NHS

Southend University Hospital

NHS Foundation Trust

ANNUAL REPORT & ACCOUNTS **2017/18**

Southend University Hospital NHS Foundation Trust

Annual Report and Accounts 2017 - 2018

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

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1. Annual Report introduction

1.1 Foreword by Chief Executive Clare Panniker and Chairman Alan Tobias OBE

In common with acute Trusts across the country and our partners in mid and south Essex, we have faced pressure throughout the year with continued increase in demand for our urgent and emergency care services, and financial challenges that need to be addressed across the health and care system. However, we have been pleased by the continued positive developments and feedback from our patients, despite the challenges we have faced.

The opening of our state-of-the-art, £1 million keyhole operating theatre, with £500,000 of laparoscopic equipment paid for through charitable donations, cemented our position as cancer centre for Essex and allows our surgeons to perform the latest and most complex keyhole procedures for patients undergoing cancer and general surgery.

In addition, following national peer review in January 2018, our Trust has now received confirmation of our formal designation as the Specialist Cancer Centre for Kidney, Bladder and Prostate care for Essex, a fantastic outcome achieved through the hard work and dedication of the teams involved in the project for more than 18 months.

In December 2017 the CQC undertook a formal inspection; informal feedback was positive and highlighted the quality of care observed during the visit. The formal report and rating was received in April and gave the Trust a strong 'Requires Improvement' rating. The Trust was rated as 'Good' in the separately assessed well led domain.

We have seen a continued year-on-year increase in our emergency demand. A&E attendances at Southend University Hospital increased from 100,954 in 2016/17 to 101,730 in 2017/18.

As with last year, the 'winter pressures' did not abate during the summer of 2017 and we experienced unprecedented levels of demand during the winter months into 2018. Although our performance against the four-hour A&E target showed improvement in 2017, the increased demand did affect our ability to maintain the standard we had worked hard to achieve.

Maintaining the flow of patients through the hospital, while continuing to provide safe and high quality care, is central to meeting the challenges of these demands. Our staff have worked closely with health and social care partners at our Clinical Commissioning Groups (CCGs) and local authorities to successfully minimise delayed transfers of care (DToCs), but considerable efforts are on-going to ensure consistent early and safe discharges of patients to free beds for emergency admissions. Our onsite GP streaming service and Hospital2Home team support us in safely discharging medically fit patients.

Managing the increasing numbers of acutely unwell patients requiring emergency admission to hospital has impacted our ability to achieve the waiting time standards set out in the NHS Constitution for elective care, cancer care and diagnostic services. During 2017/18 we did not meet the agreed level of performance against some of these standards as detailed in Section 4, Quality Report, but have been in frequent contact with our regulators to give assurance on our progress against the trajectories set for us.

While we are continuing to work collaboratively with colleagues across health and social care locally, the challenge of balancing demand for urgent and emergency care with our commitment to meeting standards for treating patients requiring elective surgery and patients with cancer reinforces the need to continue work already underway to transform the way we provide services as a system.

On behalf of the Board, we would like to pay tribute to all of our staff who have contributed to maintaining our patients' safety and providing high quality under the exceptional pressures we have experienced this year.

The Trust achieved its Control Total for 2017/18 (effectively the amount we are permitted to spend, as set by our Regulators) with an underlying position that was approximately £1.4m favourable to plan (the Pre-STF Control Total) and ended the year with an agreed deficit of £20.9m entitling us to receive Sustainability and Transformation (STF) monies from NHS Improvement. STF funds are an incentive for meeting the control total and/or certain access targets.

Our Cost Improvement programme finished £0.1m ahead of plan delivering £8.9m of savings, and the Capital programme spent £16.3m and Cash balances finished the year at £18.9m.

It has become increasingly clear in recent years with most NHS commissioners and providers in recurrent financial deficit, as well as other systemic problems such as shortages in the clinical workforce, that the NHS requires fundamental change if it is to be clinically and financially sustainable. We have seen the need for this at Southend with the ongoing increase in demand for care at levels which, ten years ago, were only experienced in winter.

It has been estimated that without transformational change, the current financial deficits in Mid and South Essex are likely to rise significantly in the coming years. If this happens, then the local NHS would be unable to meet year-on-year growth in demand for our services. These increases in demand, coupled with the chronic staff shortages and the financial deficits are amongst the key risks to the Trust achieving its short and long term objectives.

The Mid and South Essex Sustainability and Transformation Partnership (STP), formerly known as the Success Regime, has the overarching aim of restoring the health and social care system to financial balance within the next five years by delivering the best joined up, evidence-based and personalised care for patients. It incorporates six priority areas in which to accelerate change to sustain local services and improve care.

These include increasing collaboration and service redesign across the three acute trusts (Southend University Hospital NHS Foundation Trust, Basildon and Thurrock University Hospitals NHS Foundation Trust and Mid Essex Hospital Services NHS Trust), utilising a flexible workforce that can work across organisational and geographic boundaries (minimising the impact of staff shortages); accelerating plans for change in urgent and emergency care such as doing more to help people avoid health problems and to get help at the right time, developing centres of excellence; developing joined-up community services around defined localities or hubs; and simplifying commissioning to reduce the associated transaction costs.

Following an extensive period of engagement with clinical leaders, staff, partner organisations, regulators and other internal and external stakeholders over a near two year period, a pre-consultation business case (PCBC) for the transformation of clinical services across the Mid and South Essex STP was developed. This was formally assessed by NHS England as being suitably robust for a public consultation and approved by the Joint Committee of the five CCGs in the STP area. The public consultation took place from 30 November 2017 to 23 March 2018. The outcome will be systematically analysed and proposals for service change will be presented to the CCG Joint Committee for decision before the end of 2018. Pending approval, patients will start to see changes being implemented towards the end of 2018/19 and then in earnest in 2019/20.

In January 2018, the Boards of the three acute trusts agreed to progress a formal merger, subject to regulatory approval. Whilst this decision is separate from the consultation and decisions around clinical transformation, the Trust Boards are clear that a merger, leading to a single acute trust in Mid and South Essex, will bring specific benefits to patients and to staff. Our target timescale for establishing a new merged organisation is 1 April 2019. Over the forthcoming year, there will be extensive engagement and involvement with our staff and our Governors to design an organisation which will be in the best place to deliver the benefits arising from clinical change.

The collaborative working that the three trusts have been undertaking since early 2016 has taken us to a point where we can deliver more joined-up care which crosses organisational and geographic boundaries. We would like to commend the professionalism and commitment to partnership working in the interests of patients which continues to be shown by colleagues here at Southend and those at Mid Essex and Basildon Hospitals.

This year has seen an embedding and on-going development of a joint executive team. This team was established in February 2017 to provide executive leadership to the three acute trusts in Mid and South Essex. Further detail on the joint executives can be found in Section 3.1, Director's Report.

In order to provide additional resilience within the joint executive team, a Deputy Chief Executive role was created during 2017/18 as an enhancement to an existing executive position. Tom Abell, Chief Transformation Officer, was appointed as Deputy Chief Executive in July 2017.

Carin Charlton left her position as Chief Estates and Facilities Officer in December 2017. We were pleased to welcome Paul Kingsmore who is fulfilling this position on an interim basis.

We would like to thank all our executive and non-executive Board members, as well as our site leadership team, led by Managing Director Yvonne Blücher, for their commitment, support and flexibility during this year of significant operational pressure and of progress towards transformational change.

We must pay tribute to our former NED and governor Ron Kennedy who sadly passed away in January 2018 for his enormous contribution to both the hospital and the local community. We are glad that we were able to honour his 12 years of service to the hospital through the presentation of a lifetime achievement award at our 2016 Hospital Heroes award, where Ron received a deserved ovation from colleagues in attendance.

As we go into 2018/19 we welcome the opportunities ahead to build closer working relationships with our colleagues at Basildon and Mid Essex, and to continue improving clinical services for the people of mid and south Essex.

Last but certainly not least, as always, we take this opportunity to recognise the passion, commitment and support of our staff and volunteers without whom we could not provide the care with compassion that sits at the centre of our values.

We hope you enjoy reading our annual report and should you wish to get involved with any aspect of Trust life, please contact our communications team communications@southend.nhs.uk

Clare Panniker
Chief Executive
Date: 29 May 2018

Alan Tobias OBE
Chairman
Date: 29 May 2018

2. Performance Report

2.1 Overview of performance

The purpose of this overview section is to provide a short summary containing sufficient information for readers of the Annual Report and Accounts to understand the Trust, its purpose, the key risks to the achievement of its objectives and how it has performed during 2017/18.

2.1.1 Statement from Chief Executive on 2017/18 performance

Throughout 2017/18, performance against the three key national standards, Accident and Emergency (A&E) 4-hour target, cancer 62-day target and 18-week referral to treatment (RTT) target has been exceptionally challenging.

We have seen a slight increase in emergency care demand with a 0.59% increase (from 100,455 to 101,044) in attendance to our A&E department compared to last year. Elective care for 2017/18 was 56,150 compared to 56,742 in 2016/17.

2017/18 has been a challenging and yet successful year having had the opportunity to support the emergency care pathway with a number of innovative and enhanced models of delivery. Building on the new care pathways developed in the previous financial year we have extended our primary care support in A&E through our primary care streaming model as well as implementing delivery mechanisms focussing on safely expediting patient journeys through A&E.

We continue to offer direct specialist access to GP referred patients and continue our work in expanding our ambulatory care service. This year saw the launch of a significant number of ambulatory pathways which ultimately has led to improved patient flow, less patients being admitted to hospital and more patients having focussed intervention before returning back home.

Significant workforce gaps have once again impacted our overall position and whilst those gaps are being reduced through recruitment we continue to have an improving picture in regards to our retention strategies across the Trust.

Quarter 3 and 4 saw a significant shift in dependency and acuity in A&E attendance leading to a rise in conversion to inpatient stay. This in turn led to an increase in our overall average length of stay. Collaborative partnership working aimed to get patients home to their families without delaying in hospital as frequently as possible.

As our length of stay, acuity and dependency increased our main medical wards had a significant shortage in capacity. This in turn led to an increase in medical outliers and the opening of additional escalation beds. The hospital in turn adopted new escalation processes enabling the safer distribution of patients throughout the site and thus supported patient safety at times of highest demand.

Consequently the above combined with the national directive on the cancellation of planned elective activity has led to a deteriorating RTT position, due to a lack of bed capacity and cancellations of clinics.

Compliance with the cancer 62-day standard has not been achieved due to high numbers of late referrals from tertiary centres and neighbouring trusts and a lack of capacity within some specialities to meet the demand.

Specifically, the urology pathway and volume of patients has had the biggest impact on performance against this standard, with it taking a full day to operate on one patient in many urology cases.

Work to understand the capacity needed for the number of patients referred to the Trust has been undertaken during the year and we have increased theatre lists and outpatient appointments.

We have made it possible for GPs to book all patients' first appointments electronically and have refined the RTT referral pathways for GPs. This allowed us to get patients booked into the most appropriate clinic first time.

2.1.2 Introduction to the Trust

The hospital was officially opened in 1932 and was authorised as a Foundation Trust in 2006. Foundation status gives us more control over how we spend our money and plan our services. We remain firmly part of the NHS and are subject to NHS standards, performance ratings and inspections. The Trust is regulated and licensed by NHS Improvement, the independent regulator of foundation trusts and is registered with the Care Quality Commission (CQC) for the services we provide.

Based on mid-2017 population estimates, Southend-on-Sea, Rochford and Castle Point have a combined population of 355,200, which represents 24.1% of the population of Essex. The Trust serves this population for general acute services and is the largest employer in the Southend area, with a workforce of over 4,500 staff.

Excluding the London boroughs, Southend-on-Sea is the 10th most densely populated area in the UK. In common with many other areas, population projections demonstrate that there is likely to be a significant growth in the number of older people in the years to come.

The population of Essex is projected to grow from 1.47m in 2018 to 1.59m in 2028 whilst the combined population of Southend-on-Sea, Rochford and Castle Point is projected to grow from 360,00 in 2018 to 384,000 in 2028.

Southend-on-Sea, Castle Point and Rochford have a higher combined percentage population over 65 years of age than the UK average, 22.3% compared to the UK average of 18%. This higher than average population cohort continues to expand on the basis of the population projections, with a combined area percentage of 25% projected in 2026 and 28.6% projected in 2036.

The most recent data show 18.5% of Southend's population, 19% of Castle Point and 17% of Rochford reported a long-term health problem or disability that limits their day-to-day activities, in comparison with a regional value of 16.7% and a rate of 17.6% in England.

From the factors described above it is clear that our local population have complex health needs and will require the support of health services more frequently. These factors combine to present a series of challenges to the Trust, in common with health providers across mid and south Essex, and we are facing these challenges in a collaborative way across the health care system as part of the mid and south Essex Sustainability and Transformation Plan (STP).

NHS Southend Clinical Commissioning Group and NHS Castle Point Clinical Commissioning Group were the Trust's main commissioners during 2017/18, with cancer services and renal dialysis commissioned by specialist commissioners, hosted by NHS England.

The Trust has a Council of Governors with local, elected public and staff governors and appointed stakeholder governors. The Council of Governors is responsible for holding the Non-Executive Directors to account for the performance of the Board and for the appointment of the Chairman and Non-Executive Directors. The Trust has a duty to consult and involve the governors in the strategic plans of the organisation. The governors act as a communications channel for our foundation trust members, ensuring their views are represented when important decisions are taken about services and the future direction of the organisation.

Southend University Hospital NHS Foundation Trust (SUHFT) provides a wide range of acute services (see Appendix 1) from the main Prittlewell Chase site and at outlying satellite clinics across the local area. It also provides specialist services to a wider population in south east Essex including cancer, stroke, aneurysm, breast screening and ophthalmology.

2.1.3 Key issues and risks

In the year 2015 the Trust published its five-year plan and outlined its strategic objectives as follows:

- Excellent patient outcomes.
- Excellent patient experience.
- Engaged and valued staff.
- Financial and operational sustainability.

The Board reviewed its Board Assurance Framework (BAF) in March 2017 and agreed the following as key risks that could affect the Trust in delivering the above objectives:

- Failure to provide adequate patient safety, quality of care and patient experience due to capacity, demand and external agency stakeholder engagement.
- Failure to meet constitutional and national performance targets.
- Trust not being financially sustainable.
- Inability to recruit and retain staff.
- Current and future estates, infrastructure and equipment does not comply with national specifications, meet service needs and/or service user needs.
- Lack of robust IT infrastructures, business continuity plans and digital defences against cyber security.
- Failure to provide effective and reliable clinical support services.
- Failing to meet CQC Health & Social Care regulations.

2.1.4 Going concern disclosure

The Board have considered the Trust's current financial position, future financial plans and associated risks and after making appropriate enquiries, the Directors have a reasonable expectation that the Trust has adequate arrangements to continue in operational existence for the foreseeable future.

Although the Trust recorded a deficit in the year, and is projecting a deficit in the year ahead, it has outperformed its control total and delivered a lower deficit in 2017/18 than the previous year. The Trust's performance and future planning is regularly discussed in detail with NHS Improvement (formerly Monitor).

Access to a revenue support loan to support the Trust's deficit has been utilised during 2017/18 and we fully anticipate the Department of Health (DoH) will continue to provide access to sufficient operating cash for the foreseeable future.

We have a dedicated Transformation/PMO team working together with the Trust to implement and deliver the efficiency savings identified. Plans for the cost improvement programme (CIP) for 2018/19 are well developed and will ensure that the Trust is well positioned to achieve its control total for next year and provide a good foundation for the following year.

The Trust is also fully involved in the regional Sustainability and Transformation Plan (Essex Success Regime) that is designed to bring the local health system back into financial balance.

For these reasons, the Board continue to adopt the going concern basis in preparing the accounts.

2.2 Performance analysis

2.2.1 Performance framework

During 2017/18, the monthly performance framework which was introduced in 2015/16 continues to be fully utilised in the Trust. A standardised reporting template is completed monthly by each directorate. This report demonstrates compliance against the CQC domains (safe, effective, caring, responsive and well led) and against financial targets.

The performance framework sets out a clear reporting line structure whereby each month the completed performance report is formally reviewed by each directorate's own board. The Site Leadership Team (SLT) receives the performance reports on a monthly basis and reviews these with the clinical director, associate director and head nurse of each directorate. This process has proved effective and enables the SLT to challenge the directorates on their performance over a wide range of measures.

The Integrated Performance Board Report, which is reviewed by the Trust Board on a quarterly basis and by the Non-Executive Directors at Board Development Days on a bi-monthly basis, is an overview and amalgamation of the performance reviews.

Table 1 shows the Trust's key performance indicators.

There are approximately 60 different measures within the performance framework report, however, there are 6 key measures that the Government requires trusts to focus on. These are:

- 18 weeks incomplete referral to treatment time (RTT)
- Cancer targets
- A&E 4-hour target
- MRSA bacteraemia
- C. diff
- Diagnostic 6-week target

Throughout 2017/18, the Trust has not consistently achieved targets or has failed for each quarter, as shown in Table 1.

Table 1: Trust performance 2017 – 2018 (Financial Year)

Measure/Indicator	Target/ Threshold	Annual Compliance	Q1	Q2	Q3	Q4
Referral to treatment time, 18 weeks in aggregate, incomplete pathways	92%	84.49%	85.86%	82.98%	84.53%	84.60%
Total time in A&E under 4 hours	95%	86.84%	92.51%	90.14%	83.98%	80.57%
Cancer 62-day waits for first treatment (from urgent GP referral)	85%	72.8%	66.8%	75.6%	79.5%	69.5%
Cancer 62-day waits for first treatment (from NHS Cancer Screening Service referral)	90%	95.1%	99.0%	92.9%	95.4%	92.3%
Cancer 31-day wait for second or subsequent treatment – surgery	94%	85.1%	88.1%	90.0%	82.4%	81.8%
Cancer 31 day wait for second or subsequent treatment – drug treatments	98%	99.5%	99.7%	99.7%	99.5%	98.9%
Cancer 31 day wait for second or subsequent treatment – radiotherapy	94%	98.3%	99.1%	99.4%	97.9%	97.1%
Cancer 31 day wait from diagnosis to first treatment	96%	95.0%	93.8%	96.9%	97.1%	92.6%
Cancer 2 week (all cancers)	93%	95.3%	95.5%	95.2%	97.2%	93.5%
Cancer 2 week (breast symptoms)	93%	93.9%	96.4%	94.4%	97.9%	88.4%
C-diff due to lapses in care	30*	33	11	5	12	5
Incidents of MRSA bacteraemia	0*	6	1	3	0	2
Diagnostic 6 weeks	99%	95.82%	90.18%	97.69%	97.07%	98.16%

*full year threshold

In conjunction with the local CCGs and agreed by the Trust's regulators, NHS Improvement and NHS England, a series of operational recovery plans and a recruitment strategy have been developed and implemented throughout the year.

The Trust has worked closely with neighbouring trusts to develop the group cancer recovery plan and has worked to agree consistent approaches to A&E GP streaming, full capacity protocols and internal escalation processes.

The CQC requirement to comply with the national safer staffing number guidance imposed in January 2016 continued to impact the number of available beds throughout 2017/18 although this has been somewhat mitigated by the Trust full adoption of our Full Capacity Protocol. This coupled with the increased level of A&E attendances and a national directive to cease the majority of the elective programme during the three months of winter has resulted in delays in treating elective routine patients. The net result of these pressures has impacted the Trust's ability to achieve some of the key national targets.

More details on the Trust's performance are available in the Quality Report in Section 4.

2.2.2 Financial Performance

The Trust was issued with an I&E Control Total of £15.5m deficit which included Sustainability & Transformation Funding (STF) of £7.7m. Receipt of the latter was conditional on achieving the pre-STF Control Total and the A&E 4-hour target. This is summarised as follows:

Pre-STF Control Total	-£23.2m deficit
Less: STF	£7.7m
Post STF Control Total	-£15.5m deficit *

*NHSI subsequently provided the Trust with a further £0.4m of STF (a residual amount of incentive bonus relating to the 2016/17 financial year) which reduced the Control Total deficit to -£15.1m to neutralise the impact. This lower value appeared on all reporting from Month 03 onwards.

The plan for 2017/18 reflected a number of financial pressures including an efficiency assumption within the national tariff of 2.0%, and some significant items of unfunded expenditure inflation (eg. increased contributions in respect of the Clinical Negligence Scheme for Trusts). It was clear that to achieve financial stability and to develop the capacity to invest in services, the Trust would need to make continuous improvements in both its basic service delivery and in the way it used its assets and resources.

A number of significant developments were funded, including the hospital out-of-hours service, the management of direct admissions, the introduction of A&E navigators in addition to a contribution towards project management for the MSB group (Mid-Essex, Southend & Basildon Trusts). Consequently, a cost improvement target was set of £8.8m which was equivalent to 3% of income and therefore higher than the underlying tariff efficiency of 2%.

Given that the Trust achieved its 2016/17 Control Total, an STF incentive and bonus of £4.5m was provided by NHSI. This was a cash receipt and was not part of the 2017/18 I&E position. The funding was ear-marked for capital schemes, namely the TeleTracking IT project and the creation of a replacement LINAC bunker to accommodate the new Linear Accelerator.

Table 2 (which is used for internal management reporting) shows the Trust's actual performance against plan.

Table 2: Trust performance against plan

Adverse variances are shown in brackets ( )	2017/18		
	Plan	Actual	Variance
	£000	£000	£000
Income	302,389	305,426	3,037
Winter Funding	-	789	789
Pay	(198,599)	(196,629)	(1,970)
Non Pay	(111,155)	(115,747)	4,592
Finacing	(14,895)	(14,728)	(167)
Pre-STF Control Total	(22,260)	(20,889)	1,371
STF Income	8,089	6,594	1,495
Post STF Control Total	(14,171)	(14,295)	(124)
Impairments /Donated Assets	(878)	(3,109)	(2,231)
STF Incentive & Bonus	-	6,412	6,412
Net Surplus / (Deficit)	(15,049)	(10,992)	4,057

In overall terms, the Trust achieved a net deficit of £10.99m which was £4.06m favourable against the plan.

It is important to emphasise that NHSI regard the Pre-STF Control Total as a more relevant indicator of operational financial performance and on this measure, the Trust was largely on plan for the majority of the year and the receipt, towards the end of the year, of winter funding (of £0.8m) enabled the Trust to finish the year £1.37m ahead of plan.

As a consequence, NHSI has notified the Trust of a non-recurring STF incentive bonus of £6.41m which can be used to fund essential capital projects in 2018/19. This is shown as a 'below the line' item, along with donated asset income and impairments of £3.24m relating to the District Valuer's revaluation of the Trust's building assets.

During the year, one of the most significant variances proved to be STF income which finished the year £1.50m adverse to plan. While the Trust attained the 70% proportion related to the achievement of the Pre-STF Control Total, it only met the A&E 4-hour target in the first two quarters of the year. In the final two quarters, severe winter pressures and increased patient acuity led to the average performance falling short of the target.

Embedded within the plan was the cost-improvement target of £8.8m which, in overall terms, was achieved in full although the schemes related to reductions in procurement and agency spend fell short of their target.

Clinical income was based on a Payment by Results contract and the actual value of activity carried out was £3.4m higher than the plan. This over-performance occurred solely on non-electives which finished the year 7.4% higher than plan (equivalent to 2,878 spells). This had a significant impact on the hospital's capacity and elective in-patients, day cases and out-patients all under-performed against the plan.

Pay budgets were under-spent throughout the year although there were a large number of vacancies and, combined with the activity pressures, this led to a higher-than-planned use of agency staff. Consequently, the level of agency spend was £18.4m, which was similar to 2016/17 but substantially higher (by £7.0m) than the £11.4m agency ceiling set by NHSI at the beginning of the year.

Non-pay budgets were over spent throughout the year with the majority of this related to the high activity levels. Drugs, clinical supplies and pathology tests represented 87% of the over spend with outsourcing representing the majority of the balance. These costs were directly associated with the high activity and income levels. As the year progressed, increased pressures were seen on estates repairs and maintenance which reflected the ageing infrastructure of the hospital and the limited capital programme.

Embedded within the plan was the cost-improvement target of £8.8m which, in spite of an unidentified gap of £0.4m at the beginning of the year, was finally achieved in full.

The capital programme was set at £12.3m in the plan but was increased to £15.5m due to the receipt of STF incentive bonus which was used to meet the costs of the LINAC bunker and Tele-Tracking. The programme finished the year £0.4m under-spent which was mainly due to slippage on the MRI replacements.

The Trust's cash position was £18.9m at 31 March 2018 which was considerably higher than plan. This included the sale of Fossett Farm to Homes England for £7.9m which was finalised during the last few days of the financial year and ahead of the expected timescale of the first quarter of 2018/19. The timing around a number of other items also benefitted the cash position with a number of late capital acquisitions towards the end of the financial year (eg. LINAC bunker and Cyber Security) which will be settled in 2018/19 and also advanced cash receipts from the CCG and Specialist Commissioner for activity over-performance which will also be normalised in 2018/19.

2.2.3 Future years

As part of the MSB group (Mid-Essex, Southend and Basildon hospitals) the Trust has been working with its partners in a collaborative way to provide services throughout 2017/18 and this will develop further in 2018/19. This is immediately evident in the work currently being undertaken to reconfigure 'corporate services' such as HR, Finance and IT which will help reduce cost and enable the three organisations to work more seamlessly. In addition, the Joint Committee of CCGs has presented its case for clinical change as part of a public consultation and is expected to reach a decision by July 2018. This is expected to give rise to a significant reconfiguration of clinical services across the three hospitals over the next few years and is supported by the availability of £118m of STP capital which was announced in the Autumn Budget.

However, while the financial plan reflects this collaboration and the joint working approach, it is important to emphasise that the Trust is still an independent organisation and has a requirement first and foremost to ensure that its financial plan enables it to achieve its own performance targets.

The Trust's plan for 2018/19 is the second year of the two-year plan agreed with NHSI in 2017/18 and sets an Income & Expenditure (I&E) deficit of £10.5m which includes STF income of £10.8m. As was the case in 2017/18, 70% of the STF is conditional on achieving the pre-STF Control Total (of £21.3m deficit) while 30% is payable on meeting the 4 hour A&E target.

The clinical income plan assumes an increase of 0.75% from the application of the national tariff to the Trust's activity case mix and will be based on a PbR contract with limited fines or challenges. A number of QIPP schemes (Quality, Innovation, Productivity & Prevention) amounting to £7.5m have been agreed with the CCG as a way of managing activity growth.

Expenditure inflation of approximately 1.6% has been incorporated in addition to cost improvements which have been set at £12m (or approximately 4% of total income).

The capital programme is severely constrained by the shortage of cash but has been set at £15.17m which is very similar to the 2017/18 level. However, this value does not fully address the condition of the ageing estate and contains significant risk for the Trust. The additional capital notified in the Autumn Budget and 'ear marked' for the clinical reconfiguration is not part of this local capital budget.

The Trust relied on cash support in 2017/18 and will again require further support during 2018/19 in order to maintain a positive cash balance and finish the year with a minimum cash surplus of £1.5m.

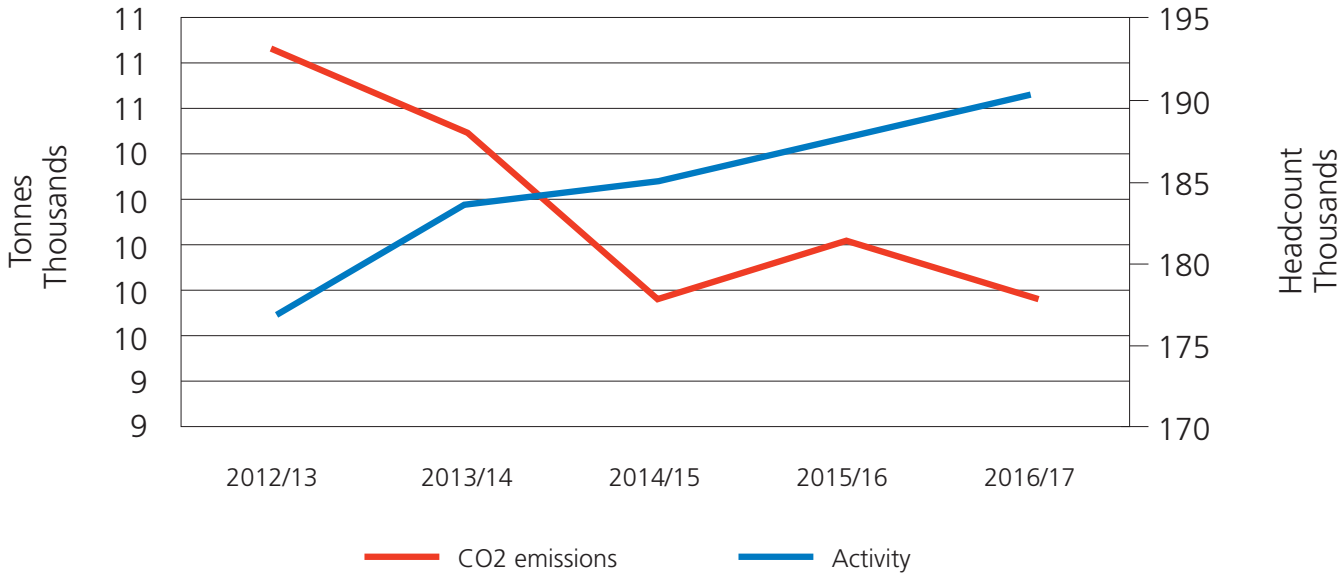
2.2.4 Environmental Matters

We continue to monitor our environmental risks against mandatory government carbon emissions trading schemes – Carbon Reduction Commitment Energy Efficiency Scheme (CRC) and European Union Emissions Trading Scheme (EU ETS).

The aim of these schemes is to improve energy efficiency and reduce the amount of CO2 emitted in the UK by large organisation such as ourselves. The government imposes a price on the CO2 emitted.

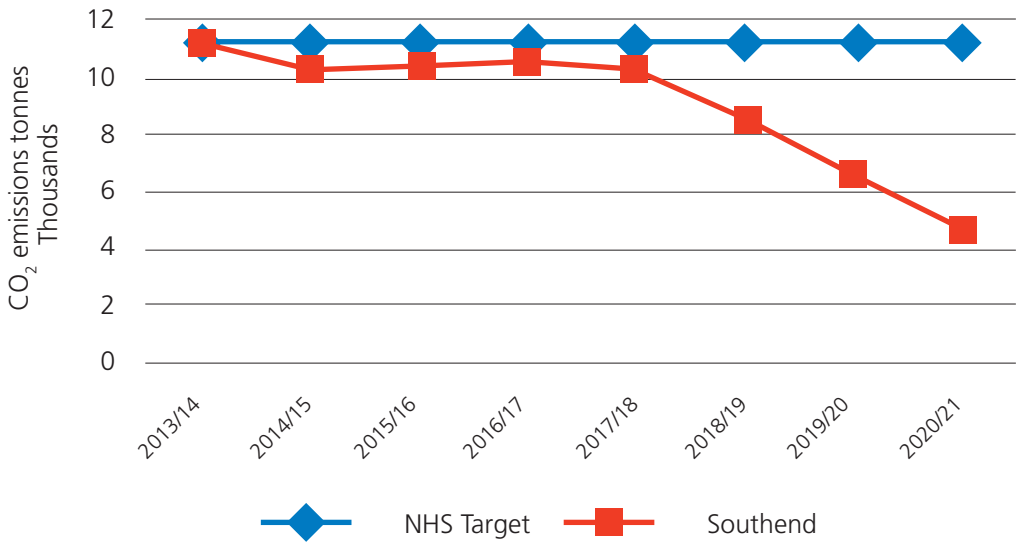
Our CO2 emissions over the past five years have reduced by 9.8% (1,064 tonnes) despite increases in activity of 7.6% (13.5k) as shown in the graph below.

Figure 1: CO_2 emissions vs. activity



These reductions are as a result of a range of initiatives outlined in the Sustainable Development Management Plan (our carbon emissions plan), including the upgrade of old and inefficient infrastructure, plant and systems which will ensure we achieve the national CO2 emissions targets as indicated in Figure 2.

Figure 2: Energy usage CO2 emissions



One significant CO2 initiative worthy of mention is our combined heat and power (CHP) system expected to save some 2,153 tonnes annually (commenced winter 2017). Our low energy consumption and associated CO2 and carbon emissions performance compares favourably with other regional medium-sized trusts. We continue to review and explore other energy savings opportunities using, wherever possible, external funding sources to further reduce our CO2 emissions. Integrating best available technologies in new builds and major refurbishment works is also a key part of our strategy to ensure the efficient use of resources over the long term.

The impact of climate change and how to mitigate and adapt to it, is being carried by analysing flooding (we are reviewing the outcomes of a drainage survey), extreme heat (cooling systems) and extreme cold weather (improvements to heating systems).

We have in place robust business continuity plans to also manage the impact of extreme weather conditions and the loss of utilities services; these are reviewed annually.

Our Green Travel Plan continues to promote active travel to staff including its health and wellbeing benefits. The Plan also promotes sustainable modes of transport including discount schemes to encourage the use of buses, motorcycles and push bikes and our annual staff travel surveys enable us to analyse and evaluate the usefulness of these.

The continued analysis of barrier car parking ticket data is allowing us to improve traffic and car park flow for staff, patients and visitors.

2.2.5 Workforce, Equality, Human Rights and Anti-Bribery

Southend Hospital is committed to fulfilling its obligation as an employer of respect, equality and diversity. We have a full time employee dedicated to ensuring our policies, procedures, training and conduct are compliant with the provisions of the Equality Act 2010. Examples of initiatives undertaken in 2017 include the promotion of the equality and diversity agenda at the welcome day, a comprehensive induction programme designed for overseas new starters (who are new to the UK system and legislation requirements), the introduction of the Equality and Diversity toolkit with links to training and useful resources for managers and tailor made sessions to promote diversity and inclusion.

The Trust has also introduced the Guardian Service, to support the Freedom to Speak up Agenda. The aim of this initiative is to foster an open and responsive raising concerns culture where staff feel confident to speak up when things go or may go wrong; a key element to ensure a safe and effective working environment.

From a patient perspective, staff continue to receive training on Adult and Child Safeguarding, Prevent (preventing violent extremism) and Equality and Diversity as a mandatory part of their induction and continued learning.

Our approach to tackling fraud and bribery is explained in the Annual Governance Statement (section 3.1.9) and the Staff Report (section 3.3.2).

2.2.6 Social and community issues

The Trust is working with partners across the health system in mid and south Essex, as well as charitable and voluntary providers, as part of the mid and south Essex Sustainability and Transformation Plan (STP) to ensure that the health and care needs of our local population continue to be met as part of the wider strategy for the region.

The Trust works with Southend-on-Sea Borough Council, a unitary authority, and Essex County Council as well as Castle Point Borough Council and Rochford District Council. The Trust's Chief Executive and local site leadership team members attend the Southend People Scrutiny Committee and the Essex Health Overview and Scrutiny committee, as well as the Southend and Essex Health and Wellbeing Boards, ensuring that the Trust is a key part of the development of health and social care services across the Borough and more widely in Essex.

The Trust has close and longstanding links with local voluntary services through the Southend Association of Voluntary Services (SAVS), Castle Point Association of Voluntary Services (CAVS) and Rayleigh, Rochford and District Association of Voluntary Services (RRAVS). We also work in collaboration with Healthwatch both in Southend and Essex, to enable local people to engage with the Trust and get the most from their local health service.

To support the care of our patients both within and outside of the hospital environment, we work with national charities such as the Alzheimer's Society, Stroke Association and Mind to engage and inform our staff about initiatives that can enhance patient safety and care. We also support national awareness-raising days, such as Dying Matters and Stroke Awareness weeks, by working with our specialist staff to provide local context for social media messages, as well as providing health-specific features for the local media.

The Trust's governors and members continue to support the Trust by engaging with local community groups to ensure that the way we provide our services reflects the needs of the community.

2.2.7 Overseas Operations

The Trust does not have any overseas operations.

2.2.8 Any important events since the end of the financial year affecting the Foundation Trust

There was no important event since the end of the financial year affecting the Trust.

Clare Panniker
Chief Executive
Date: 29 May 2018

3. Accountability report

3.1 Directors' report

The directors are responsible for the preparation of the annual report and account and they consider the annual report and accounts taken as a whole are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy.

The Annual Governance Statement sets out the directors' approach to quality governance in Section 3.7. The Board has conducted a review of the effectiveness of its system of internal controls and it is satisfied that the Trust has a generally sound system of internal control that supports the achievement of its policies, aims and objectives as stated in the Annual Governance Statement.

3.1.1 The Trust Board

Statement of operation of the Board of Directors

The Trust is governed by a Board (Southend Hospital Trust Board) which is responsible for ensuring that the statutory objectives are carried out and that the Trust is run in an appropriate, legal way. The Board comprises both full-time executive and part-time non-executive directors; the latter being appointed from the Trust's membership (by the governors) for their broad business experience.

The Board is responsible for the leadership of the Trust by undertaking three key roles:

- Formulating strategy.
- Ensuring accountability by holding the organisation to account for the delivery of the strategy and through seeking assurance that the systems of control are robust and reliable.
- Shaping a positive culture for the board and the organisation.

The Board consults with the governors to produce plans for the future strategic development of the organisation whilst ensuring the required financial and human resources are in place for the Trust to meet its obligations and review management performance.

3.1.2 Collaborative Governance Framework and proposed merger

In December 2016, the Boards of Directors of the three acute trusts in mid and south Essex (Southend University Hospital NHS Foundation Trust , Basildon and Thurrock University Hospital NHS Foundation Trust Hospital and Mid Essex Hospital Services NHS Trust) agreed to enter into a collaborative governance framework with a contractual joint venture to enable them to work more closely together to redesign clinical services, clinical support services and corporate support services as part of the Mid and South Essex Success Regime, whilst remaining three separate and sovereign statutory organisations. The contractual joint venture agreement was signed on 1 January 2017 and came into effect on 1 February 2017.

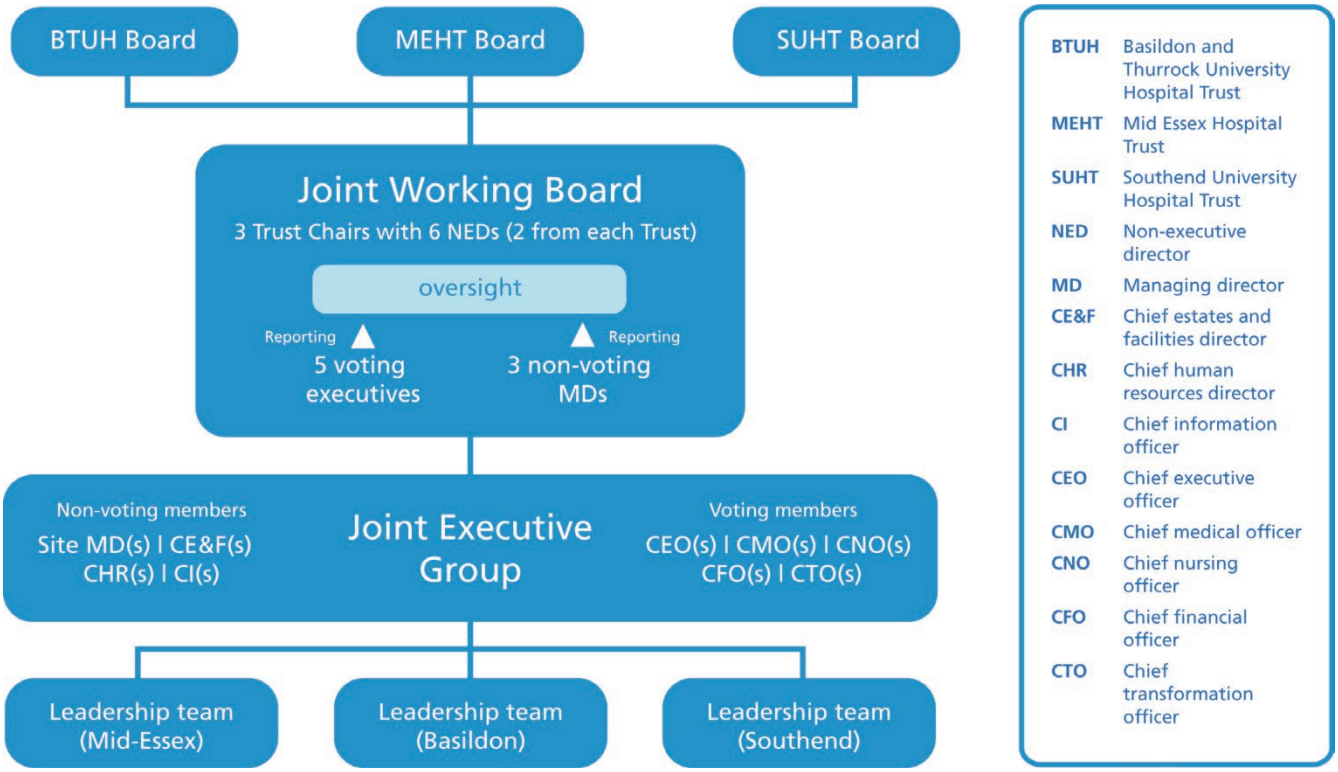
The Boards agreed to create a "committee in common" governance model, whereby each Board of Directors created a Success Regime Committee (SRC), to which all powers which could, within the confines of law and good governance, be delegated, were delegated. Meetings of these committees take place in common under the operating name of the 'Joint Working Board' (JWB).

The Joint Working Board (JWB) met for the first time in February 2017 and has met on a monthly basis since then. JWB conducts the majority of its business in public.

The Board of Directors of each Trust remains ultimately accountable for the performance of that particular Trust. However the Boards now meet less frequently than previously, focussing upon the exercise of those functions and governance responsibilities which cannot be delegated and receiving assurance about the performance of the Trust and the effectiveness of the Success Regime Committee and other committees that report to the Board.

The key elements of the collaborative governance framework are shown in Figure 3 below:

Figure 3: Governance framework



The members of Southend University Hospital Foundation Trust (SUHFT) Success Regime Committee from 1 January 2017 are:

- Alan Tobias OBE – Chairman
- Gaby Rydings – Non Executive Director
- Tony Le Masurier – Non Executive Director
- The Joint Executive Group (JEG) members

The collaborative governance arrangement is subject to a programme of scheduled reviews, overseen by a specially convened oversight committee, comprising the Chairs of the three Audit Committees and an additional NED from each Trust. In May 2017, the Oversight Committee developed a questionnaire to gather views and feedback from the Non-Executive Directors (NEDs), Joint Executive Group (JEG), Site Leadership Team (SLT) and Governors to enable the governance processes to be reviewed, adapted and changed as required to improve effectiveness. The JWB received a presentation in October 2017 showing the outcome of the review and an action plan was developed to expand upon the broad recommendations which encompassed vision, communication, visibility, accountability, relationships, reporting and workload pressures.

In January 2018, the three Trusts approved the direction of travel towards a proposed merger of the three organisations, with a target date of 1 April 2019. The Boards also approved the programme governance and leadership structure for the future organisational form.

3.1.3 Directors of the Trust Board

The Directors of the Trust who served during the year are as shown in Table 3 below:

Table 3: Directors of the Trust

Name	Position	In Year Changes
Alan Tobias OBE	Chairman	Re-appointed in February 2018 until May 2019
David Parkins	Deputy Chairman	Re-appointed in February 2018 until May 2019
Mike Green	Non-Executive Director	
Fred Heddell CBE	Non-Executive Director	Re-appointed in February 2018 until May 2019
Tony Le Masurier	Non-Executive Director	Re-appointed in February 2018 until May 2019
Gail Partridge	Non-Executive Director	
Gaby Rydings	Non-Executive Director	Re-appointed in February 2018 until May 2019
Tim Young	Non-Executive Director	Re-appointed in February 2018 until May 2019
Clare Panniker	Chief Executive	
Tom Abell	Chief Transformation Officer	
Yvonne Blücher	Managing Director	
Martin Callingham	Chief Information Officer	
Mary Foulkes OBE	Chief Human Resources Director	
Paul Kingsmore	Interim Chief Estates and Facilities Director	Appointed in December 2017
James O'Sullivan	Chief Financial Officer	
Diane Sarkar	Chief Nurse	
Celia Skinner	Chief Medical Officer	
Directors who served during the year, but are no longer in office:		
Carin Charlton	Chief Estates and Facilities Director	Resigned in December 2017

Board Members' Skills and Experience

Non-Executive Directors

Alan Tobias, OBE, Chairman

Alan is a qualified solicitor with a strong record of senior management, both in the public and private sector. For 16 years he was a London borough's chief executive and latterly chairman of an IT company.

Alan was also chairman of Essex Probation Service for six years and a board member of Springboard Housing Association as well as a trustee to two charitable trusts. He is Chairman of the Board of Directors, Council of Governors, the directors' and governors' nomination committees and the Joint Working Board.

David Parkins, FCA, (Deputy Chairman)

David is a Fellow of the Institute of Chartered Accountants (FCA) and has held a number of senior finance roles in the banking sector.

Following a period as finance director with Mortgage Express, part of the Lloyds TSB Group, he was finance director for lending and savings with the Bradford and Bingley group. David has experience in audit, corporate governance, joint ventures, treasury and management control systems.

He is treasurer and trustee of Headway Essex, a charity that helps people who have suffered brain injury and their families.

David is Deputy Chairman of the Board of Directors, and chairs the Finance and Resources Committee. During the year, he also served as a member of the Quality Assurance Committee, Remuneration and Nominations Committee and the Audit Committee. David is also a member of the Finance and Resources Committee in common of the three trusts in mid and south Essex.

Mike Green, BSc (Econ), FCA, Non-Executive Director

Mike qualified as a chartered accountant with what is now KPMG, and spent 11 years with the audit practice before a 20-year career in the broadcast media industry.

He held senior finance roles at TVS Television Limited and Carlton Communications plc and was involved in the Carlton/Granada merger which formed ITV plc.

Following the merger, Mike moved to ITV and ultimately held the role of deputy group finance director. He now acts as a business consultant and is also currently a Board member of Hanover Housing Association which specialises in the provision of housing for older people, and honorary treasurer of the Royal Television Society.

Mike chairs the Audit Committee and is a member of the Finance and Resources Committee, Remuneration and Nominations Committee and Quality Assurance Committee. Mike is also the Trust's Senior Independent Director (SID).

Fred Heddell, CBE, Non-Executive Director

A former teacher of children with learning disabilities, Fred was formerly Chief Executive of the national charity Royal Mencap, working alongside the comedy actor and campaigner Lord Brian Rix.

Since then he has acted as treasurer of Inclusion International, working in Africa, Eastern Europe and Central America to help develop inclusive services for people with disabilities. He has also been a non-executive director of the Commission for the Compact, a member of the Strategic Health Authority independent competition panel, a governor of the University of East London and trustee of several voluntary organisations.

Fred chairs the Quality Assurance Committee and the Charitable Funds Committee. He is also a member of the Audit Committee, the Remuneration and Nominations Committee and the Quality & Safety Committee in common of the three trusts in mid and south Essex.

Tony Le Masurier, J.P., BA (Hons), Non-Executive Director

Tony joined the Trust board in December 2012. His background is in senior management in the aviation and travel industry, serving as a director and CEO of several large international companies over three and a half decades.

