilities

	31 Mar 2019	31 Mar 2018
	£000	£000
Amount included in provisions of the NHS Resolution at 31 March in respect of clinical negligence liabilities of South Tyneside NHS Foundation Trust	88,676	93,974

### 16 Contingent liabilities

	Group	Trust	Group	Trust
	31 Mar 2019	31 Mar 2019	31 Mar 2018	31 Mar 2018
	£000	£000	£000	£000
Value of contingent liabilities -				
Other	(37)	(37)	(61)	(61)
<b>Net value of contingent liabilities</b>	<b>(37)</b>	<b>(37)</b>	<b>(61)</b>	<b>(61)</b>

The Trust cannot accurately determine the eventual liability arising from risk pooling for non-clinical claims, and therefore has included a contingent liability of £36,993. All claims are expected to be settled within 12 months.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 17 Cash and cash equivalents

	Group 31 Mar 2019 £000	Trust 31 Mar 2019 £000	Group 31 Mar 2018 £000	Trust 31 Mar 2018 £000
<b>At 1 April</b>	<b>12,628</b>	<b>12,006</b>	6,162	5,800
Net change in year	1,511	1,603	6,466	6,206
<b>At 31 March</b>	<b>14,139</b>	<b>13,609</b>	12,628	12,006
<b>Broken down into:</b>				
Cash at commercial banks and in hand	554	24	657	35
Cash with Government Banking Services	13,585	13,585	11,971	11,971
<b>Cash and cash equivalents as in Statement of Financial Position</b>	<b>14,139</b>	<b>13,609</b>	12,628	12,006
<b>Cash and cash equivalents as in statement of cash flows</b>	<b>14,139</b>	<b>13,609</b>	12,628	12,006

### 18 Capital commitments

Commitments under capital expenditure contracts at the Statement of Financial Position date were £7,859,582 (2017/18 £6,398,846).

	31 Mar 2019 £000	31 Mar 2018 £000
PPE commitments:		
Energy Centre	943	5,998
Global Digital Exemplar	951	
EMIS Community	678	
Wi-fi		38
Other	19	362
<b>PPE Total</b>	<b>2,591</b>	<b>6,398</b>
Intangible commitments		
Global digital exemplar	5,268	0
<b>Total capital commitments</b>	<b>7,859</b>	<b>6,398</b>

All commitments relate to the Foundation Trust. There are no capital commitments in the other entities within the group.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 19 Related party transactions

South Tyneside NHS Foundation Trust is a public benefit corporation authorised by the Independent Regulator for Foundation Trusts ('Monitor') under section 35 of the National Health Service Act 2006.

The Department of Health and Social Care is the parent and ultimate controlling party of the Trust and its subsidiaries.

During the year none of the Board Members, Governors or members of the key management staff or parties related to them has undertaken any material transactions with South Tyneside NHS Foundation Trust, with the exception of those listed below:

Iain Malcolm, Non-Executive Director of South Tyneside NHS Foundation Trust is the Leader of South Tyneside Council. The group had income in the year from South Tyneside Council of £7,839,000. The main sources of income are 0-19 community services and contracts for the provision of services from Haven Court.

The Department of Health is regarded as a related party. During the year South Tyneside NHS Foundation Trust had income of £2,003,000 from the Department of Health and Social Care to fund the agenda for change pay uplift. The Trust also had significant transactions with other entities for which the Department is regarded as the parent Department. These entities, along with the transactions and balances, are listed on the following page.

The Trust has also received revenue and capital payments from the South Tyneside Trust General Charitable Fund, for which the Trust is a corporate trustee and members of the Board of Directors are trustees. Revenue and capital payments made by the Charity in relation to the Trust amounted to £92,000 (2017/18 £210,063) and the Trust had a debtor balance with the charity of £65,615 (2017/18 £180,848) as at 31 March 2019.

