

Torbay and South Devon NHS Foundation Trust
Annual Report and Accounts 2017/18

Torbay and South Devon NHS Foundation Trust Annual Report and Accounts 2017/18

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

Annual Report and Accounts 2017/18

Incorporating the performance report, accountability report and quality report.

Alternative formats

If you require any assistance in communicating with us, or wish to receive information in an alternative format please contact our Patient Advice and Liaison Service on:

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Laid before Parliament

This Annual Report 2017/18 has been produced to be laid before Parliament in July 2018, together with the full accounts for the same period, and to be presented to the Trust's Council of Governors at its annual members' meeting. It will be available on the Trust's website <https://www.torbayandsouthdevon.nhs.uk/> and Monitor's website.

A Summary Annual Review based on this report will also be available later in the year.

Torbay and South Devon NHS Foundation Trust

Hengrave House

Torquay TQ2 7AA

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Foreword by the Chairman and Interim Chief Executive

We write at what has been without doubt one of the most rewarding years for this Trust. We say 'rewarding' because, while it has undoubtedly been challenging, we want to place emphasis on our considerable achievements, and pay tribute to all our staff and partners. Without them, nothing you will read about in the following pages would have been possible.

Some five years ago we harboured ambitious aspirations in the way we wanted to change how we provide health and care to our local people. This 'new model of care' signified a change in thinking for everyone involved: we would be asking people to behave and work differently, both as recipients of and providers of health and care services. Thanks to the tireless efforts of staff not only in this Trust but those working for our partner organisations, after years of planning we are now seeing our ambitions start to come to fruition. There are many tangible examples across our Trust and indeed the whole health and care system, of people working differently, and in turn, the 'patient experience' is shifting – for the better. More people are being cared for in the familiarity and comfort of their own homes, avoiding hospital admission wherever possible, with extra help and support from their local community being more available thanks to the strong networks we are forging with our voluntary sector partners. We can co-ordinate care planning so much more effectively because we are working in a more joined-up way with local GPs, who are now part of our community teams along with pharmacists and voluntary sector workers. This integrated way of working reduces cost, improves the accessibility of care, and the patient's experience and we will continue to refine this model of care.

We know there is still a long way to go, but the 'green shoots' of change have now appeared, and we now need to seize the momentum and just keep going. We both remain committed to continuing to support the health and care journey of this Trust and those of our local people. There will be further changes in the coming year as we move towards further integration of care across services.



A handwritten signature in dark ink, appearing to read 'R. Ibbotson'.

Richard Ibbotson, KBE, CB, DSC, DL

Chairman

23 May 2018



A handwritten signature in dark ink, appearing to read 'Liz Davenport'.

Liz Davenport

Interim Chief Executive

23 May 2018

Brief History and Statutory Background

Torbay and South Devon NHS Foundation Trust was established as a public benefit corporation under the Health and Social Care (Community Health and Standards) Act 2003.

We employ approximately 6,000 staff including front-line health and social care staff, such as nurses, occupational therapists, social workers, consultants, and physiotherapists who work in people's homes and community locations. We also have over 800 volunteers who make a difference every day to the people we care for. Our hospitals are well supported by the League of Friends who work tirelessly to raise vital funds to help improve our services.

We have around 500,000 face-to-face contacts with service users and carers in their homes and communities each year and see over 78,000 people in our A&E department annually. We serve a resident population of approximately 286,000 people, plus about 100,000 visitors at any one time during the summer holiday season.

We receive most of our income from our commissioners, South Devon and Torbay NHS Clinical Commissioning Group, who receive an allocation of NHS money from the government each year and decide on healthcare priorities for the local population. The responsibility for the adult social care budget is delegated to us via Torbay Council, and we have a memorandum of understanding with Devon County Council to run social care services in a joined-up way.

As the Trust is entrusted with public funds, it is essential that we operate according to the highest corporate governance standards. For this reason, the Trust is following the guidance laid down by NHS Improvement, in the NHS Foundation Trust Code of Governance. <https://improvement.nhs.uk>

We are indebted to all our Governors who volunteer their time and are committed to safeguarding their local NHS for the local community, including all of us.

It has been well-known across the NHS for years that we need to work differently, to provide more care in people's homes and the community and break down barriers between services.

In October 2015, with our health and care partners across the South Devon and Torbay system, our Trust took a bold step to establish England's first truly Integrated Care Organisation (ICO), bringing together acute and community health and adult social care services under one provider organisation, to enable us to implement a new model of integrated care. In creating our ICO we brokered a financial Risk Share Agreement with our partners, which enabled us to make the major changes to how we deliver health and care - changes which have resulted in improved care pathways for our local people, and financial savings that are helping to secure our Trust a sustainable future (this RSA has been further refined in light of lived experience, with partners signing up to a further three years, to 2021).

We have now completed the first phase of our integration journey and developing our new care model, with "home first" as the defining feature. We have invested millions of pounds in community services so that more people can receive care at home or in their community, rather than having to be admitted to hospital, or return home sooner if they medically need a hospital stay. We want to support people to live their lives to the full, to stay well and independent at home, and only receive care in a hospital setting when this is medically necessary.

This move away from bed-based care to community care has resulted in reducing our beds by nearly 20%. Hospital-based care is not always the best for unwell people, especially the elderly who may be living with several health conditions including dementia.

We know that our integrated care model is improving people's experiences of health and social care, giving people more say in decisions about their care, supporting people to manage their own health and wellbeing, aiming to reduce health inequalities and develop services to meet the needs of an older than average population, often with complex needs.

A key part of our strengthened integration agenda has been our fostering our partnerships with GPs and the voluntary sector, so that we are now better able to join up our services to meet local people's needs. Decisions can be made, and care planning put in place more quickly because the 'right' people are working together as part of one team.

Our strengthened partnership with the voluntary sector is resulting in more vulnerable people now receiving timely support, connecting them with their communities, reducing their social isolation, helping them with the things that matter to them, whatever their health issues may be. GPs are reporting back the positive impacts such interventions are having on their patients.

We are making good progress towards achieving our vision. We agreed our vision in consultation with our staff in the Autumn of 2015, when we formed our ICO:

Our vision is a community where we are all supported and empowered to be as well and as independent as possible, able to manage our own health and wellbeing, in our own homes. When we need care, we have choice about how our needs are met, only having to tell our story once.

Highlights of the Year 2017/18

Our Trust has won many awards over the past year, culminating in the Local Government Chronicle (LGC) Award in the Health and Social Care category, for our achievements with our partners in delivering integrated care.

This year, our Communications Team compiled quarterly updates of our Trust's achievements in short video clips, celebrating many individuals and teams and the work they do for the Trust. You can see further details of our award accolades for the year by [visiting this online video which is a compilation of the "year in the life of the Trust"](https://chelps.io/tsdft) (<https://chelps.io/tsdft>).

Jeremy Hunt, Secretary of State for Health, visited our Trust on 03 August and learned about how our integrated model of care is providing high quality and affordable care. He remarked: "I was impressed to see the progress made by South Devon and Torbay as they work to fully integrate health and social care in their local area – their efforts should be seen as a model for the rest of the country."

Torbay Pharmaceuticals, part of our Trust, held an official opening of a brand-new manufacturing unit. The £26m project delivered a 78,000 square foot unit that has all the latest technology and equipment, so we can provide a modern, class-leading pharmaceutical facility.

In September, together with our partners we hosted a visit from 10 senior health and care professionals from Seoul in South Korea. They chose to visit Torbay because of our reputation for providing person-centred, integrated care for our local population.

CQC re-inspections of Emergency Care and Medicine in August rated both as "Good."

In the GMC Trainee Survey which evaluates education and training of Junior Doctors, our Trust came top in 15 out of 17 categories, and for the sixth year running we achieved the highest score in our region, which was second in the country.

The Coastal Information Centre opened in our Health and Wellbeing Centre in Teignmouth, staffed by voluntary sector organisation, Volunteering in Health. This is a fine example of our work to break down organisational boundaries between the voluntary and statutory sector. By co-locating services in one building we are enabling people to get the help and support they need from one place.

Our plans to establish a Health and Wellbeing Centre in Paignton took shape with an interim Health and Wellbeing Centre being developed within part of the existing Paignton Hospital, in future to re-locate to the new development planned adjacent to the library in Paignton city centre.

We plan to build a Day Care Centre on the Brixham Hospital site to be supported and funded by the Brixham League of Friends and run by a voluntary sector organisation. With the help of the Brixham League of Friends, we have progressed from the design phase to securing planning permission. The project is due to be completed in late 2018/early 2019.

We invested in making improvements to Torbay Hospital's mortuary in response to the Human Tissue Authority's report. The mortuary has undergone an extensive refurbishment and new fridges have been provided.

We relocated Torbay Hospital's Dermatology Outpatients Services to the Annex site, where the facilities are more spacious providing an enhanced environment for dermatology patients. The dermatology support functions were also re-located to the annex in a newly refurbished Winnacott Centre.

Following the award of some central NHS monies in 2017, the Trust completed the creation of a General Practice suite within the Hospital. This allows patients who come to the Hospital's Emergency department but who do not need Hospital services to be seen by GPs on site (termed GP streaming). The suite is also base for the Devon Docs GP out of hours service for the area.

The Trust received a planned Well-led inspection by the CQC on 6-8 March 2018. The final report was published in the third week of May and reflected the CQC's finding that the Trust achieved "outstanding" for caring and "good" for the Well-led assessment. [The report can be accessed online here](http://www.cqc.org.uk/provider/RA9) at <http://www.cqc.org.uk/provider/RA9>.

Part I – Performance

Overview of Performance

The purpose of this overview of performance is to provide the reader with sufficient information to understand the organisation, its purpose, main objectives, the key risks to the achievement of its objectives, and how it has performed during the year.

At a Glance, 2017/18 Compared to 2016/17

	This year (2017/18)	Previous year (2016/17)
Total revenue income	£427,207,000	£402,948,000
Trust funded capital expenditure (excluding capital acquired under absorption)	£6,642,000	£17,953,000
Total revenue expenses (including PDC*, but excluding gain from absorption)	£410,518,000	£415,179,000
Pay expenditure (excluding capitalised costs)	£223,189,000	£226,009,000
Non-pay expenditure (including depreciation and PDC)	£187,533,000	£191,139,000
How much we spend per day (excluding depreciation and impairments)	£1,137,000	£1,155,000
Worked FTE*	5,408	5,570
Staff numbers headcount	6,023	6,168

*PDC: Public Dividend Capital; FTE: Full-Time Equivalent and includes worked FTE of bank and agency staff.

Going Concern

Under international accounting standards the Board of Directors is required to consider the matter of going concern. After making enquiries, the directors have a reasonable expectation that the NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future.

For this reason, they continue to adopt the going concern basis in preparing the accounts. The Board of Directors has reviewed the following and the Torbay and South Devon NHS Foundation Trust is considered as a going concern.

- The Board of Directors has approved an Annual Plan which demonstrates compliance with its licence from NHS Improvement. The Trust has a positive cash balance and a committed working capital facility with the Independent Trust Financing Facility.
- The Board of Directors has a Strategic Plan which demonstrates compliance with its licence from Monitor for the next two years.
- The Trust does not intend to apply to the Secretary of State for the dissolution of the NHS Foundation Trust.
- The Trust does not intend to transfer the services to another entity concern.

Purpose and Activities of The Trust

Our purpose is to provide safe, high-quality care and social care at the right time and in the right place to support the people of Torbay and South Devon to live their lives to the full.

We do this because we want people to:

- Be empowered to manage their own health and care needs
- Work in partnership with professionals
- Only tell us their story once
- Access seamless care easily
- Have care in or close to home, whenever appropriate
- Work together as a community to look after health and care needs.

Our Values and the NHS Constitution

The NHS belongs to all of us and the NHS Constitution sets out the rights and responsibilities of patients and staff. We have adopted the core values of the NHS Constitution, consistent with our vision and our aim to improve quality through partnership.

Our staff will put patients and service users first by following the NHS Constitution's core values:

- Respect and dignity.
- Commitment to quality of care.
- Compassion.
- Improving lives.
- Working together for people.
- Everyone counts.

Our Partners

Our Trust is all about working in partnership with the people we serve at the centre. We work mainly with GPs and primary care, Devon County and Torbay councils, the local community voluntary sector, and South Devon and Torbay Clinical Commissioning Group (CCG). We have plans for the next four years to deliver real change in how services are provided.

Interim Chief Executive's Statement on Performance

The performance of the Trust is monitored and overseen by the Trust Board of Directors which reviews monthly performance reports which are re provided to the Finance, Performance, and Investment Committee and the Board. These reports cover all the key national and local performance standards to provide evidence on key performance indicators for the Board to consider.

We have embedded the process of monthly executive review meetings for the monitoring of performance in the four Service Delivery Units (SDUs) covering medicine, surgery, community and women, children, and diagnostics and therapies. These meetings require SDU teams to review their quality and performance dashboards and to present plans where there are risks or concerns. This process gives the Trust Executive and Trust Board assurance that performance rules are understood, and remedial action plans are taken forward when necessary. Further detail on performance is set out in the "Performance Analysis" on page 18.

The NHS and local councils are developing and implementing shared proposals to improve health and care in every part of England. These are called Sustainability and Transformation Plans (STP), and during the next few years these will represent the biggest national move to join up care in any major western country.

The Devon STP, along with 43 other STPs in England, was formed in November 2016 as part of the NHS Five Year Forward View. The STP was established to develop a five-year plan for how health and care services are to be delivered for people across Devon, pooling resources, and expertise where appropriate, so that a sustainable health and care system exists across Devon. Our Trust is one of the partners in the Devon STP.

Seven priority areas were identified for review. Any proposals that come from these reviews will be shared with patient representatives, communities, and stakeholders (e.g. Healthwatch), communicated by NEWDevon Clinical Commissioning Group who are managing the STP work. If final proposals are likely to result in significant change to local services, there will be a public consultation in line with NHS's statutory requirements.

We will continue to collaborate with our STP partners to develop a system-wide approach across the NHS and our local authorities, working towards an Accountable Care System. Please visit the STP website.

The STP has been a positive catalyst for Devon. It has helped leaders build a collaborative and system-wide approach across the NHS and local government. As a result, Devon is in a stronger position in which to further integrate services health and care services for the benefit of its population. The collective work by leaders has helped us tackle the historical challenges we have faced, and, as a result, our financial and service performance has improved considerably.

The latest assessment by NHS England and NHS Improvement rates the Devon STP as one of 14 systems making real progress. The focus of working as part of an integrated health and care system in Devon, and as an STP, has been the driver for developing innovative new approaches, as well as some major successes:

- 'Best care for Devon': improved performance against national NHS standards has seen Devon move into the top 25% nationally on urgent care and mental health.
- Reducing delayed transfers from hospital: joint work between the NHS and local authorities has seen delays fall from 6.6% to 5.6%. Devon is on track to reduce delays to target levels, freeing up 79 hospital beds and supporting winter plans. South Devon performance is already in the top 20% in England.
- High-quality social care: across Devon, 86% of adult social care providers are now rated by the CQC as either 'Outstanding' or 'Good'. This exceeds the overall national average for England of 80%.
- Ground-breaking collaboration: all four organisations providing acute hospital services have agreed a 'mutual support' approach to benefit patients. NHS England have highlighted it as an "exemplar of joint working". Our Acute Services Review has developed 'Best care for Devon' standards for urgent and emergency care, stroke, and maternity services, with clinical recommendations to provide services at all four of Devon's major hospitals if these standards are met. New clinical networks will support this approach.
- 'The best bed is your own bed': We are enhancing community services to support thousands more people to live independently at home. This has led to a reduction in

acute and community hospitals beds by 213 over the past two years whilst at the same time improving outcomes for people and service performance

- No health without mental health: Devon has many leading and innovative mental health services. These include liaison psychiatry in each A&E to ensure people get the right help when they need it, psychological therapies for people with long-term conditions, specialist support for women with postnatal depression and a new specialist unit opening next year so women can stay near their families as they do not need to travel outside the county.
- All GP Practices in Devon rated 'Outstanding' or 'Good' in the latest CQC assessment.
- Innovative collaboration between the NHS and social care: an award-winning campaign, led by Devon County Council with support from the NHS, is having a positive impact on recruiting people to work in the health and care sector in Devon.
- Managing service demand: Devon has acted to prioritise clinically appropriate referrals into hospitals. This has reduced elective activity last year by 5.37%, compared to a 1.25% increase nationally.
- Both CCGs have improved their ratings, as part of the annual assessment by NHS England.
- Living within our means: historical overspending has been reduced from £229million to £61million in the past two years. This includes saving £25million on agency spend. The Devon system is aiming for financial balance in 2019/20.

In addition, the STP has focused on driving clinical improvement as well as productivity, efficiency, and sustainability. For example, STP leaders have signed up to the national Getting It Right First-Time programme, which is helping to improve the quality of care within the NHS by reducing unwarranted variations, bringing efficiencies, and improving patient outcomes. We're also using the Model Hospital approach, ensuring that everything we do is based on best practice.

This commitment to drive clinical quality was the focus of our collective work to look at acute services, vulnerable services (such as ophthalmology) and other developments, such as the Peninsula approach to pathology, and our work as one of four national pilots for a radiology network. The STP has also actively engaged with Healthwatch, MPs, local authorities' Overview and Scrutiny Committees, and patients and the public. For example, Healthwatch representatives sit on our Clinical Cabinet, and patients and user groups were fully involved in the Acute Services Review and the group involved in developing improvements to mental health.

Further Developing Local Integration

Whilst we have made good progress, we and our partners (i.e. our commissioners in South Devon and Torbay Clinical Commissioning Group, Torbay Council and Devon County Council, GPs, and local voluntary sector organisations) recognise there are further integration opportunities that would help to improve the health, care, and wellbeing of our local population. We believe that the best way to build on our achievements is to establish a Local Care Partnership, in the context of the national and Devon wide directions of travel. Through this strengthened partnership system, partners will aim to deliver more than current arrangements allow.

We are now poised to further explore with our partners how we can strengthen our working together, to better support the people needing our health and care services.

Key Risks to Performance, NHSI Standards, Emergency Access, 4-hour ED Wait

The winter in 2017/18 highlighted system vulnerabilities to maintaining 4-hour performance although system safeguards did give assurance that patient care and safety was maintained. The principle risk being system capacity to manage the increased winter demand and patient flow to maintain inpatient emergency admissions and timely discharge.

The system response in 2017/18 was to open escalation ward / increase capacity in domiciliary care and short-term placements / enhance medical assessment capacity and maintain system wide oversight to ensure effective escalation. Learning from this winter is included in 2018/19 plans and this will see continued service improvement over the year and specific actions taken to provide the additional winter capacity. This will include flexing staff seasonal capacity as well as changing the balance between elective and emergency capacity over the winter months.

It is necessary to balance the risk to elective care and referral to treatment, and cancer standards when managing emergency care. In other words, when there is pressure on A&E, this may impact on other care. The Board monitors this impact through regular monitoring and reporting of actual and forecast positions and may escalate further actions in relation to key NHSI performance indicators.

Further detail on key risks is set out in “Major Risks” on page 67.

Performance Analysis

National and Local Standards

Performance reports are provided monthly to the Finance, Performance and Investment Committee and the Board. These reports cover all the key national and local performance standards to provide assurance to the Board.

In 2017/18 against the operational performance indicators described in the Single Oversight Framework that are monitored by NHSI we have performed as follows:

Corporate Objective	Target 2017/2018	13 month trend	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Year to date 2017/18
NHS I - OPERATIONAL PERFORMANCE (NEW SINGLE OVERSIGHT FRAMEWORK FROM OCTOBER 2017)																
1 A&E - patients seen within 4 hours [STF]	>95%		94.2%	94.4%	90.1%	92.3%	93.9%	93.2%	89.9%	92.8%	92.9%	88.3%	83.8%	81.1%	80.6%	89.7%
A&E - trajectory [STF]	>92%		92.0%	89.0%	90.0%	91.0%	92.0%	92.5%	93.5%	92.0%	92.2%	90.2%	89.9%	92.6%	95.0%	95.0%
1 Referral to treatment - % Incomplete pathways <18 wks	>92%		87.5%	87.2%	87.6%	86.4%	86.1%	85.2%	84.0%	84.0%	83.7%	82.2%	82.5%	82.4%	81.6%	81.6%
RTT Trajectory			93.3%	87.2%	87.5%	88.0%	88.9%	89.4%	89.8%	90.7%	89.9%	89.3%	90.1%	90.0%	90.0%	90.0%
1 Cancer - 62-day wait for first treatment - 2ww referral	>85%		88.0%	87.2%	85.1%	84.0%	86.8%	79.2%	85.7%	83.9%	77.4%	82.4%	85.7%	83.1%	79.0%	83.1%
1 Diagnostic tests longer than the 6 week standard	<1%		1.7%	3.4%	2.2%	2.8%	3.0%	7.3%	3.9%	3.2%	2.4%	3.7%	5.4%	3.1%	8.9%	4.2%
1 Dementia - Find - monthly report	>90%		67.8%	58.9%	60.6%	54.9%	52.8%	62.4%	81.8%	78.6%	59.0%	65.5%	52.1%	70.8%	92.7%	64.8%

4 Hour Emergency Department attendances: In the year 17/18 good progress initially made against the ED 4-hour trajectory of performance improvement. Reported performance exceeding the planned trajectory through to December 2017. The period from the New Year had been extremely challenging and performance fell to below our agreed trajectory of improvement in Q4. The prevalence of flu and volume of admissions in Q4 being underlying factors leading to the deterioration in performance.

RTT: RTT performance has deteriorated over the year but is now stable at 82%. This performance reflects a range of operational challenges with maintaining workforce and recruitment to posts along with the requirement to meet a significant cost savings over the year. In 18/19 the operation plan requires performance to be maintained at this level (82%) with improvement subject to funding being agreed above current risk share levels.

Cancer 62 day from urgent referral: Performance has not achieved the standard of 85% with 83.1% of patients referred on an urgent referral treated within 62 days of referral. Despite not achieving the headline target of performance, the overall waiting times for the treatment of patients has remained consistent with delivery of standard in 5 of the 12 months. Teams have continued to work effectively and escalate longest waits whilst managing operational capacity pressures with several new pathway improvements being made including direct to test and increased imaging implemented during the year. The delivery of all cancer standards has remained a top priority and teams have ensured that despite operational pressures over the winter capacity for urgent pathways has been maintained. The challenges being faced are in relation to complex diagnostic pathways, capacity within skin and urology pathways and maintaining the 'two-week wait' to initial clinical assessment.

Diagnostics waiting times: Performance has not been maintained within the National standard of less than 1% of patients waiting over 6 weeks. Locally across the STP a tolerance of 4% has been agreed. Until the severe weather events at the end of February and March 2018, which led to large

scale cancellation of activity, performance had been maintained within this tolerance. These cancellations contributed to the percentage of patients waiting over 6 weeks increasing to 8.9% at the end of March.

Dementia Find: The assessment of patients who are admitted to hospital over the age of 75 for dementia was introduced as part of the updated Single Oversight Framework in October 2017. Recorded performance has been below the standard of 90% throughout the year, however with the introduction of Nerve Centre and improved recording the Target is being met in March 2018.

Monthly Quality and Performance review meetings with each of the SDU's have been maintained throughout the year covering medicine, surgery, community and women, children, diagnostics, and therapies. These meetings require SDU teams to review their quality and performance dashboards and to present plans where there are risks or concerns. This process gives the executive and Trust board assurance of action plans and actions being taken.

Of note in 2017/18, the Trust has seen the implementation of Care Model changes with the rationalisation of community hospitals and Minor injury units. These changes are being made alongside the continued investment in community-based teams to support earlier discharge, avoid unnecessary admissions, and to provide more care in local communities.

A result of these changes is we have seen the number of discharges to community hospital-based care maintained with the length of stay in community hospital reduce from 14 days to 11 days and from 18 days to 15 for stroke patients transferred from the DGH.

The latest benchmarking shows the lowest use of beds per head of population for emergency admissions compared to equivalent peers.

Financial Performance

Funding Overview

The Trust earned £374.9 million of income during 2017/18 primarily from clinical activities, but also received a considerable amount of income from education and training and income generation activities.

In 2017/18 much of the Trust's clinical income was received under the terms of the Risk Share Agreement developed in support of the integrated care model, and in partnership with South Devon and Torbay Clinical Commissioning Group and Torbay Council. Consequently, a far smaller proportion was received by the Trust was derived from activity undertaken at a tariff price, following the funding principles of the system known as Payment by Results (PbR), which is the norm in the sector. Under the Risk Share Agreement, most of the Trust's patient-related income was funded on a block contract basis, with the Trust receiving a fixed amount of income for providing a defined range of services. Any underspends in Adult Social Care allocations in Torbay Council are allocated to the Trust and to the extent that excess costs drive a reduction in the planned surplus or deficit, South Devon and Torbay Clinical Commissioning contribute 50% of any variation; effectively sharing the cost of system wide cost over-runs.

Important within such a model, where risk is shared across a system, is to design health and care services that operate within the resource available to Commissioners. As a health and care system we have jointly developed an integrated model of care that we are confident will improve, or at worst maintain standards of care and, at the same time reduce costs.

Value for Money

As an NHS Foundation Trust, we focus on ensuring the best possible economy, efficiency, and effectiveness in the use of resources. We aim to provide the best possible health and social care within available resources. Ensuring value for money in all the Trust's activities is therefore a fundamental part of our financial strategy.

Within the Well Lead review NHS Improvement have conducted a review of how the Trust uses its resources compared to the rest of the Sector. The outcome of that review is favourable when the metrics are adjusted for the unique nature of the integrated model of care the Trust operates.

The Trust targeted delivery of £40.2million of savings in 2017/18. This reflected what was believed to be achievable during the year given the stage of development of the integrated care model. The Trust achieved a total of £45.6 million of income and cost reduction in the year, £29.3million of which is recurring in a full year, but with a non-recurrent element in the year of £16.13 million.

To demonstrate value for money, the Trust uses benchmarking information such as the NHS productivity metrics. For procurement of non-pay related items, the Trust has a procurement strategy which maximises value using national contracts and through collaboration with other NHS bodies in the Peninsula Purchasing and Supply Alliance.

Capital Developments During the Last Year

During 2017/18 the Trust continued to invest in its facilities and equipment and carried out capital projects totalling £7 million. In addition to this sum the Trust received Charitable Donations totalling £0.6 million which has predominantly been invested in new medical equipment. Part of the Trust's capital expenditure has been supported by loans received from the Department of Health's Independent Trust Financing Facility (ITFF).

The total of loans drawdown during 2017/18 to support capital expenditure totals £0.7million. Further details of capital loans received by the Trust and their repayment terms are disclosed in the Trust's Annual Accounts.

Cashflow

During the year cash balances have increased from £4.6 million to £6.1 million. The principal components driving this increase in cash; one being the reported revenue position for the year of £16.9 million, levels of NHS debtor balances increasing reflecting the trading position of the sector and the policy of the Sustainability and Transformation Funding (STF) funding which is paid in totalling £6.9 million. As described in the Annual Accounts the Trust has an approved Revolving Working Capital Facility in place with the Department of Health (which expires in September 2020) totalling £11.0 million should the Trust's working capital position further deteriorate. This facility was not drawn upon during

2017/18. Further details of cash movements are disclosed in the Cash Flow Statement within the Trust's accounts.

Financial framework

Being licensed as an NHS Foundation Trust means that the Trust, as well as being more accountable to its local public and patients, has greater financial freedoms. NHS Foundation Trusts are free to retain any surpluses they generate and to borrow to support investment.

As noted in Part VI of the annual report, the Trust's financial performance is monitored by NHS Improvement.

Accounting Framework

As an NHS Foundation Trust, we apply accounting policies compliant with NHS Improvements Foundation Trust Annual Reporting Manual which are judged to be the most appropriate to our circumstances for giving a true and fair view.

Accounting Policies

Accounting policies for pensions and other retirement benefits are set out in a note to the full accounts (note 1.5) and details of senior employees' remuneration are given in this report, "Salary and Pension Entitlements of Senior Managers" on page 43.

Income from non-contracted activity

A percentage of the Trust's income is from non-contracted income. In the absence of the last month's activity data being available at the time the accounts were prepared, an accrual for the income has been calculated, based on the non-contracted income activity to period 11.

Partially Completed Patient Spells

Income in the accounts related to 'partially completed spells' is accrued based on the number of occupied bed days per care category, and an average cost per bed day per care category.

Risk of Fraud in Revenue and Expenditure Recognition

Under ISA (UK&I) 240 there is a (rebuttable) presumption that there are risks of fraud in revenue recognition. The testing of revenue recognition, as set out in the external audit plan, is focused on utilising computer aided audit techniques. Audit work has focussed on the areas of greatest risk, which is deemed as those which would show an overstatement in performance, either through overstatement of revenue or understatement of expenditure.

Valuation of Property, Plant and Equipment (PPE)

The valuation of PPE is an elevated risk raised by the external auditors, as identified in their audit plan. This is due to the level of assumptions and estimation that is required by the District Valuer in their assessment of the values land and buildings (including buildings useful lives). The Trust engaged the District Valuer to perform a review during 2017/18. As part of external audit's year-end procedures, PricewaterhouseCoopers (PwC) will have consulted with their own internal valuers to determine whether the valuation methodology and assumptions used were appropriate. In addition, they will have focused their testing on the information provided to the District Valuer for assessment.

Charitable Funds

Torbay and South Devon NHS Charitable Fund is a registered charity (number 1052232) and as such a separate legal entity, established to hold charitable donations given to Torbay and South Devon NHS Foundation Trust. Donations are received from individuals and organisations and are independent of the monies provided by the government.

These charitable donations are a very important source of funds and continue to provide benefits for patients and service users. Based upon the most up to date figures (subject to audit), in 2017/18, the

Charitable Fund received donations and legacies totalling £788,000. This included very generous donations of £233,000 from the Leagues of Friends of our Hospitals towards the purchase of equipment and other items, including £163,000 from the Torbay Hospital League of Friends. The Charitable Fund also received £152,000 from Torbay Medical Research Fund in respect of various research projects within the Trust.

The Charitable Fund made a grant of £1m to the Trust during 2017/18 to cover appropriate revenue expenditure.

Other donations have been used to purchase numerous items of medical and other equipment, as well as supporting the training and development of staff and patient/client welfare. Full details can be found in the Charitable Fund's Annual Report and Accounts, which is produced by the Trust in its role as Corporate Trustee.

Emergency Preparedness, Response, and Resilience

On 1 November 2017, the Trust Board formally received and signed off the outcome of the NHS England/CCG assessment against core standards in relation to its responsibilities as a Category 1 responder under the Civil Contingencies Act (2004). The Trust was compliant with the EPRR core standards, apart from one amber rating in relation to the provision of a staff roster for decontamination, as the Trust relies on volunteer team members instead. The Trust's Chief Executive provided an assurance letter to NHS England describing the compliance position against Core standards and the Governance Deep dive standard.

Sustainability

Our Sustainability Strategy recognises that as a healthcare provider that promotes wellbeing, we have a responsibility to maximise our contribution to creating social value and ensure that our use of resources is efficient thus maximising the funds available for patient care. In-year achievements include:

- Improving waste recycling throughout the Trust, achieving a 47% recycling target in 2017/18 – a continued improvement on the last year's achievement.
- Reducing by 42 tons the amount of clinical waste generated by the Trust.
- Minimizing food waste in the way it is prepared, procured, and served, including composting coffee granules.
- Continuing to promote cycle to work initiatives, including financial incentives for cycle purchases via a salary sacrifice scheme.
- Moving the Trust's fleet of vehicles to electric charging and introducing electric charging points at Torbay Hospital.

The Trust recognizes that to achieve greater efficiencies, it must make changes to its estate, both in terms of replacing the ageing plant infrastructure and continuing to introduce energy efficient means of heating, lighting, and controls. While capital monies have been limited over recent years, 2018 sees an exciting opportunity with the tender for an Estates Partner, with both the expertise and access to alternative funding routes to realize the Trust's ambitious targets for its estate.

Important Events Since the End of the Financial Year

The Trust received an unannounced Care Quality Commission (CQC) inspection visit in February and planned visits in December, February, and March 2018. The CQC "recognized a huge amount of progress since their last inspection with a focus on safety, quality and patient-centred care."

The final report was published in the third week of May and reflected the CQC's finding that the Trust achieved "outstanding" for caring and "good" for the Well-led assessment.

During the year end the Trust closed Dartmouth Hospital and Bovey Tracey Hospital, both community hospitals. These hospitals are likely to be disposed of and the proceeds reinvested in line with the Trust's integrated care model. Further in-patient beds were closed in Pagination and Ashburton in line with the care model consultation.

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

Liz Davenport, Interim Chief Executive, 23 May 2018

Part II – Accountability

Directors' Report

The Directors are responsible for preparing the Financial Statements in accordance with Department of Health and Social Care Group Accounting Manual and that the account give a true and fair view. The Directors consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS foundation trust's performance, business model and strategy.

The Trust Board of Directors

The Trust Board of Directors (the Board) has collective responsibility for the exercise of all the powers of the Trust. The general duty of the Board of Directors and of each Director individually, is to act with a view to promoting the success of the Trust to maximise the benefits for the members of the Trust and for the public. Directors are jointly and severally responsible for all the decisions of the Board.

The Board of an NHS Foundation Trust is accountable for the stewardship of the Trust, its services, resources, staff, and assets. The arrangements established by a Board must be compliant with the legal and regulatory framework, protect and serve the interests of stakeholders, specify standards of quality and performance, support the achievement of organisational objectives, monitor performance, and ensure an appropriate system of risk management and internal control.

Trust's Constitution specifies that the Board of Directors shall comprise:

- a non-executive Chairman;
- not less than five and no greater than eight other non-executive directors.
- a Chief Executive and not less than four and no more than seven executive
- directors; and,
- at least half of the Board, excluding the Chairman, are nonexecutive directors.

To ensure the balance and effectiveness of the Board, the Foundation Trust Constitution further requires that:

- one of the Executive Directors shall be the Chief Executive;
- the Chief Executive shall be the Accounting Officer;
- one of the Executive Directors shall be the Finance Director;
- one of the Executive Directors shall be a registered medical practitioner or a registered dentist (within the meaning of the Dentists Act 1984);
- one of the Executive Directors shall be a registered nurse or a registered midwife; and,
- the Board of Directors shall always be constituted so that the number of Non-executive Directors (excluding the Chairman) equals or exceeds the number of Executive Directors.

Appointments to the Board both of Executive and Non-executive directors in the reporting period meant that the Board was fully constituted. The Board does not consider that its performance or balance was significantly impacted during the preceding period of interim arrangements.

The Board is accountable to stakeholders for discharging its general duties and is responsible for organising and directing the affairs of the Trust and its services in a manner that will promote success and is consistent with good corporate governance practice, and, for ensuring that in carrying out its duties, the Trust meets its legal and regulatory requirements. In doing so, the Board of Directors ensures that the Trust maintains compliance with its terms of authorisation and other statutory obligations.

The Board reserves some responsibilities to itself, delegating others to the Chief Executive and other Executive Directors or committees of directors. Those matters reserved to the Board are set out as a formal schedule which includes approval of:

- the Trust's long-term objectives and financial strategy;
- annual operating and capital budgets;
- changes to the Trust's senior management structure;
- the Board's overall 'risk appetite';
- the Trust's financial results and any significant changes to accounting practices or policies;
- changes to the Trust's capital and estate structure; and,
- conducting an annual review of the effectiveness of internal control arrangements.

The Trust Board of Directors delegates responsibility to the Chief Executive to:

- enact the strategic direction of the Trust Board of Directors;
- manage risk;
- achieve organisational compliance with the legal and regulatory framework;
- achieve organisational objectives;
- achieve specified standards of quality and performance; and,
- operate within, generate, and capture evidence of the system of internal control.

Board of Directors – Disqualification

The following may not become or continue as a member of the Trust Board of Directors:

- A person who has been adjudged bankrupt or whose estate has been sequestrated and who (in either case) has not been discharged;
- A person who has made a composition or arrangement with, or granted a Trust deed for his creditors and who has not been discharged in respect of it;
- A person who within the preceding five years has been convicted in the British Islands of any offence if a sentence of imprisonment (whether suspended or not) for a period of not less than three months (without the option of a fine) was imposed on him;
- A person who falls within the further grounds for disqualification.

Members of the Trust Board of Directors

The Board is constituted, at the time of this report, as follows:

Non-executive Directors	Executive Directors
Richard Ibbotson – Chairman	Mairead McAlinden – Chief Executive (in absentia)
Sally Taylor – Vice Chair of the Trust and Chair of the Audit and Assurance Committee	Liz Davenport – Interim Chief Executive
Jacqui Lyttle – Senior Independent Director	Paul Cooper – Director of Finance
Jacqui Marshall – Non-executive Director	Lesley Darke – Director of Facilities, Estates, and Commercial Development
Vikki Matthews – Non-executive Director	Rob Dyer – Medical Director
Paul Richards – Non-executive Director	Judy Falcão – Director of Workforce and Organisational Development
Robin Sutton – Non-executive Director	Jane Viner – Chief Nurse
Jon Welch – Non-executive Director	Ann Wagner – Director of Strategy and Improvement
	John Harrison – Interim Chief Operating Officer

Biographies of the members of the Board are provided at “Appendix A – Biographies of Members of the Trust Board of Directors” on page 77 of this report.

Directors’ Interests

Members of the Board of Directors are required to disclose details of company directorships or other material interests in companies held which may conflict with their role and management responsibilities at the Trust. The Chief Executive’s Office maintains a register of interests, which is available to members of the public by contacting the Trust Secretariat at the address given at “Appendix B – Further Information and Contact Details” on page 84 of this report.

The register also contains any significant commitments of the Chairman and any changes to these during the year. No political donations were made or received by the Trust in the reporting period.

Independence of the Non-executive Directors

The Trust Board of Directors has assessed the independence of the Non-executive Directors and considers all current Non-executive Directors to be independent in that there are no relationships or circumstances that are likely to affect their judgement as evidenced through their declarations of interest, previous employment, or tenure.

Committees of the Trust Board of Directors

The Board has established the ‘statutory’ Committees required by the NHS Act 2006 and the Foundation Trust Constitution. The Executive Nominations and Remuneration Committee, and the Audit and Assurance Committee each discharge the duties set out in the Foundation Trust Constitution and their Terms of Reference.

The Board has chosen to deploy two additional ‘designated’ Committees to augment its monitoring, scrutiny, and oversight functions, particularly with respect to quality and

financial risk management. These are the Quality Assurance Committee and the Finance, Performance, and Investment Committee.

The role, functions and summary activities of the Board's Committees are described at "Membership and Attendance at Board and Committee meetings" on page 31 of this report.

(a) Executive Nominations and Remuneration Committee

The purpose of the Executive Nominations and Remuneration Committee is to conduct the formal appointment to, and removal from office, of Executive Directors of the Trust, other than the Chief Executive who shall be appointed or removed by the Non-executive Directors subject to approval by the CoG. The Committee also considers succession planning for Executive Directors, considering the challenges and opportunities facing the Trust, and the skills and expertise that will be needed on the Board of Directors in the future.

The Trust is also required to appoint a Remuneration Committee in accordance with Schedule 7 of the NHS Act 2006 (paragraph 18(2)), Schedule 1 of the Constitution, and the Monitor NHS Foundation Trust Code of Governance.

The Executive Nominations and Remuneration Committee fulfils the dual purpose of the two statutory committees for nomination and remuneration of Executive Directors. It also decides the remuneration and allowances, and the other terms and conditions of office, of the Executive Directors, and to reviews the suitability of structures of remuneration for senior managers.

The Committee met on two occasions in the reporting period to consider changes in remuneration for Executive Directors. The Chair of the Committee submitted a report to the Board following each meeting, highlighting any matters requiring disclosure to the Board.

(b) Audit and Assurance Committee

The Trust's Audit and Assurance Committee works in parallel with the Quality Assurance with a shared membership. This provides the Non-executive Directors with two perspectives on similar or related data, allowing for comparison or 'triangulation' in considering due processes as well as tangible outcomes.

Terms of Reference for both committees are published in the public domain. The Audit Committee consists entirely of Non-executive Directors and reviews the effectiveness of systems of governance, risk management and internal control across the whole of the Trust's activities. By comparison, the Quality Assurance Committee reviews the actions being taken by the Trust to ensure the on-going maintenance of standards of quality of care, and improvements where necessary in the patient experience.

During 2017/18 the Audit Committee reviewed the adequacy of:

- all risk- and control-related disclosure statements, together with any accompanying Head of Internal Audit Opinion statement, external audit opinion or other appropriate independent assurances, prior to endorsement by the Board;

- underlying assurance processes that indicate the degree of the achievement of corporate objectives, the effectiveness of the management of principal risks, the controls in place and the appropriateness of the disclosure statements;
- policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements; and,
- policies and procedures for all work related to fraud and corruption as set out in Secretary of State Directions and as required by the Counter Fraud and Security Management Service.

The Committee sought reports and assurances from Directors and managers as appropriate, concentrating on the over-arching systems of governance, risk management and internal control, together with indicators of their effectiveness. Notably, the committee-initiated improvements to the Board Assurance Framework

The Committee met on five occasions in the reporting period. The Chair of the Committee submitted a report to the Board following each meeting, highlighting any issues requiring disclosure to the Board.

(i) Audit and Assurance Committee Chair's Opinion and Report

In support of the Chief Executive's responsibilities as Accounting Officer for the Trust, the Audit and Assurance Committee has examined the adequacy of systems of governance, risk management and internal control within the Trust. From information supplied, we have formed the opinion:

- There is a generally adequate framework of control in place to provide reasonable assurance of the achievement of objectives and management of risk;
- Assurances received are sufficiently accurate, reliable, and comprehensive to meet the Accounting Officer's needs and to provide reasonable assurance;
- Governance, risk management and internal control arrangements within the Trust include aspects of excellence as well as aspects in which on-going attention to the control improvement is required;
- Financial controls are sufficient to provide reasonable assurance against material misstatement or loss;
- The quality of both Internal Audit and External Audit over the past year has been satisfactory.

The Committee discharged its role through the year as follows:

- We reviewed the establishment and maintenance of an effective system of governance, risk management and internal control across the whole of the Trust's activities (both clinical and non-clinical).
- We ensured that there was an effective internal audit function established by management that meets mandatory NHS Internal Audit Standards and provides appropriate independent assurance to the Committee. The Committee reviewed and approved the internal audit strategy, ensuring that it

was consistent with the audit needs of the organisation as identified by the Assurance Framework. We considered the major findings of internal audit's work (and management's response). The Internal Auditor had unrestricted access to the chair of the Committee for confidential discussion.

- We reviewed the work and findings of the external auditor and considered the implications and management's response to their work. The External Auditor had unrestricted access to the chair of the committee for confidential discussion.
- We reviewed the Annual Report and financial statements before submission to the Board.
- We ensured the Standing Financial Instructions and Standing Orders were maintained and kept up to date, with an annual review of instances where exceptions to the rules were made (this was not applicable in the reported year 2017/18).
- We reviewed the findings of other significant assurance functions, both internal and external to the organisation, and considered the implications to the governance of the Trust. This included a regular report from the NHS Counter Fraud Service and the independent review of the Estates department.
- Additionally, we specifically reviewed the Trust's Information Governance procedures, its Whistle Blowing Policy, and sought assurances regarding the control of data used in the Quality Report.

(c) Quality Assurance Committee

The Trust Board of Directors established the Quality Assurance Committee to support the Board in discharging its responsibilities for monitoring the quality of the Trust's services. This includes the essential standards of quality (as determined by Care Quality Commission's registration requirements), and national targets and indicators (as determined by NHSI's Single Assessment Framework).

The Committee reviews the outcomes associated with clinical services and patient experience and, the suitability and implementation of risk mitigation plans regarding their potential impact on patient outcomes. The Committee is also required, as directed by the Board from time to time, to consider issues relating to quality where the Board requires this additional level of scrutiny.

During the year, the Committee considered:

- The Quality Strategy and associated priorities;
- The Patient Experience Strategy;
- The Volunteer Strategy;
- Patient surveys; and,
- The monthly Integrated Quality, Finance, and Performance Report

Additional reviews have included:

- Serious Incidents;
- Complaints;
- Midwifery; and,
- The 62-day cancer treatment target.

The Committee met six times during this reporting period. The Chair of the Committee submitted a report to the Board following each meeting, highlighting any issues requiring disclosure to the Board.

(d) Finance, Performance, and Investment Committee

The Finance, Performance, and Investment Committee has delegated authority from the Trust Board of Directors, subject to any limitations imposed by the Schedule of Matters Reserved to the Board, to review and make such arrangements as it considers appropriate on matters relating to:

- Control and management of the finances of the Trust;
- Target level of efficiency savings and actions to ensure these are achieved;
- Budget setting principles;
- Year-end forecasting;
- Commissioning; and,
- Capital planning.