He acted as Interim Chief Officer for the Southend Association of Voluntary Services (SAVS) for two years, and was previously a non-executive director of the local primary care trust for eight years, holding the position of vice chairman for three of those. He is currently a supplemental JP, having retired from sitting in the Family and Adult courts in January 2018, and the chairman of a local care home charity that operates two homes in the borough of Southend-on-Sea.

Tony is the Chair of the Remuneration and Nominations Committee. He is also the deputy chair of the Finance and Resources Committee, a member of the Audit Committee, and the Joint Working Board.

Gail Partridge, Non-Executive Director

Gail Partridge is a registered nurse who trained and worked at Southend Hospital within the surgical directorate from 1981 until 2002 and was appointed as a Non-Executive Director in December 2016.

She has clinical and operational management experience within a variety of health economy settings including acute hospitals, community and mental health services, commissioning support unit as Associate Director of clinical services and Deputy Director of Nursing in NHS England Essex area team. Her extensive experience of working within the NHS has been particularly focused on governance, quality and patient safety, and risk management functions.

Gail currently works as a Director for Quality for Health Ltd. She is a member of the Quality Assurance Committee, the Finance and Resources Committee and the Quality & Safety Committee in common of the three trusts in mid and south Essex.

Gaby Rydings, Non-Executive Director

Gaby is a qualified accountant who previously worked at the National Audit Office and the Parliamentary watchdog that audits public spending and evaluates the value for money of government projects and programmes. She was a member of the NAO Board for ten years with specific responsibility for policy, communications and relations with Parliament and Government.

Gaby lives in Leigh-on-Sea and is also a trustee and board member of Southend Association of Voluntary Services (SAVS).

Gaby is a member of the Finance and Resources Committee, the Charitable Funds Committee and the Joint Working Board.

Tim Young, Non-Executive Director

Tim joined the Trust Board in December 2012. He has more than ten years' experience in the health sector and was also on the board of Essex Probation Service for nine years. He is chairman of a housing association and a Colchester borough councillor.

Tim is the deputy chair of the Quality Assurance Committee and the Charitable Funds Committee, and a member of the Remuneration and Nomination Committee. Tim took over the post of board champion for health and safety from 1 April 2013.

Executive Directors (Joint Executive Group)

The latter part of the 2016/17 year saw a significant change in the leadership structure of the Trust.

As part of the joint working between Southend University Hospital NHS Foundation Trust, Mid Essex Hospital Services NHS Trust and Basildon and Thurrock University Hospital NHS Foundation Trust, a single leadership team (forming a joint executive group – JEG) was established following consultation and a formal appointments process, including the use of external expert assessors.

With effect from 1 February 2017, the appointees became the executive members of each of the Trust Boards. These arrangements are in the form of secondments from the postholders' substantive roles, currently expiring on 31 March 2019.

Clare Panniker, Chief Executive

Clare is joint Chief Executive of Southend University Hospital NHS Foundation Trust, Basildon and Thurrock University Hospitals NHS Foundation Trust and Mid Essex Hospital Services NHS Trust.

Prior to joining Basildon and Thurrock University Hospital, Clare was CEO of North Middlesex University Hospital for 9 years.

A registered nurse, Clare also has a business degree, and has worked in the NHS for more than 25 years.

Clare mentors other aspiring NHS leaders, from both clinical and management backgrounds. The Chief Executive is the Accounting Officer for the Trust and carries full responsibility for the Trust's performance, forward planning and leadership of the Executive Team and clinical directors.

Tom Abell, Chief Transformation Officer, Deputy Chief Executive

Tom Abell joined Basildon and Thurrock University Hospitals Foundation Trust in October 2015 as Deputy Chief Executive.

He was previously chief officer of NHS Basildon and Brentwood Clinical Commissioning Group. He is an important addition to the Trust board, bringing valuable experience of health commissioning.

Tom has been involved in several major service transformation and improvement programmes during his career. He has a special interest in the role that technology and new ways of working can play in improving health outcomes for patients, while making maximum use of valuable resources.

Yvonne Blücher, Managing Director

Yvonne joined Southend University Hospital NHS Foundation Trust in October 2015 as Chief Nurse from 'Barts' where she was Deputy Chief Nurse for Quality and Governance. Prior to this she spent 10 years as Director of Nursing and Quality at Princess Alexandra Hospital in Harlow, two years of which she was Director of Nursing and Operations Director.

She completed her nurse training and began her NHS career at Basildon Hospital before later specialising in cardiac care. She then moved north to Barnsley where she was instrumental in setting up first aid centres in the pit mines with defibrillators.

Yvonne is a fellow of the Institute of Health Improvement and has a real passion for engaging staff to ensure patients get the best possible outcomes.

Yvonne was appointed as the Managing Director in December 2016 as part of the Joint Executive Group, taking full responsibility for day-to-day operational business and leading on innovation and quality.

Martin Callingham, Chief Information Officer

Martin initially trained as a nurse at the Royal London Hospital, working in the A&E departments in and around North East London and Harlow. He made the move into site management and discharge planning service at Whipps Cross Hospital before moving to Newham as Head of Modernisation, implementing the first electronic patient records in 2004. He progressed to the role of Chief Information Officer at Newham responsible for IT, Information coding and data quality and following the merger of 'Barts' Hospital and Whipps Cross Martin was responsible for clinical systems across six hospital sites.

Martin joined Mid Essex Hospitals NHS Trust in August 2014 to help deliver, maintain and grow the use of technology and information across the Trust and to move towards a full Electronic Health Record in the near future.

Mary Foulkes, OBE, Chief Human Resources Director

Mary joined Southend University Hospital NHS Foundation Trust as Human Resources & Organisational Development Director in January 2015. She was appointed to the role of Chief Human Resources Director, Mid and South Essex Hospitals in February 2017.

Mary has over 25 years' experience at director level in a variety of private, public and third sector industries. This includes eight years working in the NHS in both the acute and mental health sector.

Mary is a Fellow of the Chartered Institute of Personnel and Development and was awarded an OBE in 2003 for her charitable work.

James O'Sullivan, Chief Financial Officer

James joined Southend University Hospital NHS Foundation Trust as Chief Financial Officer in April 2014.

During his early career James qualified as an accountant while working in the oil industry. He has also worked in other sectors, latterly spending 18 years with EDF Energy, and has held a number of finance director roles over the years.

Immediately prior to joining the Trust he was a non-executive director at East Sussex Healthcare NHS Trust.

Diane Sarkar, Chief Nursing Officer

Diane's experience spans the NHS and private healthcare. After training at The Royal Free Hospital in London, she worked in a number of London's large acute hospitals and progressed through several operational and corporate management positions. In 1996, Diane worked in the private sector at the Wellington Hospital, setting up new governance frameworks and leading on the quality agenda.

Having completed a Master's degree, Diane returned to the NHS in 2001 at Southend Hospital, as Associate Director of Operations for Medicine and then Associate Director of Nursing. Appointed in 2010, her focus has been particularly around developing the nursing workforce, as well as leading on a number of corporate agendas, including quality improvement and the patient safety and patient experience agenda.

Celia Skinner, Chief Medical Officer

Celia obtained her Fellowship from the Royal College of Physicians in 2001 and has specialised in genito-urinary medicine, particularly the treatment of HIV/AIDS. She was previously Deputy Medical Director at 'Barts' Health where she had worked since 1995, having previously been Associate Medical Director and a Divisional Director. Celia is passionate about improving clinical care and sees the job of Medical Director here as an opportunity to build on her achievements at 'Barts'.

Paul Kingsmore, Chief Estates and Facilities Director (interim, from December 2017)

Paul is covering this role on an interim basis whilst recruitment to a substantive postholder takes place. Paul joined the Joint Executive Group in December 2017.

Prior to joining the group he was Director of Services at Manchester Metropolitan University from June 2017 to November 2017.

Paul is a Chartered Mechanical Engineer who undertook his engineering training at Short Brothers, Belfast. He joined the National Health Service in 1982 and has held a number of posts in the NHS in England, Scotland and Northern Ireland. He has been an executive director for over 17 years.

Paul has served on a number of national bodies including the Healthcare Associated Infection (HAI) taskforce in Scotland and the Department of Health's Patient Care Forum.

He is a past President of the Institution of Healthcare Engineering and Estate Management. He is currently also a director of HBE Ltd and First EFM Ltd.

Directors who have served during the year but are no longer in office or on the Board

Carin Charlton, Chief Estates and Facilities Officer (until December 2017)

Carin joined Mid Essex Hospital Services NHS Trust in 2012 as Director of Estates and Facilities Management, and was appointed to the role of Director of Strategy and Corporate Services in 2015. In October 2016 Carin was seconded to the role of Director of Environment and infrastructure at Basildon & Thurrock University Hospitals NHS Foundation Trust in addition to her role at MEHT.

Carin was appointed to the Joint Executive Group in February 2017 as the Chief Estates and Facilities Officer as the board director responsible for all estates and facilities services, land and property management and strategic estates planning across Mid Essex Hospital Services NHS Trust; Basildon & Thurrock University Hospitals NHS Foundation Trust and Southend University Hospitals NHS Foundation Trust.

3.1.4 Establishment of a site leadership team

With effect from 1 February 2017, site leadership teams were also established for each of the three trusts, headed by a Managing Director. Whilst the joint executives take a group-wide strategic view, the site leadership teams ensures that the leadership in each trust and the focus on its own unique challenges and opportunities is not compromised. The Trust's Managing Director is also a member of the JEG and is a non-voting member of the board of directors of the Trust.

The site leadership team comprised the following for 2017/18:

Yvonne Blucher – Managing Director

Adrian Buggle – Director of Finance

John Henry – Director of Estates & Facilities

Jo Furley – Director of Operations (until December 2017)

Clare Burns – Director of Operations – Planned & Scheduled Care (from December 2017)

June Leitch – Director of Operations – Emergency & Unscheduled Care (from December 2017)

Cathy O'Driscoll – Director of Human Resources & Organisational Development (until December 2017)

Sue Bridge – Head of Human Resources (from December 2017)

Neil Rothnie – Medical Director

Denise Townsend – Director of Nursing

3.1.5 Board composition, size and independence

The constitution sets the composition of the Board as the Chairman, up to seven non-executive directors, the Chief Executive, Chief Financial Officer and up to five executive directors. This ensures that there is an overall majority of non-executive directors. With effect from 1 February 2017, the members of the Joint Executive Group (JEG) became the executive members of the Board. These arrangements are in the form of secondments from the postholders' substantive roles until 31 March 2019. None of the executive directors currently hold any non-executive director positions in any foundation trust or similar sized organisation.

The non-executive directors have financial and/or commercial experience, existing knowledge of the NHS, educational backgrounds, voluntary and charitable sector experience.

It is considered that all the non-executive directors are independent in character and they are free from material business or other relationship which may interfere with their judgement.

The Board incorporates a mixture of skills, knowledge and experience which is considered suitable for the challenges facing its members.

The Trust operates not only within its constitutional framework but also its standing orders and standing financial instructions. Any changes to any of these key documents are approved by the Board of Directors, and in the case of the constitution, by the Board of Directors and the Council of Governors.

The constitution was last amended in 2015 in order to incorporate the 2014 Model Election Rules and changes to the size and the composition of the Council of Governors.

The appraisal process for individual board members is carried out annually and is based on the outcome of objective setting for both executive and non-executive directors. The outcome of non-executive appraisals is used to inform future development and is shared with governors, who take part in their appraisal process.

The Senior Independent Director carries out the annual appraisal of the Chairman's performance, consulting with colleague non-executive directors, executive directors and governors.

The Board typically evaluates the performance and processes of its own committees on an annual basis and in accordance with procedures adopted by the board, to ensure its on-going effectiveness. It carries out a 'real time' evaluation of Board and Committee meetings with members selected in advance to provide feedback at the end of the meeting against a prompt sheet of key factors.

Deloitte LLP carried out an external review of the Board against the criteria of the Monitor's Well-Led Framework in December 2015. The Board had developed an action plan and delivery of the actions was completed in August 2016. An internal Board Evaluation Exercise was conducted in February 2018 and an action plan is being developed with the NEDs and the JEG.

3.1.6 Meetings of the non-executive directors

Membership of the Board represents a significant time commitment and non-executive directors must be prepared to give sufficient time to perform their duties.

In accordance with the guidance set out in the Foundation Trust Code of Governance, arrangements have continued during 2017/18 for the Chairman and non-executive directors to meet outside the normal Board meetings.

Also, in accordance with the Foundation Trust Code of Governance, one meeting was held in the year involving solely the non-executive directors, excluding the Chairman.

3.1.7 Fit and Proper/Declaration of interest and Declaration of related party interest

The Fit and Proper Regulations policy was adopted by the Board on 20 January 2016 and covers all existing and new director appointments. All of our Board of Directors meet the standards of the Fit and Proper Persons Test.

On appointment, Board members are individually required to declare all their interests and their related party interests and these are renewed annually.

During the year none of the board members, or applicable parties related to them, have undertaken any material transactions with the Trust.

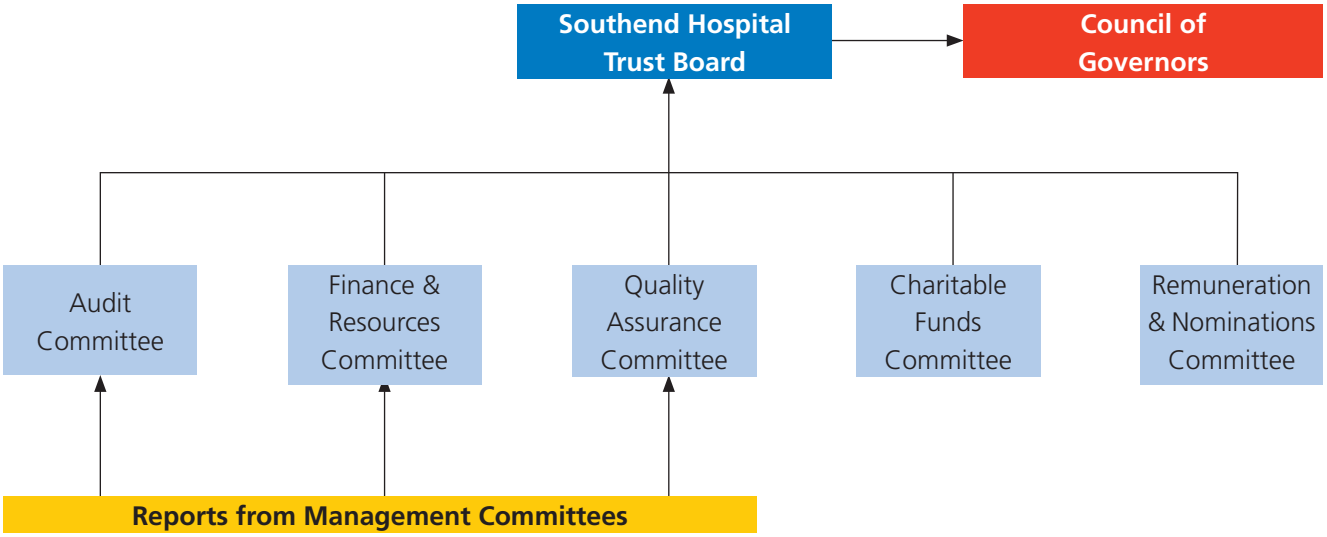
The Directors' Register of Interests, which is updated annually, is available on the Trust website at www.southend.nhs.uk/about-us/meet-the-team/trust-board-local-leadership-team/

3.1.8 Board and Committee structure

Along with the Board the Trust also has a number of sub-committees which supervise the running of the organisation as follows: Audit Committee, Finance and Resources Committee, Quality Assurance Committee, Charitable Funds Committee and Remuneration and Nominations Committee.

The Board and Committee structure in 2017/18 is as set out in Figure 4.

Figure 4: Board and Committee structure



Audit Committee

The Audit Committee's responsibilities are set out in its terms of reference. Its main objective is to advise the Board of Directors and provide assurance through independent and objective reviews of the adequacy of the Trust's system of internal control, including audit arrangements (internal and external), financial systems, financial information, assurance arrangements including governance, risk management and compliance with legislation.

The committee meets quarterly during the year and its membership is made up of four non-executive directors with a quorum of three members. Membership was unchanged during the year. An assurance report is provided to each Board meeting following the Audit Committee.

3.1.9 Audit Committee Annual Report

Introduction

In line with the recommendations within NHSI's published audit code, all foundation trusts are required to present an annual report on the activities undertaken during the year, drawing particular attention to the nature of the reports received from both internal and external auditors. This report is presented to the Council of Governors.

Mike Green and David Parkins can be considered to have relevant financial experience. All members can be considered to be independent.

The committee is supported by the Site Leadership Team. The Chief Finance Officer (assisted by members of the finance team), Head of Internal Audit and a representative from the external auditors attend all meetings. The Local Counter Fraud Specialist attends at least two meetings per year. Other site directors are invited to attend on a regular basis, particularly when the committee is discussing operational issues that are their direct responsibility.

Governors may attend committee meetings by invitation as observers. The committee chairman is available for governors to talk about audit matters and the committee's work, if they wish. Ahead of each committee meeting, the chair holds a private meeting with the NEDs at which they discuss any particular items that they wish to raise during the meeting. At the end of each meeting a private session is held with the auditors, both internal and external without executive members present. These private sessions enable the committee to discuss matters directly with the audit teams.

Committee Responsibilities and how they were discharged in 2017/18

The committee ensures that the organisation establishes and maintains effective systems of risk management and internal control that support the achievement of the Trust's objectives. The committee is supported in this duty by the Quality Assurance Committee, which has responsibility for providing assurance that there is an effective system of risk management and internal control across the clinical activities of the organisation that support the Trust's objective to provide high quality care for every patient, every time. It is a requirement that the Chairs of the Audit Committee and the Quality Assurance Committee serve on each other's committees.

In addition to significant responsibilities regarding internal and external audit, the committee also has responsibilities regarding financial reporting and financial governance, with particular emphasis on the annual governance statement. The committee also reviews the annual financial statements before submission to the Trust Board and regularly reviews counter fraud issues and the activities of the local counter-fraud specialist. Relevant strategic risks appearing on the Board Assurance Framework are also reviewed by the committee.

The committee chairman presents a report to the Board after each Audit Committee meeting summarising the issues discussed and the assurances received together with any matters that require the consideration of the Board.

The committee's terms of reference, which were reviewed during the year, are available on our website at www.southend.nhs.uk/about-us/trust-publications-and-reports/trust-board-committees/

The main matters and areas of judgement reviewed and considered during 2017/18 were as follows:

Internal Controls

To discharge the responsibility to review the effectiveness of the Trust's internal controls the Committee:

- Reviewed the internal audit plan for 2017/18 and how it related to the Trust's key risks and approved the 2018/19 internal audit plan.
- Reviewed the reports produced by internal audit and ensured management had plans to address any control weaknesses identified and that those plans, and any outstanding issues, were dealt with on a timely basis. Specific areas of focus in the year were:
    - HR recruitment and fit & proper persons test
    - Mandatory training
    - Financial reporting and budget monitoring
    - Performance reporting
    - Clinical audit
    - Cost improvement programme/ QIPP
    - Overseas patients
    - Estates management
    - Completion of discharge summaries
    - Key finance systems
    - BAF and risk management arrangements
    - Infection control
    - IG toolkit

- Tracking the timely implementation of recommendations raised by internal audit, external audit and Local Counter Fraud Specialists (LCFS).
- Reviewed the external audit plan by BDO LLP for the year ending 31 March 2018.
- Reviewed the LCFS workplan for 2017/18, received reports from the Local Counter Fraud Specialist on a programme of proactive work and any potential fraudulent activity from both within and outside the Trust and discussed management's plans to prevent recurrence and approved the LCFS workplan for 2018/19.
- Reviewed the report from NHS Protect on the Focused quality assessment of compliance against NHS Protect standards for providers 2017/18 (Fraud, Bribery and Corruption).
- Approved the Conflict of Interest policy in line with the NHS England guidance.
- Reviewed the Gifts and Hospitality Register.
- Reviewed the Corporate Risk Register.
- Reviewed the controls in place for the delivery of actions and mitigations that support BAF Risk 2 - Failure to meet constitutional and national performance targets that was allocated to the committee by the Board.
- Approved the Reference Costs Process for the 2016/17 Submission.

Financial Reporting and Significant Financial Judgements

The committee assessed whether suitable accounting policies had been adopted, whether management had made appropriate estimates and judgements and whether disclosures were balanced and fair. The main areas of focus in 2017/18 and matters where we specifically considered the judgements that had been made are set out opposite:

- Going concern.
- Balances with commissioners.
- Joint ventures.
- Consolidation of the Southend Hospital Charity.

The committee reviewed the Annual Report and Accounts with a specific focus on:

- The Annual Governance Statement.
- The Remuneration Report.
- Value for money conclusion.
- Application of the principles of the NHS Foundation Trust Code of Governance on a 'comply or explain' basis.

Internal Audit

TIAA has been awarded the contract for internal audit since 1 April 2016.

The Committee monitored and reviewed the activities of TIAA including monitoring independence and objectivity by:

- Reviewing changes to the internal audit plan, the reasons for the change and resource allocation.
- Receiving KPIs relating to delivery of reports and follow up.

The Head of Internal Audit opinion, based on the work undertaken in 2017/18, concluded that the organisation has adequate and effective management, control and governance processes to manage the achievement of its objectives.

A number of enhancements to the frameworks were recommended during the year and the committee receives a report at each meeting on the progress of implementation. The whole Board is collectively accountable for maintaining a sound system of internal control and for putting in place arrangements for gaining assurance about the effectiveness of that overall system.

External Audit

The appointment of the Trust's external auditors is a matter that requires the approval of the Council of Governors, as laid down in the NHSI reference guide relating to governors' statutory roles. Our contract with our external auditor, Ernst & Young, ended on 31 March 2017 and following a limited OJEU Framework tender process BDO LLP was appointed as external auditor as from 1 April 2017 for three years.

The effectiveness and independence of BDO LLP will be monitored and reviewed by the committee by an annual assessment questionnaire to be completed by committee members and senior staff in July 2018 and the results will be discussed with the external auditors.

The auditors are also required, under professional standards, to confirm their independence both before and after the audit engagement.

Audit Committee Effectiveness

The committee undertakes an annual self-assessment of its effectiveness through a questionnaire distributed to the committee members. The outcomes of the self-assessment are discussed at a subsequent committee meeting. There were no issues arising out of this year's self-assessment.

The committee also carries out a 'real time' evaluation at each committee meeting with members selected in advance to provide feedback at the end of the meeting against a prompt sheet of key factors.

The committee members participated in on-going training during the year.

As part of the arrangements within the three Trusts (Mid Essex, Basildon and Southend) the Chair of the Audit Committee, together with the Audit Committee Chairs of the other acute trusts and an additional NED from each trust, form the Oversight Committee charged with reviewing the effectiveness of governance and risk management structures.

Priorities for 2018/19

For 2018/19, the committee will focus on:

- Increased assurance levels from the internal audit reviews and the speed of resolution of outstanding issues.
- The work the external auditor will be undertaking.
- Increased assurance levels from the LCFS on managing conflict of interest which includes declaration of interest and gifts and hospitality.
- The arrangements to reconfigure corporate functions having due regard to the maintenance or strengthening of the control framework.

Finance and Resources Committee

The Finance and Resources Committee (FRC) responsibilities are set out in its terms of reference. The committee provides the Board with assurance on the Trust's management of its resources (including financial, physical, human and information). The committee operates at a strategic level as the executive is responsible for the day-to-day operational delivery and management. An assurance report is provided to each Board meeting following the FRC meeting.

The committee meets six times a year and its membership is made up of four non-executive directors, the Managing Director and the Director of Finance. The Head of HR or a designate attends to present human resources matters. The quorum is three members, including at least two non-executive directors and one site director. Membership was unchanged during the year.

Quality Assurance Committee

The Quality Assurance Committee (QAC) responsibilities are set out in its terms of reference.

The committee assures the Board that there is an effective system of risk management and internal control across the clinical activities of the organisation that support the organisation's objectives and the Trust's ability to Care with Compassion.

There are a number of committees and groups having responsibility for quality governance matters that report regularly to QAC by exception, thus providing comprehensive accountability arrangements within the Trust and these include the Corporate Governance Group, the Corporate Management Team, the Clinical Governance Committee, the Quality and Safety Committee, the Equality and Diversity Committee and the Health & Safety Committee. An assurance report is provided to each Board meeting following the QAC meeting.

The committee meets six times a year and its membership is made up of four non-executive directors, the Director of Nursing and the Medical Director. The quorum is three members, including at least two non-executive directors and one site director. Membership was unchanged during the year.

Charitable Funds Committee

The Charitable Funds Committee exists to carry out the functions delegated to it by Southend University Hospital NHS Foundation Trust, which is the Corporate Trustee of the Charity that is registered with the Charity Commission as Southend University Hospital NHS Foundation Trust Charity.

The Corporate Trustee, through its board, has delegated day-to-day management of the charity, including delegable functions as defined in the Trustee Act 2000, Section 11, to the committee. Acting for the Corporate Trustee, the Charitable Funds Committee is responsible for the overall management of the Charitable Fund. The Committee responsibilities are set out in its terms of reference. An assurance report is provided to each Board meeting following the Committee meeting.

The Committee meets three times a year and its membership is made up of four members of the Corporate Trustee, excluding the Chief Financial Officer of the Trust. The quorum is two members of the Corporate Trustee, excluding the Chief Finance Officer. Membership was unchanged during the year.

Remuneration and Nominations Committee

The responsibilities of the Remuneration and Nominations Committee are set out in its terms of reference. This Committee serves two key purposes in relation to remuneration and nomination:

Remuneration

- Determine the remuneration and terms of service of the Chief Executive, Executive Directors, the Trust's Managing Director and Site Directors.
- Consider the payment conditions of any termination arrangements.

Nomination - to support the Chairman in ensuring that the Trust is led by an effective Board of Directors by:

- Making appointments of Executive Directors (including the Chief Executive), the Trust's Managing Director, the Trust's Site Directors following formal, rigorous and transparent processes.
- Advising the Council of Governors on the skills and experience required for Non-Executive Director appointments.

The Committee consists of six non-executive directors. The quorum is four members. Each member of the committee is considered to be independent and none has a personal financial interest in the committee's decisions. The Chief Executive, the director of Human Resource and the Chief Human Resources director are invited to attend the committee when relevant. Neither will attend any meeting at which the terms of office or remuneration for their posts are under discussion. Membership was unchanged during the year.

Committee annual self-assessment

Committees undergo an annual self-assessment, with all members contributing. The evaluations are considered by each committee and reported at a subsequent meeting, with agreed action being taken to address issues where required.

3.1.10 Directors' attendance

Membership and attendance at Board of Directors and committee meetings is summarised below. The values shown are the number of attendances against the number of meetings held during the year that the director was eligible to attend. Where there is no entry, this means that the director is not a member of that Committee.

Table 4: Attendance at meetings, Directors

Board/Committee	BoD	AC	FRC	QAC	CFC	RNC
Chair	Alan Tobias	Mike Green	David Parkins	Fred Heddell	Fred Heddell	Tony Le Masurier
Alan Tobias OBE	5/6	_	_	_	_	1/2
David Parkins	6/6	5/5	6/6	6/6	_	2/2
Mike Green	6/6	5/5	6/6	6/6	_	2/2
Fred Heddell CBE	6/6	4/5	_	6/6	3/3	2/2
Tony Le Masurier	5/6	4/5	6/6	_	_	2/2
Gail Partridge	4/6	_	_	6/6	_	_
Gaby Rydings	5/6	_	5/6	_	1/3	_
Tim Young	5/6	_	_	6/6	3/3	1/2
Clare Panniker	4/6	_	_	_	_	_
Tom Abell	4/6	_	_	_	_	_
James O'Sullivan	6/6	_	_	_	_	_
Diane Sarkar	6/6	_	_	_	_	_
Celia Skinner	5/6	_	_	_	_	_
Yvonne Blücher	6/6	_	5/6	1/6	1/3	_
Martin Callingham	5/6	_	_	_	_	_
Carin Charlton	5/5	_	_	_	_	_
Mary Foulkes OBE	5/6	_	_	_	_	_
Paul Kingsmore	1/1					

Key:

(BoD) Board of Directors
(AC) Audit Committee
(FRC) Finance and Resources Committee
(QAC) Quality Assurance Committee
(CFC) Charitable Funds Committee
(RNC) Remuneration and Nominations Committee

3.1.11 Council of Governors

The role of the Council of Governors

Governors represent the interests of the Trust's public and worker constituencies, as well as its partner organisations in the community.

The Council of Governors has a number of statutory duties, defined in the constitution, which include:

- Appointing and removing the non-executive directors, including the Chairman at a general meeting.
- Deciding the remuneration and allowances and the other terms and conditions of office, of the non-executive directors.
- Appointing and removing the Trust's auditor at a general meeting.
- Approving the appointment (by the non-executive directors) of the Chief Executive.
- Receiving and giving their view on plans from the Board of Directors regarding the future development of the Trust.
- Receiving at a general meeting, copies of the Trust's annual accounts, auditor's reports and annual reports.
- Holding the non-executive directors individually and collectively to account for the performance of the Board of Directors.
- Representing the interests of Trust members and the public in the governance of the NHS Foundation Trust. Governors must act in the best interests of the NHS Foundation Trust and should adhere to its values and code of conduct.
- Feeding back information about the Trust, its vision and its performance to members and the public and the stakeholder organisations that either elected or appointed them.

The Council of Governors holds formal meetings in public to make decisions and to ensure the views and priorities of local people inform the Trust's decisions on strategy. In addition, governors hold meetings without officers present to discuss matters amongst themselves and attend informal meetings with directors to develop their own knowledge of Trust services and discuss issues as they arise.

During 2017/18, many of the Trust's governors have attended the regular evening and afternoon events where they can engage with Trust members and members of the public. These meetings also provide the opportunity for asking the public a wide variety of questions about their experiences at Southend University Hospital. In addition, the governors also issue a regular newsletter to all the members, The FuTure, which keeps them informed of hospital and membership matters.

Council of Governors and its relationship with the Board of Directors

The Council of Governors also has a statutory duty to hold the non-executive directors, individually and collectively, to account for the performance of the Board of Directors. Throughout the year, the Council has been briefed on the Trust's future strategy, its operational performance and how the Trust looks after its patients to ensure that it is provided with the information required to fulfil its duty, as well as progress on the work being undertaken across the three Trusts in the Essex Success Regime.

As part of the continuing cooperation between the board and the council, governors are encouraged to attend the Trust's Board Meetings held in public. Governors are invited to attend the Audit Committee meetings and the Quality Assurance Committee meetings, neither of which is open to the public. Governors are also invited to attend the Clinical Governance Committee and the Quality and Safety Committee which report to the Quality Assurance Committee by exception. The Vice Chair of Governors is also invited to attend meetings of the directors' Nomination Committee. The Vice Chair and Lead Governor of the Council of Governors are invited to attend part two of board meetings.

To ensure that they understand the views of the governors in their statutory role of representing the interests of the members of the Trust as a whole and the interests of the public, members of the Board of Directors, particularly the non-executive directors have engaged in the following measures:

- Regular attendance at Council of Governor meetings.
- Acting as NED liaison on governor committees.
- Attending the Non-Executive Directors and Governors Group (NAGG).

The governors have also taken part in 'listening exercises' in the hospital and its clinics to solicit the views of patients, members and visitors to the hospital.

The Trust has in place arrangements covering the process for the appointment of the chairman and non-executive directors. These arrangements cover the following responsibilities:

- The Board of Directors will identify the balance of individual skills, experience and knowledge it requires at the time a vacancy arises for the non-executive directors (including the Chairman).
- A job description and person specification is drawn up for each occurrence of new appointments.
- Under the Trust's constitution, governors can re-appoint the Chairman or non-executives for a second term of office.
- In such circumstances, when open competition is applicable, appropriate candidates will be identified through a process of open competition by the governors' search and appointments committee.
- The Search and Appointments Committee will have responsibility for handling all further aspects of the recruitment process, including the arrangement of 'meet the candidate' days when executive and non-executive directors are invited to meet the candidates, together with the governors, and provide their views to the final interviewing panel.
- In the case of the appointment of a chairman, an independent third party (non-voting) will sit on the final interview panels.
- The Search and Appointments Committee will make recommendations to the council of governors who shall appoint the non-executive directors.
- Any re-appointment of a non-executive director shall be subject to a satisfactory appraisal carried out in accordance with procedures which the council of governors have approved.

The regular attendance at Council of Governor meetings by both non-executive directors and executive directors provides an excellent opportunity for governors to raise and discuss any issue which they feel is important to their role.

The Schedule of Matters reserved for the Board details the decisions and responsibilities reserved to the Council of Governors, the Board of Directors and those delegated to the agreed committees of the Board of Directors. In the event of any unresolved dispute between the Council of Governors and the Board of Directors, the Chairman or the Company Secretary may arrange for independent professional advice to be obtained for the Trust. The Chairman may also initiate an independent review to investigate and make recommendations in respect of how the dispute may be resolved.

The overall responsibility for running an NHS foundation trust lies with the Board of Directors. The Council of Governors is the collective body through which the directors explain and justify their actions; the council should not seek to become involved in the running of the Trust.

Composition of the Council of Governors

Members of the Trust are able to elect representatives of 16 years of age and above from their membership constituencies to serve on the Council of Governors. In addition, specific partnership organisations may also appoint representatives to the Council of Governors.

Elected governors may hold office for three years but are eligible for re-election at the end of their first term. In accordance with the constitution, they may not hold continuous office for a period of longer than six years, which must be followed by a two-year break before standing for re-election.

Appointed governors may hold office for three years but are eligible for re-election at the end of their first term and second terms. In accordance with the terms of the constitution, they may not hold office for a continuous period of longer than nine years.

The Council of Governors comprises **27 governors** for 2017/18 with further 5 positions currently vacant.

The Board and the Council of Governors pay tribute to current Governor Trevor Johnson who passed away in March 2018 and to former Governor and NED Ron Kennedy who died in January 2018.

The following table shows the composition of the Council of Governors.

Table 5: Composition of the Council of Governors

Group		Number of Governors	Vacant Positions
Elected	Southend constituency	8	
	Castle Point constituency	4	
	Rochford constituency	3	1
	Rest of Essex	2	1
Worker	Southend Hospital and treatment centre class	1	2
	Britannia House and satellites clinics class		1
	Volunteer worker elected by volunteer workers in the volunteer worker class.	1	
Local Authority	Southend Borough Council	1	
	Castle Point Borough Council	1	
	Rochford District Council	1	
	Essex County Council	1	
Partnership Organisations	Anglia Ruskin University	1	
	Essex University	1	
	Southend Association of Voluntary Services	1	
	Southend Hospital Charitable Foundation Trust	1	
Total		**27**	**5**

Council of Governors' Meetings

The Council of Governors meets at least four times per year, plus the Annual General Meeting, and this is considered sufficient to fulfil its duties. Attendance at the Council of Governors is shown in Tables 6 and 7 for governors, and Table 8 for Board members.

Table 6: Attendance at meetings, elected Governors

Governor	Constituency	Type	Tenure	Attendance at council meetings
Hilary Seago[1]	Southend	Public	3 years from June 2014	2/4
Janet Tassell[1]	Rochford	Public	3 years from June 2014	4/4
Raymond Godfrey[1]	Rochford	Public	3 years from June 2014	1/4
Rachel Clark	Castle Point	Public	3 years from August 2015	5/7
Linda Cook	Southend	Public	3 years from August 2015	6/7
Nigel Gayner	Southend	Public	3 years from August 2015	6/7
Nirmal Gupta MBE	Southend	Public	3 years from August 2015	3/7
Frank Haysom	Southend	Public	3 years from August 2015	7/7
Trevor Johnson[2]	Southend	Public	3 years from August 2015	2/7
Barbara Oliver	Rochford	Public	3 years from August 2015	7/7
Vivien Burling	Castle Point	Public	Elected in August 2016 for 3 years	6/7
Les Catley	Rochford	Public	Re-elected in August 2016 for 3 years, elected Lead Governor and Vice Chairman in September 2016	6/7
Lawrence Collin	Southend	Public	Re-elected in August 2016 for 3 years	6/7
Joe Cooke	Castle Point	Public	Re-elected in August 2016 for 3 years	7/7
Sally Holland	Southend	Public	Elected in August 2016 for 3 years	5/7
Chima Okorafor	Rest of Essex	Public	Elected in August 2016 for 3 years	3/7
Brian Terry	Castle Point	Public	Elected in August 2016 for 3 years	6/7
Laura Hilton	Hospital Site	Worker	Elected in August 2016 for 3 years	3/7
Ted Lewin	Hospital Site	Volunteer Worker	Elected in August 2016 for 3 years	6/7
Judith Craven[3]	Rest of Essex	Public	Elected in August 2017 for 3 years	4/4
Liz Leigh[3]	Southend	Public	Elected in August 2017 for 3 years	4/4
Miriam[3] Schramm	Rochford	Public	Elected in August 2017 for 3 years	3/4

[1] Retired/resigned during the 2017/2018 financial year
[2] Sadly Trevor Johnson passed away during the year
[3] Elected during the 2017/18 financial year

Table 7: Attendance at meetings, appointed Governors

Governor	Constituency	Type	Tenure	Attendance at council meetings
Pam Challis	Castle Point	Local Authority	Appointed in June 2015	0/7
Meg Davidson	Southend	Local Authority	Appointed in September 2016	6/7
Sarah Lee	Essex University	Partnership	Appointed in September 2016	2/7
Cllr Terry Cutmore	Essex County Council	Local Authority	Appointed in September 2016	0/7
Mick Thwaites	Southend Hospital Charitable Foundation Trust	Partnership	Appointed in September 2015	1/7
June Lumley[1]	Rochford District Council	Local Authority	Appointed in September 2015	0/1
Melanie Bird	Anglia Ruskin University	Partnership	Appointed in September 2016	0/7
John Lamb	SAVS	Partnership – Voluntary sector	Appointed in September 2015	3/7
Mike Webb[2]	Rochford District Council	Local Authority	Appointed in May 2017	5/6

[1] Retired/resigned during the 2017/2018 financial year
[2] Appointed during the 2017/18 financial year

Table 8: Attendance at meetings, Board members

Board members	Positions	Attendance at council meetings
Alan Tobias OBE	Chairman	6/7
David Parkins	Non-Executive Director	4/7
Mike Green	Non-Executive Director	3/7
Fred Heddell CBE	Non-Executive Director	4/7
Tony Le Masurier	Non-Executive Director	5/7
Gail Partridge	Non-Executive Director	3/7
Gaby Rydings	Non-Executive Director	5/7
Tim Young	Non-Executive Director	1/7
Clare Panniker	Chief Executive	1/7
Tom Abell	Chief Transformation Officer	2/7
James O'Sullivan	Chief Financial Officer	0/7
Diane Sarkar	Chief Nurse	0/7
Celia Skinner	Chief Medical Officer	0/7
Yvonne Blücher	Managing Director	0/7
Martin Callingham	Chief Information Officer	0/7
Carin Charlton	Chief Estates and Facilities Director	0/4
Mary Foulkes OBE	Chief Human Resources Director	0/7
Paul Kingsmore	Interim, Chief Estates and Facilities Director	0/7

3.1.12 Council of Governors Committees/Groups

The Council of Governors also has a number of committees and sub-groups to carry out its function, and these are described below.

Strategy & Governance Committee

This committee meets to discuss a wide range of strategy and governance matters and advises the Council of Governors accordingly.

Topics considered include surveys of governors conducted by organisations such as NHSI and NHS Providers, the council of governors' self-assessment and governor elections. The committee makes recommendations on the appointment or removal of the Trust's external auditors taking into account the views of the Audit Committee. It also monitors the application of the constitution and reviews the wording of the governors' code of conduct to ensure that it continues to be appropriate. On behalf of the Council of Governors, the group considers forward planning issues and makes recommendations.

Membership Engagement and Recruitment Group

This group looks at ways of communicating and engaging with members of the Foundation Trust and encouraging patients, carers and members of the public to join the Trust. It is also the group which networks with other foundation trusts and monitors and receives reports from NHS Providers before consideration by the Council of Governors. This group also agrees the content of the governors' newsletter which is sent to members of the Trust. The group also reviews the education and training needs of governors to enable them to fulfil their role as fully as possible, and makes recommendations to the Council of Governors.

Patient and Carer Experience Group

This group consider how the Trust meets the healthcare needs of the people served by the Trust. It participates in projects to obtain the views of patients and carers and receives information about hospital services directly from patients, carers and nursing staff, amongst other sources. In addition to reviewing the wider needs of patients and carers it also considers how the hospital provides services to specific groups such as children and younger persons, and older people.

Search and Appointments Committee

The Council of Governors is responsible for appointing the chairman and non-executive directors and is made up of governors and the Chairman (unless the Chairman's post is being appointed to).

This committee will take into account the advice of the Nominations Committee in reviewing the structure, size and composition of the Board of Directors. It gives full consideration to succession planning for the Chairman and other non-executive directors, identifies and nominates suitable candidates and reviews the remuneration, allowances, other terms and conditions of office. The committee makes recommendations to the Council of Governors regarding chairman and other non-executive directors' appointments.

Worker Governors' Group

Worker governors have attended staff team meetings in a variety of departments across the Trust.

NEDs and Governors' Group

The NEDs and Governors' Group allows for the consideration and exchange of views, opinions, interpretations and understanding of information provided to governors by the Board of Directors so that the governors may fulfil their duty of holding the non-executive directors to account for the performance of the Board. The meetings are less formal than Council of Governor meetings, although matters raised at it are escalated to other governor committees for resolution or action.

Governors' interests

A register of governors' interests is maintained by the Company Secretary and may be viewed on the hospital website at www.southend.nhs.uk/about-us/meet-the-team/council-of-governors/

3.1.13 Membership of the Trust

Our members must be 12 years of age and above and are able to elect representatives of 16 years of age and above to the council of governors. Through our governors, they receive information about the Trust, and are consulted on plans regarding the future development of the Trust and its services. We strive to ensure that our membership reflects the full diversity of the local population.

Eligibility to become a Southend University Hospital NHS Foundation Trust member is based on criteria as described below:

Public members

These are based on local authority areas in the immediate vicinity (Southend, Castle Point and Rayleigh & Rochford, with a separate constituency for the 'rest of Essex').

Volunteer worker members

This category is for our hospital volunteers.

Worker members

Members of the worker constituency are individuals who:

- Are employed under a contract of employment by the Trust; or
- Are not so employed but who nevertheless exercise functions for the purposes of the Trust; and
- Who satisfy the minimum duration requirements set out in paragraph 3(3) of Schedule 1 to the 2003 Act;
- Who are not disqualified from becoming a member and have either made an application for membership, or have received an invitation from the Trust to become a member and have now informed the Trust that they do not wish to do so.

At 31 March 2018, our total FT membership stood at 21,091 (31 March 2017 =20,929), made up of:

- Public members = 16,588 (31 March 2017 = 16,115)
- Volunteer workers = 399 (408)
- Workers = 4,503 (4,406)

Our membership objectives

1. To focus on developing and maintaining effective meaningful engagement with our members and the public.
2. To ensure that our membership better reflects the demographic of south Essex by increasing our membership in under-represented areas.
3. To ensure our members, and the public at large, are actively involved in shaping future services at Southend University Hospital.
4. To measure the effectiveness of the membership engagement strategy and to ensure resources are deployed to achieve maximum benefit.

If you would like to receive information about becoming a member, call on Freephone number 0800 0185202, email to foundation.members@southend.nhs.uk or write to the Membership Manager, Communications Department, The Lodge, Southend University Hospital NHS Foundation Trust, FREEPOST ANG1863, Prittlewell Chase, Westcliff-on-Sea, Essex SS0 0RY.

Consulting with our members

During the 2017/18 financial year, the governors, supported by Trust staff, took part in over 20 events, including public engagement, visits to schools, careers fairs, etc. in order to promote the Trust, canvass views about the issues of importance to members and gain feedback on the Trust's future plans and strategies.

A full list of events can be found at Appendix 2.

Compliance with cost allocation

The directors confirm that the Trust complies with the cost allocation and charging guidance issued by HM Treasury.

Details of any political donations

The directors confirm that there have been no declarations of donations to political parties.

Better payment practice code

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

In recent years the Trust had been unable to consistently achieve the 30-day payment measure mainly as a consequence of the pressure on our operating cash resources.

The performance for 2017/18 has seen a significant improvement during the year and this is anticipated to continue in 2018/19.

Performance against the code is set out in Table 9.

Table 9: Performance against Better Payment Practice Code

	2017/18		2016/17	
Non-NHS Trade Invoices	**Number**	**Value (£000's)**	**Number**	**Value (£000's)**
Total invoices paid in year	80,533	£122,380	87,339	£133,409
Total invoices paid within target	64,206	£99,966	50,116	£82,725
Percentage of invoices paid within target	80%	82%	57%	62%
NHS Trade Invoices	**Number**	**Value (£000's)**	**Number**	**Value (£000's)**
Total invoices paid in year	2,001	£24,926	2,257	£13,008
Total invoices paid within target	1282	£18,983	761	£6,712
Percentage of invoices paid within target	64%	76%	34%	52%

3.1.14 Disclosures relating to NHS Improvement's well-led framework

The Trust's approach to ensure services are well led is discussed in detail in the earlier section of this Director's report and in the Annual Governance Statement.

A review of the well-led framework was carried out internally in 2017 prior to the formal routine inspection of the well-led domain by the Care Quality Committee. The review was carried out using the NHS Improvement's well-led framework around the eight key lines of enquiry (KLOEs) and was undertaken using a variety of methods. These methods included a review of policies and procedures, review of meeting minutes and papers, observations at meetings and interviews with senior leaders both at corporate and directorate level. In addition to the trust level review against the well-led KLOE's, a review of clinical areas was carried out in September 2017 which looked at all 5 CQC domains (Safe, Effective, Caring, Responsive and Well-led) and a rating was applied to each area visited using the CQC ratings framework against the evidence obtained. Action plans were developed for each area against the findings of the review and these were monitored at the weekly 'maintaining high standards' meeting to ensure governance and quality improved.

Details of the internal control systems in place to manage and control risks in addition to the trust quality governance structure can be found in more detail within the annual governance statement.

Income disclosures

It is confirmed that, as required by section 43(2A) of the NHS Act 2006, the income the Trust has received from the provision of goods and services for the purposes of the health service in England is greater than its income from the provision of goods and services for any other purpose.

Statement as to disclosure to Auditors

For each individual who is a director at the time that the report is approved:

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

Clare Panniker
Chief Executive
Date: 29 May 2018

3.2 Remuneration report

'Senior managers' are defined as those persons in senior positions having authority or responsibility for directing or controlling the major activities of the Trust. For the purposes of this report, the term 'senior manager' applies to the Chair, non-executive directors and all executive directors.

3.2.1 Annual statement from the Chair of the Remuneration and Nominations Committee

It is a statutory requirement that the Trust has a Remuneration and Nominations Committee. The committee has delegated responsibility for determining remuneration for all executive directors, including pension rights and any other compensation payments.