In 2016/17 the Trust entered into an Alliance with City Hospitals Sunderland NHSFT. As a result of this a single Executive/Management team has been implemented. The Trust had income in the year with City Hospitals Sunderland NHSFT of £3,007,403 (2017/18 £1,192,666) largely related to Service Level Agreements for Urology, Oral Surgery and Vascular services and recharges for Executive Team and other senior staff. Expenditure with City Hospitals Sunderland was £4,450,179 (2017/2018 £2,887,677) and mainly related to recharges for the Executive team and other senior staff, charges for MSK, Medical Physics, ENT, Community Dental and Ophthalmology services.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 19 Related party transactions (continued)

#### 19.1 Related party transactions and balances Group 2018/19

Related party	Income £000	Expenditure £000	Receivable £000	Payable £000
NHS South Tyneside Clinical Commissioning Group	99,873	0	859	590
NHS Sunderland Clinical Commissioning Group	31,584	0	960	246
NHS Newcastle Gateshead Clinical Commissioning Group	6,838	0	75	0
NHS Durham Dales, Easington and Sedgefield Clinical Commissioning Group	721	0	262	0
NHS Hartlepool and Stockton-on-Tees CCG	35	0	8	0
NHS North Durham Clinical Commissioning Group	224	0	88	0
NHS North Tyneside Clinical Commissioning Group	108	0	47	0
NHS Northumberland CCG	85	0	22	0
Department of Health and Social Care	2,003	0	0	0
NHS England	21,149	305	8,812	297
Health Education England	3,919	0	15	0
NHS Resolution (formerly NHS Litigation Authority)	0	4,734	0	11
Care Quality Commission	0	141	0	0
NHS Business Services Authority	0	0		93
NHS Property Services Limited	0	4,388	33	2,579
Other NHS and Department of Health	250	56	264	64
<b>Total Commissioners and Department of Health</b>	<b>166,789</b>	<b>9,624</b>	<b>11,445</b>	<b>3,880</b>
City Hospitals Sunderland NHS Foundation Trust	1,325	2,662	1,045	3,319
Gateshead Health NHS Foundation Trust	552	3,450	245	563
Northumberland Tyne and Wear NHS Foundation Trust	477	211	479	118
Northumbria Healthcare NHS Foundation Trust	567	91	136	89
The Newcastle upon Tyne Hospitals NHS Foundation Trust	520	485	51	467
County Durham and Darlington NHS Foundation Trust	68	17	78	14
North Tees and Hartlepool NHS Foundation Trust	13	32	5	13
Other NHS Providers	24	83	10	68
<b>Total NHS Providers</b>	<b>3,546</b>	<b>7,031</b>	<b>2,049</b>	<b>4,651</b>
South Tyneside Council	7,839		327	195
Gateshead Council	2,376		13	
Newcastle City Council	123		93	
Sunderland City Council		146		182
Other Local Government	2,084		66	108
<b>Total Local Government</b>	<b>12,422</b>	<b>146</b>	<b>499</b>	<b>485</b>
NHS Pension Scheme		11,616		1,489
HMRC		10,354	192	2,506
Department of Work and Pensions	373		0	
NHS Blood and Transplant		487		0
NHS Professionals		68		1,137
Other WGA	4	39		40
<b>Total Other Whole of Government Bodies</b>	<b>377</b>	<b>22,564</b>	<b>192</b>	<b>5,172</b>
<b>Totals</b>	<b>183,134</b>	<b>39,365</b>	<b>14,185</b>	<b>14,188</b>

The following, who are not employees of South Tyneside NHS Foundation Trust, are appointed to the Council of Governors to represent their organisations:

Stephen Clark, Director of Public Health, South Tyneside Clinical Commissioning Group (until 14 March 2019)  
 Allyson Stewart, Voluntary Services - South Tyneside  
 Stephen Taylor, Durham University – School of Medicine and Health  
 Joyce Welsh - South Tyneside Borough Council  
 Kelly Chequer - Sunderland City Council (from 12 June 2018)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 19 Related party transactions (continued)