The Finance, Performance, and Investment Committee met on twelve occasions during this reporting period. The Chair of the Committee submitted a report to the Board following each meeting, highlighting any issues requiring disclosure to the Board.

Enhanced Quality Governance Reporting

The Board was satisfied during the year that, to the best of its knowledge and using its own processes (supported by Care Quality Commission information), the Trust had, and will keep in place, effective leadership arrangements for monitoring and continually improving the quality of health and social care, including:

- Ensuring required standards are achieved (internal and external).
- Investigating and acting on substandard performance.
- Planning and managing continuous improvement.
- Identifying, sharing, and ensuring delivery of best-practice.
- Identifying and managing risks to quality of care.

This encompasses an assurance that due consideration was given to the quality implications of plans (including service redesigns, service developments and cost\continuous improvement plans) and that processes would be in place to monitor their on-going impact on quality and take subsequent action as necessary to ensure quality is maintained.

The basis of the Board of Directors confirmation was set out in the draft corporate governance statement to be submitted to Monitor at the end of June 2018, which was prepared after due and careful enquiry. The “Annual Governance Statement” on page 64 provides further information.

Membership and Attendance at Board and Committee meetings

The Trust Board of Directors discharged its duties during 2017/18 in 10 meetings, and through the work of its Committees. The Chairman of the Board submitted a report to the Council of Governors (the CoG) at each meeting, highlighting any matters requiring disclosure to the Council.

The table below shows the membership and attendance of Directors at meetings of the Board and Board Committees.

Figures in brackets (3) indicate the number of meetings the individual could be expected to attend by their membership of the Board or Committee. A figure of zero (0) indicates that the individual was not a member. “C” denotes the Chair of the Board or Committee.

	Trust Board of Directors	Council of Governors	Executive Nominations and Remuneration Committee	Audit and Assurance Committee	Quality Assurance Committee	Finance, Performance, and Investment Committee
Number of meetings	10	4	2	5	6	12
Richard Ibbotson	C10(10)	C4(4)	C2(2)	0(0)	0(0)	0(0)
Mairead McAlinden	6(9)	3(4)	0(0)	0(0)	0(0)	0(0)
Liz Davenport	10(10)	3(4)	0(0)	0(0)	2(2)	6(6)
David Allen	6(7)	2(3)	0(0)	2(4)	(C2) 2(4)	0(0)
Jacqui Lyttle	8(10)	3(4)	0(2)	5(5)	(C4) 5(6)	0(0)
Jacqui Marshall	9(10)	3(4)	2(2)	2(5)	0(0)	3(9)
Vikki Matthews	3(3)	1(1)	2(2)	1(1)	0(0)	3(4)
Paul Richards	2(3)	1(1)	2(2)	1(1)	0(0)	0(0)
Robin Sutton	10(10)	3(4)	2(2)	5(5)	0(0)	C12(12)
Sally Taylor	9(10)	4(4)	2(2)	C5(5)	5(6)	8(12)
Jon Welch	8(10)	2(4)	2(2)	1(5)	0(0)	6(12)
Paul Cooper	8(10)	4(4)	0(0)	2(5)	0(0)	10(12)
Lesley Darke	10(10)	2(4)	0(0)	0(0)	0(0)	0(0)
Rob Dyer	9(10)	2(4)	0(0)	2(5)*	6(6)	0(0)
Judy Falcão	7(10)	0(4)	0(0)	0(0)	2(6)	0(0)
Jane Viner	9(10)	3(4)	0(0)	1(5)*	4(6)	5(12)
Ann Wagner	9(10)	3(4)	0(0)	0(0)	3(6)	10(12)

	Trust Board of Directors	Council of Governors	Executive Nominations and Remuneration Committee	Audit and Assurance Committee	Quality Assurance Committee	Finance, Performance, and Investment Committee
* During the year it was agreed that a lead clinician would attend. This role was shared between Rob Dyer and Jane Viner						

Performance of the Board and Board Committees

Members of the Board are subject to on-going and regular performance appraisal. The Chief Executive appraises individual Executive Directors. Non-executive Directors and the Chief Executive are appraised by the Chairman, who is appraised by the Senior Independent Director in conjunction with the Governors Nominations and Appointments Committee.

The Trust Board of Directors undertakes a self-assessment of its performance each year to establish whether it has adequately and effectively discharged its role, functions, and duties during the preceding year.

For the reporting period, the Board's performance, considering the role, function, and work of the Board Committees, was of the requisite standard. This was attributed to the balance and capability of the Board because of having a full complement of carefully selected substantive directors, a comprehensive annual cycle of reporting, a robust Board Assurance Framework and Risk Register, and a development plan undertaken under the guidance of the Chair and Company Secretary.

The findings of the Internal Audit, combined with the Head of Internal Audit Opinion set out in the Annual Governance Statement, support the Board's conclusion.

Similar assessment exercises were undertaken for each of the Committees of the Board, all of which were considered to have fully discharged the duties set out in their Terms of Reference.

The Council of Governors

The Council of Governors is responsible for discharging the general duties set out in legislation which are:

- to hold the non-executive directors individually and collectively to account for the performance of the board of directors, and
- to represent the interests of the members of the corporation as a whole and the interests of the public.

The Council of Governors discharges a set of statutory duties which include appointing and removing the Non-Executive Directors and approving the appointment and removal of the Trust's Auditor.

It remains the responsibility of the Trust Board of Directors to design and implement the strategy of the Trust. The Council of Governors and Trust Board of Directors communicate principally through the Chairman who is the formal conduit between the two corporate entities. This relationship is formally extended and augmented by Governors and Directors participation in Council to Board

meetings ensure constant and clear communication and co-operation between the Board and the Council of Governors. Additionally, Directors regularly attend meetings of the Council of Governors and Governors regularly attend meetings of the Board.

The Board of Directors may request the Chair to seek the views of the Council of Governors on any matters it may determine. Communications and consultations between the Council of Governors and the Board include, but are not limited to the following topics:

- The Annual Plan;
- The Board's strategic proposals;
- Clinical and service priorities;
- Proposals for new capital developments;
- Engagement of the Trust's membership; and,
- Reviews of the quality of the Trust's services.

The Board of Directors presents the Annual Accounts, Annual Report and Auditor's Report to the Council of Governors.

Members of the Council of Governors

The Council is constituted, at the time of this report, as follows:

Public Constituency			
Name	Constituency	Tenure	CoG Attendance
Peter Coates	South Hams and Plymouth	Elected - 01 Mar 2017	3/4
Craig Davidson	South Hams and Plymouth	Elected - 01 Mar 2016	4/4
Mary Lewis	South Hams and Plymouth	Elected - 01 Mar 2016	2/4
Carol Day	Teignbridge	Elected - 01 Mar 2013	4/4
Cathy French	Teignbridge	Term ended - 28 Feb 2018	4/4
Annie Hall	Teignbridge	Elected - 01 Mar 2016	2/4
Barbara Inger	Teignbridge	Elected - 01 Mar 2015	3/4
Michael James	Teignbridge	Elected - 01 Mar 2018	n/a
David Parsons	Teignbridge	Elected - 01 Mar 2016	3/4
John Smith	Teignbridge	Elected - 01 Mar 2016	4/4
Sue Whitehead	Teignbridge	Resigned- 28 Feb 2018	3/4
Ken Allen	Torbay	Elected - 01 Mar 2018	n/a
Bob Bryant	Torbay	Elected - 01 Mar 2017	4/4
Lynne Hookings	Torbay	Elected - 01 Mar 2013	4/4
Paul Lilley	Torbay	Elected - 01 Mar 2017	2/4
Wendy Marshfield*	Torbay	Elected - 01 Mar 2014	4/4
Andy Proctor	Torbay	Elected - 01 Mar 2016	1/4
Simon Slade	Torbay	Term ended - 28 Feb 2018	2/4
Elizabeth Welch	Torbay	Elected - 01 Mar 2018	n/a
Peter Welch	Torbay	Deceased - 17 Jul 2017	1/1

Staff-elected governors (staff constituency), 6 representatives: c5,300 members)			
Name	Class	Tenure	CoG Attendance
Lesley Archer	Clinical (acute)	Elected - 01 Mar 2015	1/4
Diane Gater	Clinical (acute)	Resigned- 31 Dec 2017	3/4
Nicola Barker	Community	Resigned- 30 Jun 2017	0/1
David Hickman	Community	Elected - 08 Sep 2017	2/2
Anna Pryor	Community	Elected - 08 Sep 2017	2/2
April Hopkins (nee Gradwell)	Non-clinical	Elected - 01 Aug 2016	4/4
Catherine Micklethwaite	Non-clinical	Resigned - 28 Mar 2018	1/4

Appointed governors (partner organisations)			
Name	Organisation	Tenure	CoG Attendance
Derek Blackford	South Devon and Torbay CCG	Appointed - 01 Apr 2017	3/4
Mark Procter	South Devon and Torbay CCG	Term ended - 01 Apr 2017	n/a
Stuart Barker	Devon County Council	Appointed - 01 Jul 2017	2/3
Rosemary Rowe	Devon County Council	Term ended - 30 Jun 2017	0/1
Sylvia Russell	Teignbridge Council	Appointed - 01 Jun 2013	3/4
Nicole Amil	Torbay Council	Appointed - 01 Oct 2017	1/1
Julien Parrott	Torbay Council	Term ended - 30 Sep 2017	0/3
Simon Wright	South Hams District Council	Appointed - 01 Jul 2015	0/4

Governor Elections

An election was held in August 2017 for two community staff governor vacancies. There were two candidates David Hickman and Anna Pryor. Both were elected unopposed.

The election process for public and acute clinical staff governor elections commenced in Autumn 2017.

There were three seats available for the public Teignbridge Constituency and two nominations were received. Barbara Inger was re-elected, and Michael James was elected both unopposed.

Ken Allen and Elizabeth Welch were elected unopposed and one candidate withdrew during the election process for the public Torbay Constituency.

There were two seats available for the acute clinical staff governor class and one nomination was received. Lesley Archer was re-elected unopposed.

Governors' Interests

Governors are required to disclose details of company directorships or other material interests which may conflict with their role as Governors. The Trust Secretariat maintains a

register of interests, which is available to members of the public by contacting the Secretariat at the address given at “Appendix B – Further Information and Contact Details” on page 84 of this report.

Committees of the Council of Governors

The Council of Governors has appointed three standing committees and one working group. These are:

(e) Non-Executive Directors’ Remuneration Committee

Committee is a formal Committee of the Council established in accordance with the NHS Act 2006, the Foundation Trust Constitution, and the Monitor Foundation Trust Code of Governance for carrying out the duties of governors with respect to remuneration and other terms of service of the Chairman and Non-Executive Directors.

Its functions include:

- to receive advice as necessary on overall remuneration and terms and conditions of service for the Chairman and non-executive directors;
- to recommend to the Council of Governors the levels of remuneration and terms and conditions of service for Chairman and non-executives;
- to monitor the performance of the non-executive directors through the Trust Chairman; and
- to monitor the performance of the Foundation Trust Chairman.

(f) Nominations Committee

The Committee is a formal Committee of the Council established in accordance with the NHS Act 2006, the Foundation Trust Constitution, and the Monitor Foundation Trust Code of Governance for carrying out the duties of governors with respect to the appointment, re-appointment, and removal of the Chairman and Non-executive Directors.

Its functions include:

- periodic review of the numbers, structure, and composition (including the person specifications) of the chairman and non-executive directors, to reflect the expertise and experience required, and to make recommendations to the Council of Governors;
- developing succession plans for the Chairman and non-executive directors, considering the challenges and opportunities facing the Trust; and
- identifying and nominating candidates to fill the Chairman and Non-executive Director posts.

(g) Quality and Compliance Committee

The Committee is a formal Committee of the Council established in accordance with the Foundation Trust Constitution for monitoring, reviewing, and reporting on the quality of clinical and social care services provided by the Trust.

Its functions include the review of:

- the systems in place to ensure the delivery of safe, high quality, person-centred care.
- quality indicators flagged as of concern through escalation reporting or as requested by the Trust Board.
- progress in implementing action plans to address shortcomings in the quality of services, should they be identified.
- progress on care model strategy.

It is the Quality and Compliance Committee's responsibility to write the governor statement in the quality report.

(h) Membership Group

The group is a formal Working Group established in accordance with the Foundation Trust Constitution for monitoring, maintaining, and advancing the Trust's membership.

Its functions include:

- Advice - To continue to offer advice and information to the Council of Governors on the community perception of the Foundation Trust's conduct of its healthcare provision.
- Recruitment - To seek to maintain the registered membership at its present level of 12,000 – 13,000 and to maintain under review means of achieving a representation of all sectors of the community.
- Information - To promote a series of seminars for members, focusing on significant sectors of the Foundation Trust's work.
- Communication - To promote the on-line facility for newsletters and all other communications to and from members.

Membership and Meetings of the Council of Governors

The Council of Governors met on a total of five occasions during 2017/18. This included its four Council of Governors meetings and the Annual Members' Meeting at which the Annual Report was presented to the Governors by the Board.

2017-18	Council of Governors	Nominations Committee	Remuneration Committee	Quality and Compliance Committee
Number of meetings	4	4	3	4
Ken Allen	0(0)	0(0)	0(0)	0(0)
Nicole Amil	1(1)	0(0)	0(0)	0(0)
Lesley Archer	1(4)	4(4)	0(0)	0(0)
Nicola Barker	0(1)	0(0)	0(0)	0(0)
Stuart Barker	2(3)	0(0)	0(0)	0(0)
Derek Blackford	3(4)	0(0)	0(0)	0(0)
Bob Bryant	4(4)	0(0)	0(0)	0(0)
Peter Coates	3(4)	0(0)	0(0)	0(0)
Craig Davidson	4(4)	0(0)	0(0)	1(2)
Carol Day	4(4)	1(1)	2(3)	1(1)
Cathy French	4(4)	2(4)	C2(2)	3(3)
Diane Gater	3(4)	0(0)	0(0)	0(0)
Annie Hall	2(4)	0(0)	0(0)	0(0)
David Hickman	2(2)	0(0)	0(0)	0(0)
Lynne Hookings	4(4)	4(4)	3(3)	4(4)
April Hopkins	4(4)	0(0)	2(3)	0(0)
Barbara Inger	3(4)	4(4)	3(3)	0(0)
Michael James	0(0)	0(0)	0(0)	0(0)
Mary Lewis	2(4)	0(0)	1(3)	0(0)
Paul Lilley	2(4)	0(0)	0(0)	3(4)
Wendy Marshfield	4(4)	3(4)	C1(1)	C4(4)
Catherine Micklethwaite	1(4)	0(0)	0(0)	0(0)
Julien Parrott	0(3)	0(0)	0(0)	0(0)
David Parsons	3(4)	0(0)	0(0)	0(0)
Andy Proctor	1(4)	0(0)	0(0)	0(0)
Anna Pryor	2(2)	0(0)	0(0)	0(0)

2017-18

	Council of Governors	Nominations Committee	Remuneration Committee	Quality and Compliance Committee
Rosemary Rowe	0(1)	0(0)	0(0)	0(0)
Sylvia Russell	3(4)	0(0)	0(0)	0(0)
Simon Slade	2(4)	0(0)	0(0)	0(0)
John Smith	4(4)	0(0)	0(0)	3(3)
Elizabeth Welch	0(0)	0(0)	0(0)	0(0)
Peter Welch	1(1)	0(0)	0(0)	0(0)
Sue Whitehead	3(4)	0(0)	0(0)	0(0)
Simon Wright	0(4)	0(0)	0(0)	0(0)

Performance of the Council of Governors

The Council undertakes a self-assessment of its performance each year to establish whether it has adequately and effectively discharged its role, functions, and duties during the preceding year.

For this year's assessment, an on-screen survey was used to capture Governors' responses to a range of questions framed in the context of the duties of governing bodies.

Results of the survey were assessed to identify areas of development for the Council as well as priorities to be addressed in the forthcoming year. These are summarised in the Council's Strategy document available on request from the Trust's offices.

Stakeholder relations

In addition to our partnership working, we engage directly with other stakeholders including our patients, service users, carers, families, and the public to understand, listen and where possible adapt or change the services we offer and recognise the value of their ideas about these how services can be developed and improved.

The Trust Board recognises the importance of understanding the service user experience and continues its commitment to receive a service user story at each Board meeting.

With such a large public membership, this allows the organisation to harness and utilise the experience of our members, who provide us with knowledgeable information. The Foundation Trust members as well as Patient representatives also attend important groups such as our Quality Improvement Group, Mortality Surveillance Group, and Learning from Complaints / Engagement Group so that the Trust better understands the service user experiences needs and experiences.

Information and feedback is received from many quarters including national surveys, local surveys run through Clinical effectiveness and consultations, these provide a rich source of data and with the National surveys benchmark data we can use for comparisons. We also receive valuable ideas and suggestions from well-established patient pathways, social media and service user groups which operate within the Trust.

The Trust also work with external organisations such as Healthwatch and SEAP, and we see this as a valuable source of information from local people who use our services and we welcome this partnership working.

One of the Council of Governors' sub-groups, the Membership Working Group, focuses on ensuring that there is an ongoing dialogue with our members and that we continue to develop the membership to make it as representative as possible of the whole community.

Public membership at the end of March 2017 totalled 10,999 and 10,389 at the end of March 2018. We estimate that this represents around seven per cent of the households in our catchment area.

The group has adopted the following objectives for 2018/19 and these are annually reviewable:

- Advice - To continue to offer advice and information to the Council of Governors on the community perception of the Foundation Trust's conduct of its healthcare provision.
- Recruitment - To seek to maintain the registered membership at its present level of 12,000 – 13,000 and to maintain under review means of achieving a representation of all sectors of the community.
- Information - To promote a series of seminars for members, focusing on significant sectors of the Foundation Trust's work.
- Communication - To promote the on-line facility for newsletters and all other communications to and from members.
- Partnership - To actively work with Healthwatch, the local Clinical Commissioning Groups and other appropriate agencies whose experience might add to the pool of knowledge about the public response to the Foundation Trust and the delivery of its services.

Members of the public, living in any of the three public constituencies and aged over 14, are eligible to become members.

Among the critical components to our being a successful health and care provider is our leadership. We further strengthened our Board of Directors (see page 24) in 2017 by welcoming two new Non-executive Directors whose combined breadth of experience in the NHS, commercial and charitable sectors will serve us well into the future.

The Directors consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS foundation trust's performance, business model and strategy

Another important factor to strong organisational leadership is to be found in the partnerships we have forged – critical to us as an ICO. We were therefore very proud to have been able to celebrate our strong partnerships when, in March 2018, we were announced as the winner in the Local Government Chronicle (LGC) Awards in the Health and Social Care category, for integrated care. The LGC awards are the biggest and most prestigious awards ceremony for the local government sector and aim to shine a spotlight on the achievements of those councils and their partners whose pioneering best practice can inspire others to improve services.

During 2017 we have consulted extensively with our staff to inform a new organisational structure, one which we think will best support how we are now delivering health and care. We have made many changes to our model of care, and we recognise that our workforce, our staff, need also to be organised in a different way, where they will be better supported to perform their roles. We hope to put this new structure in place later in 2018.

Fees and charges (income generation)

Costs associated with fees and charges levied by the Trust are set out in note 5 to the Annual Accounts.

Income disclosures required by Section 43(2A) of the NHS Act 2006

As disclosed in the Trust's annual accounts, the Trust complies with the need to ensure that income from the provision of goods and services for health services in England is greater than its income from the provision of goods and services for any other purpose; Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012).

The other income that the Trust receives either fully covers the cost of those services or for income generating activities, profit is directly reinvested into the provision of health and social care.

Counter Fraud

The Trust acknowledges that it has a responsibility to ensure that public money is spent appropriately and that it has policies in place to counter fraud, bribery, and corruption. The Trust has detailed standing financial instructions, standing orders, NHSCFA compliant standards of business conduct policy and a counter fraud, bribery, and corruption policy to ensure probity. The Trust has support from an experienced independent Local Counter Fraud Specialist (LCFS) to ensure risks are mitigated and systems are resilient to fraud and corruption. The Audit and Assurance Committee receives and approves the counter fraud annual work plan and annual report, monitors counter fraud arrangements at the Trust and reports on progress to the Board. During 2017/18 a total of 198 days were provided.

The Trust raises awareness of fraud in its staff communications through regular newsletters, displays in public and staff areas, new employee induction and individual department awareness presentations from the LCFS.

Cost allocation and charging guidance

The Trust has complied with the cost allocation and charging guidance issued by HM Treasury and Regulators.

Better payment code of practice

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

No payments were made during the year (2016: £Nil) under the Late Payment of Commercial Debts (Interest) Act 1998.

	2017/18		2016/17	
	Number	£000	Number	£000
Total Non-NHS trade invoices paid in the year	115,696	178,176	126,126	197,201
Total Non-NHS trade invoices paid within target	102,705	149,834	112,772	116,751
Percentage of Non-NHS trade invoices paid within target	89%	84%	89%	59%
Total NHS trade invoices paid in the year	1,704	10,664	1,910	16,033
Total NHS trade invoices paid within target	1,289	6,331	1,479	6,354
Percentage of NHS trade invoices paid within target	76%	59%	77%	40%

Accessible Information Standard

NHS England mandated the Accessible Information Standard on 24th June 2015, which applies to all organisations providing NHS or Adult Social Care. Organisations are required to follow the standard by law. The Accessible Information Standard directs and defines a specific, consistent approach to identifying, recording, flagging, sharing, and meeting individuals' information and communication support needs. The Trust has assigned an Implementation Lead and Lead Director to drive forward work in this important area and continues to make progress through collaboration with service users.

Statement as to Disclosure to Auditors (s418)

The Board of Directors reports that for everyone who is a Director at the time this report is approved:

- as far as the Director is aware, there is no relevant audit information of which the NHS Foundation Trust's auditor is unaware; and
- the Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the NHS Foundation Trust's auditor is aware of that information.

“Relevant audit information” means information needed by the NHS Foundation Trust's auditor in connection with preparing their report. A Director is regarded as having taken all the steps that they ought to have taken as a Director to do the things mentioned above, and:

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

- taken such other steps (if any) for that purpose, as are required by his/her duty as a Director of the company to exercise reasonable care, skill, and diligence.

A handwritten signature in black ink, appearing to read "Liz Davenport". The signature is fluid and cursive, with a large initial "L" and "D".

Liz Davenport, Interim Chief Executive, 23 May 2018

Part III – Remuneration

Salary and Pension Entitlements of Senior Managers (audited information)

	2016-17						2017-18					
	Salary	Expense Payments (taxable)	Annual Performance Related Bonuses	Long-term Performance Related Bonuses	All Pension Related Benefits	Total	Salary	Expense Payments (taxable)	Annual Performance Related Bonuses	Long-term Performance Related Bonuses	All Pension Related Benefits	Total
Name and Title	(bands of £5,000)	(to nearest £100)	(bands of £5,000)	(bands of £5,000)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)	(to nearest £100)	(bands of £5,000)	(bands of £5,000)	(bands of £2,500)	(bands of £5,000)
	£000	£	£000	£000	£000	£000	£000	£	£000	£000	£000	£000
Mrs A M McAlinden Chief Executive	190-195	100	0	0	0	190-195	155-160	100	0	0	0	155-160
Ms L Davenport Interim Chief Executive / Deputy Chief Executive and Chief Operating Officer	120-125	0	0	0	25.0-27.5	145-150	130-135	0	0	0	115.0-117.5	245-250
Dr R G Dyer Medical Director	185-190	0	0	0	12.5-15.0	200-205	200-205	0	0	0	0	200-205
Mr P Cooper Director of Finance, Performance, and Information	140-145	1,600	0	0	37.5-40.0	180-185	125-130	200	0	0	0	125-130
Mrs J Viner Chief Nurse	115-120	0	0	0	87.5-90.0	200-205	115-120	0	0	0	7.5-10.0	125-130
Mrs A Wagner Director of Strategy and Improvement	125-130	0	0	0	87.5-90.0	210-215	125-130	0	0	0	7.5-10.0	130-135
Ms J Falcão Director of Workforce and Organisational Development	75-80	100	0	0	105.0-107.5	180-185	115-120	100	0	0	25.0-27.5	140-145

Mr M Ringrose Interim Director of Human Resources	25-30	600	0	0	2.5-5.0	30-35						
Mrs L Darke Director of Estates and Commercial Development	100-105	2,200	0	0	5.0-7.5	110-115	105-110	0	0	0	30.0-32.5	135-140
Mr J Harrison Interim Chief Operating Officer							5-10	0	0	0		580-585
Sir Richard Ibbotson Chairman	40-45	400	0	0		45-50	40-45	400	0	0		45-50
Mr D Allen OBE Non-Executive Director	10-15	0	0	0		10-15	10-15	0	0	0		10-15
Mrs S Taylor Non-Executive Director	15-20	200	0	0		15-20	15-20	300	0	0		15-20
Mr J Furse Non-Executive Director	10-15	0	0	0		10-15						
Mrs J Lyttle Non-Executive Director	10-15	0	0	0		10-15	10-15	0	0	0		10-15
Mr J Welch Non-Executive Director	10-15	100	0	0		10-15	10-15	0	0	0		10-15
Mrs J Marshall Non-Executive Director	10-15	0	0	0		10-15	10-15	0	0	0		10-15
Mr R Sutton Non-Executive Director	10-15	0	0	0		10-15	10-15	0	0	0		10-15
Mr P Richards Non-Executive Director							0-5	0	0	0		0-5
Mrs V Matthews Non-Executive Director							0-5	0	0	0		0-5

The taxable benefits are in respect of travel expenses that are subject to income tax.

The following have opted out of the pension scheme: Mrs A M McAlinden, from 31 March 2016, and Dr R G Dyer, from 31 December 2016.

None of the Directors received any annual or long-term performance-related benefits. Page 49 refers to managers who are paid more than £142,500 per annum (not including pension related benefits).

As Non-executive Directors do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-executive Directors.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a 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 because of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2005-06 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 because of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with SI 2008 No.1050 Occupational Pension Schemes (Transfer Values) Regulations 2008.

Real Increase in CETV – this reflects the increase in CETV effectively funded by the employer. It does not include 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 common market valuation factors for the start and end of the period.

On 16 March 2016, the Chancellor of the Exchequer announced a change in the Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate from 3.0 per cent to 2.8 per cent. This rate affects the calculation of CETV figures in this report.

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

Pension Benefits (audited information)

Name and title	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 / (Decrease) in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2018	Employers Contribution to Stakeholder Pension
	(bands of £2,500)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)				To nearest £100
	£000	£000	£000	£000	£000	£000	£000	£000
Mrs A M McAlinden Chief Executive	0	0	0	0	0	0	0	0
Ms L Davenport Chief Operating Officer	5.0-7.5	10.0-12.5	50-55	130-135	770	146	924	0
Dr R G Dyer Medical Director	0	0	0	0	0	0	0	0
Mr P Cooper Deputy Chief Executive Director of Finance	-5.0 to -7.5	-22.5 to -25.0	40-45	100-105	782	- 81	709	0
Mrs J Viner Chief Nurse	0.0-2.5	2.5-5.0	50-55	150-155	1,006	86	1,102	0
Mrs A Wagner Director of Strategy and Improvement	0.0-2.5	2.5-5.0	40-45	125-130	840	70	919	0
Ms J Falcão Director of Workforce and Organisational Development	0.0-2.5	0 to -2.5	40-45	100-105	580	84	669	0
Mrs L Darke Director of Estates and Commercial Development	0.0-2.5	0.0-2.5	30-35	95-100	598	64	668	0
Mr J Harrison	25.0-27.5	62.5-65.0	25-30	60-65	0	429	429	0

Name and title	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 / (Decrease) in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2018	Employers Contribution to Stakeholder Pension
Interim Chief Operating Officer								

Annual statement on remuneration

The role of the Executive Nominations and Remuneration Committee

The Executive Nominations and Remuneration Committee advises the Trust Board on matters regarding the remuneration and conditions of service for senior managers.

The term ‘senior managers’ covers Trust employees in senior positions, who have authority and responsibility for directing and controlling major Trust activities. These employees influence the decisions of the entire Trust, meaning that the definition covers the Chief Executive and Board-level directors.

The advice offered covers all aspects of salary, including performance-related pay, bonuses, pensions, provision of cars, insurance, and other benefits. Advice on arrangements for termination of contracts and other general contractual terms also falls within the remit of the Committee. Specifically, the Committee is charged with:

- advising on appropriate contracts of employment for senior managers;
- monitoring and evaluating the performance of individual senior managers;
- making recommendations regarding the award of performance-related pay based; on both the Trust’s performance and the performance of individuals; and
- advising on the proper calculation of termination payments.

The Committee is empowered to obtain independent advice as it considers necessary. At all times, it must have regard to the Trust’s performance and national arrangements for pay and terms of service for senior managers.

The Committee meets several times a year, to enable it to make its recommendations to the Board. It formally reports to the Board, explaining its recommendations and the basis for the decisions it makes.

The Committee’s membership includes all non-executive directors. The Chief Executive and other senior managers should not be present when the Committee meets to discuss their individual remuneration and terms of service but may attend by invitation from the Committee to discuss other staff’s terms. Accordingly, the Chief Executive and the Director of Workforce and Organisational Development attend the Committee when required.

Senior Managers’ Remuneration Policy

The remuneration package for senior managers consists of the following factors:

Item	Rationale
Salary	<p>The Trust strategy and business planning process sets the key business objectives of the Trust which are delivered by the senior managers. This success measure is one of the ways in which the senior managers’ performance is monitored.</p> <p>Trust senior managers’ remuneration is based on market rates and there is no automatic salary rises. To ensure that the pay and terms of service offered by the Trust are both reasonable and competitive, comparisons are made between the scale and scope of responsibilities of senior managers at the Trust and those of employees holding similar roles in other organisations. A report is prepared for the Executive Nominations and Remuneration Committee by the Director of Workforce and</p>

	<p>Organisational Development, which makes these comparisons between the Trust's remuneration rates for senior managers and market rates.</p> <p>Senior managers are paid spot level salaries rather than on an incremental scale and may collectively receive an annual uplift depending on the decisions taken by the Executive Nominations and Remuneration Committee.</p> <p>All senior managers' remuneration is subject to satisfactory performance of duties in line with their employment.</p> <p>There is no performance related pay so senior managers receive one hundred per cent of their salary subject to the relevant deductions.</p>
Taxable benefits	<p>The Executive Nominations and Remuneration Committee agree any taxable benefit. This forms part of the recruitment and retention of senior managers by ensuring that the Trust remains competitive.</p> <p>There is no maximum amount payable.</p>
Pension	<p>Standard pension arrangements are in place in 2016/17.</p> <p>This forms part of the recruitment and retention of senior managers by ensuring that the Trust remains competitive.</p> <p>There is no maximum amount payable.</p>
Bonus	<p>There is no bonus scheme for any senior manager in Torbay and South Devon NHS Foundation Trust. The maximum that could be paid is £nil.</p>
Other	<p>Individual items such as lease cars are not offered as part of a remuneration package. Board level directors may, however, put forward an individual request in respect of such items.</p> <p>The Executive Nominations and Remuneration Committee also takes note of the annual NHS cost of living increase when applicable.</p> <p>Senior managers' terms and conditions e.g. holidays, pensions, sick pay are in accordance with Agenda for Change terms and conditions.</p>

During the year ending 31 March 2018, four Executive Directors and senior managers were paid more than £142,500 as identified by the remuneration report (audited information) on page 43. The steps outlined above provides the Executive Nominations and Remuneration Committee with assurance that this remuneration is reasonable.

Remuneration is set in accordance with NHS Agenda for Change for all staff other than doctors and directors. Pay and conditions of service for doctors is agreed nationally.

Senior Manager's Objectives and Performance

Senior managers meet annually with the Chief Executive to agree core and individual performance objectives and subsequently meet with the Chief Executive monthly to discuss the progress that has been made towards the targets set. A formal interim progress review is held six months after the objectives were set, a final review of performance and achievement of objectives is held at the end of the year, when objectives for the following year are also discussed and agreed.

The Chief Executive's performance is appraised using the same system, but her performance objectives are agreed with and monitored by the Chairman. This process was designed to ensure that clearly defined and measurable performance objectives are agreed, and progress towards these objectives is regularly and openly monitored, both formally and informally.

Service Contracts

The Chief Executive, Interim Chief Executive, and most senior managers have permanent contracts of employment. The exception to this is the Medical Director, whose contract is for a fixed term three-year period, which started on 1 December 2015.

The Trust's current policy is to appoint with a requirement for six months' notice by either party.

There are no arrangements relating to termination payments other than the application of employment contract law.

The terms outlined above apply to the service contracts held by:

- Chief Executive;
- Chief Nurse;
- Medical Director;
- Director of Finance;
- Director of Strategy and Improvement;
- Chief Operating Officer; and
- Director of Workforce and Organisational Development.

Unless noted above, these officers have been in post throughout 2017/18.

No significant awards have been made to either present or past senior managers within 2017/18.

Chairman and Non-Executive Director Remuneration

Chairman and Non-executive Director (NED) remuneration is set by the Non-Executive Director Remuneration Committee as outlined on page 35. On page 32, it can be noted that the Chairman and NEDs receive spot level remuneration but can claim reasonable expenses as per other employees. The NEDs (excluding the Trust chairman), receive baseline remuneration currently set by governors as £13,000 with some NEDs receiving an additional one-off yearly allowance based on roles annually.

The remuneration package for the chairman and other non-executive directors is made up of:

Item	Rationale
Remuneration	£45,000 per annum for the non-executive Chairman, three days per week (no change from last year).
Remuneration	£13,000 per annum for all other non-executive directors, three days per month (no change from last year).
Remuneration	Additional uplift of £3,000 for the chair of the Audit and Assurance Committee (no change from last year).
Remuneration	Additional uplift of £1.5k given to the Senior Independent Director (SID*) (no change from last year).
Remuneration	Additional uplift of £1.5k given to the chair (NED) of Torbay Pharmaceuticals (no change from last year).
Remuneration	Additional uplift of £1k given to the Vice Chair (change from last year).

Item	Rationale
Expenses	Chairman and Non-executive Director mileage rates are aligned with latest guidance; 56p for the first 3,500 miles reducing to 20p per mile thereafter. All other expenses remain in line with Trust policy.
Other	In 2016/17 the Council of Governors agreed no overall uplift for inflation for the Chairman and non-executive directors. The subject has not since been revised.

Governors' Expenses

Governors may be reimbursed for legitimate expenses, incurred during their official duties, as governors of the Torbay and South Devon NHS Foundation Trust. The total amount of expenses claimed by 10 governors (12 in 2016-17) during the year was £2,117.43 (£2,743.87 in 2016/17).

Fair Pay Multiple

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid Director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid Director in Torbay and South Devon NHS Foundation Trust in the financial year 2017/18 was £170,000 - £175,000 (2016/17, £190,000 - £195,000). This was 6.5 times (2016/17, 8) the median remuneration of the workforce, which was £26,260 (2016/17, £24,299).

In both 2016/17 and in 2017/18, five employees received remuneration more than the highest-paid Director. Remuneration ranged from £15,404 to £509,227. In 2016/17, the range was £15,251 - £305,668.

Total remuneration includes salary and non-consolidated performance-related pay. It does not include benefits-in-kind, severance payments, employer pension contributions and cash equivalent transfer value of pensions.

The median calculation is based on the full-time equivalent staff of the Trust at the reporting period end date on an annualised basis.

Definition of 'Senior Managers'

The definition of 'senior managers' is 'those persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS Foundation Trust'. This includes the Chief Executive, Chairman, Executive and Non-executive Directors (voting or non-voting), and the Company Secretary. This definition covers all those who hold or have held office as Chair, Non-executive, Executive Director, or senior manager of the NHS Foundation Trust during the reporting year. It is irrelevant that:

- an individual was not substantively appointed (holding office is sufficient, irrespective of defects in appointment)'
- an individual's title as Director included a prefix such as 'interim, acting, temporary or alternate' or,
- an individual was engaged via a corporate body, such as an agency, and payments were made to that corporate body rather than to the individual directly.



Liz Davenport, Interim Chief Executive, 23 May 2018

Part IV – Staff Report

Staff Policies and Actions Applied During the Year

The Trust continues to be committed to providing an inclusive environment for our patients, staff, and visitors. We believe in providing equity in our services, in treating people fairly with respect and dignity and in valuing diversity both as a health and care services provider and as an employer.

The Diversity and Inclusion Policy sets out the responsibilities of the Trust, its staff, and those who use its services. The Trust actively promotes a culture that values difference and recognises that people from different backgrounds and experiences bring valuable knowledge and insights to the workplace and enhances the way we work. The Trust strives to be inclusive, where diversity is valued, respected, and embedded in all areas across the organisation. This will give us the ability to recruit and retain a diverse workforce that reflects the communities we serve. The Diversity and Inclusion Policy affords equal protection to those who access our services, ensuring people are involved in their care and its workforce, ensuring staff have fair and equal opportunity.

The Trust is committed to compliance with the Equality Act 2010, and as part of the subsequent Public-Sector Equality Duty, is dedicated to:

- Eliminating discrimination,
- promoting equality of opportunity,
- and fostering good relations.

All Trust policies continue to be subject to a Rapid or Full (E) Quality Impact Assessment which aims to tackle discrimination or disadvantage at the outset.

The Trust continues to be a Mindful Employer, supporting health and wellbeing at work. The Trust's Employability Policy supports those who may experience disadvantage to find sustainable employment through experience-based work placements. We support a range of people to develop their employability skills in a safe environment through our Work Experience programmes, traineeships, apprenticeships and eventually through securing employment.

We recognise that there may be times when staff experience episodes of poor wellbeing. For these staff we have policies in place to ensure they get the support and guidance and reasonable adjustments they need to assist them through this difficult time. We have an Employee Assistance Programme (EAP) which staff can access themselves for a variety of issues they may be concerned with. Optima Health is our Occupational Health provider.

For staff to feel valued and engaged, it is paramount that they are kept well informed. All staff have access to the Trust's internal communication system which incorporates the All Staff Bulletin, Executive Blogs, and forums where information and opportunities are shared. Staff can gain support from Freedom to Speak Up Guardians, Diversity and Inclusion Guardians and Acceptable Behaviour Advisors, where they can speak confidentially on matters that may concern them.

All Guardians and Advisors have undergone training pertinent to this role and will signpost staff to resolve the issue themselves or where they may obtain further support.

In addition to this resource The Trust has begun a new Coaching initiative. Coaching is one of the most cost-effective development investments that any organisation can make. One to one coaching helps individuals to enhance their own work practices. This, in turn, can vastly improve their personal and team performance. Coaching is for all staff and focusses on how you want things to be, what you need to achieve and how you are going to get there. The Coaching Collective is a

group of Staff who have had coaching skills training to be able to assist staff. The details are available on the staff ICON pages. This initiative is just about to celebrate its first year in practice.

Under the leadership of the Equality Business Forum, our Employee Network Groups, including the Disability Awareness and Action Group (DAAG), Lesbian, Gay, Bisexual and Transgender Group (LGBT) and the Black, Minority, Ethnic Group (BME), have an opportunity to affect positive change.

2017 National NHS Staff Survey

The annual survey seeks the views of staff about their job and working for the Trust and is one of the most widely used methods for measuring staff engagement. The results provide an indicator of how the Trust compares against similar Trusts nationally and how this has changed since last year.

Staff Engagement

The Trust recognises the importance of staff engagement as a core enabler to delivering our purpose and providing safe, high quality, person centred care. Research has shown a clear relationship between staff engagement and individual and organisational outcome measures, such as staff absenteeism and turnover, patient satisfaction and mortality; and safety measures, including infection rates. The more engaged staff members are, the better the outcomes for patients and the organisation generally. An overarching Staff Engagement and Communication Strategy has been developed to articulate how the Trust seeks to achieve and sustain high levels of staff engagement and is underpinned by a work programme and engagement toolkit.

A key component of the strategy is to continue to build the Employee Voice whereby staff views are regularly sought, listened to, and acted upon. Where staff feel able to speak out about concerns and identify opportunities for improvement. Where staff feel their views are considered when decisions are being discussed that affect them. The Trust has a range of opportunities for staff to share their views and to engage with the wider Trust agenda which include:

- Chief Executive and Chairman ‘what matters to you’ staff engagement sessions
- Senior Management ‘Back to the floor’ sessions
- Just Ask!’ noticeboard for staff to ask questions or raise issues with the executive team
- Staff Surveys including the Annual Staff Survey and quarterly Staff Friends and Family Test.
- Freedom to Speak Up Guardian network.
- Equality forums.
- Joint consultations/negotiations with the Trade Unions.
- All managers briefing.
- Weekly staff bulletin.

The 2017 staff survey findings demonstrate that despite a financially challenging year with significant organisational and service change, the Trust’s overall staff engagement score continues to be in line with the national average but is slightly below that achieved last year.

Staff Engagement	Trust 2016	Trust 2017	National average 2017
scale summary score from 1 to 5, where 1 represents poorly engaged and 5 represents highly engaged	3.87	3.80	3.78*

Analysis of Staff Costs (audited information)

The Trust is required to provide an analysis of average staff numbers, in categories defined in the NHS Information Centre's Occupational Code Manual. This analysis distinguishes between 'permanently employed' and 'other' staff.

The average number of employees is calculated as the whole time equivalent number of employees under contract of service in each week in the financial year, divided by the number of weeks in the financial year. The "contracted hours" method of calculating whole time equivalent number is used, that is, dividing the contracted hours of each employee by the standard working hours. Staff on outward secondment are not included in the average number of employees.

	2017-18			2016-17		
	Total	Permanently Employed	Other	Total	Permanently Employed	Other
	£000s	£000s	£000s	£000s	£000s	£000s
Salaries and wages	179,252	179,252	-	180,145	180,145	-
Social security costs	16,196	16,196	-	16,024	16,024	-
Apprenticeship levy	873	873	-	-	-	-
Employer's contributions to NHS pensions	21,920	21,920	-	21,575	21,575	-
Pension cost - other	42	42	-	21	21	-
Temporary staff	5,786		5,786	9,729		9,729
Total staff costs	224,069	218,283	5,786	227,494	217,765	9,729
Of which						
Costs capitalised as part of assets	880	880	-	1,485	1,485	-

The Trust incurred no costs in respect of other post-employment benefits, other employment benefits, or termination benefits, nor did the Trust recover any funds in respect of seconded staff.

The percentage of male and female employees within the Trust is 21.82% male and 78.18% female. The number of Board members as at 31 March 2018 was 16; 7 males (44%) and 9 females (60%).

Analysis of Worked Full Time Equivalents (FTEs) (audited information)

	2017-18			2016-17		
	Total Number	Permanently Employed	Other Number	Total Number	Permanently Employed Number	Other Number
Medical and dental	498	498	16	475	454	21
Administration and estates	1,367	1,367	2	1,402	1,398	4
Healthcare assistants and other support staff	821	821	5	987	977	10
Nursing, midwifery, and health visiting staff	1,498	1,498	25	1,590	1,529	61
Scientific, therapeutic, and technical staff	1,047	1,047	13	994	980	14
Social care staff	-	-	116	122	121	1
Total staff numbers	5,231	5,231	177	5,570	5,459	111
Of which number of employees (WTE) engaged on capital projects	22	22	-	37	37	-

Sickness Absence Figures for NHS 2014/15, 2015-16 and 2016-17

Year	12 Months Sickness	FTE	FTE Days Available	FTE Days Lost to Sickness Absence	Average Number of Days' Sickness Absence*
2015-16	3.98%	5,084	1,855,660	73,769	8.9
2016-17	4.37%	5,186	1,892,725	82,653	9.8
2017-18	4.09%	5,163	1,884,585	77,054	9.2
*per employee					

Source: NHS Digital - Sickness Absence and Workforce Publications - based on data from the Electronic Staff Record (ESR) Data Warehouse

- Period covered: January to December 2017.
- Data items: ESR does not hold details of the planned working/non-working days for employees so days lost and days available are reported based upon a 365-day year.
- The number of Full-Time Equivalent (FTE) days available has been taken directly from ESR. This has been converted to FTE years in the first column by dividing by 365.
- The number of FTE days lost to sickness absence has been taken directly from ESR. The adjusted FTE days lost has been calculated by multiplying by 225/365 to give the Cabinet Office measure.
- The average number of sick days per FTE has been estimated by dividing the FTE days by the FTE days lost and multiplying by 225/365 to give the Cabinet Office measure. This figure is replicated on returns by dividing the adjusted FTE days lost by Average FTE.

Staff Exit Packages Paid in Year (audited information)

The exit packages within the scope of this disclosure include, but are not limited to, those made under nationally-agreed arrangements or local arrangements for which Treasury approval was required.