It is a fundamental requirement for the Trust to be well led by executives able to demonstrate high standards of strategic leadership, as well as skill and experience in operational, clinical, financial and people matters.

The committee must satisfy itself that the remuneration levels support the achievement of the Trust objectives.

The committee, within its terms reference, establishes and keeps under review a remuneration policy in respect of executive directors (including the Chief Executive). The policy is to pay market rates whilst ensuring that the Trust makes proper use of public money.

The committee must approve the submission of proposals to HM Treasury, for payments which exceed contractual obligations where applicable.

The committee meets as required but ideally twice a year. The committee chairman reports formally to the Board after each meeting.

During Summer 2017, the Joint Working Board (JWB) agreed that the Remuneration and Nomination Committee of the three trusts should meet and transact their business in common, as part of the collaborative governance arrangements. This seemed plausible strategically given that the executive directors (including the Chief Executive) held those positions on the Boards of all three trusts. In the interests of clarity and governance, the JWB approved a mode of working document that set out those issues which were within and outside scope when the committees met in common rather than when they met alone.

The Remuneration and Nomination Committee in Common retained their own terms of reference and accountability to their own Trust Board by whom their authority was delegated.

During 2017/18, the Remuneration and Nomination Committee in Common met on two occasions. At these meetings, the following items of business were transacted:

- The objectives for the joint executives were discussed, refined by the committee and approved;
- The outcome of the mid-year appraisals for the joint executives, including the Chief Executive, were noted by the committees;
- The potential for introducing a performance related pay scheme for joint executives was debated in depth by the committees. A decision was reached that an independent review of suitable schemes and a proposal should be commissioned for the committees to consider in Autumn 2018, with a view to introducing from April 2019 onwards;
- Oversight of the recruitment process for the Chief Commercial Officer and the Chief Estates and Facilities Director;
- Oversight of the capacity and capability of the site leadership teams, in recognition of the crucial role of these teams in the delivery of safe and effective care at each site.

The Trust's Remuneration and Nomination Committee also met twice during 2017/18 to:

- Approve a responsibility payment to the Medical Director, Mr Neil Rothnie for his Deputy Managing Director role;
- Approve a performance related pay bonus for the Managing Director, Yvonne Blücher.

Tony Le Masurier
Chairman, Remuneration and Nominations Committee

3.2.2 Senior managers' remuneration policy

The Trust's overall pay stance for directors is to pay competitively in comparison with peers in the NHS and in other organisations where this is relevant for specific roles. External comparisons will reflect the size and nature of the Trust.

The remuneration package and conditions of service for executive directors is agreed by the Remuneration and Nominations Committee. In setting the remuneration for executive directors, the committee takes account the following factors:

- Market value of similar posts in similar size organisations;
- The benchmarking information provided by NHS Providers.

Individual performance is taken into account in the annual pay review. Performance criteria that feed into individual base pay decisions are robust and advised in advance. This includes performance against corporate and individual objectives as well as individual behaviour, as articulated through the Trust's stated values and behaviours.

3.2.3 Service contracts

Executive directors

The contracts of employment of permanent executive directors contain a maximum notice period of six months. All such contracts are open-ended but are subject to earlier termination for cause or if notice is given under the contract. There is no entitlement to any additional remuneration in the event of early termination for any of the directors. The table below shows the contract start dates for executive directors.

Table 10: Contract start dates for Executive Directors

Name	Job Title	Start Date
Mary Foulkes	Director of HR and OD/ Chief Human Resources Director	12 January 2015/1 February 2017
James O'Sullivan	Chief Financial Officer/ Chief Finance Officer	21 April 2014/ 1 February 2017
Yvonne Blücher	Chief Nurse/ Managing Director	7 October 2015/December 2016

The above executive directors are directly employed by Southend University Hospital Foundation Trust and therefore have a contract of employment with the Trust. The other members of the Joint Executive Group are employed by the other two Trusts (Basildon and Thurrock University Hospitals NHS Foundation Trust and Mid Essex Hospital Services NHS Trust).

Non-Executive Directors

In accordance with the Trust's constitution, the Chairman and the non-executive directors are appointed for a period of office in accordance with the terms and conditions decided by the Council of Governors at a general meeting. Removal from office within the agreed term must be approved by at least three-quarters of all the members of the Council of Governors.

Throughout the year, the Trust held contracts with NEDs as shown below:

Table 11: NED contracts

Name	Appointment date	Start of current term	End of current term
Alan Tobias OBE	December 2011	December 2014	May 2019
David Parkins	October 2006	May 2016	May 2019
Mike Green	November 2010	November 2016	October 2019
Fred Heddell	December 2011	December 2014	May 2019
Tony Le Masurier	December 2012	December 2015	May 2019
Gail Partridge	December 2016	December 2016	November 2019
Gaby Rydings	May 2016	May 2016	May 2019
Tim Young	December 2012	December 2015	May 2019

3.2.4 Senior managers' remuneration

Tables 12 and 13 show the senior managers' and non-executive remuneration which sets out the payments made during 2017/18.

Table 12a: Senior managers and Non-Executive Remuneration 2017/18 *(subject to audit)*

Executive Directors			Year Ended 31 March 2018							
			Salary and fees	Taxable Bene-fits	Annual Per-formance related bonus	Long-term performance related bonuses	Benefits In Kind	Other Remu-neration	All pensions related benefits	Total
			(Bands of £5,000)	(To nearest £100)	(Bands of £5,000)	(Bands of £5,000)	(To nearest £100)	(Bands of £5,000)	(Bands of £2,500)	(Bands of £5,000)
			£'000	£	£'000	£'000	£	£'000	£'000	£'000
Clare Panniker	JEG Chief Executive		75 - 80	600	-	-	-	-	-	**75 - 80**
Tom Abell	JEG Chief Transformation Officer		50 - 55	300	-	-	-	-	-	**50 - 55**
Martin Callingham	JEG Chief Information Officer		40 - 45	1100	-	-	-	-	185 - 187.5	**230 - 235**
Carin Charlton	JEG Director of Environment and Infrastructure	to December 2017	30 - 35	700	-	-	-	-	35.0 - 37.5	**65 - 70**
Mary Foulkes OBE	JEG Chief Human Resources Director		40 - 45	-	-	-	-	-	72.5 - 75.0	**115 - 120**
Paul Kingsmore *	JEG Director of Environment and Infrastructure	from December 2017	20 - 25		-	-	-	-	-	**20 - 25**
J O'Sullivan	JEG Chief Financial Officer		50 - 55	-	-	-	-	-	32.5 - 35.0	**85 - 90**
Diane Sarkar	JEG Chief Nurse		45 - 50	-	-	-	-	-	97.5 - 100	**145 - 150**
Dr Celia Skinner	JEG Chief Medical Officer		60 - 65		-	-	-	10 - 15	220.0 - 222.5	**290 - 295**
Y F Blucher	Managing Director, member of JEG		140 - 145	-	-	-	-	5 - 10	227.5 - 230.0	**380 - 385**

Key: (JEG) Joint Executive Group

* The Director of Environment and Infrastructure, Paul Kingsmore, is working in an interim capacity via an agency.

Non-Executive Directors		Salary and fees	Taxable Benefits	Annual Performance related bonus	Long-term performance related bonuses	Benefits In Kind	Other Remuneration	All pensions related benefits	Total
		(Bands of £5,000)	(To nearest £100)	(Bands of £5,000)	(Bands of £5,000)	(To nearest £100)	(Bands of £5,000)	(Bands of £2,500)	(Bands of £5,000)
		£'000	£	£'000	£'000	£	£'000	£'000	£'000
A. Tobias OBE	Chair	45 - 50	-	-	-	-	-	-	**45 - 50**
D. Parkins	Non - Executive Director	15 - 20	-	-	-	-	-	-	**15 - 20**
M Green	Non - Executive Director	15 - 20	-	-	-	-	-	-	**15 - 20**
F. Heddell	Non - Executive Director	15 - 20	-	-	-	-	-	-	**15 - 20**
J. Le Masurier	Non - Executive Director	10 - 15	-	-	-	-	-	-	**10 - 15**
T. Young	Non - Executive Director	10 - 15	-	-	-	-	-	-	**10 - 15**
G. Rydings	Non - Executive Director	10 - 15	-	-	-	-	-	-	**10 - 15**
G. Partridge	Non - Executive Director	10 - 15	-	-	-	-	-	-	**10 - 15**

All pensions related benefits

Pension Related Benefits relate to the individuals full employment and is not limited to their paid employment with the Trust.

The change in pension related benefits is defined within the Department of Health - Group Accounting Manual 2017-18 as ((20 x PE) +LSE) – ((20 x PB) + LSB), where:

PE is the annual rate of pension that would be payable to the director if they became entitled to it at the end of the financial year
PB is the annual rate of pension, adjusted for inflation, that would be payable to the director if they became entitled to it at the beginning of the financial year;
LSE is the amount of lump sum that would be payable to the director if they became entitled to it at the end of the financial year; and
LSB is the amount of lump sum, adjusted for inflation, that would be payable to the director if they became entitled to it at the beginning of the financial year.

Table 12b: Joint Executive Group (JEG) DISCLOSURE 2017/2018 *(subject to audit)*

Executive Directors			Year Ended 31 March 2018			
			Total Salary, fees and Bonus	Basildon NHS FT	Mid Essex NHS Trust	Southend NHS FT
			(Bands of £5,000)	(Bands of £5,000)	(Bands of £5,000)	(Bands of £5,000)
			£'000	£'000	£'000	£'000
Clare Panniker	Chief Executive	Joint Executive Group	**230 - 235**	75 - 80	75 - 80	75 - 80
Tom Abell	Chief Transformation Officer	Joint Executive Group	**150 - 155**	50 - 55	50 - 55	50 - 55
Martin Callingham	Chief Information Officer	Joint Executive Group	**125 - 130**	40 - 45	40 - 45	40 - 45
Carin Charlton	Director of Environment and Infrastructure	Joint Executive Group	**90 - 95**	30 - 35	30 - 35	30 - 35
Mary Foulkes OBE	Chief Human Resources Director	Joint Executive Group	**120 - 125**	40 - 45	40 - 45	40 - 45
Paul Kingsmore	Director of Environment and Infrastructure	Joint Executive Group	**60 - 65**	20 -25	20 -25	20 -25
J O'Sullivan	Chief Financial Officer	Joint Executive Group	**155 - 160**	50 - 55	50 - 55	50 - 55
Diane Sarkar	Chief Nurse	Joint Executive Group	**140 - 145**	45 - 50	45 - 50	45 - 50
Dr Celia Skinner	Chief Medical Officer	Joint Executive Group	**220 - 225**	70 - 75	70 - 75	70 - 75
Y F Blucher	Managing Director		**140 - 145**	-	-	140 - 145

Table 12c: Senior managers and Non-Executive Remuneration 2016/17 *(subject to audit)*

Executive Directors			Year Ended 31 March 2017							
			Salary and fees	Taxable Benefits	Annual Performance related bonus	Long-term performance related bonuses	Benefits In Kind	Other Remuneration	All pensions related benefits	Total
			(Bands of £5,000)	(To nearest £100)	(Bands of £5,000)	(Bands of £5,000)	(To nearest £100)	(Bands of £5,000)	(Bands of £2,500)	(Bands of £5,000)
			£'000	£	£'000	£'000	£	£'000	£'000	£'000
S. Hardy	Chief Executive	Until Dec 16	130 - 135	-	-	-	-	-	(2.5) - 0.0	**130 - 135**
J. O'Sullivan	Chief Financial Officer	-	135 - 140	-	-	-	-	-	95.0 - 97.5	**230 - 235**
M. Foulkes OBE	Chief Director of Human Resources	-	100 - 105	-	-	-	-	-	70.0 - 72.5	**170 - 175**
N. Rothnie*	Medical Director	Until Jan 17	130 - 135	-	-	-	-	-	(2.5) - 0.0	**130 - 135**
Y F Blucher	Chief Nurse / Managing Director	Managing Director from Jan 17	120 - 125	-	-	-	-	-	102.5 - 105.0	**225 - 230**
J Findlay	Chief Operating Officer	Until Dec 16	100 - 105	-	-	-	-	-	50.0 - 52.5	**150 - 155**
J. China	Director Of Estates and Facilities	Until Jan 17	90 - 95	-	-	-	-	-	-	**90 - 95**

* Neil Rothnie (Medical Director) received a salary of £33k for additional clinical duties which is included within the salary and fees above.

Non-Executive Directors			Salary and fees	Taxable Benefits	Annual Performance related bonus	Long-term performance related bonuses	Benefits In Kind	Other Remuneration	All pensions related benefits	Total
			(Bands of £5,000)	(To nearest £100)	(Bands of £5,000)	(Bands of £5,000)	(To nearest £100)	(Bands of £5,000)	(Bands of £2,500)	(Bands of £5,000)
			£'000	£	£'000	£'000	£	£'000	£'000	£'000
A. Tobias	Chair		45-50	-	-	-	-	-	-	45-50
D. Parkins	Non - Executive Director		15 - 20	-	-	-	-	-	-	15 - 20
M Green	Non - Executive Director		15 - 20	-	-	-	-	-	-	**15 - 20**
F. Heddell	Non - Executive Director		15 - 20	-	-	-	-	-	-	**15 - 20**
J. Le Masurier	Non - Executive Director		10 - 15	-	-	-	-	-	-	**10 - 15**
T. Young	Non - Executive Director		10 - 15	-	-	-	-	-	-	**10 - 15**
G. Rydings	Non - Executive Director	*From May 16*	10 - 15	-	-	-	-	-	-	**10 - 15**
G. Partridge	Non - Executive Director	*From Dec 16*	0 - 5	-	-	-	-	-	-	**0 - 5**
Q. Bakhsh	Non - Executive Director	*Until Nov 16*	5 - 10	-	-	-	-	-	-	**5 - 10**

All pensions related benefits

Increase = ((20 x PE) +LSE) – ((20 x PB) + LSB)

Where:

PE is the annual rate of pension that would be payable to the director if they became entitled to it at the end of the financial year

PB is the annual rate of pension, adjusted for inflation, that would be payable to the director if they became entitled to it at the beginning of the financial year;

LSE is the amount of lump sum that would be payable to the director if they became entitled to it at the end of the financial year; and

LSB is the amount of lump sum, adjusted for inflation, that would be payable to the director if they became entitled to it at the beginning of the financial year.

3.2.5 Pension entitlement for senior managers *(subject to audit)*

The Government's Financial Reporting Manual requires the Foundation Trust to make disclosures regarding the pension entitlements of its directors, as detailed in the following table. As non-executive directors do not receive pensionable remuneration, there are no entries in respect of pension benefits for these directors.

Table 13a: Pension entitlement for senior managers 2017/18 *(subject to audit)*

Executive Directors		Year Ended 31 March 2018							
		Real Increase in pension at pension age	Real Increase in pension lump sum at pension age	Total accrued pension at pension age at 31 March 2018	Lump sum at pension age related to accrued pension at 31 March 2018	Cash Equivalent Transfer Value at 1 April 2017	Real Increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2018	Employers contribution to stakeholder pension
		(Bands of £2,500)	(Bands of £2500)	(Bands of £5,000)	(Bands of £5,000)				
		£'000	£'000	£'000	£'000	£'00	£'000	£'000	£'000
Clare Panniker	Chief Executive	0.0 - 2.5	-	65 - 70	165 - 170	1,124	25	1,160	27
Tom Abell*	Chief Transformation Officer	-	-	-	-	-	-	-	-
Martin Callingham	Chief Information Officer	7.5 - 10	20.0 - 22.5	50 - 55	135 - 140	735	202	945	18
Carin Charlton	Director of Environment and Infrastructure	0.0 - 2.5	2.5 - 5.0	25 - 30	65 - 70	329	45	396	14
Mary Foulkes OBE	Chief Human Resources Director	2.5 - 5.0	5.0 - 7.5	15 - 20	30 - 35	189	72	263	19
J. O'Sullivan	Chief Financial Officer	2.5 - 5.0	-	10 - 15	-	110	46	157	21
Diane Sarkar	Chief Nurse	5.0 - 7.5	7.5 - 10.0	45 - 50	110 - 115	643	122	771	21
Dr Celia Skinner	Chief Medical Officer	10.0 - 12.5	32.5 - 35.0	80 - 85	245 - 250	1,351	303	1,668	32
Y F Blucher	Managing Director	10.0 - 12.5	32.5 - 35.0	65 - 70	200 - 205	1,171	298	1,481	21

*Tom Abell is not currently in the NHS Pension Scheme

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which 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 scheme or arrangement) and uses Government Actuary Department factors in the calculations.

Table 13b: Pension entitlement for senior managers 2016/17 *(subject to audit)*

Executive Directors		Year Ended 31 March 2017							
		Real Increase in pension at pension age	Real Increase in pension lump sum at pension age	Total accrued pension at pension age at 31 March 2017	Lump sum at pension age related to accrued pension at 31 march 2017	Cash Equivalent Transfer Value at 1 April 2016	Real Increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2017	Employers contribution to stakeholder pension
		(Bands of £2,500)	(Bands of £2,500)	(Bands of £5,000)	(Bands of £5,000)				
		£'000	£'000	£'000	£'000	£'00	£'000	£'000	£'000
S. Hardy	Chief Executive	(2.5) - 0.0	(2.5) - 0.0	60 - 65	185 - 190	1,168	22	1,230	13
J. O'Sullivan	Chief Financial Officer	2.5 - 5.0	-	5 - 10	-	34	55	110	19
M. Foulkes OBE	Director Of Human Resources	2.5 - 5.0	(2.5) - 0.0	10 - 15	20 - 25	162	10	189	14
Y F Blucher	Chief Nurse \ Managing Director	2.5 - 5.0	12.5 - 15.0	55 - 60	165 - 170	1,021	109	1,171	17
N. Rothnie	Medical Director	(2.5) - 0.0	(2.5) - 0.0	75 - 80	225 - 230	1,646	55	1,762	23
J Findlay	Chief Operating Officer	2.5 - 5.0	(2.5) - 0.0	40 - 45	125 - 130	730	59	820	14
J. China*	Director Of Estates and Facilities	-	-	-	-	-	-	-	-

* J. China retired during 2016/17

3.2.6 Expenses

In the financial year 2017/18 there were 27 governors and 11 directors in office.

Of the 27 governors, five claimed and received expenses in the amount of £1k. In comparison, in the year 2016/17 there were 27 governors and 15 directors in office. Of the 27 governors, four received expenses in the amount of £1.1k.

Out of the 11 Directors* in office, three executive directors and six non-executive directors received expenses in the amount of £15k (compared with £17k in 2016/17), made up of £3k expenses received by executive directors and £12k by non-executive directors).

Expenses have been paid to both directors and governors during the year as shown below:

Table 14: Expenses paid

Directors	2017/18		2016/17	
	Total receiving expenses	Total expenses (£)	Total receiving expenses	Total expenses (£)
Executive Directors	3	2,712	6	**5,187**
Non-Executive Directors	6	11,988	7	**11,808**
Governors	5	518	4	**1,066**
Total	**14**	**15,218**	**17**	**18,061**

* The 11 Directors include the 3 members of the Joint Executive Group (JEG) who are directly employed by the Trust as specified in Table 10 and the 8 Non-Executive Directors (NEDs) as specified in Table 11.

Clare Panniker
Chief Executive
Date: 29 May 2018

3.3 Staff Report

3.3.1 Staffing Information

An analysis of the Trust's staff costs and staff breakdown are shown below. Data is presented by staff group and includes details of staff with a permanent employment contract with the Trust and other staff, for example, short term contract staff, and agency/temporary staff.

Also presented is a breakdown at the year end of the number of male and female, directors, other senior managers and employees as well as sickness data for all staff groups for the same period.

Table 15: Analysis of staff costs *(subject to audit)*

	2017/18			2016/17		
	Total	Permanent	Temporary	Total	Permanent	Temporary
	£000	£000	£000	£000	£000	£000
Salaries and wages	**147,688**	147,688	-	**140,860**	140,860	-
Social security costs	**13,771**	13,771	-	**12,959**	12,959	-
Apprenticeship Levy	**693**	693	-	-	-	-
Employer's contributions to NHS pensions	**16,350**	16,350	-	**15,705**	15,705	-
Pension cost – other	-	-	-	-	-	-
Other post-employment benefits	-	-	-	-	-	-
Other employment benefits	-	-	-	-	-	-
Termination benefits	-	-	-	-	-	-
Temporary staff - External Bank	-	-	-	-	-	-
Temporary staff – Agency/ Contract	**18,476**	-	18,476	**17,811**	-	17,811
Total gross staff costs	**196,978**	**178,502**	**18,476**	**187,335**	**169,524**	**17,811**
Recoveries in respect of seconded staff to Other NHS bodies	**(1,534)**	(1,534)	-	**(1,186)**	(1,186)	-
Total staff costs	**195,444**	**176,968**	**18,476**	**186,149**	**168,338**	**17,811**

2016/17 comparatives have been reclassified to remove the hosted GP placements and reflect the Trust's directly attributable staff costs.

Table 16: Number of Staff Employed - by staff group and Role - as at 31 March 2018 *(subject to audit)*

Staff Group	Headcount	FTE
Nursing and midwifery	1264	1106.04
Medical and dental	544	526.59
Additional clinical services	932	786.65
Allied Health Professionals	304	262.91
Professional scientific and technical	145	129.54
Healthcare scientists	100	89.03
Estates and ancillary	219	188.69
Administrative and clerical	995	829.83
Total	**4503**	**3919.27**

Table 17: Number of filled Bank and Agency roles - by staff group - as at 31 March 2018

Staff Group	FTE
Nursing and midwifery	147.77
Medical and dental	58.07
Additional clinical services	173.19
Allied Health Professionals	20.87
Professional scientific and technical	13.95
Healthcare scientists	0.30
Estates and ancillary	74.56
Administrative and clerical	47.22
Grand total	**535.93**

Table 18: Gender Split as at 31 March 2018

	Male	Female
Directors*	7	4
Other senior managers	25	44
Employees	956	3467
Total	**988**	**3515**

*Directors include the 3 members of the Joint Executive Group (JEG) who are directly employed by the Trust as specified in Table 10 and the 8 Non-Executive Directors (NEDs) as specified in Table 11.

Table 19: Sickness percentage as at 31 March 2018

Staff Group	% Absence Rate
Nursing and midwifery	4.18%
Medical and dental	1.63%
Additional clinical services	5.17%
Allied Health Professionals	1.57%
Professional scientific and technical	1.96%
Healthcare scientists	2.22%
Estates and ancillary	6.62%
Administrative and clerical	3.91%
Trust total	**3.85%**

Table 20: Sickness data as at 31 March 2018

Measure	Value
Average full time equivalent(FTE) April 2017-March 2018	3,840
FTE-days available	1,400,135
FTE-days lost to sickness absence	53,836
Average of 12 months (2017-18 Financial year)	3.85%
Average sick days per FTE (include long term sickness)	14

Source: Based on sickness data from ESR, period covered April 2017-March 2018

3.3.2 Staff policies and actions applied during the financial year

The Trust has an overarching equal opportunities in employment policy which underpins the work the Trust has been doing throughout the year with regards to Equality, Diversity and Inclusion. The strategic aims of Equality, Diversity and Inclusion are monitored and progressed through the Equality, Diversity and Inclusion Committee to ensure the Trust meets not only its statutory duties but also best practice.

In addition the Black, Asian and Minority Ethnic Diversity Network Group has been successfully launched and a campaign was held during Black History Month to celebrate the diversity we have within the Trust. The Trust's continuing focus is on promoting the other networks to ensure the promotion of inclusion for all groups. The Trust continues to conduct an analysis of the staff survey focusing on the outcomes for Equality and Diversity with agreed interventions put in place to secure improvements. This is reflected in the Workforce Race Equality Standard action plan for the Trust.

The Gender Pay Gap report was uploaded to the national database and published on our internet site on 28 March 2018 to meet our statutory requirements. The report demonstrates that both the average and median hourly pay rates are higher for male staff compared to female staff. Similarly, both the average and median bonus payments are higher for male staff compared to female staff with bonus payments in the majority being awarded to male staff (Clinical Excellence Awards).

The findings are as would be expected for the NHS which shows a gender pay gap. This is due to the higher ratio of males employed in the top 25% of pay bands which includes medical and dental professions.

Further analysis will be conducted to identify specific areas where there is a gender pay gap in order to develop actions to address the gap in relation to job level, pay grade, full and part-time employees, department/ division and occupational group. This will help us understand the actions we need to take in line with our Equality, Diversity and Inclusion agenda.

We are committed to taking action to close this gender pay gap and will use the data to enable us to initiate conversations around gender pay issues and to inform actions to address any area of concern.

The Trust engaged the Guardian Service in October 2017 to support the Freedom to Speak Up agenda. This has led to increased opportunity for staff to raise concerns confidentially in the workplace and provide a structure for escalation and resolution of concerns. This is supported by the monthly Freedom to Speak up steering group, which is attended by representatives from across the Trust including nominated speak up Champions from each directorate, which further promotes the agenda.

The Trust is working together with NHS Improvement to reduce staff turnover by 2% during 2018 to 2020. Projects include improving our on-boarding process, supporting managers to implement more flexible working initiatives and working with staff who are due to retire from the Trust to ensure we offer every opportunity to return to us in any capacity.

The sickness absence policy review in 2016/17 to ensure managers are enabled to support staff with early interventions has been fully embedded in 2017/18, which has had a significant impact on reducing sickness. We have seen a slight rise in sickness over the winter which is expected. However, at the end of March 2018 sickness was 3.85% compared to 4.10% in 2017.

This has been further supported in 2017/18 through the development of our Health and Wellbeing strategy. The Trust's Management and Prevention of Stress at Work Policy has been updated after extensive discussion and consultation. This has streamlined the process of identifying stress and supporting with remedial action. Further information is included in the Occupational Health and Wellbeing section.

The Trust continues to hold a number of accreditations which include its Responsibility Deal Employer pledge and mental health Mindful Employer and the SEQOHS (Safe Effective Quality Occupational Health Service) standard accreditation. The Trust continues to conduct an analysis of the staff survey focusing on the outcomes for disabled staff with agreed interventions put in place to secure improvements. This will be further supported by the Workforce Disability Equality Standard, which the Trust has started preparing for in 2017/18 in preparation for launch in August 2019.

In 2017/18 the learning and development team restructured to amalgamate teams across the MSB group (Mid-Essex, Southend and Basildon hospitals), forming the People and Organisational Development team. The vision for the P&OD team is to augment a workforce that can meet the challenges of the next five years and beyond, adapt to change and transfer skills into new and different roles as required, thereby ensuring that the group meets its strategic aims. One of the key aspirations is to deliver a holistic, innovative and practical approach to skilling up teams, support improvement in service delivery and create a culture that supports innovation, knowledge sharing and learning.

In line with this the People Strategy was developed and consulted on to support group working and to ensure that all staff are able to access opportunities for development, learning, training and performance is optimised. The Trust continued to use the policies for performance management, training and development.

The following policies have been updated this year and are published on the hospital intranet and available from the Trust:

- Health and Wellbeing Strategy.
- Management and Prevention of Stress at Work policy.
- Policy for the Recognition of Long Service.
- Equal Opportunities in Employment.
- Organisational Change.
- Disciplinary.
- Flexible Working.
- Smoke Free.
- Maternity Leave.
- Retirement.
- Fit and Proper Persons Regulation.

All Trust policies are subject to an Equality Impact Assessment to ensure that no specific group is adversely affected. Policies are also renewed at regular intervals.

Communication with employees

Communication through Chief Executive and Joint Executive Group (JEG) member briefings has sustained communication about the STP and more recently merger plans. The monthly emails from the Chief Executive and weekly Managing Director blogs highlight key management and operational messages to staff. The Site Leadership Team members continue to visit wards and departments at least monthly to talk to staff and hear their successes and concerns.

Standard communication channels include regular executive briefings at Core Brief, Friday Round Up, daily Safe@Southend morning safety briefings, The Look magazine and staff emails, as well as bi-monthly e-newsletter 'Spotlight on Nursing and Midwifery' and 'Transformation Review', both of which are distributed across all three Trusts.

Consultation with employees

It is recognised that 2017/18 has been challenging due to the STP and potential merger and that there has been an element of uncertainty. With this in mind the three Trusts within the MSB Group (Mid-Essex, Southend and Basildon hospitals) reviewed the organisational change policy to ensure that there would be consistency in approach and process across the three sites. Following feedback from consultations that have taken place this is being further reviewed and guidance for redeployment will be included.

Internally the Negotiating and Consultation Group and the Local Negotiating Committee are the main recognised committees for negotiating and consulting with staff and their representatives. These committees meet regularly and issues affecting the Trust and its performance are discussed at these meetings with finance and performance listed as standing agenda items. Effective partnership working with Staffside continues and they are actively involved in the Equality, Diversity and Inclusion and Health and Wellbeing agenda.

In addition due to the work across the three Trusts a number of Group Committees are now in place, such as a Joint Negotiation and Consultation Group and Joint Local Negotiating Committee to support joined up working.

Involvement in performance

The Trust informs staff of its performance on a regular basis, through its communication channels; these include regular executive blogs, Friday Round Up and monthly Core Brief presentations. Staff are encouraged to join in discussions on executive blogs and give feedback on their views regarding performance. Feedback through directorate meetings and daily Safe@Southend meetings is sought. Safe@Southend daily meetings and monthly Core Brief are open to all staff.

Occupational Health and Wellbeing

The Trust appreciates that the health and wellbeing of its staff is vital and that happy and healthy staff are likely to contribute more and increase productivity.

All staff have access to the Occupational Health Department. Throughout the year Occupational Health provided departments and wards with the opportunity to have bespoke lifestyle screening sessions. Individual lifestyle screening sessions were also carried out.

Staff were enthusiastic about the Pedometer Challenge which was held in June with 21 teams successfully completing the four week challenge. This was supported by generous prizes from local business to recognise staff involvement. Staff also had the chance to engage in the six week Mindful Walking course - Simply Stride - in partnership with Southend Borough Council.

Staff also have access to the Employee Assistance Programme Provider, Confidential Care (CiC), who held roadshows on site to support staff access the benefits from services.

Stress awareness courses continued to run on a monthly basis providing both staff and managers with the relevant knowledge and skills to recognise the signs of stress and its management. An external trainer from Southend Borough Council also held a one day seminar on personal resilience. Staff who attended provided feedback that these courses are of great value especially in the current climate. Focus in 2018/19 is on developing our own in-house resilience offer.

Staff continue to have access to complimentary therapy sessions and health promotion classes, which include yoga and pilates.

This season's flu campaign saw an increase in frontline staff uptake from 52.21% in 2016/17 to 60.1% in 2017/18.

Counter-fraud and bribery arrangements

It is essential that proper use is made of public money and the Trust is committed to high ethical and moral standards. To this end the Trust takes a zero tolerance approach to fraud and corruption with the intention of protecting the property and finances of the NHS and of patients in our care.

The Trust also has procedures in place that reduce the likelihood of bribery occurring which include requirements to adhere to standing orders, standing financial instructions, documented procedures, a system of internal control (including internal and external audit), local counter fraud specialist and a system of risk assessment, and is absolutely committed to maintaining an honest, open and well-intentioned atmosphere so as to best fulfil the objectives of the Trust and of the NHS.

The Trust is also committed to the rigorous investigation of any such allegations and to taking appropriate action against wrong doers, including possible criminal prosecution. To this end the Trust has a number of policies and procedures geared at the elimination of instances of Fraud and Bribery, which include, Disciplinary policy and procedure, Anti-Fraud and Anti-Bribery policy and Raising Concerns at Work (Whistleblowing Policy). The Trust has a local counter fraud HR protocol, commissioned by NHS Protect, which is reviewed and renewed annually.

3.3.3 2016 NHS Staff Survey

The NHS Staff Survey was sent to all Trust employees in 2017. The results are broadly in line with last year with two statistically significant changes, the percentages of staff working extra hours and the quality of communication between senior leaders and employees reduced. Locally the 2017 survey was distributed 100% online with 1764 respondents.

The 2017 results and key findings are shown in Table 21.

Table 21: Response rate

Response rate				
	2015	2016	2017	2017
	Trust	Trust	Trust	National average
Response rate	45%	41%	41%	44%

The staff engagement score is a significant indicator for hospitals and is used as a national benchmark in comparison to other Trusts. Possible scores range from 1 to 5 (1 - not engaged, 5 - highly engaged) and the survey asks a range of questions around themes to calculate this score. Research shows that when staff are engaged and feel valued, this impacts on their practice and patient experience.

Table 22: Staff Engagement Score

Staff engagement				
	2015	2016	2017	2017
	Trust	Trust	Trust	National average
Staff engagement score	3.71	3.72	3.71	3.79

Table 23: Top five ranking scores

Top 5 ranking scores				
	2015	2016	2017	2017
Key finding	Trust	Trust	Trust	National average
KF23. Percentage of staff experiencing physical violence from staff in last 12 months	1%	1%	1%	2%
KF13. Quality of non-mandatory learning and development	4.03	4.05	4.1	4.05
KF10. Support from immediate manager	3.71	3.75	3.76	3.74
KF9. Effective team working	3.73	3.76	3.77	3.72
KF29. Percentage of staff reporting errors, near misses or incidents witnessed in the last month	89%	92%	92%	90%

Table 24: Bottom five ranking scores

Bottom 5 ranking scores				
	2015	2016	2017	2017
Key finding	Trust	Trust	Trust	National average
KF4. Staff motivation at work	3.84	3.87	3.85	3.92
KF2. Staff satisfaction with the quality of work and patient care they are able to deliver	3.84	3.86	3.83	3.91
KF1. Staff recommendation of the organisation as a place to work and receive treatment	3.59	3.62	3.57	3.75
KF28. % of staff witnessing potentially harmful errors, near misses or incidents in the last month	32%	31%	33%	31%
KF3. Percentage of staff agreeing that their role makes a difference to patients / end users	89%	89%	89%	90%

Table 25: Corporate action plan results

Key areas of improvement	Score 2015	Score 2016	Score 2017	Target Score 2017
Improved managers communication and visibility	3.36	3.4	3.41	3.42
Staff Involvement in decisions around change	3.88	3.87	3.88	3.91
Staff feel valued	3.01	3.09	3.09	3.05
Positive Health and wellbeing of staff	39%	37%	39%	36%
Recruitment and retention action plan	3.24	3.27	3.27	3.3

3.3.4 Future priorities and targets

Our aim, introduced in 2016, is to ensure staff engagement is improved so that SUHFT is in the top 20% of all trusts by 2020.

Our focus for 2017/18 is to build on the five key areas (improved managers communication and visibility, staff involvement in decisions and change, staff feel valued, positive health and wellbeing of staff and recruitment and retention action plan) identified for improvement in 2016/17 within the corporate action plan ensuring that the outcomes from the 2017 survey drive actions that will continue to lead to increased engagement across all Trust directorates.

As we continue to work more collaboratively with our partners at Basildon and Mid Essex, we will identify interventions and support to maintain and improve staff engagement through the period of change during 2018/19. The areas within the corporate action plan will be key to achieving this and the People and OD team and the HR Business Partners will continue to work with the directorate teams to identify interventions that will support staff development and make a real difference to patients.

Methods of monitoring and reporting

Our approach includes the development of staff survey action plans to improve staff engagement against specific areas both at corporate and directorate level. Results are reported on a monthly basis within the directorate performance meetings and quarterly to the Organisational Development and Education Board, with developments communicated to staff through monthly articles in the Trust's Look magazine.

Future priorities and how they will be measured

We will continue to engage with the associate directors within each directorate, who are our appointed Engagement Champions, and also with the heads of nursing to further develop and drive action plan activities.

Each directorate, following analysis of their staff survey results, will review their areas of focus within their existing action plans to assess measures of success and any other improvements required, building on the action plans already in place for further improvements together with target measures of success for 2018. Progress on the action plans will continue to be monitored and measured at the directorates' performance meetings.

We will continue to carry out pulse surveys and use the feedback to amend action plans. Staff Friends and Family questionnaires will be completed electronically on a quarterly basis with actions where appropriate incorporated into the staff survey action plans.

As we continue to work more collaboratively with our partners at Basildon and Mid Essex, we will liaise with them to identify best practice and review any changes to action plans as appropriate.

3.3.5 Expenditure on consultancy

The total expenditure on consultancy for the financial year is £1,301,000 (2016/17 £1,945,000). Consultancy costs have reduced, however, the on-going transformation and efficiency initiatives undertaken by the Trust have required specialist consultancy support during the year.

3.3.6 Off payroll arrangements

The Trust adheres to the regulatory requirements in this area and makes regular submissions to NHSI on the use of off-payroll arrangements. The Trust will continue to review these recommendations regularly.

Table 26: For all off-payroll engagements as of 31 March 2018, for more than £245 per day and that last for longer than six months

No. of existing engagements as of 31 March 2018	1
Of which...	
No. that have existed for less than one year at time of reporting.	1
No. that have existed for between one and two years at time of reporting.	-
No. that have existed for between two and three years at time of reporting.	-
No. that have existed for between three and four years at time of reporting.	-
No. that have existed for four or more years at time of reporting.	-

Any off-payroll engagements are subject to a risk based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, that assurance has been sought.

Table 27: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2017 and 31 March 2018, for more than £245 per day and that last for longer than six months

No. of new engagements, or those that reached six months in duration, between 1 April 2017 and 31 March 2018	1
Of which...	
Number assessed as within the scope of IR35	-
Number assessed as not within the scope of IR35	1
Number engaged directly (via PSC contracted to trust) and are on the trust's payroll	-
Number of engagements reassessed for consistency/assurance purposes during the year	1
Number of engagements that saw a change to IR35 status following the consistency review	-

Table 28: For any off-payroll engagement of Board members, and/or senior officials with significant financial responsibility, between 1 April 2017 and 31 March 2018

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	1
Number of individuals that have been deemed 'board members and/or senior officials with significant financial responsibility' during the financial year. This figure must include both off-payroll and on-payroll engagements.	10

The Chief Estates & Facilities Director was engaged via an agency on an interim basis from December 2017 following an initial unsuccessful recruitment process. The process to recruit a permanent replacement recommenced in April 2018.

3.3.7 Fair pay multiple *(subject to audit)*

NHS Foundation Trusts 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.

Table 29: Highest and median remuneration

	2017/18	2016/17
Band of Highest Paid Directors Total Remuneration	150 - 155	135 - 140
Median Total Remuneration	26	25
Ratio	**6.0**	**5.5**

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions. The median remuneration of all employees is based on employees with a permanent contract with the Trust as at 31 March 2018, part time staff are adjusted up to the equivalent full time earnings. The banded remuneration of the highest paid director is also calculated as at 31 March 2018.

The band of the highest paid director's total remuneration has increased following the organisational changes and creation of the Joint Working Board in January 2017.

The median remuneration has increased to £26k, this increase reflect the Agenda for Change national pay award and any annual increments.

3.3.8 Exit Packages 2017-2018 *(subject to audit)*

There was one exit package during 2017/18 following redundancy.

Table 30: Exit package costs

Exit package cost band	2017/18			2016/17
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages	Total number of exit packages
	Number	Number	Number	Number
<£10,000	-	-	-	-
£10,001 - £25,000	-	-	-	-
£25,001 - 50,000	-	-	-	-
£50,001 - £100,000	-	-	-	1
£100,001 - £150,000	-	-	-	-
£150,001 - £200,000	-	1	**1**	-
>£200,000	-	-	-	-
Total number of exit packages by type	-	**1**	**1**	1
Total resource cost (£)	-	£160,000	**£160,000**	£74,935

2016/17 payments made following an Employment Tribunal are not shown as redundancy within the Annual Accounts

3.4 Disclosures set out in the NHS Foundation Trust Code of Governance

Southend University Hospital NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a 'comply or explain' basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2016.

The Board of Directors seeks to comply with the NHS Foundation Trust Code of Governance and has established processes to enable it to comply with the code provisions. The Board reviewed its compliance against the revised Code in 2017/18 and agreed that the Trust complied with all of the main and supporting provisions of the Code, where they were applicable.

All disclosures required by the Board of Directors and its committees can be found in the Directors' Report in Section 3.1

All disclosures required by the Council of Governors about its activities can be found in the Council of Governors Report in Section 3.1.11.

All disclosures required in relation to remuneration can be found in the Directors' Remuneration Report Section 3.2.

3.5 NHS Improvement's Single Oversight Framework

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

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

Based on information from these themes, providers are segmented from 1 to 4, where '4' reflects providers receiving the most support, and '1' reflects providers with maximum autonomy. A foundation trust will only be in segments 3 or 4 where it has been found to be in breach or suspected breach of its licence.

The Single Oversight Framework applied from Quarter 3 of 2016/17. Prior to this, Monitor's Risk Assessment Framework (RAF) was in place. Information for the first two quarters of 2016/17 relating to the RAF has not been presented as the basis of accountability was different. This is in line with NHSI's guidance for annual reports.

Segmentation

Southend University Hospital NHS Foundation Trust has remained in Segment 3 during 2017/18. The description of trusts that fall into Segment 3 is set out in the Single Oversight Framework as follows:

'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'.

The Trust is in Segment 3 as it has been in breach of its licence due to two factors.

Firstly, as detailed in the Annual Governance Statement, section 3.7, the Trust has been found to be in breach of our licence with respect to actual or suspected failures in governance arrangements. NHSI has accepted a number of enforcement undertakings from the Trust and has also imposed discretionary requirements to ensure that robust systems and processes are in place to support compliance with Condition 4 of our licence.

Secondly, the Trust has been found to be in breach of its licence in respect of its financial performance and pricing. Throughout this Annual Report, we have explained the steps being taken to improve this Trust's financial sustainability, efficiency and financial controls during 2017/18 and beyond. We will be maximising the benefits of working collaboratively with our partner trusts in mid and south Essex, alongside NHSI to improve our performance against the Single Oversight Framework. In relation to pricing, the Trust has developed and implemented a new costing process based on an action plan, agreed and approved by NHSI, to move the Trust towards compliance for the reference cost submission.

This segmentation is the Trust's position as at 31 March 2018.

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

Finance and use of resources

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

Table 31: Overall finance score

Area	Metric	2017/18 Scores				2016/17 Scores	
		Q4	Q3	Q2	Q1	Q4	Q3
Financial sustainability	Capital service capacity	4	4	4	4	4	4
	Liquidity	3	3	4	3	4	4
Financial efficiency	I&E margin	4	4	4	4	1	1
Financial controls	Distance from financial plan	1	1	1	1	4	4
	Agency spend	4	4	3	3	4	4
Overall scoring		3	3	3	3	3	3

3.6 Statement of the Chief Executive's responsibilities as the accounting officer of Southend University Hospital 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 Southend University Hospital 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 Southend University Hospital NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

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

- Observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- Make judgements and estimates on a reasonable basis.
- State whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health and Social Care Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements.
- 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/her to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS foundation trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Clare Panniker
Chief Executive
Date: 29 May 2018

3.7 Annual governance statement

3.7.1 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.

3.7.2 The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Southend University Hospital NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Southend University Hospital NHS Foundation Trust for the year ended 31 March 2018 and up to the date of approval of the annual report and accounts.

3.7.3 Collaborative Governance Arrangements

Whilst this Trust remains a statutory organisation governed by a Board of Directors holding the fiduciary duties required by legislation and the Trust Constitution, a collaborative governance framework (with a contractual joint venture overlay) was and continues to be in place between the three acute trusts within the Mid and South Essex Sustainability and Transformation Partnership (STP). Under this arrangement, the Boards of Directors of each trust delegated those functions that could be safely delegated in law and within the parameters of good corporate governance, to a Joint Working Board comprising a committee of each Trust meeting in common on a monthly basis. The aim of this collaborative governance was to deliver joined up clinical service planning across the three trusts.

As such, the capacity to identify and handle strategic and high level operational risks and to put in place effective controls across the three trusts has developed to complement the systems within the individual organisations and hospital sites. The key aspects of the risk and control framework across the "group" are drawn out in the relevant sections of this Annual Governance Statement.

Further details about the collaborative governance arrangements can be found in section 3.1.2 of the Directors Report.

3.7.4 Capacity to handle risk

The Board of Directors holds ultimate responsibility for ensuring that the Trust delivers upon its statutory duties and governance requirements. As such, the Board of Directors has the authority and responsibility for the establishment, maintenance, support and evaluation of the Trust's Risk Management Strategy.

The Joint Working Board, the Finance and Resources Committee in common, the Quality and Patient Safety Committee in Common and the Oversight Committee provides additional capacity to handle risk across Southend University Hospitals NHS Foundation Trust and our partner trusts in mid and south Essex (Mid Essex Hospital Services NHS Trust and Basildon and Thurrock University Hospital NHS Foundation Trust) as explained in the "risk and control framework" section below. Hereafter the aforementioned organisations will be referred to collectively as "the three trusts" or "the group". Any reference to "the trust" refers specifically to Southend University Hospitals NHS Foundation Trust.

The Oversight Committee provides specific capacity to assess and manage the risks and governance challenges associated with the collaborative governance framework under which the three trusts are operating. Further details on the Oversight Committee and its review of the effectiveness of the collaborative governance framework can be found in section 3.1.2 of the Directors Report.

From January 2018, the Future Organisational Form Programme Board provides dedicated capacity to identify and handle risks associated with the proposed merger of the three trusts. The Programme Board comprises executive directors (including the Chief Executive), the Chairs of each trust and a number of non-executive directors to provide the appropriate level of scrutiny and oversight of the risks associated with a change in organisational form. It will continue to meet throughout 2018/19 and into the first year of the new organisation to provide additional assurance on the strategic and operational risks associated with the transition.

Leadership on risk management is provided by the Trust Board, through the chief executive, site and divisional directors. Clinical and corporate directors are accountable for risk management within their own directorates and divisions. The executive lead for risk management for the entirety of the 2017/18 year was the chief nursing officer, who also holds executive responsibility for risk and risk management across the three trusts. As such, the Chief Nursing Officer provides additional capacity to identify risks that relate to the strategic objectives of the wider Mid and South Essex Sustainability and Transformation Partnership (STP) and to put in place system-wide as well as local controls to mitigate those risks. The operational site lead for risk management was the Director of Nursing.

The roles and functions of the executive directors are formally reviewed each year to ensure that there are no gaps or overlaps in the corporate management structure of the Trust. During 2017/18 this review has also taken account of any gaps or overlap in the functions of the joint executives and their interface with the site leadership teams and cross-site services.

As the joint working and redesign of services across the three trusts developed over the year, the decision was taken to create a number of "group"-wide leadership roles below executive level in order to provide additional capacity to handle risk in critical and high-risk corporate support and clinical support services. These new roles included a Group Head of Information Governance, a Group Director of Procurement and a Group Chief Pharmacist. The creation of these posts provides a single point of leadership for these services and mitigates the risk of the control framework across the three trusts becoming ineffective as the organisation develops towards the proposed merger.

During 2017/18, the review of the roles and functions of the executive directors was conducted by the meetings in common of the remuneration and nominations committees of the three trusts in mid and south Essex. As a result of this review, a role of deputy chief executive was created, as an enhancement to the role of an existing joint executive. Following a process overseen by the remuneration and nominations committee in common, the chief transformation officer was appointed as deputy chief executive with effect from July 2017. The Committee approved the creation of a new post of chief commercial officer, recognising a skill and portfolio gap within the existing joint executive structure. This post was fulfilled on an interim basis up to the end of the 2017/18 year whilst recruitment to a substantive appointment took place.