## 19.1 Related party transactions and balances 2018/19 Group (continued)

The Trust had executory contracts with the following related parties at 31 March 2019

Related party	Income £000	Main contract description	Expenditure £000	Main contract description
South Tyneside Clinical Commissioning Group	98,410	Healthcare services	0	
Sunderland Clinical Commissioning Group	30,142	Healthcare services	42	Recharge of staff
Gateshead Clinical Commissioning Group	6,600	Healthcare services	0	
Durham, Dales, Easington & Sedgefield Clinical Commissioning Group	315	Healthcare services	0	
NHS England	10,701	Specialist services, Child Health Records, Retinal Screening, Flu Immunisation and Community Dental	0	
NHS North of England CSU	48	Occupational Health	466	IM&T and Telecommunication support
NHS Property Services Limited	0		4,204	Lease of community buildings
City Hospitals Sunderland NHS Foundation Trust	1,093	Urology, Vascular, Audiology and Oral Surgery Facilities SLA	3,396	Dental sessions, ENT, ophthalmology, medical physics and oral surgery
Gateshead Health NHS Foundation Trust	427	Bowel Cancer Screening and Microbiology	3,421	Pathology testing dental, microbiology
North East Ambulance NHS Foundation Trust	16	Linen services		Dermatology and plastic surgery
Northumberland Tyne and Wear NHS Foundation Trust	418	Facilities	211	Internal Audit Services, Psychology support for Stroke patients
The Newcastle upon Tyne Hospitals NHS Foundation Trust	42	ENT and Ophthalmology	485	Oncology, Maternity pathway services
Northumbria Healthcare NHS Foundation Trust	678	Immunisations	1,348	Oracle Financials support and Recharges re Medical and Dental Trainees
Health Education England	4,244	LDA		
South Tyneside Council	7,451	Sexual Health Services, School Nursing and Health Visiting	719	Rates and room hire
Gateshead Council	2,356	Sexual Health Services, School Nursing and Health Visiting	9	Lease of community buildings
Sunderland City Council	1,892	School Nursing and Health Visiting	55	Provision of teaching staff into CAMHS service, rates
NHS Professionals			4,483	Supply of bank staff
NHS Resolution	0		4,762	CNST, LTPS and PES
NHS Blood and Transplant Authority	0		487	Blood and blood products
Care Quality Commission	0		141	CQC Inspection
<b>Totals</b>	<b>164,833</b>		<b>24,229</b>	

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 19 Related party transactions (continued)