	2017-18			2016-17		
Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
Less than £10,000	1	29	30	2	52	54
£10,001 - £25,000	3	9	12	2	24	26
£25,001 - 50,000	-	9	9	-	10	10
£50,001 - £100,000	-	4	4	-	5	5
£100,001 - £150,000	-	-	-	-	-	-
£150,001 - £200,000	-	-	-	-	-	-
Greater than £200,000	-	-	-	-	-	-
Total number of exit packages by type	4	51	55	4	91	95

	Cost of compulsory redundancies £000s	Total cost of other exit packages £000s	Total cost of exit packages £000s	Cost of compulsory redundancies £000s	Total cost of other exit packages £000s	Total cost of exit packages £000s
Compulsory redundancy	50	-	50	50	-	50
Contractual payments in lieu of notice	-	880	880	-	1,256	1,256
Exit packages following payments following employment tribunals or court orders	-	-	-	-	229	229
Total cost of exit packages	50	880	930	50	1,485	1,535

Diversity and Inclusion

Diversity and Inclusion is at the forefront of everything we do within the NHS. As a Trust we are committed to building an organisation that puts patients' and service users wishes at the centre and removing the barriers that hinder staff and prevent them working to their full potential. All staff are kept informed and are aware of the NHS constitution and the Organisational values. Staff can be assured that they will continue to be supported and valued to carry out their duties effectively, ensuring that everyone counts.

Equality Delivery System (EDS2)

The Equality Delivery System (EDS) is a governance framework which was mandated by NHS England in April 2015. The EDS is designed to support NHS organisations to meet the requirements of section 149 of the Equality Act 2010- the Public-Sector Equality Duty (PSED). The EDS provides a clear and robust framework, enabling NHS organisations to be transparent about their equality performance. The EDS was created to drive improvements, strengthen the accountability of services to the service users and bring about workplaces free from discrimination. EDS2 comprises of 18 goals, 9 Public focussed, and 9 Workforce focussed.

The Trust is required to produce specific and measurable equality objectives to maintain legal compliance. Equality objectives must be published every four years; however, the Trust can review the objectives annually. These objectives will be informed by the views gathered from any engagement events where our performance has been graded by staff or the public.

Workforce Disability Equality Standards (WDES)

The Trust is dedicated to equal opportunities for staff with disabilities. We participate in the two ticks positive about disabled people scheme. The Trust is also committed to providing reasonable adjustments for staff with disabilities as required by Equality Act 2010. We are committed to supporting all staff and will work within the reasonable adjustment framework. Disability equality is advanced through staff training and our disability awareness and action working group. In August 2018 we will see the WDES introduced to tackle any barriers that disabled staff may experience in the workplace.

Workforce Race Equality System

On 1st April 2015, NHS England launched the Workforce Race Equality Standard (WRES) to tackle barriers that Black and Minority Ethnic (BME) staff may face in the workplace. The standard aims to ensure that employees from BME backgrounds have equal access to career opportunities and receive fair treatment in the workplace. The data from 2017 survey is as follows:

			2017	Average for combined acute and community Trusts	2016
KF 25	Percentage of staff experiencing harassment, bullying or abuse from patients, relatives, or the public in the last 12 months	White	23%	26%	22%
		BME	25%	27%	28%
KF26	Percentage of staff experiencing harassment, bullying or abuse from staff in last 12 months	White	22%	23%	22%
		BME	26%	29%	17%
KF21	Percentage of staff believing that the organisation provides equal opportunities for career progression or promotion	White	84%	88%	88%
		BME	73%	73%	85%
Q17b	In the last 12 months have you personally experienced discrimination at work from manager/team leader or other colleagues	White	7%	6%	5%
		BME	17%	15%	12%

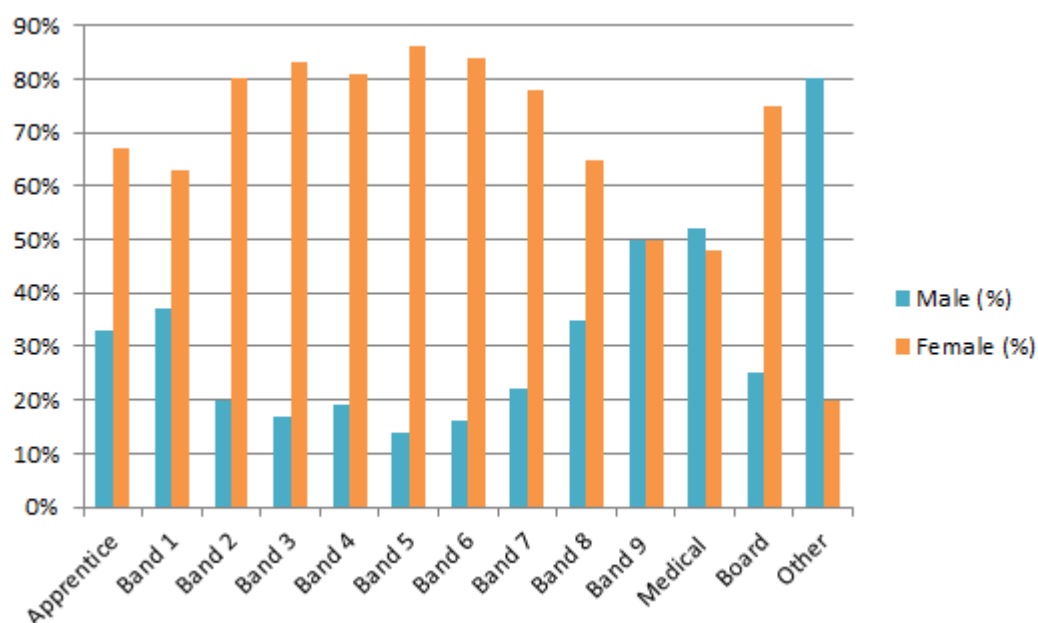
Gender pay differential

Gender pay reporting legislation requires employers with 250 or more employees from April 2017 to publish statutory calculations every year showing how large the pay gap is between their male and female employees.

Gender pay reporting is different to equal pay which deals with the pay differences between men and women who carry out the same jobs, similar jobs, or work of equal value. It is unlawful to pay people unequally because they are a man or a woman.

The gender pay gap shows the difference in the average pay between all men and women in a workforce. Generally, the average pay of women is lower than that of men and this tends to be because there are fewer women in senior high earning positions in organisations than men. Whilst a workforce may be predominantly female, if the most senior positions are taken up by men, the average pay of women in that organisation could well be lower.

The current gender split within the overall workforce is 74% female and 26% male. The breakdown of proportion of females and males in each banding is as follows:



Average gender pay gap

Average gender pay gap mean (All applicable staff)

	Male	Female	% difference
Mean hourly rate	£18.21	£14.46	20.58%

Average gender pay gap median (All applicable staff)

	Male	Female	% difference
Median hourly rate	£13.45	£12.62	6.18%

The overall percentage variance for the average hourly rate of pay as a mean average is low at 20.58%. This calculation is based on the average hourly rate of 4,923 female staff compared to 1,361 male staff; because the average is calculated over different numbers of staff (there are almost 4 times more female staff), some variance is to be expected.

The percentage variance for the median hourly rate of pay is just over 6%. This calculation is based on the average hourly rate at the mid-point for each gender group. This can be more indicative than the average hourly rate of pay as it is not impacted much by the female to male ratio.

However further investigation has shown that when Medical and Dental staff are removed from the calculations then the gender pay gap is in favour of female staff. It is the inclusion of our Consultant Body which shows to have a significant impact on the figures, as most of our senior consultants are predominantly male (142 male to 70 female consultants) and have a significant number of years seniority.

Modern Slavery Act 2015

The Modern Slavery Act 2015 established a duty for commercial organisations to prepare an annual slavery and human trafficking statement as shown on our Trust public website <http://www.torbayandsouthdevon.nhs.uk/uploads/slavery-and-human-trafficking-statement.pdf>.

This is a statement of the steps the organisation has taken during the financial year to ensure that slavery and human trafficking is not taking place in any of its supply chains or in any part of its own business.

An entity is a 'commercial organisation' for the purposes of the Act if it supplies goods and services and has an annual turnover in excess of £36 million (set out in The Modern Slavery Act 2015 (Transparency in Supply Chains) Regulations 2015). Additionally, it must be a body corporate or partnership which carries on a business, or part of a business, in any part of the United Kingdom.

The Employability Hub

As the largest employer in the area, this means that we must use the resources available to us for the benefit of the whole community, and ensure that nobody is excluded, discriminated against, or left behind. The Employability Hub does just that - as a vehicle for delivering the Employability Strategy, it utilises the benefits of a large employer to offer work placements/training to people within our community. Its aim is to develop and enhance their skills and confidence and as a result they are better equipped to find sustainable employment.

The hub offers a range of services including work experience for adults and young people (including Devon Studio School) and several extended placements and internships (Project Search). The Step Programme focuses on supporting people who often face discrimination/social exclusion. The Hub offers access to work placements to develop people's knowledge, skills, and experience. Those individuals who demonstrate their commitment to the Step Programme may be considered for a Traineeship or Apprenticeship. The Employability Hub was a finalist in the Health Education England Star Awards in 2016 for advancing innovation in the sector.

Part V – Governance Statements

NHS Foundation Trust Code of Governance

The Trust is a public benefit corporation and is required either to comply with the practices set out in the NHS Foundation Trust Code of Governance (the Code) or to explain what suitable alternative arrangements it has in place for the governance of the Trust.

Compliance with the Code

The Trust Board of Directors considers that it was fully compliant with the provisions of the NHS Foundation Trust Code of Governance by the end of the year or had otherwise appropriate arrangements for the governance of the Trust in place.

Trust Board of Directors

In accordance with the Code, Trust is led by the Board of Directors who have joint and several responsibility for the exercise of the powers of the Trust. Appointments to the Board both of Executive and Non-executive Directors in the reporting period meant that the Board was fully constituted. The Board does not consider that its performance or balance was significantly impacted during any period of interim arrangements.

The Trust Board of Directors of an NHS Foundation Trust is accountable for the stewardship and governance of the Trust, its services, resources, staff, and assets. The arrangements established by a Board must be compliant with the legal and regulatory framework, protect and serve the interests of stakeholders, specify standards of quality and performance, support the achievement of organisational objectives, monitor performance, and ensure an appropriate system of internal control. Directors are jointly and severally responsible for all the decisions of the Board.

Details of the constitution of the Board are given earlier in this report at: “The Trust Board of Directors The Directors are responsible for preparing of the Financial Statements in accordance with Department of Health and Social Care Group Accounting Manual and that the account give a true and fair view. The Directors consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS foundation trust’s performance, business model and strategy.

The Trust Board of Directors” on page 24.

NHS Improvement’s Single Oversight Framework

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

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

Based on information from these themes, providers are segmented from one to four, where 'four' reflects providers receiving the most support, and 'one' reflects providers with maximum autonomy.

A foundation Trust will only be in segments three or four where it has been found to be in breach or suspected breach of its licence.

For 2017/18 the Trust has been placed in segment two which attracts an offer of targeted support in response to concerns in relation to one or more of the five themes. The Trust continued with the suggested support in the first half of 2017/18 to help improve the Trust's financial sustainability and efficiency.

Use of Resources

In relation to the 'use of resources', the Trust is forecasting a rating of two against a plan of two for 2017/18 (on scale of 'one' to 'four', with a score of 'one' being the strongest).

In delivering this rating, the Trust in common with the sector, has seen underlying operational challenges, which has resulted in financial pressures which the Trust has made good progress in addressing. The Trust delivered £45.6m of recovery. However, £16.13m of this was non-recurrent in nature.

NHS Improvement as sector regulator set a control total of £4.58m for 2017/18. The Trust submitted a plan for 2017/18 based on a Risk Share Agreement Contract mechanism (with the main commissioners), delivering that control total and securing national Sustainability and Transformation Fund monies. To secure this the Trust needed to deliver a financial improvement of £40.2m.

In its result for the financial year ending 31 March 2018 excluding the impact of impairments and revaluations, bonus sustainability and transformation funding non-recurrent grants and winter pressure allocation, the Trust is reporting a £5.24m surplus as reflected in NHS Improvement's reporting requirements. This position is £0.66m ahead of NHS Control total. The position including technical accounting bonus sustainability and transformation funding non-recurrent grants and winter pressure allocation overall position is £16.69m.

The Trust had the opportunity to secure £5.83m of core Sustainability and Transformation Funding (STF) funding for 2017/18, which was dependent on the delivery of the financial plan and operational performance relating to urgent care waiting times in the Emergency Department and cancer throughout the year. The Trust was successful in securing £4.69m. In quarters 3 and 4 the Trust was unable to secure the operational performance element relating to the 4-hour performance standard as the levels of emergency demand were beyond capacity. Having over achieved the financial Control Total the Trust was allocated bonus Sustainability and Transformation Funding of £3.89m.

The sector has seen a challenging financial position, and the Trust has performed well financially to deliver the cost improvement target and secure the year end position. This level of financial challenge has meant that several performance metrics have deteriorated during the year, but the Trust has focused on patient safety during this challenging year.

Statement of Accounting Officer's Responsibilities

Statement of the Chief Executive's responsibilities as the Accounting Officer of Torbay and South Devon 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 Torbay and South Devon 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 of the 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 to:

- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements;
- ensure that the use of public funds complies with the relevant legislation, delegated authorities, and guidance; and
- prepare the financial statements on a going concern basis.

The Accounting Officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS Foundation Trust and to enable him/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.



Liz Davenport, Interim Chief Executive, 23 May 2018

Annual Governance Statement

Scope of Responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS Foundation Trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS Foundation Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Foundation Trust Accounting Officer Memorandum.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of the 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 the Trust for the year ended 31 March 2018 and up to the date of approval of the annual report and accounts.

Capacity to Handle Risk

The Board of Directors has delegated responsibility managing risk to the Chief Executive who deploys the Risk Group to oversee risk management activities across the Trust. Membership of the Risk Group includes three Executive Directors (chair is the Director of Finance who is also the designated Senior Information Risk Owner), Deputy Director of Nursing and representatives from Community Health and Social Care, Estates and Facilities Management; Information Management and Technology, Workforce and Finance and is supported by the Company Secretary, Risk Officer and Patient Safety Lead. In addition, the Executive Directors have in place a process whereby all significant risks to the achievement of service delivery unit and directorate objectives, NHS Improvement governance and compliance requirements and Care Quality Commission regulations are kept under review.

Service Delivery Unit managers are responsible and accountable to the Chief Operating Officer for the quality of the services they manage and to ensure that any identified risks are placed on the Service Delivery Unit risk register. All such risks are reviewed by the relevant Service Delivery Unit Board and any necessary escalation managed in accordance with the risk reporting process.

Directorate Managers are responsible and accountable to a Lead Director for the quality of the services that they manage and ensure that any identified risks are placed on the Directorate risk register. All such risks are reviewed by the relevant Directorate and any necessary escalation managed in accordance with the risk reporting process.

Service Delivery Unit and Directorate risk management activities are supported by a risk management training programme, usually delivered by the Risk Officer or the Risk Group, whose purpose is to provide a cross-organisational support network. Executives and Non-Executives are provided with risk management training on an individual basis or collectively at Board seminars.

The Trust continues to maximise its opportunity to learn from other Trusts (particularly those who achieve outstanding CQC ratings), internal / external audit and continuous feedback is sought internally on whether the systems and processes in place are fit for purpose.

The Risk and Control Framework

Risk is managed at all levels of the Trust and is co-ordinated through an integrated governance framework consisting of seven key groups that report on a regular basis to either the Quality Assurance Committee, Finance, Performance and Investment Committee or Audit and Assurance Committee. The seven key groups are: Safeguarding / Inclusion Group, Quality Improvement Group, Workforce and Organisational Development Group, Capital Infrastructure and Environment Group, Information Management and IT Group, Risk Group and Senior Business Management Group.

The Trust's risk management strategy provides an integrated framework for the identification and management of risks of all kinds, whether clinical, organisational, or financial and whether the impact is internal or external. This is supported by a Board Assurance Framework, which is used to record corporate objectives, risks to their achievement, key risk controls, sources of assurance and gaps in assurance to ensure effective risk management. At each Board of Directors meeting, papers are provided with a report summary sheet through which Directors identify links to one or more corporate objectives and one or more overarching corporate level risks / themes.

The assessment and subsequent management of risk is informed by its quantification using a risk grading matrix, which is set by the Board of Directors. Consequence and likelihood tables are outlined in the risk management policy. Across a range of domains, the consequence tables grade each risk by reference to its expected impact. This, combined with the likelihood score, defines a measure of overall risk. The Trust risk tolerance is defined as: 'the amount of risk the Trust is prepared to accept, tolerate or be exposed to at any point in time'. In setting a tolerance, it has been determined that any risks to the delivery of the organisation's objectives with a current risk score of 15 or above will be brought through the exception reporting process via the Executive Team and to the Trust Board of Directors if deemed to be a corporate level risk. Actions and timescale for resolution are agreed and monitored. Such risks are deemed to be acceptable by the Executive Team only when there are adequate control mechanisms in place and a decision has been made that the risk has been managed as far as is reasonably practicable. Risks scored below this level are managed by the relevant lead Director, service delivery unit or directorate.

The Risk Group receives reports on any risks which could impact on the Trust's strategic objectives; particularly those risks deemed to be 'major' or 'catastrophic' or which could escalate to these levels if action is not taken. The Risk Group also oversees the development of the Trust's long-term strategy and implementation of the risk management and assurance framework. A deep dive schedule was established during the year which ensures that significant risks (current risk score of 15) receives detailed scrutiny at the Risk Group, Audit

and Assurance Committee, Quality Assurance Committee or Finance, Performance, and Investment Committee meeting. Further information can be found within the Trust's Risk Management Policy.

Significant risks (any with a current risk score of 15 or more in accordance with the risk scoring matrix) will be reported to and considered by the Executive Team. If it is deemed that a risk is a 'corporate level' risk, it will be added to the Corporate Risk Register as described in the Trust's Risk Management Policy.

The Executive Team reviews the Corporate Risk Register following Risk Group meetings to ensure that:

- the risk has been appropriately assessed and recorded;
- actions plans/points are in place and leads identified and timescales for delivery; and
- the risk and actions points/plans are monitored to completion.

Appropriate risks are escalated to the Board Assurance Framework (BAF).

The Executive Team is also responsible for:

- ensuring that programme and operational risks are actively managed within their areas of the business;
- being owner and action owner of individual risks (including those delegated by the Chief Executive); and
- devising short, medium, and long-term strategies to tackle identified risk, including the production of any mitigating action plans.

The Audit and Assurance Committee has responsibility for the review of governance, risk management and internal control covering both clinical and non-clinical areas. The Committee reviews the establishment and maintenance of an effective system of integrated governance, risk management (including regular review of the Board Assurance Framework and internal control, across the whole of the organisation's activities (both clinical and non-clinical), that supports the achievement of the organisation's objectives. The Audit and Assurance Committee will request and review reports and positive assurances from directors and managers on the overall arrangements for governance, risk management and internal control. The Audit and Assurance Committee may review the findings of other significant assurance functions, both internal and external to the organisation, and consider the implications to the governance of the organisation and make recommendation to the Board of Directors where appropriate. Where the Audit and Assurance Committee feels that there is evidence of ultra vires transactions, evidence of improper acts or if there are other important matters that the Committee wishes to raise, the Chair of Audit and Assurance Committee will raise these at a full meeting of the Board of Directors and, if appropriate, exceptionally to NHS Improvement. After each meeting, the Chair of each Committee is required to provide a summary report to the Board of Directors addressing 'key issues' and any 'key decisions/recommendations'.

The Board of Directors evaluates the board assurance framework at least twice a year with any exceptions being reported at other times of the year, and the corporate level risks / themes are included on all Board papers in relation to the action being taken to manage these risks.

An example of where risk management is incorporated into core Trust business is in relation to the integrated Finance, Performance, Quality and Workforce Board report. The monthly report to the Board of Directors via the Finance, Performance and Investment Committee provides commentary on performance and on key variances and improvements. The report is created by the outcomes and actions from various meetings, for example, the Efficiency Delivery Group, Service Delivery Unit Quality and Performance Review meetings and Executive Team weekly meetings. A separate and detailed 'Performance and Quality Data Book' providing detailed assurance, predominantly in table and chart form, is also taken to the Finance, Performance, and Investment Committee monthly.

Another example is in relation to the quality report. The Trust identifies up to five quality improvements for the year, which have been developed through discussions with clinical teams, our commissioners, and the senior clinical and business leaders in our organisation. These priorities were then signed off by the Board for 2017/18 and are managed in accordance with our internal process. An external audit review is undertaken on the quality report during May each year resulting in an independent auditor's limited assurance opinion on the annual quality report that can be found at "Annual Quality Report (also referred to as Quality Account)" on page 74.

Locally, there is an opportunity for regular dialogue with our partners in the South Devon health and social care community: for example, through the Joint Executive meeting which involves South Devon and Torbay Clinical Commissioning Group, Torbay, and South Devon NHS Foundation Trust and both Torbay and Devon Councils.

Major Risks

Emergency Department and Urgent Care Services

The Care Quality Commission (CQC) Inspection in February 2016, reported in June 2016, raised serious concerns with the safety and quality of care in the Trust's urgent care pathway, rating both the Emergency Department and Medical Services as 'Inadequate'. The CQC re-inspected these services in May 2017, and their report received in June 2017 recognised improvements to rapid assessment, a new mental health assessment room, a new paediatrics department and a much-improved response to trust escalation, including input and actions from the whole system. They particularly highlighted the work being undertaken by the complex discharge team to identify and support discharges. The rating for both services was uplifted to 'Good' in the CQC's final report.

Performance against the four-hour standard achieved the agreed improvement trajectory during quarters 1 to 3 of 2017/18 but fell short of target in the final quarter.

The winter in 2017/18 highlighted system vulnerabilities to maintaining 4-hour performance although system safeguards did give assurance that patient care and safety was maintained. A suite of safety and quality metrics are the subject of regular reporting to the Board of Directors and key partners, providing assurance on the safety of services.

The principal risk is around system capacity to manage the increased winter demand and patient flow to maintain in-patient emergency admissions and timely discharge. The system response in 2017/18 was to open an escalation ward, increase capacity in domiciliary care and short-term placements, enhance medical assessment capacity and maintain system wide oversight to ensure effective escalation. Learning from this winter is included in 2018/19

plans and this will see continued service improvement over the year and specific actions taken to provide the additional winter capacity. This will include flexing staff seasonal capacity as well as changing the balance between elective and emergency capacity over the winter months.

Financial Sustainability

The Trust has seen a significant improvement in financial performance during 2017/18. In its result for the financial year ending 31 March 2017, the Trust reported a £12.23 million deficit; £10.99 million as reflected in NHS Improvement's reporting requirements. For the year to 31 March 2018, this improved to a £16.69 million surplus; £10.72 million as reflected in NHS Improvement's reporting requirements.

The Trust retains sufficient cash resources to secure service delivery, concluding the year with a £6.17m cash balance. In addition, the Trust retains its fully committed Working Capital Facility through the Independent Trust Financing Facility providing a further £11m of cash resources if required.

Plans for 2018/19 have been developed and approved through Board. These have been tested by a peer review process organised by the Devon STP. The CIP requirement for the coming year is £26.9m which, whilst less than that required in 2017/18 remains challenging. Whilst good progress is being made, plans are not yet fully in place. CIP delivery remains a risk and is reflected in the Corporate Risk Register. The Board has acknowledged that the Trust must continue to develop its planning and delivery models. In 2018/19 the Trust will implement a revised operational structure in which leadership groups, operating as 'self-managed teams' will, with greater freedoms and authority to act, lead delivery. An enhanced accountability framework and programme management office will support this model.

Despite this achievement, the potential failure to achieve the necessary level of financial improvement was reported and managed as a major risk throughout 2017/18 and will remain so in 2018/19. This reflects the scale of system wide savings required to deliver that position; the plan for the year describing a £42.1m efficiency requirement.

To support this process, the Trust:

- Renegotiated the Risk Share Agreement securing additional income from both health and social care commissioners;
- Delivered a major programme of community and acute hospital bed reconfiguration, closing 99 beds across the system;
- Implemented an enhanced Programme Management function, both supporting and providing assurance to the Board on delivery of the required savings programme; and
- With support from NHS Improvement in February and March 2017, the Trust benefited from the assistance of a Very Senior Manager to coach and mentor the Trust's managers in delivering service-based cost improvement plans. The trust retained his services to the end of September 2017.

Measures were taken to update and improve the Finance Report to the Finance, Performance and Investment Committee and Board in the early part of 2017/18. The report has been simplified, is based around key tables with short, clear bullet pointed narrative and provides

additional levels of information. Feedback from users of the report is that it has provided enhanced levels of assurance throughout the year.

CIP delivery remains a significant challenge and key risk on the Corporate Risk Register. The Board has acknowledged that the Trust must continue to develop its planning and delivery models. In 2018/19 the Trust will implement a revised operational structure in which leadership groups, operating as 'self-managed teams' will, with greater freedoms and authority to act, lead delivery. An enhanced accountability framework and programme management office will support this model.

Capital Funding

Reduced levels of EBITDA associated with challenged revenue performance in both 2016/17 and 2017/18, has significantly restricted the level of cash available for capital expenditure in recent years. The consequence is seen in an increased backlog in essential repairs and replacements across all areas of expenditure; estates, IM&T, and equipment. The ability to invest in developmental capital necessary to further develop the Trust's care model has, similarly been curtailed.

The Trust commissioned the District Valuation Office in 2017/2018 to provide an alternative assessment of the remaining economic lives of its specialised building and dwelling assets as it was evident that the depreciation charge the Trust had been applying in previous years was overstated. The impact of the re-living exercise has been to reduce depreciation by circa £2.4m in year. To ensure the accuracy of the depreciation continues to be maintained in future accounting periods, the Trust will commission the District Valuer to undertake annual revaluation reviews of the Trust's specialised buildings and dwellings. Further details of the re-living exercise are contained in the Trust's audited financial statements.

The capital risk facing the Trust is now so significant that it is no longer possible to contain capital spending within internally generated cash. In 2018/19 the Trust will seek to develop a range of financing options that will enable this risk to be addressed, including:

- A strategic estates partnership;
- Lease options;
- Bidding, largely through STP processes for PDC; and,
- Loan options.

This programme is the most significant priority for 2018/19.

During 2017/18 the Trust commissioned the District Valuation Office to provide an alternative assessment of the remaining economic lives of its specialised building and dwelling assets as it was evident that the depreciation charge the Trust had been applying in previous years was overstated. The impact of the re-living exercise has been to reduce depreciation by circa £2.4m in year. To ensure the accuracy of the depreciation continues to be maintained in future accounting periods, the Trust will commission the District Valuer to undertake annual revaluation reviews of the Trust's specialised buildings and dwellings. Further details of the re-living exercise are contained in the Trust's audited financial statements.

Cancer 62 Day Target

The Trust has not achieved the standard of 85%, with 83.1% of patients referred on an urgent referral treated within 62 days of referral. Despite not achieving the headline performance target, the overall waiting time for the treatment of patients has remained consistent with delivery of standard in 5 of the 12 months. Teams have continued to work effectively and escalate longest waits whilst managing operational capacity pressures with several new pathway improvements being made, including direct to test and increased imaging implemented during the year. The delivery of all cancer standards has remained a top priority and teams have ensured that despite operational pressures over the winter capacity for urgent pathways has been maintained. The challenges being faced are in relation to complex diagnostic pathways, capacity within skin and urology pathways and maintaining the 'two week wait' to initial clinical assessment.

Diagnostic Tests Waiting Over Six Weeks

Performance has not been maintained within the National standard of less than 1% of patients waiting over 6 weeks. Locally across the STP a tolerance of 4% has been agreed. Until the severe weather events at the end of February and March 2018, which led to large scale cancellation of activity, performance had been maintained within this tolerance. These cancellations contributed to the percentage of patients waiting over 6 weeks increasing to 8.9% at the end of March.

Referral to Treatment (RTT) 18 week waits and 52 week waits

RTT performance has deteriorated over the year but is now stable at 82%. This performance reflects a range of operational challenges with maintaining workforce and recruitment to posts along with the STP lead decision to restrict both outsourcing and internal 'waiting list initiative'. In 2018 / 19 the operation plan requires performance to be maintained at this level (82%) with improvement subject to funding being agreed above current risk share levels. The Trust operational plan includes actions to remove all 52 week waits by the end of the second quarter in 2018/19.

Care Quality Commission Inspection

A considerable amount of work has been undertaken to achieve compliance with all the requirements set by CQC following their inspection in February 2016 which assessed the Trust as 'Requires Improvement' and 'Outstanding' for caring.

As reported last year, of major concern was the CQC rating of the Trust's urgent care system as 'inadequate'. This immediately triggered an Executive-level response to escalate the pace and scale of plans already in place to improve safety, quality, and performance of care in the urgent care system. Over the following months these targeted action plans resulted in significant improvements and following an unannounced inspection of the urgent and emergency services in May 2017, the system received a rating of 'Good'. Medical care was also inspected in May 2017 and this also resulted in a rating of 'Good'.

The Trust received unannounced inspections of the following core services in February 2018:

- Community End of Life care services
- Community Children's services
- Acute End of Life care services

- Outpatient services
- Maternity services

Ongoing bi-monthly meetings are held with the CQC lead inspector. These meetings are to review actions identified at inspection and to discuss ongoing requirements and information received, such as recent incident reports or complaints.

A fully integrated CQC Assurance Group meets monthly. It is an opportunity to review any areas of concern and themes coming through from completed self-assessments, quality assessments and feedback from members. CQC action plans are reviewed, with a full discussion on progress with the actions at the CQC Assurance Group. Any concerns in meeting these actions are reported to the Quality Assurance Committee.

Throughout the year, major risks are escalated to the corporate risk register and board assurance framework which is regularly reviewed and managed by the Board of Directors, Audit and Assurance Committee and Risk Group.

The Trust also received a planned Well-led inspection on 6-8 March 2018. The final report published in the third week of May reflected the CQC's finding that the Trust achieved "outstanding" for caring and "good" for the Well-led assessment, with an overall position of "good."

Some of the strengths highlighted in the report include:

- a team of exceptionally strong and capable directors who are well-respected by staff and stakeholders
- despite significant financial pressures, the board retains a strong focus on quality
- a clear vision, which staff feel connected to
- delivery of an extremely challenging financial savings plan through strong leadership, strategy, and engagement
- staff in maternity regularly offer placements to paramedics
- maternity staff consistently provide compassionate support to women, and those close to them. Results in the CQC's maternity survey were better than most other trusts, and women felt fully involved in all aspects of their care
- in end of life, patients' needs were assessed, and care and treatment was delivered, in accordance with legislation, national standards and guidance. The service had access to mental health assessments 24 hours a day, seven days a week. Pain was well-controlled and healthy lifestyles were encouraged.
- in community children and young people, staff cared for patients with compassion. Emotional support was provided to patients to minimise distress, and aftercare support was provided for as long as was required. Patients and those close to them were involved with decisions affecting care and treatment.
- in outpatients, services were provided to meet the needs of the population and were integrated with the trust's plans for integrated care. There was good access to support for patients with dementia, learning disabilities or mental health conditions. Most cancer targets were performing better than the national average, and complaints were handled well.

Care Quality Commission Compliance Declaration

At 31 March 2087, the Foundation Trust remains fully compliant with all CQC registration requirements.

Assurance against the CQC requirements continues to be monitored and areas of non-compliance identified through the CQC Assurance Group and the seven groups that report to the Audit and Assurance Committee, Quality Assurance Committee or Finance, Performance, and Investment Committee where lead directors and supporting managers present their evidence/assurance throughout the year. This process is supported by the CQC Assurance system that collates service delivery unit/departmental self-assessments, which in turn provides the Trust with a dashboard showing areas of compliance, as well as areas for improvement across both acute and community health and social care.

Reviews of the Trust's practices, policies, procedures, assurance, monitoring systems and feedback mechanisms are conducted on a regular basis and following any never-event.

Compliance with NHS Pension Scheme Regulations

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. The Trust is committed to providing an inclusive and welcoming environment for our patients, clients, service users, carers, families, and staff and is working hard to mainstream diversity, inclusion, and human rights into our culture.

A range of control measures are in place to ensure that the organisation complies with its obligations under Equality, Diversity and Human Rights legislation. In 2016/17 the Trust enhanced its Freedom to Speak Up Guardian network through the appointment of two Equality and Diversity Guardians, in response to issues highlighted through the Workforce RACE Equality Standard (WRES) Survey for the Trust.

Performance is monitored via two core streams: The Joint Equalities Co-operative (for the public) which, reports to the Safeguarding/Inclusion Group and then Quality Assurance Group through to the Trust Board; and the Equality Business Forum (for staff) which reports through the Workforce and Organisational Development Group to the Trust Board.

The Trust Board of Directors receives bi-monthly reports on diversity and inclusion issues from the Chief Nurse (service user update) and the Director of Workforce and Organisational Development (workforce update). These include any updates or changes in national mandates together with any risks or challenges. An Annual Equalities Report is presented to the Board for ratification prior to publication. The primary aim of this report is to evidence compliance with the outcomes set out in the Equality Delivery System

Compliance with Climate Change Adaptation Reporting

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

The Trust has a carbon reduction plan in place and over the last two years will have met its obligations for reduction in tonnes of CO2 emissions by 13.6 per cent.

In line with the requirements related to climate change, robust business continuity plans including required adaptations are in place in the event of flooding and high temperatures. These are regularly updated and tested throughout the year.

Compliance with NHS Litigation Authority Requirements

The NHS Litigation Authority (NHSLA) forms an opinion based on the number of claims made and levels of payments. For NHS Foundation Trusts within the NHSLA clinical negligence scheme, all claims are recognised in the accounts of the NHSLA. Consequently, the NHS Foundation Trust will have no provision for clinical negligence claims. The NHSLA will provide a schedule showing the claims recognised in the books of the NHSLA on behalf of the NHS Foundation Trust. This will be disclosed at the foot of the main provisions table.

Compliance with Information Governance Requirements

Risks to information are managed and controlled by applying a robust assessment against the evidence collected as part of the national information governance toolkit return. During the period 1 April 2017 to 31 March 2018, the following breaches of confidentiality or data loss were recorded by the Trust which required further reporting to the Information Commissioner's Office and other statutory bodies.

Date of Incident	Nature of Incident	Summary of Incident	Outcome and Recommendations
01/06/2017	Breach of confidentiality	Ex-member of staff accessed the building, contacted IT service desk to reset email password and then accessed email. Forwarded several emails with patient identifiable information attached to a personal email address.	Incident was investigated over a prolonged period. Delays were at initial investigation stage and with the ICO, once the incident was reported to them. The response received from the ICO stated they planned not to take further action given; the time-lapsed, no complaints being received, the ex-staff member stating they did not hold the information, and the content of the emails sent. The Trust has reviewed its own internal processes and made changes.

Any other incidents recorded during 2017/18 were assessed as being of low or little significant risk. The Trust declared level two compliance against the Information Governance Toolkit requirements by 31 March 2018. A new action plan and process for evident collection will be created to deliver the required standard in the new 2018/19 Data

Security and Protection Toolkit and will be overseen by the Information Governance Steering Group which is chaired by the senior information risk owner (SIRO).

Serious Data Loss

The Trust is required under NHS Information Governance rules to publish details of serious untoward incidents involving data loss or confidentiality breach. The Trust reported one incident (one incident during 2016/17) regarding a data breach to the Information Commissioner during 2017/18. The conclusion of the Information Commissioner's Office (ICO) to its investigation of the incident was that there was no regulatory action required against the Trust, or the individual involved. Further information can be found on page 77.

Any other incidents recorded during 2017/18 were assessed as being of low or little significant risk. A significant Cyber Security incident occurred throughout the NHS network during 2017/18, the WannaCry Ransom ware attack; there was no impact to the Trust.

Annual Quality Report (also referred to as Quality Account)

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. The structure and format of the report is prescribed by the NHSE Quality Accounts Regulations (2017) and by the NHSI Quality Accounts reporting arrangements 2017/18. In addition, there are two detailed guidance documents:

- Detailed requirements for quality reports 17/18
- Detailed guidance for external assurance on quality reports 17/18

This year there have been two significant additions to the reporting requirements:

- New mandatory disclosure requirements relating to 'Learning from Deaths' to quality accounts from 2017/18 onwards
- Providers of acute services are asked to include a statement regarding how they are implementing the priority clinical standards for seven-day hospital services

Together these documents mandate the required content and how this should be presented. The quality report must contain (in the following order):

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

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

Part 3: Other information and two annexes:

- statements from NHS England or relevant clinical commissioning groups, local Healthwatch organisations, and overview and scrutiny committees
- a statement of directors' responsibilities for the quality report

The report must include an update on the priorities identified in the previous report and set out the priorities for the coming year with rationale and stakeholder / user involvement in the process.

Prior to the publication of the 2017/18 Quality Report, overseen by the Chief Nurse as lead Director, the Trust has shared this document with:

- Our Trust governors, commissioners, and Board of Directors;
- Healthwatch;
- Torbay Council Health Scrutiny Board;
- Devon County Council's Health and Wellbeing Scrutiny Committee;
- Trust staff; and,
- Carers Group.

As in previous years, the Trust continues to hold an annual Quality Report engagement event inviting key stakeholders to come together and recommend the priority areas to be included in this year's report.

The feedback from the event continues to be positive with stakeholders feeling engaged in the development of the Quality Report and receiving feedback from the work undertaken in the previous year.

Information that supports the quality report is subject to a system of internal control and validation. Clinical data such as mortality rates, hygiene standards and the early warning trigger tool are reported and, where appropriate challenged at board level.

In 2018/19 the Trust will continue to share progress against the quality improvement priorities and continue to work closely with the users of our services to improve the overall quality of care offered.

Review of Economy, Efficiency, Effectiveness, and Use of Resources

Directors are responsible for putting in place proper arrangements to secure economy, efficiency, and effectiveness in the Trust's use of resources. The Trust has established several processes to ensure the achievement of this. These include:

- Clear processes for setting, agreeing, and implementing strategic objectives based on the needs of the local population, reflecting the priorities of key partners and the Department of Health. This includes a clear strategy for patient, client, service users, carers, and public involvement as well as the Trust's 11,000 Foundation Trust public members, providing a key focus for our engagement work within South Devon. Established objectives are supported by quantifiable and measurable outcomes. Following their meeting in February 2017, governors have agreed to write a new Governor Strategy.
- Clear and effective arrangements for monitoring and reviewing performance which include a comprehensive and integrated performance dashboard used monthly in the performance management of health and social care services and reported to the Board of Directors. The Integrated Finance, Performance, Quality and Workforce Report details any variances in planned performance and key actions to resolve them plus the implementation in a timely fashion of any external recommendations for improvement e.g. external audit. There is also a performance management regime embedded throughout the Trust including weekly capacity review meetings, executive reviews of services, budget review (undertaken monthly) and regular work

to ensure data quality. An internal audit review of governance was undertaken during the year and reported to the Audit and Assurance Committee and Board of Directors.

- Appropriate Committees consider reports of external regulators and bodies, with improvement action plans developed and their implementation monitored where and as necessary.
- Through the Finance, Performance and Investment Committee, the Trust has arrangements for planning and managing financial and other resources in place. These are encompassed in the Scheme of Delegation and the Standing Financial Instructions which receive regular audit review.
- The Trust uses Dr Foster and other benchmarking tools such as the NHS Carter productivity metrics to demonstrate the delivery of value for money. The Trust continues to develop its reference cost reporting data to ensure services are being provided as efficiently as possible. For procurement of non-pay related items, the Trust has a clear procurement strategy and collaborates with other NHS bodies to maximise value through the NHS South West Peninsular Procurement Alliance.

Review of Effectiveness of the System of Internal Control

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the quality report attached to this Annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit and Assurance Committee, the Quality Assurance Committee, the Finance, Performance, and Investment Committee, the Executive, and the Risk Group and a review of governance is currently under way to ensure we carry forward our high standards of internal control and risk management into the restructured Trust arrangements in the future.

I am pleased to receive a Head of Internal Audit Opinion that confirms that significant assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently.

Conclusion

No significant internal control issues have been identified, but a review of corporate governance is being conducted to ensure we provided the most supportive structure for the planned restructuring of management provisions in 2018/19.