The role of each director is clarified through the agreement of comprehensive job descriptions. Key priorities are determined by and aligned to the objectives documented in the Annual Plan. Training needs are identified and met through personal development plans. Performance against objectives is assessed throughout the year. Formal appraisals are undertaken of the joint executives by the chief executive. The formal appraisal of the chief executive is undertaken by the Chairs of the three trusts. The outcome of these appraisals is presented to the Remuneration and Nomination Committee in common. The structure of the executive and site leadership teams ensures that appropriate focus is placed on managing the key risks faced by the Trust and sound management of its financial, human and property resources within a framework of good governance.

In view of the need to safeguard capacity to handle risk within the site leadership team, a decision was taken during Summer 2017 to split the portfolio of the Director of Operations role into two distinct roles: one focussing upon urgent and emergency care and the other upon planned and scheduled care. This action mitigated the risk that the Trust's achievement of its operational standards against both planned and unplanned care may be compromised by lack of leadership capacity within the site leadership team. For a similar reason related to capacity and resilience, a deputy managing director role as an enhancement to the role of an existing member of the site leadership team was introduced during Summer 2017. The deputy managing director role was fulfilled by the medical director.

Whilst the composition and remuneration of the site leadership team does not fall within the traditional remit of Remuneration and Nomination Committee in common, the Joint Working Board agreed that it would be in line with good governance for the individual Trust Remuneration and Nomination Committee to maintain an overview and vehicle for consultation on changes within the site leadership teams.

Operational day-to-day management of the Trust is delegated to the site leadership team in partnership with the divisional clinical directors. The Corporate Management Team chaired by the Managing Director meets on a monthly basis, comprising the SLT and the divisional leadership teams.

The three trusts have established a Risk and Compliance Group which co-ordinates the identification, dissemination and implementation of learning from incidents and developments in best practice across all sites. This group, comprising risk, compliance, corporate and clinical governance leads, provides additional capacity to handle risk in a co-ordinated way across all three trusts and was a key development in the collaborative governance arrangements during 2017/18.

Risk management training is provided to staff (including Trust Board and senior managers) at induction and at intervals appropriate to their role and level of responsibility. The risk and patient safety team provide on-going support and training to staff responsible for assessing, reviewing and monitoring risks. This includes individual and bespoke training when required.

3.7.5 The risk and control framework

The risk management strategy defines the framework and systems in place to identify and manage risks that threaten the organisation's ability to meet its objectives. The Audit Committee independently monitors, reviews and reports to the Board of Directors on the extent to which the Trust has an effective system of governance, risk management and internal control in place.

Risks are identified at all levels in the organisation from ward to board, through a number of different sources including incidents, complaints, risk assessments, internal or external reviews, performance against objectives or by groups or committees. The risks are assessed using a risk scoring matrix. Each directorate is responsible for maintaining a risk register and any new 'extreme' rated risks (those scoring 15 or more) are escalated to the SLT to determine if they are to be included in the corporate risk register. The corporate risk register is reviewed as per the reporting schedule by the SLT, the Audit Committee, the Quality Assurance Committee by exception, and the Trust Board by exception, to ensure that the controls aimed at mitigating the risks are effective and current.

The corporate risk register is aligned to the organisation's strategic risks (detailed on the board assurance framework) enabling the Trust Board to prioritise its focus on the control and mitigation of risk. The Trust has a tolerance for risk in its daily operational and strategic objectives (risk appetite) which provides guidance on the level of risk the organisation is willing to accept. Clinical and non-clinical risk assessments are regularly reviewed and updated as part of normal trust business and regular reports are provided to the SLT on the management of corporate risks and the status of the trust risk register. The risk and patient safety team regularly attend directorate clinical governance meetings to update and advise on the management of risks.

The Board Assurance Framework (BAF) details the strategic risks to delivering the organisation's objectives and provides assurance to the Trust Board on a regular basis that these risks are being properly managed, effective controls are in place and actions are taken to address any identified gaps. There is currently a BAF in place which is relevant to Southend University Hospital NHS Foundation Trust in addition to a joint BAF which contains risks relevant to Mid Essex, Southend and Basildon hospitals.

Throughout 2017/18, the Board reviewed the BAF on a quarterly basis. BAF risks are also allocated to the board committees (Quality Assurance Committee, Finance and Resources Committee and the Audit Committee) and are reviewed at each committee meeting.

The Board agreed a risk appetite statement in May 2017 which was drafted utilising the Good Governance Institute (GGI) Risk Appetite for NHS Organisations. The appetites for the key elements, Financial/VFM, Compliance/regulatory, Innovation/ Quality/Outcomes, Reputation were determined by the risk levels the Trust are prepared to accept. The Board reviews the risk appetite at least annually, to ensure that the risk tolerance levels are acceptable and to ensure that the Board and staff consistently undertake trust activity. The risk appetite is also reviewed if there are actual or proposed significant changes to the local healthcare environment.

The Joint Working Board (JWB) is a key element of the risk and control framework across the three trusts complementing the risk management processes operating within the Trust. In 2017/18, the JWB reviewed a "Group Board Assurance Framework" on a quarterly basis, capturing those risks which could impact upon the delivery of the strategic objectives of one or more of the trusts, or of the STP as a whole. The JWB reviewed the Group Board Assurance Framework in detail, reaching decisions on the accuracy of the risk ratings and the adequacy of the controls and assurances identified. During 2018/19, the "group"-wide risk management processes will be further refined to ensure the Group BAF becomes more strategic in nature whilst introducing a "group"-wide corporate risk register to record and manage high level operational risks. It is anticipated that the Oversight Committee will evolve during 2018/19 into an "audit committees in common" model, which will be an additional element of the risk and control framework across the three trusts, taking an overview of the "group" risk management processes and providing assurance on the effectiveness of the system of internal control to the JWB.

The most highly rated risks recorded on the "Group Board Assurance Framework" during 2017/18 were:

- Failure to manage patient flow and capacity, develop new pathways and lack of delivery by external partners against the Transformation Plan may lead to failure to deliver the standards of the NHS Constitution;
- The "group" may fail to achieve its annual control total and return to financial balance in the required timescale;
- Failure to recruit and retain an appropriate workforce to meet the needs of the current and future patient base may lead to a deterioration in patient experience and low staff morale;
- Failure to deliver the strategic transformation plan may lead to poor patient outcome, poor patient and staff experience and financial instability, resulting in regulatory and statutory sanctions and increased reputational risk;
- Failure to achieve the internal transformation objectives of the "group" may lead to poor patient outcome, poor patient and staff experience, inefficient use of resources and financial instability, resulting in statutory sanctions, increased reputational risk and difficulty retaining staff.

The senior information risk owner (SIRO) has overall accountability and responsibility for information governance within the Trust and receives assurance from information asset owners and administrators that information risks are being managed. The Information Governance Committee, on behalf of the Trust Board, is responsible for the oversight and assurance of the identification and assessment of information risks. Information security risks assessments are carried out in line with the risk management framework to ensure all threats, vulnerabilities and impacts are properly assessed and included on the trust risk register. As part of joint working across Mid Essex, Southend and Basildon hospitals, there is a new organisational structure for Information Governance which will enhance cross-site working and enable processes to be aligned.

In-year risks/future risks

The Trust has identified the following major and significant risks including both clinical and financial risks and the actions being taken to mitigate these risks.

Clinical risks

The ability to recruit and retain appropriate trained staff is still a key organisational risk that may impact on patient safety, patient experience and operational activity. The Trust has a recruitment strategy plan in place and our participation in the NHS Improvement (NHSI) Nurse Retention Programme in the coming year will support this. The recruitment trajectory is monitored against the vacancy rates. Nurse staffing levels and skill mix are reviewed on a daily basis and adjusted according to patient acuity and dependency to provide safe care. However, recruitment and retention of staff remains a challenge. There is a recruitment plan in place to support the engagement of new staff and a process for exit interviews has been implemented to understand the reasons staff leave the trust. Engagement of agency medical staff above NHSI's capped rate will not take place unless expressly approved by an executive director, and only on the grounds of patient safety.

There continues to be a backlog of appointments in some specialities (respiratory and ophthalmology) mainly due to the lack of appropriately qualified staff which has reduced clinic capacity. This has resulted in a number of patient safety issues and serious incidents being identified. An improvement plan has been put in place to address the capacity issues within ophthalmology. A review of patients currently waiting in the backlog has been carried out to prioritise patients to be seen and to identify any inappropriate referrals. Recruitment of consultants in these specialities is on-going.

Achievement against the three key performance targets remains a risk and challenge for the organisation and the improvement plans and monitoring against the actions is on-going.

Performance against 18-week referral to treatment (RTT) target has been challenging. This is primarily due to the increased non-elective activity which has impacted on the Trust's ability to carry out elective work. Outsourcing has occurred during the year to reduce waiting lists and improve patient experience; however, we were able to substantially reduce the reliance on outsourcing through the latter part of the year.

Delivery of the 62-day referral to treatment target for cancer patients has been impacted by late referrals from other trusts, and delays within the pathway. Weekly patient treatment list meetings have improved the rigour of the patient pathway.

Specific actions are being taken to address the issues with patient flow and the discharge processes are underway to support delivery of the A&E four-hour target.

Financial risks

The available cash for capital spend does not address all the high risk capital requirements requests (both estates and equipment) that have been identified and there is a significant risk that there will be unplanned and unavoidable demands for additional expenditure during the year. This has been partly mitigated by the creation of a capital contingency (of £0.9m) and the receipt (during 2017/18) of £6.41m for Sustainability and Transformation Fund (STF) incentive bonus monies which the Trust earned by achieving the Control Total in 2017/18. Notwithstanding this, the Trust will meet any unexpected urgent demands by reviewing the programme and, where possible, defer schemes into the following year.

There is a risk to the STF income assumed within the plan due to a failure to meet operational standards relating to the A&E four hour waits. This is assessed on a quarterly basis with 30 per cent (or £3.2m) of the income predicated on achieving this standard. To mitigate this, the Trust has implemented a Primary Care Streaming service where those emergency attendances triaged as minor, are redirected to the new service in order to free up capacity in A&E.

It is highly likely that the Trust will exceed the agency ceiling of £9.8m issued by NHSI. This is a significant reduction from the £11.4m ceiling in 2017/18 and to achieve it, the Trust would need to reduce its spend by 47% based on the 2017/18 outturn (of £18.4m). While a failure to achieve this will not necessarily result in a corresponding failure to achieve the Control Total, the control of pay and agency spend is a critical assumption within the Trust's plan. The Trust has recruitment plans and KPIs in place to support the employment of permanent staff and is developing a nurse retention initiative with the aim of reducing leavers and consequently the requirement for agency.

The 2018/19 cost-improvement programme of £12m represents a significant increase over the 2017/18 target (of £8.8m) and there is the additional risk that the work necessary to support the collaborative work for the MSB (Mid-Essex, Southend and Basildon hospitals) distracts effort from the internal efficiency plans. The identification of schemes is in progress and, at the time of submission, there is still a gap of £0.5m or 4%. However, the Trust achieved its target for 2017/18 and there is a robust process of governance around the management of the programme and the overall delivery will be closely monitored by the SLT and through the directorate performance reviews.

There is a risk that the Trust undertakes activity for which it is not reimbursed due to reasons of affordability on the commissioner's part. This may compel the Clinical Commissioning Groups (CCGs) to raise challenges where income has risen through improvements in recording patient activity by the Trust. This was the case in 2017/18 with a challenge on non-elective income which, after a process of arbitration over seen by the regulators, was found against the Trust with a net impact of £2.7m after adjustments for increased acuity.

The contract with the CCG includes QIPP schemes of £7.5m and, in the event that these are successfully delivered, there will need to be an equivalent reduction in costs which will be challenging. However, the Trust incurs a significant premium cost for marginal increases in activity and therefore, any reduction in activity arising from a QIPP scheme offers a real opportunity to release costs.

In addition, the contract includes CQUIN income of £5.5m which can be earned if the Trust meets the criteria. This poses a greater risk than the previous years' contract whereby CQUIN income was guaranteed. The Trust will attempt to mitigate this by identifying the various requirements and investing where necessary to ensure that it achieves them.

Quality governance

The Trust has a quality and performance framework in place to ensure that quality is at the centre of the services we provide. A safety and quality briefing, Safe@ Southend, is chaired by a member of the SLT and is held every weekday morning in the main restaurant where staff are able to highlight any quality and safety issues with actions being agreed immediately. The Trust has a strong incident reporting culture which has shown a steady rise over recent years. Staff are encouraged to report incidents using the electronic system although other methods of reporting (including anonymous reporting) are also available to support individual needs. A member of the risk and patient safety team attend the weekday morning medical handover to encourage and support medical staff with reporting any incidents.

Board safety walks are conducted by a non-executive director with support by a matron on a regular basis. Different wards and departments are visited throughout the year to review the quality of care and patient experience and to talk to staff and patients.

A performance reporting framework is in place to facilitate quality improvement and senior managers of each directorate are held to account for the delivery of quality in their areas. Quality is included in the Trust Board agenda as part of the integrated quality and performance board reports and also features in both directorate and sub-committee meetings. The Quality Assurance Committee (QAC), a sub-committee of the Board of Directors, assures the board that there is an effective system of risk management and internal control across clinical activities that support the organisation's objectives. There are six committees that report to the QAC which collectively provide assurance on quality, risk, clinical governance, internal control, health and safety, equality and diversity and operational matters.

Areas for quality improvement are identified as part of the annual planning process and link with the clinical audit and quality improvement plans at both corporate and directorate level. Internal and external intelligence is used on which to base these plans including risks, clinical outcomes, regulatory compliance, national clinical audit outcomes and patient experience. There are a number of different quality improvement programmes that individuals and teams can participate in.

A weekly meeting takes place to ensure compliance against external regulatory compliance including Care Quality Commission (CQC) registration requirements. Assurance on CQC compliance and progress against any actions is provided to the SLT on a weekly basis and is reported monthly to the quality and safety committee. A series of internal quality inspections and peer review visits are carried out using a combination of internal and external staff and lay representatives to identify good practice and to highlight areas for improvement.

Equality and quality impact assessments are embedded into trust processes to ensure that any potential impact or risks are identified when considering or implementing significant change to policies, procedures, clinical services or staff working arrangements.

Patient care

The patient engagement strategy was introduced in July 2016 with the aim to improve patient engagement at both an individual care level and in terms of the Trust's service design and development. The strategy set out a comprehensive implementation plan which is now complete. We continue to work in line with the principles and objectives set out in the strategy, and our Patient and Carer Service Improvement Focus group has met quarterly over the past year to discuss development plans proposed by the Trust. The group has been involved with a number of projects including the development of patient information leaflets, patient surveys; Friends and Family Test methodology; a ward accreditation scheme pilot, and plans to improve car parking facilities at the trust.

The Trust has extended the remit of the text messaging facility for the Friends and Family Test to include the maternity wards with the aim of increasing response rates for this area. The Patient Experience Team (PET) produces monthly reports for each directorate to highlight areas with excellent performance, and areas where improvements are needed. A central log is kept to record the service improvements made as a result of feedback received from service users and this learning is shared both at the time of implementation, and within the monthly reports for all directorates.

The Trust continues to receive a consistent level of complaints regarding service provision, care and patient experience. The number of complaints as compared with hospital attendances remains below 1 per cent. During 2017/18 the Trust continued to reduce the backlog of complaints carried over from the previous financial year and we have a robust plan in place to clear the backlog completely in 2018. The new complaints process is now fully embedded across the Trust and we have utilised our 'rapid response' process to reduce the number of complaints being managed in the 'formal' written process.

In April 2017 the PET completed a restructure of the staffing establishment which included the recruitment of two patient experience assistants whose purpose was to support the wider PET, and focus on projects to improve patient experience. This has included assistance with public engagement events including our Carer's Event which took place in September 2017, and carrying out bespoke surveys to collate patient feedback. One of the key areas that we focused on this year was the Accessible Information Standard (AIS).

The PET team is currently working in conjunction with the AIS steering group to continue gathering feedback in this area. The survey data obtained confirms the level of awareness amongst staff, patients and carers about the AIS and highlights areas the in need of improvement. The PET will continue to complete these surveys in the coming year and feedback results to the steering group to measure the impact of the training and development planned for staff in this area. The objective of this work is to ensure that our patients and carers attend the hospital with the appropriate level of support and an improved patient experience.

Compliance with NHS FT Provider Licence condition 4 – governance arrangements

The Trust remains subject to formal enforcement action in the form of discretionary requirements imposed upon it and an additional condition added to its licence by Monitor (now NHSI).

In April 2013 and June 2014, the Trust was determined by Monitor (now NHSI) to be in actual or suspected breach of its licence in respect of performance targets (A&E four hour and RTT) and governance.

As a result, Monitor (now NHSI) has accepted a number of enforcement undertakings from the Trust and has also imposed discretionary requirements. The aim of these undertakings and requirements was to address the root causes of the licence breach, which included commissioning a review (the scope of which was approved by Monitor (now NHSI)) from an independent company.

The Trust commissioned this review from Deloitte LLP in the summer of 2014 and following the review there has been a considerable focus on developing the executive team capability and the effectiveness of the Board. Progress has in particular been made in continuing to make improvements to the Board governance processes, focusing on increasing clinical engagement and embedding the new clinical directorate structures in order to further improve performance. The Trust provided Monitor (now NHSI) with regular updates on the Trust's progress against the outstanding actions including the extent to which the Trust's actions have been effective in addressing the issues set out in the governance review.

In December 2015 Deloitte undertook a further independent review of governance arrangements at the Trust against four of the key questions within Monitor's (now NHSI) Well-Led Governance Framework. Deloitte also reviewed progress against previous recommendations made in the 2014 review, aligning those recommendations to the framework. The review found that good progress had been made with all of the recommendations and the emphasis is now on embedding new practices.

Following the identification of the licence breaches, the Trust submitted performance target improvement plans to Monitor (now NHSI) which identified appropriate KPIs to monitor on-going performance and included a detailed trajectory demonstrating how the Trust would return to compliance against the RTT target. The Trust implemented programme management and governance arrangements designed to enable the effective delivery of these improvement plans and to give the Trust a clear oversight and understanding of any risks pertaining to them.

As a result of steps taken by the Trust, Monitor (now NHSI) withdrew the discretionary requirements relating to RTT targets in April 2016.

In addition to the steps outlined above, the Trust has a range of systems and processes in place to support compliance with its Licence Condition 4. The Trust has an established Board and committee structure, with clear accountability for the Board and its committees and the staff reporting to it. The Board and its committees have a schedule of matters to be considered at each meeting and meetings are set at times to ensure that the information they receive is timely. Each committee reviews its effectiveness and its terms of reference annually to take into account any changes of priorities during the year.

Performance reporting at the public Board meeting is via the integrated quality and performance Board report and it includes graphical information incorporating targets and standards where appropriate together with variance analysis and forecasts where performance is not in line with the plans. An update on serious incidents is reported by the Chief Nurse at every public Board meeting and any themes arising from incidents are subject to thorough investigation and arising recommendations provide learning opportunities. The Trust's Audit Committee, Quality Assurance Committee and Finance and Resources Committee meet at least quarterly and report routinely to the Trust Board.

Financial information is provided to the Trust Board through the reporting timetable and the regular monitoring and review of progress against this. The accuracy of information is ensured through the design of the accounting controls and the review process which cross-references and tests the information for reasonableness at various stages during the reporting cycle. The production and reporting of management information is subject to annual audit review and recommendations to improve the process are acted upon.

The Board and its committee structure are underpinned by an operational structure, with clinically led directorates, providing enhanced accountability for services. The responsibilities of the directors and Board committees are detailed in the Directors' Report.

The validity of the information supporting the Corporate Governance Statement is assured via the continuous reporting and review of performance and key issues through the Board's governance committees, (primarily the Audit, Finance & Resources, Quality Assurance Committees), and annual review against the Code of Governance and Quality Governance Framework. Throughout the year the work of the governance committees was linked to, but not solely dependent on, the Board Assurance Framework; the committees escalated any concerns to the Board and also served as a means by which requests from the Board were disseminated for further scrutiny of identified issues.

Compliance with CQC registration standards

The foundation trust is fully compliant with the registration requirements of the CQC.

The Trust is registered with the CQC to carry out the following legally regulated services: maternity and midwifery services, termination of pregnancies, family planning services, treatment of disease, disorder or injury, assessment or medical treatment for persons detained under the 1983 act, surgical procedures, diagnostic and screening procedures and management and supply of blood and blood derived products.

The latest CQC findings and actions the Trust is taking in response to the findings is detailed within the quality report in section 4.

Other regulations

Pensions

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.

Compliance with Equality, Diversity and Human Rights Legislation

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

Environmental carbon reduction

The Trust has undertaken risk assessments and carbon reduction delivery plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the adaptation reporting requirements are complied with.

3.7.6 Review of economy, efficiency and effectiveness of the use of resources

The Trust has an annual plan and an agreed financial control total which is approved by the Board of Directors and submitted to NHSI. Performance against the plan is monitored by the Assurance Committees and the Board of Directors. NHSI together with representatives from the Board discuss the Trust's monthly performance and anticipated full year forecast and any deviation from the agreed Control Total.

The monthly Integrated Performance Report is produced which contains performance indicators to monitor the metrics for performance, quality and workforce information.

The Trust's resources are managed within the Corporate Governance Framework, which includes Standing Financial Instructions and a Scheme of Delegation. Assurance regarding the financial governance arrangements is supported by internal and external audit, which critically assess the economic, efficient and effective use of resources and report directly to the Audit Committee.

Divisional and corporate departments are responsible for the delivery of financial and other performance targets via a performance management framework incorporating service reviews with the Site Leadership Team for key areas and compliance with the Trust's Financial Accountability Framework.

The Trust is part of the mid and south Essex Sustainability and Transformation Partnership (STP) and is working as part of the three Trusts to reconfigure services. A Joint Executive Board has been appointed to oversee and deliver the strategy of improved patient services across the Mid and South Essex region.

3.7.7 Information governance

NHS Digital (formerly the Health and Social Care Information Centre) has published guidance and a checklist for reporting information governance (IG) incidents. This checklist comprises a baseline scale dependent on the level of individual involvement (ranked from 0 to 3). Together with a sensitivity factor, it provides an overall score which details how an incident should be investigated. Only IG incidents which score at level 2 are reportable and are escalated to the Information Commissioner's Office (ICO).

During 2017/18, no IG incidents were reported to the ICO.

3.7.8 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.

More information on the steps which have been put in place to assure the board that the Quality Report presents a balanced view and that there are appropriate controls in place to ensure the accuracy of data are provided in Annex 2 of the Quality Report.

3.7.9 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 account 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 a plan to address weaknesses and ensure continuous improvement of the system is in place.

My review is also informed in a number of ways:

- Dialogue with executive directors and managers within the organisation who have responsibility for the development and maintenance of the system of internal control, the risk management system and the Board assurance framework;
- The work of internal audit throughout the year to review and report on control, governance and risk management processes, based on an audit plan approved by the Audit Committee;
- In-year reports from the Audit Committee and the Quality Assurance Committee;
- The Trust's Senior Information Risk Owner (SIRO), who has advised me specifically on the control of information risks;
- Integrated performance reports to the Trust Board at Board meetings and Board Development Days showing performance against NHS Improvement compliance framework and local targets;

- The results of patient and staff surveys;
- Close monitoring of financial performance and maintenance of cash flow and liquidity;
- Recognition of the dynamic nature of assurance and the work that has been undertaken to further develop the Trust's Board assurance framework;
- Review of external assessments and reports including the Care Quality Commission's published Quality Risk Profile.

3.7.10 Head of Internal Audit Opinion

The Head of Internal Audit's opinion is as follows:

"I am satisfied that sufficient internal audit work has been undertaken to allow me to draw a reasonable conclusion as to the adequacy and effectiveness of Southend University Hospital NHS Foundation Trust's risk management, control and governance processes. In my opinion, Southend University Hospital NHS Foundation Trust has adequate and effective management, control and governance processes to manage the achievement of its objectives."

TIAA carried out 13 reviews, which were designed to ascertain the extent to which the internal controls in the system are adequate to ensure that activities and procedures are operating to achieve the Trust's objectives. For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks was provided.

One substantial assurance report and 10 reasonable assurance reports contributed to the overall opinion above. Limited assurance reports were received in two areas which included Overseas Patient and IG toolkit. Management have agreed actions to address all the issues raised in these reviews.

3.7.11 Conclusion

I am aware that risks remain in relation to the Trust's financial performance and achievement of operational performance standards. However, the Trust has a well-developed financial plan for the year ahead and has agreed trajectories for performance standard improvement.

Whilst being aware of the risks cited, my review does confirm that Southend University Hospital NHS Foundation Trust has a generally sound system of internal control that supports the achievement of its policies, aims and objectives. As noted in the "risk and control framework" section of this AGS, our risk management and governance processes will continue to evolve to address the challenges and exploit the opportunities associated with service transformation across the three trusts, not least the anticipated patient benefits of the proposed merger from April 2019.

I confirm that no significant internal control issues have been identified.

Clare Panniker
Chief Executive
Date: 29 May 2018

4. Quality Report

4.1 Introduction

As an NHS foundation trust, Southend University Hospital NHS Foundation Trust is required by the Health Act 2009 to produce an annual quality report providing information about the quality of services they deliver. The aim of the report is to help the Trust improve public accountability for quality and to provide information about the quality of care it delivers, progress against the quality measures over the last 12 months and describe the priorities for improvement in 2018/19.

The report has been written to be as easy to read as possible however, there are some instances where the use of non-technical language has not been possible and therefore a glossary has been included at the end of the report. During the course of producing the quality report, a number of key stakeholders such as the clinical commissioning groups, Healthwatch, governors and staff have had an opportunity to comment on the quality priorities.

The quality report is set out in three sections:

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

This section contains a statement from the Chief Executive, Clare Panniker, summarising her view of the quality of health services that were provided or sub-contracted during 2017/18.

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

This section focuses on our achievement against the quality priorities during 2017/18 and looks to the future by setting our key priorities for 2018/19 and how we will achieve them and monitor them. It also includes a series of statements of assurance from the Board on particular points.

The key priorities are centred on three key domains of quality; patient safety, patient experience and clinical effectiveness.

Patient Safety

This domain focuses on ensuring that we do not harm our patients and that we are maintaining services that provide care in a safe way. This means that we aim to reduce avoidable harm such as falls, pressure ulcers and healthcare associated infections and that we respond to patients in a timely and appropriate way if they deteriorate.

Patient experience

Ensuring patients have a good experience when they access our services is important to us and we strive to make sure that every patient is treated with dignity, respect and receives compassionate care. We recognise that sometimes we do not always get things right every time, and therefore we ensure that we have systems in place to listen to and respond to service users and their family or carers when they have concerns.

Clinical effectiveness

This is about doing the right thing, in the right way, for the right patients at the right time. We use information from a variety of sources to monitor our success rates and clinical outcomes such as mortality rates, unintended re-admissions to hospital and lengths of stay.

Part 3: Other information

This section is used to present other information relevant to the quality of services.

4.2 Part 1 Statement on quality from the Chief Executive

This is the second quality report I have overseen for the Trust which demonstrates the continued improvements we are making to deliver 'high quality care for every patient, every time.' The quality report acknowledges the continued dedication and hard work of our staff which helps improve the quality of care and experience for our patients and also shows how they are leading innovation and research. It reports on our progress against the quality priorities identified last year and builds on these by setting out our aims for 2018/19. During the coming year, the Mid and South Essex STP and the three acute hospital trusts in mid and south Essex will continue to improve the care received by the local population.

The Trust was rated as 'requires improvement' by the Care Quality Commission (CQC) in April 2018 and whilst the overall rating has not improved since the previous inspection in 2016, there has been a significant improvement in the number of areas rated as good. The Trust has a programme in place to review our services against the CQC key lines of enquiry to ensure we continually improve and maintain high standards. The Trust is also inspected by a number of other agencies such as NHS Improvement, the clinical commissioning groups and other stakeholders. We welcome these reviews as an opportunity to celebrate what we are doing well as well as helping us to identify what improvements we can make.

We continue to work with our regulators and other providers to ensure we can provide high quality, safe care to all our patients whether they are admitted as an emergency or via an elective pathway. Similar to the rest of the NHS, the Trust was under extreme pressures during the winter months which impacted on our elective work and patient flow through the hospital. Our staff worked extremely hard during these difficult times to support the hospital and our patients and their dedicated is to be celebrated.

We are committed to providing high quality care and I hope that this is evident in the following pages.

I confirm that to the best of my knowledge, the information contained in this document is accurate.

Clare Panniker
Chief Executive
Date: **29 May 2018**

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

4.3.1 Progress against priorities for improvement 2017/18

Southend University Hospital NHS Foundation Trust is focused on improving the quality of care and safety of services for our patients. We aim to ensure that high quality patient care is delivered to every patient, every time and we strive to deliver excellent patient outcomes. Valued and motivated staff is recognised as an important key factor in the delivery of high quality services and by promoting the Trust core values of caring with compassion, working together and being professional and accountable we aim to keep quality as a top priority.

To support our ambitions, we continue to educate and build the capability of staff in the delivery of quality improvement by providing a variety of quality improvement programmes. These programmes are aimed at individuals and teams (from both clinical and non-clinical roles) whether they are conducting large scale or small quality improvements.

Achievements against the 2017/18 quality priorities

This section of the quality report includes an overview of the quality of care based on performance in 2017/18 against the indicators selected by the Board in consultation with stakeholders. The quality priorities were selected based on three domains: patient safety, clinical effectiveness and patient experience. Some of the quality goals that were agreed in 2016/17 remained a priority for 2017/18 and a summary of performance against these are reported in the table below.

Table 32: Performance against agreed quality goals

Domain	Priority	Target Date	Focus	Achievement
Patient Safety	Reducing harm from deterioration	March 2019	Reducing summary hospital-level mortality indicator; reducing avoidable cardiac arrests; reducing 30 day mortality from sepsis	In progress, not yet achieved
	Reducing avoidable harm	March 2019	Reduce in-hospital falls and preventable pressure ulcers	In progress, not yet achieved
	Safe staffing	March 2019	Achieve safe nursing staff levels	In progress, not yet achieved
Patient experience	Improving patient feedback	March 2019	Improve the recommender score for friends and family test	In progress, not yet achieved
	Improving patient engagement	March 2019	Improve the patient engagement score in the national inpatient survey	In progress, not yet achieved
	Embedding staff values	March 2018	Improve the recommender score from the staff friends and family test	In progress, not yet achieved
Clinical effectiveness	Improving patient flow	March 2018	Achievement against key operational targets – 62 day cancer, 4 hour A&E and referral to treatment targets	In progress, not yet achieved
	Improving end of life care	March 2018	Improve CQC rating for end of life care services	Achieved

Patient Safety Priorities 2017/18

Reducing harm from deterioration

Identification and care of the deteriorating patient is a key priority for ensuring safe and effective care for our patients. We chose a number of areas for improvement to ensure that appropriate decisions are made for our patients at the earliest opportunity regarding escalation, resuscitation and treatment pathways.

Our aims

- Reduce the summary hospital-level mortality indicator (SHMI) to within expected limits (1.117) by March 2019
- Reduce avoidable cardiac arrests by 25% from the baseline of 1.34 cardiac arrests per 1,000 admissions to 1.00 by March 2018.
- Reduce 30 day mortality associated with sepsis by 20% from the baseline or 32.56% to 26% by March 2018.
- Fully implement the 'Hospital out of Hours' service by March 2018.

The Trust has a mortality reduction plan in place which aims to drive improvements in clinical care, to learn from mortality reviews and improve clinical coding. This includes timely identification and treatment of sepsis in the emergency department and inpatient wards and reviewing all in-hospital cardiac arrests to identify areas for improvement and learning. The hospital out of hours coordination team was launched in 2016 and a plan put in place to support implementation and delivery of this project.

Summary Hospital-level Mortality Indicator (SHMI)

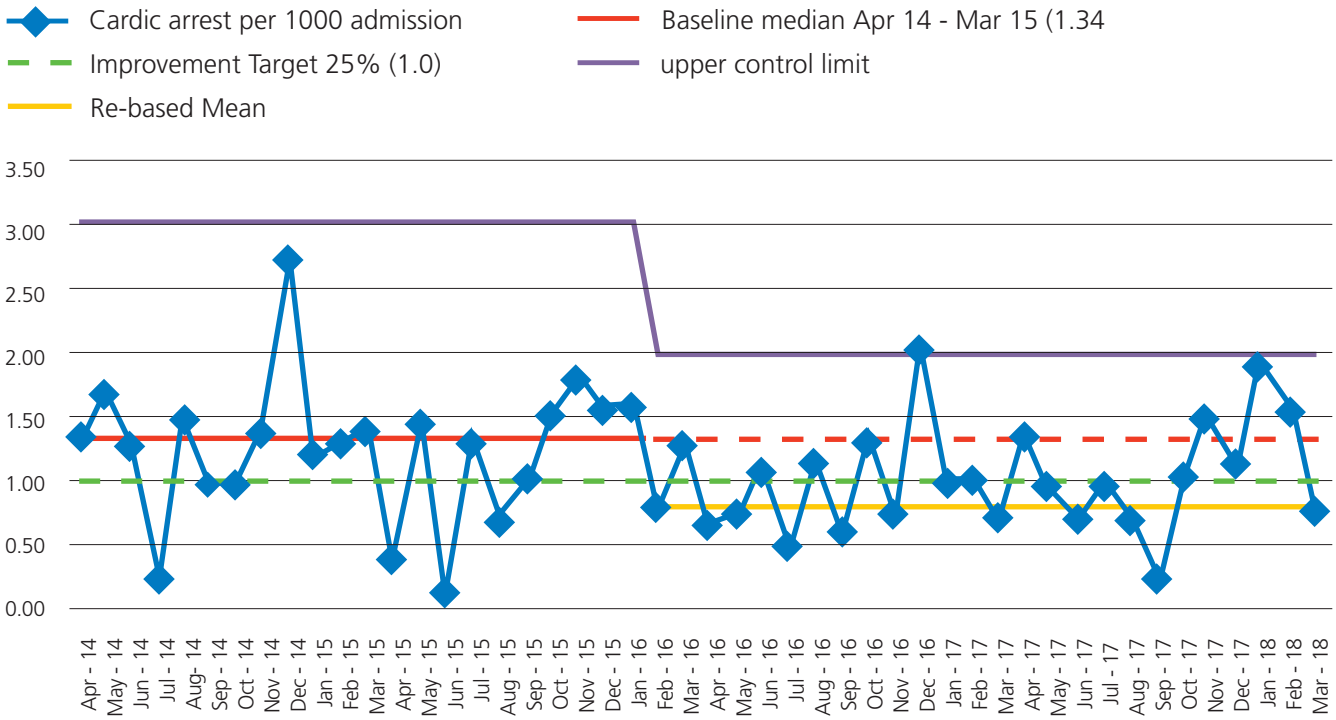
Reducing the SHMI was identified as a new quality priority for 2017/18. Performance against the SHMI remains high and is outside the expected control limit. A new Deputy Medical Director has been introduced to oversee the issues with mortality and the mortality governance structure has been revised. A working group has been established and the mortality action plan updated to address current issues. To support learning from deaths a number of improvements have been made including the appointment of medical examiners, roll out of the structured judgement review, the introduction of an electronic mortality review tool and the identification of diagnostic groups requiring deep dive reviews. Further details can be seen in part two; reporting against core indicators.

Avoidable cardiac arrests

The national cardiac arrest audit data presents comparison data for hospitals on the number of in-hospital cardiac arrests attended by the cardiac arrest team per 1,000 hospital admissions. Whilst Southend University Hospital NHS Foundation Trust is reported as being around the mid-range, it is important that we continue to reduce avoidable cardiac arrests and ensure appropriate decisions are made in a timely manner regarding resuscitation status.

Since February 2016, a reduction in the average cardiac arrests per 1,000 admissions can be seen from the baseline average of 1.34 to 0.8. Between April 2017 and March 2018 the average cardiac arrests per 1000 bed days is 1.1 and further monitoring will be required before we can confidently say that the improvement has been sustained.

Figure 4: Cardiac arrests per 1,000 admissions - Local data source



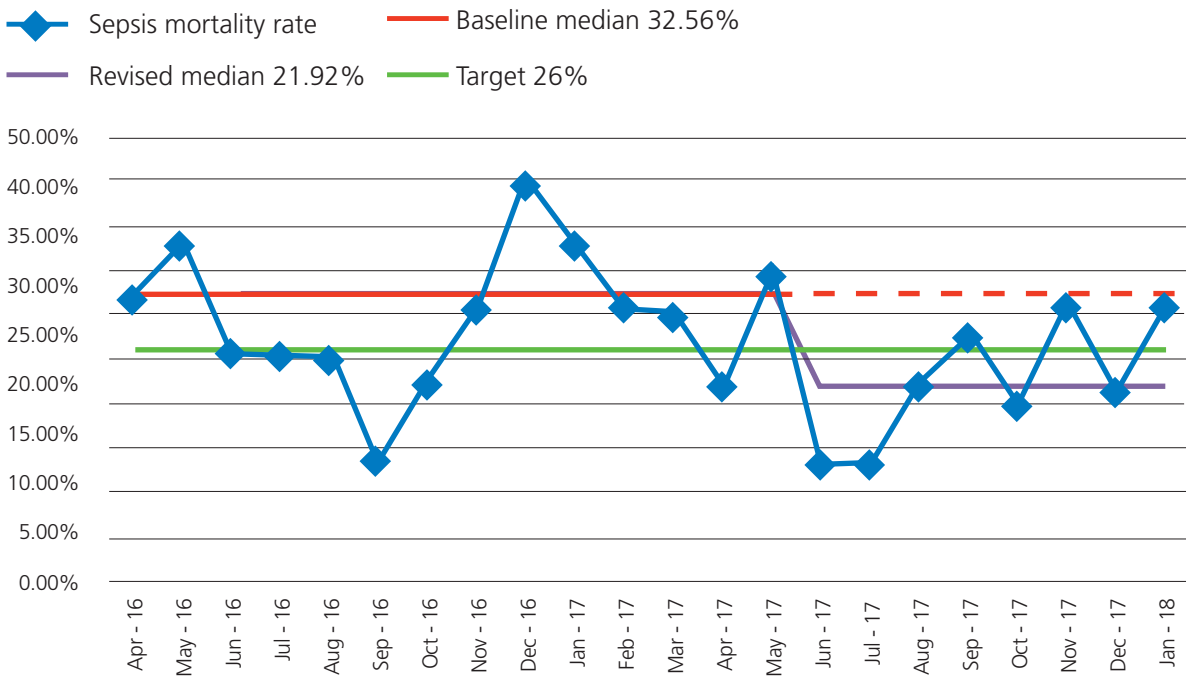
NB: The mean (average) has been calculated for this measure rather than the median as reported in 2016/17 due to sufficient data points now being available upon which to base a mean. The denominator used for this measure has been recalculated as this did not previously include day cases but now reflects the same figures used for national reporting. The mean has therefore reduced significantly and as such a 50% reduction would not be realistic and would put the Trust in the top 5%. Therefore the target has been reduced to 25% to match the change in the denominator values.

Since February 2017 all doctors, including new starters, receive training on treatment escalation plans (TEP) and 'do not resuscitate' decisions, which is delivered during mandatory training sessions and repeated annually. During the year the Trust implemented a revised deteriorating patient pathway which generates a peri-arrest call on all patients who have a national early warning (NEWS) score of greater than 10, providing their TEP identifies this as appropriate. This is facilitating the rapid identification and appropriate senior evaluation of the deteriorating patient. A review of the levels of nurse training in the deteriorating patient has been carried out.

30-day mortality associated with sepsis

There is a downward trend with 30 day mortality associated with sepsis and a shift can be seen beginning in June 2017 when the mortality rates fell below the baseline median and remained there for eight months. The median has therefore been recalculated from June 2017 and is now 21.92%, which is below the target rate of 26% by 4%. The mortality rate was not reported in the 2016/17 quality report and is being presented for the first time in this report. There is no benchmark data available.

Figure 5: Sepsis related deaths – in-hospital or within 30 days of discharge - Local data source



Timely identification and treatment of sepsis in the emergency department (ED) and inpatient wards is a key driver to reducing 30-day mortality associated with sepsis. Our performance against sepsis screening and administration of antibiotics within one hour of arrival within ED remains below the target due to a number of contributing factors and challenges. Operational pressures within the department and the high number of ED attendances has resulted in some patients not receiving their antibiotics within one hour of arrival due to delays in the triage process. Any cases that were missed are reviewed by the ED consultants and presented within the department for learning. The Practice Development Nurse and senior nursing staff also received feedback at the sisters meeting in ED and actively work in the department where they can address issues that were arising while on shift.

Performance with sepsis screening and antibiotics within one hour of recognition on in-patient wards continues to improve and a number of initiatives have been implemented including the roll out of an e-learning package and the on-going development of a patient group direction for senior nurses to be able to prescribe and administer the first dose of antibiotics for patients on the electronic prescribing software. We have also been conducting random healthcare record checks, targeted teaching and action plans for areas that are performing poorly. Additionally, case note reviews have been completed for sepsis related deaths to identify areas for improvement. These reviews have resulted in closer working with the clinical commissioning groups to improve training and awareness of sepsis management for GPs and community providers.

Fully embed the hospital out of hours team by March 2018

Embedding the hospital out of hours (HOOH) team was identified as a new quality priority for 2017/18. The HOOH team is fully operational and provides cover between 20:00 – 08:00 Monday to Sunday and weekend days between 08:00 – 20:00. The HOOH co-ordinator is a senior nurse who supports junior medical staff and provides senior clinical nursing support to ward staff out of hours. The role is pivotal in providing leadership and expertise to support both clinical and operational decision making out of hours. The team have recently rolled out an electronic task management module to support clinical requests out of hours and streamline the approach to allocating clinical tasks. One member of the HOOH team has completed the non-medical prescribing to provide additional support and three additional HOOH nurses have commenced the course in March 2018.

The team are producing a monthly newsletter and maintaining a communications board to keep staff informed of new developments and progress.

Reduce avoidable harm events

The Sign Up to Safety campaign aims to deliver harm free care for every patient, every time and sets out to reduce avoidable harm in the NHS by half over three years. Our improvement priorities include these safety aims and pledges, ensuring that patients experience safe care.

Our aims

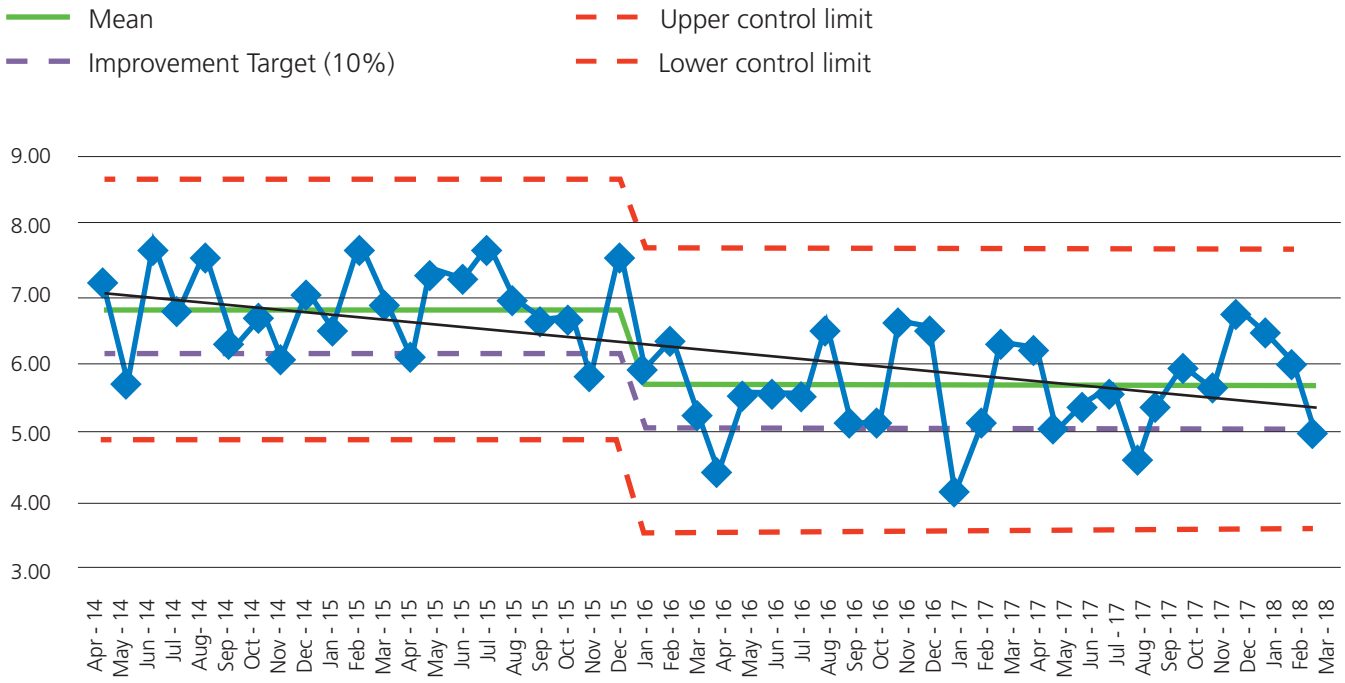
- Continue to reduce in-hospital falls by a further 10% from baseline of 5.67 per 1,000 occupied bed days to 5.07 by March 2019.
- Reduce preventable pressure ulcers by 30% from baseline of 0.11% of admissions to 0.08% by March 2019.
- Fully embed the ward accreditation programme by March 2018.

Reduce in-hospital falls

The reduction in falls per 1,000 bed days has been sustained below the original baseline of 6.81, with an average of 5.72 for 2017/18 (Apr17 – Jan 18) therefore we are aiming to reduce this by a further 10% to 5.07.

During the year a number of initiatives have been implemented to reduce falls on in-patient wards. One such initiative called 'Baywatch' uses a simple but effective system where a badge identifies a member of staff on Baywatch and they are required to hand the badge to another member of the team if they need to leave the bay for any reason. This approach improves the vigilance within patient bays and is helping to prevent potentially vulnerable patients from falling. Following the success of this project on the pilot ward, Baywatch has been rolled out across a number of other wards and is showing positive results.