#### 19.2 Related party transactions and balances Group 2017/18

Related party	Income £000	Expenditure £000	Receivable £000	Payable £000
NHS South Tyneside Clinical Commissioning Group	99,490	0	147	466
NHS Sunderland Clinical Commissioning Group	31,196	32	529	18
NHS Newcastle Gateshead Clinical Commissioning Group	7,000	0	52	0
NHS Durham Dales, Easington and Sedgfield Clinical Commissioning Group	435	0	109	0
NHS North Durham Clinical Commissioning Group	145	0	45	0
NHS North Tyneside Clinical Commissioning Group	119	0	29	0
NHS Other Clinical Commissioning Groups	406	0	93	0
Department of Health and Social Care	0	5	1	0
NHS England	13,690	471	1,859	476
NHS Resolution (formerly NHS Litigation Authority)	0	5,385	0	2
Public Health England	5	27	0	1
Health Education England	4,399	0	0	0
NHS Property Services Limited	10	4,116	15	4,067
Other NHS & DH bodies	1	6	0	1
<b>Total Other NHS and Department of Health</b>	<b>156,896</b>	<b>10,042</b>	<b>2,879</b>	<b>5,031</b>
City Hospitals Sunderland NHS Foundation Trust	1,193	2,888	560	258
Gateshead Health NHS Foundation Trust	676	3,397	259	348
North East Ambulance NHS Foundation Trust	16	15	0	0
Northumberland Tyne and Wear NHS Foundation Trust	490	193	134	137
Northumbria Healthcare NHS Foundation Trust	499	119	109	23
The Newcastle upon Tyne Hospitals NHS Foundation Trust	551	347	56	245
County Durham and Darlington NHS Foundation Trust	0	31	3	4
North Tees and Hartlepool NHS Foundation Trust	0	39	0	3
Other NHS Providers	0	93	2	15
<b>Total NHS Providers</b>	<b>3,425</b>	<b>7,122</b>	<b>1,123</b>	<b>1,033</b>
South Tyneside Council	8,199	12	202	0
Gateshead Council	5,524	24	2	0
Sunderland City Council	7,558	123	739	0
Other Local Government	239	0	80	0
<b>Total Local Government</b>	<b>21,520</b>	<b>159</b>	<b>1,023</b>	<b>0</b>
NHS Pension Scheme	0	12,488	0	1,634
HMRC	0	11,022	248	2,539
NHS Blood and Transplant Authority	11	424	0	6
Care Quality Commission	0	152	0	0
Other WGA	17	110	0	511
<b>Total Other WGA Bodies</b>	<b>28</b>	<b>24,196</b>	<b>248</b>	<b>4,690</b>
<b>Totals</b>	<b>181,869</b>	<b>41,519</b>	<b>5,273</b>	<b>10,754</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 20 Financial instruments

IFRS 7, Financial Instruments: Disclosures, requires disclosure of the role that financial instruments have had during the year in creating or changing the risks an entity faces in undertaking its activities. Financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS 7 mainly applies.

#### Credit risk

Because of the continuing service provider relationship that the NHS Foundation Trust has with local commissioning bodies and the way those bodies are financed, the NHS Foundation Trust is not exposed to the degree of financial risk faced by other business entities.

No collateral is held as security and there are no other credit enhancements.

The carrying value of financial instruments held by the Foundation Trust is equal to their fair value and as such this represents the maximum exposure to risk as at the operating date.

The NHS Foundation Trust has the freedom to borrow funds and can invest surplus funds in accordance with NHS Improvement's guidance on Managing Operating Cash. This includes strict criteria on permitted institutions, including credit ratings from recognised agencies. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to manage the risks facing the NHS Foundation Trust in undertaking its activities.

Financial assets held by the NHS Foundation Trust are made up of cash and other cash equivalents and trade receivables. As the majority of these trade receivables are due from related parties (mainly commissioning bodies) the NHS Foundation Trust expects that all non-impaired financial instruments are fully recoverable.

For all financial assets measured at amortised cost the NHS Foundation Trust recognises a loss allowance representing expected credit losses on the financial instruments.

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

Expected credit losses are the probability weighted losses expected from credit loss events occurring within a defined period. The defined period is the previous year end as at the 31 March 2019, in this instance the invoices raised in 2017/18. For each transaction it is assessed how much of the invoices was paid within 12 months and categorised in the following way:

- 100%
- Between 75% and 100%
- Between 50% and 75%
- Between 25% and 50%
- Between 0% and 25%
- Zero percent

A weighted average of these is then applied to all relevant outstanding invoices as at the end of 31 March 2019

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 20 Financial instruments (continued)

When estimating lifetime expected credit losses in relation to ICR receivables, the GAM instructs NHS providers to include an amount within the credit loss allowances and contract receivables to reflect income that is not expected to be recoverable. Each year, the Compensation Recovery Unit (CDU) advises a percentage probability of not receiving the income. The updated figure for 2018/19 is 21.89%. This figure is used to calculate the expected credit losses of the accrued ICR revenue.

HM Treasury has ruled that central government bodies may not recognise stage 1 or stage 2 impairments against other government departments, their executive agencies, the Bank of England, Exchequer Funds and Exchequer Funds' assets where repayment is ensured by primary legislation. The Group therefore does not recognise credit 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 arms length bodies and NHS bodies (excluding NHS charities) and therefore Group does not recognise loss allowance 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 the statement of comprehensive income as an impairment loss or gain.