Liz Davenport, Interim Chief Executive, 23 May 2018

Appendix A – Biographies of Members of the Trust Board of Directors

<p><i>Richard Ibbotson – Chairman</i></p> <p>Resident: Plymouth</p> <p>Appointed: June 2014</p> <p>Reappointed: April 2017 to May 2020</p> <p>Notice: One month</p>	<p>Sir Richard Ibbotson was appointed Chair of the Trust in June 2014 shortly after retiring as an Admiral in the Royal Navy. His naval career included periods as Commodore of Britannia Royal Naval College, Commander British Forces Falkland Islands and, most recently, Deputy Commander-in-Chief Fleet (effectively Chief Operating Officer of the Royal Navy and Royal Marines).</p> <p>As well as being knighted for his services, Sir Richard is a Companion of the Most Honourable Order of the Bath and holds the Distinguished Service Cross and the NATO meritorious service medal. He also holds other public roles, notably as a Deputy Lord Lieutenant for Devon.</p> <p>Sir Richard has been a Governor of Plymouth University and Chairman of the Royal Navy Royal Marines Charity and was a Member of the Armed Forces Pay Review Body.</p>
<p><i>Liz Davenport – Interim Chief Executive (as of February 2018)</i></p> <p>Chief Operating Officer and Deputy Chief Executive (from April 2017),</p> <p>Appointed: September 2014</p> <p>Notice: Six Months</p>	<p>Liz has been the Trust’s Interim Chief Executive since February 2018. Prior to this, Liz was Interim Chief Operating Officer from September 2014 until appointed to the substantive post in January 2015. Liz came to the Trust with a wealth of experience, having worked at Devon Partnership Trust (a mental health and learning disability Trust) since 2001, including four years as a Locality Director, five years as Director of Workforce and Organisational Development, and four years as Director of Operations. Alongside this role, Liz was Deputy Chief Executive from April 2013 and was acting Chief Executive for a time until a substantive appointment was made.</p> <p>Prior to moving to Devon in 2001, Liz worked for five organisations that provided mental health and learning disability services and held several professional leaderships, team management and clinical roles as an Occupational Therapist, including Professional Lead for Occupational Therapy at Devon Partnership Trust.</p>
<p><i>Mairead McAlinden – Chief Executive (in absentia)</i></p> <p>Appointed: April 2015</p> <p>Notice: Six months</p> <p>On unpaid leave from 26 February 2018</p>	<p>For family reasons, Mairead McAlinden has been on voluntary unpaid leave since 26 February 2018. Liz Davenport is the Accountable Officer in Mairead’s absence.</p> <p>Mairead McAlinden joined South Devon Healthcare Foundation Trust as Chief Executive in April 2015. She was appointed to lead the Trust as it prepared to integrate with Torbay and Southern Devon Health and Care NHS Trust to form an integrated care organisation providing community and acute healthcare as well as adult social care.</p> <p>Mairead has worked in a range of health and social care posts since 1992. Prior to coming to Devon her last five years were spent as Chief Executive of Southern Health and Social Care Trust in Northern Ireland, with an income of £550 million and 13,000 staff serving a population of around 400,000. Her previous role within the Trust was as Deputy Chief Executive/Director of Performance and Reform, and part of the leadership team that managed the integration of four Trusts into the new Trust in 2007.</p> <p>Before this Mairead was the Regional Director of Integrated Care and Treatment Services (2006) in the Department of Health and Social Services in Northern Ireland and Director of Planning and Performance (2002 to 2006) for the service commissioning organisation for the Southern area of Northern Ireland.</p>

<p><i>Charlie Helps FRSA – Interim Company Secretary</i></p> <p>Appointed: 22 January 2018</p> <p>Notice: One month</p>	<p>Charlie joined the Trust as Interim Company Secretary on 22 January 2018 with agreed short-term objectives including: completing year-end reports and returns, reviewing governance arrangements, advising on future provisions, and providing advice on various commercial matters.</p> <p>He is an independent leadership and governance professional and an experienced director, company secretary, and coach. He has provided advice, support, training, and coaching to boards of directors and senior teams across industries and has a keen interest on stewardship and leadership in the Boardroom, and how it affects corporate culture and stakeholder value.</p> <p>His recent undertakings include a coach-led, company-wide culture and governance change programme for a major Swedish construction company listed on the NASDAQ Stockholm; Senior Adviser in governance at a well-known international law firm; and PhD tutor for the Doctor of Business Administration (DBA) course at the University of Northampton Business School. Charlie is a co-editor of ‘Foundations of Good Governance: A Compendium of Best Practice’ published by NHS Providers.</p> <p>Charlie is a member of the advisory board of the UK Social Value Portal and a member of the Advisory Board of Women in Marketing, a charity established to further the career and life aspirations of women and minority groups in the marketing industry. He is a member of the Tutu Foundation UK Health Advisory Board, and a Trustee of the Cambridge Innovation (Multi Academy) Trust.</p>
<p><i>David Allen OBE – Non-executive Director</i></p> <p>Resident: Newton Abbot</p> <p>Appointed: March 2012</p> <p>Reappointed: February 2015</p> <p>Notice: One month</p> <p>Ceased as NED 30 November 2017</p>	<p>David Allen OBE has been a Non-executive Director for the Trust since 2012 and was Acting Chair from February 2014 to May 2014. He spent 37 years in higher education and retired as Registrar and Deputy Chief Executive of the University of Exeter in 2013.</p> <p>David held similar appointments with the universities of Southampton, Nottingham, and Birmingham. He is a former principal consultant with Perrett Laver, an executive search firm, and is currently Chair of the Higher Education Funding Council for Wales, Chair of Torbay Pharmaceuticals and Chair-elect of Exeter College. He is a former Board member of the Heart of the South West local enterprise partnership and was awarded an OBE for services to higher education in the 2012 New Year Honours List.</p>

<p><i>Jacqui Lyttle – Senior Independent Director</i></p> <p>Resident: Torquay</p> <p>Appointed: October 2014</p> <p>Reappointed: April 2017 until September 2020</p> <p>Notice: One month</p>	<p>Jacqui Lyttle joined the Board as a Non-executive Director in October 2014 having spent over 20 years working in the NHS at very senior manager and executive board level before establishing her own healthcare consultancy in 2008. She has a genuine passion for improving care for patients and speaks both nationally and internationally on service improvement, commissioning for outcomes and the management of change within healthcare.</p> <p>Jacqui has an interest in the management of pain and is an executive member of the Chronic Pain Policy Coalition a standing committee of an all Parliamentary Party Advisory Group and member of the Societal Impact of Pain Platform, which reports into the European Parliament. Other areas of interest include rheumatology, dermatology, endocrinology, and respiratory medicine, with Jacqui working extensively in these areas across the UK.</p> <p>Jacqui continues to work actively within the NHS, being a director of a small specialist provider organisation to NHS England, and as executive commissioning advisor to two Clinical Commissioning Groups, the Royal College of General Practitioners (Pain faculty), The Dystonia Society, and Crohns and Colitis UK.</p> <p>She is an advisor to several professional bodies including the British Society for Rheumatology and the British Association of Dermatology. She is also a member of the NHS Masterclass faculty for Health Education England. Jacqui is chair of AGE UK Torbay.</p>
<p><i>Jacqui Marshall – Non-executive Director</i></p> <p>Resident: Newton Abbot</p> <p>Appointed: March 2016</p> <p>Reappointed: Can be considered for re-appointment in 2019</p> <p>Notice: One month</p>	<p>Jacqui Marshall joined the Trust as Non-executive Director in April 2016. Jacqui is an experienced Human Resources and Organisational Development Director who is comfortable operating in a large complex public service organisation. Jacqui's current role is Deputy Registrar and HR Director at the University of Exeter. She also brings board experience as a Trustee of a charity and board level experience within Whitehall.</p> <p>An organisational change specialist with merger, transformation, and cultural change expertise she has direct and relevant experience to bring. Jacqui's role as Trustee at Young Bristol has helped her to understand the role of a Non-executive Director; contributing to strategy, governance, and risk in addition to supporting the executive, but not interfering with day to day operations. A senior civil servant by training, Jacqui is politically astute and an adept influencer in complex environments.</p> <p>Her Ministry of Defence (MOD) roles have a large organisational and development/ transformation component, leading to new ways of working and streamlining services. She also led the people aspects of merger of the two large MOD organisations; Defence Logistics Organisation and Defence Procurement Agency.</p>

<p><i>Vikki Matthews – Non-executive Director</i></p> <p>Resident: Kingsbridge</p> <p>Appointed: December 2017</p> <p>Reappointed: Can be considered for re-appointment in 2020</p> <p>Notice: One month</p>	<p>Vikki Matthews joined the Trust as Non-executive Director in December 2017. She is the owner of a strategic consulting and executive coaching business and lectures in the areas of HR and leadership.</p> <p>Prior to this, Vikki was the Chief Talent Officer for Plymouth University and before that, she held several Global and EMEA-wide Director level roles for Nike based in Holland and the USA.</p> <p>Vikki is the Chair of a Multi Academy Trust based in Plymouth and is the Company Secretary for a small education charity in Brighton.</p>
<p><i>Paul Richards – Non-executive Director</i></p> <p>Resident: Newton Abbot</p> <p>Appointed: November 2017</p> <p>Reappointed: Can be considered for re-appointment in 2020</p> <p>Notice: One month</p>	<p>Paul Richards joined the Board as a Non-executive Director in November 2017. In the early part of his career he spent many years working in the NHS at senior manager and board level leading healthcare computing and contracting, information and medical records functions.</p> <p>Since Paul moved to the commercial sector he has lead healthcare information technology systems businesses and went on to work internationally within some of the world's leading organisations at the forefront of digital transformation in the healthcare industry. Paul has extensive experience of running large health and social care integration programmes and a variety of industry leading Health and Social Care Information Technology companies providing clinical systems and Electronic Patient Record systems to health and social care providers world-wide.</p> <p>Paul has a passion for improving and connecting health and social care to improve services to patients and ensure high quality outcomes. He continues to have a variety of business interests amongst them a local visitor attraction and conservation programme which aims to protect wildlife and provide wildlife education to visitors.</p>
<p><i>Robin Sutton – Non-executive Director</i></p> <p>Resident: Newton Abbot</p> <p>Appointed: May 2016</p> <p>Reappointed: can be considered for re-appointment in 2019</p> <p>Notice: One month</p>	<p>Robin Sutton joined the Trust as Non-executive Director in May 2016. Robin is a chartered accountant with over thirty years of financial experience gained at a senior level for both private and public enterprises in both executive and Non-executive Director roles. Robin has previously held Non-executive Director and senior positions at several multi-national organisations including Sifam, Fianium Holdings, CompAir Holman and Rolls-Royce PLC.</p> <p>Robin's interest in healthcare stems from a variety of different factors, ranging from consulting for Lowell General Hospital in Massachusetts through to working with Novartis in developing ultrafast fibre laser technology for eye surgery. He has also been heavily involved with care services and social care covering a spectrum of services from meals on wheels, day care, supported living and residential care.</p> <p>Robin has also enjoyed completing an Innovating in Healthcare program with Harvard University with a team of like-minded people looking at smart phone applications in the field of dementia.</p>

<p><i>Sally Taylor – Vice chair, and chair of the Audit and Assurance Committee</i></p> <p>Resident: Modbury</p> <p>Appointed: January 2013</p> <p>Reappointed: Can be considered for re-appointment in January 2019</p> <p>Notice: One month</p>	<p>Sally Taylor joined the Board in January 2013. She was the Chief Executive of St Luke's Hospice in Plymouth from 1994 to 2016. St Luke's delivers specialist palliative care, including advice and support to other professionals, for patients in Derriford, at home and in the hospice in-patient unit. Prior to that she spent nine years as a Chartered Accountant with PricewaterhouseCoopers (PwC) in London, specialising in corporate finance for small and growing businesses. She has been Trustee/ treasurer/chairman of several charities including Hospice UK (the national membership body for hospices), the Harbour Centre drug and alcohol advisory service and the Barbican Theatre in Plymouth.</p> <p>Sally is a Non-executive Director of Pluss and a facilitator for the Windsor Leadership Trust.</p>
<p><i>Jon Welch – Non-executive Director</i></p> <p>Resident: Brixham</p> <p>Appointed: October 2015</p> <p>Reappointed: Can be considered for re-appointment before October 2018</p> <p>Notice: One month</p>	<p>Jon Welch joined the Board of Torbay and Southern Devon Health and Care NHS Trust in 2006 (then known as Torbay Care Trust) and had corporate responsibility for both community health and for adult social care provision.</p> <p>He played a key part in ensuring that the Trust achieved both financial and operational targets, initially as Audit Committee Chair and then as Non-executive Director responsible for governance.</p> <p>Jon comes from a Royal Navy background, with his last appointment before he retired being Head of Research and Technology for NATO Transformation Command in the USA. He received a letter of appreciation and commendation from the NATO Secretary General following his successful formation of a new department with high level NATO interest. He was also honoured with the Legion of Merit by the US President; the highest award the USA can give to a foreign national.</p>
<p><i>Paul Cooper – Director of Finance</i></p> <p>Appointed: July 2010</p> <p>Notice: Six months</p>	<p>Paul Cooper qualified as a chartered accountant with KPMG before joining the NHS in 1992. He has undertaken a wide variety of financial management roles in health authority, primary care Trusts and provider organisations, all within the South and West Devon area.</p> <p>Paul joined the Trust in July 2010, from his previous post at Plymouth Hospitals NHS Trust. As well as leading on all aspects of financial management, Paul has a wealth of experience in contracting, performance and information management and is committed to integrating these disciplines, delivering comprehensive business support to clinical teams as they steer their services through what are challenging times for the NHS.</p> <p>Paul is an active member of the Healthcare Financial Management Association. He was deputy chief executive until 31 March 2017.</p>

<p><i>Lesley Darke – Director of Facilities, Estates, and Commercial Development</i></p> <p>Appointed: July 2012 Notice: Six months</p>	<p>Lesley Darke began her career as a nurse, training at Guy’s Hospital London and in cardiothoracic medicine at the Royal Brompton. She has held a variety of senior nursing and management posts in a variety of provider organisations and a health authority including director of planning, deputy and interim chief operating officer and director of estates, facilities, and site services.</p> <p>She has a master’s degree in business administration. Lesley is experienced in planning and delivering estates, support, and commercial services. She retains her nursing values and is passionately committed to ensuring estates and facilities management services support quality care and are person-centred. She is extremely proud to be the ‘champion of the patient environment’.</p>
<p><i>Rob Dyer – Medical Director</i></p> <p>Appointed: December 2015 2.5 years unexpired term Notice: Six months</p>	<p>Prior to becoming Medical Director, Rob was a Consultant Physician and Endocrinologist. He trained in Birmingham and Newcastle and has been a consultant since 1994, first in Northumberland and Newcastle, and from 1998 at Torbay Hospital. His clinical specialisms were in diabetes, endocrinology, and thyroid problems.</p> <p>Rob also held the position of Associate Medical Director for Long Term Conditions and Transformation, acting as clinical lead for the formation of the Integrated Care Organisation. He has a long-standing interest in integrated care models, patient self-management and prevention in long term conditions.</p> <p>He has had a range of appointments in educational roles through his career and is currently the Lead Medical Director for Devon STP.</p>
<p><i>Judy Falcão – Director of Workforce and Organisational Development</i></p> <p>Appointed: August 2016 Notice: Six months</p>	<p>Judy is responsible for workforce and organisational development, including the leadership and management development programme.</p> <p>Prior to joining the Trust Judy was the Director of Workforce and Organisational Development at Poole Hospital NHS Foundation Trust. She has held several Executive Director roles across the NHS including Acute, Mental Health, Health Authority, and the Ambulance Service.</p>
<p><i>Jane Viner – Chief Nurse</i></p> <p>Appointed: July 2013 Notice: Six months</p>	<p>Jane Viner qualified as a nurse in 1985 and specialised in critical care and emergency medicine where she held a wide range of clinical, management and education roles. She has held various posts in the South West since 2001, including Nurse Consultant and Associate Director of Nursing at SDHFT, Deputy Director of Nursing at RD&E, and Director of Nursing and Professional Practice and Deputy Chief Executive.</p> <p>Jane joined this Trust in April 2013 and leads on several objectives including quality, professional practice, patient experience, safeguarding, infection prevention and control, clinical governance.</p> <p>Jane recently completed a NICE Fellowship and is an Associate Professor at Exeter and Plymouth Universities.</p>

<p><i>Ann Wagner – Director of Strategy and Improvement</i></p> <p>Appointed: February 2016</p> <p>Notice: Six months</p>	<p>Ann Wagner joined the Trust in February 2016 to the new post of Director of Strategy and Improvement. Her portfolio includes strategy and partnerships, planning and performance, communications, quality improvement and transformation and the Health Informatics Service.</p> <p>She has over 20 years NHS Board experience having held a variety of Board level roles including most recently Director of Strategy and Business Development at Airedale NHS Foundation Trust (Yorkshire) where she led the successful Foundation Trust application and expanded the Trust’s innovative Telemedicine service offer to become a national market leader and basis of a successful Care Home Vanguard and innovative End of Life Gold Line.</p> <p>Prior to joining the Board at Airedale, Ann held several Executive roles including Director of Service Improvement and Director of Performance at West Yorkshire Strategic Health Authority; National Programme Director for the Department of Health’s Integrated Service Improvement Programme; Programme Director for the West Yorkshire Choice Pilot and Director of Performance Management at Bradford Health Authority. Prior to joining the NHS, Ann worked in the private sector as a public relations consultant managing a range of business to business accounts; and before that worked in Local Authorities in the North of England in several marketing related and corporate governance roles.</p>
<p><i>John Harrison – Interim Chief Operating Officer</i></p> <p>Appointed: January 2018</p> <p>Notice: Three months</p>	<p>John Harrison joined Torbay and South Devon NHS FT in February 2012. In January 2018, John took on the operations portfolio as Interim Chief Operating Officer from his previous role as Deputy COO.</p> <p>Prior to joining the Trust John was Director of the Peninsula Cancer Network and led the process across Devon and Cornwall to secure services changes necessary to deliver the NHS Cancer Plan improvements. John has 21 years of healthcare experience and was previously Director of Commissioning for Plymouth Primary Care Trust having run GP Fundholding for the previous Health Authority.</p>

Appendix B – Further Information and Contact Details

To see our annual reports and accounts

You can look on our website at www.torbayandsouthdevon.nhs.uk or request a copy by writing to the Foundation Trust office, Hengrave House, Torbay Hospital, Torquay TQ2 7AA. Large print or other formats available on request.

To obtain other information about the Trust's work, such as our Council of Governors and Board of Directors meeting agendas and minutes, our public website is at www.torbayandsouthdevon.nhs.uk and tells you about additional information available under the Freedom of Information Act.

For information not available on our public website

- contact the Freedom of Information office at Torbay Hospital on 01803 654868 or email tsdft.foi@nhs.net

To hear more

You can attend any meetings that the Trust holds in public, including the Council of Governors and the Board of Directors which each meet several times a year. This is an opportunity for the public members of the NHS Foundation Trust or any member of the public to attend as an observer. Members are especially welcome to attend the annual members meeting of the Council of Governors which takes place in September.

- Contact: Foundation Trust office on 01803 655705 or email foundationTrust.tsdft@nhs.net

To tell us what you think

About this annual report or our forward plans.

- Contact: Communications Officer on 01803 217398 or email communications.tsdft@nhs.net

To help us to improve our services

There are opportunities offered through our NHS Foundation Trust membership, patient involvement, our League of Friends or through donations. Contact:

- Foundation Trust office: 01803 655705, email foundationTrust.tsdft@nhs.net
- Patient Services Support Officer on 01803 654842
- League of Friends, on 01803 654520, www.lof.co.uk
- Torbay and South Devon NHS Charitable Fund (Registered Charity No. 1052232) c/o the Charitable Funds Manager, Regent House, Regent Close, Torquay TQ2 7AN.

The NHS across South Devon benefits enormously from the work of hundreds of volunteers, giving practical support or fundraising. If you are interested in joining our volunteers, we would welcome your enquiry. Sincere thanks to the hundreds of volunteers who support Torbay Hospital.

- Contact: Voluntary Services Coordinator, based at Bay House, on 01803 210500.

To complain, seek advice or information about aspects of your care our Patient Advice and Liaison Service (PALS) may be able to assist.

- Contact: Telephone: 01803 655838 | Free phone: 0800 028 20 37 | Email: tsdft.feedback@nhs.net

To access your health records

An application form can be obtained for records held by Torbay and South Devon NHS Foundation Trust. You may be charged a fee.

- Contact: Data Protection Office on 01803 654868 or email dataprotection.tsdft@nhs.net

To find out about joining our staff

As a recruit or returning to work after a break.

- Contact: Recruitment on 01803 654120

For work experience placements

- Contact: 01803 656683. Email: sdhct.workexperience@nhs.net

To find out about South Devon Healthcare Arts

This scheme is supported by staff volunteering their time and by charitable funds generated from the proceeds of sales from art exhibitions staged in The Gallery, Torbay Hospital. The aim is to enhance the health and social care environment.

- Contact: South Devon Healthcare Arts on 01803 656908.

For general health queries

- Contact NHS advice by telephone on 111

Appendix C – Annual Accounts 2017/18

Torbay and South Devon NHS Foundation Trust

Annual accounts for the year ended 31 March 2018

Foreword to the accounts

These accounts, for the year ended 31 March 2018, have been prepared by Torbay and South Devon NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.

Signed



Name Liz Davenport
Job title Interim Chief Executive
Date 23 May 2018

Independent auditors' report to the Council of Governors of Torbay and South Devon NHS Foundation Trust

Report on the audit of the financial statements

Opinion

In our opinion, Torbay and South Devon NHS Foundation Trust's Group and Trust financial statements:

- give a true and fair view of the state of the Group and Trust's affairs as at 31 March 2018 and of the Group and Trust's income and expenditure and cash flows for the year then ended;
- have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2017/18.

We have audited the financial statements, included within the Annual Report and Accounts 2017/2018 (the "Annual Report"), which comprise: the Group and Trust's Statement of Financial Position as at 31 March 2018; the Group Statement of Comprehensive Income for the year then ended; the Group and Trust's Statement of Cash flows for the year then ended; the Group and Trust's Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the National Health Service Act 2006, the Code of Audit Practice and relevant guidance issued by the National Audit Office on behalf of the Comptroller and Auditor General (the "Code of Audit Practice"), International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Context

Our audit for the year ended 31 March 2018 was planned and executed having regard to the fact that the Group and Trust's operations and financial stability were largely unchanged in nature from the previous year. In light of this, our approach to the audit in terms of scoping and areas of focus was unchanged.

Overview



- Overall materiality: £8,550,000, which represents 2 % of total revenue.
 - In establishing our overall approach, we assessed the risks of material misstatement and applied our professional judgement to determine the extent of testing required over each balance in the financial statements.
 - Risk of fraud in revenue and expenditure recognition
 - Revaluation of land and buildings
-

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the 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) identified by the auditors, 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, and any comments we make on the results of our procedures thereon, 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. This is not a complete list of all risks identified by our audit.

Key audit matter

How our audit addressed the Key audit matter

Risk of fraud in revenue and expenditure recognition – Trust

See note 1 to the financial statements for the directors' disclosures of the related accounting policies, judgements and estimates relating to the recognition of revenue and expenditure and notes 3 to 5 for further information.

There continues to be financial challenges in the NHS as demand outstrips funding available. There is increased scrutiny on financial performance as the Trust begins to deliver the benefits associated with the Integrated Care Organisation.

The Trust agreed a control of £4.7m surplus with NHS Improvement. The Trust was required to achieve their quarterly control total targets to receive Sustainability and Transformation Fund income which is paid in quarterly instalments.

The Trust receives the majority of its income from local commissioners and the local authority for the services it provides. The majority of contracts are block contracts, which is a fixed agreed amount paid for the year. Other sources of income are variable and based on activity or variations agreed during the year. These variable elements pose the greatest risk and where we focus our work.

Within these contracts, there are variable performance measures, including penalties, which are dependent on the delivery of activity. The Trust has a risk share agreement in place with the Clinical Commissioning Group which a 50% of variance against plan will be received by, or payable to the counterparties.

We determined the risks to be:

- inappropriate recognition of revenue from 2018/19 to 2017/18 in order to improve the current year position;
- inappropriate deferral of expenditure during 2017/18 to achieve quarterly control totals necessary for STF funding;
- inappropriate recognition of revenue where the performance obligation has not occurred; and
- deferral of expenditure from 2017/18 to 2018/19, through an understatement of liabilities, or an overstatement of prepayments.

Revenue

We evaluated and tested that the accounting policy for income and expenditure recognition was consistent with the requirements of the DHSC Group Accounting Manual.

We read the relevant parts of the risk share agreement against the outturn performance to ensure that no monies were owed to the Trust. We also agreed to agreements with the CCG that no monies was repayable as a result of the Trust's over-performance against their control total.

For a sample of revenue transactions, which do not arise from block contract arrangements, we agreed the income recognised back to supporting documentation and cash receipts to ensure that they were accounted for in the correct period. In addition, we tested the controls over the patient record system to support the patient activity.

Intra- NHS balances

We examined intra-NHS confirmations received by the Trust (through NHSs 'agreement of balances' exercise) of income and expenditure transactions that had occurred during the year and year-end balances. We tested unresolved differences by agreeing to correspondence between the parties, to ensure that they were correctly accounted for by the Trust.

Expenditure

We selected a number of invoices and payments recognised after the year-end, traced them to supporting documentation, such as invoices to determine whether the expenditure was recognised in the correct period.

We compared the value of accruals and prepayments recognised in the current year, and the prior year for indication of understatement. We also tested provisions to check that they were valid and not understated.

Manipulation through journal entries

Our journals work was carried out using a risk based approach. We used data analysis techniques to identify the journals that had unusual account combinations. Where unusual journals were identified, we traced them back to supporting documentation to verify our understanding of the journal and corroborate the reason for the journal and the amount recorded.

Revaluation of land and buildings Trust

See note 1 to the financial statements for the directors' disclosures of the related accounting policies, judgements and estimates and notes 6 and 16 for further information.

Property, plant and equipment (PPE), totalling £179.2 million, represents the largest balance in the Trust's statement of financial position. The value of land is £7.5 million and of buildings is £139.8 million. All PPE assets are measured initially at cost with land and buildings being subsequently measured at fair value based on regular valuations. The valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. The Directors provide input to the Valuer on the assumptions to be used in the valuation methodology which determines the carrying value of the assets, any impairments and the associated depreciation charge.

The Trust commissioned the valuer to complete two exercises during 2017/18:

- Evaluate the remaining useful lives of building as part of a change in accounting estimate by the Trust to recognise buildings between two components – structure and engineering.
- Complete a desktop valuation of the Trust's Land and Buildings with reference to movement industry indices and specific location factors in the local area

We determined the areas of risk to be:

- assumptions made by the Directors, including the condition of the assets, any obsolesce, build costs and the location of a "modern equivalent asset";
- the estimated useful life of the buildings; and
- the accuracy of the underlying data provided to the valuer by the Directors (e.g. Gross Internal Areas) which is used in the valuation.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the environment in which the Group operates.

The Trust comprises one single entity with books and records all retained at the head office in Torquay. The group comprises the Trust and SDH Developments Limited. We performed full scope audit procedures on both the Trust and its subsidiary company. We performed our audit at the head office in Torquay.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

We confirmed that the valuer engaged by the Trust to perform the valuations had professional qualifications and was a member of the Royal Institute of Chartered Surveyors (RICS).

We obtained and read the relevant sections of the full valuation performed by the Trust's valuer. Using our own valuations specialist, we obtained the methodology and assumptions applied by the valuer and checked they were consistent with market practice and other expected benchmarks

We tested the data provided by the Trust to the external valuer by:

- checking that the portfolio of properties included in the valuation was consistent with the Trust's fixed asset register; and
- confirming to estates records that the gross internal area used by the Trust's valuer was accurate.

We agreed that the values provided to the Trust by the valuer had been correctly included in the accounts and that the valuation movements were accounted for correctly.

We compared the asset lives attributed to the structure and engineering components of building to industry benchmarks.

We examined the evidence to support the estimated useful lives of the assets including levels of backlog maintenance spend, the age of assets and their use in the Trust and reviewed Board papers, the risk registers and any reports received from the Care Quality Commission or other regulators to indicate that the extended economic life of the assets was not supported.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Trust financial statements
Overall materiality	£8,553,656 (2017: £8,058,960)	£8,550,000 (2017: £8,058,960)
How we determined it	2% of revenue (2017: 2% of revenue)	2% of revenue (2017: 2% of revenue)
Rationale for benchmark applied	Consistent with last year, we have applied this benchmark, a generally accepted auditing practice, in the absence of indicators that an alternative benchmark would be appropriate.	Consistent with last year, we have applied this benchmark, a generally accepted auditing practice, in the absence of indicators that an alternative benchmark would be appropriate.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was £178,564 and £8,550,000. Certain components were audited to a local statutory audit materiality that was less than our overall group materiality.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £300,000 (Group audit) (2017: £250,000) and £300,000 (Trust audit) (2017: £250,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group and 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group and Trust's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Performance Report and the Accountability Report, we also considered whether the disclosures required by the NHS Foundation Trust Annual Reporting Manual 2017/18 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) and the Code of Audit Practice require us also to report certain opinions and matters as described below.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Accountability Report set out on page 24, the directors are responsible for the preparation of the financial statements in accordance with the Department of Health and Social Care Group Accounting Manual 2017/18, and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 directors either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

The Trust is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

We are required under Schedule 10(1) of the National Health Service Act 2006 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and to report to you where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively. We have undertaken our work in accordance with the Code of Audit Practice, having regard to the criterion determined by the Comptroller and Auditor General as to whether the Trust has proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary.

We will prepare an annual audit letter which will cover the Trust's key risks in securing economy, efficiency and effectiveness in its use of resources, how these have been discharged by the Trust, and our actions to review these. The Trust is responsible for publishing this annual audit letter, and ensuring that it is available to the public.

Use of this report

This report, including the opinions, has been prepared for and only for the Council of Governors of Torbay and South Devon NHS Foundation Trust as a body in accordance with paragraph 24 of Schedule 7 of the National Health Service Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinions on other matters prescribed by the Code of Audit Practice

Performance Report and Accountability Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Performance Report and Accountability Report for the year ended 31 March 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Trust and its environment obtained in the course of the audit, we did not identify any material misstatements in the Performance Report or Accountability Report.

In addition, the parts of the Remuneration and Staff reports to be audited have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2017/18.

Arrangements for securing economy, efficiency and effectiveness in the use of resources

Under the Code of Audit Practice we are required to report, by exception, if we conclude we are not satisfied that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2018. We have nothing to report as a result of this requirement.

Other matters on which we report by exception

We are required to report to you if:

- the statement given by the directors on page 24, in accordance with provision C.1.1 of the NHS Foundation Trust Code of Governance, that they consider the Annual Report taken as a whole to be fair, balanced and understandable, and provides the information necessary for members to

assess the Group and Trust's performance, business model and strategy is not materially consistent with our knowledge of the Trust acquired in the course of performing our audit.

- the section of the Annual report on page 28, as required by provision C.3.9 of the NHS Foundation Trust Code of Governance, describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.
- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2017/18 or is misleading or inconsistent with our knowledge acquired in the course of performing our audit. We have not considered whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.
- we have referred a matter to Monitor under Schedule 10 (6) of the National Health Service Act 2006 because we had reason to believe that the Trust, or a director or officer of the Trust, was about to make, or had made, a decision which involved or would involve the incurring of expenditure that was unlawful, or was about to take, or had taken a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.
- we have issued a report in the public interest under Schedule 10 (3) of the National Health Service Act 2006.
- we have not received all the information and explanations we require for our audit.

We have no exceptions to report arising from this responsibility.

Certificate

We certify that we have completed the audit of the financial statements in accordance with the requirements of Chapter 5 of Part 2 to the National Health Service Act 2006 and the Code of Audit Practice.

Heather Ancient (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
24-May-18

Statement of Comprehensive Income

	Note	Group	
		Year Ended	Year Ended
		2017/18	2016/17
		£000	£000
Operating income from patient care activities	3	374,919	358,785
Other operating income	4	52,288	44,163
Operating expenses	5	(404,981)	(409,975)
Operating surplus/(deficit) from continuing operations		22,226	(7,027)
Finance income	10	41	75
Finance expenses	11	(3,365)	(3,392)
PDC dividends payable		(2,417)	(2,107)
Net finance costs		(5,741)	(5,424)
Other gains	12	216	247
Corporation tax expense		(12)	(27)
Surplus / (deficit) for the year from continuing operations		16,689	(12,231)
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Revaluations	18	2,918	(429)
Total comprehensive income / (expense) for the year		19,607	(12,660)
Surplus/ (deficit) for the period attributable to:			
Torbay and South Devon NHS Foundation Trust		16,689	(12,231)
TOTAL		16,689	(12,231)
Total comprehensive income/ (expense) for the year attributable to:			
Torbay and South Devon NHS Foundation Trust		19,607	(12,660)
TOTAL		19,607	(12,660)

Statement of Financial Position

	Note	Group		Trust	
		31 March	31 March	31 March	31 March
		2018	2017	2018	2017
		£000	£000	£000	£000
Non-current assets					
Intangible assets	14	8,740	8,471	8,740	8,471
Property, plant and equipment	15	179,451	173,262	179,243	173,262
Investments in associates (and joint ventures)	19	35	35	35	35
Trade and other receivables	21	2,338	2,132	2,866	2,590
Total non-current assets		190,564	183,900	190,884	184,358
Current assets					
Inventories	20	8,264	7,275	7,738	6,677
Trade and other receivables	21	27,186	20,598	26,978	20,460
Non-current assets for sale and assets in disposal	22	655	163	655	163
Cash and cash equivalents	23	6,168	4,636	6,122	4,170
Total current assets		42,273	32,672	41,493	31,470
Current liabilities					
Trade and other payables	24	(32,322)	(30,700)	(32,175)	(30,229)
Borrowings	26	(7,797)	(7,496)	(7,797)	(7,496)
Provisions	28	(436)	(451)	(436)	(451)
Other liabilities	25	(835)	(876)	(835)	(876)
Total current liabilities		(41,390)	(39,523)	(41,243)	(39,052)
Total assets less current liabilities		191,447	177,049	191,134	176,776
Non-current liabilities					
Borrowings	26	(77,218)	(83,779)	(77,218)	(83,779)
Provisions	28	(4,287)	(3,893)	(4,287)	(3,893)
Total non-current liabilities		(81,505)	(87,672)	(81,505)	(87,672)
Total assets employed		109,942	89,377	109,629	89,104
Financed by					
Public dividend capital		62,826	61,868	62,826	61,868
Revaluation reserve		39,027	36,327	39,027	36,327
Income and expenditure reserve		8,089	(8,818)	7,776	(9,091)
Total taxpayers' equity		109,942	89,377	109,629	89,104

The notes on pages 101 to 142 form part of these accounts.

Signed

Name
Position
Date

.....
Liz Davenport
Interim Chief Executive
23 May 2018

Statement of Changes in Equity for the year ended 31 March 2018

Group	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2017 - brought forward	61,868	36,327	(8,818)	89,377
Surplus for the year	0	0	16,689	16,689
Other transfers between reserves	0	0	0	0
Revaluations	0	2,918	0	2,918
Transfer to retained earnings on disposal of assets	0	(218)	218	0
Public dividend capital received	958	0	0	958
Taxpayers' and others' equity at 31 March 2018	62,826	39,027	8,089	109,942

Statement of Changes in Equity for the year ended 31 March 2017

Group	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2016 - brought forward	59,979	37,071	3,098	100,148
Deficit for the year	0	0	(12,231)	(12,231)
Other transfers between reserves	0	(257)	257	0
Revaluations	0	(429)	0	(429)
Transfer to retained earnings on disposal of assets	0	(58)	58	0
Public dividend capital received	1,889	0	0	1,889
Taxpayers' and others' equity at 31 March 2017	61,868	36,327	(8,818)	89,377

Statement of Changes in Equity for the year ended 31 March 2018

Trust	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2017 - brought forward	61,868	36,327	(9,091)	89,104
Surplus for the year	0	0	16,649	16,649
Other transfers between reserves	0	0	0	0
Revaluations	0	2,918	0	2,918
Transfer to retained earnings on disposal of assets	0	(218)	218	0
Public dividend capital received	958	0	0	958
Taxpayers' and others' equity at 31 March 2018	62,826	39,027	7,776	109,629

Statement of Changes in Equity for the year ended 31 March 2017

Trust	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2016 - brought forward	59,979	37,071	2,911	99,961
Prior period adjustment	-	-	-	0
Deficit for the year	-	-	(12,317)	(12,317)
Other transfers between reserves	-	(257)	257	0
Revaluations	-	(429)	-	(429)
Transfer to retained earnings on disposal of assets	-	(58)	58	0
Public dividend capital received	1,889	-	-	1,889
Taxpayers' and others' equity at 31 March 2017	61,868	36,327	(9,091)	89,104

Information on reserves

Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health as the public dividend capital dividend.

Revaluation reserve

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

Income and expenditure reserve

The balance of this reserve is the accumulated surpluses and deficits of the trust.

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Statement of Cash Flows

	Note	Group		Trust	
		Year ended 2017/18 £000	Restated * Year Ended 2016/17 £000	Year Ended 2017/18 £000	Restated * Year ended 2016/17 £000
Cash flows from operating activities					
Operating surplus / (deficit)		22,226	(7,027)	22,174	(7,140)
Non-cash income and expense:					
Depreciation and amortisation	5	8,367	8,770	8,367	8,770
Net impairments	6.1	(5,923)	2,613	(5,923)	2,613
Income recognised in respect of capital donations	4	(614)	(1,616)	(614)	(1,616)
Increase in receivables and other assets		(6,893)	(575)	(6,823)	(598)
Increase in inventories		(989)	(857)	(1,061)	(892)
Increase in payables and other liabilities		2,581	133	2,888	102
Increase/(decrease) in provisions		375	(145)	375	(145)
Tax paid		(29)	(25)	0	-
Net cash flows from / (used in) operating activities		19,101	1,271	19,383	1,094
Cash flows from investing activities					
Interest received		41	75	41	75
(Purchase)/sale of financial assets / investments		0	(35)	928	(35)
Purchase of intangible assets		(1,242)	(2,271)	(1,218)	(2,271)
Purchase of Property, Plant and Equipment		(6,532)	(19,070)	(6,348)	(19,070)
Sales of Property, Plant and Equipment		996	265	68	265
Receipt of cash donations to purchase assets		614	1,616	614	1,616
Net cash flows from / (used in) investing activities		(6,123)	(19,420)	(5,915)	(19,420)
Cash flows from financing activities					
Public dividend capital received		958	1,889	958	1,889
Movement on loans from DHSC		(6,172)	3,083	(6,172)	3,083
Other capital receipts **		0	0	30	30
Capital element of finance lease rental payments		(106)	(15)	(106)	(15)
Capital element of PFI obligations		(667)	(631)	(667)	(631)
Interest paid on finance lease liabilities		(13)	(2)	(13)	(2)
Interest paid on Private Finance Initiative Obligations		(1,766)	(1,752)	(1,766)	(1,752)
Other interest paid		(1,581)	(1,568)	(1,581)	(1,568)
PDC dividend paid		(2,099)	(1,791)	(2,099)	(1,791)
Cash flows used in other financing activities ***		0	0	(100)	0
Net cash flows used in financing activities		(11,446)	(787)	(11,516)	(757)
Increase / (decrease) in cash and cash equivalents		1,532	(18,936)	1,952	(19,083)
Cash and cash equivalents at 1 April - b/f		4,636	23,572	4,170	23,253
Cash and cash equivalents at 31 March	23	6,168	4,636	6,122	4,170

* Restated - The 2016/17 cash flow has been restated as a consequence of a re-categorisation of capital creditors between intangibles and tangibles. The impact of which has increased Purchase of PPE by £102k and reduced the value of Purchase of Intangible assets by a corresponding amount.

** Other Capital Receipts totalling £30,000 (2016/17 £30,000) represents the value of loan principal repayment received from the Trust's wholly owned subsidiary company, SDH Developments Ltd

*** Cash flows used in other financing activities totalling £100,000 (2016/17 £0) represents an increase in loan principal to the Trust's wholly owned subsidiary company, SDH Developments Ltd

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2017/18 issued by the Department of Health. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to accounts.

Note 1.1.1 Accounting convention

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

Note 1.1.2 Going concern

These accounts have been prepared on a going concern basis. The directors have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. The Trust has a planned surplus for the 2018/19 financial year of £8.5m however this is dependent upon savings and efficiencies totalling circa £25m being realised. Failure to realise these savings and meet NHSI's financial target would see a loss of Sustainability and Transformational Funding (STF) totalling £5.6m. The Trust's planned surplus for 2019/20 is again £8.4m. Achievement of this surplus position is dependent upon a further circa £20m of savings being released in 2019/20. Failure to deliver these savings will also result in the loss of STF totalling £5.8m in 2019/20. An interim revolving working capital support facility agreement has been approved by the Trust Board and signed by both the Trust and the representative of the Secretary of State for Health. This facility will allow the Trust to continue operating for the foreseeable future and for this reason the Directors consider it appropriate to continue to adopt the going concern basis in preparing the accounts

Note 1.2 Critical judgements and sources of Estimation uncertainty in applying accounting policies

The following are the judgements and those involving estimations that management has made in the process of applying the trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Estimated useful lives of the Trust's specialised buildings - impact upon depreciation.

During 2017/18 the Trust commissioned the District Valuation Office to undertake a review of the remaining useful lives of the Trust's specialised buildings. The review was undertaken to ensure that the depreciation charge being used by the Trust as accurately as possible reflected the economic consumption of the assets, as required by International Accounting Standard (IAS) 16 - Property, Plant and Equipment.. Two potential asset lives were provided by the valuer, i.e. one based upon the traditional 'weighted depreciated replacement' cost and an 'alternative depreciation living model'. The Trust concluded that the alternative depreciation living model - is a better fit than the previously utilised weighted Depreciated Replacement Cost useful lives of a building. The impact of applying the alternative depreciation living model has been to extend the remaining lives of the specialised buildings which has consequently reduced the depreciation charge in year. Depreciation in year has been reduced by circa £2.4m. The Trust has gained assurance that the alternative depreciation living model is a better fit for the Trust as even after applying the revised depreciation charge there has still been a substantial uplift to the valuation of Trust's specialised buildings as at 31st March 2018 over and above the anticipated values. To ensure that the accuracy of the depreciation continues to be maintained in future accounting periods, the Trust will commission the District Valuer to undertake annual valuation reviews of the Trust's specialised building assets.

Note 1.2 Critical judgements and sources of Estimation uncertainty in applying accounting policies - continued

Valuation of the Trust's Property, Plant and Equipment assets

In addition to commissioning the District Valuer to provide a review of the Trust's specialised building assets, the Trust also commissioned the District Valuation Office to undertake a full desk top valuation review of the Trust's Land, Buildings (excluding Dwellings) and Dwellings as at 31st March 2018. The outcome of the review is described in notes 6 and 18 to these accounts

Income from non-contracted and specialised activity

A proportion of the Trust's income is from non-contracted and specialised activity. The last month's activity data was not available at the time that the accounts were prepared. Therefore an accrual for the income was calculated, based on the non-contracted income and specialised income activity in period 11.

Partially completed spells

Income related to 'partially completed spells' is accrued based on the number of occupied bed days per category, and an average cost per bed day per care category.

Note 1.3 Consolidation

Subsidiary

The Group financial statements consolidate the financial statements of the Trust and its subsidiary undertaking made up to 31 March 2018.

Subsidiary entities are those over which the trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to minority interests are included as a separate item in the Statement of Financial Position. In accordance with the NHS Foundation Trust Annual Reporting Manual a separate income and cash flow statement for the parent (the Trust) has not been prepared.

The amounts consolidated are drawn from the published financial statements of the subsidiaries for the year Where subsidiaries' accounting policies are not aligned with those of the trust (including where they report under UK FRS 102) then amounts are adjusted during consolidation where the differences are material. Inter-entity balances,

The Trust is the Corporate Trustee of Torbay South Devon NHS Charitable Fund (Registered Charity 1052232). Under International Accounting Standards the Charitable Fund is considered to be a subsidiary of the Trust. The financial results of the Charity have not been consolidated into the Trust's Financial Statements. The reason for not consolidating is that it is not thought to be helpful to reader of the Trust accounts and the Trust is able to elect not to consolidate on the grounds of immateriality.

Joint ventures

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].

Note 1.4 Segmental Reporting

The Trust reports its expenditure to the Trust Board using a segmental reporting analysis. The analysis is at clinical and non-clinical level. The Trust Board do not use this analysis for decision making purposes. The analysis is simply presented to describe variances to planned spend. In line with accounting standards the same expenditure analysis is presented in these accounts. Please refer to note 2.

Note 1.5 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the trust is contracts with commissioners in respect of health care services. At the year end, the trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete.

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

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.

Revenue grants and other contributions to expenditure

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

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.6 Expenditure on employee benefits

Short-term employee benefits

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy 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 scheme are not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. There, the schemes are accounted for as though they are defined contribution schemes.

Employer's pension cost contributions are charged to operating expenses as and when they become due.

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

Note 1.7 Expenditure on other goods and services

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

Note 1.8 Property, plant and equipment

Note 1.8.1 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
- the cost of the item can be measured reliably
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control or form part of the initial equipping and setting-up cost of a new building, or refurbishment of a ward or unit.

As described in note 1.2 critical accounting judgements, the District Valuation Office has supplied with the Trust with an alternative depreciation living model that the Trust has chosen to use to depreciate its specialised building properties.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, then these components are treated as separate assets and depreciated over their own economic lives.

Note 1.8.2 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 valuation.

Fixtures and equipment which have an asset life of 5 years or cost less than £50,000 are carried at depreciated historic cost as this is not considered to be materially different from their value.

All other assets are measured subsequently at fair value. Valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. The latest full revaluation of the Trust's specialised building was undertaken in 2013/14 with a prospective valuation date of 31 March 2014. Full physical valuations take place every 5 years. In line with IAS16, during 2015/16 and 2016/17 the Trust requested interim valuations from the District Valuation Office to determine whether MEA impairments were required in respect of material construction schemes that were brought into use during both financial years and whether land values and construction costs had changed materially during the course of the year. In 2017/18 the Trust commissioned the District Valuation Office to undertake a full desktop valuation of the Trust's land, buildings and dwellings with a prospective date of 31 March 2018. The impact of this review has been incorporated into these financial statements.

The Treasury has decided that the NHS should value its property assets in line with the Royal Institute of Chartered Surveyors (RICS) Red book standards. This means that specialised property, for which market value cannot be readily determined, should be valued at depreciated replacement cost (DRC) on a modern equivalent asset basis.

In accordance with the Treasury accounting manual, valuations are now undertaken on the basis of modern equivalent replacement cost for specialised operational property and existing use value for non-specialised operational property. The value of land for existing use purposes is assessed at existing use value.

Alternative open market value figures are only used for operational assets scheduled for imminent closure and subsequent disposal.

Assets in the course of construction are initially valued at cost and are subsequently valued by professional valuers when construction is completed if there is evidence that the construction cost is not a good approximation of fair value.

An item of property, plant and equipment 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 of IFRS 5.

Operational equipment is valued at net current replacement cost. Equipment surplus to requirements is valued at net recoverable amount.

Note 1.8.2 Measurement (continued)

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 component elements of each property asset are depreciated individually where the value of the component parts are judged to be material in relation to the overall value of that asset and where the useful economic lives of the components are significantly different from that of the overall property asset. The components parts that are individually depreciated by the Trust are building structures, engineering elements and external works.

Property, plant and equipment which has been reclassified as 'held for sale' ceases to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the trust, respectively.

Revaluation gains and losses

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

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, 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 GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

Note 1.8.3 De-recognition

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

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

Note 1.8.4 Donated and 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.

Note 1.8.5 Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) transactions

PFI and LIFT transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's *FReM*, are accounted for as 'on-Statement of Financial Position' by the trust. In accordance with IAS 17, the underlying assets are recognised as property, plant and equipment, together with an equivalent finance lease liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for services.

The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

Note 1.8.6 Useful Economic lives of property, plant and equipment

Useful economic lives reflect the total life of an asset and not the remaining life of an asset. The range of useful economic lives are shown in the table below:

	Min life Years	Max life Years
Buildings, excluding dwellings	1	69
Dwellings	37	49
Plant & machinery	2	49
Transport equipment	4	7
Information technology	2	21
Furniture & fittings	3	10

Finance-leased assets (including land) are depreciated over the shorter of the useful economic life or the lease term, unless the trust expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

Note 1.9 Intangible assets

Note 1.9.1 Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the trust and where the cost of the asset can be measured reliably.

Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

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

Software

Software which is integral to the operation of hardware, e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, e.g. application software, is capitalised as an intangible asset.

Note 1.9.2 Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are 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 of 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.

Note 1.9.3 Useful economic life of intangible assets

Useful economic lives reflect the total life of an asset and not the remaining life of an asset. The range of useful economic lives are shown in the table below:

	Min life Years	Max life Years
Software licences	3	15

Note 1.10 Inventories

Inventories are valued at the lower of cost and net realisable value. The Trust has a number of separate stock control systems and consequently cost of inventories is measured by either using on a first in, first out (FIFO) method or the weighted average cost method.