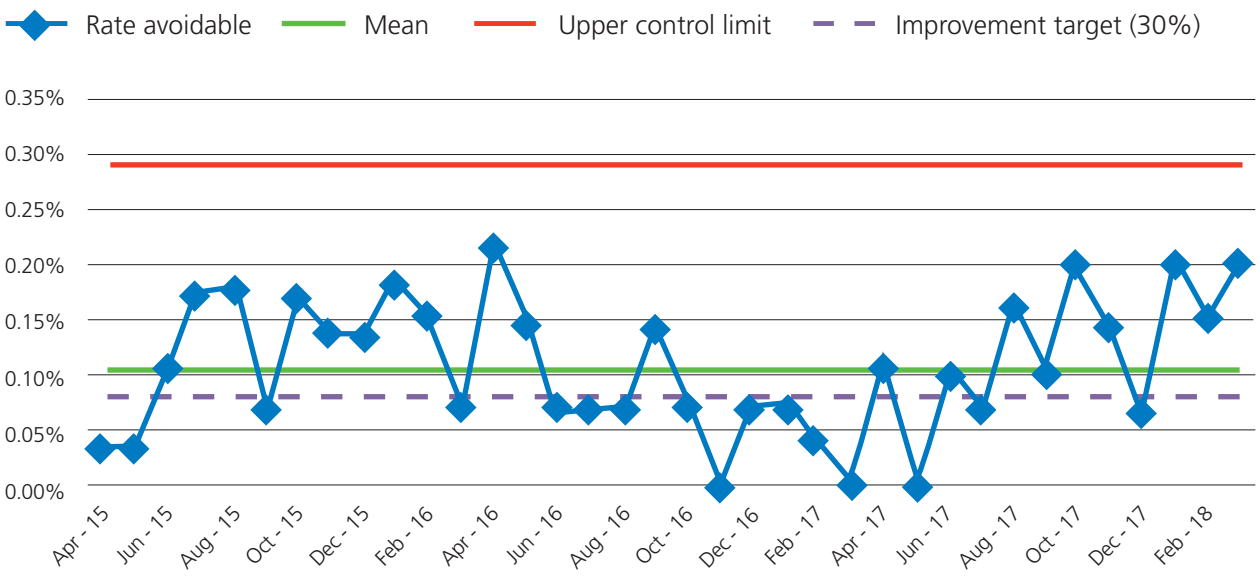
Figure 6: Falls per 1,000 occupied bed days - Local data source



Reduce preventable pressure ulcers

All hospital acquired ulcers are classified as either preventable or unpreventable, with the preventable pressure ulcers providing our incidence. There is currently no benchmark data available due to the variability in reporting between different trusts. The percentage of preventable pressure ulcers against admissions has fluctuated during the year and the average for 2017/18 was 0.13%, which is 0.02% above the baseline of 0.11%. In January 2018, the Trust introduced a weekly review panel meeting for all hospital acquired pressure ulcers grade 2 and above. The new process requires wards to conduct an initial investigation when a pressure ulcer is identified, which is presented to the panel the following week to determine whether this was preventable or not. This is a more robust process and following the implementation of this, it is expected that the number of preventable pressure ulcers may increase due to the improved scrutiny of cases.

Figure 7: Preventable pressure ulcers as a percentage of admissions - Local data source



The tissue viability team took advantage of the Stop the Pressure campaign day on 16 November 2017 to highlight and reinforce the pressure ulcer prevention messages to ward staff. A short pressure ulcer quiz was given out to staff to test their knowledge and generate discussion of pressure ulcer management at ward level.

The tissue viability team has introduced a number of initiatives to support this work including:

- Re-invigorating the SSKIN champions project and engagement with wards and clinical areas.
- Allocating a named tissue viability nurse to each ward to meet with the nursing team and support the pressure ulcer agenda.
- Embedding the new pressure ulcer reporting process to ensure data is accurate and produced in a timely fashion.

A review of pressure ulcer documentation will be carried out in 2018 along with the introduction of the pressure ulcer safety cross on pilot wards.

Embed the ward accreditation programme

Embedding the ward accreditation programme was identified as a new quality priority for 2017/18.The ward accreditation scheme focuses on engaging staff and empowering leaders to improve standards and quality. It is based on the continuous improvement principle of standardisation; recognising, sharing and sticking to best practice in the interests of patient care. Our aim is to develop a system whereby we would have ward to board reporting of quality focused key performance indicators and enable an objective process for wards to apply for ward accreditation status.

The ward accreditation process ensures standardisation across the wards and facilitates identification of areas of good practice, what works well and areas where improvements are required, thereby reducing variation in practice. There are a number of core standards against which wards are assessed and measured and rated as bronze, silver or gold status. Once a ward has achieved a pre-determined number of consecutive gold assessments and maintained gold level for a pre-determined amount of time, they will be considered for accreditation/exemplar ward status.

The three trusts within the strategic transformation programme (STP) of Mid Essex, Southend and Basildon (MSB) have joined together to work towards delivering a consistent and robust approach to the implementation of the ward accreditation scheme on inpatient wards. During the year the associate / deputy directors of nursing from each site worked together, with the support of a practice development nurse from Southend University Hospital NHS Foundation Trust, to develop a plan for an MSB (Mid-Essex, Southend and Basildon hospitals) ward accreditation scheme pilot project, which was completed in November 2017. The aim of the pilot programme was to provide baseline assessments and to assess suitability of the tool and application to each site. The accreditation assessment tool from Mid Essex Hospital was adapted for pilot, multidisciplinary assessment teams were identified on each site and training sessions for assessors was completed. Two pilot wards from each site were identified (one surgery and one medical ward) and baseline assessments have now been completed for two wards at Southend, one ward at Mid Essex and one ward at Basildon. At Southend, the medical ward achieved bronze accreditation and the surgical ward was awarded silver accreditation. An overall evaluation of the pilot project was carried out and an options appraisal will be presented to the Site Leadership Teams to determine the implementation plan and future direction of the project.

Safe staffing

The Trust aims to achieve safe staffing levels as indicated by the Safer Nursing Care Tool (SNCT) and professional judgement. The SNCT provides recommended staffing levels based on acuity and dependency of patients. A review of current staffing establishments and skill mix within the Trust compared with SNCT assessment and professional judgment took place in December 2017 and will be reviewed again in May 2018 to provide on-going monitoring of safe staffing levels. On average between April and December 2017 the registered nurse fill rate for day shifts was 92.4% and 92.6% for night shifts. Staffing levels and fill rates are reported monthly both to the Trust Board and nationally. The trend for registered nurse fill rates has fluctuated during the year due to increases in the use of escalation beds and increases in emergency department attendances.

Vacancies are monitored within the quarterly staffing reports for the Trust and specific areas with high vacancies are highlighted. Monthly comparisons with staff in post, vacancies WTE and vacancy percentages are presented in these reports. Below is the staff data for quarter 3 2017/18

Table 33: Staffing data for quarter 3 2017/18

	Oct	Nov	Dec
Staff in post	743.85	744.62	739.06
vacancies WTE	128.34	135.87	130.43
Vacancy rate	14.71%	15.43%	15.00%

A senior nurse is responsible for monitoring nurse staffing levels on a daily basis in consultation with department matrons and heads of nursing. Patient acuity and dependency is monitored and staffing levels assessed to maintain safe levels of staffing. A corporate authorisation process for the use of bank and agency nurse booking has continued and this has resulted in a reduction of the utilisation of agency nurses.

There is an on-going recruitment plan in place led by the recruitment task and finish group, to recruit nurses and to address the registered nursing deficit within the Trust. This group is now also focusing on retention of staff and data in relation to retention has been collected and an action plan will be formulated following the NHS Improvement retention strategy.

Recruitment days were held in October 2017 and January 2018 and overseas recruitment campaigns have continued with nurses from both the Philippines and Finland commencing in post. A number of nurses have been supported by the Trust to take the Nursing and Midwifery Council practical exam and are now working as registered nurses. Skype interviews for overseas nurses are continuing and we are reviewing the recruitment processes. English language assessment and training commenced in November for healthcare assistants with overseas registered nurse qualifications.

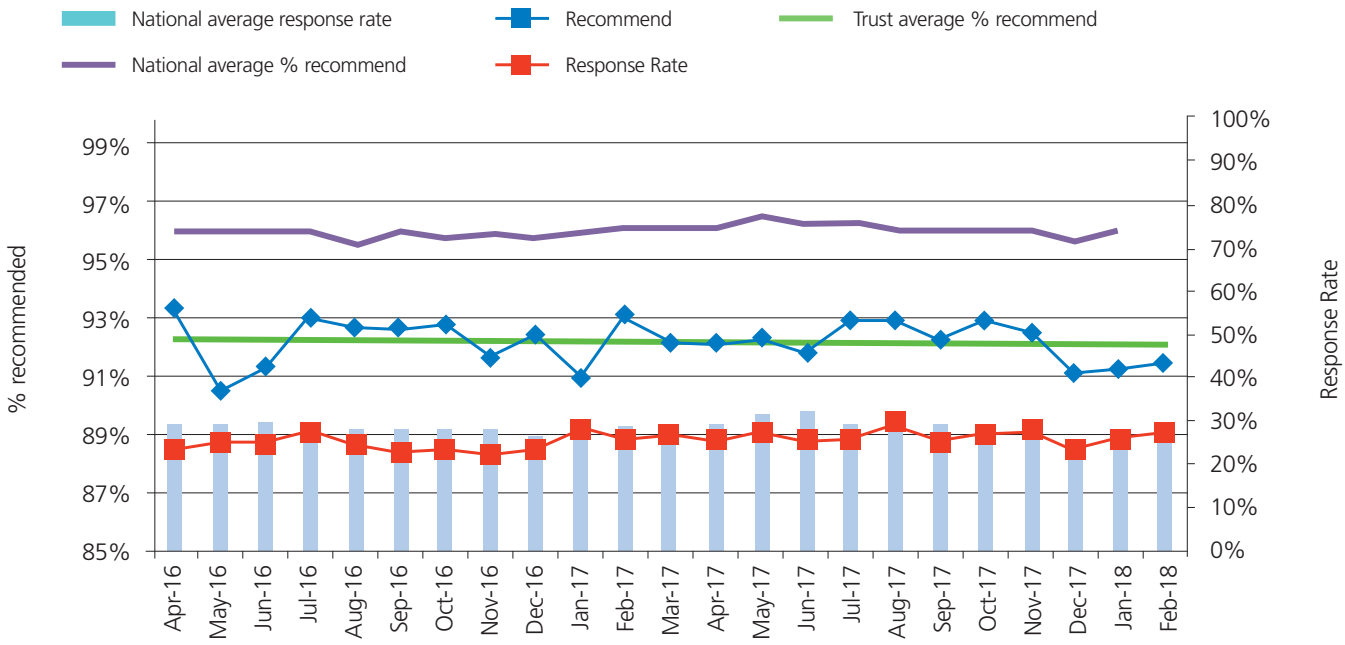
Following recruitment events at the local universities, 42 newly qualified registered nurses were recruited and commenced in post September and October. The recruitment events for undergraduates expecting to complete their nurse training in September 2018 took place in January and February 2018.

Patient experience priorities 2017/18

Patient feedback

Providing a positive patient experience is a fundamental aspect of good quality healthcare and links to the overall Trust five-year strategy and quality priorities to provide excellent patient experience. In order to focus our improvement efforts in areas that are important to our patients, we need to first understand the experience our patients and their family or carers have. Using the national friends and family test (FFT) provides us with the opportunity to benchmark with other similar organisations, in addition to identifying areas for improvement using additional questions and comments. We aim to improve the percentage of patients who would recommend the Trust to ≥95% for inpatients and ≥90% for accident and emergency patients by March 2019.

Figure 8: Inpatient and day case friends and family scores and response rates - Local data source and NHS Digital

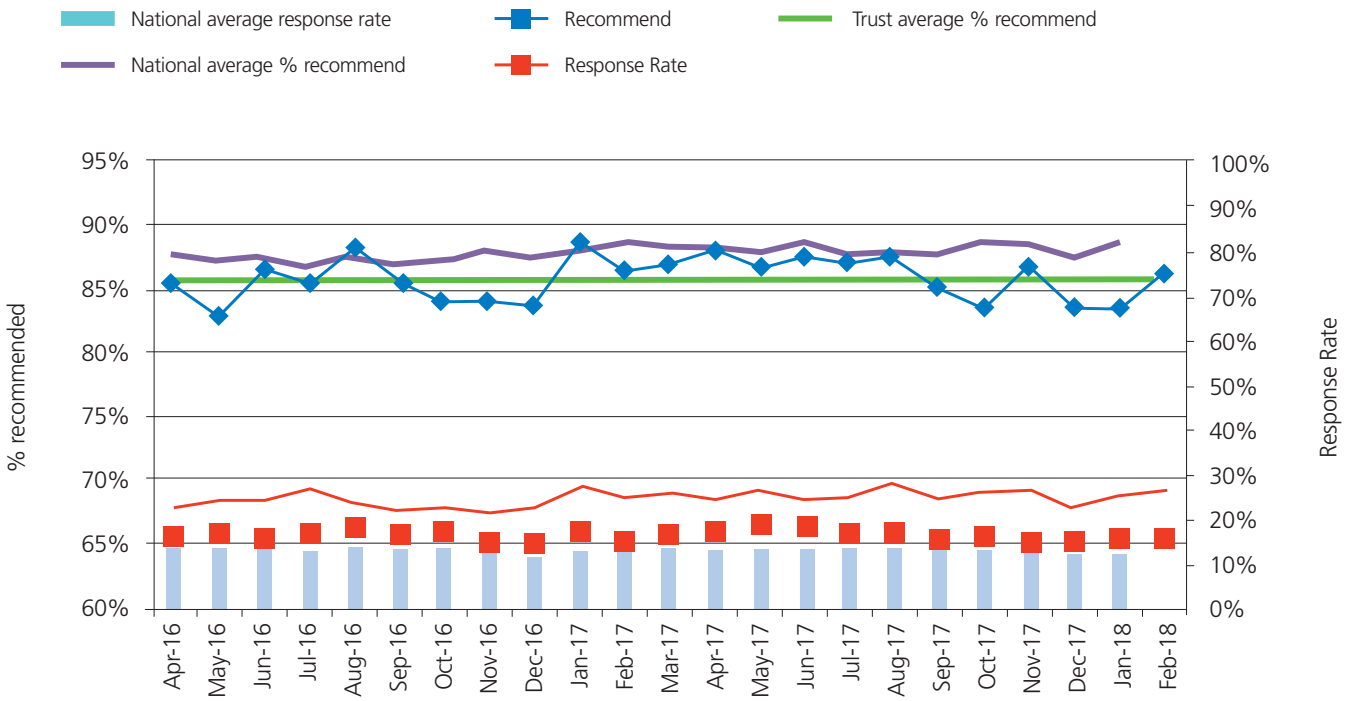


For 2017/18 the response rates for inpatient and day cases has remained consistent. The response rate dipped slightly in December which is a trend we often see each year around the festive period, and we had fewer volunteers collecting paper responses during this month which had an impact. However, our results were above the national average for most of quarter 3 and improved in January and February 2018.

The percentage of patients that would recommend has been consistent, although below the national average at 92.14% (target 95%). Positive comments continue to be received within all directorates and specifically themes relating to staff being positive, kind, efficient and professional. These continue to be shared with the teams. Negative themes from comments relate to patients having disturbed sleep at night due to other patients, waiting times, communication and discharge.

The percentage of emergency department (ED) patients that would recommend the Trust is only slightly below the national average at 85.79% (target 90%) and has been consistent throughout the year although seasonal changes can be seen during the winter period. The response rate has been maintained above the national average during 2017/18. The majority of feedback received for the ED is positive. Themes identified in the positive comments received included 'swift service', 'timely', 'responsive', 'cleanliness', 'friendly' and 'compassionate'. Negative comments were made in relation to waiting times and clinical treatment.

Figure 9: Emergency department friends and family scores and response rates - Local data source and NHS Digital



We need to continue to work on increasing the recommender scores for the ED a further 4% in order to achieve our target of 90%. We will continue with our monthly analysis into the comments received within the FFT feedback to identify themes and any areas of concern which we address with ED directly.

Patient engagement

Southend University Hospital NHS Foundation Trust is committed to developing an inclusive approach in engaging people more in their care and treatment and in developing plans for service provision. The patient engagement strategy (approved in July 2016) supports the Trust's five-year strategy and determines how the Trust is committed to working in partnership with patients and sets out a three-year implementation plan.

We aim to improve our national inpatient survey score for the question regarding patients being involved in decisions about their care and treatment by 5 points to 77 (0 being the worse possible score and 100 being the best) by March 2019. This will bring us within the second quartile of reporting trusts (currently in the third quartile).

Following the results of the 2016 survey each directorate developed action plans to address specific areas for improvement. The surgical directorate highlighted this area, (patient involvement in decision making), as an area for improvement, particularly in relation to consenting patients. Set out below are some of the key actions taken by the directorate to improve performance in this area.

- As part of the surgical consent process, patients will specifically receive a clear explanation about how they will 'feel' after their procedure. This is recorded in the notes and the patient is encouraged to ask questions about their on-going treatment plan. This includes patients requiring high dependency or intensive care post operatively being seen by the outreach team, prior to going to theatre. Patients on Hockley and Southbourne ward are also seen by the enhanced recovery programme nurses to afford them with a further opportunity to discuss any queries or concerns regarding their treatment.

- The written information provided to all surgical patients about their operation(s) has been reviewed to ensure it contains a clear and concise explanation of the risks and benefits of going ahead with their procedure. The effectiveness of the information is being monitored at monthly directorate governance meetings. The directorate triangulates this information with new complaints and incidents to identify any issues with communication in this area.

Action plans developed in all directorates in response to the 2016 survey continue to be monitored at a local level.

Staff values

The Trust staff values were reviewed and consulted on during 2015 with new values being launched in March 2016. These values were developed bottom up instead of the less effective traditional top down approach. The aim of this approach was to achieve at least an element of congruence between staff views and articulated values. Independently, at approximately the same time, the other trusts in the MSB group (Mid-Essex, Southend and Basildon hospitals) also undertook similar exercises. There is a considerable degree of congruence between the values of the three trusts which provides an element of validation.

The Trust aimed to improve staff engagement over the year and views the annual NHS staff survey as a good measurement tool to see how well values have been embedded. Research shows that when staff are engaged and feel valued, this impacts on their practice and patient experience.

The overall indicator for staff engagement in the 2017 survey was 3.71 and shows no statistically significant change since 2016 (3.72). Southend University Hospital NHS Foundation Trust is ranked in the lowest 20% of NHS acute trusts for this indicator. This year we are trying a new approach and are focusing more effort on the support and development of middle managers. Employee engagement continues to be a focus with a rolling programme of staff listening events helping to highlight and prioritise areas for action. Focus for the next year will be on the continued development of clinical staff and managers, reviewing career paths to deliver exciting and diverse roles, improving the appraisal system to help all employees maximise their potential and giving all employees the opportunity to influence improvements across all groups.

Embedding the awareness and demonstrating the behaviours associated with these values takes time. As such, these values continue to be incorporated into the performance appraisal process, leadership programmes (local), the welcome day and bespoke team interventions. They are visible online via our intranet and iLearn and are incorporated into other initiatives as appropriate.

Figure 10: Trust values and behaviours

There are a wide variety of activities that impact both directly and indirectly on Trust values. Throughout the year, these include the delivery of a wide range of leadership development interventions, undertaken by staff at all levels. The breadth of these interventions is large, ranging from formal leadership programmes for matrons, ward managers and clinical leads, to relationship awareness and team development workshops for the senior leadership team and corporate management team. Additionally, there has been 24/7 availability of online leadership and management resources via iLearn and bespoke consultancy advice from the learning and organisational development team, prior to its merger into the group people and organisational development team (POD). These are the tools that are provided to enable and support leaders to take self-directed action to embedding our values.

Going forward, the group POD team will continue to provide the vast range of interventions and support required across the group. Utilising contemporary and innovative approaches to learning and behavioural change interventions will enable, support and motivate leaders at all levels to role model the values, challenge the status quo, remove barriers and drive the change that staff and patients need.

Clinical effectiveness priorities 2017/18

Improving Patient Flow

Improving patient flow is a priority for the Trust and we recognise the importance of ensuring that all our patients receive the right treatment at the right time to maintain a safe and effective service and provide our patients with best possible experience.

Our aims

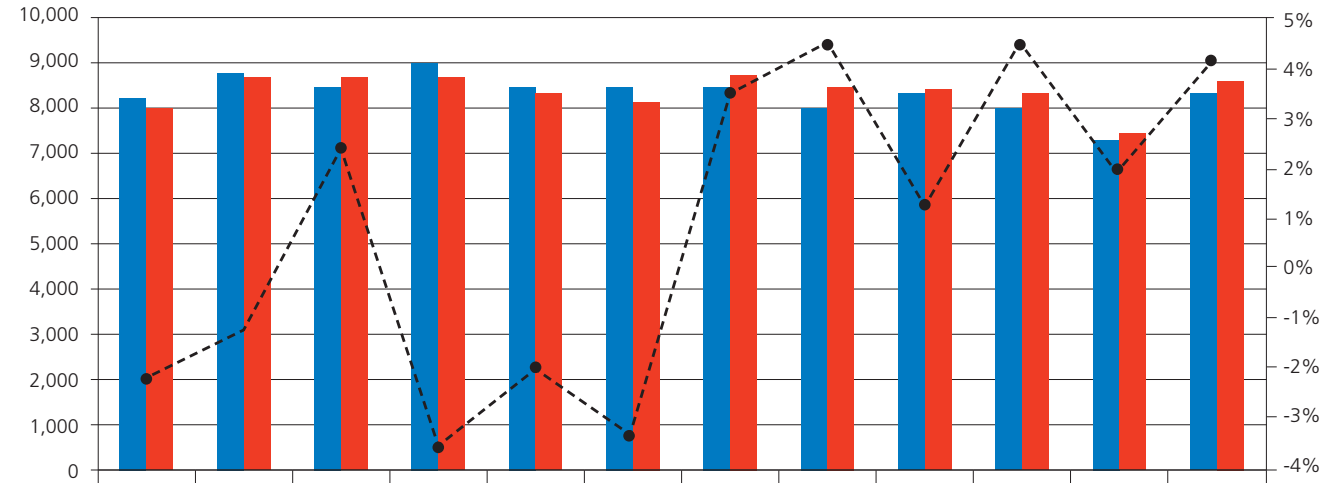
- **Four-hour accident and emergency target -** 95% of A&E attenders to be either admitted or treated and discharged within four hours of arrival by 31 July 2017. This is in line with the national target.
- **62-day target for cancer waits -** 85% of patients with cancer begin their treatment within 62 days of referral by 31 August 2017. This is in line with the national target.
- **Referral to Treatment (RTT) waiting time -** 92% of patients waiting to start treatment who have been waiting less than 18 weeks by March 2018.

Performance is monitored against the targets on a monthly basis and is included in the integrated performance report which is reviewed by the Trust Board. Emergency department attendances and performance is subject to continuous monitoring, weekly performance monitoring mechanisms are in place to track patient pathways against the cancer target and the RTT performance is monitored internally and externally at the fortnightly access board.

Four-hour accident and emergency target

The overall emergency department attendances have increased from 100,954 in 16/17 to 101,730 in 17/18 giving us a total increase of 776 attendances throughout the year, which equates to less than two additional patients per day.

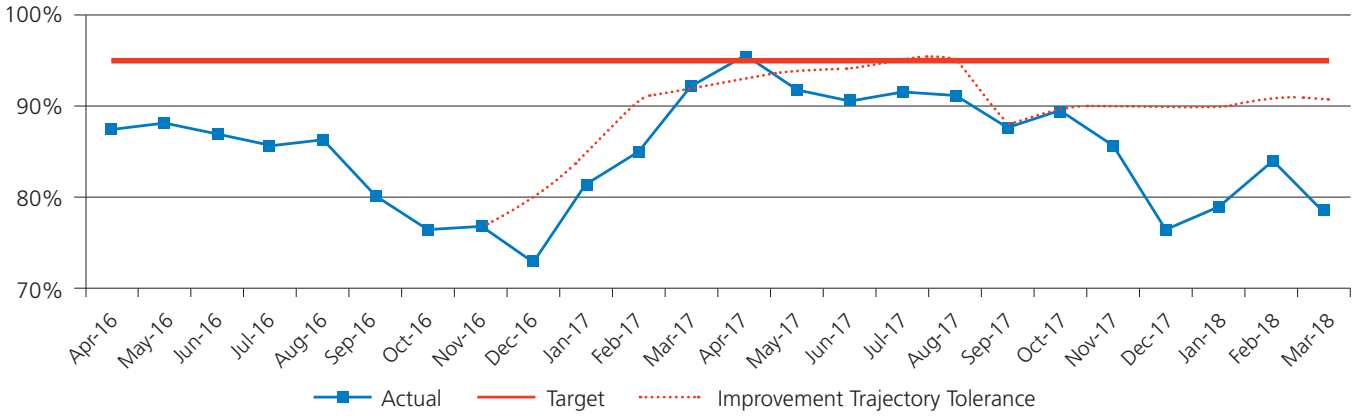
Figure 11: Monthly ED attendance - Local data source



	April	May	June	July	August	Septem-ber	October	Novem-ber	Decem-ber	January	February	March
2016/17	8,234	8,838	8,523	9,008	8,525	8,485	8,472	8,083	8,375	7,989	7,328	8,318
2017-18	8,057	8,733	8,729	8,693	8,355	8,205	8,770	8,445	8,479	8,356	7,469	8,663
Variance	-2%	-1%	2%	-3%	-2%	-3%	4%	4%	1%	5%	2%	4%

2016/17 2017/18 Variance Full year +1% on LY (776 attendances)

Figure 12: Compliance with four hour accident and emergency target - Local data source



2017-18 has been a challenging year although we have had the opportunity to support the emergency care pathway with a number of innovative and enhanced models of delivery.

Although the year started with a service supported by a GP in triage and a treating GP in minors, in the autumn we embedded a strong GP streaming and redirection service based on the Luton and Dunstable model. This service included having a consultant in triage and GP cover between 10:00 and 23:00. We have also relocated this service to a fully refurbished, purpose built primary care GP unit, with six consultation rooms. On average we are streaming 43 patients to the unit per day which has had a positive impact on our non-admitted performance. The redirection and GP referral figures are now recorded daily and are increasing week on week. Furthermore we have introduced an emergency nurse practitioner streaming service to enable patients to be transferred for diagnostics prior to being seen by clinicians thus reducing the overall waiting time. Prior to this we had a service which was not as effective and required significant input to ensure delivery.

The latter part of quarter three also saw a significant shift in patient acuity with a notable increase in very poorly respiratory patients which put extreme pressure on the medicine directorate and subsequently on the ED department.

The ability of the Trust to discharge patients back to the community has also been significantly enhanced in quarter four through the development of joint engagement with both Essex County Council and Southend Borough Council. This improved working has enabled a substantial reduction in exit blocking from the emergency department and has resulted in improving our patient experience.

Due to the high demand of ambulance arrivals over the last year, we have introduced a national initiative called 'fit to sit'. The design and function of this initiative is to empower clinical staff to encourage patients who are able to sit in a chair to do so rather than occupy a trolley or stretcher. Fit to sit is part of the #endPJparalysis campaign and helps to prevent loss of muscle growth, promote a speedier recovery and help patients get home sooner.

Following a regional summit in November 2017 East of England ambulance service and NHS England issued a directive that from 26 February 2018 ambulance turnaround must not take more than 30 minutes. In the event that handover exceeds this time the ambulance service were instructed to leave the patient in our care, enabling the crew to get back on the road and respond to outstanding 999 calls. As a department we embraced this change and put necessary policies and procedures in place to achieve this in the safest possible way. We are also proud to say that we are currently leading the way across the region in ambulance turnaround times and by further recruiting bank paramedics to look after the patients that are not allocated a cubicle space immediately, we will ensure this success has significant scope for sustainability.

Whilst our vacancy rates in the emergency department have remained high we are actively engaging with our recruitment teams to reduce this. In 2017 we introduced extended scope practitioners (ESP) to promote a wider pool of senior staff. Historically this has been a senior nursing role and by extending this role to physiotherapists, paramedics and other registered healthcare professionals, we will continue to 'grow our own' and build a wealth of knowledge. An ESP is an independent practitioner who can examine, diagnose and treat minor injuries.

We have opened our clinical decisions unit (CDU) this year with capacity for six within the chaired unit. Patients are accepted on specific clinical pathways enabling a more comfortable journey through the emergency department for the patients. Prior to the opening of the CDU, patients would often have to wait in the emergency department for transport, blood results and other selected pathways inevitably and frequently causing long delays and consequently breaches of the four hour constitutional standard.

We have a dedicated manager in the emergency department every evening Monday to Friday during surge periods to support a robust escalation process. The management team continue to actively support the clinical and administrative teams, enabling and empowering staff groups to reach their potential.

62-day target for cancer waits

Figure 13: Overall compliance with 62-day target for cancer waits - Local data source

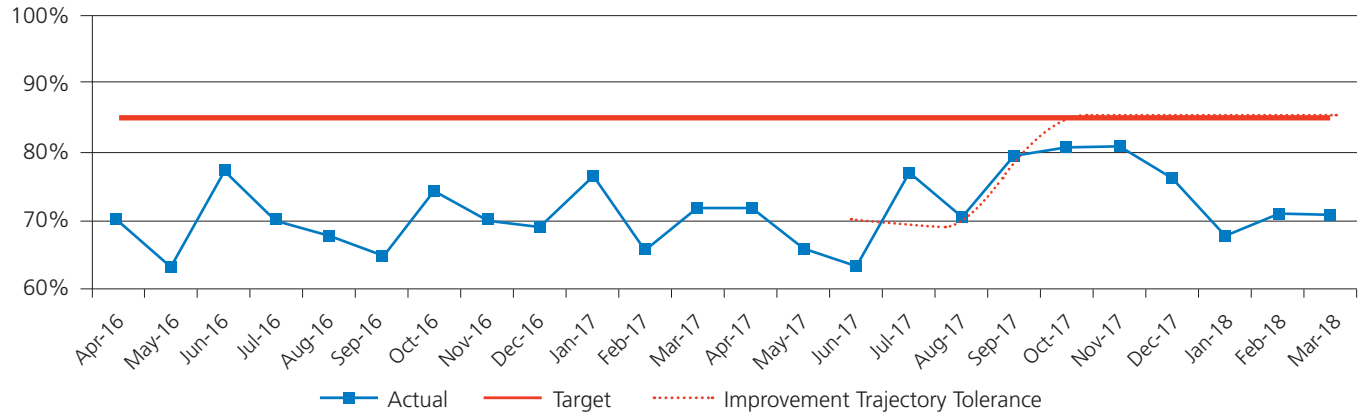
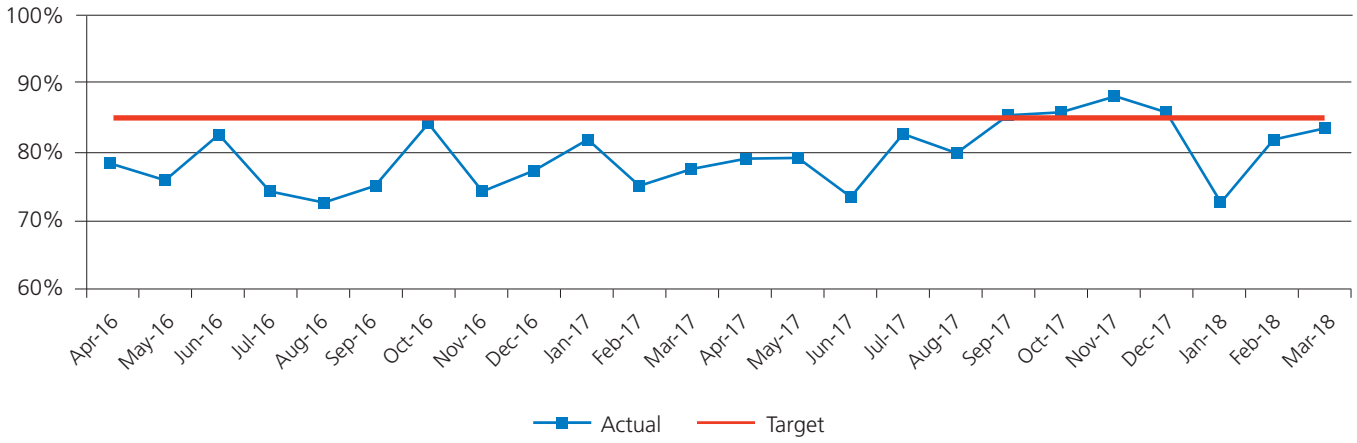


Figure 14: Southend patients only compliance with 62-day target for cancer waits - Local data source

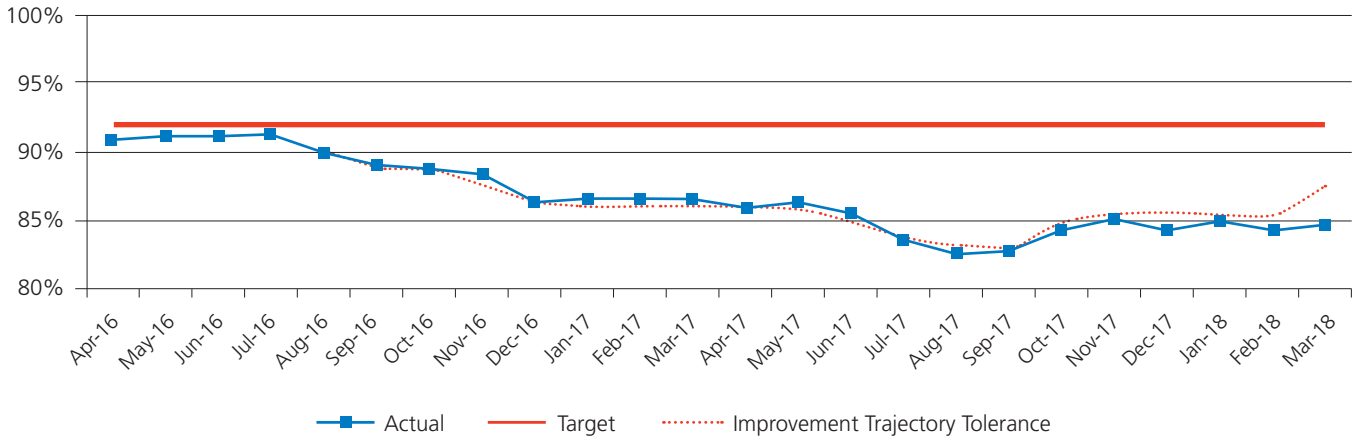


Performance at the end of 2017/18 was 70.6% overall. The Trust implemented weekly reviews of the list of patients on the cancer pathway to ensure patients are treated in a timely manner resulting in a March performance of 83% of patients with cancer pathways that both started and finished at Southend University Hospital NHS Foundation Trust beginning their treatment within 62 days. For all patients treated at Southend University Hospital 642 were treated within 62 days. The Trust has been working with other trusts in the cancer network to improve the timeliness of referrals to our speciality urology cancer centre. We aim to meet the target by July 2018. The trust introduced 'straight to test' for a number of cancer pathways in 2017/18 so that patients could be diagnosed more quickly. This was supported by an improvement project that increased the productivity of the endoscopy service.

The Trust has been working with other trusts in the cancer network to improve the timeliness of referrals to our speciality urology cancer centre. We aim to meet the target by July 2018.

Referral To Treatment (RTT) incompletes waiting time

Figure 15: Compliance with referral to treatment incomplete waiting times target - Local data source



The Trust undertook additional activity to reduce the number of patients waiting over 18 weeks. This included weekend clinics and theatre lists. The Trust also carried out a programme to improve the utilisation of theatre lists to allow more patients to be treated. The speciality with the highest number of patients waiting over 18 weeks for treatment is ophthalmology and a specific recovery plan was put in place for the service. This resulted in a significant reduction of patients waiting in ophthalmology in the last quarter of the year. Performance deteriorated in January as a result of the national directive to stop elective work to support emergency flow.

Improving End of Life Care

The Trust was rated as 'requires improvement' for end of life services by the CQC following a formal inspection in January 2016 and an improvement plan was developed to address the areas of concern highlighted. The CQC re-inspected end of life care services in November 2017 and rated the core service as 'Good. The Trust was able to demonstrate work that had taken place to improve workforce, seven day access to bedside palliative care assessment, spiritual assessment needs of the dying and discharge processes to facilitate meeting patient's wishes for place of death. The Trust has an end of life care strategy in place that links with the national vision 'ambitions for palliative and end of life care', which is also reflected by the vision of the Mid and South Essex STP.

The trust EOL strategy outlined seven strategic priorities to meet current and projected EOL care needs with a vision of providing consistently high quality EOL care. The Trust's palliative care leads have worked closely with the clinical commissioning groups and other providers to improve advance care planning (ACP) across all sectors. This will ensure that care in the last year of life is proactively planned and supported and will result in meeting patient's wishes regarding preferred place of care / death. The Trust has invested in the Gold Standards Framework programme, which supports staff to identify patients who are in the last year of life and to develop ACP skills. Rochford, Westcliff and Windsor ward are currently completing their portfolios and going through the accreditation process.

There has been a pilot programme of the community escalation care plan (PEACE) jointly supported by the Trust and preliminary feedback has been encouraging and shown reduced re-admissions for patients from care homes with EOLC needs.

The chaplaincy team now record inpatient case notes their spiritual care intervention at ward level following assessment and referral and compliance has improved to 55% in 2017/18 (16.6% in 2016/17).

The CQC inspection of 2016 found that 'do not resuscitate' (DNACPR) orders didn't consistently record whether the patient had mental capacity where this was the reason given for not discussing the plan with the patient. The resuscitation training for medical staff was updated to include documentation of mental capacity and an improvement project is currently in progress to further improve DNACPR decision making and record keeping.

The local end of life care guidelines for adults (CG267) were reviewed and updated in line with NICE guidelines and included a revision of the last days of life symptom control protocols. An eLearning package for registered nurses in EOLC has been completed and will be published in 2018-19 and work is underway with domestic and catering leads to provide training.

There is a plan in place for building a new mortuary which is anticipated will commence in 2018-19. Remedial work was completed to the current mortuary facilities following an inspection by the human tissue authority and an internal inspection. The mortuary team are reviewing current performance in order to reduce the on-going difficulties with length of stay of the deceased. The introduction of the new medical examiner (ME) role from February 2018 will improve the process and quality of medical certification at death, liaison with coronial teams and will also support understanding and queries from families.

4.3.2 Priorities for improvement 2018/19

We are committed to continue to deliver the improvements that were set out in the 2016/17 quality report, ensuring that we deliver high quality care. The improvement priorities were aligned to the Trust strategy, improvement requirements from our regulators and national priorities. In setting the future quality priorities, the 2017/18 priorities were reviewed to determine whether these should remain for the forthcoming year and were updated taking into consideration any emerging areas for improvements. Any quality priorities not included in the 2018/19 priorities are detailed ion Table 32 along with the reason:

- Improving end of life care - this improvement was achieved in 2017/18.
- Fully implement the 'Hospital out of Hours' service by March 2018 - this was achieved in 2017/18.

Table 34: Quality priorities 2018/19

Domain / improvement priority	Rational for inclusion	How will progress be measured	Executive Lead
Patient Safety: reducing avoidable harm events, reducing harm from deterioration and achieving safe staffing			
Reducing harm from deterioration			
Reduce the summary hospital-level mortality indicator (SHMI) to within expected limits (1.117) by March 2019	The SHMI has been above the expected level for a number of years and the Trust has a comprehensive improvement plan in place to reduce this	The proxy SHMI (which is calculated internally) is presented to the mortality surveillance group on a monthly basis. The proxy SHMI is also reviewed by the MSB mortality group for all 3 sites on a quarterly basis. Each directorate monitors their mortality rates. The SHMI is monitored by the MSG and the Trust Board on a quarterly basis	Medical Director Mortality surveillance group Mortality working group MSB mortality group
Reduce avoidable cardiac arrests by 25% from the baseline of 1.34 cardiac arrests per 1,000 admissions to 1.00 by March 2018. We have achieved this target but we need to ensure the improvement is sustained by March 2019.	We want to sustain the reduction in avoidable cardiac arrests and ensure appropriate decisions are made in a timely manner regarding resuscitation status.	All cardiac arrests are reviewed in real time to identify and share any learning. Cardiac arrest rates are monitored by the Site Leadership Team weekly and by the quality and safety committee and Trust Board quarterly.	Medical Director Resuscitation Committee Mortality Surveillance group Quality and safety committee
Reduce mortality associated with sepsis by 20% from the baseline of 32.56% to 26% by March 2018. We have achieved this target but we need to ensure the improvement is sustained by March 2019.	Identification and care of the deteriorating patient is a key priority for ensuring safe and effective care for our patients. The Trust recognises the importance of ensuring that patients with sepsis are identified and treated promptly.	A review of sepsis related deaths is carried out Monthly and reported to the mortality working group and mortality surveillance group monthly and the resuscitation committee quarterly. Achievement against the sepsis quality improvement measured are also monitored monthly by the mortality surveillance group.	Medical Director Resuscitation Committee Mortality Surveillance group.

Domain / improvement priority	Rational for inclusion	How will progress be measured	Executive Lead Monitoring Forum
Reducing avoidable harm			
Continue to reduce in-hospital falls by 10% from baseline of 5.63 per 1,000 occupied bed days to 5.07 by March 2019.	We have begun to see a reduction in the number of in-hospital falls and want to continue to build on this success by adopting a more pro-active approach.	Falls per 1,000 occupied bed days is included in the monthly performance reports which are reviewed at directorate and board level.	Director of Nursing Quality and Safety Committee and falls and pressure ulcer review panel.
Reduce avoidable pressure ulcers by 30% from baseline of 0.11% of admissions to 0.08% by March 2019.	We want to aim to deliver harm free care for every patient every time and ensure patient's experience safe care.	Avoidable pressure ulcer data is included in the monthly performance reports which are reviewed at directorate and board level.	Director of Nursing Quality and Safety Committee and falls and pressure ulcer review panel.
Fully embed the ward accreditation programme by March 2019.	Ward accreditation schemes have been shown to promote safer patient care by motivating staff and sharing best practice between ward areas.	Success with the ward accreditation programme will be monitored by the Quality and Safety Committee and reported to the Quality Assurance Committee.	Director of Nursing Quality and Safety Committee.
Safe Staffing			
Achieve safe staffing levels as indicated by the Safer Nursing Care Tool (SNCT) with permanent staff by March 2019.	Adequate staffing levels are vital to ensure that the Trust can meet clinical demand whilst ensuring there are sufficient resources to support the improvement priorities. We want to continue to mitigate the risk through the workforce strategy and staff recruitment and retention plans.	Daily monitoring of staffing levels and patient acuity is in place to ensure that staffing levels are matched to meet the clinical needs of our patients to ensure their safe care. Staffing levels are monitored by the Board quarterly.	Director of Nursing Director of HR & OD Trust Board

Domain / improvement priority	Rational for inclusion	How will progress be measured	Executive Lead Monitoring Forum
Clinical Effectiveness: improving patient flow			
62-day target for cancer waits - 85% of patients with cancer begin their treatment within 62 days of referral by 30 June 2018. This is in line with the national target.	Delivering against this target is a priority for the Trust and we recognise the importance of ensuring that all our patients receive the right treatment at the right time to maintain a safe and effective service and provide our patients with the best possible experience.	Daily monitoring of staffing levels and patient acuity is in place to ensure that staffing levels are matched to meet the clinical needs of our patients to ensure their safe care. Staffing levels are monitored by the Board quarterly. Performance is measured by the cancer board and weekly monitoring takes place.	Director of Elective Care Trust Board.
Referral To Treatment (RTT) waiting time - 92% of patients waiting to start treatment who have been waiting less than 18 weeks by 30 June 2018.	Delivering against this target is a priority for the Trust and we recognise the importance of ensuring that all our patients receive the right treatment at the right time to maintain a safe and effective service and provide our patients with the best possible experience.	Improvement programmes and performance trajectories are in place to improve patient flow through the hospital and to ensure sufficient capacity to meet demand. Performance is monitored by the patient flow board.	Director of Elective Care Trust Board.
Four-hour accident and emergency target - 95% of A&E attenders to be either admitted or treated and discharged within four hours of arrival by 30 June 2018.This is in line with the national target.	Delivering against this target is a priority for the Trust and we recognise the importance of ensuring that all our patients receive the right treatment at the right time to maintain a safe and effective service and provide our patients with the best possible experience.	Improvement programmes and performance trajectories are in place to improve patient flow through the hospital and to ensure sufficient capacity to meet demand. Performance is monitored by the patient flow board.	Director of Emergency and Unplanned Care Trust Board.

Domain / improvement priority	Rational for inclusion	How will progress be measured	Executive Lead Monitoring Forum
Improving Patient Experience: Improving patient feedback, patient engagement and embedding staff values			
We aim to improve the percentage of patients who would recommend the Trust to ≥95% for inpatients and ≥90% for Accident and Emergency patients by March 2019.	In order to focus our improvement efforts in areas that are important to our patients, we need to first understand the experience our patients and their family or carers have.	The Friends and Family Test results are monitored on a monthly basis at ward / departmental and directorate level. The results are included in the monthly performance reports. Results are also monitored bi-monthly at the quality and safety committee and quarterly by the Trust Board.	Director of Nursing Directorate performance meetings Quality and Safety Committee Trust board.
We aim to improve our national inpatient survey score for the question regarding patients being involved in decisions about their care and treatment by 5 points to 77 (0 being the worse possible score and 100 being the best) by March 2019. This will bring us within the second quartile of reporting Trusts (currently in the third quartile).	The patient engagement strategy supports the Trust strategy and determines how the Trust is committed to working in partnership with patients.	Results of the national inpatient survey are monitored by the quality and safety committee. Local surveys are carried out to measure the improvement during the year. In addition to this, patient engagement activities such as patient and carer focus groups will be reported to the Quality and Safety Committee.	Director of Nursing Quality and Safety Committee.
We will continue to improve patient care by focusing on embedding the Trust values and improving leadership. We will continue to measure the staff friend and family test on a quarterly basis and use the national staff survey to benchmark with other acute providers.	Research shows that when staff are engaged and feel valued, this impacts on their practice and patient experience. We want to further embed the values and improve staff engagement through activities during 2018 to further improve our staff engagement score in the annual NHS staff survey.	The results from the staff friends and family test will be provided to directorates on a quarterly basis and will be used to inform their action plan for the annual national staff survey.	Director of HR Trust Board.

4.3.3 Statement of assurance from the Board of Directors

These statements of assurance follow the statutory requirements for the presentation of quality accounts, as set out in the National Health Service (Quality Accounts) Regulations 2010.

Information on the NHS services provided

During 2017/18, Southend University Hospital NHS Foundation Trust provided and / or sub-contracted 51 relevant health services.

Southend University Hospital NHS Foundation Trust has reviewed all the data available to them on the quality of care in 51 of these relevant health services.

The income generated by the NHS services reviewed in 2017/18 represented 89% of the total income generated from the provision of NHS services by Southend University Hospital NHS Foundation Trust for 2017/18.

Participation in national clinical audits

During 2017/18, 48 national clinical audits (2016/17 – 45) and five national confidential enquiries (2017/18 – six) covered relevant health services that Southend University Hospital NHS Foundation Trust provides.

During that period, Southend University Hospital NHS Foundation Trust participated in 91% national clinical audits (2016/17 – 84%) and 100% national confidential enquiries (2016/17 – 100%) which it was eligible to participate in. Reason for lack of non-participation was due to a lack of IT software and staffing resources.

The national clinical audits and national confidential enquiries that Southend University Hospital NHS Foundation Trust was **eligible** to participate in and participated in and for which data collection was completed during 2017/18, are listed in Tables 33 and 34 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.