#### Liquidity risk

The NHS Foundation Trust's net operating costs are incurred under legally binding contracts with local commissioning bodies, which are financed from resources voted annually by Parliament.

The newly formed South Tyneside and Sunderland NHS Foundation Trust is planning to deliver a balanced financial position for 2019/20 and is not currently planning to require any interim cash support.

#### Market risk

The Trust has minimal exposure to market risk. The Trust's financial liabilities carry nil or fixed rates of interest. Cash balances are held in interest bearing accounts for which the interest rate is linked to bank base rates and changes are notified to the Trust in advance. The Trust is not, therefore, exposed to significant interest-rate risk.

#### 20.1 Carrying values of financial assets

	<b>Group</b>	<b>Trust</b>
	<b>31 Mar 2019</b>	<b>31 Mar 2019</b>
	<b>Held at</b>	<b>Held at</b>
	<b>amortised cost</b>	<b>amortised cost</b>
	<b>£000</b>	<b>£000</b>
<b>Carrying values of financial assets as at 31 March 2019 under IFRS 9</b>		
Trade and other receivables excluding non financial assets	<b>15,876</b>	<b>16,607</b>
Cash and cash equivalents	<b>14,139</b>	<b>13,609</b>
<b>Carrying values of financial assets as at 31 March 2019 under IFRS 9</b>	<b>30,015</b>	<b>30,216</b>
	<b>Group</b>	<b>Trust</b>
	<b>31 Mar 2018</b>	<b>31 Mar 2018</b>
	<b>Held at</b>	<b>Held at</b>
	<b>amortised cost</b>	<b>amortised cost</b>
	<b>£000</b>	<b>£000</b>
<b>Carrying values of financial assets as at 31 March 2018 under IAS 39</b>		
Trade and other receivables excluding non financial assets	<b>7,040</b>	<b>8,510</b>
Cash and cash equivalents	<b>12,628</b>	<b>12,006</b>
<b>Carrying values of financial assets as at 31 March 2018 under IAS 39</b>	<b>19,668</b>	<b>20,516</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 20 Financial instruments (continued)

#### 20.2 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.

	<b>Group</b> <b>31 Mar 2019</b> <b>Held at</b> <b>amortised</b> <b>cost</b> <b>£000</b>	<b>Trust</b> <b>31 Mar 2019</b> <b>Held at</b> <b>amortised</b> <b>cost</b> <b>£000</b>
<b>Carrying values of financial liabilities as at 31 March 2019 under IFRS 9</b>		
Loans from the Department of Health and Social Care	31,033	31,033
Obligations under finance leases	1,124	1,124
Trade and other payables excluding non financial liabilities	21,050	20,529
Provisions under contract	375	375
<b>Total at 31 March 2019</b>	<b>53,582</b>	<b>53,061</b>

	<b>Group</b> <b>31 Mar 2018</b> <b>Held at</b> <b>amortised cost</b> <b>£000</b>	<b>Trust</b> <b>31 Mar 2018</b> <b>Held at</b> <b>amortised</b> <b>cost</b> <b>£000</b>
<b>Carrying values of financial liabilities as at 31 March 2018 under IAS 39</b>		
Loans from the Department of Health and Social Care	20,719	20,719
Obligations under finance leases	1,259	1,259
Trade and other payables excluding non financial liabilities	16,500	16,386
Provisions under contract	865	865
<b>Total at 31 March 2018</b>	<b>39,343</b>	<b>39,229</b>

#### 20.3 Maturity of financial liabilities

	<b>Group</b> <b>31 Mar 2019</b> <b>£000</b>	<b>Trust</b> <b>31 Mar 2019</b> <b>£000</b>
In one year or less	25,956	25,435
In more than one year but not more than two years	3,472	3,472
In more than two years but not more than five years	19,132	19,132
In more than five years	5,022	5,022
<b>Total</b>	<b>53,582</b>	<b>53,061</b>



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 20 Financial instruments (continued)

#### 20.4 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 £66k and trade payables correspondingly reduced.

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 £464k.