Work in progress comprises goods in intermediate stages of production.

Note 1.11 Cash and cash equivalents

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

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of [the entity]'s cash management. Cash, bank and overdraft balances are recorded at current values.

Note 1.12 Carbon Reduction Commitment scheme (CRC)

The CRC scheme is a mandatory cap and trade scheme for non-transport CO₂ emissions. The trust is registered with the CRC scheme, and is therefore required to surrender to the Government an allowance for every tonne of CO₂ it emits during the financial year. A liability and related expense is recognised in respect of this obligation as CO₂ emissions are made.

The carrying amount of the liability at the financial year end will therefore reflect the CO₂ emissions that have been made during that financial year, less the allowances (if any) surrendered voluntarily during the financial year in respect of that financial year.

The liability will be measured at the amount expected to be incurred in settling the obligation. This will be the cost of the number of allowances required to settle the obligation.

Allowances acquired under the scheme are recognised as intangible assets.

Note 1.13 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, i.e., when receipt or delivery of the goods or services is made.

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

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 'loans and receivables' or 'available-for-sale financial assets'.

Financial liabilities are classified as "other financial liabilities".

Note 1.13 Financial instruments and 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.

The trust's loans and receivables comprise: cash and cash equivalents, trade 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.

Available-for-sale financial assets

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

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

Other financial liabilities

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

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

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

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 either through a direct adjustment or through the use of a bad debt provision.

Provision for bad debts is calculated based upon individual outstanding balances which are not financial assets and are unlikely to be recoverable.

Note 1.14 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

Note 1.14.1 The trust as lessee

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment.

The annual rental 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

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

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.

Note 1.14.2 The trust as lessor

Finance leases

Amounts due from lessees under finance leases are recorded as receivables at the amount of the trust's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the trust's net investment outstanding in respect of the leases.

Operating leases

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

Note 1.15 Provisions

The 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

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the trust is disclosed at note 29 but is not recognised in the trust's accounts.

Non-clinical risk pooling

The trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any "excesses" payable in respect of particular claims are charged to operating expenses when the liability arises.

Note 1.16 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 30 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 30, 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.

Note 1.17 Public dividend capital

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

At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for

- (i) donated assets (including lottery funded assets),
- (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and
- (iii) any PDC dividend balance receivable or payable.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the 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.

Note 1.18 Value added tax

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

Note 1.19 Corporation tax

The Trust is a Health Service Body within the meaning of s986 Corporation Taxes Act 2010. Accordingly it is not liable to corporation tax. The Trust is also exempt from tax on chargeable gains under S271(3) of Chargeable Gains Act 1992.

There is however a power of HM Treasury to submit an order to Parliament, which will dis-apply the corporation tax exemption in relation to particular activities of a NHS Foundation Trust (s987 Corporation Taxes Act 2010). Accordingly, the Trust is potentially within the scope of corporation tax in respect of activities to be specified in the order which are not related to, the provision of healthcare, and where the profits there from exceed £50,000 per annum. Until the order is approved by Parliament, the trust has no corporation tax liability.

Note 1.20 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's *FReM*.

Note 1.21 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the trust 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.

Note 1.22 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.]

Note 1.23 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2017/18.

Note 1.24 Standards, amendments and interpretations in issue but not yet effective or adopted

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. The Trust has concluded that this particular standard will not have a material impact upon the Trust's current reported financial position.

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. The Trust has concluded that this particular standard will not have a material impact upon the Trust's current reported financial position.

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. This new standard will upon application see the majority of the Trust Operating Expenditure leases being accounted for within the Statement of Financial Position. The impact upon the annual retained surplus of the Trust is likely to be minor.

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. This standard is unlikely to have a material impact upon the Trust's Financial Position.

IFRIC 22 Foreign Currency Transactions and Advance Consideration – Application required for accounting periods beginning on or after 1 January 2018. This standard is unlikely to have a material impact upon the Trust's Financial Position.

IFRIC 23 Uncertainty over Income Tax Treatments – Application required for accounting periods beginning on or after 1 January 2019. This standard is unlikely to have a material impact upon the Trust's Financial Position.

Note 2 Operating Segments

Note 2 Operating Segments								Reconciliation to Statement of Comprehensive Income			
	Community	Adult Social Care	Placed People	Medical Services	Surgical Services	Women's, Children's, Diagnostics and Therapies	Corporate Services	Total	Operating income	Operating expenses	Non-operating items
Nature of services provided	Community healthcare and social care services			Acute healthcare services			Largely support services				
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Pay costs - as reported to Board	(39,090)	(1,246)	(917)	(46,189)	(47,331)	(37,488)	(50,928)	(223,189)	0	(223,189)	0
Non Pay costs - as reported to Board	(8,880)	(46,048)	(31,595)	(26,074)	(20,686)	(9,281)	(36,618)	(179,182)	0	(179,182)	0
Financing Costs - depreciation and amortisation	0	0	0	0	0	0	(8,367)	(8,367)	0	(8,367)	0
Financing Costs - impairment	0	0	0	0	0	0	5,923	5,923	0	5,923	0
Financing Costs - interest income	0	0	0	0	0	0	41	41	0	0	41
Financing Costs - interest expense	(1,766)	0	0	0	0	0	(1,599)	(3,365)	0	0	(3,365)
Financing Costs - PDC dividend expense	0	0	0	0	0	0	(2,417)	(2,417)	0	0	(2,417)
Financing Costs - gains on disposal of assets	115	0	0	0	0	0	101	216	0	0	216
Financing Costs - corporation tax expense	0	0	0	0	0	0	(12)	(12)	0	0	(12)
Financing Costs - as reported to Board	(1,651)	0	0	0	0	0	(6,330)	(7,981)	0	(2,444)	(5,537)
Total reported to Board	(49,621)	(47,294)	(32,512)	(72,263)	(68,017)	(46,769)	(93,876)	(410,352)	0	(404,815)	(5,537)
Reconciliation to statutory accounts											
Operating expenditure recognised after Board reporting issued								(166)	0	(166)	0
Operating income from patient care activities								374,919	374,919	0	0
Other operating income								52,288	52,288	0	0
Surplus for the year								16,689	427,207	(404,981)	(5,537)

The operating segments disclosed above are those reported monthly to the Trust Board, which is considered to be the Chief Operating Decision Maker (as defined by IFRS 8).

The information presented to the Trust Board during 2017/18 used the above segmental reporting analysis solely for the purposes of describing variations (i.e. over and under spends) to the budgeted plans as required by NHS Improvement. The above segmental information is however not used by the Trust Board for investment decisions. Budgeting and investment decisions are considered at a whole 'system' level (i.e. the impact is considered at both Trust wide and Commissioner level). Investment decisions are not purely financially driven and the complexity of the information provided to the Trust Board to support the decision making will vary depending upon the nature and scale of the investments being proposed.

As can be seen from the above analysis, the financial performance data reported to the Trust Board is structured into three groups. Namely 'Community healthcare and social care services'; 'Acute healthcare services' and 'Corporate Services'. 'Community healthcare and social care services' represents the cost of running community hospitals; community based healthcare and social care teams as well as the cost of purchasing health and social care from independent providers. 'Acute healthcare services' represents the cost of running the healthcare services at the Trust's acute hospital - i.e. Torbay Hospital as well as the cost of specialised remote diagnostic services situated elsewhere within the community such as Radiology. 'Largely support services' represents the cost of Education; Research & Development; Estates and Facility Services; other back office functions such as IT, Finance and Human Resources, Income generating activities plus depreciation and financing costs of the organisation as a whole.

During 2016/17 the Trust Board received financial information on its operations as a whole. Consequently it is not possible to disclose comparative segmental reporting information.

Note 3 Operating income from patient care activities (Group)

Note 3.1 Income from patient care activities (by nature)

	2017/18	2016/17
	£000	£000
Acute services		
Elective income	35,817	36,679
Non elective income	63,691	61,402
First outpatient income	26,022	24,898
Follow up outpatient income	24,279	28,213
A & E income	9,821	8,520
High cost drugs income from commissioners (excluding pass-through costs)	19,554	20,098
Other NHS clinical income	50,122	39,606
Community services		
Community services income from CCGs and NHS England	82,675	84,021
Income from other sources (e.g. local authorities)	61,274	53,744
All services		
Private patient income	942	842
Other clinical income	722	762
Total income from activities	374,919	358,785

Note 3.2 Income from patient care activities (by source)

	2017/18	2016/17
	£000	£000
Income from patient care activities received from:		
NHS England	42,155	39,748
Clinical commissioning groups	269,084	256,924
Department of Health and Social Care	0	11
Other NHS providers	370	248
NHS other	2,471	240
Local authorities	50,716	48,469
Non-NHS: private patients	860	674
Non-NHS: overseas patients (chargeable to patient)	82	158
NHS injury scheme	704	728
Non NHS: other	8,477	11,585
Total income from activities	374,919	358,785
Of which:		
Related to continuing operations	374,919	358,785
Related to discontinued operations	0	0

Note 3.3 Overseas visitors (relating to patients charged directly by the provider)

	2017/18	2016/17
	£000	£000
Income recognised this year	82	158
Cash payments received in-year	66	127
Amounts added to provision for impairment of receivables	0	0
Amounts written off in-year	12	7

Note 4 Other operating income (Group)

	2017/18	2016/17
	£000	£000
Research and development	1,012	1,321
Education and training	8,289	7,898
Receipt of capital grants and donations	614	1,616
Charitable and other contributions to expenditure	1,903	1,112
Non-patient care services to other bodies	3,317	3,835
Sustainability and transformation fund income	10,294	3,210
Rental revenue from operating leases	694	691
Other income	26,165	24,480
Total other operating income	52,288	44,163
Of which:		
Related to continuing operations	52,288	44,163
Related to discontinued operations	-	-

Other income includes £18.3m of sales (2016/17 £16.1m) from the Trust's Pharmacy Manufacturing Unit. Other income also includes £1.8m (2016/17 £1.8m) from hosting the Audit South West - Internal Audit Counter Fraud and Consultancy Services

Note 4.1 Income from activities arising from commissioner requested services

Under the terms of its provider licence, the trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	2017/18	2016/17
	£000	£000
Income from services designated as commissioner requested services	373,255	357,181
Income from services not designated as commissioner requested services	1,664	1,604
Total	374,919	358,785

Note 4.2 Profits and losses on disposal of property, plant and equipment

During the financial year the Trust disposed of a Community healthcare facility and another facility that was previously used by the Trust for income generation purposes. The latter facility has been replaced with a newer modern equivalent and the disposal of the healthcare facility only took place after consultation with the local, Clinical Care Commissioners, NHSI and the local community. Neither have an adverse impact on the Trust's abilities to meet its obligations to provide commissioner requested services. The profit generated from their disposal amounted to £165,000 (2016/17 £0). In addition to this the Trust disposed of a number of other Property, Plant and Equipment items during the 2017/18, mostly Plant and Equipment items, the net profit of which totalled £51,000 (2016/17 £247,000)

Note 5 Operating expenses (Group)

	2017/18	Restated *
	£000	2016/17
		£000
Purchase of healthcare from NHS and DHSC bodies	649	1,562
Purchase of healthcare from non-NHS and non-DHSC bodies	23,460	24,936
Purchase of social care	56,994	51,842
Staff and executive directors costs	213,746	216,312
Remuneration of non-executive directors	161	152
Supplies and services - clinical (excluding drugs costs)	25,026	24,815
Supplies and services - general	4,161	4,844
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	31,124	32,289
Inventories written down	93	66
Consultancy costs	108	22
Establishment	2,643	2,337
Premises	14,080	13,013
Transport (including patient travel)	2,463	2,286
Depreciation on property, plant and equipment	7,538	8,210
Amortisation on intangible assets	829	560
Net impairments	(5,923)	2,613
Increase in provision for impairment of receivables	300	173
Increase/(decrease) in other provisions	818	(76)
Change in provisions discount rate(s)	58	405
Audit fees payable to the external auditor		
audit services- statutory audit	84	92
other auditor remuneration (external auditor only)	0	27
Internal audit costs **	291	294
Clinical negligence	6,971	4,980
Legal fees	275	51
Insurance	100	67
Research and development	1,484	1,486
Education and training ***	9,609	9,637
Rentals under operating leases	1,521	1,675
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT) on IFRS basis	898	875
Grossing up consortium arrangements	1,364	1,194
Other	4,056	3,236
Total	404,981	409,975
Of which:		
Related to continuing operations	404,981	409,975
Related to discontinued operations	0	0

* **Restated data.** The 2016/17 comparative data has been restated. This has primarily been as a consequence of NHSI introducing new disclosure requirements during 2017/18, namely a new category for Education and Training.

** **Internal Audit costs.** The costs reported above represent the pay costs of the Internal Audit and Counter Fraud services the Trust has received the benefit of during the financial years. The Trust is part of a Peninsular wide Internal Audit and Counter Fraud consortium, where resources are shared with other and recharged to other NHS organisations. For accounting purposes, Torbay and South Devon NHS Foundation Trust operates as the lead consortium member. The Trust employs a proportion of the Audit and Counter Fraud consortiums staff. The value of charges made to the Trust by other organisations is shown as a 'Grossing up consortium arrangements' cost in operating expenditure and the value of charges made by the Trust as Lead Consortium member is recorded on 'Other income' within Other Operating Income.

*** **Education and Training costs** includes pay costs totalling £7,714k (2016/17 £7,974k)

Note 5.1 Other auditor remuneration (Group)

	2017/18	2016/17
	£000	£000
Other auditor remuneration paid to the external auditor:		
Other assurance services	0	27
Total	0	27

Note 5.2 Limitation on auditor's liability (Group)

The limitation on auditor's liability for external audit work is £1m (2016/17: £1m).

Note 6 Net impairments (Group)

Note 6.1 Net Impairments total (Group)

	2017/18	2016/17
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	(6,244)	(1,171)
Other	321	3,784
Total net impairments (credited) / charged to operating surplus / deficit	(5,923)	2,613

2017/18 - The Trust commissioned the District Valuation Office in 2017/18 to provide a number of valuations on the Trust's land, buildings and dwelling assts. Namely; valuation of land and buildings that were surplus to Trust needs and were available for sale; valuation of land and building assets not currently available for sale and a valuation of land, buildings and dwellings in use as at 31st March 2018. In line with accounting standards, the assets available for sale were valued at the lower of existing use value or alternative use value; assets surplus to requirements but available for sale were valued at the higher of existing use value or alternative use value; specialised building and dwelling assets in use were valued at depreciated replacement cost and non specialised building assets were valued at open market value.

2016/17 - During the 2016/17 the Trust commissioned the District Valuation Office to undertake a similar exercise on the value of the Trust's Land, Buildings and Dwellings. The review was fourfold. Namely; revaluation of the Trust's PFI Buildings as Treasury had clarified that it was acceptable to exclude all VAT from the valuation of the facilities, an assessment of whether any of the Trust's building assets brought into use during 2016/17 required to be impaired in line with modern equivalent asset valuation principles; the application of national building cost (BCSI) indices and local cost construction cost indices to the value of specialised building and dwelling assets; and an assessment of the valuation of a facility that was surplus to requirements and was available for sale.

A summary of the impact that the above valuations had on the Trust's operating expenditure is as follows: -

	2017/18	2016/17
	£000	£000
Note 6.2 Changes to market price		
Revaluation of Trust's Buildings and Dwelling assets	(5,998)	0
Application of BCIS and local indexation to Specialised Building *	0	(1,846)
Revaluation of Land	(246)	675
	(6,244)	(1,171)

* - Instead of applying BCIS and local indexation to the Trust's specialised building dwelling assets as at 31st March 2018, the Trust commissioned the District Valuation Office to undertake a full desktop valuation of the Trust's Building and Dwelling Assets. This is reported as 'Revaluation of Trust's Buildings and Dwelling Assets' as reported above.

	2017/18	2016/17
	£000	£000
Note 6.3 Other		
Revaluation of surplus assets available for sale - Buildings and Dwellings	352	0
Revaluation of surplus assets unavailable for sale - Buildings and Dwellings	(99)	0
Revaluation of surplus assets unavailable for sale - Land	(16)	0
Impairment of asset no longer available for use - Buildings	84	0
Revaluation of the Trust's PFI Buildings	0	932
Modern Equivalent asset impairment review **	0	2,852
	<u>321</u>	<u>3,784</u>

** - A Modern Equivalent Asset (MEA) impairment review was not separately commissioned from the District Valuation Office during 2017/18 for two principal reasons. The first being that the value of buildings and dwellings brought into use was not material in value £2,143k (2016/17 £26,971k) and secondly the Trust has instead commissioned a full desk top revaluation of the Trust's assets as at 31st March 2018.

The categorisation of the net impairment movement over Land, Buildings and Dwellings is shown in the note 16.1 - Property, Plant and Equipment.

Note 7 Employee benefits (Group)

	2017/18	2016/17
	Total	Total
	£000	£000
Salaries and wages	179,252	180,145
Social security costs	16,196	16,024
Apprenticeship levy	873	0
Employer's contributions to NHS pensions	21,920	21,575
Pension cost - other	42	21
Temporary staff (including agency)	5,786	9,729
Total gross staff costs	<u>224,069</u>	<u>227,494</u>
Costs capitalised as part of assets	880	1,485

Note 7.1 Retirements due to ill-health (Group)

During 2017/18 there were 6 early retirements from the trust agreed on the grounds of ill-health (8 in the year ended 31 March 2017). The estimated additional pension liabilities of these ill-health retirements is £153k (£222k in 2016/17).

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

Note 8 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.

Note 9 Operating leases (Group)

Note 9.1 Torbay and South Devon NHS Foundation Trust as a lessor

This note discloses income generated in operating lease agreements where Torbay and South Devon NHS Foundation Trust is the lessor.

	2017/18	2016/17
	£000	£000
Operating lease revenue		
Minimum lease receipts	694	691
Total	694	691
	31 March	31 March
	2018	2017
	£000	£000
Future minimum lease receipts due:		
- not later than one year;	688	710
- later than one year and not later than five years;	0	5
Total	688	715

The Trust has entered into a lease agreement with Devon Partnership Trust (DPT). The Lease agreement enables DPT to rent part of the Torbay Hospital site from the Trust for a period of 17 years - Lease expires 31st March 2020. The agreement can be cancelled by DPT serving 12 months notice. If notice is served by DPT no financial penalty would be payable to the Trust at the end of the lease period. The rental income payable under the agreement will be recalculated on an annual basis throughout the 17 year lease period. The income receivable is calculated from the sum of two components. The first component being an opportunity cost payable to the Trust of £90,000 per annum and the second component being the forecast capital charges the Trust will incur in respect of the leased asset. In 2017/18 this income totalled £688,000 (2016/17 £676,000). The balance of operating lease income totalled £6k (2016/17 £15k) and this relates to a lease with South Devon College in respect of the lease of Belmont Court, the lease for which expired during 2017-18.

Note 9.2 Torbay and South Devon NHS Foundation Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Torbay and South Devon NHS Foundation Trust is the lessee.

	2017/18	2016/17
	£000	£000
Operating lease expense		
Minimum lease payments	1,396	1,528
Contingent rents	125	147
Total	1,521	1,675
	31 March	31 March
	2018	2017
	£000	£000
Future minimum lease payments due:		
- not later than one year;	1,061	931
- later than one year and not later than five years;	2,298	2,369
- later than five years.	198	415
Total	3,557	3,715
Future minimum sublease payments to be received	0	1

Included in these commitments is £1.0m (2016/17 £1.4m) for Regent House, a building in Regent Close, Torquay, which has a 15 year lease expiring in 2021 with rent reviews every 5 years. The Trust also acts as an agent for members of staff leasing vehicles through a salary sacrifice scheme and the lease commitments of £0.6m (2016/17 £0.8m) are not included in the figures disclosed above.

Note 10 Finance income (Group)

Finance income represents interest received on assets and investments in the period.

	2017/18	2016/17
	£000	£000
Interest on bank accounts	41	75
Total	41	75

Note 11 Finance expenses (Group)

Finance expenses represents interest and other charges involved in the borrowing of money.

	2017/18	2016/17
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	1,582	1,627
Finance leases	13	2
Main finance costs on PFI schemes obligations	1,337	1,378
Contingent finance costs on PFI schemes obligations	429	374
Total interest expense	3,361	3,381
Unwinding of discount on provisions	4	11
Total finance costs	3,365	3,392

Note 12 Other gains / (losses) (Group)

	2017/18	2016/17
	£000	£000
Gains on disposal of assets	219	265
Losses on disposal of assets	(3)	(18)
Total gains on disposal of assets	216	247

Note 13 Trust income statement and statement of comprehensive income

In accordance with Section 408 of the Companies Act 2006, the trust is exempt from the requirement to present its own income statement and statement of comprehensive income. The trust's surplus for the period was £16,649k (2016/17 deficit of £12,317k). The trust's total comprehensive income for the period was £19,567k (2016/17: Expense of £12,746k).

Note 14.1 Intangible assets - 2017/18

Group and Trust	Software licences £000	Licences & trademarks £000	Development expenditure £000	Intangible assets under construction £000	Total £000
Valuation / gross cost at 1 April 2017 - brought forward	10,240	472	0	3,786	14,498
Additions	185	0	0	1,033	1,218
Reclassifications	1,183	401	0	(1,704)	(120)
Valuation / gross cost at 31 March 2018	11,608	873	0	3,115	15,596
Amortisation at 1 April 2017 - brought forward	6,027	0	0	0	6,027
Provided during the year	829	0	0	0	829
Amortisation at 31 March 2018	6,856	0	0	0	6,856
Net book value at 31 March 2018	4,752	873	0	3,115	8,740
Net book value at 31 March 2017	4,213	472	0	3,786	8,471

Note 14.2 Intangible assets - 2016/17

Group and Trust	Software licences £000	Licences & trademarks £000	Development expenditure £000	Intangible assets under construction £000	Total £000
Valuation / gross cost at 1 April 2016 - as previously stated	8,435	472	0	4,071	12,978
Additions	190	0	0	2,183	2,373
Reclassifications	1,769	0	0	(2,468)	(699)
Disposals	(154)	0	0	0	(154)
Valuation / gross cost at 31 March 2017	10,240	472	0	3,786	14,498
Amortisation at 1 April 2016 - as previously stated	5,621	0	0	0	5,621
Provided during the year	560	0	0	0	560
Disposals	(154)	0	0	0	(154)
Amortisation at 31 March 2017	6,027	0	0	0	6,027
Net book value at 31 March 2017	4,213	472	0	3,786	8,471
Net book value at 31 March 2016	2,814	472	0	4,071	7,357

Note 15 Property, plant and equipment - Group

Note 15.1 Property, plant and equipment - 2017/18

Group	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	7,615	147,626	4,290	3,728	53,524	800	19,500	4,706	241,789
Additions	0	1,284	0	2,822	1,019	699	162	52	6,038
Impairments	(39)	(506)	0	0	0	0	0	0	(545)
Reversals of impairments	262	6,198	8	0	0	0	0	0	6,468
Revaluations	0	(14,650)	(272)	0	0	0	0	0	(14,922)
Reclassifications	0	859	0	(3,117)	2,199	0	179	0	120
Transfers to/ from assets held for sale	(333)	(962)	0	0	0	0	0	0	(1,295)
Disposals	0	(18)	0	0	(1,333)	(73)	(15)	0	(1,439)
Valuation/gross cost at 31 March 2018	7,505	139,831	4,026	3,433	55,409	1,426	19,826	4,758	236,214
Accumulated depreciation at 1 April 2017 - brought forward	0	13,658	589	0	33,174	613	16,133	4,360	68,527
Provided during the year	0	3,571	86	0	3,006	81	666	128	7,538
Revaluations	0	(17,165)	(675)	0	0	0	0	0	(17,840)
Transfers to / from assets held for sale	0	(40)	0	0	0	0	0	0	(40)
Disposals	0	(18)	0	0	(1,321)	(68)	(15)	0	(1,422)
Accumulated depreciation at 31 March 2018	0	6	0	0	34,859	626	16,784	4,488	56,763
Net book value at 31 March 2018	7,505	139,825	4,026	3,433	20,550	800	3,042	270	179,451
Net book value at 31 March 2017	7,615	133,968	3,701	3,728	20,350	187	3,367	346	173,262

Note 15.2 Property, plant and equipment - 2016/17

Group	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 2016 - as previously stated	8,350	123,293	4,126	26,213	43,894	691	17,692	4,632	228,891
Additions	0	9,462	0	3,584	3,063	109	921	57	17,196
Impairments	(675)	(3,438)	(3)	0	0	0	0	0	(4,116)
Reversals of impairments	0	1,502	1	0	0	0	0	0	1,503
Revaluations	0	(563)	138	0	0	0	0	0	(425)
Reclassifications	0	17,481	28	(26,069)	8,347	0	895	17	699
Transfers to / from assets held for sale	(60)	(111)	0	0	0	0	0	0	(171)
Disposals	0	0	0	0	(1,780)	0	(8)	0	(1,788)
Valuation/gross cost at 31 March 2017	7,615	147,626	4,290	3,728	53,524	800	19,500	4,706	241,789
Accumulated depreciation at 1 April 2016 - as previously stated	0	8,589	379	0	32,835	569	15,515	4,204	62,091
Provided during the year	0	5,092	191	0	2,102	44	625	156	8,210
Revaluations	0	(15)	19	0	0	0	0	0	4
Transfers to/ from assets held for sale	0	(8)	0	0	0	0	0	0	(8)
Disposals	0	0	0	0	(1,763)	0	(7)	0	(1,770)
Accumulated depreciation at 31 March 2017	0	13,658	589	0	33,174	613	16,133	4,360	68,527
Net book value at 31 March 2017	7,615	133,968	3,701	3,728	20,350	187	3,367	346	173,262
Net book value at 31 March 2016	8,350	114,704	3,747	26,213	11,059	122	2,177	428	166,800

Note 15.3 Property, plant and equipment financing - 2017/18

Group	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
Net book value at 31 March 2018									
Owned - purchased	7,505	119,076	4,026	3,433	18,257	139	2,982	230	155,648
Finance leased	0	0	0	0	0	661	0	0	661
On-SoFP PFI contracts and other service concession arrangements	0	15,155	0	0	0	0	0	0	15,155
Owned - government granted	0	3	0	0	10	0	0	0	13
Owned - donated	0	5,591	0	0	2,283	0	60	40	7,974
NBV total at 31 March 2018	7,505	139,825	4,026	3,433	20,550	800	3,042	270	179,451

Note 15.4 Property, plant and equipment financing - 2016/17

Group	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
Net book value at 31 March 2017									
Owned - purchased	7,615	113,620	3,701	3,728	18,072	85	3,297	293	150,411
Finance leased	0	0	0	0	0	102	0	0	102
On-SoFP PFI contracts and other service concession arrangements	0	14,950	0	0	0	0	0	0	14,950
Owned - government granted	0	18	0	0	11	0	0	0	29
Owned - donated	0	5,380	0	0	2,267	0	70	53	7,770
NBV total at 31 March 2017	7,615	133,968	3,701	3,728	20,350	187	3,367	346	173,262

Note 16.1 Property, plant and equipment - 2017/18

Trust	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	7,615	147,626	4,290	3,728	53,524	800	19,500	4,706	241,789
Additions	0	1,284	0	2,614	1,019	699	162	52	5,830
Impairments	(39)	(506)	0	0	0	0	0	0	(545)
Reversals of impairments	262	6,198	8	0	0	0	0	0	6,468
Revaluations	0	(14,650)	(272)	0	0	0	0	0	(14,922)
Reclassifications	0	859	0	(3,117)	2,199	0	179	0	120
Transfers to/ from assets held for sale	(333)	(962)	0	0	0	0	0	0	(1,295)
Disposals	0	(18)	0	0	(1,333)	(73)	(15)	0	(1,439)
Valuation/gross cost at 31 March 2018	7,505	139,831	4,026	3,225	55,409	1,426	19,826	4,758	236,006
Accumulated depreciation at 1 April 2017 - brought forward	0	13,658	589	0	33,174	613	16,133	4,360	68,527
Provided during the year	0	3,571	86	0	3,006	81	666	128	7,538
Revaluations	0	(17,165)	(675)	0	0	0	0	0	(17,840)
Transfers to / from assets held for sale	0	(40)	0	0	0	0	0	0	(40)
Disposals	0	(18)	0	0	(1,321)	(68)	(15)	0	(1,422)
Accumulated depreciation at 31 March 2018	0	6	0	0	34,859	626	16,784	4,488	56,763
Net book value at 31 March 2018	7,505	139,825	4,026	3,225	20,550	800	3,042	270	179,243
Net book value at 31 March 2017	7,615	133,968	3,701	3,728	20,350	187	3,367	346	173,262

Note 16.2 Property, plant and equipment - 2016/17

Trust	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 2016 - as previously stated	8,350	123,293	4,126	26,213	43,894	691	17,692	4,632	228,891
Additions	0	9,462	0	3,584	3,063	109	921	57	17,196
Impairments	(675)	(3,438)	(3)	0	0	0	0	0	(4,116)
Reversals of impairments	0	1,502	1	0	0	0	0	0	1,503
Revaluations	0	(563)	138	0	0	0	0	0	(425)
Reclassifications	0	17,481	28	(26,069)	8,347	0	895	17	699
Transfers to / from assets held for sale	(60)	(111)	0	0	0	0	0	0	(171)
Disposals	0	0	0	0	(1,780)	0	(8)	0	(1,788)
Valuation/gross cost at 31 March 2017	7,615	147,626	4,290	3,728	53,524	800	19,500	4,706	241,789
Accumulated depreciation at 1 April 2016 - as previously stated	0	8,589	379	0	32,835	569	15,515	4,204	62,091
Provided during the year	0	5,092	191	0	2,102	44	625	156	8,210
Revaluations	0	(15)	19	0	0	0	0	0	4
Transfers to/ from assets held for sale	0	(8)	0	0	0	0	0	0	(8)
Disposals	0	0	0	0	(1,763)	0	(7)	0	(1,770)
Accumulated depreciation at 31 March 2017	0	13,658	589	0	33,174	613	16,133	4,360	68,527
Net book value at 31 March 2017	7,615	133,968	3,701	3,728	20,350	187	3,367	346	173,262
Net book value at 31 March 2016	8,350	114,704	3,747	26,213	11,059	122	2,177	428	166,800

Note 16.3 Property, plant and equipment financing - 2017/18

Trust	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
Net book value at 31 March 2018									
Owned - purchased	7,505	119,076	4,026	3,225	18,257	139	2,982	230	155,440
Finance leased	0	0	0	0	0	661	0	0	661
On-SoFP PFI contracts and other service concession arrangements	0	15,155	0	0	0	0	0	0	15,155
Owned - government granted	0	3	0	0	10	0	0	0	13
Owned - donated	0	5,591	0	0	2,283	0	60	40	7,974
NBV total at 31 March 2018	7,505	139,825	4,026	3,225	20,550	800	3,042	270	179,243

Note 16.4 Property, plant and equipment financing - 2016/17

Trust	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
Net book value at 31 March 2017									
Owned - purchased	7,615	113,620	3,701	3,728	18,072	85	3,297	293	150,411
Finance leased	0	0	0	0	0	102	0	0	102
On-SoFP PFI contracts and other service concession arrangements	0	14,950	0	0	0	0	0	0	14,950
Owned - government granted	0	18	0	0	11	0	0	0	29
Owned - donated	0	5,380	0	0	2,267	0	70	53	7,770
NBV total at 31 March 2017	7,615	133,968	3,701	3,728	20,350	187	3,367	346	173,262

Note 17 Donations of property, plant and equipment and intangibles

The Trust has benefitted from the receipt of Charitable Donations of Property, Plant and Equipment during 2017/18 £614,000, (2016/17 total of £1,616,000). No restrictions have been placed on the use of these Charitable Donations by the donors.

The categorisation of the additions was as follows: - Buildings excluding dwellings £21,000 (2016/17 £78,000); Assets under construction £182,000 (2016/17 £0) and Plant Machinery £411,000 (2016/17 £1,493,000). In 2016/17 the Trust also benefitted from charitable donations to the following PPE and Intangible categories; Furniture & Fittings £32,000 and Software Licences totalling £13,000.

Note 18 Revaluations

As described in note 6 to the Accounts 'Impairment of Assets', the Trust commissioned the District Valuation Office to undertake a number of revaluations during the course of 2017/18, namely: -

Provision of a valuation for land and buildings that were surplus to Trust needs and were available for sale; provision of a valuation of land and building assets not currently available for sale and a valuation of land, and provision for buildings and dwellings in use as at 31st March 2018. In line with accounting standards, the assets available for sale were valued at the lower of existing use value or alternative use value; assets surplus to requirements but available for sale were valued at the higher of existing use value or alternative use value; specialised building and dwelling assets in use were valued at depreciated replacement cost and non specialised building assets were valued at open market value.

The overall net impact of the above revaluations has been to increase the value of the Trust's Property, Plant and Equipment items by £8,841k. Of this increase £5,923k has been credited to operating expenditure and the balance of £2,918k has been credited to the revaluation reserve.

Note 19 Investments in Associates (and joint ventures)

The Trust's principal subsidiary undertakings and investments as included in the consolidation as at the reporting date are set out in these financial statements.

The reporting data of the financial statements for the subsidiary is the same as for these group financial statements - 31 March 2018

SDH Developments Ltd

The company is registered in the UK, company no. 08385611 with a share capital comprising one share £1 owned by the Trust. The company commenced trading on 1st July 2013 as an Outpatients Dispensing service in Torbay Hospital and a significant proportion of the company's revenue is inter group trading with the Trust which is eliminated upon the consolidation of these group financial statements. The subsidiary company reported a £40,000 post tax profit in the year ending 31st March 2018 (2016/17 £86,000). Its gross and net assets at 31st March 2018 were £1,570,000 (2016/17 £1,746,000) and £313,000 (2016/17 £273,000) respectively. The management of the subsidiary company produce their own tax computations, supported with professional advice which due to ethical standards the auditors can no longer produce. There has been no significant change in the trading risks during the course of this year.

Investments in associates and joint ventures outside of the government accounting boundary

	Group and Trust	
	2017/18	2016/17
	£000	£000
Carrying value at 1 April - brought forward	35	0
Acquisitions in year	0	35
Carrying value at 31 March	35	35

During 2016/17 the Trust invested £35,000 in a Limited Liability Partnership trading as 'Health and Care Innovations LLP'. The Trust holds a 50% equity stake in the business. The principal purpose of the LLP is to develop, produce and market healthcare related educational videos. On the grounds of materiality the Trust has not consolidated the results of the LLP into these financial statements.

Note 20 Inventories

	Group		Trust	
	2018	2017	2018	2017
	£000	£000	£000	£000
Drugs	1,705	1,731	1,179	1,133
Consumables	2,726	2,414	2,726	2,414
Energy	60	29	60	29
Other	3,773	3,101	3,773	3,101
Total inventories	8,264	7,275	7,738	6,677
of which:				
Held at fair value less costs to sell	0	0	0	0

Inventories recognised in expenses for the year were £40,633k (2016/17: £41,012k). Write-down of inventories recognised as expenses for the year were £93k (2016/17: £66k).

Note 21.1 Trade receivables and other receivables total

	Group		Trust	
		Restated *		Restated *
	31 March	31 March	31 March	31 March
	2018	2017	2018	2017
	£000	£000	£000	£000
Current				
Trade receivables	5,988	7,065	5,988	5,297
Accrued income	11,643	5,009	11,614	4,220
Provision for impaired receivables	(934)	(907)	(934)	(907)
Prepayments (non-PFI)	4,064	3,482	4,064	4,271
PDC dividend receivable	0	99	0	99
VAT receivable	509	875	346	681
Other receivables **	5,916	4,975	5,900	6,799
Total current trade and other receivables	27,186	20,598	26,978	20,460
Non-current				
Finance lease receivables	504	504	504	504
Other receivables	1,834	1,628	2,362	2,086
Total non-current trade and other receivables	2,338	2,132	2,866	2,590
Of which receivables from NHS and DHSC group bodies:				
Current	13,458	8,431	13,458	8,431
Non-current	245	244	245	244

* **Restated.** The comparative data for the Current trade and other receivables has been restated to better reflect the type of asset.

** **Other receivables.** Other receivables includes NHS Injury Unit receivables £2,835,000 (2016/17 £2,627,000) and Adult Social Care Debt of £3,644,000 (2016/17 £2,627,000).

Note 21.2 Provision for impairment of receivables

	Group and Trust	
	2017/18	2016/17
	£000	£000
At 1 April as previously stated	907	850
Increase in provision	300	368
Amounts utilised	(273)	(116)
Unused amounts reversed	0	(195)
At 31 March	934	907

Note 21.3 Credit quality of financial assets

	Group and Trust	
	31 March	31 March
	2018	2017
	Trade and other receivables	Trade and other receivables
	£000	£000
Ageing of impaired financial assets		
0 - 30 days	8	8
30-60 Days	13	12
60-90 days	16	20
90- 180 days	54	52
Over 180 days	843	815
Total	934	907
Ageing of non-impaired financial assets past their due date		
0 - 30 days	2,913	2,095
30-60 Days	566	598
60-90 days	557	284
90- 180 days	677	568
Over 180 days	3,462	3,384
Total	8,175	6,929

Note 21.4 Credit quality of financial assets (continued)

The Trust undertakes a regular review of its aged debt analysis to ensure that invoices are settled in a prompt manner and to ensure that any debts that show signs of being disputed are escalated appropriately. If as a consequence of an investigation the likelihood of debt recovery is remote, a provision for a potential bad debt is made. As described in Note 3.2 Operating Income, a general provision for bad debt is applied to NHS Recovery Unit debts as advised by NHSI. The Trust also applies a general provision for bad debts against its Adult Social Care debtors. This general provision is based upon long standing historical experience of recovering these type of debts.

The Trust has reviewed the value of its non impaired debts beyond their settlement dates and has concluded that these debts are likely to be recoverable.

Note 22 Non-current assets held for sale and assets in disposal groups

	Group		Trust	
	2017/18	2016/17	2017/18	2016/17
	£000	£000	£000	£000
NBV of non-current assets for sale and assets in disposal groups at 1 April	163	0	163	0
Assets classified as available for sale in the year	1,255	163	1,255	163
Assets sold in year	(763)	0	(763)	0
NBV of non-current assets for sale and assets in disposal groups at 31 March	655	163	655	163

During the course of the financial year two 'Available for Sale Assets' were disposed of. A further two assets are classified as available for sale as at 31 March 2018. Both of these properties are vacant and are being marketed as being available for sale to prospective 'Strategic Estate Partners'. The Trust anticipates that the disposals will take place during the next twelve months

Note 23 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	Group		Trust	
	2017/18	2016/17	2017/18	2016/17
	£000	£000	£000	£000
At 1 April	4,636	23,572	4,170	23,253
Net change in year	1,532	(18,936)	1,952	(19,083)
At 31 March	6,168	4,636	6,122	4,170
Broken down into:				
Cash at commercial banks and in hand	98	481	52	15
Cash with the Government Banking Service	6,070	4,155	6,070	4,155
Total cash and cash equivalents as in SoFP and SoCF	6,168	4,636	6,122	4,170

The Trust has a committed Working Capital Loan Facility at £11.0m in place with the Independent Trust Financing Facility. As at 31 March 2018, this facility had not been utilised.

Note 24 Trade and other payables

	Group		Trust	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
Current				
Trade payables	7,975	6,579	7,975	6,579
Capital payables	1,357	2,560	1,357	2,560
Accruals	10,352	11,344	10,273	11,344
Receipts in advance (including payments on account)	3,057	513	3,057	513
Social security costs	4,395	4,238	4,395	4,238
Other taxes payable	10	27	0	0
PDC dividend payable	219	0	219	0
Accrued interest on loans	250	249	250	249
Other payables	4,707	5,190	4,649	4,746
Total current trade and other payables	32,322	30,700	32,175	30,229
Of which payables to NHS and DHSC group bodies:				
Current	2,332	2,063	2,332	2,063

Other Payables includes £2,991,000 (2016/17 £2,939,000) outstanding pension contributions as at 31 March.

Note 25 Other liabilities

	Group and Trust	
	31 March 2018 £000	31 March 2017 £000
Current		
Deferred income	835	876
Total other current liabilities	835	876

The deferred income relates to Maternity Care Pathway income received in advance from the Trust's commissioners.

Note 26 Borrowings

	Group and Trust	
	31 March 2018 £000	31 March 2017 £000
Current		
Loans from DHSC	6,905	6,812
Obligations under finance leases	110	17
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	782	667
Total current borrowings	7,797	7,496
Non-current		
Loans from DHSC	57,141	63,406
Obligations under finance leases	563	77
Obligations under PFI, LIFT or other service concession contracts	19,514	20,296
Total non-current borrowings	77,218	83,779

Note 26.1 Loans from DHSC

The interest rates and terms of the Loans from DHSC are as follows: -

	Total Principal outstanding at 31 March 2018 £000	Interest Rate %	Annual loan principal repayment value £000	Duration of Loan Years	Date of final loan repayment £000
Loans for Capital Developments					
Backlog Maintenance 2011/12	7,030	3.41%	540	20	Dec 2030
Backlog Maintenance 2012/13	7,393	1.90%	527	20	Mar 2032
Pharmacy Manufacturing Freehold	6,370	2.99%	411	20	Sep 2033
Pharmacy Manufacturing Fit-out	8,498	3.14%	1,887	12	Sep 2022
Critical Care Unit and Hospital Front Entrance	11,994	2.34%	706	20	Nov 2034
Linear Accelerator Bunker and associated enabling works	3,194	2.34%	188	20	Nov 2034
Replacement Linear Accelerator	2,317	1.66%	331	10	Feb 2024
Car Parking Facilities	1,499	1.66%	214	10	Nov 2024
Sub-total	48,295		4,804		
Other Loans					
Working Capital Facility	15,750	1.47%	2,100	10	Sep 2025
Total	64,045		6,904		

	Group and Trust	
	31 March 2018 £000	31 March 2017 £000
of which payable within: -		
- not later than one year;	6,904	6,812
- later than one year and not later than five years;	27,616	27,248
- later than five years.	29,525	36,158

Note 27 Finance leases

Trust as a lessor

Future lease receipts due under finance lease agreements where the trust is the lessor:

	Group and Trust	
	31 March 2018 £000	31 March 2017 £000
Gross lease receivables	2,956	3,015
of which those receivable:		
- not later than one year;	59	59
- later than one year and not later than five years;	238	238
- later than five years.	2,659	2,718
Unearned interest income	(2,452)	(2,511)
Net lease receivables	504	504
of which those receivable:		
- not later than one year;	0	0
- later than one year and not later than five years;	2	1
- later than five years.	502	503
 The unguaranteed residual value accruing to the lessor	 0	 0
Contingent rents recognised as income in the period	0	0

The finance lease receivables relates to the lease of three properties to the South West Ambulance Service NHS Foundation Trust, two of which expire in 2090 and one in 2071, and the lease of part of the Torbay Hospital Annexe site to the Devon Studio School which expires in 2063.

Trust as a lessee

Obligations under finance leases where the trust is the lessee.

	Group and Trust	
	31 March 2018 £000	31 March 2017 £000
Gross lease liabilities	732	114
of which liabilities are due:		
- not later than one year;	131	24
- later than one year and not later than five years;	494	90
- later than five years.	107	0
Finance charges allocated to future periods	(59)	(20)
Net lease liabilities	673	94
of which payable:		
- not later than one year;	110	17
- later than one year and not later than five years;	456	77
- later than five years.	107	0
Total of future minimum sublease payments to be received at the reporting date	0	0
 Contingent rent recognised as an expense in the period	 0	 0

The finance lease repayables relate to the lease of vehicles including the Trust's Patient Trust Ambulance fleet

Note 28 Provisions for liabilities and charges analysis (Group and Trust)

Group and Trust	Pensions - early departure costs £000	Legal claims £000	Total £000
At 1 April 2017	4,116	228	4,344
Transfers by absorption	0	0	0
Change in the discount rate	58	0	58
Arising during the year	730	178	908
Utilised during the year	(328)	(173)	(501)
Reclassified to liabilities held in disposal groups	0	0	0
Reversed unused	(56)	(34)	(90)
Unwinding of discount	4	0	4
Movement in charitable fund provisions	0	0	0
At 31 March 2018	4,524	199	4,723
Expected timing of cash flows:			
- not later than one year;	237	199	436
- later than one year and not later than five years;	1,149	0	1,149
- later than five years.	3,138	0	3,138
Total	4,524	199	4,723

The provision entitled 'pensions early departure costs' has two components. The provision for early retirement and injury benefit payments to staff have been based on information from NHS Pensions. The principle uncertainty relating to this is the life expectancy of the beneficiaries.