Table 35: Participation in national clinical audit

National clinical audit	Participation	Cases submitted (%)
Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)	Participated	100%
BAUS Female Stress Incontinence Audit	Participated	100%
BAUS Radical Prostatectomy Audit	Participated	100%
BAUS Cystectomy Audit	Participated	100%
BAUS Nephrectomy Audit	Participated	100%
Bowel Cancer (NBOCAP)	Participated	100%
Cardiac Rhythm Management	Participated	100%
Case Mix Programme (CMP)	Participated	100%
Diabetes – National Paediatric Diabetes Audit	Participated	100%
Elective surgery (National PROMs Programme)	Participated	48%*
Endocrine and Thyroid National Audit	Participated	100%

National clinical audit	Participation	Cases submitted (%)
Falls and Fragility Fractures Audit Programme (FFFAP) – Fracture Liaison Service	Did not participate	Not yet reported
Falls and Fragility Fractures Audit Programme (FFFAP) – National Hip Fracture Database	Participated	100%
Falls and Fragility Fractures Audit Programme (FFFAP) – Inpatient Falls	Participated	100%
Fractured Neck of Femur (Care in emergency departments)	Participated	100%
Head and neck cancer audit (HANA)	Participated	184 cases submitted (no % available)
Inflammatory Bowel Disease (IBD) programme – biologics audit.	Did not participate	0
Learning Disability Mortality Review Programme (LeDeR).	Participated	100%
Major Trauma: The Trauma Audit & Research Network (TARN).	Participated	82%
Maternal, Newborn and Infant Clinical Outcome Review Programme (MBRRACE-UK) – Confidential enquiry into stillbirths, neonatal deaths and serious neonatal morbidity.	Participated	100%
Maternal, Newborn and Infant Clinical Outcome Review Programme (MBRRACE-UK) – Confidential enquiry into serious maternal morbidity.	No qualifying cases	No qualifying cases
Maternal, Newborn and Infant Clinical Outcome Review Programme (MBRRACE-UK) – Maternal mortality surveillance.	No qualifying cases	No qualifying cases
Maternal, Newborn and Infant Clinical Outcome Review Programme (MBRRACE-UK) – maternity mortality surveillance.	Participated	100%
National Audit of Breast Cancer in Older People	Participated	100%
National Audit of Dementia	Participated	100%
National Cardiac Arrest Audit (NCAA)	Participated	95%
National Chronic Obstructive Pulmonary Disease (COPD) Audit Programme – Secondary Care work stream.	Participated	80%
National Chronic Obstructive Pulmonary Disease (COPD) Audit Programme – pulmonary rehabilitation work stream.	Participated	100%

National clinical audit	Participation	Cases submitted (%)
National Comparative Audit of Blood Transfusion programme – Re-audit of red cell and platelet transfusion in adult haematology patients.	Participated	100%
National Comparative Audit of Blood Transfusion programme – 2017 National Comparative Audit of Transfusion Associated Circulatory Overload (TACO).	Did not participate	Lack of resources
National Diabetes Footcare Audit	Did not participate	Lack of resources
National Pregnancy in Diabetes Audit	Participated	100%
National Core Diabetes Audit	Participated	Data collection ongoing
National Emergency Laparotomy Audit (NELA)	Participated	32% Data collection on going
National Heart Failure Audit	Participated	100%
National Joint Registry (NJR)	Participated	Ongoing data submission
National Lung Cancer Audit	Participated	100%
National Maternity and Perinatal Audit	Participated	100%
Neonatal Intensive and Special Care (NNAP)	Participated	100%
National Ophthalmology Audit	Did not participate	0
National Prostate Cancer Audit	Participated	100%
National Vascular Registry	Participated	100%
Oesophago-gastric cancer (NAOGC)	Participated	100%
Pain in Children (Care in emergency departments)	Participated	100%
Procedural Sedation in Adults (Care in emergency departments)	Participated	100%
Sentinel Stroke National Audit Programme (SSNAP)	Participated	96%
Serious Hazards of Transfusion (SHOT): UK National haemovigilance scheme	Participated	100%
UK Parkinson's Audit	Participate	100%

* Based on number of patients who consented to and participated in both pre-operative and post-operative surveys

Table 36: Participation in National Confidential Enquiries

National Confidential Enquires		
Peri-operative Diabetes	Participated	Study still open
Acute Heart Failure	Participated	Clinical Questionnaire – 20% (1/5) Org Questionnaire – 100%
Child health clinical outcome review programme – chronic neurodisability.	Participated	Clinical Questionnaire – 33% (1/3) Org Questionnaire – 100%
Child health clinical outcome review programme – young people's mental health.	Participated	Clinical Questionnaire – 66% (2/3) Org Questionnaire – 50% (2/4)
Cancer in Children, Teens and Young Adults	Participated	Clinical Questionnaire – study still open Org Questionnaire – Did not submit (0/1)

During 2017/18, a number of returns for both national clinical audits and national confidential enquires were below the expected number. Internal processes are being reviewed and monitoring is being enhanced to identify any resource issues which can be mitigated to ensure that response rates increase.

Published national clinical audit reports

The reports of 31 national clinical audits (2016/17 – 18) were reviewed by Southend University Hospital NHS Foundation Trust in 2017/18 and the Trust intends to take the following actions to improve the quality of healthcare provided.

Intensive Care National Audit and Research Centre (ICNARC) –

The Case Mix Programme (CMP) is an audit of patient outcomes from adult general critical care units to compare outcomes, help units understand more about the care they deliver and aims to assist in decision making, resource allocation and local quality improvement. Results are reviewed quarterly and in response to the results daily ward rounds have commenced by intensive therapy unit (ITU) consultants for any patients that the critical care outreach team are concerned about.

Severe Sepsis and Septic Shock (Royal College of Emergency Medicine)

The audit is designed to drive clinical practice forward by helping clinicians examine the work they do day-to-day and benchmark against their peers but also recognise excellence. Data was collected on 45 consecutive cases to see if staff were following the sepsis screening protocol and using the sepsis screening tool for early identification and management of sepsis. In response to the audit findings additional training was provided to clinicians and at the induction of new doctors.

Consultant sign-off (Royal College of Emergency Medicine)

The audit is designed to drive clinical practice forward by helping clinicians examine the work they do day-to-day and benchmark against their peers but also recognise excellence. Data was collected on 175 consecutive cases to see if patients were receiving a review by a consultant or associate specialist prior to discharge from the emergency department. In response to the audit findings additional training was provided to clinicians on the improvement of documentation.

Asthma in Adults and Children (Royal College of Emergency Medicine)

The audit is designed to drive clinical practice forward by helping clinicians examine the work they do day-to-day and benchmark against their peers but also recognise excellence. Data was collected on 51 consecutive cases to see if patients were receiving an early assessment and management of asthma. In response to the audit findings a new asthma pro forma has been developed and additional training was provided to clinicians on asthma clinical guidelines.

National Hip Fracture Database

The aim of the audit is to improve the quality of care and outcome of patients with hip fractures. The latest report reviewed by Southend University Hospital NHS Foundation Trust included data on patients admitted with hip fracture between January and December 2016. The service has taken / plans to take the following actions:

- Local leadership has been expanded to include a lead anaesthetist for hip fractures.
- The Trust is working with NHS Improvement to formulate interventions to reduce harm from falls.
- Theatre capacity has increased during the week and a protocol for anticoagulants has been introduced which means that some patients may be able to have their surgery earlier.
- A nurse-led telephone 120-day follow-up clinic has been introduced.

Myocardial Ischaemia National Audit Project (MINAP)

The MINAP is a national clinical audit of the management of heart attack. It provides comparative data to help clinicians and managers monitor and improve the quality of services and outcomes for patients. In response to the audit findings a new medications sticker has been added to patients' notes to ensure that patients receive all secondary prevention medications for which they are eligible.

National Heart Failure Audit

The aim of the audit is to help clinicians improve the quality of heart failure services and to achieve better outcomes for patients. In response to the audit we have appointed a heart failure specialist nurse to conduct inpatient reviews on general medical and care of the elderly wards and run a post-discharge outpatient clinic. A future heart failure management plan is then formulated.

National Audit of Dementia

The audit looks at care in general hospitals and measures performance against criteria relating to care delivery which are known to impact on people with dementia while in hospital. The audit was a mix of case note reviews and staff and carer questionnaires. In response to the audit we are conducting quality improvement work in delirium screening, assessment, documentation and discharge.

National Paediatric Diabetes Audit

The audit provides a robust picture of diabetes-related admissions. The outcomes from the audit has led to closer working between paediatricians and retinal screening services to ensure all relevant data is provided to the audit in future. Further work with parents and carers is taking place to ensure morning urine specimens are provided for screening.

Sentinel Stroke National Audit Project

This audits looks at care provided for patients during and after they receive inpatient care following a stroke. As a result of this audit we are looking to enhance the service via quality improvement projects in raising awareness of stroke within the emergency department, reviewing the effectiveness our direct access procedures and our specialist assessments over seven days.

Local clinical audits

The local corporate clinical audit programme links with the Trust quality strategy and key organisational risks. The reports of 16 local clinical audits and quality improvement projects (2016/17 – 16) were reviewed by Southend University Hospital NHS Foundation Trust in 2017/18 and we intend to take the following actions to improve the quality of healthcare provided.

Safeguarding Children

This audit into our compliance with the Children Act 2004 was undertaken to review whether our functions and services promoted the welfare of children. The audit provided substantial assurance that we were meeting our obligations under the Act. This included appropriate attendance and representation at safeguarding boards, that resources are apportioned adequately in regard to safeguarding and that we have effective systems in place to embed safeguarding across all contracted and commissioned services.

Record keeping

The aim of the audit is to improve the standard of healthcare record keeping in the Trust and was carried out quarterly. The audit provided moderate assurance. To help improve the standard of record keeping we publish a 'key messages' document following each audit that provides quick-reference tips to improve entries in patients' records. We will develop the audit in 2018/19 to include a documentation quality check on decision making.

WHO safety checklist

The aim of the audit is to provide assurance that the WHO safety checklist is used across the Trust for all applicable surgical procedures. The audit continues to provide us with 'substantial assurance'. Peer auditing will be undertaken across directorates and WHO compliance will continue to be audited and kept high profile.

WHO interventional radiology safety checklists

The aim of these audits is to ensure that the WHO safety checklist is in place in the breast unit and in the radiology department for interventional radiology procedures. Both of these audits demonstrated that the checklists were in place and followed fully to ensure procedures were carried out in line with national guidelines.

Medication storage

The aim of this audit is to provide assurance that the Trust is compliant with standards for the storage of medications in wards, clinics, diagnostic departments and support services. The audit provided moderate assurance. During 2017, the programme of medication treatment room refurbishment continued to improve the medication preparation areas and the Trust intends to continue this rolling programme of refurbishment as well as continuing with the medication storage audit programme.

Clinical decision making for cancelled surgery

The aim of the audit is to ensure there is clinical decision making before an urgent surgical procedure is cancelled. The audit provided no assurance as although the audit showed that there was clinician involvement in the decisions to cancel the surgery, it identified that the risk assessment process could be simplified. In response to the audit results the standard operating procedure will be reviewed by a specialist team and re-launched. To improve compliance the Trust plans to continue to audit and provide feedback on non-compliances.

Patient transfer audit

The aim of the audit is to provide assurance that the risk assessment process for medical in-patient transfers (outlier moves) has been implemented effectively across the Trust. The audit demonstrated that transfers being made were supported by fully completed risk assessments and gave 'substantial assurance'.

Inpatient consent

The aim of this audit is to ensure that patients or carers are provided with enough information about their surgery and treatment to enable them to provide informed consent. Although consent was taken in all cases, we found that not all sections of the consent form had been completed by the member of staff taking consent but that staff were fully knowledgeable about the procedure or trained and competent to take consent in all the cases we reviewed. This audit provided 'moderate assurance'. The directorates concerned have been advised on the correct practice for obtaining consent. The audit in 2018/19 will be expanded to include paediatric cases.

Consent in Paediatrics

The aim of the audit is to ensure that consent is taken for children and young people undergoing surgical and non-surgical procedures. The audit demonstrated substantial assurance and showed that consent was being obtained and recorded appropriately, staff were aware of Gillick competences and Fraser guidelines and applied these proportionately when obtaining consent from young people.

Venous thromboembolism (VTE)

The aim of the VTE audit is to maintain the improvement with the VTE risk assessment and administration of VTE prophylaxis. The overall compliance provides 'substantial assurance'. As part of our closer working with neighbouring acute trusts in Basildon and Mid Essex, in 2018/19 we shall implement a revised audit for VTE across the three trusts which will be completed on a quarterly basis.

Preventing ill health by risky behaviours – alcohol and tobacco

The aim of this audit is to support people to change their behaviour to reduce the risk to their health from alcohol and tobacco. The audit provided no assurance and we identified that our current admission pro formas do not allow for patients to be prompted on their tobacco and alcohol consumption or offer advice and support where necessary. We have redesigned our most frequently used pro formas to include clear prompts and signposting and these will be in circulation from April 2018.

Documentation of mental capacity and 'Do not attempt cardiopulmonary resuscitation' (DNACPR) forms

The aim of the audit is to provide assurance that doctors are documenting on the DNACPR forms when a patient lacks capacity to inform decision making on DNACPR. The audit provided limited assurance and found that a patient's mental capacity assessment was not always fully completed for patients who were deemed to lack capacity. To address this, a quality improvement project has been initiated to introduce and refine new guidance and revised mental capacity assessment forms.

Local Safety Standards for Invasive procedures (LocSSiPs)

The aim of this audit is to assess the effectiveness of our standards to reduce the number of patient safety incidents related to invasive procedures. The audit found that in all the areas where the LocSSiP was in use, the procedures were being followed for all cases. The audit provided us with 'substantial assurance'. However, whilst the procedures were in use in the outpatient department, not all steps in the checklist were being followed. An action plan has been put in place to address this.

End of Life Care – Syringe Pumps Audit

The aim of the audit is to measure our current practice against NICE guidelines for the care of dying adults in the last days of life and provided moderate assurance. We had made improvements in the monitoring and administration of the pumps and monitoring practice, and our ward-based training to staff had had a positive impact. However, we are putting actions in place to reduce the time we take to administer the pumps after they are prescribed.

Accessible Information Standard (AIS)

The aim of the audit is to assess compliance with the AIS, in particular, that patients are prompted to identify that they have a communication support need so that they can receive information in their desired format. The audit provided limited assurance and showed that whilst we performed very well at asking patients about their communication needs, we need to improve on sharing this information, recording that the patient's needs have been met and highlighting their needs on our electronic records system so that other teams are made aware of the person's needs. An action plan is being developed to address these points.

Escalation Beds Risk Assessment

The aim of the audit is to provide assurance that a full risk assessment was completed each time additional bed(s) were opened due to capacity issues. The audit provided 'moderate assurance' as there was a failure to fully complete the required fields within the risk assessment and to provide assurance that the process is being followed. In response, the risk assessment template has been reviewed to reflect standards for when Executive agreement is required and the assessment template has been updated to ensure documentation is clearer.

Information on participation in clinical research

The number of patients receiving relevant health services provided or sub-contracted by Southend University Hospital NHS Foundation Trust in 2017/18 who were recruited during that period to participate in research approved by the research ethics committee was 1,339 (2016/17 - 2,501). There was a reduction in the number of patients recruited during the year due to the closure of particular studies in 2016/17 that were high recruiting and easy to recruit to studies.

The research and development department team of 30 staff are funded by the clinical research network (CRN) and surplus commercial income. Southend University Hospital NHS Foundation Trust received £1,067,501 (£1,062,920 2016/17) from the CRN: North Thames NIHR Network and a further £20,000 performance award was received directly from the Department of Health. The Trust is a partner in the NIHR North Thames Clinical Research Network and is working closely with their senior team to ensure smooth running of R&D services.

45% of new studies (2016/17 45%) recruited the first patient within 30 days and a recent internal audit revealed a high level of compliance with all the required standards and all projects were successfully externally inspected.

334 primary research articles (2016/17 – 172) were published in peer-reviewed journals during 2017/18 and Southend University Hospital NHS Foundation Trust has the highest score in Essex for research publications as assessed by ResearchGate.

Information on the use of the CQUIN framework

A proportion of Southend University Hospital NHS Foundation Trust's income in 2017/18 was conditional on achieving quality improvement and innovation goals agreed between Southend University Hospital NHS Foundation Trust and any person or body it entered into a contract, agreement or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation (CQUIN) payment framework. The Trust's main contract for 2017/18 is a payment by results contract, however a condition of this is that there would be guaranteed full payment for CQUIN. Further details of the agreed goals for 2017/18 and for the following 12-month period are available electronically on the NHS England website at www.england.nhs.uk/nhs-standard-contract/cquin/cquin-17-19/.

The amount of income received by Southend University Hospital NHS Foundation Trust in 2017/18 that was related to quality improvement and innovation goals is estimated to be £6m, of which £5.4m is guaranteed via the block contract arrangement.

Information relating to the registration with the Care Quality Commission and periodic / special reviews

The Care Quality Commission (CQC) is the independent regulator of health and adult social care in England. They make sure health and social care services provide people with safe, effective, compassionate, high-quality care and they encourage care services to improve.

Southend University Hospital NHS Foundation Trust is required to register with the Care Quality Commission to carry out the following services:

- Treatment of disease, disorder or injury.
- Surgical procedures.
- Diagnostic screening procedures.
- Maternity and midwifery services.
- Termination of pregnancies.
- Family planning services.
- Assessment or medical treatment for persons detained under the 1983 Act.
- Management of supply of blood and blood derived products.

Southend University Hospital NHS Foundation Trust's current registration status is unconditional and the CQC has not taken enforcement action against Southend University Hospital NHS Foundation Trust during 2017/18.

Southend University Hospital NHS Foundation Trust is subject to periodic reviews by the CQC. The CQC undertook a comprehensive inspection on 21 and 22 November 2017 with a follow up inspection on 4 December 2017. A Well-Led inspection at provider level also took place on 13 and 14 December 2017.

The CQC rated Southend University Hospital NHS Foundation Trust as 'requires improvement' (see Figure 15). Although the Trust is rated 'requires improvement' a significant improvement has been made with the ratings improving in 10 areas and reducing in one area.

In 2017 the trust had 15 'requires improvement' and 24 'good' ratings compared with 5 'requires improvement' and 34 'good' ratings currently. It is important to note that the core services of maternity and critical care were not inspected as part of the recent inspection hence the ratings for these services has not changed.

Figure 16: Data source- Care Quality Commission

Ratings for Southend University Hospital NHS Foundation Trust

	Safe	Effective	Caring	Responsive	Well-led	Overall
Urgent and emergency services	Good ↑ Apr 2018	Good →← Apr 2018	Good →← Apr 2018	Good →← Apr 2018	Good →← Apr 2018	Good →← Apr 2018
Medical care (including older people's care)	Requires improvement →← Apr 2018	Good →← Apr 2018	Good →← Apr 2018	Good ↑ Apr 2018	Good →← Apr 2018	Good ↑ Apr 2018
Surgery	Good ↑ Apr 2018	Good →← Apr 2018	Good →← Apr 2018	Requires improvement ↓ Apr 2018	Good →← Apr 2018	Good →← Apr 2018
Critical care	Requires improvement Aug 2016	Good Aug 2016	Good Aug 2016	Good Aug 2016	Good Aug 2016	Good Aug 2016
Maternity	Requires improvement Aug 2016	Good Aug 2016	Good Aug 2016	Good Aug 2016	Good Aug 2016	Good Aug 2016
Services for children and young people	Good ↑ Apr 2018	Good ↑ Apr 2018	Good →← Apr 2018	Good →← Apr 2018	Good ↑ Apr 2018	Good ↑ Apr 2018
End of life care	Good ↑ Apr 2018	Good →← Apr 2018	Good →← Apr 2018	Good ↑ Apr 2018	Good ↑ Apr 2018	Good ↑ Apr 2018
Outpatients	Good Apr 2018	N/A	Good Apr 2018	Requires improvement Apr 2018	Good Apr 2018	Good Apr 2018
Overall*	Requires improvement →← Apr 2018	Good →← Apr 2018	Good →← Apr 2018	Requires improvement →← Apr 2018	Good ↑ Apr 2018	Requires improvement →← Apr 2018

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

Three requirement notices were issued by the CQC following the inspection in November and December 2017 and the Trust is planning to take actions to address these;

Regulation 12 HSCA (RA) regulations 2014 Safe care and treatment

- The trust must ensure that there is a registered nurse (children's branch) in the ED at all times.
- The trust must ensure that security arrangements for the children's ED are improved.
- The trust must ensure that the processes related to use of the mental health assessment areas for adults and children are reviewed to protect people from avoidable harm. Adjustments to the environment must be made where possible and risk assessments undertaken on a regular basis.

Regulation 18 HSCA (RA) Regulations 2014 Staffing

- The trust must ensure that nursing staffing levels improve.
- The process for monitoring the number of escalation beds and staffing resources is embedded and risk assessments are carried out to ensure there are safe staffing levels to meet patient acuity and dependency. This process is now embedded and staffing ratios are reviewed at every bed meeting.
- A process is embedded to ensure mitigation is in place for the visual segregation of children attending the emergency department when the paediatric ED is closed after 12 midnight. A business case has recently been approved for additional nursing staff in order to open the paediatric ED 24 hours per day and recruitment is currently underway to support this.

Regulation 16 HSCA (RA) Regulations 2014 Receiving and acting on complaints

- The trust must ensure that complaints are handled in line with trust policy and in a timely manner to identify areas for improvement and provide feedback to patients and the public.

Southend University Hospital NHS Foundation Trust has participated in three outlier alert investigations by the Care Quality Commission relating to the following areas during 2017/18.

- Significantly high mortality rates for patients admitted with septicaemia (except in labour).
- Intestinal obstruction without hernia.
- Chronic obstructive pulmonary disease and bronchiectasis.

Southend University Hospital NHS Foundation Trust intends to take the following action to address the conclusions or requirements reported by the CQC:

- Improvements in documentation of patient co-morbidities to ensure that the mortality risk accurately reflects the patient population.
- Improve compliance with the sepsis bundle, in particular the administration of antibiotics, blood cultures and fluid challenge.
- Improve the timeliness and documentation of consultant review following emergency admission.
- Improve early decision making for treatment escalation and resuscitation status.
- Ensure that all patients with an acutely distended abdomen are reviewed by a senior surgical doctor and that a decision is made regarding the requirement for a nasogastric tube.
- Improve learning from mortality reviews in respiratory disease.
- Develop a chronic obstructive pulmonary disease (COPD) pathway and aim to ensure all patients admitted with COPD and respiratory disease are under the care of the respiratory team.
- Review the process for instituting non-invasive ventilation.

Information on the quality of data

Southend University Hospital NHS Foundation Trust submitted records during 2017/18 to the secondary uses service for inclusion in the hospital episode statistics which are included in the latest published data.

The percentage of records in the published data

- Which included the patient's valid NHS number was:
    - 99.8% for admitted patient care (2016/17 – 99.8%).
    - 99.9% for out-patient care (2016/17 - 99.9%).
    - 99% for accident and emergency care (2016/17 – 99%).
- Which included the patient's valid General Medication Practice Code was:
    - 100% for admitted patient care (2016/17 – 100%).
    - 100% for out-patient care (2016/17 – 100%).
    - 100% for accident and emergency care (2016/17 – 100%).

Information quality and records management

Southend University Hospital NHS Foundation Trust information governance assessment report overall score for 2017/18 was 68% (2016/17 – 68%) and was graded 'not satisfactory' (2016/17 not satisfactory).

The table below shows the level of compliance since last year's submission and shows that there were no changes. However, there are varying factors as to why some scores did not improve which are dependent on the set IG Toolkit criteria which changes each year

Version 14.1 of the Information Governance Toolkit has been revised and superseded by the Data Security and Protection Toolkit (DPST), which was released in April 2018. There are a new set of standards and a new scoring regime therefore it will be difficult to compare the outcomes going forward with previous years.

The Group IG Function will be working collectively to ensure that evidence for the new DSPT is aligned. Once we have the opportunity to review the new requirements, we will be producing an action plan to ensure all 3 sites are in a compliant position.

Table 37: Information Governance level of compliance

Assessment	Level 0	Level 1	Level 2	Level 3	Total requirements	Overall score
Version 14.1 (2017/18)	0	1	40	4	45	68%
Version 14 (2016/17)	0	1	40	4	45	68%
Version 13 (2015/16)	0	4	24	17	45	76%

Payment by results

Southend University Hospital NHS Foundation Trust was not subject to the payment by results clinical coding audit during 2017/18. The last audit was in 2015/16 and the error rates reported for that period for diagnoses and treatment coding (clinical coding) was 5.7%.

The audit was carried out between 28 and 30 April 2015 and included 200 episodes; 100 episodes for urological and male reproductive system procedures and disorders and 100 episodes for digestive system procedures and disorder. Please note that the results should not be extrapolated further than the actual sample audited.

Improvement in data quality

Southend University Hospital NHS Foundation Trust will be taking / has taken the following actions to improve data quality:

- Coding posters and booklets have been distributed to all wards.
- A coding video has been presented to junior doctors during induction.
- Presentations and talks on coding have been delivered to most clinical specialities.
- Continued involvement with clinicians in requesting guidance and clarity on coding issues.
- Specific coding audits have been carried out within palliative care and patients with sepsis.
- Coders are working in conjunction with the information team to help with data quality issues.
- A new coding training and internal audit programme is being established across the 3 acute hospitals which will include new posters, booklets, presentations and a new approach for the junior doctors' induction.

4.3.4 Reporting against core indicators

A number of core indicators are mandated in quality accounts reports as set out in the NHS detailed requirements for quality reports 2017/18. Only those indicators relevant to Southend University Hospital NHS Foundation Trust have been reported. The data is made available to the Trust by the health and social care information centre (HSCIC) and where possible has been compared to the national average, lowest scoring trust and highest scoring trust.

Summary hospital mortality index (SHMI) and learning from deaths

The SHMI is an indicator which reports Trust level mortality using a standardised methodology to calculate the ratio between the actual numbers of patients who die following hospitalisation at the Trust against the expected number of patients to die.

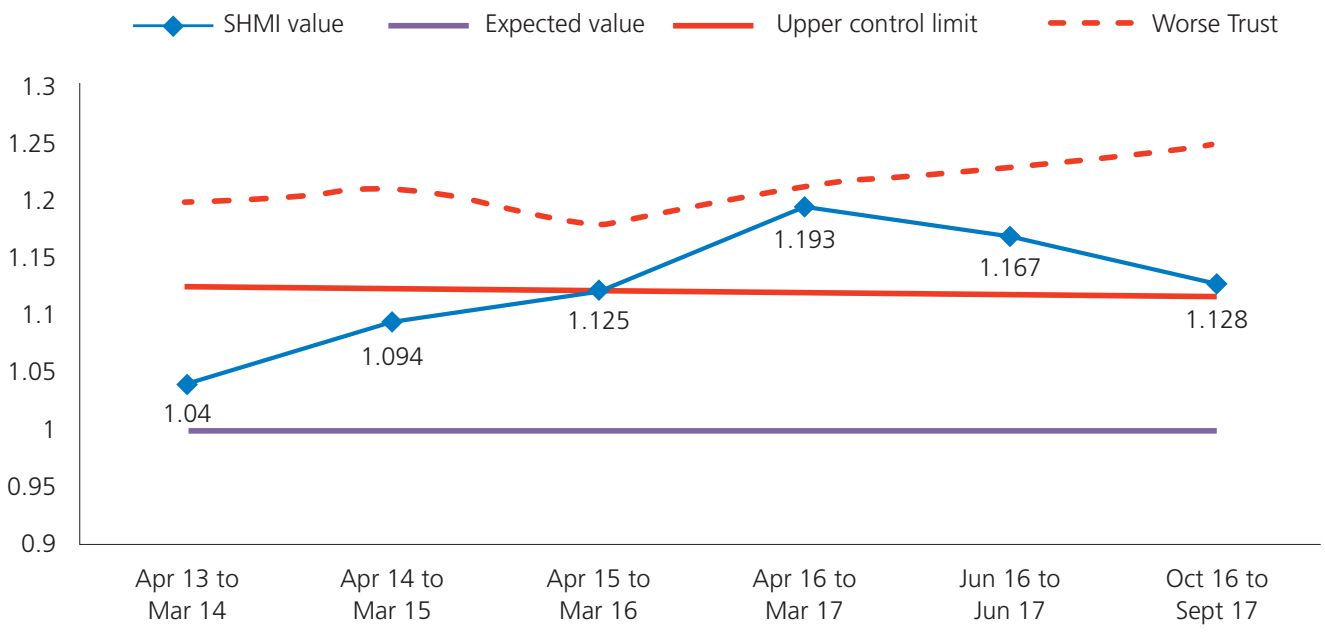
The latest SHMI value published in March 2018 for reporting period October 2016 to September 2017 is 1.128 and our banding is 1 (range is from 1 to 3 with 3 being the best). This has decreased from the previous period ending July 2017 when it was 1.167; however it does remain in the 'higher than expected' areas, outside control limits (0.89-1.12). The table and charts below shows the latest SHMI results for Southend University Hospital NHS Foundation Trust compared to all other Trusts (rank) and the best and worst performing Trusts.

Table 38: SHMI for Southend University Hospital NHS Foundation Trust

Period	Value	Expected (national)	Banding	Rank	Worst	Best
01/10/2016 to 30/09/2017	**1.128**	1.000	**1 – higher than expected**	124/134	1.247	0.727
01/07/2016 to 30/06/2017	**1.167**	1.000	**1 – higher than expected**	129/134	1.228	0.726
01/04/2016 to 30/03/2017	**1.193**	1.000	**1 – higher than expected**	133/135	1.212	0.707
01/04/2015 to 31/03/2016	**1.125**	1.000	**1 – higher than expected**	125/136	1.178	0.678
01/04/2014 to 31/03/2015	**1.094**	1.000	**2 - Within expected**	119/137	1.210	0.670
01/04/2013 to 31/03/2014	**1.040**	1.000	**2 - Within expected**	92/141	1.197	0.539

Data source: NHS Digital

Figure 17: SHMI for Southend University Hospital NHS Foundation Trust for period April 2010 to June 2017



Data source: NHS Digital

Table 39: The latest percentage of patient deaths with palliative care coded at either diagnosis or speciality level for the Trust from 1 July 2015 to 30 June 2016 is 23.6%

Period	Trust result	National average	National lowest*	National highest
01/10/2016 to 30/09/2017	**26.1%**	31.5%	11.5%	59.8%
01/07/2016 to 30/06/2017	**25.7%**	31.1%	11.2%	58.6%
01/04/2016 to 31/03/2017	**23.6%**	30.7%	11.1%	56.9%
01/04/2015 to 31/03/2016	**24.5%**	28.5%	0.6%	54.6%
01/04/2014 to 31/03/2015	**22.5%**	27.6%	0.2%	54.7%
01/01/2014 to 31/12/2014	**20.8%**	26.6%	0.2%	53.5%

Data source: Health and Social Care Information Centre

Southend University Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- The SHMI is reported to the mortality surveillance group for review and subsequently to the Trust Board for assurance purposes. A more detailed analysis of each quarterly SHMI result is undertaken to identify outliers at specialty, consultant or procedure level.
- Mortality and morbidity data is reviewed by the mortality surveillance group and detailed mortality reviews are carried out for highlighted cases and presented to share learning and improvement.

Learning from deaths

During 2017/18, 1,808 of Southend University Hospital NHS Foundation Trust patients died. This comprised the following number of deaths which occurred in each quarter for that reporting period:

- 367 in the first quarter.
- 340 in the second quarter.
- 504 in the third quarter.
- 597 in the fourth quarter.

By the end of Q4, 411 case record reviews and eight investigations have been carried out in relation to 1,808 of the deaths included above. The trust will report reviews for the deaths that occurred in February and March 2018 in the Q1 reporting period of 2018/19 as the initial triage of reviews are not yet complete.

In quarter four, the data below is incomplete due to the method of initial triage that was used in this reporting period. For 2018/19 reporting period, the trust has formalised the recording processes of the 'learning from deaths' reviews and therefore will be able to provide more accurate data in the 2018/19 report.

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

- 367 underwent initial triage with 86 case note reviews being completed in the first quarter.
- 340 underwent initial triage with 117 case note reviews being completed in the second quarter.
- 504 underwent initial triage with 114 case note reviews being completed in the third quarter.
- 597 underwent initial triage and 94 case note reviews have been completed in the fourth quarter to date.

Two cases representing 0.11% of the patient deaths during the reporting period is judged to be more likely than not to have been due to problems in the care provided to the patient.

In relation to each quarter, this consisted of:

- 1 representing 0.27% of total number of deaths for the first quarter.
- 1 representing 0.29% of total number of deaths for the second quarter.
- 0 for the third quarter.
- 0 for the fourth quarter.

These numbers have been estimated using the Royal College of physicians 'avoidability of death judgement score'. The Structured Judgement Review methodology allowed for the reviewers to score a death as having a more than 50% chance of having been due to problems in care when this judgement is made in relation to the care provided by the trust. Deaths which have been scored as a 2, strong evidence of avoidability, or a 1 definitely avoidable, have been included in the numbers above.

In relation to the two cases identified in the section above, both deaths were reviewed through the Serious Incident investigation processes. A full root cause analysis investigation was undertaken. Lessons Learned from these cases were shared with the specialities.

122 case record reviews and three investigations were completed after 31 March 2017 which related to deaths which took place before the start of the reporting period.

Two cases representing 0.016% of the patient deaths before the reporting period, are judged to be more likely than not to have been due to problems in the care provided to the patient. This number has been estimated by reviewing the root cause analysis investigations that were completed after the reporting period and interpreting the statements made in these investigations. This method has allowed an estimation of the number of deaths that were more than likely than not to have been due to problems in the care provided to the patient using RCP Structured Judgement Review terminology and methodology.

The trust has made learning from deaths an organisational priority in the reporting period and has completed the following actions as a consequence of lessons learned. The impact of these actions is also included.

Reducing avoidable death and learning from deaths is a key quality priority for the Trust and is one of our quality priorities. Additionally, Southend University Hospital NHS Foundation Trust intends to take / has taken the following actions to improve the SHMI indicator, the percentage of patient deaths with palliative care coding, and learning from deaths and so the quality of its services by:

- In quarter three, the Trust appointed a Deputy Medical Director to act as the mortality lead and in quarter four a lead nurse was appointed to provide leadership and support for implementing the national quality board (NQB) learning from deaths framework. The impact of this has enabled the Trust to progress with improvement work and commence with implementing the learning from deaths framework. Following the reporting period the Trust proposes to continue the implementation of the NQB learning from deaths framework and aims to become fully compliant.

- The trust has implemented the role of the medical examiner to assist with the learning from death process. The medical examiners are consultants who work with the bereavement service to improve the process of death certification by providing robust and independent scrutiny of the medical circumstances and cause of death for all adult inpatient deaths. It is too early to determine the impact this has had but they will help to improve the quality of death certification, ensure that the deaths are appropriately referred to the coroner and will help avoid unnecessary distress for the bereaved.

- A mortality assurance review was agreed in 2017 to identify whether any additional learning or actions are required by the Trust. West Suffolk Hospital NHS Foundation Trust agreed to lead the review and the outcome is expected early in 2018/19.

- The Trust has established a mortality working group with the aim of driving the implementation of the mortality action plan. The impact of this has enable to trust to standard a mortality reporting template across all specialities to ensure continuity of reporting and also focus attention on highlighting poor care. The group have also looked at a standard process for the identification and review of patient and diagnostic groups requiring 'deep dive' reviews and a number of these are currently in progress. The Trust is working across the MSB group (Mid-Essex, Southend and Basildon hospitals) with an external software developer to use an IT solution to conduct mortality reviews.

- The Trust has made improvements in the quality of coding and this has had a significant impact by enabling the Trust to achieve a level 3 in the IG coding audit for the first time in many years. This was achieved by targeted communication to clinicians explaining the importance of good documentation and the significance of coding, revising and implementing a clearer and more detailed clerking documentation to better capture co-morbidities, making improvements in the documentation and subsequent coding of palliative care patients and improvements to the way that sepsis is recorded and coded. The Trust has also focused attention on improving identification and care of patients with sepsis which is explained in more detail in Section 4.3.1.

Patient reported outcome measures (PROMS)

PROMs measure the health gain in patients undergoing hip replacement, knee replacement, varicose vein or groin hernia surgery in England. The measure is based on the responses to patient questionnaires before and after surgery. The tables below show the final results for 2014/15 and 2015/16 and provisional results for 2016/17.

Varicose vein PROMs

There is no published data for this measure due to insufficient patient responses received.

Table 40: Groin hernia PROMs

Publication date	Period	Measure	Value	National Average	Worst	Best
Nov 2017 (Provisional data)	01/04/16 to 31/03/17	EQ-VAS	-4.789	-0.2	-6.546	3.321
		EQ-5D Index	0.098	0.087	0.009	0.135
Aug 2017	01/04/15 to 31/03/16	EQ-VAS	0.712*	-0.817	-4.644	4.965
		EQ-5D Index	0.09	0.088	0.021	0.157
Aug 2016	01/04/14 to 31/03/15	EQ-VAS	-2.396	-0.503	-4.694	4.549
		EQ-5D Index	0.102	0.084	-0.000	0.154

Data source: NHS Digital

* Low numbers of cases reported therefore the high degree of fluctuation in results

Table 41: Hip replacement Primary PROMs

Publication date	Period	Measure	Value	National Average	Worst	Best
Nov 2017 (Provisional data)	01/04/16 to 31/03/17	EQ-VAS	11.853	13.4	8.367	20.427
		EQ-5D Index	0.431	0.444	0.305	0.54
		Oxford hip score	20.671	21.8	16.447	24.89
Aug 2017	01/04/15 to 31/03/16	EQ-VAS	10.958	12.386	4.945	18.704
		EQ-5D Index	0.416	0.438	0.320	0.512
		Oxford hip score	21.602	21.604	16.885	24.756
Aug 2016	01/04/14 to 31/03/15	EQ-VAS	11.083	11.973	6.441	17.310
		EQ-5D Index	0.365	0.436	0.331	0.523
		Oxford hip score	19.800	21.443	16.317	24.651

Data source: NHS Digital

Table 42: Knee Replacement Primary PROMs

Publication date	Period	Measure	Value	National Average	Worst	Best
Nov 2017 (Provisional data)	01/04/16 to 31/03/17	EQ-VAS	8.686	7.0	2.02	14.677
		EQ-5D Index	0.337	0.323	0.245	0.403
		Oxford knee score	16.125	16.5	12.06	19.856
Aug 2017	01/04/15 to 31/03/16	EQ-VAS	6.174	6.226	1.774	12.628
		EQ-5D Index	0.359	0.320	0.198	0.398
		Oxford knee score	17.421	16.365	11.956	19.971
Aug 2016	01/04/14 to 31/03/15	EQ-VAS	6.388	5.761	1.132	15.406
		EQ-5D Index	0.291	0.315	0.204	0.418
		Oxford knee score	14.913	16.116	11.430	19.581

Data source: NHS Digital

Southend University Hospital NHS Foundation Trust considers the outcome scores are as described for the following reasons:

- The data is collected independently of the Trust and is analysed by NHS Digital subject to robust methodology.

Southend University Hospital NHS Foundation Trust intends to take the following actions to improve these outcome scores, and so the quality of its services, by:

- All the results are discussed at the directorate clinical governance meetings. Where outcomes were worse than expected each cases is reviewed to identify any themes so that learning can be put in place.

Readmission rates

Table 41 shows percentage of patients aged— (i) 0 to 15; and (ii) 16 or over, readmitted to a hospital which forms part of the Trust within 28 days of being discharged from a hospital which forms part of the Trust during the reporting period.

There is no nationally available data since 2011/12 on the health and social care information centre. Therefore re-admission data has been taken from the better care, better value indicators.

Table 43: Readmissions rate

Year	0-15	16+	Total
2014/15	5.01%	8.46%	8.08%
2015/16	4.85%	7.23 %	6.97%
2016/17	4.96%	7.32%	7.07%
2017/18 (to Feb)	4.76%	8.04%	7.69%

Southend University Hospital NHS Foundation Trust has taken the following actions to improve these percentages, and so the quality of its service, by:

- Weekly reports detailing re-admitted patients currently within the hospital are reviewed by the discharge team to investigate reasons for re-admission and ascertain if this outcome could have been avoided.
- Performance on re-admission rates is monitored through the monthly integrated performance report to the Board and targets have been set.
- A clinical audit of re-admissions within 48 hours is due to be carried out during 2018-19.

Trust responsiveness to inpatient personal needs

This indicator is a composite, calculated as the average of five survey questions from the National Inpatient Survey:

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

Table 44: Composite measure from National Inpatient Survey

Period	Value	Expected (national)	Rank	Worst	Best
2017/18	Results not yet reported – due June 2018				
2016-17	**64.8**	68.1	121/149	60.0	85.2
2015-16	**67.4**	69.6	107/149	58.9	86.2
2014-15	**66.8**	68.9	104/155	59.1	86.1
2013-14	**68.3**	68.7	74/156	54.4	84.2

Data source: NHS Digital

Southend University Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- The data is taken from the national inpatient survey. Responses are collected using an independent approved contractor and the data is analysed by the Picker Institute on behalf of the Care Quality Commission.

Southend University Hospital NHS Foundation Trust intends to take the following actions to improve this data and so the quality of its services by:

- Working with each directorate to develop a concise set of actions to target poor performing areas and measure improvements via bespoke surveys throughout the year.
- Introduce a regular patient experience meeting within each directorate where survey results and patient feedback is analysed and reviewed on a regular basis.

Staff Friends and Family Test (FFT)

The staff Friends and Family Test is a measure of the percentage of staff employed by, or under contract to, the Trust who would recommend the Trust as a provider of care to their friends or family. The score is taken from the national staff survey carried out in all NHS Trusts.

Table 45: Staff Friends and Family Test data

Period	Trust value	Average All Acute Trusts	Rank	Worst	Best
2017	**62%**	71%	74/93	47	86
2016	**63%**	70%	75/98	49	85
2015	**62%**	69%	75/99	46	85
2014	**61%**	67%	86/138	38	89

Data source: NHS England

Southend University Hospital NHS Foundation Trust considers this percentage is as described for the following reasons:

- Throughout the year there were a number of surveys taken, ranging from pulse surveys in specific directorates to a group wide bullying and harassment survey that also incorporated staff friends and family questions. In addition, the 2017 NHS staff survey was undertaken across the group, launching in October 2017 with the full results published in May 2018.

Research shows that if an organisation has high staff engagement then the quality of patient care is also high. Southend University Hospital NHS Foundation Trust intends to take / has taken the following actions to improve this percentage, and so the quality of its services, by:

- Presenting the results of these surveys to the various directorates as appropriate and triangulating with other sources such as staff survey and patients feedback, in order to support decision making and the derivation of actions to improve views and experiences.

Venous thromboembolism risk assessment

Reducing avoidable death from venous thromboembolism (VTE) is an NHS patient safety initiative. Carrying out a VTE risk assessment and acting upon that assessment has proven to significantly reduce the risk of hospital acquired VTE and thus mortality. All patients who are admitted to hospital should have a VTE risk assessment carried out and this information is monitored both locally through the VTE committee and nationally via NHS England.

Table 46: VTE risk assessments for patients admitted to hospital

Period	Trust value	National Average	Rank	Worst	Best
Q3 2017/18	**98.63%**	95.4%	15/154	76.1%	100%
Q2 2017/18	**98.4%**	95.2%	23/155	71.9%	100%
Q1 2017/18	**98.8%**	95.2%	20/156	51.4%	100%
Q4 2016/17	**98.5%**	95.5%	24/156	63.0%	100%
Q3 2016/17	**98.2%**	95.6%	29/157	76.5%	100%
Q2 2016/17	**98.4%**	95.5%	30/157	72.1%	100%
Q1 2016/17	**98.5%**	95.7%	26/157	80.6%	100%

Data source: NHS England

Southend University Hospital NHS Foundation Trust considers that this percentage is as described for the following reasons:

- Since e-Prescribing was fully rolled out across the Trust at the end of 2015, VTE risk assessment data has been captured almost entirely electronically. This has greatly improved the recording rate and accuracy of VTE risk assessments, which must be completed on the system before any medications can be prescribed. As a consequence we are seeing a consistently improved level of compliance.
- A small number of areas (day stay and maternity) continue to use paper risk assessments which are then added to the Trust's patient administration system to create an electronic record of the risk assessment. The trust continues to manually review medical records for any instances where the paper risk assessment has not been transferred. The system is then updated where the reviewer finds robust evidence of a signed and dated paper VTE risk assessment. This process ensures the Trust is reflecting compliance in all areas accurately.
- VTE risk assessment rates continue to be reviewed by the VTE committee which meets on a bi-monthly basis. The rate is also included in the Trust balanced score card which is included in the Trust Board papers.

A quarterly audit is also carried out on ten inpatients per ward (selected at random) to assess the correct prescription and administration of VTE prophylaxis and the average results are 96%.

Clostridium difficile

Reducing healthcare associated infections is an NHS patient safety priority. Data is collected, analysed and published by Public Health England on the rate of clostridium difficile (C. diff) infections per 100,000 bed days reported amongst patients aged two or over.

Table 47: C. diff infections per 100,000 bed days

Period	Trust value	National Average	Rank	Worst	Best
1 April 2017 to 31 March 2018	Data not yet published – due to be published in July 2018				
1 April 2016 to 31 March 2017	**12.2**	13.2	78/153	82.7	0
1 April 2015 to 31 March 2016	**15.0**	14.9	91/154	66.0	0
1 April 2014 to 31 March 2015	**15.9**	15.0	96/154	62.2	0
1 April 2013 to 31 March 2014	**17.8**	14.7	116/154	37.1	0

Data source: Public Health England

Southend University Hospital NHS Foundation Trust considers that this rate is as described for the following reasons:

- Public Health England collates, analyse and report data which is also monitored and reported locally to the Trust Board.
- A full root cause analysis is carried out for each reported plus 72 hours of admission case of C. diff, which includes the clinical commissioning group. Any direct lapses in care are identified and plans formulated and taken to address issues identified.

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

- Continuing adherence to strict antibiotic stewardship and antibiotic ward rounds by the antibiotic pharmacist.
- The use of C. diff Integrated care pathways for all CDI cases.
- Weekly C. diff ward rounds continue and all CDI patients and active C. diff carriers (GDH) are seen by a member of the IPCT twice weekly.
- Double testing is carried out for suspected C. diff infections to identify C. diff carriers (GDH) and full infection prevention measures are put in place.
- Ward based infection prevention and control training has been updated in relation to C. diff.
- Maintaining the use of the robust root cause analysis process following every case, ensuring that lessons learned continue to be shared and acted on.
- Tristel trigger spray is used for decontaminating all commodes and toilet areas.
- C. diff numbers and direct lapses in care are discussed at the monthly Infection Prevention Control Committee and any direct lapses in care and rates are discussed at Directorate performance review meetings.

Patient safety incidents

Incident reporting and the reporting of near misses is actively encouraged to maximise learning potential and to prevent incidents from occurring. The Trust uses an electronic incident reporting system although where electronic systems are not available staff also have the option of reporting via telephone or by completing a paper incident form.