#### 20.5 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).

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****21 Losses and special payments**

There were 39 cases of losses and special payments totalling £77,312 (2017/18 - 104 cases totalling £123,458). These amounts are reported on an accruals basis.

	<b>31 Mar 2019</b>	<b>31 Mar 2019</b>	31 Mar 2018	31 Mar 2018
	<b>Number</b>	<b>£000</b>	Number	£000
<b>Losses</b>				
Cash losses	2	1	1	0
Bad debts and claims abandoned	1	2	56	21
Stores losses and damage to property	12	43	13	56
	<b>15</b>	<b>46</b>	<b>70</b>	<b>77</b>
<b>Special Payments</b>				
Compensation under legal obligation	13	28	15	41
Ex gratia payments	11	3	19	6
Special severance payments	0	0	0	0
	<b>24</b>	<b>31</b>	<b>34</b>	<b>47</b>
<b>Total</b>	<b>39</b>	<b>77</b>	<b>104</b>	<b>124</b>

There were no clinical negligence cases where the net payment exceeded £100,000.

There were no fraud cases where the net payment exceeded £100,000.

There were no personal injury cases where the net payment exceeded £100,000.

There were no compensation under legal obligation cases where the net payment exceeded £100,000.

There were no fruitless payment cases where the net payment exceeded £100,000.

All losses and special payments were in relation to the Foundation Trust.

**22 Third party assets**

The Trust held £0 cash at bank and in hand at 31 March 2019 (2017/18 - £1,513) which relates to monies held by the NHS Foundation Trust on behalf of patients. This has been excluded from cash at bank and in hand figure reported in the financial statements.

**23 Loans to subsidiaries**

During the year ended 31 March 2017 the Trust approved a loan of £920,000 over 10 years to STFT Holdings Limited. The interest rate on the loan is 3.9%. To date £700,100 has been drawdown and £147,368 of the principal has been repaid.

The Trust also approved a loan of £350,000 to South Tyneside Integrated Care Limited during the year ended 31 March 2017. This loan is also repayable over 10 years with an interest rate of 3.9%. To date £350,000 has been draw down and principal of £73,663 has been repaid.

**24 Carbon reduction commitment energy efficiency (CRC) scheme**

The CRC scheme is a mandatory cap and trade scheme for non-transport CO<sub>2</sub> emissions. Where NHS Foundation Trusts are registered with the CRC scheme they are required to surrender to the government an allowance for every tonne of CO<sub>2</sub> emitted during the financial year. Therefore, registered NHS Foundation Trusts should recognise a liability (and related expense) in respect of this obligation as CO<sub>2</sub> emissions are made.

The carrying amount of the liability at 31 March 2019 will therefore reflect the CO<sub>2</sub> emissions that have been made during that financial year.

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **24 Carbon reduction commitment energy efficiency (CRC) scheme (continued)**

The liability is measured at the amount expected to be incurred in settling the obligation. This is the cost of the number of allowances/tonnes required to settle the obligation, being £18.30 (2017/18 £17.70) per allowance/tonne. The Trust has included an accrual in the financial statements at 31 March 2019 of £122,200 in relation to this obligation.

### **25 Events after the reporting date**

On the 1 April 2019 South Tyneside NHS Foundation Trust and City Hospitals Sunderland NHS Foundation Trust merged, creating the new Foundation Trust; South Tyneside and Sunderland NHS Foundation Trust. The changes to organisational structures arising from the transaction will be accounted as a Machinery of Government change and therefore would not impact the Going Concern status of the entity or require any of the Trust's activities to not be considered as 'continuing'.

There were no other events following the Statement of Financial Position date, either requiring disclosure, or resulting in a change to the financial statements of the Trust or the Group.