The provision entitled 'legal claims' relates to personal injury claims received from employees and members of the public. These claims have been quantified according to the guidance received from the NHSLA and the relevant insurance companies. Due to the inherent uncertainty of this type of claim it has been assumed that any of the claims dealt with by the insurance companies will be settled and paid during the year ending 31 March 2019. The potential liability has been split into two parts with one part being provided for and the second part included in Contingencies at Note 30

Note 29 Clinical negligence liabilities

At 31 March 2018, £64,369k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Torbay and South Devon NHS Foundation Trust (31 March 2017: £66,981k).

Note 30 Contingent assets and (liabilities)

	Group and Trust	
	31 March	31 March
	2018	2017
	£000	£000
Value of contingent (liabilities)		
NHS Resolution legal claims	(84)	(53)
Other	(2,061)	(2,337)
Gross value of contingent (liabilities)	(2,145)	(2,390)
Amounts recoverable against liabilities	0	0
Net value of contingent (liabilities)	(2,145)	(2,390)
Net value of contingent assets	0	0

Personal Injury Claims

The Trust receives a number of personal injury claims from employees and members of the public. The NHSLA administer the scheme and provide details of the liability and likely value of claims. The value of the claims which have been assessed as being unlikely to succeed for which no provision has been made in the accounts is £84,000 (2016/17 £53,000)

Devon Studio School

The Trust entered into a lessor finance lease with Devon Studio School which was subsequently novated to South Devon College on 1st September 2017 to enable the School/College to use part of the Trust's Torbay Hospital Annexe site as an educational facility. The Secretary of State for Education has loaned the School/College a sum of money to invest in the site. This external investment does not form part of the Trust's Statement of Financial Position, but the value of the buildings now leased to the College have been classified in the Trust's accounts as a finance lease. The lease is for a 50 year period, with a break point at year 30. If during the course of the primary lease period (i.e. the first 30 years) South Devon College (or successor organisation) was to cease the delivery of education (for whatever reason), then the Trust would be obliged to pay a sum to the Secretary of State for the capital invested by the Department of Education. The potential sum payable diminishes over time but at 31 March 2017 the potential liability would be £2.1m (2016/17 £2.4m). No provision for this potential liability has been made, as the likelihood of this liability crystallising is considered remote.

Note 31 Contractual capital commitments

	Group & Trust	
	31 March	31 March
	2018	2017
	£000	£000
Property, plant and equipment	59	380
Intangible assets	174	163
Total	233	543

Note 32 Other financial commitments

The group / trust is committed to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangement), analysed by the period during which the payment is made:

	Group		Trust	
	31 March	31 March	31 March	31 March
	2018	2017	2018	2017
	£000	£000	£000	£000
not later than 1 year	2,989	1,837	2,944	1,837
Total	2,989	1,837	2,944	1,837

Note 33 On-SoFP PFI, LIFT or other service concession arrangements

The Trust has two PFI contracts for two Community Hospital facilities, namely Dawlish Community Hospital and Newton Abbot Community Hospital. Both contracts meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, and are therefore accounted for as 'on-Statement of Financial Position'

Dawlish Hospital

Dawlish Hospital has a value of £478,000 at 31st March 2018 (31st March 2017 £530,000)

The Trust entered into an agreement under the Private Finance Initiative (PFI) arrangements for the construction of a new community hospital in Dawlish. The contract for the arrangement runs from 22nd June 1999 with a term of 25 years.

On 1 April 2002 this arrangement passed to Teignbridge Primary Care Trust (a predecessor body of Northern, Eastern and Western Devon CCG). On 1 April 2013 it passed to Torbay and Southern Devon Health and Care NHS Trust. On 1 October 2015 it returned to the Trust through the transfer of absorption of Torbay and Southern Devon Health and Care NHS Trust.

From the commencement of the contract a service fee of £241,00 was payable each year subject to indexation based upon RPI.

For the twelve month period 2017-18 that the Trust operated the scheme the unitary payment was £969,000 (2016-17 £940,000)

Arrangement - The contract is for the provision of services for maintenance, domestics and catering staff for the hospital. The ownership of the equipment and content rests with the Trust. The arrangement works on the principal of 'no hospital, no fee'. The provision of services is managed through service level agreements, which have measurable targets and are subject to regular monitoring.

Terms of Arrangement - The unitary payment is comprised of two elements, an Availability fee which is fixed for the duration of the contract and a Service fee which is subject to indexation based upon the movement in the 'Retail Prices Index (RPIX) All items, excluding mortgage interest payments'. Services are subject to market testing approximately every 5 years, and increases and decreases in costs from these regular market testing exercises are passed through to the Trust. At the end of the project term the Trust may allow the lease to expire with no compensation payable, or the parties may agree commercial terms for an extension of the agreement for a further 10 years, or have an option to acquire the leasehold interest and collapse the entire Lease structure by paying open market value for the land and buildings. In the event of re-financing of the PFI the Trust is entitled to receive half of the refinancing cash flow benefits.

Newton Abbot Hospital

On 11th April 2007 Devon Primary Care Trust (now reconfigured and named Northern, Eastern and Western Devon Clinical Commissioning Group) entered into an agreement under the Private Finance Initiative (PFI) arrangement for the construction of a new community hospital at Jetty Marsh, Newton Abbot. The capital value of the scheme was £21,980,000

The construction of the hospital was completed on 18th December 2008. From that date the unitary payment was £2,103,669 each year subject to annual RPI indexation movement for a period of 30 years. For the twelve month period in 2017-18 the unitary payment was £2,703,000 (2016-17 £2,647,000). Newton Abbot Hospital has a value of £14,676,000 at 31st March 2018 (31st March 2017 £14,420,000).

Arrangement - The contract is for the provision of maintenance services for this hospital. The ownership of the equipment between the parties is specified in the Agreement. The arrangement works on the basis of a reduction in the payments for failure to deliver to the agreed service levels. The provision of services is managed through service level agreements which have measurable targets and are subject to regular monitoring.

Terms of Arrangement - The unitary payment is comprised of two elements, an Availability fee which is fixed for the duration of the contract and a Service fee which is subject to indexation based upon the movement in the 'Retail Prices Index (RPI) All items'. At the end of the project term the Agreement will terminate with no compensation payable. In the event of re-financing of the PFI the Trust is entitled to receive half of the re-financing cash flow benefits.

Note 33 On-SoFP PFI, LIFT or other service concession arrangements, continued

Note 33.1 Imputed finance lease obligations

The following are obligations in respect of the finance lease element of on-Statement of Financial Position PFI schemes:

	Group and Trust			31 March 2017
	31 March 2018			
	Dawlish £000	Newton Abbot £000	Total £000	Total £000
Gross PFI, LIFT or other service concession liabilities	4,040	30,205	34,245	36,249
Of which liabilities are due				
- not later than one year;	577	1,493	2,070	2,003
- later than one year and not later than five years;	2,711	5,997	8,708	8,468
- later than five years.	752	22,715	23,467	25,778
Finance charges allocated to future periods	(1,244)	(12,705)	(13,949)	(15,286)
Net PFI, LIFT or other service concession arrangement obligation	2,796	17,500	20,296	20,963
- not later than one year;	270	512	782	667
- later than one year and not later than five years;	1,858	2,368	4,226	3,696
- later than five years.	668	14,620	15,288	16,600

Note 33.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

Total future obligations under these on-SoFP schemes are as follows:

	Group and Trust			31 March 2017
	31 March 2018			
	Dawlish £000	Newton Abbot £000	Total £000	Total £000
Total future payments committed in respect of the PFI service concession arrangements	7,033	74,204	81,237	84,164
Of which liabilities are due:				
- not later than one year;	1,027	2,777	3,804	3,665
- later than one year and not later than five years;	4,624	11,822	16,446	15,839
- later than five years.	1,382	59,605	60,987	64,660

Note 33.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the unitary payments made to the service concession operator:

	Group and Trust			31 March 2017
	31 March 2018			
	Dawlish £000	Newton Abbot £000	Total £000	Total £000
Unitary payment payable to service concession operator	969	2,703	3,672	3,587
Consisting of:				
- Interest charge	331	1,006	1,337	1,378
- Repayment of finance lease liability	212	455	667	631
- Service element and other charges to operating expenditure	347	289	636	621
- Capital lifecycle maintenance	0	341	341	329
- Revenue lifecycle maintenance	79	183	262	254
- Contingent rent	0	429	429	374
- Addition to lifecycle prepayment	0	0	0	0
Other amounts paid to operator due to a commitment under the service concession contract but not part of the unitary payment	0	0	0	0
Total amount paid to service concession operator	969	2,703	3,672	3,587

Note 34 Financial instruments

Note 34.1 Financial risk management

A financial instrument is a contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another enterprise.

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the year in creating or changing the risks an entity faces in undertaking its activities.

The financial assets and liabilities of the Trust are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

Credit risk

Credit risk is the possibility that other parties might fail to pay amounts due to the Trust. Credit risk arises from deposits with banks as well as credit exposures to the Trust's commissioners and other receivables. Surplus operating cash is only invested with UK based Clearing banks. The Trust's cash assets are held with National Westminster Bank plc., the Office of the Government Banking Service and Citibank only. An analysis of the ageing of receivables and provision for impairment can be found at note 21, trade and other receivables.

Because of the continuing service provider relationship that the Trust has with local clinical commissioning groups and the way those clinical commissioning groups are financed, the Trust is not exposed to the degree of credit risk faced by many other business entities. Also, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which FRS 25 mainly applies.

Liquidity risk

Liquidity risk is the possibility that the Trust might not have funds available to meet its commitments to make payments. Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding from an adequate amount of committed credit facilities.

The Trust's net operating costs are incurred largely under annual service agreements with local clinical commissioning groups, which are financed from resources voted annually by Parliament. The Trust also largely finances its capital expenditure from internally generated funds. The Trust is not, therefore, exposed to significant liquidity risks.

The Trust has secured eight Independent Trust Financing Facility (ITFF) Loans, details of which are disclosed in note 26 to the accounts. These loans are being used to enable the Trust to invest in replacement infrastructure of Torbay Hospital, namely to invest in backlog maintenance; to enable the expansion of the Trusts Pharmacy Manufacturing Unit (PMU); construction of a new Critical Care Unit and Hospital Front Entrance; improvement of Car Parking Facilities and continuation of the Trust's Radiotherapy service as well as supporting the implementation of the Trust's care model (working capital facility). Interest on these loans are fixed. The loan principal repayment and interest rates on these loans are disclosed in note 26.

During 2015/16 the Trust acquired two Private Finance Initiative (PFI) contracts, in respect of Newton Abbot and Dawlish community hospitals. Further details of the contracts are given in Note 33. The unitary payments for the Newton Abbot contract are subject to annual indexation in accordance with RPI (excluding mortgage interest payments). However, the associated risk is not judged to be significant, as these payments are equivalent to less than 1% of Trust turnover. With regard to the Dawlish contract, the availability fee is fixed and the service fee is subject to periodic market testing (meaning that the cost should be no greater than if the contract did not exist and the services were purchased externally).

Market Risk

Market risk is the possibility that financial loss might arise as a result of changes in such measures as interest rates and stock market movements. The Trust's transactions are almost all undertaken in sterling and so it is not exposed to foreign exchange risk. It holds no significant investments other than short-term bank deposits. Other than cash balance, the Trust's financial assets and liabilities carry nil or fixed rates of interest and the Trust's income and operating cash flows are substantially independent of changes in market interest rates. Therefore, the Trust is not exposed to significant interest-rate risk.

Note 34.2 Carrying values of financial assets

Group	31 March 2018			31 March 2017 Restated*		
	Loans and receivables	Available-for- sale	Total book value	Loans and receivables	Available- for-sale	Total book value
	£000	£000	£000	£000	£000	£000
Assets as per SoFP						
Trade and other receivables excluding non financial assets	24,951	0	24,951	18,274	0	18,274
Other investments / financial assets	35	655	690	35	163	198
Cash and cash equivalents	6,168	0	6,168	4,636	0	4,636
Total	31,154	655	31,809	22,945	163	23,108

Trust	31 March 2018			31 March 2017 Restated *		
	Loans and receivables	Available-for- sale	Total book value	Loans and receivables	Available- for-sale	Total book value
	£000	£000	£000	£000	£000	£000
Assets as per SoFP						
Trade and other receivables excluding non financial assets	25,434	0	25,434	18,788	0	18,788
Other investments / financial assets	35	655	690	35	163	198
Cash and cash equivalents	6,122	0	6,122	4,170	0	4,170
Total	31,591	655	32,246	22,993	163	23,156

* - **Restated.** The comparative data for 31 March 2017 has been changed as a consequence of the restatement of 'Trade receivables and other receivables' to better reflect the type of asset in line with note 21.

Note 34.3 Carrying values of financial liabilities

	Group		Trust	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	£000	£000	£000	£000
Other financial liabilities				
Liabilities as per SoFP				
Borrowings excluding finance lease and PFI liabilities	64,046	70,218	64,046	70,218
Obligations under finance leases	673	94	673	94
Obligations under PFI, LIFT and other service concession contracts	20,296	20,963	20,296	20,963
Trade and other payables excluding non financial liabilities	21,650	22,983	21,513	22,512
Provisions under contract	199	228	199	228
Total	106,864	114,486	106,727	114,015

Note 34.4 Maturity of financial liabilities

	Group		Trust	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	£000	£000	£000	£000
In one year or less	29,646	30,707	29,509	30,236
In more than one year but not more than two years	7,913	7,611	7,913	7,611
In more than two years but not more than five years	24,389	23,409	24,389	23,409
In more than five years	44,916	52,759	44,916	52,759
Total	106,864	114,486	106,727	114,015

Note 34.5 Fair Values

The book value of assets and liabilities due after 12 months is the same as the fair value of the assets and liabilities.

Note 35 Losses and special payments

Group and trust	2017/18		2016/17	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Cash losses	4	3	9	3
Bad debts and claims abandoned	160	350	125	216
Stores losses and damage to property	1	0	5	1
Total losses	165	353	139	220
Special payments				
Compensation under court order or legally binding arbitration award	1	6	0	0
Ex-gratia payments	18	8	21	5
Total special payments	19	14	21	5
Total losses and special payments	184	367	160	225
Compensation payments received		0		0

Note 36 Related parties

Trust forms part of the Government's 'Whole Government Accounting' framework along with other NHS and Local Authority bodies. The Trust's ultimate parent is HM Government

During 2017/18 and 2016/17 the Trust transacted with related parties on whose Boards the Trust's non-executive directors and directors had similar chair or non-executive roles, or other interests. The value of transactions entered into were as follows: -

	Income		Receivables	
	2017/18 £000	2016/17 £000	31 March 2018 £000	31 March 2017 £000
Ashburton Surgery	1	1	0	0
Devon Sudio School	17	40	260	260
Office of Police & Crime Commissioner	2	0	0	0
Unviversity of Exeter	85	29	35	21
	105	70	295	281

	Expenditure		Payables	
	2017/18 £000	2016/17 £000	2018 £000	2017 £000
Age UK Torbay *	0	108	0	2
Ashburton Surgery	12	0	0	0
Ogwell Grange Ltd	7	0	1	0
The Pluss Organisation C.I.C.	8	6	0	0
Unviversity of Exeter	80	114	2	5
	107	228	3	7

* - Age UK Torbay was no longer a related party during 2017/18

Note 36 Related parties continued

During the year the Trust has had a significant number of transactions with Clinical Commissioning Groups, NHS England, other NHS Foundation Trusts and NHS Trusts. In addition the Trust has had a number of material transactions with other Government Departments. The principal related parties are noted below: -

	Income		Receivables	
	2017/18	2016/17	31 March 2018	31 March 2017
	£000	£000	£000	£000
NHS Foundation Trusts	7,594	7,063	1,264	1,152
NHS Trusts	7,684	6,715	1,181	1,000
NHS South Devon and Torbay CCG	261,892	249,665	648	2,604
NHS Northern, Eastern and Western CCG	7,336	6,522	582	185
NHS England - South West	37,973	38,153	1,638	2,871
Other NHS Organisations	26,850	17,136	8,388	824
Torbay Council	50,044	47,100	751	843
Devon County Council	2,027	1,539	1,484	423
Other Local and Central Government bodies	2,067	1,739	697	1,132
	403,467	375,632	16,633	11,034

	Expenditure		Payables	
	2017/18	2016/17	31 March 2018	31 March 2017
	£000	£000	£000	£000
NHS Resolution (formally Litigation)	7,200	5,260	0	13
Other NHS Organisations	-4,512	6,807	2,688	2,925
NHS Pension Scheme	21,920	21,575	2,991	2,939
HMRC and National Insurance Fund	17,081	16,051	4,404	4,265
Torbay Council	2,008	3,191	636	319
Devon County Council	9,111	11,360	1,198	1,674
Other Local and Central Government bodies	12,711	1,753	243	356
	65,519	65,997	12,160	12,491

The Trust also received revenue contributions of £2,227,000 (2016/17 £1,932,000) and capital of £614,000 (2016/17 £1,616,000) from a number of charitable funds, including the Torbay South Devon NHS Charitable Fund, for which the Foundation Trust is Corporate Trustee. The registered number of the charity is 1052232, the registered office is Regent House, Regent Close, Torquay TQ2 7AN. The charity had reserves of £1,391,000 as at 31st March 2018 and recorded a decrease in funds of £1,486,000 during the year ended 31st March 2018. The balance of receivable due from the charitable fund at 31st March 2018 was £1,080,000 (31st March 2017 £231,000).

Key Management personnel - Key management includes directors, both executive and non-executive. The compensation paid or payable in aggregate to key management for employment services is shown in the Annual Report. None of the key management personnel received an advance from the Trust. The Trust has not entered into any guarantees of any kind on behalf of key management personnel. There were no amounts owing to key management personnel at the beginning or end of the financial year.

Summary adjustments required to Group Accounts to produce Trust Accounts (SOFPI) only

PPE - AUC

Inventory - Drugs

Non Current Debtor

Other Receivables

Trade & Other Receivables

Accrued Income (DDCA)

Other Receivables (DFCE & DFFA)

VAT Debtor

Cash & Cash Equivalents - Commercial Banks

Trade & Other Payables

Corporation Tax (CFAA) - within Other Tax Payables

Creditors due < 1 year Accruals Other BA (CLCA) - within accruals

Creditors due < 1 year Non-trade due to SDH Developments Ltd (CPEA) - within other payab

Intra company payables (CPFA) - within Other Payables

SDHD Payables (CPFB) - within Other Payables

Accumulated profits - within Other Payables

Total Trade & Other Payables

Reserves

Reserves b/fwd I &E

I&E Profit in year

Sum of

:-

Dr / (Cr)	Dr / (Cr)
£	£'000
-207,500.00	-208

-526,164.69	-526
-------------	------

527,501.00	528
------------	-----

-28,884.31	-29
-15,995.85	-16
-162,872.72	-163
-207,752.88	-208

-45,743.94	-46
------------	-----

9,903.20	10
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78,638.67	79
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les

-660,324.91	-660
301,540.94	301
689,956.61	690
-272,656.63	-273
58,516.01	58

147,057.88	147
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272,656.63	273
39,946.00	40
312,602.63	313

0.00	0
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Staff costs

	Group			
	Permanent	Other	2017/18 Total	2016/17 Total
	£000	£000	£000	£000
Salaries and wages	179,252	-	179,252	180,145
Social security costs	16,196	-	16,196	16,024
Apprenticeship levy	873	-	873	-
Employer's contributions to NHS pensions	21,920	-	21,920	21,575
Pension cost - other	42	-	42	21
Other post employment benefits	-	-	-	-
Other employment benefits	-	-	-	-
Termination benefits	-	-	-	-
Temporary staff	-	5,786	5,786	9,729
NHS charitable funds staff	-	-	-	-
Total gross staff costs	218,283	5,786	224,069	227,494
Recoveries in respect of seconded staff	-	-	-	-
Total staff costs	218,283	5,786	224,069	227,494
Of which				
Costs capitalised as part of assets	880	-	880	1,485

Average number of employees (WTE basis)

	Group			
	Permanent	Other	2017/18 Total	2016/17 Total
	Number	Number	Number	Number
Medical and dental	498	16	514	475
Ambulance staff	-	-	-	-
Administration and estates	1,367	2	1,369	1,402
Healthcare assistants and other support staff	821	5	826	987
Nursing, midwifery and health visiting staff	1,498	25	1,523	1,590
Nursing, midwifery and health visiting learners	-	-	-	-
Scientific, therapeutic and technical staff	1,047	13	1,060	994
Healthcare science staff	-	-	-	-
Social care staff	-	116	116	122
Other	-	-	-	-
Total average numbers	5,231	177	5,408	5,570
Of which:				
Number of employees (WTE) engaged on capital projects	22	-	22	37

Reporting of compensation schemes - exit packages 2017/18

	Number of compulsory redundancies Number	Number of other departures agreed Number	Total number of exit packages Number
Exit package cost band (including any special payment element)			
<£10,000	1	29	30
£10,001 - £25,000	3	9	12
£25,001 - 50,000	-	9	9
£50,001 - £100,000	-	4	4
£100,001 - £150,000	-	-	-
£150,001 - £200,000	-	-	-
>£200,000	-	-	-
Total number of exit packages by type	4	51	55
Total resource cost (£)	£50,000	£880,000	£930,000

Reporting of compensation schemes - exit packages 2016/17

	Number of compulsory redundancies Number	Number of other departures agreed Number	Total number of exit packages Number
Exit package cost band (including any special payment element)			
<£10,000	2	52	54
£10,001 - £25,000	2	24	26
£25,001 - 50,000	-	10	10
£50,001 - £100,000	-	5	5
£100,001 - £150,000	-	-	-
£150,001 - £200,000	-	-	-
>£200,000	-	-	-
Total number of exit packages by type	4	91	95
Total resource cost (£)	£50,000	£1,256,000	£1,306,000

Exit packages: other (non-compulsory) departure payments

	2017/18		2016/17	
	Payments agreed Number	Total value of agreements £000	Payments agreed Number	Total value of agreements £000
Voluntary redundancies including early retirement contractual costs	-	-	-	-
Mutually agreed resignations (MARS) contractual costs	24	716	51	1,092
Early retirements in the efficiency of the service contractual costs	-	-	-	-
Contractual payments in lieu of notice	27	164	40	164
Exit payments following Employment Tribunals or court orders	1	-	1	-
Non-contractual payments requiring HMT approval	-	-	-	-
Total	52	880	92	1,256
Of which:				
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	-	-	-	-



Torbay and South Devon
NHS Foundation Trust

Quality Account 2017/18

N.B. This document forms part of the trust annual report and accounts

About this document

What is the Quality Account and why is it important to you?

Torbay and South Devon NHS Foundation Trust is committed to improving the quality of the services we provide to our patients, their families, and carers.

Our 2017/18 Quality Account is an annual report which shows:

- How we have performed over the last year against the quality improvement priorities which we laid out in our 2016/17 Quality Account.
- The quality of the NHS services provided and the development of our care model.
- How we are implementing the care model.
- How we have engaged staff, patients, commissioners, governors, Healthwatch and local Overview and Scrutiny Committees (OSCs) in deciding our priorities for the year.
- Statements about quality provided by our commissioners, governors, OSCs, Healthwatch and Trust directors.
- Our quality improvement priorities for the coming year (2018/19).

If you would like to know more about the quality of services that are delivered at the Trust, further information is available on our website

www.torbayandsouthdevon.nhs.uk

Do you need the document in a different format?

This document is also available in large print, audio, braille, and other languages on request. Please contact the equality and diversity team on 01803 656680.

Getting involved

We would like to hear your views on our Quality Account. If you are interested in commenting or seeing how you can get involved in providing input into the Trust's future quality improvement priorities, please contact quality.improvement@nhs.net or telephone 01803 655690.

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Annex 2

Statement of directors' responsibilities in respect of the accounts

Part 1: Introduction and statement of quality from the Interim Chief Executive

This report sets out how the Trust has delivered against our quality targets over the past year, and our quality improvement priorities and plans for 2018/19.

Since we formed our integrated care organisation nearly three years ago we have made significant changes to the way we deliver care, focusing on helping people to remain independent and at home, and to live their lives as fully as possible.



This past year we invested an additional £5.5m in services that offer people more of the care they need at home, or closer to home. We have strengthened our partnership with GPs and the voluntary sector, and we have expanded our specialist nursing teams who can provide treatments which previously would have required a hospital stay, such as intravenous antibiotics. This means that 20 per cent more people are now able to receive treatments at home or in a community clinic, preventing them needing to come to Torbay Hospital – something we plan to increase even more in the coming years

With the strengthened integration, our community Health and Wellbeing Teams now include nurses, physiotherapists, occupational therapists, social workers, GPs, pharmacists, and voluntary sector employees, all working together to provide care and support services that meet a wide range of health and wellbeing needs of our local people. The teams are also working to include independent care homes and domiciliary care providers in care planning. All these changes mean care is better co-ordinated, so that people receive the best combination of health and care services from the right professionals. Furthermore, through our teams working closely together they are better-placed to prevent people becoming unwell and needing to go into hospital. Compared to last year, we have been able to support 40 per cent more unwell people in their own home or community.

Through our partnership with local voluntary sector organisations, we have invested £200,000 to help employ and train Wellbeing Coordinators. They help people access community activities and resources, so they can stay well, independent, active and reduce any feelings of social isolation. Our Wellbeing Coordinators have already supported more than 2,800 people since July 2016.

All these changes to the way we provide services have allowed us to safely reduce our bed-based care, so that people can remain at home - where we know most people want to be. We would not have achieved any of the above without our staff,

who are central to our being able to provide safe, high quality services. While this year's Staff Survey result is reflective of the national picture in the NHS, our engagement has fallen since last year and this is disappointing. As a Trust we take this seriously, and are committed to continuing our engagement, listening to our staff, and creating with them the improvements that will enhance their experience of working for our Trust.

I commend this Quality Account to you and confirm that, to the best of my knowledge, the information in the document is accurate.

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

Liz Davenport, Interim Chief Executive, 23 May 2018

Part 2: Priorities for improvement

Looking back: 2017/18

In our 2016/17 Quality Account we reported that we would focus on five priority areas for quality improvement in the period 2017/18. These were all locally agreed priorities developed in conjunction with key stakeholders at our annual Quality Accounts Stakeholder meeting. The meeting included Healthwatch, Trust governors, commissioners, and local councillors as well as our health and care teams.

Patient safety

Priority 1: To develop and use a core multidisciplinary standardised risk assessment booklet and nursing care plan assessment booklet for all adult inpatients on any ward in the Trust.

When patients are admitted to a ward, the clinical team undertake a range of risk assessments to ensure a patient's needs are effectively met during their inpatient stay. This includes risks around falls, nutrition, and pressure ulcers. Also nurses complete care plans during a patient's stay to support holistic care delivery and reflect needs identified from the risk assessments.

We recognised that over time some of the risk assessments and care assessment documents had been customised for various clinical settings. Whilst this was clinically appropriate in some scenarios, the different formats of the same document had made it difficult for continuity of care and use of documentation when patients were transferred from one setting to another.

In 2017/18 we agreed to:

- Produce one standardised document for core risk assessments for use across adult inpatient beds, excluding specialised areas such as intensive care and obstetric patients.
- Work with our Matrons and plan a phased roll out.
- Roll out the new documentation and remove any old documentation.
- Audit the usage of the new tool, including the quality of information (accuracy, timeliness, completeness).

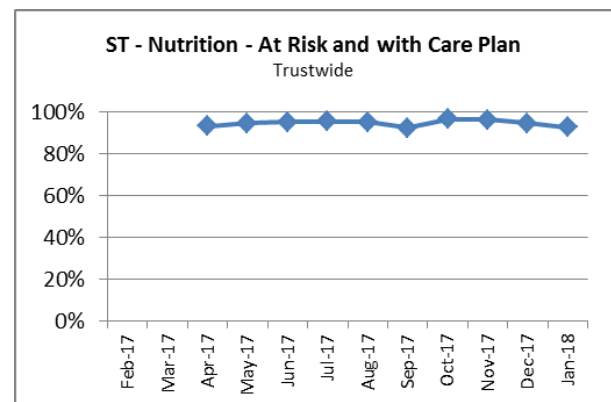
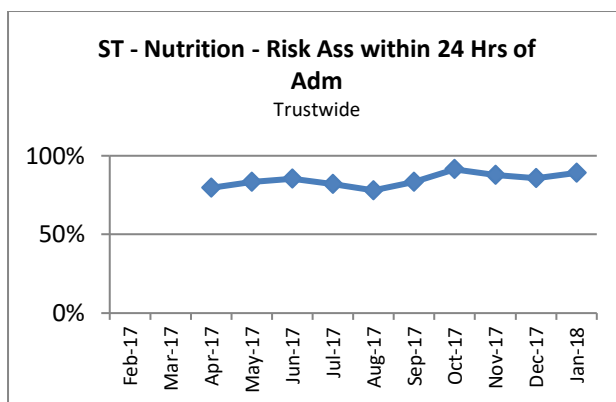
- Run a staff feedback survey and use the results to improve the new booklet.

We agreed that the standard risk assessments, e.g. nutrition, tissue viability, falls would be included in the booklet, together with the touch toe test assessment. This is a risk assessment to be completed for people with diabetes.

Various factors were considered, for example the amount of space for recording subsequent risk assessments for those with a longer length of stay.

The draft risk assessment booklet was discussed through the trust matrons' meetings and following several pilots in a sample of clinical areas, the final version was agreed. The document was printed and implemented within the wards.

Auditing the completion of the documentation forms part of the matron's monthly audit process.



Over the duration of the implementation of the risk assessment booklet, the Trust has also been working to improve clinical handover of information via an electronic system called Nervecentre.

This system was implemented on wards in Torbay Hospital and included some of the risk assessments described above which were included in the booklet. This has resulted in some of the assessments now being completed electronically rather than on paper. The Nervecentre project is described in more detail later in this document.

The risk assessment booklet is now firmly embedded into the daily working of ward teams.

In 2018/19 we will continue to use the booklet and Nervecentre to record a range of clinical assessments, acting on the results to improve patient care.

Clinical effectiveness

Priority 2: To redesign outpatients to make these services more patient centred and use resources effectively.

As a Trust we recognise that outpatient specialist care has not changed significantly since when the NHS began in 1948. At the same time, the way we deliver care has fundamentally changed.

In 2017/18 we agreed that we would start to improve our outpatient pathways working with a minimum of ten specialist medical and surgical services. The areas we agreed to focus on were:

- Improving the way patients are referred to outpatients from primary care
- Reducing unnecessary appointments
- Offering appointments in different ways, for example group appointments, telephone, or video phone appointments
- Offer patient-initiated appointments for those patients that will benefit from this service
- Reducing the did not attend (DNA) rate.

In 2017/18 our progress has been mixed. As a result, we have agreed that we will continue to focus on outpatients as a Trust priority in 2018/19 and that this will remain a priority for the Quality Account.

Nevertheless, we have made good progress in a range of specialities and several improvements are described below.

Over the last year we have improved the way patients are referred to outpatients from primary care by introducing a new service called pre-choice triage. This enables the consultant specialist to be able to provide advice and guidance straight back to the GP, send a patient straight to a test or to arrange an appointment to be seen at the right time. The new system has been tested over the last year and is now being used in Urology. The early indications are that it has reduced the number of unnecessary appointments with more patients being managed and supported through their own GPs.

In 2018/19 we will continue to explore areas where pre-choice triage is beneficial, and we will also test whether the new national e-referral system enables the GPs

and consultants to have more effective and timely discussions when seeking advice and guidance than using our own current in-house e-mail system.

The specialities have also been focusing their work on reducing unnecessary appointments. Examples of changes over the last year include the colorectal speciality whereby all cancer referrals are examined by a consultant who can authorise the necessary tests before an outpatient appointment. This has reduced the need for an outpatient appointment where the test results are negative and has also reduced the waiting time for patients to receive an outcome from the initial appointment with the GP.

In other specialities such as Audiology, appropriate patients are now referred direct for an MRI scan and listed for grommets. In ENT new guidelines have been written for rhinitis which has resulted in a reduction of unnecessary outpatient appointments. More patients can be offered effective treatments from their GP and will no longer have to wait for a hospital appointment to commence treatment.

In Orthopaedics, shoulder surgeons have introduced new clinical referral guidelines. There is now a standardised pathway for hip and knee arthroplasty (joint replacements) across Devon. The aim is to ensure that patients with the greatest clinical need are prioritised first. Patients will be able to attend a pre-referral community assessment service and advised on alternative options to surgery including lifestyle changes, physiotherapy, and general wellbeing (smoking/weight loss) and made aware of the various treatment options. Gynaecology have also been reviewing their pathways for women with pre-menstrual and post-menopausal bleeding.

The pain service has introduced a new service for people living with fibromyalgia syndrome. The service is provided by the team but importantly people stay in primary care under the care of their GP. Despite being the third most common pain condition, fibromyalgia syndrome is poorly recognised. The new pathway allows GPs to make a diagnosis and have access to specific new resources to help them including videos and resources on the Trust's pain website. There are also new resources including videos for patients on Reconnect2Life which the patient-focused area of the Trust pain website is and provides information on pain self-management and local resources. GPs can then trial medication where appropriate and allow people to directly self-refer at that stage into the pathway or they can use the traditional route of referral to a multidisciplinary team triage meeting.

Within the pain pathway the first thing people experience is 2 educational seminars, on understanding their condition and medication followed by third seminar allowing them to opt into learning various aspects of learning self-management skills when they feel ready to do so in a way tailored to their own needs. This is an innovative approach for managing patient demand and ensuring that the level of care people need from the team is matched to their individual condition.

The clinical specialities have also been testing out ways to run outpatients including developing nurse led clinics, one stop clinics, reviewing information virtually and enabling patients to initiate their own outpatient appointments.

In Ophthalmology, one of our busiest outpatient services, the creation of service hubs within the department has enabled the majority of the department to hold a single visit service for patients. This means the diagnosis and treatment for many patients is now carried out on the same day. Also, consultants are now able to review patients' diagnostic tests virtually due to the investment in new digital technology. The investment in specialist training has enabled patients to be reviewed in a non-consultant setting (with the option of a consultant if required). This has resulted in increasing the number of patient appointments available and reducing unnecessary delays.

In Rheumatology the development of group clinics has been an innovation which continues to develop and grow. Their work has been shared nationally as an example of best practice.

The team have for some time run weekly group DMARD (disease modifying anti-rheumatic drugs) clinics. These clinics have high levels of patient satisfaction, provide more timely treatment for patients whilst freeing up nursing time to support more rheumatology patients. Based on this ground-breaking work the team now run group biologic clinics and group follow up clinics for patients with rheumatoid arthritis or psoriatic arthritis.

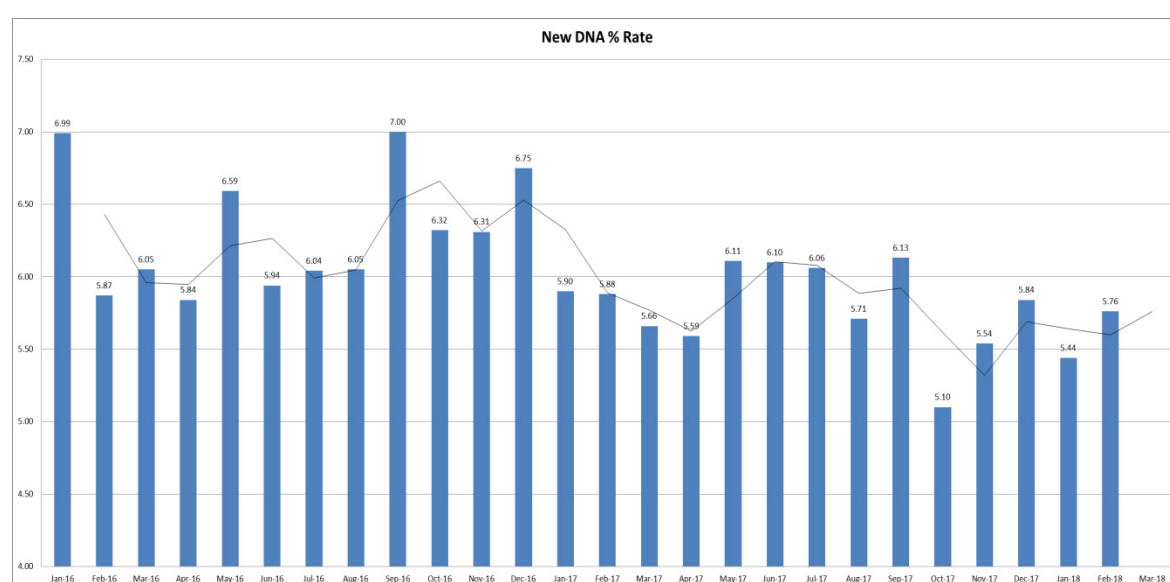
In the last twelve months the rheumatology team have also set up and started running a group education multidisciplinary clinic. Patients with newly diagnosed rheumatoid arthritis and psoriatic arthritis are invited for a monthly group education session. This comprises 5 x 30-minute talks with question and answer sessions, led by a rheumatology consultant, specialist nurse, podiatrist, physiotherapist, and occupational therapist. Tea and coffee are available with time for patients to interact with each other, encouraging peer to peer support. Patient satisfaction levels are very high and because of this work eleven clinics per month have been released for other rheumatology work. Early reports suggest that patients have been better educated about their treatment plans and their underlying disease, when seen in a group clinic setting.

In Orthodontics new nurse-led clinics have been introduced which have resulted in reduced delays for patients. Patients are being seen about their oral health at the start of their treatment which has resulted in fewer appointment cancellations due to problematic oral hygiene.

In dermatology the team moved to the John Parkes Unit last year with new and improved facilities. This has enabled the team to use the polyclinic model for their patients. The polyclinic is a 'one-stop' clinic where junior medical staff (i.e. specialty doctors, registrars, trainees, and specialist nurses) take the patient history and

identify the lesion. The consultant then carries out the investigation and if necessary sends the patient to one of the surgical specialist nurses for a biopsy or excision, whichever is appropriate. This model allows the team to treat more patients on the day and reduces the need for repeat visits to the hospital. Group clinics have also started for Iontophoresis (excessive sweating) which has reduced unnecessary appointments. In 2018/19 the plan is to extend the polyclinic model for patients requiring skin surgeries. Using this model should double the number of patients that consultants are able to operate on.

The Trust have also been working on reducing the number of DNA (did not attend) appointments. A simple change from changing text reminders from an opt-in to an opt-out process has increased the number of people receiving outpatient reminders. This has resulted in a reduction in DNAs.



Priority 3: Provide safe, proactive, and timely discharge of patients with more patients discharged earlier in the day and reduced delayed transfers of care and reduced length of stay.

There is considerable evidence that unnecessary delays in discharging older patients can lead to poorer health outcomes. For older people, longer hospital stays can also increase long term care needs. People quickly lose their mobility and ability to undertake everyday tasks such as washing and dressing.

Delayed discharge also has a serious impact across our community, reducing the ability of our emergency department to respond to people's needs quickly and provide an inpatient bed when most needed.

In 2017/18 our objectives were to:

- Increase the percentage of patients discharged by midday at Torbay Hospital.

- Reduce the number of delayed transfers of care.
- Monitor and reduce our length of stay across our health and care system.

Over the last year the ward teams have introduced the SAFER patient flow bundle approach with the aim of increasing discharges earlier in the day.

The principles of **SAFER** are:

S - Senior Review. All patients will have a senior review before midday by a clinician able to make management and discharge decisions.

A – All patients will have an expected discharge date, set by assuming ideal recovery and assuming no unnecessary waiting.

F - Flow of patients to commence at the earliest opportunity from the EAUs (assessment units) to inpatient wards.

E – Early discharge. 33% of patients will be discharged from their wards before midday.

R – Review. A systematic multi-disciplinary team (MDT) review of patients with a length of stay of more than 7 days.

All the community hospitals remain consistently on or above the target of 33% for early discharge since they have implemented the SAFER patient flow bundle approach.

At Torbay Hospital this 33% target has remained challenging in part due to the constant pressures on wards, particularly over the winter period. Also due to a change in the way discharge data is collected, we have found that figures for morning discharge from Torbay Hospital do not currently include transfers to community hospitals. Therefore, we may be under reporting the number of discharges. Performance and information teams are working to amend reports to ensure they truly reflect all discharges from wards before 12 midday including transfers. When this is available it will be shared with the teams and more improvements made. Currently the community hospitals achieve the 33% target. Due to data issues, Torbay hospital's position is unclear for 17/18 and less than the 33% target. The table below provides a snapshot of our discharge rates before midday.

Discharges before Midday - Target 33%						
	18/02/2018	25/02/2018	04/03/2018	11/03/2018	18/03/2018	25/03/2018
Community Hospitals						
Brixham	43%	50%	0%	13%	45%	31%
Dawlish	67%	46%	40%	9%	55%	50%
Newton Abbot	35%	35%	35%	26%	35%	34%

Totnes	50%	46%				
*Torbay hospital	11%	14%	9%	11%	12%	12%

We continue to monitor our length of stay and delayed transfers of care. Except
**Figures for Torbay hospital not currently accurate*

the length of stay holding at an average stay of 110 hours across all hospitals and at 85 hours for an acute stay. For a Trust we have a consistently low-level length of stay.

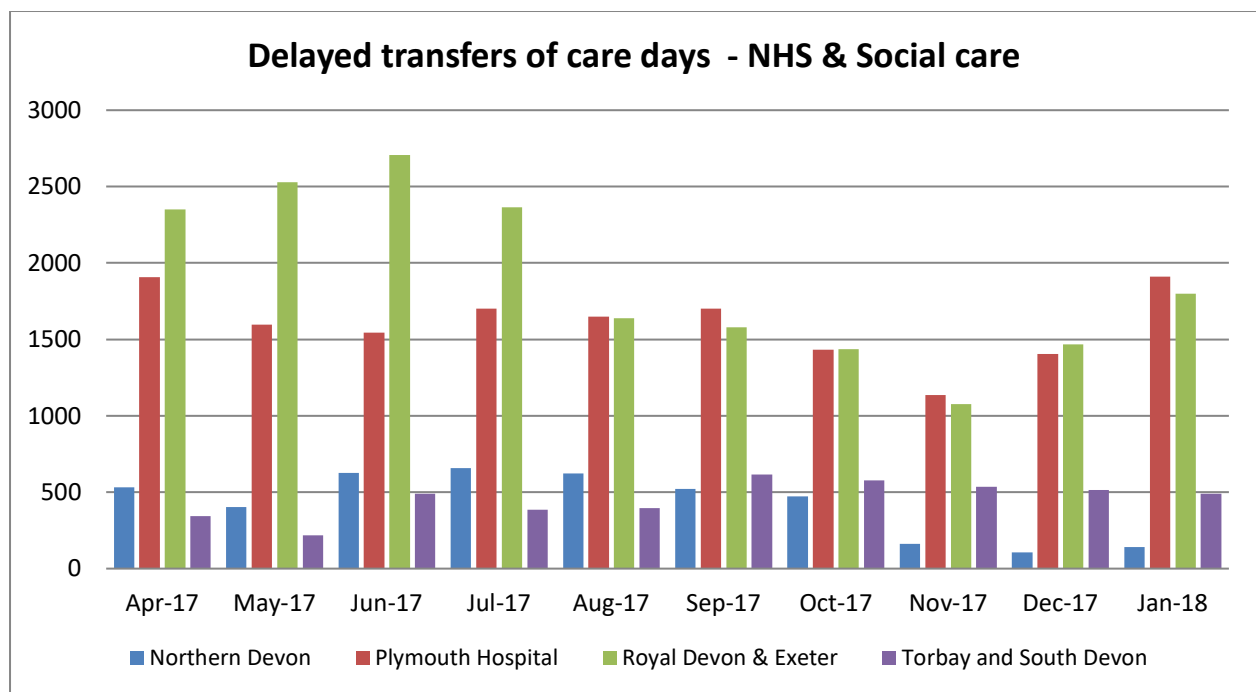
Constant attention to length of stay during board rounds and SAFER huddles and daily questioning of whether the person is in the right care setting for their recovery are at the heart of success on this metric. Estimated discharge dates are set and adjusted daily to ensure discharges can be planned 24 hours in advance of the person being medically fit and able to leave hospital.

Delayed transfers of care are also another key metric we monitor and work on. A delayed transfer of care occurs when a patient is ready to leave hospital but is still occupying a bed. Delays can occur when patients are being discharged home, to an intermediate care bed or awaiting a transfer to residential nursing home or a community hospital bed or hospice.

A snapshot of reasons for delays is shown in the table on the right.