Table 48: Rate of patient safety incidents and the number and percentage of such patient safety incidents that result in severe harm or death

Period	Measure	Trust value	National Average Per 100,000 population	Worst	Best
1 Apr 2017 to 30 Sept 2017	Data not yet published – due mid May 2018				
1 Oct 2016 to 31 Mar 2017	Patient safety incidents per 1,000 bed days	48.9	909.3	149.7	11.2
	Incidents resulting in severe harm or death per 1,000 bed days	0.26	0.40	2.3	0.00
1 Apr 2016 to 30 Sept 2016	Patient safety incidents per 1,000 bed days	51.6	861.5	150.6	10.3
	Incidents resulting in severe harm or death per 1,000 bed days	0.24	4.5	4.07	0.00
1 Oct 2015 to 31 Mar 2016	Patient safety incidents per 1,000 bed days	54.1	815.9	75.9	14.8
	Incidents resulting in severe harm or death per 1,000 bed days	0.38	4.45	0.97	0
1 Apr 2015 to 30 Sept 2015	Patient safety incidents per 1,000 bed days	47.9	809.7	74.7	18.1
	Incidents resulting in severe harm or death per 1,000 bed days	0.22	4.5	1.12	0.03

Data source: National Reporting and Learning System (NRLS)

Southend University Hospital NHS Foundation Trust considers that this number and / or rate is as described for the following reasons:

- The data is collected and analysed by the National Reporting and Learning System (NRLS).
- Data on the number of reported incidents and levels of harm are monitored through the directorate monthly performance meetings and clinical governance meetings.

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

- In-house root cause analysis training sessions continue to be offered to the clinical directorates. A review is being carried out on the junior doctors' induction and teaching material and patient safety and incident reporting training for newly qualified and overseas nurses.
- A review panel process has been set up for the appraisal of patient falls that cause moderate or more significant harm and for grade 2 and above hospital acquired pressure ulcers.
- The anonymous governance incident helpline continues to be promoted to enable staff to raise incidents when they do not have easy access to a computer. The risk and patient safety team attend the medical clinical handover and safe at Southend meetings to promote reporting and to identify incidents from the information discussed. An audit of the quality of feedback documentation on the incident form is underway and results will be reviewed and disseminated.
- The Duty of Candour (DoC) process is being reviewed and a compliance audit is being completed.
- Risk and incident weekly and monthly status reports continue to be sent to the directorates to encourage compliance to reporting timescales.

4.4 Part 3: Quality of services

A number of stakeholder groups contributed to the identification of the quality priorities in 2016 and these have been reviewed for 2018/19. The quality priorities focus on areas of improving patient safety, patient experience and clinical effectiveness and takes into account findings from our regulators, performance challenges and the organisation's sign up to safety plan. The majority of the original priorities remain as there is further improvement required in 2018/19 and the details are included in section two of the quality report.

Quality is reported to the Trust Board and the format of the quality hotspot report was reviewed in 2017 to ensure there is alignment and consistently in reporting across the three trusts. The report enables the Board to be aware of key quality indicators and escalation of any areas of concern.

4.4.1 Performance against 2017/18 key national priorities

Performance against the key national priorities set out in Monitor's (now NHSI) Risk Assessment Framework continue to be monitored to ensure that our services are accessible and meet expectations. Performance data is reviewed on a monthly basis and actions agree to ensure that Trust is working towards improving access where this falls below the expected standard.

Table 49: Summary of performance against NHSI (formally Monitor) Risk Assessment Framework

Indicator	Threshold	2014-15	2015-16	2016-17	2017-18
Referral to treatment time, 18 weeks in aggregate, incomplete pathway.	92%	93.5%	93.72%	88.77%	84.49%
A&E four hour wait from arrival to admission / transfer to discharge.	95%	94.1%	93.7%	83.46%	86.84%
All cancers: 62-day wait for first treatment from urgent GP referral for suspected cancer.	85%	80.2%	77.0%	70.00%	72.80%
All cancers: 62-day wait for first treatment from NHS cancer screening service referral.	90%	95.5%	94.0%	94.60%	95.1%
Clostridium difficile – variance from plan.	30	28	26	19	33
Maximum 6-week wait for diagnostic procedures.	99%	99.74%	99.05%	97.28%	95.82%

Data source: local data.

4.4.2 Other areas of quality improvement during 2017/18

Infection Prevention Control

In 2017, the Trust took part in an infection prevention control (IPC) peer review across Mid Essex, Southend and Basildon with NHS improvement. Following the review in August 2017, the Trust received a 'red' rating due to concerns in the IPC governance structure, environmental cleanliness and inconsistencies with hand hygiene and the use of personal protective equipment. A comprehensive action plan was put in place and following the re-inspection in November 2017, the rating had improved to 'amber'. Further work is still required to ensure that the learning is embedded into normal practice and the Trust is due to be re-inspected in May 2018.

New High Dependency Unit

The Trust is expanding its critical care facility to provide a purpose built high dependency unit for patients who need extra care but do not need intensive care. It will help to improve patient safety and patient experience. The state of the art facility opens in spring 2018 and will support patients from all specialties across the Trust.

Medical Ambulatory Care

The medical ambulatory unit was re-modelled in 2017 with new consultants, new patients and a new model of care providing a more comprehensive service to patients. The new way of working sees staff pulling patients from the emergency department, GPs and wards. The unit treats and stabilises patients quickly using clinical pathways and this is contributing to improving patient flow through the hospital.

Frailty Service and Frailty Nursing Team

The day assessment unit helps to prevent elderly patients' admission to hospital, liaising with multi-disciplinary services to ensure they can be discharged on the same day. Based in the unit is the newly formed frailty nursing team who take ward referrals from all specialities that require advice on managing frail patients and they are the first point of contact for those requiring an elderly medicine review. The team also visit admission areas to see whether any patients would benefit from a comprehensive geriatric assessment (CGA) before being discharged home later that day. It is hoped that CGA will contribute to preventing admission, reducing length of stay and lowering readmission rates.

Discharge Lounge

Improvements have been made to the discharge lounge facilities and environment which is helping to improve the overall patient experience. The new facilities include comfortable armchairs, a selection of reading materials and a television to help patients remain as relaxed as possible whilst waiting to go home. In addition to looking after the needs of their patients, the team also assist in improving patient flow through the hospital by assisting the ward staff with tasks such as booking transport and confirming care arrangements in the community.

Paediatric insulin pump service

A new paediatric insulin pump service is operational which means that patients can be treated by their local paediatric diabetes team rather than travel to London or Cambridge. The pumps which are light and easy to carry, deliver insulin continuously throughout the day via a cannula inserted under the skin which improves blood glucose control. The service is making a real difference to patients and their families as they can remain with their local diabetes team who they know and do not have to travel long distances for training and follow-up appointments.

Brachytherapy suite

The brachytherapy suite is now open and means that increased numbers of prostate cancer patients can receive shorter surgery times. Brachytherapy is a form of radiotherapy where a sealed radioactive source is placed in direct proximity to the tumour, ensuring that a high dose of radiation is applied to the area of cancer and radiation dose is minimised to normal healthy structures. The new process is more efficient which is providing a more dignified and better experience for our patients as they spend less time being wheeled to different areas of the hospital. Southend University Hospital NHS Foundation Trust performs more of these operations than anywhere else in the country and this has helped speed up waiting times.

New Laparoscopic theatre

The new laparoscopic theatre opened in 2017 and means that Southend University Hospital NHS Foundation Trust can perform the latest and most complex keyhole procedures for patients undergoing cancer and general surgery. At the heart of the theatre is one of the most advanced camera systems in Europe which deliver extremely high quality 3D images. Many patients would have previously had 'open surgery' which would have meant longer hospital stays, recovery times and greater post-operative pain and scarring.

4.5 Annex 1: Comments on Southend University Hospital Quality Account

The draft quality account was shared with Southend CCG, Castle Point and Rochford CCG, Healthwatch Southend, Healthwatch Essex, Essex Health Overview and Scrutiny Committee, Southend People Scrutiny Committee and the Chair of the Patient and Carer Experience Group.

No comments were received from Healthwatch Southend.

Clarifications were received from the Patient and Carer Experience Group and incorporated into the report. The comments received on the content of the Quality Account are included below.

People Scrutiny Committee of Southend-on-Sea Borough Council's commentary on Southend University Hospitals NHS Foundation Trust Quality Account 2016/17:

"The draft Quality Report / Account has been shared with the Chairman and members of the People Scrutiny Committee at Southend-on-Sea Borough Council, which is the health scrutiny committee. No comments were received. This should in no way be taken as a negative response. The Committee has, in the main, been content with the engagement of local healthcare providers in its work over the past year."

Mid and South Essex Joint Commissioning Team response to Southend University Hospitals NHS Foundation Trust Quality Report 2017/2018

Since January 2018, Mid and South Essex Joint Commissioning Team (the JCT) have devolved authority from mid and south Essex CCGs to commission "in hospital" services on their behalf. Therefore, as the lead commissioner of services provided by Southend University Hospitals NHS Foundation Trust (SUHFT) the JCT welcomes the opportunity to comment on this quality report.

To the best of the JCT's knowledge, the information contained within this report is generally accurate and is representative of the quality of services delivered. Any queries will have been fed back to SUHFT prior to publication for consideration of inclusion, along with missing data in the final report.

Additional requirements for insertion within 2017/2018 Quality Reports are:-

- Disclosures in relation to "Learning from Deaths" which are included within the report and
- Seven day hospital services, which are not.

The JCT notes that SUHFT were inspected by the Care Quality Commission (CQC) in November and December 2017, with the outcome published in April 2018, although SUHFT rating remains as "requires improvement" there has been significant improvement in some areas, particularly End of Life Care which is encouraging.

When looking to see if priorities for 2017/18 have been met, it worth noting that this has been another challenging year with increasing demand for services, a number of key targets remain unmet, such as 4 hours in A&E, Referral to Treatment and cancer waits, but that SUHFT have continued to strive to improve putting in additional measures with increased monitoring aiming to reduce impact on patients.

A main cause for concern raised within the report is the lack of progress in relation the Summary Hospital Mortality Index (SHMI) with SUHFT remaining as "higher than expected", for the period to September 2017. The JCT is aware that SUHFT is taking this seriously with all data being scrutinised by the Mortality Surveillance Group with cases presented to share learning and improvement. This is an area the JCT will monitor closely in 2018/19.

A comprehensive description of your participation in and learning from clinical audit and research is produced. Plus a summary of findings and learning from all clinical audits undertaken.

In conclusion the JCT considers Southend University Hospitals NHS Foundation Trust Quality Report for 2017/2018 as providing an accurate and balanced picture of the reporting period. The JCT will continue to seek assurance on performance and delivery of care by regular monitoring through its agreed contract and via quality visits and triangulation of local intelligence.

Carol Anderson
Chief Nursing Officer
Mid & South Essex STP Joint Committee

Response to Southend University Hospital NHS Foundation Trust (SUHFT) Account 2017-18 from Healthwatch Essex

Healthwatch Essex is an independent organisation that works to provide a voice for the people of Essex in helping to shape and improve local health and social care. We believe that health and social care organisations should use people's lived experience to improve services. Understanding what it is like for the patient, the service user and the carer to access services should be at the heart of transforming the NHS and social care as it meets the challenges ahead of it.

We recognise that Quality Accounts are an important way for local NHS services to report on their performance by measuring patient safety, the effectiveness of treatments that patients receive and patient experience of care. They present a useful opportunity for Healthwatch to provide a critical, but constructive, perspective on the quality of services, and we will comment where we believe we have evidence – grounded in people's voice and lived experience – that is relevant to the quality of services delivered by SUHFT. In this case, we have received quality of feedback about services provided by the Acute Hospital, and so offer only the following comments on the SUHFT Quality Account.

- HWE recognises that this has been a very challenging year for SUHFT, both dealing with multiple issues such as workforce and A&E pressures. HWE commends the hospitals staff, volunteers and management for their commitment and dedication throughout the year.

- HWE recognises the pressure based around the changes within the new Sustainable Transformation Partnerships and the considerable amount of press coverage around this topic. The Hospital has faced a lot of questions and uncertainty and been professional in its approach to the consultation and external environment.

- HWE is pleased to see that the priority of work is still focused on patient safety and patient experience, HWE will endeavour to support the hospital in its target on patient experience.

- HWE is pleased to see the three strands around core values and will support the trust around Active Listening and training, looking for patient feedback and being accountable. However HWE still recognises the huge challenge the workforce question has on the staff and support the trust in its ambitions.

Listening to the voice and lived experience of patients, service users, carers, and the wider community, is a vital component of providing good quality care and by working hard to evidence that lived experience we hope we can continue to support the encouraging work of SUHFT.

Dr David Sollis
Chief Executive Officer, Healthwatch Essex

Response to Southend University Hospital NHS Foundation Trust (SUHFT) Account 2017-18 from the Essex Health Overview Policy and Scrutiny Committee (HOPSC)

The HOPSC has always sought to provide critical friend whilst being supportive of the Trust.

The HOPSC welcomes the opportunity to comment on the SUHFT draft accounts.

We applaud the initiative taken with regard to patient safety in the implementation of the hospital out of hours (HOOH) team. This will undoubtedly as you say "provide the leadership and expertise in supporting clinical and decision making out of hours."

The HOPSC is pleased to learn that the 62 day cancer target waits and indeed the four hour accident and emergency target are in line with national targets, as is the RTT. (Improving Patient Flow –Aims).

We are also pleased to learn of the information provided regarding data quality.

We will follow with interest the comments made by the CQC and the actions that the Trust are going to be taking to address the various points it made.

Although there is reference made to re-admissions, there appears to be no reference to Delayed Discharges. We would suggest that this is important as part of the understanding of the pressures on the Trust.

On behalf of the HOPSC, may I thank you for the opportunity to comment on these draft accounts.

Councillor Jill Reeves
Chairman of the Essex Health Overview Policy and Scrutiny Committee

4.6 Annex 2: Statement of Directors' responsibilities for the quality accounts

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

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

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

- The content of the Quality Report meets the requirements set out in the NHS foundation trust annual reporting manual 2017/18 and supporting guidance.
- The content of the Quality Report is not inconsistent with internal and external sources of information including:
    - board minutes and papers for the period April 2017 to May 2018
    - papers relating to quality reported to the Board over the period April 2017 to May 2018
    - feedback from commissioners dated 15 May 2018
    - feedback from Southend-on-Sea Borough Council People Scrutiny Committee dated 11 May 2018
    - feedback from Healthwatch Essex dated 18 May 2018

- feedback from Essex Health Overview Policy and Scrutiny Committee dated 1 June 2018
- the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated May 2017
- the (latest) national patient survey May 2017
- the (latest) national staff survey March 2018
- the Head of Internal Audit's annual opinion of the Trust's control environment dated May 2018
- CQC inspection report dated April 2018

- The Quality Report presents a balanced picture of the NHS foundation trust's performance over the period covered.
- The performance information reported in the Quality Report is reliable and accurate.
- There are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice.
- The data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review and
- The Quality Report has been prepared in accordance with NHS Improvement's annual reporting manual and supporting guidance (which incorporates the Quality Accounts regulations) as well as the standards to support data quality for the preparation of the Quality Report.

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

By order of the Board

Clare Panniker
Chief Executive
Date: 29 May 2018

Alan Tobias OBE
Chairman
Date: 29 May 2018

4.7 Glossary for Quality Account

Accessible Information Standard – standards that all NHS and social care providers must follow to ensure that people who have a disability or sensory loss get information in a way they can access and understand.

Advance Care Planning – is a process that enables individuals to make plans about their future health care and provides direction to healthcare professional when a person is not in a position to either make and / or communicate their own healthcare choices.

Bronchiectasis – is a long term condition where the airways of the lungs become abnormally widened, leading to a build-up of excess mucus that can make the lungs more vulnerable to infection.

Baywatch – An initiative to reduce in-hospital falls by ensuring that a member of nursing staff is always present in the patient bay on a ward to increase vigilance and ensure there is maximum observation of patients at risk of falling.

Cardiac arrest – a cardiac arrest is the sudden loss of blood flow resulting from the failure of the heart to effectively pump.

Chronic obstructive pulmonary disease (COPD) – is a group of lung conditions that cause breathing difficulties.

Clinical audit – measures the quality of care and services against agreed standards and makes improvements where needed.

Clinical coding – the process whereby clinical information / statements are analysed and assigned codes using a specified classification system. The data produced is an integral part of health information management.

Clinical Research Network (CRN) – makes it possible for patients and health professional across England to participate in clinical research studies within the NHS.

Clostridium difficile (C. diff) – a bacterium that can infect the bowel and cause diarrhoea.

Clinical Commissioning Group (CCG) – the organisation responsible for buying health services such as those provided by the hospital.

Commissioning for quality and innovation (CQUIN) – a national framework for quality improvement schemes that results in a proportion of a providers income being conditional on the achievement of the quality improvement goals.

Co-morbidities – is the simultaneous presence of two or more chronic diseases or conditions.

Comprehensive Geriatric Assessment (CGA) – the gold standard for the management of frailty in older people.

Do not resuscitate (DNACPR) – also known as 'do not attempt cardiopulmonary resuscitation' is medical order written by a doctor. It instructs healthcare providers not to do cardiopulmonary resuscitation (CPR) if a patient's breathing stops or if the patient's heart stops beating.

Duty of Candour (DoC) – DoC places a legal obligation on all providers of health and adult social care to be open with people when things go wrong

Exit blocking – When patients cannot be moved from a hospital emergency department into a hospital bed

Fraser Guidelines – refer to guidelines set out by Lord Fraser in his judgement of the Gillick case in the House of Lords (1985), which apply specifically to contraceptive advice.

Friends and Family Test – The NHS Friends and Family Test (FFT) was created to help service providers and commissioners understand whether their patients are happy with the service provided, or where improvements are needed. It is a quick and anonymous way to give your views after receiving care or treatment across the NHS.

Gillick Competence – is used in medical law to decide whether a child (under 16 years of age) is able to consent to his or her own medical treatment, without the need for parental permission or knowledge.

Hospital out of hours team (HOOH) – a team of senior nurses who support junior medical staff and provide senior clinical nursing support to the ward staff out of normal working hours (nights and weekends).

Intestinal obstruction without hernia – also known as bowel obstruction is a mechanical or functional obstruction of the intestines, excluding due to a hernia, which prevents the normal movement of the products of digestion.

Local Safety Standards for Invasive Procedures (LocSSiPs) – these are the minimum standards, based on national best practice, to improve safety and reduce harm.

Naso-gastric tube – is a plastic tube inserted through the nose, past the throat and down into the stomach.

National Clinical Audit – clinical audits that look at care nationwide.

National Confidential Enquires in Patient Outcomes and Death (NCEPOD) – NCEPOD's purpose is to assist in maintaining and improving standards of care for adults and children for the benefit of the public by reviewing the management of patients, by undertaking confidential surveys and research, by maintaining and improving the quality of patient care and by publishing and generally making available the results of such activities.

National Early Warning (NEWS) Score – used to quickly determine the degree of illness of a patient. Peri-arrest – is the period either before or after a cardiac arrest where the patient is in an unstable condition.

Non-invasive ventilation (NIV) – is a method of delivering oxygen by positive pressure mask that allows the clinician to postpone or prevent the use of a tube down the throat.

Patient Group Direction – A PGD provides a legal framework that allows some registered health professionals to administer specified medications to a pre-defined group of patients, without them having to see a prescriber.

Payment by Results (PbR) – is a system of paying NHS healthcare providers a standard national price or tariff for each patient seen or treated.

Pressure ulcer – A pressure ulcer (also known as pressure sores or bed sores) are localised damage to the skin and / or underlying tissue that usually occur over a bony prominence as a result of pressure or pressure in combination with shear and / or friction.

Safer Nursing Care Tool (SNCT) – has been developed to help NHS hospital staff ensure that nursing establishments reflect patients' needs.

Safety Cross – a safety cross is a visual data collection tool that is used to identify areas for improvement.

Sepsis – also referred to as blood poisoning or septicaemia is a potentially life-threatening complication of an infection or injury.

SSKIN – The SSKIN bundle is made up of five simple steps to prevent and treat pressure ulcers; Surface, make sure patients are nursed on the right surface; skin inspection; keep patients moving; incontinence and moisture, make sure patients are kept clean and dry; nutrition and hydration.

SSKIN Champions – these are nurses identified in clinical areas to act as champions for pressure ulcer prevention.

Structured judgement review (SJR) – The SJR is a tool used to review the care and treatment received by patients. It blends traditional, clinical judgement based review methods with a standard format. It requires reviewers to make safety and quality judgements over phases of care, make explicit written comments about care for each phase and to score care for each phase.

Summary hospital-level mortality indicator (SHMI) – the SHMI reports on mortality at trust level across the NHS in England using a standard and transparent methodology. It is produced and published quarterly as a national statistic by NHS digital with each publication reporting on a 12 month period.

Treatment Escalation Plan (TEP) – A TEP is one mechanism of planning care of a patient at risk of deteriorating.

Venous Thromboembolism (VTE) – is a condition where a blood clot forms in a vein.

WHO safety checklist – released by the World Health Organisation, the WHO surgical safety checklist is a tool used by relevant clinical teams in any operating environment to improve the safety.

5. Auditors' Report

Independent auditor's report to the Council of Governors of Southend University Hospital NHS Foundation Trust

Opinion on financial statements

We have audited the financial statements of Southend University Hospital NHS Foundation Trust (the Trust) for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as interpreted and adapted by the 2017-18 Government Financial Reporting Manual as contained in the Department of Health and Social Care Group Accounting Manual 2017-18, and the NHS Foundation Trust Annual Reporting Manual 2017-18 issued by the Regulator of NHS Foundation Trusts ('NHS Improvement').

In our opinion the financial statements:

- Give a true and fair view of the financial position of the Trust as at 31 March 2018 and of its expenditure and income for the year then ended;
- Have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2017-18; and
- Have been prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion on financial statements

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The Accounting Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Matter	How we addressed the matter in the audit
Revenue recognition Most NHS income is subject to reconciliation and formal agreement with other NHS bodies through the Agreement of Balances (AOB) process. There is a risk, however, that other non NHS income and NHS income which is not on block contracts is not completely and accurately reflected in the financial statements, whether as a result of fraud or error.	We substantively tested an extended sample of material non-NHS income streams to supporting documentation to confirm that income has been accurately recorded and earned in the year. We reviewed the process for resolving discrepancies between the Trust and other NHS bodies through the agreement of balances process, and management's estimate of amounts receivable where there are contract disputes, subsequently investigating all discrepancies and disputed amounts above £250k. We agreed a sample of income with other NHS bodies back to contract amounts. We ensured that all income items tested had been accounted for in line with the Trust's revenue recognition policy.
Accounting for recharges As part of collaborative working arrangement between the Trust, Mid Essex Hospital Services NHS Trust and Basildon and Thurrock University Hospitals NHS FT (the three trusts within the Mid and South Essex Sustainability and Transformation Partnership) there are some cost sharing arrangements. Under the arrangement, costs are initially paid by one trust and an appropriate share is then recharged to the other two trusts. There are potential operational challenges to determining the appropriate share of cost to be recognised by each trust and the basis of cost of sharing. This could potentially lead to accounting for an incorrect share of costs, completely missing a share of costs recharged from another trust or the over-recharging of costs to other trusts A significant element of these costs is related to the employment costs and remuneration paid to senior managers that is reported in section 3.2 of the Annual Report.	We reviewed the Trust's procedures for identifying and accurately accounting for recharges to ensure that the procedures in place are robust. We participated in early discussions with the finance teams of all three trusts to understand and assess whether the approach being proposed between the trusts was reasonable. We performed detailed substantive testing over recharges to ensure that these have been correctly accounted for. We reviewed the remuneration tables in the Annual Report to ensure that only the share of costs applicable to the Trust has been disclosed, where senior managers are shared between the three trusts.

Matter	How we addressed the matter in the audit
Fair valuation of Property, Plant and Equipment Property, plant and equipment is the most significant asset in the Trust's balance sheet. At this year end the Trust has made an assessment of whether there has been a variation in the value of land and buildings since the last valuation point, and has applied an indexation uplift as required to ensure there is no material misstatement of asset values. The valuation of land and buildings is complex and is subject to a number of assumptions and judgements. A small movement in these assumptions can have a material impact on the financial statements.	We reviewed the instructions provided to the valuer and considered the valuer's skills and expertise in order to determine the extent to which we could rely on the management expert. We reviewed the assumptions and judgements that were applied by the valuer, and the valuation results provided against available market information, and considered whether the value of land and buildings as advised by the valuer was within the range of our expectations.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

The materiality for the financial statements as a whole was set at £4.7 million (2017 £3.1 million). This was determined with reference to the benchmark of gross expenditure (of which it represents 1.5%) (2017 – 1.0%) which we consider to be one of the principal considerations for the Council of Governors in assessing the financial performance and position of the Trust.

We agreed with the Audit Committee to report to it all material corrected misstatements and all uncorrected misstatements we identified through our audit with a value in excess of £96,000 (2017- £155,000) in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Overview of the scope of our audit

The Trust operates as a single entity with no significant subsidiary bodies or other controlled undertakings. Accordingly our audit was conducted as a full scope audit of the Trust.

Other information

The Accounting Officer is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on the Remuneration and Staff Report

We have also audited the information in the Remuneration and Staff Report that is *subject to audit*, being:

- The table of salaries and allowances of senior managers and related narrative notes;
- The table of pension benefits of senior managers and related narrative notes ;
- The tables of exit packages and related notes;
- The analysis of staff numbers and related notes; and
- The pay multiples and related narrative notes.

In our opinion the parts of the Remuneration Report to be audited have been properly prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2017-18.

Matters on which we are required to report by exception

Qualified conclusion on use of resources

On the basis of our work, having regard to the guidance issued by the Comptroller & Auditor General in November 2017, with the exception of the matter reported in the Basis for qualified conclusion on use of resources section of our report, we are satisfied that, in all significant respects, the Trust put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2018.

Basis for qualified conclusion on use of resources

For the year ended 31 March 2018 the Trust reported a deficit of £11.1m (2016/17: deficit of £11.1m). This represents a considerable improvement on the original control total set for 2017/18 by NHS Improvement of £23.1m. The financial position has stabilised in a number of areas, although challenges remain in others, particularly the use of agency staff.

The planned deficit control total set by NHSI for 2018/19, that the Trust has agreed to is £21.3m.

The Trust does not yet have plans to secure a return to a breakeven position in the foreseeable future.

These matters are evidence of weaknesses in arrangements to ensure that the Trust has deployed its resources to achieve sustainable outcomes for taxpayers and local people.

Other matters on which we are required to report by exception

Under Schedule 10 of the National Health Service Act 2006 and the National Audit Office's Code of Audit Practice we report to you if we have been unable to satisfy ourselves that:

- Proper practices have been observed in the compilation of the financial statements; or
- The Annual Governance Statement meets the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual and is not misleading or inconsistent with other information that is forthcoming from the audit; or
- The Quality Report has been prepared in accordance with the detailed guidance issued by NHS Improvement.

We also report to you if:

- We have exercised special auditor powers in connection with the issue of a public interest report or we have made a referral to the regulator under Schedule 10 of the National Health Service Act 2006.

We have nothing to report in these respects.

Responsibilities the Accounting Officer

As explained more fully in the Statement of the Chief Executive's responsibilities as the Accounting Officer, 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 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 Council of Governors either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

The Accounting Officer is also responsible for ensuring that the resources of the Trust are used economically, efficiently and effectively.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Auditor's other responsibilities

We are also required under section 21(3)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. Section 21(5)(b) of the Local Audit and Accountability Act 2014 requires that our report must not contain our opinion if we are satisfied that proper arrangements are in place.

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

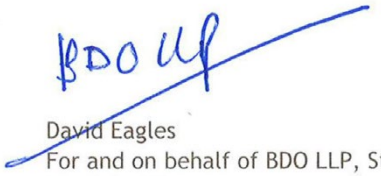
As set out in the Matters on which we report by exception section of out report there are certain other matters which we are required to report by exception.

Certificate

We certify that we have completed the audit of the accounts of Southend University Hospital NHS Foundation Trust in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice issued by the National Audit Office.

Use of our report

This report is made solely to the Council of Governors of Southend University Hospital NHS Foundation Trust, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by the National Audit Office in April 2015. Our audit work has been undertaken so that we might state to the Council of Governors of Southend University Hospital NHS Foundation Trust those matters we are required to state to it 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 NHS Foundation Trust and the Council of Governors as a body, for our audit work, for this report or for the opinions we have formed.



David Eagles
For and on behalf of BDO LLP, Statutory Auditor
Ipswich, UK

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Independent auditor's report to the Council of Governors of Southend University Hospital NHS Foundation Trust on the Quality Report

We have been engaged by the Council of Governors of Southend University Hospital NHS Foundation Trust to perform an independent assurance engagement in respect of Southend University Hospital NHS Foundation Trust's Quality Report for the year ended 31 March 2018 (the 'Quality Report') and certain performance indicators contained therein.

Scope and subject matter

The indicators for the year ended 31 March 2018 subject to limited assurance consist of the national priority indicators as mandated by NHS Improvement:

- Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge.
- Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period.

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

Respective responsibilities of the directors and auditors

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

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

- The Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual and supporting guidance.
- The Quality Report is not consistent in all material respects with the sources specified in the Detailed requirements for external assurance for Quality Reports 2017/18 issued by NHS Improvement in February 2018; 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 supporting guidance and the six dimensions of data quality set out in the Detailed requirements 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 the following:

- Board minutes for the period April 2017 to May 2018.
- Papers relating to quality reported to the board for the period April 2017 to May 2018.
- Feedback from Mid and South Essex Joint Commissioning Team, dated May 2018.
- Feedback from local Healthwatch organisations, dated May 2018.
- Feedback from the Overview and Scrutiny Committee, dated May 2018.
- The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated May 2017.

- The latest national inpatient survey, dated 31 May 2017.
- The latest national staff survey, dated 2017.
- Care Quality Commission inspection report, dated 18 May 2017.
- The Head of Internal Audit's annual opinion over the Trust's control environment, dated May 2018.

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

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

This report, including the conclusion, has been prepared solely for the Council of Governors of Southend University Hospital NHS Foundation Trust as a body, in reporting Southend University Hospital 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 2018, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the 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 Southend University Hospital NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

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

- Evaluating the design and implementation of the key processes and controls for managing and reporting the indicators.
- Making enquiries of management.
- Testing key management controls.
- Limited testing, on a selective basis, of the data used to calculate the indicator against supporting documentation.
- Comparing the content requirements of the NHS foundation trust annual reporting manual to the categories reported in the quality report.
- 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 that can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the NHS Foundation Trust Annual Reporting Manual and supporting guidance.

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

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 2018:

- The Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual and supporting guidance.
- The Quality Report is not consistent in all material respects with the sources specified in the Detailed requirements for external assurance for quality reports 2017/18; 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.

BDO LLP

David Eagles, Partner
For and on behalf of BDO LLP
Ipswich, UK

6. Annual Accounts

Foreword to the accounts

Southend University Hospital NHS Foundation Trust

These accounts, for the year ended 31 March 2018, have been prepared by Southend University Hospital NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.

Signed

Clare Panniker
Chief Executive
Date: 29 May 2018

Statement of Comprehensive Income for the year ended 31st March 2018

	Note	2017/18 (£000)	2016/17 (£000)
Operating income from patient care activities	3	284,810	270,212
Other operating income	4	34,879	33,646
Total operating income from continuing operations		**319,689**	**303,858**
Operating expenses	5 & 7	(326,075)	(309,747)
Operating deficit from continuing operations		(6,386)	(5,889)
Finance income	10	43	20
Finance expenses	11	(1,158)	(1,254)
PDC dividends payable		(3,486)	(3,929)
Net finance costs		**(4,601)**	**(5,163)**
Losses of disposal of non-current assets	12	(5)	(29)
Deficit for the year from continuing operations			
Deficit for the year		**(10,992)**	**(11,080)**
Other comprehensive income		**(10,992)**	**(11,080)**
Will not be reclassified to income and expenditure:			
Impairments	6	(3)	-
Revaluations	6	6,469	-
Other reserve movements		-	(11)
Total comprehensive expense for the period		**(4,526)**	**(11,091)**

Statement of financial position for the year ended 31st March 2018

	Note	31 March 2018 (£000)	31 March 2017 (£000)
Non-current assets			
Intangible assets	13	3,247	3,096
Property, plant and equipment	14	169,601	168,853
Trade and other receivables	19	628	790
Total non-current assets		**173,476**	**172,739**
Current assets			
Inventories	18	6,138	6,312
Trade and other receivables	19	24,514	18,996
Non-current assets for sale and assets in disposal groups	20	90	-
Cash and cash equivalents		18,932	1,519
Total current assets		**49,674**	**26,826**
Current liabilities			
Trade and other payables	21	(40,299)	(29,124)
Other liabilities	22	(414)	(2,481)
Borrowings	23	(8,481)	(932)
Provisions	25	(244)	(469)
Total current liabilities		**(49,438)**	**(33,006)**
Total assets less current liabilities		**173,712**	**166,559**
Non-current liabilities			
Other liabilities	22	(1,054)	(1,113)
Borrowings	23	(48,690)	(39,742)
Provisions	25	(1,127)	(1,520)
Total non-current liabilities		**(50,871)**	**(42,375)**
Total assets employed		**122,841**	**124,185**
Financed by			
Public dividend capital		106,221	103,039
Revaluation reserve		37,000	34,753
Income and expenditure reserve		(20,380)	(13,607)
Total taxpayers' equity		**122,841**	**124,185**

The notes on pages 158 to 205 form part of these accounts.

Clare Panniker
Chief Executive
Date: 29 May 2018

Statement of Changes in Equity for the year ended 31 March 2018

	Public dividend capital (£000)	Revaluation reserve (£000)	Available for sale investment reserve (£000)	Other reserves (£000)	Merger reserve (£000)	Income and expenditure reserve (£000)	Total (£000)
Taxpayers' and others' equity at 1 April 2017 - brought forward	**103,039**	**34,753**	**-**	**-**	**-**	**(13,607)**	**124,185**
Surplus/(deficit) for the year	-	-	-	-	-	(10,992)	**(10,992)**
Impairments	-	(3)	-	-	-	-	**(3)**
Revaluations	-	6,469	-	-	-	-	**6,469**
Transfer to retained earnings on disposal of assets	-	(4,219)	-	-	-	4,219	**-**
Public dividend capital received	3,182	-	-	-	-	-	**3,182**
Taxpayers' and others' equity at 31 March 2018	**106,221**	**37,000**	**-**	**-**	**-**	**(20,380)**	**122,841**

Statement of Changes in Equity for the year ended 31 March 2017

	Public dividend capital (£000)	Revaluation reserve (£000)	Available for sale investment reserve (£000)	Other reserves (£000)	Merger reserve (£000)	Income and expenditure reserve (£000)	Total (£000)
Taxpayers' and others' equity at 1 April 2016 - brought forward	**103,039**	**34,922**	**-**	**-**	**-**	**(2,686)**	**135,275**
Surplus/(deficit) for the year	-	-	-	-	-	(11,080)	**(11,080)**
Transfer to retained earnings on disposal of assets	-	(158)	-	-	-	158	**-**
Other reserve movements	-	(11)	-	-	-	1	**(10)**
Taxpayers' and others' equity at 31 March 2017	**103,039**	**34,753**	**-**	**-**	**-**	**(13,607)**	**124,185**

Information on reserves

Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS trust. Additional PDC may also be issued to NHS foundation trusts by the Department of Health. A charge, reflecting the cost of capital utilised by the NHS foundation trust, is payable to the Department of Health as the public dividend capital dividend.

Revaluation reserve

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

Income and Expenditure reserve

The balance of this reserve is the accumulated surpluses and deficits of the NHS foundation trust.

Statement of Cash Flows for the year ended 31st March 2018

	Note	2017/18 (£000)	2016/17 (£000)
Cash flows from operating activities			
Operating surplus/(deficit)		(6,386)	(5,888)
Non-cash income and expense:			
Depreciation and amortisation	5	10,678	10,317
Net impairments	6	3,238	-
Income recognised in respect of capital donations	4	(604)	(286)
Amortisation of PFI deferred credit		-	-
Non-cash movements in on-SoFP pension liability		-	-
(Increase)/decrease in receivables and other assets		(5,886)	(616)
(Increase)/decrease in inventories		174	(148)
Increase/(decrease) in payables and other liabilities		6885	(3,737)
Increase/(decrease) in provisions		(658)	598
Tax (paid)/received		-	-
Operating cash flows movement of discontinued operations		-	-
Other movements in operating cash flows		33	18
Net cash generated from/(used in) operating activities		**8,006**	**258**
Cash flows from investing activities			
Interest received		43	20
Purchase and sale of financial assets		-	-
Purchase of intangible assets		(1,051)	(894)
Sales of intangible assets		-	-
Purchase of property, plant, equipment and investment property		(11,827)	(7,788)
Sales of property, plant, equipment and investment property		7,894	276
Receipt of cash donations to purchase capital assets		-	-
Prepayment of PFI capital contributions		-	-
Investing cash flows of discontinued operations		-	-
Net cash generated from/(used in) investing activities		**(4,941)**	**(8,386)**

	Note	2017/18 (£000)	2016/17 (£000)
Cash flows from financing activities			
Public dividend capital received		3,182	-
Public dividend capital repaid		-	-
Movement on loans from the Department of Health		15,485	15,051
Movement on other loans		1,092	-
Capital element of finance lease rental payments		(1,136)	(1,818)
Capital element of PFI, LIFT and other service concession payments		-	-
Interest paid on finance lease liabilities		(264)	(486)
Interest paid on PFI, LIFT and other service concession obligations		-	-
Other capital receipts		-	-
Other interest paid		(523)	(705)
PDC dividend paid		(3,488)	(3,919)
Financing cash flows of discontinued operations		-	-
Cash flows from (used in) other financing activities		-	-
Net cash generated from/(used in) financing activities		**14,348**	**8,123**
Increase/(decrease) in cash and cash equivalents		**17,413**	**(5)**
Cash and cash equivalents at 1 April 2017		**1,519**	**1,524**
Cash and cash equivalents at 31 March 2018	**20**	**18,932**	**1,519**

Notes to the Accounts

1. Accounting policies and other information

Basis of preparation

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

Accounting convention

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

Going concern

The board have considered the trust's current financial position, future financial plans and associated risks. and after making appropriate enquiries, the directors have a reasonable expectation that the trust has adequate arrangements to continue in operational existence for the foreseeable future.

Although the Trust recorded a deficit in the year, and is projecting a deficit in the year ahead, it has outperformed its control total and delivered a lower deficit in 2017/18 than the previous year. The Trust's performance and future planning is regularly discussed in detail with NHS Improvement (formerly Monitor).

Access to a revenue support loan to support the Trust's deficit has been utilised during 2017/18 and we fully anticipate the Department of Health will continue to provide access to sufficient operating cash for the foreseeable future.

We have a dedicated Transformation \ PMO team working together with the Trust to implement and deliver the efficiency savings identified. Plans for the cost improvement programme (CIP) for 2018/19 are well developed and will ensure that the Trust is well positioned to achieve its control total for next year and provide a good foundation for the following year.

The Trust is also fully involved in the regional Sustainability and Transformation Plan (Essex Success Regime) that is designed to bring the local health system back into financial balance.

For these reasons, the Board continue to adopt the going concern basis in preparing the accounts.

1.1 Consolidation

NHS Charitable Fund

The NHS foundation trust is the corporate trustee to Southend Hospital NHS Foundation Trust Charity. The foundation trust has assessed its relationship to the charitable fund and determined it to be a subsidiary. The Charitable Funds transactions and value, however, are deemed as immaterial to the Trust and are not consolidated within these financial statements.

The charitable fund's statutory accounts are prepared to 31 March 2018 in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102.

Joint ventures

In 2014/15 Southend University Hospital NHS Foundation Trust entered into a joint venture arrangement with Basildon & Thurrock University Hospitals NHS FT, each with a 25.5% interest, and Integrated Pathology Partnerships, with a 49% interest, to provide pathology services to primary and secondary acute and non-acute and private sector healthcare providers in Southend and Basildon.

This resulted in the creation of two limited liability partnerships, Pathology First LLP and Facilities First LLP. Joint ventures are arrangements in which the trust has joint control with one or more other parties, and where it has the rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method, where the value of the FT's investment is recorded under investments.

In 2017/18 the two partnerships traded only with the Southend and Basildon FTs and broke even. They are not expected to show a profit until they begin trading with third party customers. As at 31st March 2018, the value of their assets is not material and, therefore, they are not consolidated in the accounts.

1.2 Income

Foundation Trust Income

The main source of revenue for the Trust is contracts with commissioners in respect of healthcare services. Revenue in respect of services provided is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable.

At the year end, the Trust accrues income relating to activity delivered in that year. Where a patient care spell is incomplete at the year end, revenue relating to the partially complete spell is accrued and agreed with the commissioner. Where income is received for a specific activity which is to be delivered in a subsequent financial year, that income is deferred.

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. Income is recognised when it receives notification from the Department of Work and Pension's Compensation Recovery Unit that the individual has lodged a compensation claim. The income is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful compensation claims and doubtful debts.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

1.3 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 period.

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. The schemes are not run in a way that would enable the NHS foundation trust to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme.

Employer's pension cost contributions of participating in the scheme are taken as equal to the contributions payable to the scheme for the accounting period and 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.

The schemes are subject to a full actuarial valuation every four years and an accounting valuation every year.

1.4 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.

1.5 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

- It is held for use in delivering services or for administrative purposes.
- It is probable that future economic benefits will flow to, or service potential 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.
- The cost of the item individually is at least £5,000.
- The cost of the items collectively is at least £5,000 and individually have a cost of more than £250, where the assets are functionally independent, 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 equipping and setting up cost of a new building, ward or unit irrespective of their individual or collective cost.
- Where a large asset, for example a building, includes a number of components with significantly different asset lives, eg, 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.

All assets are measured subsequently at fair value which is determined separately for various asset classes.

All land and buildings are measured at fair value using professional valuations every five years, with an interim valuation during the intervening years. A full valuation was carried out as at 31st March 2016.

Professional valuations are carried out by the District Valuer's of the Inland Revenue Government Department. The valuations are carried out in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the Department of Health and HM Treasury.

The valuations are carried out primarily on the basis of Modern Equivalent Values for all land and buildings. For non-operational properties including surplus land, the valuations are carried out at Open Market Value.

Assets in the course of construction are valued at cost and are valued by professional valuers as part of the five or three-yearly valuation or when they are brought into use. These assets include any existing land or buildings under the control of a contractor.

Non Property assets are valued at market value or depreciated historic cost as a proxy for fair value where the asset has a short useful life or low value (or both). 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 enterprise and the cost of the item can be determined reliably.

Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised.

Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Freehold land is considered to have an infinite life and is not depreciated.

The estimated useful economic lives of the classes of assets used are as follows :

- Buildings and Dwellings: up to 96 years.
- Furniture and Fittings: up to 5 years.
- Transport Equipment: up to 7 years.
- Information Technology: up to 5 years.

Plant and Machinery:

- Short-term medical equipment: up to 5 years.
- Medium -term medical equipment: up to 10 years.
- Long-term medical equipment: up to 15 years.

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.

Revaluation gains and losses

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

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

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

Impairments

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

(i) the impairment charged to operating expenses; and

(ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating 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 ie:
  - management are committed to a plan to sell the asset
  - An active programme has begun to find a buyer and complete the sale.
  - The asset is being actively marketed at a reasonable price.
  - The sale is expected to be completed within 12 months of the date of classification as 'Held for Sale' and
  - The actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

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

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

Donated, government grant and other grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

1.6 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 assets can be measured reliably.

Software

Software which is integral to the operation of the 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 the hardware e.g. application software, is capitalised as an intangible asset.

Measurement

All of the Trust's intangible assets are software licences. They 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 measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

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

Amortisation

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

Internally generated intangible assets

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

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

1.7 Donated Income

Donated non-current assets are capitalised at current value in existing use, if they will be held for their service potential, or otherwise at fair value on receipt, with a matching credit to income. They are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations, impairments and sales are treated in the same way as for purchased assets. Deferred income is recognised only where conditions attached to the donation preclude immediate recognition of the gain.

1.8 Revenue government and other grants

Government grants are grants from government bodies other than income from commissioners or NHS trusts for the provision of services. Government grant funded assets are capitalised at current value in existing use, if they will be held for their service potential, or otherwise at fair value on receipt, with a matching credit to income. Deferred income is recognised only where conditions attached to the grant preclude immediate recognition of the gain.

1.9 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.

1.10 Financial instruments and financial liabilities

Recognition

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

Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described below, per note 1.11

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

De-recognition

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

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

Classification and measurement

Financial assets are categorised as "fair value through income and expenditure", loans and receivables

Financial liabilities are classified as "fair value through income and expenditure" or as "other financial liabilities".

Loans and receivables

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

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

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

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

Other financial liabilities

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

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

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

Determination of fair value

For financial assets and financial liabilities carried at fair value, the carrying amounts are determined from quoted market prices.

Impairment of financial assets

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

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

1.11 Leases

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.

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 so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability is de-recognised when the liability is discharged, cancelled or expires.

Operating leases

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

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately. Thereafter the asset is accounted for as an item of property, plant and equipment.

1.12 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 the discount rates published and mandated by HM Treasury.

Clinical negligence costs

The NHS Litigation Authority (NHSLA) 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 the NHSLA 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 the NHSLA on behalf of the NHS foundation trust is disclosed at note 25.1 but is not recognised in the NHS foundation trust's accounts.

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.

1.13 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 26 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 26, 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.

Where the time value of money is material, contingent liabilities and contingent assets are disclosed at their present value.

1.14 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.

An annual charge, reflecting the cost of capital utilised by the NHS foundation trust, is payable to the Department of Health and Social Care as PDC 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.

The average relevant net assets is calculated as a simple average of opening and closing relevant net assets.

In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts. The PDC dividend calculation is based upon the trust's group accounts (i.e. including subsidiaries), but excluding consolidated charitable funds.

1.15 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 fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.16 Corporation tax

The Foundation Trust has determined that it has no corporation tax liability as the surplus on trading activities falls below the threshold for corporation tax.

1.17 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS foundation trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's FReM.

1.18 Foreign exchange

The functional and presentational 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.

1.19 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 foundation 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 accrual basis with the exception of provisions for future losses.

1.20 Critical accounting estimates and judgements

In the application of 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, which are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, apart from those involving estimations that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

- Valuation methodologies and external indices applied to the Valuation of Land and Buildings conducted by the District Valuer
- Provisions including for injury benefit claims and early retirements, impairments of receivables, and others
- Depreciation rates applied to property, plant and equipment
- Classification of leases as operating or finance

1.21 Cash and cash equivalents

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

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of [the entity]'s cash management. Cash, bank and overdraft balances are recorded at current values."

1.22 Accounting standards that have been issued but have not yet been adopted.

The following 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 2017-18.

These standards are not anticipated to have any material impact on the Trust's financial statements.

IFRS 9 Financial Instruments

Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted.

IFRS 14 Regulatory Deferral Accounts

Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable to DH group bodies. Not yet EU-endorsed.

IFRS 15 Revenue from contracts with customers

Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted.

IFRS 16 Leases

Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted

IFRS 17 Insurance Contracts

Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.