Reason	31 Dec 2017	07 Jan 2018	14 Jan 2018	21 Jan 2018	28 Jan 2018
A - Completion of assessment (NHS or ACS)	12	13	3	13	4
B - Public Funding (NHS or ACS)	3	1	1	0	0
C - Further non acute NHS care (inc. Intermediate Care, rehab etc.)	13	12	30	25	11
D i) - Residential Home Placement	37	40	42	21	27
D ii) - Nursing Home Placement	6	14	11	14	22
E - Care package in own home	7	19	29	33	17
F - Community Equipment/Adaptations	0	0	0	0	0
G - Patient/Family choice	0	10	10	0	0
H - Disputes	0	0	0	0	0
I - Housing (patients not covered by NHS & Community Care Act)	0	0	0	0	0
Total	78	109	126	106	81

As a Trust, compared to other hospitals, we have low delayed transfers of care. This is in part due our care model and the investment in community services, enabling people to go home with any care needed in place.



As part of our work on improving patient flow within Torbay hospital we have a system-wide discharge group chaired by the Deputy Medical Director (Quality Improvement). The group pull together and work on numerous projects linked to discharge and flow.

Recent projects include improving the timeliness of the wards receiving take home medication (TTAs) for patients. With the work undertaken by the pharmacy team, they have been able to achieve 84% of TTAs delivered within the hour, even with winter pressures.

From November 2017 to January 2018 a project to implement criteria led discharge on a medical ward has been running. Our surgical wards already use criteria led discharge to ensure that a person can leave hospital as soon as they achieve a set of personalised discharge criteria.

The evidence base shows that criteria led discharge is harder to implement on medical wards, but the team are making headway. We now have a ward process for establishing and sharing criteria for discharge and a format for recording the criteria. Difficulties have been the timing of the pilot during the winter period and medical engagement linked to this. As a result, the team are now planning to shift the next part of the trial to another medical ward in a bid to win further clinical engagement and establish this way of working more fully.

In 2018/19 we will continue with improving discharge and patient flow across our services.

Priority 4: Provide reliable, accurate and timely information at the point of handover on all inpatient wards at Torbay Hospital through the implementation of a new hand held electronic tool called Nervecentre.

During a patient's stay it is important that staff can have to hand and to be able to update easily key clinical patient information. Also, when staff change shifts it is important that this information is shared and that it is accurate and up to date.

The Trust invested in a new electronic system called Nervecentre in 2016 and tested the system on two wards during that year. In 2017/18 the Trust's objectives were to:

- Rollout Nervecentre for patient handover onto the remaining pilot ward in quarter 1.
- Complete the rollout of Nervecentre onto the remaining acute wards in Torbay hospital by the end of quarter 3.
- Set up the reports required for the Trust to capture compliance with dementia, nutrition, VTE and pressure ulcer assessments.
- Undertake a staff survey by the end of quarter 4 as a method to capture future improvement requirements.

The patient handover element of Nervecentre was rolled out to all wards except the Special Care Baby Unit by the end of November 2017. The new system has been received positively and over 1000 clinical staff have been trained to use the electronic devices. Over 600 devices (iPod, iPad, iPhone) have been issued across the Trust. This ensures there are enough devices for wards and clinical teams. Some clinical staff are using their own devices and Nervecentre can also be accessed from ward-based computers.

Nervecentre is used 24 hours a day and has become integral to the way the wards work. There are two handover meetings per day which is when the nursing teams are allocated their ward bay/patients for their shift and they run through the information on handover at this time but then continue to update it throughout the day.

As Nervecentre is continuously updated, this has reduced the need for nurses to write out a handover sheet each time they come onto a shift, and the new system includes all the information the teams require to ensure the patients are looked after safely. When a nurse or doctor updates information on the handover record this is available to every user instantly, so everyone now has timely access to information. When a nurse bleeps a doctor for advice, wherever they are in the hospital they have the most up to date information on that patient to hand.

If a patient is readmitted, their previous handover record is available for the clinical teams to review, so instead of relying on the medical records to reach them, they can start to build a picture quickly of what has gone on previously.

When patients are transferred between wards their electronic handover record transfers with them, which has taken away any risk of messages getting misinterpreted and avoids the need for a patient to repeat their history several times.

Since the successful deployment of Nervecentre, the project is now in a state of consolidation. We are:

- Increasing the uptake of the technology by doctors
- Getting feedback from the users with regards to the implementation
- Setting up data reporting

There are now three full assessments being completed in Nervecentre. These cover nutrition, pressure ulcers and dementia. The fourth assessment venous thromboembolism (VTE) will be rolled out when more design changes are made. The Director of Patient Safety has indicated that he would like to explore undertaking sepsis assessments via Nervecentre.

Following the consolidation piece of work, phase 2 will commence in 2018/19 which will be to look at Hospital@Night. This is a system which enables doctors and nurses to log clinical tasks that need to be undertaken in the evening or at weekends. This piece of work will be done in conjunction with all teams that currently have any involvement with Hospital@Night.

Patient experience

Priority 5: Improve our patient experience measures so they more fully reflect our service users' experience of care in the integrated care organisation.

With the development of the integrated care organisation and a new model of care which provides more community facing services, such as wellbeing coordination and enhanced intermediate care, it is important that we measure patient experience at all points of contact with our care.

Also, as part of becoming an integrated care organisation we said we would work towards people having the opportunity to 'tell their story once'. To measure this, we need to measure the experience of our patients, families, and carers.

We also know that feedback to staff about patient experience contributes to increased job satisfaction and, we can use patient experience to improve services.

In 2017/18 our objectives were to:

- Undertake a gap analysis of all our services to understand where we measure patient experience and where we don't.
- Map out the types of patient experience measures we collect, the frequency and the value attributed to the measures for both staff and patients.
- Research and review available validated experience measures.
- Systematically adopt a range of patient experience measures across the Trust.

We recognised when starting this project that we have less feedback available from service users of aspects of care being developed in the integrated care organisation, such as the intermediate care services. We also acknowledged that there was some early work underway to evaluate the experience of those with long term conditions and this needs to be further developed as our work to enable more services to be delivered closer to home progresses.

As an early success, we were able to align our reporting and recording arrangements Trust-wide for the 'friends and family test' which is now managed by our Clinical Effectiveness Team. We were also able to collect some patient experience data from intermediate care, as part of participating in a national audit.

During the year we were presented with an unexpected opportunity to participate in a national collaborative, examining patient experience led by Northumbria NHSFT. Northumbria Trust has invested heavily in-patient experience evaluation over recent years and have developed a learning package to spread this learning and experience.

We were very grateful to the League of Friends who supported our request for funding to enable us to take up this opportunity. We are one of twelve participating Trusts across the UK and our project team have attended bespoke collaborative events, enabling networking and dissemination of good practice.

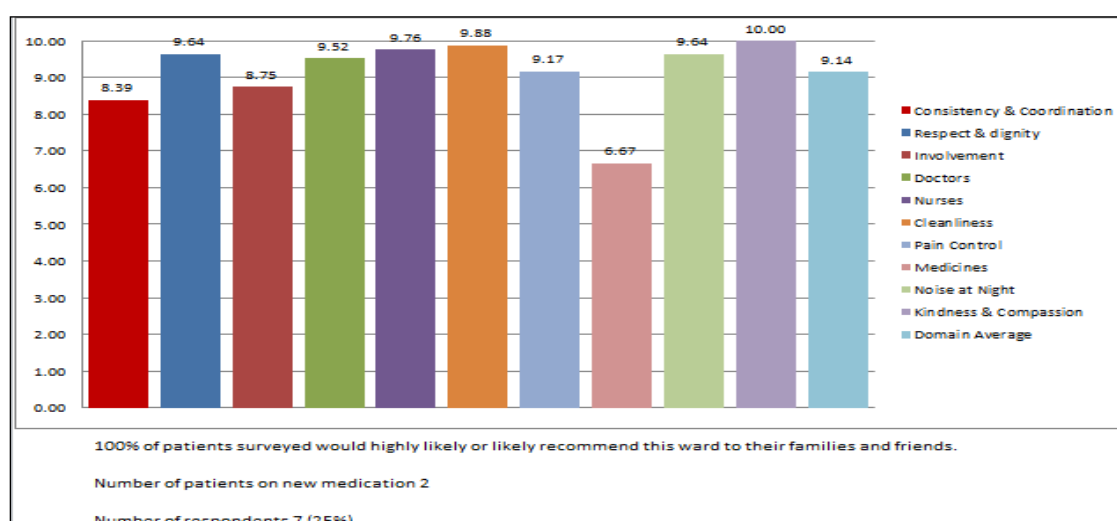
The project requires each of the participating trusts to select 8 pilot areas providing bed-based care.

The key features of the project are:

- To measure the experience of a minimum of 50% of patients on each pilot ward per month.
- Complete the survey consisting of a 24-point questionnaire which is asked of patients by staff who have no input into the care provided on the clinical area.
- Patients are also able to provide free text comments which are also fed back to the clinical teams.

The key feature of the model is that feedback is provided to the area on the same day as the survey is undertaken. This differs from other feedback which can take weeks or months to be received into the ward or trust areas. The benefit of this being the ability to effect any changes required in real time.

The results are presented in chart format which aggregates the 24 questions into domains such as consistency and coordination, privacy, and dignity. The individual comments are also captured and reported. Results are displayed in the ward areas and an example is shown below.



We selected our participating wards from across the Trust to reflect care provided in medical, surgical, assessment units and community hospitals. The baseline data for each pilot area was completed in January 2018 and on-going monthly data collection is now continuing.

The Northumbria project continues through to the summer of 2018 and will be evaluated during the summer and autumn months to enable future planning. The spread and use of experience measures for service users of non-bed-based care will be considered in conjunction with this evaluation.

Improvement priorities in 2017/18

Care model

Over the last 12 months, the focus for our organisation has been on continuing to develop our care model. Our new Health and Wellbeing teams work flexibly across Torbay and South Devon with the aim of ensuring that people can access the care and support they need to stay well, no matter where they may live. Within our localities, we have several Health and Wellbeing Centres and Clinical Hubs which enable people to access a broader range of services closer to home.

Health and Wellbeing Centres are spaces to provide both local health and voluntary services. This includes community outpatients, lifestyles, and prevention, and to help connect people to wider services and activities to support their physical health, mental health, social care, and wellbeing.

Clinical Hubs are centres which provide people with access to a range of medical, clinical and specialist services, within their local community. They will offer services such as outpatient appointments and specialist conditions clinics.

The locations of these centres and hubs are based upon several factors, such as infrastructure, access, population size and need. The diagram on page x shows the location of these hubs and centres.

New and improved services available across all the localities include:

- **Enhanced intermediate care.** This is a team of nurses, occupational therapists, physiotherapists, and support workers, with dedicated medical and pharmacy input who support people who have complex needs, outside of a hospital setting.
- **Rapid response.** This service is available to adults in the Torbay and South Devon area who are undergoing an acute physical health crisis or a sudden breakdown in care, where, with appropriate support and services, it would be possible for them to stay in their own homes. Rapid Response is also available to support discharges from hospital, particularly for patients at the end of life. The service provides an immediate short-term intervention (up to a maximum of 7 days), with the aim of preventing admission to hospital or to

residential / nursing homes. The services are provided by support workers who visit from 7am to 10pm. Where necessary an overnight sitting service can be arranged.

- **Reablement.** The reablement team can provide support for a period of up to six weeks, for people who require temporary personal care support whilst recovering from a period of ill-health.
- **Medical admissions avoidance.** The Medical Admissions Avoidance Team (MAAT) are a team of nurses delivering care to people in their normal place of residence which would usually require a hospital stay. This can include treatments such as intravenous fluids or antibiotics, delivering a strict routine of anti-coagulant drugs before surgery, or giving certain injections. The MAAT team work closely with our hospital and community teams; providing regular in-reach to our hospital wards and our A&E Department, helping to identify people who they could care for at home.
- **Wellbeing and prevention.** We have invested in Wellbeing Coordinators who are employed by the voluntary sector. They work with individuals to help them identify what matters most to them. They do this through having a different type of conversation, which helps the person to express their goals and aspirations for daily life; then support those individuals to achieve these goals, connecting with groups and activities within their local community which help them to feel less isolated and more fulfilled.

Referral to Wellbeing Co-ordinator can be made via the GP or community team within the locality, or individuals can self-refer to the service.

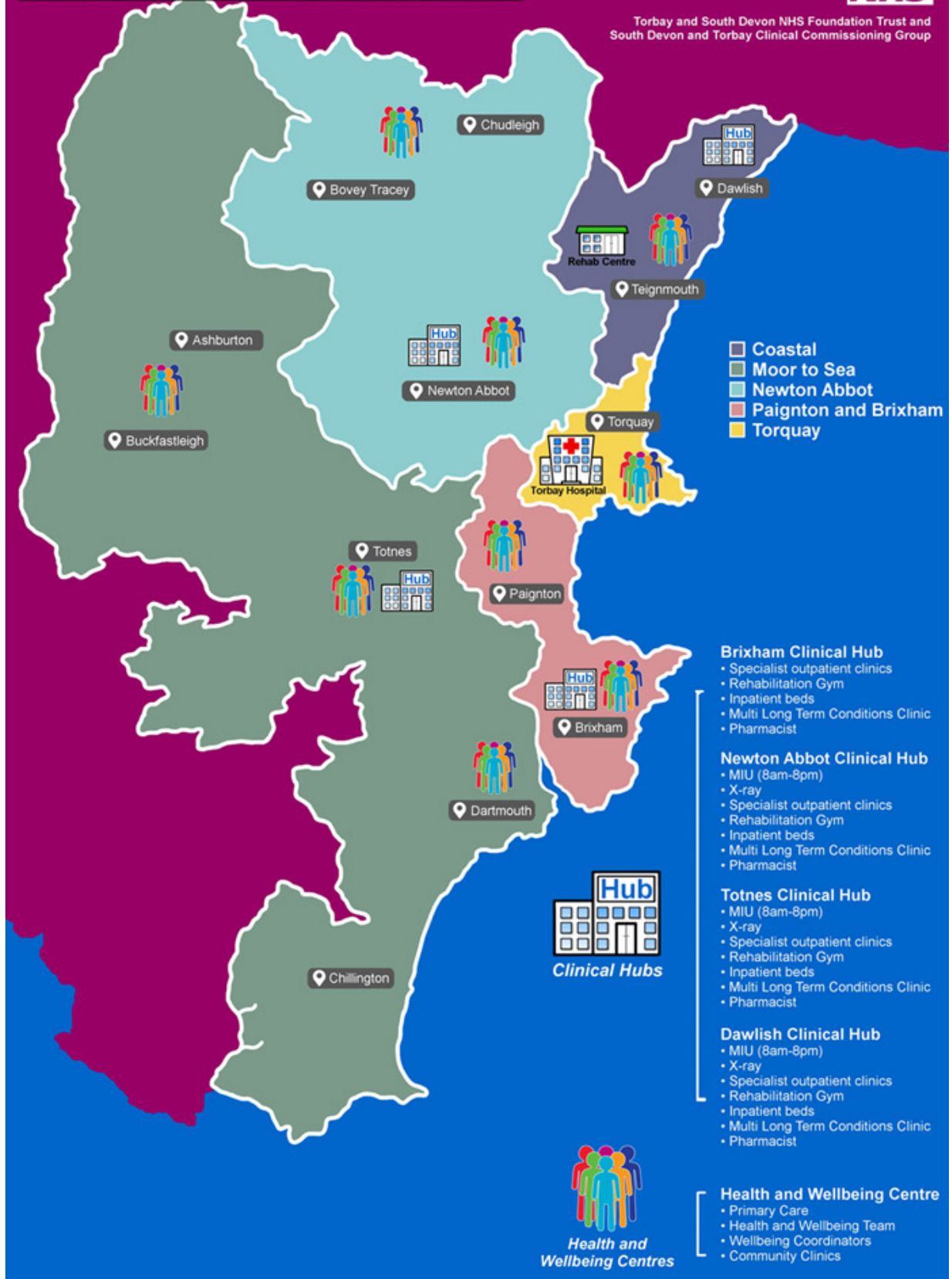
We also have specialist nursing teams, community pharmacists and our health and wellbeing teams, made up of several organisations and agencies working together to provide care and support services which meet a wide range of health and wellbeing needs. This includes not just NHS and public services but also independent and voluntary sector providers.

Our teams are also ensuring that GPs and independent providers (such as care homes and domiciliary care) have greater input into care planning.

Future services for our communities



Torbay and South Devon NHS Foundation Trust and
South Devon and Torbay Clinical Commissioning Group



Within the Torbay Hospital we have been focusing on improving several services including outpatients and urgent and emergency care. Progress with outpatients has already been described. With regards to urgent and emergency care we have developed two new services during 2017/18. These are:

- **GP Unit.** This is a same day emergency service provided by GPs on the hospital site.
- **Rapid Assessment & Discharge Service (RADS).** RADs is a new service whereby a nurse-led team works alongside the doctors in the A&E Department to undertake a multi-disciplinary assessment with the patient with the aim of avoiding a hospital stay. The team can address the person's immediate care needs and identify potential issues which may arise; putting things in place to prevent them. In most cases patients using the RADS service can return home the same day with the right care and support in place.

Seven-day services

Torbay hospital continues to work on developing seven-day services.

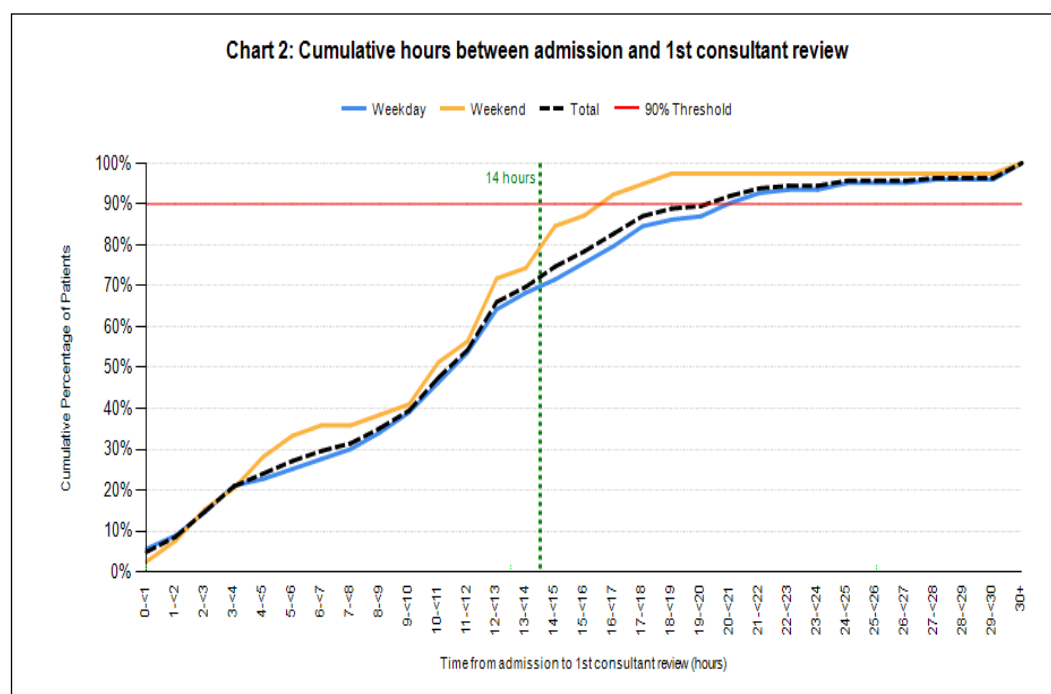
The seven-day services project aims to improve the care of patients admitted to hospital as an emergency. There are 10 clinical standards which are used to measure progress in this area:

Seven-day service standards	
Standard 1	Patients should be involved in shared decision making
Standard 2	Emergency admissions seen by a suitable consultant within 14 hours of admission
Standard 3	An integrated management plan established within 24hrs of admission to hospital
Standard 4	Enhanced handover of clinical care between clinical teams
Standard 5	Seven day a week access to diagnostic services such as CT, endoscopy etc.
Standard 6	Seven day a week access to consultant directed interventions e.g. interventional radiology and endoscopy
Standard 7	Seven day a week availability of liaison mental health services
Standard 8	High dependency patients seen twice daily and other patients once daily by a suitable consultant
Standard 9	Readily available support services e.g. pharmacy, community care services
Standard 10	Regular review of outcome in terms of patient experience, safety, and clinical outcome

The priority for work has been in standards 2, 5, 6 and 8. A national audit showed Torbay has excellent availability of diagnostic services and consultant directed interventions, seven days a week.

Around 70% of our emergency patients are seen by a suitable consultant within 14 hours of admission. A recent pilot of extended availability of consultant physicians

into the evening, showed a significant improvement in the reduction of waiting times for consultant assessment. The availability of consultant general surgeons was significantly enhanced last year. A new rota ensured that now two consultant surgeons are available to manage emergency patients between 8am and 5pm Monday to Friday. One surgeon has a special interest in upper gastrointestinal surgery and one in lower gastrointestinal surgery to enhance the provision of sub specialist care.



Plans for 2018/19 include ensuring

that emergency teams can identify the most unwell patients and those who have been waiting longest to be prioritised for consultant review. A Friday ward round by all clinical teams should identify those in-patients who need consultant review over the weekend. Information technology, such as Infoflex and Nervecentre, is being tested to develop the best systems to support these clinical objectives.

Finances

At the same time as developing our services the Trust has been working hard to improve its financial position to be in financial balance at the end of the year.

This has been challenging for the whole workforce, ensuring that there is financial rigour in the way that we work whilst continuing to look forward and holding the vision that care is person centred, personalised, and delivered in the most appropriate care setting. Because of the work across the trust we have saved £40m. This includes our work to reconfigure our acute and community bed-based services, increasing the efficiency of our services and ensuring that any posts appointed to are focused on delivering care at the front line.

National improvement initiatives

Currently the Trust is involved in two national improvement initiatives namely:

- Improving patient safety through the continued involvement in the 'sign up to safety campaign' – once signed up we will continue to use this route and align our Quality Account to these core initiatives.
- Improving the quality of care through implementing the Duty of Candour regulations which came into force in spring 2015.

Sign up to safety

Pressure Ulcers continue to be a key area for the Trust's activities and Torbay hospital has seen a reduction in these events. Four grade three or four avoidable pressure ulcers have been recorded against a target of 5.5 which has been a positive improvement. The tissue viability service reviews all grade three and four (European Pressure Ulcer Advisory Panel or EPUAP) pressure ulcers and record via a sticker placed in the patient's notes the type, grade, and origin of damage.

All incidents forms relating to pressure damage are reviewed by senior tissue viability team members to support the local governance teams and advise as required regarding on-going investigations. The Pressure Ulcer Collaborative initiative continues across bed-based care utilising the SSKIN bundle, and intentional care forms, for all patients to ensure pressure areas are regularly monitored and appropriately documented. All wards now have access to formulary approved dressings which means all patients receive appropriate tissue viability care at first point of contact. All patients continue to have access to high quality pressure relieving equipment to ensure appropriate pressure relief, across all ward areas.

A lot of activity has been put into preventing falls across the integrated care organisation. This includes patients at hospital or in their own home. Below is a small selection of work that has been undertaken over the last year.

Non-bed-based care initiatives including:

- History taking with the service users and families so bespoke advice can be given and risk factors identified.
- Medication reviews.
- Home hazard assessments.
- Visual, gait and balance assessments.
- Short videos & exercise programmes.

- Falls contingency plans.

Bed based preventative measures including:

- Cohorting - having a member of staff present in the bay or when treating patients behind curtains to ensure patients are observed.
- Giving out leaflets to patients/carers highlighting helpful hints and prevention ideas.
- Undertaking blood pressure measurements when lying and standing for patients who are unsteady.
- Completing medication reviews looking at sedation risks etc.
- Using falls monitor alarm/pads which alert staff if falls risk patients are moving around.

With the above measures in place and many more in operation the Trust's average current median falls is 4.7 median falls rate per 1000 bed days which is well below the Royal College of Physicians average target of 6.7

The identification and assessment of severe sepsis remains a key objective in the Trust and to help with the launch of the new sepsis pathway, the Trust took an active part in the national Sock it to Sepsis campaign.

The A&E Department participated in several short video clips highlighting the signs and symptoms of sepsis which were viewed by staff and the public. On the back of this campaign, a new pathway was launched which includes the new guidance released by the National Institute of Clinical Excellence on identification and rapid treatment of sepsis.



Duty of Candour

The Trust continues to focus on the duty of candour. Information is available from the various professional bodies including the GMC, the CQC and the Nursing & Midwifery Council. <https://www.nmc.org.uk/standards/guidance/the-professional-duty-of-candour/read-the-professional-duty-of-candour/>. Over the last year the Trust has set up an on-going training programme and uses a short video and interactive teaching session to train staff in the process and procedure for delivering duty of candour to a high standard.

As well as writing policy and guidance on this matter, key template letters have also been designed and are located on the safebook site and within the Datix system for ease of use and are simple to follow.

The key investigation document now has a comprehensive section dedicated solely for ensuring that the duty of candour is followed, and any relevant actions recorded. The Datix reporting system also includes a section for recording the duty of candour responses.

During 2018/19 we will continue to focus on sepsis, falls and pressure ulcers as part of our 'sign up to safety' work.

Priorities for improvement

Looking forward: 2018/19

The Trust has identified five quality improvement priorities for the year. These have been developed through discussions with health and care teams and our Trust Executive. In recognition of the Trust working as a joined-up care system we continue to hold the annual Quality Account stakeholders meeting to discuss and agree the priority areas for the year.

This year the Torbay Community Development Trust attended as well as the Carers Group alongside invitations to all the organisations commenting on the account. (See annex 1)

These priorities have been signed off by our Board. The five improvement priorities for the year are:

Patient safety

Priority 1: To understand, learn from and act on the experiences of our local population using our services during the winter period (Dec to March) 2017/18.

During the winter period, health and care services are pressured which may result in patients having poor experiences of care. As a learning organisation it is important that we learn from the users of our services where we have provided excellent care and where it has worked less well, particularly during these busy periods.

In quarters 1 and 2 we will:

- Analyse complaints, incidents and other forms of user feedback which relate to aspects of care provided during the winter period.
- Develop a set of principles and mitigating actions which can be included in the planning round for winter 2018/19.

In quarters 3 and 4 we will:

- Proactively monitor what we have put in place ensuring that we can further refine plans and act on issues as they arise.
- Celebrate excellence and share best practice both within the organisation and with our wider community.

The work will be led by the Deputy Director of Nursing supported by the patient safety team. The Chief Nurse will provide support. Progress against the objectives will be monitored through the Quality Improvement Group on a quarterly basis and shared with other members of the Trust developing the 2018/19 winter plan.

Priority 2: to improve the way inpatient sepsis is recorded on the wards to enable improved identification and treatment of ward-based sepsis.

Sepsis is potentially a life-threatening condition where the body's immune system goes into overdrive in response to an infection. Patients that present with severe sepsis symptoms require rapid administration of antibiotics. Antibiotics are the single most critical action that can prevent deaths from sepsis.

Over the last five years the Trust has been making rapid progress in setting up systems and processes to identify, treat and record sepsis when patients come into A&E. Our monthly audits show that we have an embedded process to identify and treat patients quickly in the A&E Department

Sepsis can also occur on the ward and it is important that we treat these patients quickly. Currently we do not have a systematic way to collect data to evidence that patients are been treated appropriately.

In 2018/19 we will:

- Spread the use of the inpatient sepsis proforma which has been developed in 2017/18 on a ward by ward basis.
- Improve our data collection methods on the ward so we can report quarterly the number of patients screened and treated for sepsis.
- Explore the implementation of an electronic sepsis assessment tool and make a business case, if appropriate, for the implementation of the tool.

The work will be led by the Director of Patient Safety supported by the patient safety lead and the clinical effectiveness team.

The Medical Director will provide board support. Progress against the objectives will be monitored through the Quality Improvement Group on a quarterly basis.

Clinical effectiveness

Priority 3: To redesign outpatients to make these services more patient-centred and use resources effectively.

In section 1 of the Quality Account we have described ways in which we are starting to change and improve outpatient services. In 2018/19 we will continue with this work across a greater number of specialities.

We will focus on:

- Improving patient pathways into outpatients from primary care.
- The IT infrastructure to support a live scheduling system for all clinic accommodation in the integrated care organisation.
- The IT infrastructure to offer alternatives to face-to-face appointments.
- Offering appointments in different ways, for example group appointments, telephone, or video phone appointments
- Reducing unnecessary appointments both first and follow up.
- Expanding the use of patient-initiated appointments.

We will also continue to work on improving the infrastructure for outpatients, both for clinical teams and patients.

The redesign of outpatient services will be part of the planned care work programme led by the Planned Care Lead working alongside the Deputy Medical Director for Planned Care and the service delivery unit general managers.

Board level support will be provided by the Medical Director and progress against the objectives will be monitored through the Elective Care Board monthly.

Patient experience

Priority 4: NHS Quicker

NHS quicker is a smartphone app and web application which enables anyone in Devon and Cornwall who has an urgent care problem to see what services are available to them from where they are located.

They can then decide:

- Whether to go.
- When to go.
- Where to go.



The free app was launched at the end of the year to the public and is available to download for iOS or android devices from the play store or the app store. A web version is available for PCs from www.nhsquicker.co.uk

In 2018/19 the aim will be to increase the usage of the app across Torbay and South Devon for everyone living and working in the area as well as people visiting over the summer months.

Apart from continuing to make information available at GP practices, pharmacies and within minor injury units and our A&E Departments, we will also run a social media/marketing campaign aimed at visitors. We will also target hotels, campsites, and tourist destinations.

We will develop the app based on people's feedback and explore linking the Torbay and South Devon health and care video library into the app. The library can be viewed here: <http://videos.torbayandsouthdevon.nhs.uk>

We will report on a quarterly basis to the Quality Improvement Group. The work will be led by a consultant oral and maxillofacial surgeon and clinical systems engineer working alongside the Associate Director (QI) and the Strategy and Improvement Directorate.

Board level support will be provided by the Director of Strategy and Improvement who also champions the use of technology to improve care.

Priority 5: Wellbeing and supported self-management: HOPE programme

There is wide recognition that focusing on what is important to an individual can improve their sense of wellbeing and support them to positively self-manage and prevent health conditions, so improving their experience of care.

Positive self-management starts with the recognition that the individual has choice and control and are equal partners in their care.

HOPE (Help overcoming problems effectively) is an evidence-based six-week group programme, co-facilitated by a member of the workforce and an individual with lived-experience. The programme is designed to support people to become more active in managing their own health and to improve their confidence in their own abilities to manage their own health and to seek support when needed.

The aims of the HOPE programme are synonymous with those of the care model and its local introduction supports the wellbeing and supported self-management agenda.

In 2018/19 our objectives are:

- To plan and deliver a minimum of 24 HOPE programmes.
- To offer a minimum of 288 places to the people of Torbay and South Devon on the programme during 2018/19.
- To offer a variety of HOPE programmes to both individuals living with similar and shared conditions and those with more generic health and wellbeing self-management concerns. Planned courses already include cardiology and depression and anxiety.
- To increase the number of trained HOPE facilitators available to deliver the HOPE programme across the system from 19 to 30.
- To evaluate the effectiveness of the HOPE programme with regards to improving health and wellbeing as well as impact on services. Measures we will use include:
:
 - Patient activation measure: a measure of knowledge, skills, confidence, and motivation to self-care/self-manage.
 - EQ5D5L: a standardized instrument for measuring generic health status.
 - Warwick-Edinburgh mental wellbeing scale: a mental wellbeing measure.

We will report on a quarterly basis throughout the year on the programme's progress as well as collecting and collating the various health and wellbeing measures already described for further analysis.

During quarter one and three we will report on our progress with increasing the number of HOPE facilitators.

During quarter four we will provide an interim evaluation report. The full HOPE evaluation will be completed in 2020/21.

The work will be led by the Change Lead for Whole Population Personalised Care working alongside the Organisational Development team.

Board level support will be provided by the Interim Chief Executive Officer and progress against the objectives will be monitored through the Care Model Delivery Group on a quarterly basis.

Statements of assurance from the Board

Review of services

During 2017/18 Torbay and South Devon NHS Foundation Trust provided and/or sub-contracted 51 relevant health services.

Torbay and South Devon NHS Foundation Trust has reviewed all the data available to it on the quality of care in 51 of these relevant health services.

The income generated by the relevant health services reviewed in 2017/18 represents 88% (as of the end of January 2018) of the total income generated from the provision of relevant health services by Torbay and South Devon NHS Foundation Trust for 2017/18.

The data and information reviewed and presented covers the three dimensions of quality: patient safety, clinical effectiveness, and patient experience.

Participation in clinical audits

For the Quality Account, the National Advisory Group on Clinical Audit and Enquiries has published a list of national audits and confidential enquiries. Participation in these is seen as a measure of quality of any Trust's clinical audit programme. The detail which follows relates to this list.

During 2017/18, 43 national clinical audits and 3 national confidential enquiries covered relevant health services that Torbay and South Devon NHS Foundation Trust provides.

During that period Torbay and South Devon NHS Foundation Trust participated in 100% of the national clinical audits and 100% of the national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.

The national clinical audits and national confidential enquiries that Torbay and South Devon NHS Foundation Trust was eligible to participate in during 2017/18 are as follows:

National audits	Eligibility	Participation
Acute coronary syndrome or Acute myocardial infarction	Yes	Yes
Adult cardiac surgery audit	No	N/A
BAUS Urology Audits: Cystectomy	Yes	Yes
BAUS Urology Audits: Nephrectomy	Yes	Yes
BAUS Urology Audits: Percutaneous nephrolithotomy	Yes	Yes
BAUS Urology Audits: Radical prostatectomy	Yes	Yes
BAUS Urology Audits: Urethroplasty	Yes	Yes

BAUS Urology Audits: Female stress urinary incontinence	Yes	Yes
Bowel Cancer	Yes	Yes
Cardiac Rhythm Management	Yes	Yes
Adult critical care (Case Mix Programme)	Yes	Yes
Congenital heart disease (Paediatric cardiac surgery)	No	N/A
Coronary angioplasty/National Audit of Percutaneous Coronary Interventions (PCI)	Yes	Yes
Diabetes (Paediatric)	Yes	Yes
Elective surgery (National PROMs Programme)	Yes	Yes
Endocrine and Thyroid National Audit	Yes	Yes
Falls and Fragility Fractures Audit Programme, includes National Hip Fracture Database	Yes	Yes
Fractured Neck of Femur	Yes	Yes
Head and Neck Cancer Audit	Yes	Yes
Inflammatory Bowel Disease (IBD)	Yes	Yes
Learning Disability Mortality Review Programme (LeDeR Programme)	Yes	Yes
Major Trauma Audit	Yes	Yes
National Audit of Breast Cancer in Older Patients	Yes	Yes
National Audit of Dementia	Yes	Yes
National Audit of Intermediate Care (NAIC)	Yes	Yes
National Cardiac Arrest Audit	Yes	Yes
National Chronic Obstructive Pulmonary Disease (COPD) Audit Programme	Yes	Yes
National Clinical Audit of Specialist Rehabilitation for Patients with Complex Needs following Major Injury	No	N/A
National Comparative Audit of Blood Transfusion	Yes	Yes
Diabetes (Adult) ND(A), includes National Diabetes Inpatient Audit	Yes	Inpatient diabetes – Yes Adult diabetes – N/A
National Emergency Laparotomy Audit	Yes	Yes
National End of Life Care Audit	Yes	Yes
National Heart Failure Audit	Yes	Yes
National Joint Registry	Yes	Yes
National Lung Cancer Audit	Yes	Yes
National Maternity and Perinatal Audit	Yes	Yes
National Neonatal Audit Programme (Neonatal Intensive and Special Care)	Yes	Yes
National Ophthalmology Audit	Yes	Yes
National Vascular Registry	Yes	Yes
Neurosurgical National Audit Programme	No	N/A
Oesophago-gastric cancer	Yes	Yes
Paediatric Intensive Care	No	N/A
Pain in Children	Yes	Yes
Prescribing Observatory for Mental Health (POMH-UK) (Prescribing in mental health services)	No	N/A

Procedural Sedation in Adults (care in the emergency departments)	Yes	Yes
Prostate Cancer	Yes	Yes
Sentinel Stroke National Audit Programme (SSNAP)	Yes	Yes
Serious Hazards of Transfusion (SHOT): UK National haemovigilance scheme	Yes	Yes
UK Parkinson's Audit	Yes	Yes

Patient outcome programme incorporating national confidential enquires	Eligibility	Participation
Child Health Clinical Outcome Review Programme.	Yes	Yes
Maternal, Newborn and Infant Clinical Outcome Review Programme.	Yes	Yes
Medical & Surgical Clinical Outcome Review Programme (National Confidential Enquiry into Patient Outcome and Death- NCEPOD).	Yes	Yes
Mental Health Clinical Outcome Review Programme (National Confidential Enquiry into Suicide and Homicide for people with Mental Illness (NCISH).	No	N/A

The national clinical audits and national confidential enquiries that Torbay and South Devon NHS Foundation participated in, and for which data collection was completed during 2017/18, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

National clinical audit and patient outcome programme incorporating national confidential enquires	Cases submitted	% Cases
Acute coronary syndrome or Acute myocardial infarction	TBC – awaiting publication	
BAUS Urology Audits: Cystectomy	TBC – awaiting publication	
BAUS Urology Audits: Nephrectomy	TBC – awaiting publication	
BAUS Urology Audits: Percutaneous nephrolithotomy	TBC – awaiting publication	
BAUS Urology Audits: Radical prostatectomy	TBC – awaiting publication	
BAUS Urology Audits: Urethroplasty	TBC – awaiting publication	
BAUS Urology Audits: Female stress urinary incontinence	TBC – awaiting publication	
Bowel Cancer	209	100
Cardiac Rhythm Management	TBC – awaiting publication	
Adult critical care (Case Mix Programme)	TBC – awaiting publication	
Coronary angioplasty/National Audit of Percutaneous Coronary Interventions (PCI)	391	100
Diabetes (Paediatric)	TBC – awaiting publication	
Endocrine and Thyroid National Audit	TBC – awaiting publication	
Falls and Fragility Fractures Audit Programme, includes National Hip Fracture Database:		
Hip Fracture Database	460	100
Inpatient falls	31	100
Fractured Neck of Femur	47/50	94

Head and Neck Cancer Audit	TBC – awaiting publication	
Inflammatory Bowel Disease (IBD)	TBC – awaiting publication	
Major Trauma Audit (TARN):		
TARN Clinical Report Issue 2 – Core Measures for all patients – Orthopaedic Injuries	410	100
TARN Clinical Report Issue 3 – Core Measures for all patients – Head & Spinal Injuries	412	100
National Audit of Breast Cancer in Older Patients	400	100
National Audit of Dementia	55	100
National Audit of Intermediate Care (NAIC)	80/250	32
National Cardiac Arrest Audit	100	100
National Chronic Obstructive Pulmonary Disease (COPD) Audit Programme	TBC – awaiting publication	
National Comparative Audit of Blood Transfusion: 2016 re-audit of patient blood management in adults	33	100
Diabetes (Adult) ND(A), includes National Diabetes Inpatient Audit	55	100
National Emergency Laparotomy Audit	164	100
National Heart Failure Audit	569	100
National Joint Registry	790	100
National Lung Cancer Audit	233	100
National Maternity and Perinatal Audit	1	100
National Neonatal Audit Programme (Neonatal Intensive and Special Care)	TBC – awaiting publication	
National Ophthalmology Audit	Insufficient data this year to be included in report	
National Vascular Registry	TBC – awaiting publication	
Oesophago-gastric cancer	112	100
Pain in Children (RCM)	31/50	62
Procedural Sedation in Adults (care in the emergency departments)	50	100
Prostate Cancer	TBC – awaiting publication	
Sentinel Stroke National Audit Programme (SSNAP)	TBC – awaiting publication	
UK Parkinson's Audit	TBC – awaiting publication	

Patient outcome programme incorporating national confidential enquires	Cases submitted	% cases
Child health programme	Outstanding	
Child Health Clinical Outcome Review Programme	TBC – awaiting publication	
Maternal, New-born and Infant Clinical Outcome Review Programme (MBRRACE)	TBC – awaiting publication	
Medical & Surgical Clinical Outcome Review Programme (NCEPOD)Non-invasive ventilation	5/1	20

The reports of 35 national clinical audits were reviewed by the provider in 2017/18 and Torbay and South NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided:

Ref	Recommendations / actions
0492 – (BASHH) Provision of Sexually Transmitted Infection Screening in Patients requesting intrauterine contraception – TSMS re- audit on STI screening prior to fitting IUD	<ul style="list-style-type: none"> • Compulsory fields for latest sexual/previous intercourse and number of partners in last 3/12. • Change templates for LSI/PSI to make clearer what is needed to record: LSI: date, gender, type, condom, date previous sexual partner and no partners in the last 3/12 (DGTC).
0301 – (BTS) Emergency use of Oxygen – Emergency Oxygen Audit 2015	<ul style="list-style-type: none"> • Oxygen needs to be prescribed on drug chart - could be moved to regular page and drug chart. Target range needs to be more prominent on bedside. • Introduce target SATs into VITALPAC System. • Attempts to wean oxygen need to be documented. • Review observations whilst on drug round (additional benefit in reviewing BP for antihypertensives and reviewing pain score for analgesia).
0432 – (BTS) Paediatric Pneumonia 2017	<ul style="list-style-type: none"> • Update Paediatric Community Acquired Pneumonia Guideline (due for updating October 2017)
0449 – (RCEM) Moderate & Acute Severe Asthma	<ul style="list-style-type: none"> • Achieved upper half of median quartile in most areas compared to National Average. • Need to improve on prescribing oxygen, - reiterate to all doctors re. need to prescribe oxygen. • Question the low rates of steroid prescribing due to being given pre-hospital - suggest re-audit to assess more closely steroid prescribing. • Sim-man scenario training on acute asthma. • Introduce microteach on management of asthma.
0448 – (RCEM) Severe sepsis & septic shock	<ul style="list-style-type: none"> • The Trust is in the upper half of median quartile compared to the national average. Actions required: Let down again on oxygen prescribing: - reiterate to all doctors re. need to prescribe Oxygen. • Collate sepsis treatment figures monthly and review monthly. • Recurring micro teach on sepsis management at 2pm board rounds.
0525 – (FFFAP) National Hip Fracture Database	<ul style="list-style-type: none"> • Improve the completeness of data submitted to the NHFD. 120 day follow up, currently no being completed. We have looked at ways to optimise capacity through job planning and are reviewing options such as a focused hip fracture rehabilitation group that could help longer term. • Improve the percentage of patients being discharged to usual place of residence, explore possibility of focused hip fracture rehabilitation. • Improve the percentage of physiotherapy assessments completed by day after surgery. • Improve the percentage of patients mobilised out of bed day after surgery (including definition clarification) (See page 8 of Trust response). • Ensure all eligible patients receive total hip replacement. • All patients to have delirium screen (4AT) completed post operatively. • Improve Nutritional Score assessment documentation (addition on Nerve Centre). • Complete assessment of increased mortality rate with notes and scoring system.