IFRIC 22 Foreign Currency Transactions and Advance Consideration

Application required for accounting periods beginning on or after 1 January 2018.

IFRIC 23 Uncertainty over Income Tax Treatments

Application required for accounting periods beginning on or after 1 January 2019.

2. Operating segments

All of the Foundation Trust's activities are in the provision of healthcare, which is an aggregate of all the individual specialty components included therein, and the large majority of the healthcare services provided occur at the one geographical main site. Similarly, the large majority of the Foundation Trust's revenue originates with the UK Government. The majority of expenses incurred are payroll expenditure on staff involved in the production or support of healthcare activities generally across the Trust together with the related supplies and overheads needed to establish this production. The business activities which earn revenue and incur expenses are therefore of one broad combined nature and therefore on this basis one segment of 'Healthcare' is deemed appropriate.

The operating results of the Foundation Trust are reviewed monthly by the Trust's chief operating decision maker which is the overall Foundation Trust Board and which includes senior professional non-executive directors. The Board of Directors review the financial position of the Foundation Trust as a whole in their decision making process, rather than individual components included in the totals, in terms of allocating resources. This process again implies a single operating segment under IFRS 8.

The finance report considered by the Board of Directors contains summary figures for the whole Trust together with graphical line charts relating to different total income activity levels, and directorate expense budgets with their cost improvement positions. Likewise only total balance sheet positions and cashflow forecasts are considered for the whole Foundation Trust. The Board of Directors as chief operating decision maker therefore only considers one segment of healthcare in its decision-making process.

The single segment of 'Healthcare' has therefore been identified consistent with the core principle of IFRS 8 which is to enable users of the financial statements to evaluate the nature and financial effects of business activities and economic environments.

3. Operating income from patient care activities

3.1 Income from patient care activities (by nature)

	2017/18 (£000)	2016/17 (£000)
Acute services		
Elective income	47,065	49,343
Non elective income	81,210	68,594
First Outpatient income	17,728	19,097
Follow Up Outpatient income	23,630	25,314
A & E income	13,120	12,011
High Cost Drugs from Commissioners	30,501	28,074
Other NHS clinical income	69,906	65,506
All services		
Private patient income	213	306
Other clinical income	1,437	1,967
Total income from activities	**284,810**	**270,212**

3.2 Income from patient care activities (by source)

Income from patient care activities received from:	2017/18 (£000)	2016/17 (£000)
NHS England	50,596	45,449
Clinical Commissioning Groups (CCGs)	231,886	221,896
Local authorities	678	-
Non-NHS: private patients	213	306
Non-NHS: overseas patients (chargeable to patient)	232	528
NHS injury scheme (was RTA)	936	1,045
Non NHS: other	269	988
Total income from activities	**284,810**	**270,212**
Of which:		
Related to continuing operations	284,810	270,212
Related to discontinued operations	-	-

3.3 Overseas visitors (relating to patients charged directly by the NHS foundation trust)

	2017/18 (£000)	2016/17 (£000)
Income recognised this year	232	528
Amounts written off in-year	31	42

4. Other operating income

	2017/18 (£000)	2016/17 (£000)
Research and development	1,645	1,654
Education and training	8,092	8,849
Receipt of capital grants and donations	604	286
Charitable and other contributions to expenditure	236	222
Non-patient care services to other bodies	1,848	-
Sustainability and Transformation Fund income	13,006	11,004
Rental revenue from operating leases	95	59
Other income*	9,353	11,573
Total other operating income	**34,879**	**33,646**
Of which:		
Related to continuing operations	34,879	33,646
Related to discontinued operations	-	-
*Analysis of other income		
Car parking	1,549	1,800
Pharmacy sales	1,262	1,562
Staff accommodation rentals	638	610
Crèche services	506	422
Clinical tests	979	1,404
Clinical excellence awards	10	50
Other	4,409	5,725
Total	**9,353**	**11,573**

The Trust received Sustainability and Transformation Fund income in 2017/18 of £13,006k. The DoH introduced STF in 2016/17 to assist with the sustainability of services and financial viability in the short-term and facilitate regional transformation plans in the longer-term.

The Trust planned to receive £7.7m with a weighting of 70% on achievement of the agreed financial performance (control total) and 30% on achieving the operational performance targets. £6.2m was achieved in the year, this is lower than planned due to missed operational targets across the 3rd and 4th quarters.

In recognition of the Trust achieving its agreed control total NHS Improvement redistributed the value of the STF national fund that had been unallocated. The Trust received and additional SFT incentive of £6.4m in 2017/18 in addition to the £0.4m received in this financial year relating to 2016/17.

4.1 Income from activities arising from commissioner requested services

Under the terms of its provider license, the trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider license and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	2017/18 (£000)	2016/17 (£000)
Income from services designated as commissioner requested services	283,160	267,939
Income from services not designated as commissioner requested services	1,650	2,273
Total	**284,810**	**270,212**

5. Operating expenses

	2017/18 (£000)	2016/17 (£000)
Purchase of healthcare from NHS and DHSC bodies	1,077	1,091
Purchase of healthcare from non-NHS and non-DHSC bodies	15,859	18,410
Purchase of social care	-	-
Employee expenses - executive directors	749	1,203
Remuneration of non-executive directors	154	153
Employee expenses - staff	194,695	184,946
Supplies and services - clinical	26,359	24,406
Supplies and services - general	3,900	3,655
Establishment	3,412	3,181
Transport	249	300
Premises	7,218	10,222
Increase/(decrease) in provision for impairment of receivables	1,765	577
Increase/(decrease) in other provisions	-	106
Change in provisions discount rate(s)	8	132
Drug costs	38,320	36,516
Rentals under operating leases	909	606
Depreciation on property, plant and equipment	9,772	9,552
Amortisation on intangible assets	906	765
Net impairments	3,238	-
Audit fees payable to the external auditor *		
audit services- statutory audit	62	62
other auditor remuneration (external auditor only)	6	-
Audit fees payable to Other Quality Bodies	17	26
Clinical negligence	10,685	9,713
Legal fees	221	2
Consultancy costs	1,301	1,945
Internal audit costs	97	95
Training, courses and conferences	916	1,271
Redundancy	160	-

	2017/18 (£000)	2016/17 (£000)
Losses, ex gratia & special payments	270	7
Other	3,750	805
Total	**326,075**	**309,747**
Of which:		
Related to continuing operations	326,075	309,747
Related to discontinued operations	-	-
Research and Development expenditure in shown within the following operating expenses above:		
Employee expenses - staff	1,466	1,408
Training, courses and conferences	30	24
Supplies and services - clinical	59	46
Other	25	103
Total	**1,580**	**1,581**

Audit fees payable to the external auditor include VAT, the amount excluding VAT is £52k for the statutory audit (£52k in 2016/17) and £5k for other auditor remuneration.

5.1 Limitation on auditor's liability

The auditor's liability for external audit work carried out for the financial years 2017/18 is limited in total to £1 million (or, if greater, ten times the total amount of the fees charged by the auditor to the Trust under the Audit agreement) to cover claims of any sort whatsoever (excluding interest and costs) arising out of or in connection with this Agreement and the Services.

6. Impairment of assets

	2017/18 (£000)	2016/17 (£000)
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	3,238	-
Total net impairments charged to operating surplus / deficit	3,238	-
Impairments charged to the revaluation reserve	3	-
Total net impairments	**3,241**	-

A market review was undertaken in 2017/18 with a valuation date of 31st March 2017 by an independent valuer assessing of changes to the Trust's estate value. This resulted in impairments charged to the operating (deficit) of £5,555k and reversals of previous impairments credited to the operating (deficit) of £2,317k, a net deficit of £3,238k. Impairments charged to the Revaluation reserve totalled £3k and increase in property valuations credited to the Revaluation reserve of £6,469k, a net increase of £6,466k.

The Trust's land and buildings were fully revalued by an independent valuer during 2015/16.

7. Employee benefits

	2017/18 (£000)	2016/17 (£000)
Salaries and wages	147,688	140,860
Social security costs	13,771	12,959
Apprenticeship levy	693	
Employer's contributions to NHS pensions	16,350	15,705
Pension cost - other	-	-
Other post employment benefits	-	-
Other employment benefits	-	-
Termination benefits	-	-
Temporary staff (including agency)	18,476	17,811
Total gross staff costs	**196,978**	**187,335**
Recoveries in respect of seconded staff	(1,534)	(1,186)
Total employee costs and benefits	**195,444**	**186,149**

2016/17 comparatives have been reclassified to remove the hosted GP placements and reflect the Trust's directly attributable staff costs.

Further details of employee costs and benefits can be found in the staff report.

7.1 Retirements due to ill-health

During 2017/18 there were 6 early retirements from the trust agreed on the grounds of ill-health (2 in the year ended 31 March 2017). The estimated additional pension liabilities of these ill-health retirements is £368k (£64k in 2016/17).

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

7.2 Directors' remuneration

The aggregate amounts payable to directors were:

	2017/18 (£000)	2016/17 (£000)
Directly employed by SUHFT :		
Salary	503	1,093
Taxable benefits	-	-
Performance related bonuses	-	-
Employer's pension contributions	60	110
Joint Executive Group :		
Amounts recharged to Joint Executive Group	(370)	-
Amounts contributed to Joint Executive Group	556	-
Total	**749**	**1,203**

The Joint Executve Group was formed in January 2017 and consists of 12 Executives including the 3 site Managing Directors.

Southend FT directly employs 3 of the 12 Executive Directors, from April 2017 the costs of the Executive Directors excluding the Manging Directors have been pooled and equally shared between the 3 Trusts, a detailed analysis is included within the remuneration report.

8. Pension costs

NHS Pension costs

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

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

a) Accounting valuation

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

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

b) Full actuarial (funding) valuation

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

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

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

9. Operating leases

9.1 Southend University Hospital NHS Foundation Trust as a lessor

During 2011/12 the trust granted an operating lease over its retail units within the hospital grounds with a 25 year term and the annual operating lease income of £59K.

Operating lease revenue	2017/18 (£000)	2016/17 (£000)
Minimum lease receipts	59	59
Total	**59**	**59**

Future minimum lease receipts due:	31 March 2018 (£000)	31 March 2017 (£000)
- not later than one year;	59	59
- later than one year and not later than five years;	234	234
- later than five years.	761	820
Total	**1,054**	**1,113**

9.2 Southend University Hospital NHS Foundation Trust as a lessee

The Trust has entered into leases for buildings and to renew medical equipment throughtout the hospital.

Operating lease expense	2017/18 (£000)	2016/17 (£000)
Minimum lease payments	909	606
Total	**909**	**606**

Future minimum lease payments due:	31 March 2018 (£000)	31 March 2017 (£000)
- not later than one year;	591	484
- later than one year and not later than five years;	1,739	807
- later than five years.	1,022	-
Total	**3,352**	**1,291**

10. Finance income

Finance income represents interest received on assets and investments in the period.

	2017/18 (£000)	2016/17 (£000)
Interest on bank accounts	43	20
Total	**43**	**20**

11. Finance expenditure

Finance expenditure represents interest and other charges involved in the borrowing of money.

	2017/18 (£000)	2016/17 (£000)
Interest expense:		
Loans from the Department of Health	587	752
Finance leases	531	478
Other	-	24
Total interest expense	**1,118**	**1,254**

12. Gains/losses on disposal/derecognition of non-current assets

	2017/18 (£000)	2016/17 (£000)
Loss on disposal of non-current assets	(5)	(29)
Net profit/(loss) on disposal of non-current assets	**(5)**	**(29)**

13.1 Intangible assets - 2017/18

	Software licences (£000)	Total (£000)
Valuation/gross cost at 1 April 2017 - brought forward	8,832	**8,832**
Valuation/gross cost at start of period for new FTs	-	**-**
Additions	1,057	**1,057**
Disposals / derecognition	(725)	**(725)**
Gross cost at 31 March 2018	**9,164**	**9,164**
Amortisation at 1 April 2017 - brought forward	**5,737**	**5,737**
Amortisation at start of period for new FTs	**-**	**-**
Provided during the year	906	**906**
Disposals / derecognition	(725)	**(725)**
Amortisation at 31 March 2018	**5,918**	**5,918**
Net book value at 31 March 2018	**3,246**	**3,246**
Net book value at 1 April 2017	**3,095**	**3,095**

13.1 Intangible assets - 2016/17

	Software licences (£000)	Total (£000)
Valuation/gross cost at 1 April 2016 - brought forward	**5,755**	**5,755**
Additions	894	**894**
Reclassifications	2,183	**2,183**
Gross cost at 31 March 2017	**8,832**	**8,832**
Amortisation at 1 April 2016 - brought forward	**2,819**	**2,819**
Provided during the year	765	**765**
Reclassifications	2,153	**2,153**
Amortisation at 31 March 2017	**5,737**	**5,737**
Net book value at 31 March 2017	**3,095**	**3,095**
Net book value at 1 April 2016	**2,937**	**2,937**

14.1 - Property, plant and equipment - 2017/18

	Land (£000)	Buildings excluding dwellings (£000)	Dwellings (£000)	Assets under construction (£000)	Plant & machinery (£000)	Transport equipment (£000)	Information technology (£000)	Furniture & fittings (£000)	Total (£000)
Valuation/gross cost at 1 April 2017 - brought forward	**28,195**	**110,496**	**6,123**	**-**	**70,750**	**159**	**29,218**	**4,596**	**249,537**
Transfers by absorption	-	-	-	-	-	-	-	-	**-**
Additions	-	9,089	14	2,017	2,397	-	1,685	78	**15,280**
Impairments	-	(5,310)	-	-	(248)	-	-	-	**(5,558)**
Reversals of impairments	-	2,317	-	-	-	-	-	-	**2,317**
Reclassifications	-	-	-	-	-	-	-	-	**-**
Revaluations	335	(3,085)	823	-	(1,739)	-	-	-	**(3,666)**
Transfers to/ from assets held for sale	-	-	-	-	(90)	-	-	-	**(90)**
Disposals / derecognition	(7,875)	-	-	-	(21,733)	-	-	-	**(29,608)**
Valuation/gross cost at 31 March 2018	**20,655**	**113,507**	**6,960**	**2,017**	**49,337**	**159**	**30,903**	**4,674**	**228,212**
Accumulated depreciation at 1 April 2017 - brought forward	**-**	**3,925**	**204**	**-**	**49,643**	**159**	**23,984**	**2,769**	**80,684**
Transfers by absorption	-	-	-	-	-	-	-	-	**-**
Provided during the year	-	4,299	208	-	3,828	-	1,358	79	**9,772**
Impairments	-	-	-	-	-	-	-	-	**-**
Reversals of impairments	-	-	-	-	-	-	-	-	**-**

	Land (£000)	Buildings excluding dwellings (£000)	Dwellings (£000)	Assets under construction (£000)	Plant & machinery (£000)	Transport equipment (£000)	Information technology (£000)	Furniture & fittings (£000)	Total (£000)
Reclassifications	-	-	-	-	-	-	-	-	-
Revaluations	-	(8,224)	(412)	-	(1,499)	-	-	-	**(10,135)**
Transfers to/ from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals/ derecognition	-	-	-	-	(21,710)	-	-	-	**(21,710)**
Accumulated depreciation at 31 March 2018	**-**	**-**	**-**	**-**	**30,262**	**159**	**25,342**	**2,848**	**58,611**
Net book value at 31 March 2018	**20,655**	**113,507**	**6,960**	**2,017**	**19,075**	**-**	**5,561**	**1,826**	**169,601**
Net book value at 1 April 2017	**28,195**	**106,571**	**5,919**	**-**	**21,107**	**-**	**5,234**	**1,827**	**168,853**

14.2 - Property, plant and equipment - 2016/17

	Land (£000)	Buildings excluding dwellings (£000)	Dwell-ings (£000)	Assets under construction (£000)	Plant & machin-ery (£000)	Transport equip-ment (£000)	Informa-tion technology (£000)	Furni-ture & fittings (£000)	Total (£000)
Valuation/gross cost at 1 April 2016 - brought forward	**28,265**	**102,650**	**6,172**	**1,132**	**68,189**	**159**	**29,886**	**4,591**	**241,044**
Additions	-	5,595	91	1,119	3,342	-	1,515	5	11,667
Reclassifications	-	2,251	-	(2,251)	-	-	(2,183)	-	**(2,183)**
Disposals / derecognition	(70)	-	(140)	-	(781)	-	-	-	**(991)**
Valuation/gross cost at 31 March 2017	**28,195**	**110,496**	**6,123**	-	**70,750**	**159**	**29,218**	**4,596**	**249,537**
Accumulated depreciation at 1 April 2016 - brought forward	**-**	**(6)**	**-**	**-**	**46,433**	**159**	**24,721**	**2,664**	**73,971**
Provided during the year	-	3,931	207	-	3,893	-	1,416	105	9,552
Reclassifications	-	-	-	-	-	-	(2,153)	-	**(2,153)**
Disposals/ derecognition	-	-	(3)	-	(683)	-	-	-	**(686)**
Accumulated depreciation at 31 March 2017	**-**	**3,925**	**204**	**-**	**49,643**	**159**	**23,984**	**2,769**	**80,684**
Net book value at 31 March 2017	**28,195**	**106,571**	**5,919**	-	**21,107**	**-**	**5,234**	**1,827**	**168,853**
Net book value at 1 April 2016	**28,265**	**102,656**	**6,172**	**1,132**	**21,756**	**-**	**5,165**	**1,927**	**167,073**

14.3 - Property, plant and equipment financing - 2017/18

	Land (£000)	Buildings excluding dwellings (£000)	Dwell-ings (£000)	Assets under construction (£000)	Plant & machin-ery (£000)	Transport equip-ment (£000)	Informa-tion technology (£000)	Furni-ture & fittings (£000)	Total (£000)
Net book value at 31 March 2018									
Owned	20,655	112,393	1,165	2,017	9,818	-	4,213	1,803	**152,064**
Finance leased	-	234	5,795	-	5,134	-	1,153	-	**12,316**
Government granted	-	-	-	-	2,147	-	182	-	**2,329**
Donated	-	880	-	-	1,976	-	13	23	**2,892**
NBV total at 31 March 2018	**20,655**	**113,507**	**6,960**	**2,017**	**19,075**	**-**	**5,561**	**1,826**	**169,601**

14.4 - Property, plant and equipment financing - 2016/17

	Land (£000)	Buildings excluding dwellings (£000)	Dwell-ings (£000)	Assets under construction (£000)	Plant & machin-ery (£000)	Transport equip-ment (£000)	Informa-tion technology (£000)	Furni-ture & fittings (£000)	Total (£000)
Net book value at 31 March 2017									
Owned	28,195	105,512	874	-	14,287	-	4,531	1,797	**155,196**
Finance leased	-	223	5,045	-	4,694	-	689	-	**10,651**
Government granted	-	-	-	-	265	-	-	-	**265**
Donated	-	836	-	-	1,861	-	14	30	**2,741**
NBV total at 31 March 2017	**28,195**	**106,571**	**5,919**	-	**21,107**	**-**	**5,234**	**1,827**	**168,853**

15. Donations of property, plant and equipment

The Trust has received £604k (2016/17 £286k) of donated assets and cash from the Hospitals Charitable Fund for improvement to building and environment and small equipment purchases.

16. Revaluations of property, plant and equipment

The Trust's land and buildings were last revalued by an independent valuer during 2015/16 with an effective valuation date of 31st March 2016. Any revaluation surplus is transferred to the revaluation reserve. Any downward revaluation is charged against the revaluation reserve to the extent that it relates to the land or building concerned. Any additional deficit is charged to the Statement of Comprehensive Income. Any increase in valuation of any asset previously impaired in this way will first have a reversal of the previous impairment credited to the Statement of Comprehensive Income. Further detail can be found in note 1.5.

A market review was undertaken in 2017/18 with a valuation date of 31st March 2018 by an independent valuer assessing of changes to the Trust's estate value. This resulted in impairments charged to the operating (deficit) of £5,555k and reversals of previous impairments credited to the operating (deficit) of £2,317k, a net deficit of £3,238k. Impairments charged to the Revaluation reserve totalled £3k and increase in property valuations credited to the Revaluation reserve of £6,469k, a net increase of £6,466k.

17. Disclosure of interests in other entities

Southend Hospital Charitable Fund	31 March 2018 (£000)	31 March 2017 (£000)
Income	1,007	1,374
Expenditure	(1,447)	(833)
	(440)	**541**
Fund value	1,414	1,854

The NHS foundation trust is the corporate trustee to Southend Hospital NHS Foundation Trust Charity. The foundation trust has assessed its relationship to the charitable fund and determined it to be a subsidiary.

The Charitable Funds are transactions and value, however, are deemed as immaterial to the Trust and are not consolidated within these financial statements.

The charitable fund's statutory accounts are prepared to 31 March 2018 in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102.

18. Inventories

	31 March 2018 (£000)	31 March 2017 (£000)
Drugs	2,931	3,031
Consumables	3,165	3,203
Energy	42	78
Total inventories	**6,138**	**6,312**

Inventories recognised in expenses for the year were £56,858k (2016/17: £60,922k). Write-down of inventories recognised as expenses for the year were £0k (2016/17: £0k).

19. Receivables

19.1 Trade receivables and other receivables

	31 March 2018 (£000)	31 March 2017 (£000)
Current		
Trade receivables from NHS	3,694	8,343
Trade receivables from Non-NHS	2,658	4,534
Provision for impaired receivables	(2,579)	(945)
Prepayments (non-PFI)	2,341	2,356
Accrued income	14,213	-
PDC dividend receivable	12	10
VAT receivable	556	536
Other receivables	3,619	4,161
Total current trade and other receivables	**24,514**	**18,996**
Non-current		
Other receivables due from related parties	816	878
Provision for impaired receivables	(188)	(88)
Total non-current trade and other receivables	**628**	**790**

19.2 Provision for impairment of receivables

	31 March 2018 (£000)	31 March 2017 (£000)
At 1 April as previously stated	**1,033**	**456**
Increase in provision	1,765	577
Amounts utilised	(31)	-
Unused amounts reversed	-	-
At 31 March	**2,767**	**1,033**

Impaired receivables includes RTA provision.

19.3 Analysis of financial assets

	31 March 2018		31 March 2017	
Ageing of impaired financial assets	Trade and other receivables (£000)	Investments & Other financial assets (£000)	Trade and other receivables (£000)	Investments & Other financial assets (£000)
0 - 30 days	71	-	120	-
30-60 Days	23	-	37	-
60-90 days	95	-	30	-
90- 180 days	260	-	128	-
Over 180 days	2,318	-	718	-
Total	**2,767**	**-**	**1,033**	**-**
Ageing of non-impaired financial assets past their due date				
0 - 30 days	2,700	-	9,195	-
30-60 Days	637	-	796	-
60-90 days	185	-	212	-
90- 180 days	635	-	666	-
Over 180 days	3,815	-	6,001	-
Total	**7,972**	**-**	**16,870**	**-**

20. Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	2017/18 (£000)	2016/17 (£000)
At 1 April	**1,519**	**1,523**
Net change in year	17,413	(4)
At 31 March	**18,932**	**1,519**
Broken down into:		
Cash at commercial banks and in hand	82	33
Cash with the Government Banking Service	18,850	1,486
Total cash and cash equivalents as in SoFP	**18,932**	**1,519**
Bank overdrafts (GBS and commercial banks)	-	-
Drawdown in committed facility	-	-
Total cash and cash equivalents as in SoCF	**18,932**	**1,519**

The Trust sold the land known as Fossetts Farm in March 2018. The proceeds of £7.875m were received into the bank account on the 29th March 2018.

The Trust were also holding receipts for centrally funded capital projects including the new Linear Accelerator, as at the 31st March these values were held as creditors awaiting payment.

20.1 Third party assets held by the NHS foundation trust

Southend University Hospital NHS Foundation Trust held cash and cash equivalents which relate to monies held by the the foundation trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March 2018 (£000)	31 March 2017 (£000)
Bank balances	1	-
Monies on deposit	-	-
Total third party assets	**1**	**-**

21. Trade and other payables

	31 March 2018 (£000)	31 March 2017 (£000)
Current		
Trade payables to NHS	2,086	2,087
Trade payables to Non-NHS	5,767	7,816
Capital payables	5,962	3,873
Social security costs	3,818	5,096
Other payables	3,543	246
Accruals	19,122	10,005
Total current trade and other payables	**40,298**	**29,123**
Non-current		
Total non-current trade and other payables	**-**	**-**

22. Other liabilities

	31 March 2018 (£000)	31 March 2017 (£000)
Current		
Other deferred income	414	2,481
Total other current liabilities	**414**	**2,481**
Non-current		
Other deferred income	1,054	1,113
Total other non-current liabilities	**1,054**	**1,113**

23. Borrowings

	31 March 2018 (£000)	31 March 2017 (£000)
Current		
Loans from the Department of Health	7,000	-
Other loans	423	-
Obligations under finance leases	1,058	932
Total current borrowings	**8,481**	**932**
Non-current		
Loans from the Department of Health	42,036	33,551
Other loans	1,269	600
Obligations under finance leases	5,385	5,591
Total non-current borrowings	**48,690**	**39,742**

24. Finance leases

24.1 Southend University Hospital NHS Foundation Trust as a lessee

Obligations under finance leases where Southend University Hospital NHS Foundation Trust is the lessee.

	31 March 2018 (£000)	31 March 2017 (£000)
Gross lease liabilities	**9,034**	**9,374**
of which liabilities are due:		
- not later than one year;	1,540	1,418
- later than one year and not later than five years;	4,895	4,282
- later than five years.	2,599	3,674
Finance charges allocated to future periods	(2,591)	(2,851)
Net lease liabilities	**6,443**	**6,523**
of which payable:		
- not later than one year;	1,058	932
- later than one year and not later than five years;	3,614	2,957
- later than five years.	1,771	2,634
Total of future minimum sublease payments to be received at the reporting date	**6,443**	**6,523**

25. Provisions for liabilities and charges analysis

	Pensions - early departure costs (£000)	Other legal claims (£000)	Equal Pay (including Agenda for Change) (£000)	Re-struc-turings (£000)	Continuing care (£000)	Redundancy (£000)	Other (£000)	Total (£000)
At 1 April 2017	**1,684**	**211**	**-**	**-**	**-**	**-**	**94**	**1,989**
Change in the discount rate	8	-	-	-	-	-	-	**8**
Arising during the year	-	119	-	-	-	-	-	**119**
Utilised during the year	(150)	(90)	-	-	-	-	-	**(240)**
Reversed unused	(451)	-	-	-	-	-	(94)	**(545)**
Unwinding of discount	40	-	-	-	-	-	-	**40**
At 31 March 2018	**1,131**	**240**	**-**	**-**	**-**	**-**	-	**1,371**
Expected timing of cash flows:								
- not later than one year;	124	120	-	-	-	-	-	**244**
- later than one year and not later than five years;	495	120	-	-	-	-	-	**615**
- later than five years.	512	-	-	-	-	-	-	**512**
Total	**1,131**	**240**	**-**	**-**	**-**	**-**	**-**	**1,371**

25.1 Clinical negligence liabilities

At 31 March 2018, £53,372k was included in provisions of the NHSLA in respect of clinical negligence liabilities of Southend University Hospital NHS Foundation Trust (31 March 2017: £53,287k).

26. Contingent assets and liabilities

Value of contingent liabilities	31 March 2018 (£000)	31 March 2017 (£000)
NHS Litigation Authority legal claims	(70)	(71)
Gross value of contingent liabilities	**(70)**	**(71)**
Amounts recoverable against liabilities	-	-
Net value of contingent liabilities	**(70)**	**(71)**
Net value of contingent assets	**-**	**-**

27. Contractual capital commitments

	31 March 2018 (£000)	31 March 2017 (£000)
Property, plant and equipment	3,334	116
Intangible assets	-	-
Total	**3,334**	**116**

28. Financial instruments

28.1 Financial risk management

FRS 7, Financial Instruments, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the continuing service provider relationship that the Foundation Trust has with local Clinical Commissioning Groups and the way those Clinical Commissioning Groups are financed, the Foundation Trust is not exposed to the degree of financial risk faced by the business entities. Also financial instruments play a much more limited role in creating or changing risk than would be of listed companies to which IFRS 7 mainly applies. The Foundation Trust has limited powers to borrow or invest surplus funds, and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Foundation Trust in undertaking its activities.

Cash deposits with financial institutions are controlled by the Foundation Trust's Managing Operating Cash policy and this is regularly monitored by the Finance and Resource Committee. The policy provides that deposits may only be made with "A" rated institutions, or Government Banking services, and in addition operates additional single deposit, banking group and concentration limits.

Liquidity risk

The Foundation Trust's net operating costs are incurred under annual service contracts with Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The Foundation Trust also largely finances its capital expenditure from funds made available from Government under an agreed borrowing limit. Southend University Hospital NHS Foundation Trust is not, therefore, exposed to significant liquidity risks.

Interest - Rate Risk

The Trust's borrowings to support the deficit trading position are from the Department of Health at government borrowing rates, these are marginally above UK base rates. All existing borrowings from the DoH are fixed interest rates.

Where the Foundation Trust's Financial Assets and Libilities are subject to floating interest rates these are all based on the prevailing Base Rate. The Foundation Trust is not, therefore exposed to material interest-rate risk.

28.2 Financial assets

Assets as per SoFP as at 31 March 2018	Loans and receivables (£000)	Assets at fair value through the I&E (£000)	Held to maturity (£000)	Available-for-sale (£000)	Total (£000)
Trade and other receivables excluding non financial assets	20,611	-	-	-	**20,611**
Other investments	-	-	-	-	-
Other financial assets	-	-	-	-	-
Cash and cash equivalents at bank and in hand	18,932	-	-	-	**18,932**
Total at 31 March 2018	**39,543**	-	-	-	**39,543**

Assets as per SoFP as at 31 March 2017	Loans and receivables (£000)	Assets at fair value through the I&E (£000)	Held to maturity (£000)	Available-for-sale (£000)	Total (£000)
Trade and other receivables excluding non financial assets	13,801	-	-	-	**13,801**
Other investments	-	-	-	-	-
Other financial assets	-	-	-	-	-
Cash and cash equivalents at bank and in hand	1,519	-	-	-	**1,519**
Total at 31 March 2017	**15,320**	-	-	-	**15,320**

28.3 Financial liabilities

	Other financial liabilities (£000)	Liabilities at fair value through the I&E (£000)	Total (£000)
Liabilities as per SoFP as at 31 March 2018			
Borrowings excluding finance lease and PFI liabilities	50,728	-	**50,728**
Obligations under finance leases	6,443	-	**6,443**
Trade and other payables excluding non financial liabilities	34,188	-	**34,188**
Provisions under contract	1,371	-	**1,371**
Total at 31 March 2018	**92,730**	**-**	**92,730**

	Other financial liabilities (£000)	Liabilities at fair value through the I&E (£000)	Total (£000)
Liabilities as per SoFP as at 31 March 2017			
Borrowings excluding finance lease and PFI liabilities	34,151	-	**34,151**
Obligations under finance leases	6,523	-	**6,523**
Trade and other payables excluding non financial liabilities	24,027	-	**24,027**
Provisions under contract	1,989	-	**1,989**
Total at 31 March 2017	**66,690**	**-**	**66,690**

28.4 Maturity of financial liabilities

	31 March 2018 (£000)	31 March 2017 (£000)
In one year or less	42,913	25,431
In more than one year but not more than fivetwo years	47,534	37,653
In more than five years	2,283	3,606
Total	**92,730**	**66,690**

28.5 Fair values of financial assets

	31 March 2018		31 March 2017	
	Book value (£000)	Fair value (£000)	Book value (£000)	Fair value (£000)
Non-current trade and other receivables excluding non financial assets	-	-	-	-
Other investments	-	-	-	-
Other	-	-	-	-
Total	**-**	**-**	**-**	**-**

28.6 Fair values of financial liabilities

	31 March 2018		31 March 2017	
	Book value (£000)	Fair value (£000)	Book value (£000)	Fair value (£000)
Non-current trade and other payables excluding non financial liabilities	-	-	-	-
Provisions under contract	1,371	1,371	1,989	1,989
Loans	50,728	50,728	34,151	34,151
Other	-	-	-	-
Total	**52,099**	**52,099**	**36,140**	**36,140**

29. Losses and special payments

	2017/18		2016/17	
	Total number of cases (£000)	Total value of cases (£000)	Total number of cases (£000)	Total value of cases (£000)
Losses				
Cash losses	-	-	-	-
Fruitless payments	-	-	-	-
Bad debts and claims abandoned	55	42	71	56
Stores losses and damage to property	1	225	2	224
Total losses	**56**	**267**	**73**	**280**
Special payments				
Extra-contractual payments	-	-	-	-
Extra-statutory and extra-regulatory payments	-	-	-	-
Compensation payments	-	-	-	-
Special severence payments	-	-	-	-
Ex-gratia payments	18	3	26	18
Total special payments	**18**	**3**	**26**	**18**
Total losses and special payments	**74**	**270**	**99**	**298**
Compensation payments received	-	-	-	-

30. Related parties

Southend University Hospital NHS Foundation Trust is a body corporate established by order of the Secretary of State for Health.

During the year none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with Southend University Hospital NHS Foundation Trust.

The Department of Health is regarded as a related party and the trust takes advantage of reduced disclosure under IAS 24 as all parties are under the same government control. During the year Southend University Hospital NHS Foundation Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department.

In addition, the Foundation Trust has had a number of material transactions with other Government Departments and other central and local Government bodies. Most of these transactions have been with Southend Borough Council in respect of rates for the Hospital Sites. Transactions with HM Treasury in respect of Social Security costs and NHS Pension Agency in respect of employer's pension costs.

All transactions with these related parties have been carried out on normal trading terms and there are no securities or guarantees with any related party.

The related party transactions described above are summarised in the table below. Where individual trusts or Government Departments transactions are not material these have been grouped together.

The Foundation Trust has also received revenue and capital payments from a number of charitable funds, including Southend Hospital NHS Trust Charity for which Southend University Hospital NHS Foundation Trust is the Corporate Trustee. The audited accounts of Southend Hospital NHS Trust Charity are available from: Finance Department, Britannia House, Comet Way, Southend-on-Sea, Essex, SS2 6GE.

The Charity has not been consolidated into the results of the Foundation Trust as per note 1.1.

There are no cross guarantees between the NHS Charity and the Foundation Trust. The Corporate Trustee is free to act independently of hospital management. Although recommendations of management are taken into account by the Corporate Trustee, it is not bound to accept them and may choose to use the charitable funds in a different way but always in accordance with the charity's objectives.

The Pathology/Facilities Joint Venture is also a related party and an asset transfer of £50k occurred at conception. It is not consider material, note 1.1 relates.

30.1 Related parties

2017/18	Income from Related Party (£000)	Expenditure with Related Party (£000)	Amounts due from Related Party (£000)	Amounts owed to Related Party (£000)
NHS Foundation Trusts	**5,512**	**1,660**	**1,421**	**1,534**
Basildon And Thurrock University Hospitals NHS Foundation Trust	3,545	354	933	709
South Essex Partnership University NHS Foundation Trust	1,200	951	411	545
North East London NHS Foundation Trust	349	-	-	29
Oxford Health NHS Foundation Trust	223	91	24	12
Other	195	264	53	239
English NHS Trusts	**2,901**	**723**	**642**	**381**
Mid Essex Hospital Services NHS Trust	1,685	412	542	184
Barts Health NHS Trust	1,125	259	65	59
The Princess Alexandra Hospital NHS Trust	66	-	9	-
Barking, Havering and Redbridge University Hospitals NHS Trust	15	6	19	4
Other	10	46	7	134
Clinical Commissioning Groups	**231,304**	**-**	**5,617**	**1,661**
NHS Southend CCG	110,066	-	3,512	23
NHS Castle Point and Rochford CCG	103,145	-	963	19
NHS Basildon and Brentwood CCG	8,604	-	11	1,294
NHS Thurrock CCG	4,428	-	7	325
NHS Mid Essex CCG	1,489	-	323	-
NHS Havering CCG	800	-	111	-
NHS North East Essex CCG	430	-	1	-
NHS West Essex CCG	217	-	3	-
NHS Barking and Dagenham CCG	145	-	54	-
NHS Redbridge CCG	122	-	35	-
Other	1,858	-	597	-

2017/18	Income from Related Party (£000)	Expenditure with Related Party (£000)	Amounts due from Related Party (£000)	Amounts owed to Related Party (£000)
Other DH Bodies	**73,601**	**11,021**	**8,679**	**305**
NHS England	65,280	-	8,645	-
Health Education England	8,163	3	34	-
NHS Resolution	-	10,685	-	-
CQC	-	246	-	-
NHS Property Services	-	-	-	223
Other	158	87	-	82
Central Government WGA bodies	**-**	**30,820**	**602**	**6,142**
NHS Pension Scheme	-	16,350	-	2,324
HM Revenue & Customs	-	14,464	556	3,818
Welsh Health Bodies	-	5	-	-
Other	-	1	46	-
Local Authorities	**678**	**-**	**370**	**-**
Essex County Council	678	-	285	-
Southend-on-Sea Borough Council	-	-	85	-
Other	-	-	-	-

30.2 - Related parties (cont)

2016/17	Income from Related Party (£000)	Expenditure with Related Party (£000)	Amounts due from Related Party (£000)	Amounts owed to Related Party (£000)
NHS Foundation Trusts	**3,139**	**1,402**	**1,971**	**538**
Basildon And Thurrock University Hospitals NHS Foundation Trust	1,197	366	998	109
South Essex Partnership University NHS Foundation Trust	985	623	414	109
North East London NHS Foundation Trust	435	29	5	29
Oxford Health NHS Foundation Trust	236	68	44	5
Other	286	316	510	286
English NHS Trusts	**2,711**	**624**	**686**	**472**
Mid Essex Hospital Services NHS Trust	1,450	217	364	114
Barts Health NHS Trust	1,147	310	70	54
The Princess Alexandra Hospital NHS Trust	98	1	5	28
Barking, Havering and Redbridge University Hospitals NHS Trust	12	8	21	7
Other	4	88	226	269
Clinical Commissioning Groups	**225,205**	**50**	**2,648**	**3,711**
NHS Southend CCG	105,798	50	1,480	3,446
NHS Castle Point and Rochford CCG	98,652	-	477	230
NHS Basildon and Brentwood CCG	10,992	-	1	-
NHS Thurrock CCG	5,527	-	7	-
NHS Mid Essex CCG	1,411	-	43	-
NHS Havering CCG	621	-	71	-
NHS Barking and Dagenham CCG	183	-	110	25
NHS North East Essex CCG	171	-	1	-
NHS Redbridge CCG	102	-	18	-
Other	1,748	-	440	10

2016/17	Income from Related Party (£000)	Expenditure with Related Party (£000)	Amounts due from Related Party (£000)	Amounts owed to Related Party (£000)
Other DH Bodies	**68,383**	**10,495**	**8,862**	**565**
NHS England	54,064	4	8,067	82
Health Education England	14,299	3	771	-
NHS Litigation Authority	8	9,903	-	-
NHS Property Services	-	228	2	300
Other	12	357	22	183
Central Government WGA bodies	**29**	**37,410**	**538**	**5,137**
HM Revenue & Customs	-	18,102	536	5,096
NHS Pension Scheme	-	19,295	-	41
Welsh Health Bodies	28	9	1	-
Other	1	4	1	-

Appendix 1: List of services

The list below highlights the essential services which form part of the Trust's contracts.

- General surgery
- Urology
- Trauma and orthopaedics
- Ear, nose and throat (ENT)
- Oral surgery
- Orthodontics
- Accident and emergency (A&E)
- ITU
- HDU
- Foetal Medicine
- General medicine
- Gastroenterology
- Endocrinology
- Clinical haematology
- Pathology
- Palliative medicine
- Cardiology
- Dermatology
- Neurology
- Clinical neuro-physiology
- Rheumatology
- Geriatric medicine
- Obstetrics
- Gynaecology
- Clinical oncology
- Radiology
- Histopathology
- Pain management
- Clinical microbiology
- Neonatology
- Diabetic medicine
- Elderly medicine
- Oncology
- Ophthalmology
- Respiratory medicine
- Sleep studies
- GU medicine
- Paediatrics
- Paediatric cardiology
- Paediatric endocrinology
- Paediatric gastroenterology
- Paediatric respiratory Medicine
- Neurosurgery
- Level 1, 2 and 3 neo-natal intensive care (three separate services)
- Radiotherapy

- Chronic fatigue syndrome/ myalgic encephalopathy (ME)
- Staff nursery
- Sexual health clinics
- Neuchal screening
- Step down for discharge
- HDU for respiratory medicine
- Private patients
- Rehabilitation

Appendix 2: List of governors events

Event name	Date	Location
Talk to Time Together group	6 April 2017	Earls Hall Baptist Church, 120 Hobleythick Lane, Westcliff-on-Sea SS0 0RJ
St. Bernard's High School - Careers Fair	25 April 2017	St. Bernard's High School, Bernadine Hall, Milton Road, Westcliff-on-Sea SS0 7JS
Careers, Community & Trades Event	26 April 2017	Belfairs Academy, Highlands Boulevard, Leigh-on-Sea SS9 3TG
SEEVIC jobs fair	4 May 2017	Runnymede Chase, Benfleet SS7 1TW
Careers Fest	24 May 2017	South Essex College of Further & Higher Education, Southend Campus
Meet the Professionals	5 June 2017	Lecture Theatre, Southend University Hospital NHS Foundation Trust
SAFE (Supporting Asperger Families in Essex)	12 June 2017	Southend & District Reform Synagogue, 851 London Road, Southend-on-Sea
Greensward Academy Industry Day	23 June 2017	Greensward Lane, Hockley SS5 5HG
Careers Fair	28 June 2017	Cecil Jones Academy, Eastern Avenue, Southend on Sea SS2 4BU
The Big Health Day	29 June 2017	Southend Leisure and Tennis Centre, Garon Park, Southend-on-Sea SS2 4FA
Fresher's Fairs	27 September 2017	South Essex College, Southend
Talk to LD group	10 October 2017	Summerdays Day Centre, 38/40 Ceylon Road, Westcliff-on-Sea SS0 7HP
Chase High Careers Fair	21 February 2018	Chase High Sixth Form Building, Prittlewell Chase, Westcliff-on-Sea
Careers FEST	14 March 2018	Southend Campus, Luker Road, Southend on Sea, Essex, SS1 1ND

Appendix 3: Glossary

BAF	Board assurance framework
Block Contract	A value of Clinical Income agreed between the Commissioner and the Trust and included in the Heads of Terms between the organisations
CAC	Clinical assurance committee
Care bundle	check list with a number of points to be monitored on a regular basis
CAS	Central Alerting System
C-diff	Clostridium difficile
CEMACE	Centre for Maternal and Child Enquiries
CEMACH	Confidential Enquiry into Maternal and Child Health
CETV	Cash equivalent transfer value
CIP	Cost improvement programme
CLRN	Comprehensive local research network
CNS	Clinical nurse specialist
CNST	Clinical Negligence Scheme for Trusts
Control Total	An Income & Expenditure target issued to Trusts by NHSI. The target is expressed as a final net surplus or deficit and the value excludes any income from fixed asset donations and any profit or loss from asset disposals
COPD	Chronic obstructive pulmonary disease
Core brief	Monthly meeting designed to cascade important information throughout the organisation
CoSRR	Continuity of service risk rating
CQC	Care Quality Commission
CQUIN	Commissioning for quality and innovation - a financial reward framework which encourages quality improvement and innovation to bring health gains for patients, e.g. achieving reduced levels of infection
DAHNO	Data for head and neck oncology
Dashboard	Dashboard reports are high level, easy to read reports giving a 'snapshot' of the overall performance of an organisation, department or chosen area
DIPC	Director of infection prevention and control
DVT	Deep vein thrombosis
EBITDA	Earnings before interest, taxes, depreciation and amortisation
EBUS	Endobronchial ultrasound
EDS	Equality delivery system
EoE SHA	East of England Strategic Health Authority
ENT	Ear, nose and throat
EPP	Emergency patient pathway
EQ-VAS	A score recorded by an individual for their current health-related quality of life
Executive team	The Trust's chief executive, director of nursing, chief financial officer, medical director, director of operations and director of and organisational development and human resources
Full Capacity Protocol (FCP)	As recommended by the Royal College of Emergency Medicine, patients requiring inpatient care are moved out of the ED or assessment units to an inpatient ward area.
FSRR	Financial sustainability risk rating
FT	Foundation Trust
GDH	Glutamate Dehydrogenase
Grade 3 pressure ulcer	Full thickness skin loss
Grade 4 pressure ulcer	Extensive destruction with possible damage to muscle, bone or supporting tissues
GRR	Governance risk rating
HCA	Healthcare assistant
HCAI	Healthcare associated infection
HMSR	Hospital standardised mortality ratio (relative risk of death)

HROD	Human resources organisational development
ICNARC	Intensive Care National Audit and Research Centre
IOSH	Institute of Occupational Safety and Health
IP	Intellectual property
IPR	Integrated performance review
IST	Intensive Support Team
KPI	Key performance indicator
LD	Learning disabilities
LINAC	Linear particle accelerator
MHRA	Medicines and Healthcare products Regulatory Agency
Monitor	Until 31 March 2016, this was the organisation that authorised NHS Foundation Trusts and was the regulator for health. From 1 April 2016, this is now NHS Improvement
MRI	Magnetic resonance imaging (a type of scan)
MRSA	Meticillin-resistant staphylococcus aureus
MSK	Musculoskeletal
MSSA	Meticillin-sensitive staphylococcus aureus
NAS	Neonatal abstinence syndrome
NHS Improvement	This is the organisation that superseded Monitor and the NHS Trust Development Agency from 1 April 2016
NHSLA	NHS Litigation Authority
NICE	National Institute for Health and Care Excellence
NIHR	National Institute for Health Research
NIV	Non-invasive ventilation
NPEU	National Perinatal Epidemiology Unit.
NPSA	National Patient Safety Agency
O&G	Obstetrics and gynaecology
OH	Occupational health
OJEU	The Official Journal of the European Union is the publication in which all tenders from the public sector which are valued above a certain financial threshold according to EU legislation, must be published
OPD	Outpatients department
PALS	Patient advice and liaison service
PbR (Payment by Results)	A national tariff which is applied to the activity performed by a Trust to arrive at their Clinical income
PDSA	Plan, do, study, assess
PET	Positron emission tomography, or patient experience tracker
PMO	Project management office
PPH	Post-partum haemorrhage
PROMS	Patient reported outcome measures
QAC	Quality assurance committee
QIA	Quality impact assessment
QIPP	Quality, Innovation, Productivity and Prevention (now called System Reform)
QRP	Quality and risk profile
RCA	Root cause analysis
RCOG	Royal College of Obstetricians and Gynaecologists
SEPT	South Essex Partnership University NHS Foundation Trust
SFI	Standing financial instruction
SHMI	Summary hospital-level mortality indicators report mortality at trust level across the NHS in England using standard and transparent methodology
SHOT	Serious hazards of transfusion
STF (Sustainability & Transformation Funding)	The term given to funding that the DoH has available to facilitate the sustainability of services in the short-term and the transformation of them in the longer-term
TDM	Therapeutic drug monitoring
TIA	Transient ischaemic attack

care with compassion

working together

professional & accountable