<ul style="list-style-type: none"> • Improve pressure sore documentation through education.
0474 – (MINAP) Acute Myocardial Infarction & other ACS. (2015/16)
<ul style="list-style-type: none"> • No specific actions required.
0357 – (MINAP) Acute Myocardial Infarction & other ACS. (2014/15)
<ul style="list-style-type: none"> • To ensure that our procedural database includes the latest CRM audit dataset. • To ensure that the procedural database can link directly with NICOR to upload data. • To ensure that Operators take responsibility for checking entry of the critical data fields (as is the case for percutaneous coronary intervention (PCI)). • To ensure that the data for implants after 01 April 2016 are confirmed as correct and meeting the minimum dataset requirements.
0436 – (NADIA) National Diabetes Audit Programme – National Diabetes Inpatient Audit 2016
<ul style="list-style-type: none"> • The clinical support worker to the inpatient podiatry team will do a foot check monthly audit on the wards. • Hypoglycaemia – capillary blood glucose screening remotely by diabetes team - to be investigated. • Hypoglycaemia - Dedicated insulin drug rounds leading to better co-ordination of meal times with meal time insulin - to be discussed. • Hypoglycaemia - Bed time snacks for patients at risk of nocturnal hypos. • Hypoglycaemia - Increase proportion of patients self-administering insulin - on-going project. • Trust decision regarding a diabetes ward area/inpatient base. • Staff education initiatives e.g. Diabetes Resource Folder for each ward, preceptorship programme - under discussion. • More widespread use of e-learning for staff (e.g. Safe use of insulin module). • Electronic prescribing.
0531 – (NBACOP) National Audit of Breast Cancer in Older Patients
<ul style="list-style-type: none"> • “Local protocols should be developed and implemented (1) to improve the formal assessment of older patients’ health in order to guide decision making about treatment and (2) to improve the identification of patients who could benefit from access to Teams caring for the older person.” We routinely make use of anaesthetic assessments including cardio-pulmonary exercise testing for older patients with known comorbidity and onward referral. We might benefit from better co-ordination with community services such as “Frail Elderly”. Reduced satisfaction with peri-treatment community Health and Social care was also highlighted by the most recent National Cancer survey. • “Clinicians and hospital managers should review their hospital length of stay figures. The variation described in this report suggests that there is room for greater consistency and efficiency among hospitals”. “We regularly review length of stay, but not by age.” • Local providers should regularly monitor the completeness and accuracy of data submitted to the national cancer registration services. This is undertaken by MDT Coordinators.
0510 – (NBOCAP) Bowel Cancer
<ul style="list-style-type: none"> • No actions required.
0490 – (NNAP) National Neonatal Audit Programme
<ul style="list-style-type: none"> • Concern - Temperature record within 1 hour of birth (lower than national average). • Action:

<p>1) Nurses to document temperature within 1 hour of birth (need education for nurses).</p> <p>2) Premature babies (<36 weeks) should be transferred to special care baby unit as soon as possible and parents need to be explained this by midwives.</p> <p>3) Correct entry in "Badger" system (educate FTs and STs at induction and monitor quality of data monthly).</p> <ul style="list-style-type: none"> Concern - First consultation with parents <p>Action:</p> <p>1) Better documentation in "Badger".</p> <p>2) Communication sheet as a separate document have been introduced in the special care baby unit by end of October 2016, we are now currently at 81% (first 3 quarters of 2017) – this has improved from 64% at the end of 2016.</p> <ul style="list-style-type: none"> Concern - Bronchopulmonary Dysplasia (BPD) higher than national average (31%) at 38%. Action: <p>1) This is likely to be due to smaller number of babies we have who qualified for this and, we had a run of premature set of twins who have developed chronic lung diseases of prematurity.</p> <p>2) This parameter is dependent on how best the baby was managed in early days in neo natal unit e.g. Plymouth or local neo natal unit e.g. Exeter.</p>
0542 – (SAMBA) A day in the life of an Acute Medical Unit (AMU)
<ul style="list-style-type: none"> Acute Physician will source additional senior decision makers to boost senior input in AMU. Clinical Director will lead on review of the general medical take to see if general consultants could extend the post-take hours from 6pm to 8pm. This will be a large piece of work with potential for lost work in terms of clinics or lists as a result.
0485 – (SSNAP) Sentinel Stroke National Audit Programme
<ul style="list-style-type: none"> Plan for a single integrated therapy team paused: plan to bring nursing into the same structure. Better informal links with more joint working/cover. Consultant Therapist interim manager for George Earle Occupational Therapists and Torbay community team.
0501 – (TARN) – Clinical Report III – Core measures for all patients, thoracic & abdominal injuries, patients in shock
<ul style="list-style-type: none"> Introduction of nurse scribe role in Trauma Trauma teaching session to nursing staff. Re-audit of trauma calls and results to be presented at Trauma Review Group. Radiology Trauma Lead to review times to CT and feedback to Trauma Review Group. General Surgery Trauma Lead to review Trauma Team attendance and feedback to Trauma Review Group.
0202 – (TARN) Clinical Report II – Core measures for all patients, orthopaedic injuries - July 17
<ul style="list-style-type: none"> Re-audit of trauma call criteria with attendance. Develop new method of trauma call capture.
0477 – (TARN) Severe Trauma – Clinical Report II – Core measures for all patients, orthopaedic injuries – July 16
<ul style="list-style-type: none"> Review Trauma Call Criteria, complete re-audit is imminent.
0478 – (TARN) Clinical Report III – Core measures for all patients, head & spinal injuries - Dec 16
<ul style="list-style-type: none"> Recommendation: Re-audit of Trauma Team activation and membership.
0428 – (TARN) Severe Trauma – Clinical Report I – Core measures for all patients Thoracic & abdominal injuries, patients in shock.
<ul style="list-style-type: none"> Review trauma call criteria.

<ul style="list-style-type: none"> • Introduce trauma scribe system and review data collection system. • Audit non-transfer patients.
0419 – (TARN) Clinical Report III – Core measures for all patients, head & spinal injuries - Dec 15
<ul style="list-style-type: none"> • A review of trauma call criteria has now been done as of Nov 16. • Ensure scribe role in place for trauma call.
0472 – National Audit of Cardiac Rhythm Management Devices 2015-16
<ul style="list-style-type: none"> • The major implication from this audit is that our process of data submission is inadequate. It is very likely that the issue will be significantly improved by the imminent upgrade in the Cath Lab information system (CCW). The upgrade incorporates the data fields required by this audit and will be able to be used at the time of implant to supply more complete and accurate data.
0427 – Coronary Angioplasty
<ul style="list-style-type: none"> • No actions required.
0455 – Endocrine and Thyroid National Audit – 5th Annual Report
<ul style="list-style-type: none"> • Both surgeons benchmark well against peers. No actions required.
0464 – Heart Failure Audit
<ul style="list-style-type: none"> • Appoint an additional in-patient Heart Failure Nurse. • Audit all GP Practice Heart Failure registers. • Introduce Entresto to all appropriate Heart Failure recovered ejection fraction (REF) patients. • Introduce enhanced consultant-lead out-reach for Heart Failure patients • Increase use of Brain natriuretic peptide (BNP) testing to identify/rule out HF on admission. • Improve access to 2ww and 6ww appointments in rapid access Heart Failure clinic.
0413 National Lung Cancer Audit Report 2016
<ul style="list-style-type: none"> • Our pathological confirmation rates are lower than the recommended rates and will need ongoing monitoring to ensure that attempt at a tissue diagnosis are made whenever appropriate. • The resection rates for the Peninsula were low and an external review has been commissioned.
0469 MIMIC – A multi-centre cohort study evaluating the role of inflammatory markers in patient's presenting with acute ureteric colic
<ul style="list-style-type: none"> • Develop guidance/pathway for ureteric stones. • Increase consideration of Alpha Blockers. • Ensure clear documentation. • Continue to work with international networks and share work.
0482 – National Chronic Obstructive Pulmonary Disease Supplementary Report 2017
<ul style="list-style-type: none"> • No actions required.
0459 – National Comparative Audit of Blood Transfusion Programme – 2016 Patient Blood Management in Scheduled Surgery audit
<ul style="list-style-type: none"> • "PBM1 Pre-operative anaemia optimisation: Please note benchmarking against other

organisations (National 50%, TSDFT 77%); significant improvement already (Audit 2015 55%; Re-audit 77%). To continue to manage anaemia pre-operatively for surgical patients”

- “PBM4 Pre-operative transfusion - single unit approach: Continued education on restrictive transfusion regimes.”
- “PBM4 Pre-operative transfusion - single unit approach: Monthly Dashboards to be produced to highlight any areas of concern – mini audits as required.”
- “PBM7a Patient Blood Management in theatre and recovery: Please note: we will never achieve this standard as Torbay & South Devon NHS Foundation Trust does not use Thromboelastography (TEP).”
- “PBM8 Post-operative transfusion indicated: Please note: significant change from original audit (Audit 2015 67%, Re-audit 24%) “Continued education on restrictive transfusion regimes.”
- “PBM9 Post-operative transfusion following the single unit policy – FIRST EPISODE. Please note: significant improvement already (Audit 2015 0%, Re-audit 79%. Continued education on restrictive transfusion regimes.”
- “PBM9 Post-operative transfusion following the single unit policy – FIRST EPISODE. Please note: significant improvement already (Audit 2015 0%, Re-audit 79%. Monthly Dashboards to be produced to highlight any areas of concern – mini audits as required.”
- “PBM10a Post-operative in whom at least one patient blood management measure has been attempted (where appropriate). Continued education on restrictive transfusion regimes.”
- “PBM10a Post-operative in whom at least one patient blood management measure has been attempted (where appropriate). Monthly Dashboards to be produced to highlight any areas of concern – mini audits as required.”
- “PBM11a Post-operative in whom all patient blood management measures have been attempted (where appropriate). Please note: we will never achieve this standard as Torbay & South Devon NHS Foundation Trust does not use post-op cell salvage”.

0495 – National Diabetes Audit Programme – National Diabetes Foot Care Audit 2014-16

- To share the 2017 report with the rest of the Podiatry and MDT team.
- To continue to highlight at every staff meeting the importance of completing an audit form for every new diabetic foot ulcer.
- For the community podiatrist to secure more protected time to complete the inputting of data.
- Develop business case to improve rapid access for patients to the foot protection service when they ulcerate and ensure that there is adequate capacity to achieve this in both community podiatry and MDT.
- Improve the patient’s knowledge of how to self-refer and when to refer to the foot protection service:
 - - Create and promote the hiblio videos on how to recognise a diabetic foot problem and how to self-refer.
 - - Obtain monitoring data on the number of patients that watch the videos.
- Diabetic foot training app to be installed on all GP practice computer systems so that patients can be made aware of their diabetic foot risk status and be provided with information on when and how to refer to the foot protection service when they have their annual GP diabetic check.

0201 – National Diabetes Audit Programme – National Diabetes Foot Care Audit – Hospital Admissions Report 2014-16

- Inpatient diabetic foot disease care pathway needs to be more accessible and Emergency Admissions Unit, Acute Medical Unit and Emergency Department to be made aware by education through nurses in the Clinical Decisions Unit.
- Each ward needs to have a Diabetic Foot Champion in the same way that there is a Tissue Viability Champion.

- Training to be offered to intermediate care teams regarding the need for multidisciplinary input in the care of diabetic foot disease.
- Training to be offered to Emergency Department and Acute Medical Unit regarding the need to follow the in-patient diabetic foot pathway particularly in relation to those patients being referred to the MAT team for IV antibiotics.
- Training to be offered to the MAT team regarding the need for MDT follow up of all patients with diabetic foot disease.
- To investigate the possibility of adding to Symphony electronic patient record a pathway for diabetic foot disease.
- To investigate the possibility of having an on-call diabetes podiatrist available for evenings and weekends to support Emergency Department and Acute Medical Unit staff.

0200 – National Diabetes Audit Programme – National Pregnancy in Diabetes Audit Report 2016

- Education of women re importance of planning pregnancy e.g. via transition and secondary care clinics, retinal screening, prescriptions, Rapid access to preconception advice.
- Education of health care professionals e.g. GPs, (DSS visits), midwives etc.
- Challenge the perception that Type 2 diabetes is “less serious”, it’s not! Type 2 diabetes is becoming more prevalent in women of child bearing age and perinatal outcomes are just as poor.
- Investigate why double the proportion of our babies went to SCBU, this needs investigating to determine why? Contact audit midwife to look up the reason for admission to Special Care Baby Unit for the relevant babies and discuss results with Obstetricians and Paediatricians.

0412 – National Prostate Cancer Audit Third Year Annual Report – Results of the NCPA Prospective Audit and Patient Survey 2016

- Completion of prostate cancer audit documentation needs to be more thorough, discuss with Cancer Information Clerks.

0484 – National Paediatric Diabetes Audit Report 2015-16 Part 1 Care Processes and Outcomes

- To increase the confidence and competence of children and their parents in insulin dose adjustment based on blood glucose analysis. Achieved by delivering an advanced diabetes education package for newly diagnosed families comprising educational evenings, web-based resources, and education in clinics and during home visits.
- To encourage a more comprehensive program of peer support for children and young people with diabetes - Achieved by a program of activity day outs/evenings. Group education sessions within school set up. Video resources made by our young people for others within our case load to teach/encourage.
- Encourage more sense of ownership for the direction of travel and performance of our unit from children and parents by involving them in quality improvement projects. Achieved by having a parent representative on our away days and involving parents in Quality Improvement projects.
- To continue to increase our percentage of patients with an HbA1c less than 48mmol/mol by 5% per year.
- For over 80% of our patients diagnosed within the last 2 years to have an HbA1c < 48mmol/mol. Achieved by all patients being taught carb counting and dose adjustment from diagnosis, promoting regular monitoring of blood glucose values and teaching around interpreting these and making changes based on these values. Regular education sessions both in a group and individual setting.
- To aim for over 80% of our patients 12 years and over receiving all 7 care processes in a year of care.

0463 – PenTrain Paediatric IV Fluid Audit

<ul style="list-style-type: none"> To get feedback from senior staff on wards to potentially plot a new balance chart on the wards.
0516 – Women attending TOPAS who request an abortion discuss contraception and are offered a choice of all methods
<ul style="list-style-type: none"> No further action required.

The reports of 41 local clinical audits were reviewed by the provider in 2017/18 and Torbay and South Devon NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided.

Ref Recommendations / actions	
6472	Paediatric Sepsis - Emergency Department (ED)
	<ul style="list-style-type: none"> Write standard operating procedure to include red flag at triage/ paediatrics assessment which mandates a senior doctor (ST4+) review to decide if antibiotics should be prescribed Raise awareness to ensure sepsis bundle is started and fully completed in children suspected to have sepsis Better awareness needed of traffic light guidance amongst juniors in ED. This will improve confidence and make decision making easier Introduce paediatric sepsis cards for the nursing staff in triage
6481	Re-Audit for Pneumonia - Radiological Investigations and Follow Up
	<ul style="list-style-type: none"> Need to make it clear to GPs that a clinical review is needed to determine if patient is better or requires x-ray. Patients should be given a leaflet advising them to see GP in six weeks - NOT IMPLEMENTED, patients are told about this on discharge if necessary and CPS will include. There is a lack of medical input during Care Plan Summary (CPS) training. GPs should be invited to and involved in these sessions Clearly define to junior medical staff what should appear on a CPS via minutes
6497	Pre-operative optimisation of Haemoglobin (Hb) levels in elective Orthopaedic patients
	<ul style="list-style-type: none"> Anaesthetic consultant to take over pre-operative assessment using these figures to create a proposal Hb results below WHO guidelines automatically trigger Haematinic investigations – these results are checked and acted on by the anaesthetic team Update pre-operative assessment pathway
6464	Vulnerable Young People attending the Emergency Department (ED)
	<ul style="list-style-type: none"> Liaise with IT services to make consent field for “YSmart”/ “Checkpoint” referrals a mandatory field Continue direct work with ED Admin Lead to improve compliance for recording of schools (possibility of making field mandatory for under 18’s) Staff training/ supervision in ED highlighting the importance of Paediatric Liaison referrals for all vulnerable attendances
6499	Special Case Flagging for Children of Concern
	<ul style="list-style-type: none"> No plan required
6525	Safeguarding Children in Short Stay Paediatric Assessment Unit (SSPAU)
	<ul style="list-style-type: none"> No action required

6477	Domestic Abuse Referrals
	<ul style="list-style-type: none"> • Meet with team leaders • Face to face feedback to each team (team meeting) • All CARAs (Child at Risk Alert) will be sent with a front sheet with instructions on how to process • Feedback results to Commissioners
6478	Mental Capacity Assessments (MCA) in Community Hospitals
	<ul style="list-style-type: none"> • Guidance/ Training sessions specific to improving completion of MCA Recording tool (v3) at all community hospitals • Ward managers requested to review MCA assessments using the audit tool and/or MCA (v3) guidance as an aid, to monitor quality during June, July, and August 2017
6517	Referrals to Torbay Multi-Agency Safeguarding Hub (MASH)
	<ul style="list-style-type: none"> • No actions required
6493	American Society of Parenteral and Enteral Nutrition (ASPEN) Guidelines
	<ul style="list-style-type: none"> • No plan required
6455	Implementing a Risk Stratification tool to improve follow-up for patients undergoing Radical Nephrectomy for Renal Cell Carcinoma (RCC)
	<ul style="list-style-type: none"> • Meet with nurse specialists and other relevant parties to discuss setting up a spread sheet to aim to ensure patients are automatically followed up according to Emergency Admissions Unit (EAU) guidelines • Design a spread sheet/ protocol that allows patients to be automatically followed up according to the EAU guidelines to try and improve the quality and consistency of follow up.
6461	Sepsis management in acute surgical patients
	<ul style="list-style-type: none"> • On-call team to encourage early (within one hour) Registrar/ Consultant review of patients with high Early Warning Score (EWS) • Surgical team to review structure to allow early senior review as per new NICE guidance • Surgical team to encourage that 2 x blood cultures are taken within one hour in septic patients. Promote through education.
6488	Antibiotic prophylaxis in Methicillin-resistant Staphylococcus aureus (MRSA) and Clostridium Difficile positive patients
	<ul style="list-style-type: none"> • The theatre 'briefing' pro-forma will be adjusted to include the correct antibiotics when MRSA or C. Diff alerts are in place.
6526	Venous Thromboembolic (VTE) prophylaxis in Emergency surgical admissions
	<ul style="list-style-type: none"> • Continue medical staff education as to importance of VTE Assessment and prescribing prophylaxis (Project lead has already talked to Registrars) • Investigate if Pharmacists can flag issues as part of 'business as usual'? (Discussed at Post Graduate Meeting (PGM), felt that 'E-prescribing' will be the technical answer)
6496	Blood pressure readings in vein occlusion patients attending the eye clinic
	<ul style="list-style-type: none"> • Consider the introduction of a check-list for patients visiting these clinics (Blood Pressure [BP], Urine dip and Full Blood Count (FBC) and/ or Erythrocyte Sedimentation Rate) (ESR) [form to GP]) • BP taken and recorded at every visit/ attendance • Investigate use of department 'Medisoft' software.
6492	The appropriateness of antibiotic regimen used in the treatment of patients who are admitted with a dental abscess
	<ul style="list-style-type: none"> • Inform staff and implement existing Bug Buster guidelines by demonstrating access to the

	mobile phone 'app' and computer link
	<ul style="list-style-type: none"> • Discussion with Microbiology department regarding appropriateness of antibiotic regimen.
6511	The impact of antibiotic therapy on the rate of Clostridium difficile infection (CDI) in-patients who are admitted due to a dental abscess
	<ul style="list-style-type: none"> • Effort must be made to ensure that sufficient loose stool sample taken for Microbiology test. Covered/ Highlighted when presented to meeting • When completing Incision and Drainage (I&D) with pus present, swab must be sent to Microbiology. Covered/ Highlighted when presented to meeting.
6471	Outcomes Following Change in Venous Thromboembolism (VTE) Prophylaxis Policy for Patients Undergoing Elective Primary Hip or Knee Replacement
	<ul style="list-style-type: none"> • The VTE 'drop down menu' on Galaxy should be changed to better reflect the current protocol • Agreement to be sought on the first alternative to aspirin where one is desired/ required.
6503	Neck of femur (NOF) fracture classification and management
	<ul style="list-style-type: none"> • System to be adopted through which data entry is based on fracture classification given by senior clinician and documented clearly in notes at Trauma meeting.
6506	Bone Sarcoma Pathway Compliance
	<ul style="list-style-type: none"> • Clearer instruction of communication lines needed of who to contact and when • Audit findings to be presented to radiologists • Ensure plain films reported by musculoskeletal radiologist if suspicion raised from other Radiologists • Sarcoma lead or on-call consultant should be referring to Birmingham as soon as report received and follow up fracture clinic appointment made to provide counselling for patient (agreed in meeting).
6509	Management of displaced intracapsular fracture of the hip [NICE QS-016]
	<ul style="list-style-type: none"> • A0 (Arbeitsgemeinschaft für Osteosynthesefragen) type and prosthesis feedback to Trauma Team so can add data in following days' trauma meeting (when reviewing previous day radiographs) and then uploaded to National Hip Fracture Database (NHFD) website • All staff reminded to clearly document in the operation note rationale for using nail over Dynamic Hip Screw (DHS).
6485	Prevention, management and follow up of Acute Kidney Injury (AKI)
	<ul style="list-style-type: none"> • Review accessibility of AKI patient information leaflet on Trust intranet • Review outcome of the national "RISK" study (due Mar - Jun 2017) to consider best method of assessing/ identifying patients at risk of developing AKI.
6527	Note Keeping (2017/ 18)
	<ul style="list-style-type: none"> • No plan required - results for discussion at Health Records Committee (HRC).
6498	Management of Status Epilepticus (SE) in Children (CG-137)
	<ul style="list-style-type: none"> • Present audit to Paramedics - Recommend specific training, if required, regarding administration of Buccal midazolam (BDZ) to Paramedics. • Organise local simulation training for doctors, paediatricians, and ED nurses to improve Advanced Paediatric Life Support (APLS) algorithm knowledge - This will improve prompt prescription and making up of phenytoin infusion and improve time to start of infusion • Introduce discharge checklist for patients admitted following SE.
6502	Acutely unwell children with high CRP (C-reactive protein) values
	<ul style="list-style-type: none"> • No plan required.
6505	Review of Clinicopathological Outcomes (Respiratory syncytial virus [RSV] positive bronchiolitis) of Babies who received Palivizumab
	<ul style="list-style-type: none"> • No plan required.

6513	Vitamin D Testing in Paediatrics
	<ul style="list-style-type: none"> No plan required.
6520	Short Stay Paediatric Assessment Unit (SSPAU) Standards
	<ul style="list-style-type: none"> Nursing staff to be reminded of the pain assessment and the necessity of completion during the initial nursing assessment. Completion of Paediatric Sepsis Quality Improvement project.
6543	Barriers to implementing the NICE Guidelines for early onset neonatal infection (CG149) - National Study
	<ul style="list-style-type: none"> No plan required
6475	Hysteroscopic morcellation of uterine leiomyomas (fibroids) and endometrial polyps
	<ul style="list-style-type: none"> Produce patient leaflet for "Myosure" procedure
6516	Transition Standards from the Midwife to Health Visitor (HV)
	<ul style="list-style-type: none"> Review the process of the transfer of information to HVs for late bookers and transfers in.
6518	Gynaecology Patient Checklist
	<ul style="list-style-type: none"> Amend the checklist form to make it easier to complete, in particular, the swab count section.
6519	Sepsis in Pregnancy
	<ul style="list-style-type: none"> Feedback findings through Senior Midwives meeting: Increase awareness of Sepsis Bundle Sticker Improve recording and implementation of barrier nursing Better recording of perineal hygiene discussions including when to self-refer Education in the avoidance of Non-Steroidal Anti-Inflammatory Drugs (NSAIDs) Education that infection is a risk for VTE Include sepsis on next year's Mandatory day.
6528	Intermittent Auscultation
	<ul style="list-style-type: none"> Undertake a Quality Improvement project with the Quality Improvement team.
6529	Maternal Pulse oximetry use in labour
	<ul style="list-style-type: none"> Policy to be updated to reflect change in timing requirement for pulse Oximetry.
6530	Foetal movements information
	<ul style="list-style-type: none"> Undertake a Quality Improvement project with the Quality Improvement team.
6501	Computed Tomography (CT) Colonography (virtual colonoscopy) (IP-129)
	<ul style="list-style-type: none"> No action required.
6508	Vacuum (VAC) assisted large core breast biopsy complication and incidence
	<ul style="list-style-type: none"> Fainting: review length of procedure, assess temperature of room and use of cold cloths on patient's neck Excision biopsies: change in post-procedure care; use longer compression.
6533	Magnetic Resonance Imaging (MRI) for metastatic spinal cord compression (MSCC) – Compliance with current NICE guideline (QS-056)
	<ul style="list-style-type: none"> All staff reminded in meeting that Clinical Radiology Information System (CRIS) code for cord compression is 'Cord'. All staff reminded in meeting to clarify degree of clinical suspicion with clinical team and add this information to the request form. All staff reminded in meeting to include Short tau inversion recovery (STIR) sequences for cases of potential malignant cord compression as per NICE guidance, unless patient is unable to tolerate. Adjust reporting template adding information on stability and potential of progression to cord compression.
6490	Management of anogenital herpes
	<ul style="list-style-type: none"> Patients starting suppression should take it initially for 12 months (supplied in three-month aliquots).
6504	Management of bleeding problems on hormonal contraception
	<ul style="list-style-type: none"> Agreement reached with team that all patients presenting with Bleeding on Hormonal Contraception (BOHC) of >3/12 duration or new onset should have the 'bleeding on hormonal

contraception' template completed

- Agreement reached with team that all sexually active women who present with BOHC should have a pregnancy test
- Smear history should be up to date. A new 'free text' box is being added to template to record actions if smear overdue
- Where a STI screen is not felt to be indicated, the rationale for this should be recorded. A 'free text' box is being added to the template for this to be recorded
- Where BOHC for >3/12 or new onset a speculum examination is always required. The documentation of this is now compulsory on the template (with an option for declined against advice)
- The indications for bimanual examination should be considered in all patients presenting with BOHC. The documentation of this is now compulsory on the template (with an option for declined against advice)

The reports of three national confidential enquiries were reviewed by the provider in 2017/18 and Torbay and South Devon NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided.

0471 – (MBRRACE-UK) Perinatal Confidential Enquiry – Term, singleton, intrapartum still birth & intrapartum related neonatal death.

- All staff have been provided access to this report.
 - Monitor delays in induction of labour - this is already a "Red Flag" and a trigger for an incident on Datix but need to highlight the completion so we can monitor our rates.
 - Mandatory Training for 2018 will be including more education regarding the monitoring of the foetal heart rate in labour, both electronically and intermittently.
- To continue working through the actions from the Maternity Assurance action plan.

0564 – (MBRRACE – UK) Perinatal Mortality Surveillance Report – UK Perinatal Deaths for Births January to December 2015.

- The key findings and recommendations have been included from this report and previous reports to inform the review document that is used locally to review all stillbirths.
- The placenta fridge on delivery suite and the Stillbirth policy have been updated to include the recommendations and it has been highlighted to staff the importance of the placental histology investigations.

0384 – (NCEPOD) Mental Health Study – Treat as One – Bridging the gap between mental and physical healthcare in general hospitals.

- The recognition of potential mental health conditions in all patients presenting to a general hospital would require screening at presentation and during the hospital stay. This would be an enormous change in practice and the benefits and challenges of this need to be investigated: discuss at Emergency Department/Emergency Admissions Unit governance meetings.
- Patients who have been admitted to hospital and have been referred to liaison psychiatry should have a named liaison psychiatry consultant documented in the general hospital case note and recorded centrally whenever possible. Action: - Medical Director to consider when and how this is recorded centrally.
- Liaison psychiatry review should provide clear and concise documented plans in the general hospital notes at the time of assessment. Action: - Consultant to raise this recommendation at DPT

Liaison Psychiatry Service level governance for inclusion in operational procedure.

- All general hospital pharmacy departments should be able to undertake medicines reconciliation of medications for mental health conditions within the first 24 hours of admission. Communication between general hospital and mental health hospital pharmacists should be encouraged. Action: GPs to record medicines prescribed by other providers so summary care records is complete. E-prescribing is a priority to help with meds rec using shared records. Pharmacists to develop networks across providers to support safe use of medicines.
- The use of mental health one-to-one observation support needs to be available for patients in a general hospital setting. Organisations should determine whether this occurs via training of their own general hospital staff or by arrangement with the local mental health service. The sole use of security staff or other staff members who are not trained for this purpose must occur. Action: Torbay Hospital Director of Nursing to review current procedures to ensure they are compliant with this recommendation.
- Mental capacity assessments should be documented in the case notes using the language of the relevant Act, and regular audits of the quality of the documentation undertaken. Action: - Audit of MCA paperwork.
- General hospitals must have a robust centralised hospital system for the management of mental health legislation processes whether by themselves or with their local mental healthcare providers. This should be audited regularly to ensure that the law is complied with. Action: review of data from the above audit and action plan as indicated.
- Mental healthcare should be routinely included in step-up and step-down documentation to critical care, with appropriate involvement from liaison psychiatry. Action: Review policy covering Nursing Handover to ensure the mental healthcare needs are included.
- Sharing of clinical information between care providers using a Summary Care Record or equivalent should be utilised. Liaison Psychiatry currently copy clinicians into patient letters however there is not a shared summary care record. Action: Shared summary care records.
- Torbay Liaison Psychiatry Service are currently offering training available to all staff in TSDFT running for 2 and a half days quarterly. The team have also been offering specific training to the Emergency Department staff on a range of issues pertinent to their work. Due to the limitation on staff numbers attending this training it would be advisable for all staff to have access to e-learning on Mental Health. Action: - Mental Health/Suicide awareness to be part of the staff mandatory training and be delivered by e-learning package. Trust to approach Royal College of Psychiatrists for available resources.
- There is currently a bid for funding to bring Torbay Hospital Liaison Psychiatry Service up to nationally recognised service specification to delivery 24/7 services to Torbay Hospital. Action: await outcome of funding application.
- TSDFT to appoint a Mental Health Lead at Board level.
- Change to Operational Policy for Local Mental Health units, such that a Summary Document, Care Plan, Risk Assessment and Copy of Medication Chart should be sent with the patient to Torbay Hospital. Mental Health units will request a copy of the physical health record on admission. On transfer into psychiatric care a copy of the discharge summary and medication chart from Torbay Hospital and the physical health records should travel with the patient.
- Torbay Hospital Liaison Psychiatry Service is currently undergoing review by Psychiatric Liaison Accreditation Network. Action: Torbay Hospital Liaison Psychiatry Service will follow any recommendations for improvement of practice or procedure. The recommendations will be forwarded to the Medical Director of TSDFT where they require input.
- Diagnostic coding of mental health conditions must be improved. Liaison psychiatrists should enter the diagnosis in the general hospital notes so that they can be coded appropriately and included in discharge summaries made by general hospital doctors. This will help with local and national audit. Comment: the Torbay Hospital Liaison Psychiatry Team should routinely record this information when making documentation in the Torbay Hospital medical record. Action: raise this

recommendation at DPT Liaison Psychiatry Service level governance for inclusion in Operational Procedure.

Research

The number of patients receiving relevant health services provided or sub-contracted by Torbay and South Devon NHS Foundation Trust in 2017/18 that were recruited during that period to participate in research approved by a research ethics committee was 2197.

Participation in clinical research demonstrates Torbay and South Devon NHS Foundation Trust's commitment to improving the quality of care we offer and to making our contribution to wider health improvement. Our clinical staff stay abreast of the latest possible treatment possibilities and active participation in research leads to successful patient outcomes.

Torbay and South Devon NHS Foundation Trust was involved in conducting 376 clinical research studies during 2017/18 in 38 specialities.

During 2017/18 87 clinical staff participated in approved research at Torbay and South Devon NHS Foundation Trust.

In the past year more than 25 publications have resulted from our involvement with the National Institute Health Research, which shows our commitment to transparency and desire to improve patient outcomes and experience across the NHS.

Our engagement with clinical research also demonstrates Torbay and South Devon NHS Foundation Trust's commitment to testing and offering the latest medical treatments and techniques. Here are just a few examples of how our participating in research improves patient care.

Clinical Specialty	Study details
Cancer - Breast	<p>UK IMPORT LOW trial: Partial-breast radiotherapy after breast conservation surgery for patients with early breast cancer: 5-year results from a multicentre, randomised, controlled, phase 3, non-inferiority trial.</p> <p>The aim of the trial was to improve radiotherapy treatment for women with early breast cancer following breast conservation surgery. A randomised controlled multicentre national trial was conducted comparing current standard radiotherapy to the whole breast; versus reduced dose radiotherapy (involving standard radiotherapy to the area of the breast where the cancer was + a lower dose of radiotherapy to the rest of the breast); versus partial breast radiotherapy involving standard dose of radiotherapy, but only to the area of the breast where the cancer was. In addition, the trial tested whether doing this preserves the long term physical appearance of women's breasts whilst</p>

	<p>being just as effective as standard radiotherapy at preventing the cancer returning.</p> <p>The study results are important news for women with early breast cancer. The findings suggest that treating a lower volume of breast tissue with radiotherapy (in the area of the original cancer) is as safe and effective as treating the whole breast with radiotherapy. In addition, side effects from radiotherapy are low in all groups and participants rating their breast appearance better in the partial breast radiotherapy group than the women in the other groups.</p> <p>The results generated has produced a consensus statement for radiotherapy after breast conserving surgery advising that partial breast radiotherapy can be considered for selected patients with specific characteristics of low risk tumours and radiotherapy centres are recommended to start implementing the trial techniques if they are not already doing so.</p>
<p>Diabetes 40 patients recruited at Torbay</p>	<p>The HEELS study: Evaluation of the clinical effectiveness and cost-effectiveness of lightweight fibreglass heel casts in the management of ulcers of the heel in diabetes compared to usual standard care: a randomised controlled trial</p> <p>The study showed that whilst there may be a small increase in healing with the use of a heel cast, the estimate was not sufficiently precise to provide strong evidence of an effect. There was no evidence of any subgroup in which the intervention appeared to be particularly effective. The health economic analysis found only very small differences between the groups and found no clear evidence that the heel cast device was good value for money for the NHS.</p> <p>Although the provision of a lightweight heel cast may benefit some individuals, this study found no evidence to recommend that this be adopted in routine clinical practice.</p>

<p>Orthopaedics</p>	<p>Arthroscopic Sub acromial decompression for sub acromial shoulder pain (CSAW): A multicentre, pragmatic, parallel group, placebo controlled, three group, randomised surgical trial.</p> <p>This study compared standard arthroscopic sub acromial decompression, commonly performed surgery offered to patients with persistent sub acromial shoulder pain due to impingement versus placebo therapy (arthroscopic surgery only).</p> <p>The study results showed that patients who underwent sub acromial decompression surgery showed no significant difference in functional outcomes / pain improvement when compared to placebo therapy (arthroscopic surgery only). But both surgery options provided greater symptom relief than no treatment. However, whether this was because of the placebo effect or post-operative physiotherapy was unclear.</p> <p>The findings question the value of this operation for these indications and this should be communicated to patients during the shared treatment decision making process.</p>
<p>Rheumatology</p> <p>Torbay was one of the 7 UK centres selected to take part</p>	<p>The RAFT Study: Reducing Arthritis Fatigue – clinical Teams using cognitive behavioural approaches: A Randomised Controlled Trial</p> <p>In Rheumatoid Arthritis (RA) fatigue is common. Group Cognitive Behavioural Therapy (CBT) by CBT therapists is effective but few rheumatology teams have psychologists. This study looked at training rheumatology teams to deliver RAFT - a cognitive behavioural approach (CBA) and to test if usual care plus a group CBA course for RA fatigue delivered by rheumatology teams reduces fatigue impact more than usual care alone, in a randomised controlled trial.</p> <p>A pair of rheumatology nurses/OTs in each of 7 UK hospitals was trained in RAFT. RAFT involved 6 weekly 2hr group sessions and a consolidation session at week 14. Links between thoughts, feelings, and behaviours (pacing, communication, sleep, stress) are addressed, with daily diaries of energy expenditure and weekly goal-setting. Usual care involves a 5 min discussion of the Arthritis Research UK fatigue booklet.</p> <p>The study showed that rheumatology teams delivering a manualised CBA group intervention addressing fatigue impact, not only improve RA fatigue impact, but also emotional & overall fatigue, living with fatigue and self-efficacy, with very high patient satisfaction. Providing rheumatology teams with CBA skills is a potential new therapeutic approach to change practice and improve patient outcome.</p>

Stroke	<p>The SOS study: The Stroke Oxygen Study Randomized Clinical Trial: Effect of Routine Low-Dose Oxygen Supplementation on Death and Disability in Adults with Acute Stroke.</p> <p>IMPORTANCE Hypoxia is common in the first few days after acute stroke, is frequently intermittent, and is often undetected. Oxygen supplementation could prevent hypoxia and secondary neurological deterioration and thus has the potential to improve recovery.</p> <p>OBJECTIVE To assess whether routine prophylactic low-dose oxygen therapy was more effective than control oxygen administration in reducing death and disability at 90 days, and if so, whether oxygen given at night only, when hypoxia is most frequent, and oxygen administration is least likely to interfere with rehabilitation, was more effective than continuous supplementation.</p> <p>Conclusions: The study concluded that among non-hypoxic patients with acute stroke, the prophylactic use of low-dose oxygen supplementation did not reduce death or disability at 3 months. The study findings do not support low-dose oxygen in this setting.</p>
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CQUIN

A proportion of Torbay and South Devon NHS Foundation Trust income in 2017/18 was conditional on achieving specialist quality and improvement and innovation goals agreed between Commissioners other than South Devon and Torbay CCG and any person or body they entered into a contract, agreement, or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation payment framework.

Further details of the agreed specialist goals for 2017/18 and for the following 12-month period are available electronically at: <http://www.torbayandsouthdevon.nhs.uk>

In 2017/18 the potential value of the CQUIN payment was £4,686,000 and income subsequently received was £4,666,000 (tbc). In 2016/17 the potential value of the CQUIN payment for the Trust was £4,634,000 and the income subsequently received was £4,615,000. In 2018/19 the planned value of the CQUIN payment is £4,792,000.

Care Quality Commission

Torbay and South Devon NHS Foundation Trust is required to register with the Care Quality Commission (CQC) and its current registration status is for:

- Diagnostic and screening procedures.
- Family planning services.
- Management and supply of blood and blood derived products.
- Maternity and midwifery services.
- Personal care.
- Surgical procedures.
- Transport services, triage and medical advice provided remotely.
- Treatment of disease, disorder, or injury.
- Termination of pregnancy.

Torbay and South Devon NHS Foundation Trust has no conditions on registration.

The Care Quality Commission has not taken enforcement action against Torbay and South Devon NHS Foundation Trust during 2017/18.

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

Following two unannounced inspections in May 2017 Urgent and Emergency Care and Medical Care, (including older people's care) we were re rated as below;

Service	Previous Rating (Feb 2016)	Revised Rating (May 2017)
Urgent and emergency services	Inadequate	Good
Medical care: including older people's care	Requires Improvement	Good

The Trust received three announced inspections in February 2018 for the following areas;

- Community children and young people.
- Community end of life care.
- Social reablement services.

The Trust also received three unannounced inspections over the same period for the below areas;

- Maternity.
- Outpatients.
- Acute end of life care.

During the visit two of the inspectors examined mental health pathways across the organisation and how we support staff and patients in accessing mental health services. The reports from these unannounced inspections will be available in May 2018 to action.

In March 2018 a further announced inspection focusing on “Well-led” was undertaken. The focus of this inspection was predominantly board focused. The Trust will receive feedback in May 2018 and will act on the inspectors’ recommendations. The CQC ratings will be updated at this time.

A CQC assurance group, chaired by the Chief Nurse, meets monthly to monitor improvements and compliance against the required standards. This group reports to the Trust Board.

Data quality

High quality data is important to our organisation for many reasons including our ability to improve our services and to understand how efficient our services are.

Within the Trust data quality is managed primarily by the Health Informatics Service and the Information team working together to ensure there are appropriate governance processes in place to manage and improve data quality.

NHS number and general practitioner registration code

Torbay and South Devon 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, as of 12th February 2018 which included the patient’s valid NHS number was:

- 99.7% for admitted patient care.
- 99.9% for outpatient care.
- 98.5% for accident and emergency care.

The percentage of records in the published data

and those which included the patient’s valid General Practitioner Registration Code was:

- 99.8% for admitted patient care.
- 99.6% for outpatient care.
- 98.6% for accident and emergency care

Information governance

Torbay and South Devon NHS Foundation Trust information governance assessment report overall score for 2017/18 was 68% and was graded green.


The Trust is focusing on implementing the General Data Protection Regulation (GDPR) which comes into force in May 2018 and is preparing to use the new toolkit once released in 2018/19.

Clinical coding

Torbay and South Devon NHS Foundation Trust was not subject to the payment by results clinical coding audit during 2017/18 by the Audit Commission.

Data quality improvements

Torbay and South Devon NHS Foundation Trust committed to take the following actions to improve data quality in 2017/18. These actions are noted below alongside the improvements made.

- To improve the data recording of treatments undertaken in the emergency department.
An upgrade and re-configuration of the IT system is currently underway that will mandate data entry for the relevant fields. This is due to be implemented by the summer 2018.
- To maintain or improve the Trust national SUS data quality position.
Despite a marginal drop in emergency department NHS Number and GP Registrations (0.1%) we maintained our data quality position throughout this difficult year.
- To initiate a dedicated data assurance group to further strengthen the reporting and management of data quality within the Trust.
The Information Assurance Group is now operational.
- Act on the recommendations of three quality audits undertaken by the external auditor in spring 2017 as part of the Trust's annual Quality Account.
 - Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period. 

Substantive testing of the indicator identified no issues. (PWC Quality Report May 2017)

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

Substantive testing of the indicator identified no issues. (PWC Quality Report May 2017)

- Delayed transfers of care - Governor indicator.
Substantive testing of the indicator identified one issue with regards to overwriting data. (PWC Quality Report 2017)
The Trust patient administration system displays the latest delay transfer of care and if there is a requirement to see previous delays, these are available through running a separate report through the Trust's data warehouse or from the ENCORE system itself.

In 2018/19 the Trust will be taking the following actions to improve data quality by:

- Embedding the new information governance toolkit.
- Maintaining or improving the Trust national SUS data quality position.
- Obtaining a realistic overview of the Trust's data quality and related risks to information reporting.
- Acting on the recommendations of three data quality audits undertaken by the external auditor in spring 2018 as part of the Trust's annual quality account.

Data Quality Audits undertaken by PWC	
Percentage of ED patients seen within 4 hours ^(A)	Mandated indicator
Maximum time of 18 weeks from point of referral to treatment (RTT) - incomplete pathways ^(A)	Mandated indicator
Readmissions within 28 days	Governor indicator

Mandated quality indicators

As part of the annual report the Trust is required to report against several mandatory quality indicators. These are described below.

Domain 1 Preventing people from dying prematurely

	July 16 – June 17	July 15 – June 16	October 14 – September 15	October 13 - September 14
SHMI	0.8530	0.8440	0.812	0.995
National High – Low	1.22 – 0.73	1.17 - 0.69	1.17 - 0.65	1.19 - 0.59
Band (<i>Band 2 = as expected</i> <i>Band 3 = lower than expected</i>)	3	3	3	2
Observed deaths	1,808	1,798	1,866	1,632
Expected deaths	2,119	2,130	2,298	1,640
Spells	49,473	47,927	45,336	38,875

Source of information: HSCIC

The summary hospital-level mortality Indicator, or SHMI, is a measure of the number of patients that have died in hospital or within 30 days of being discharged from hospital. SHMI takes into account several factors including a patient's condition.

The SHMI score is measured against the NHS average which is 1.0. A score below 1.0 denotes a lower than average mortality rate and indicates good, safe care. The SHMI data is published in arrears.

The highest Trust score is 1.22 and the lowest Trust score is 0.73. There is no national average. The Trust is performing better than the national benchmark.

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

- Compliance with data standards for this indicator.

Torbay and South Devon NHS Foundation Trust has taken the following actions to reduce this number, and so the quality of its services by:

- Monthly mortality data is reviewed through the Quality Assurance Group and reported to the Trust Board.

Palliative care coding (contextual indicator for SHMI)

	July 16 – June 17	July 15 – June 16	October 14 - September 15
Palliative care coding % deaths	22.8	22.1	18.9
England average	31.2	29.1	26.6
High	58.6	54.8	53.3
Low	11.2	0.6	0.2

Source of information: HSCIC

The highest Trust score is 58.6 % and the lowest Trust score is 11.2%. The national average is 31.2%.

The number of deaths recorded as coded to palliative care within the Trust has remained within normal range and is below the national average. The palliative care coding data is published in arrears.

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

- Compliance with data standards for this indicator.

Torbay and South Devon NHS Foundation Trust has taken the following actions to reduce this number, and so the quality of its services by:

- The data is reviewed with the patient safety lead and lead clinical coder to ensure we remain consistent with the coding and application of palliative care in our submitted data.

Learning from patient deaths

1.0	During 2017/18, (April 2017 to January 2018) of Torbay and South Devon NHS Foundation Trust 1113 patients died in hospital. This comprised the following number of deaths which occurred in each quarter of that reporting period: 286 in the first quarter; 271 in the second quarter; 311 in the third quarter; 245 in the fourth quarter.
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2.0	By 20 th March 2018 for the period April 2017 to January 2018, 183 case record reviews have been carried out in relation to the above number of the deaths included in item 1.0. The number of deaths in each quarter for which a case record review or an investigation was carried out was: 69 in the first quarter; 49 in the second quarter; 49 in the third quarter; 16 in the fourth quarter.
3.0	1 representing <1% of the patient deaths during the reporting period are judged to be more likely than not to have been due to problems in the care provided to the patient. In relation to each quarter, this consisted of: 0 for the first quarter; 1 for the second quarter; 0 for the third quarter; 0 for the fourth quarter. These numbers have been estimated using the Structured judgement framework based on the Royal College of Physicians guidance.
4.0	The learning from the review in 3.0 identified a gold standard system where earlier referral and rapid diagnostics would have identified a reversible issue
5.0	Following presentation of the case, the Trust is sharing the learning within the organisations M&M structures and is also investigating a time bound structure for diagnostics to work within, which would speed up diagnosis in this disease area
6.0	The actions are being worked through in helping to achieve the learning's identified

Domain 3 helping people to recover from episodes of ill health or injury

Hip replacement	April 16 – Mar 17	April 15 – March 16	April 14 - March 15
Adjusted Health gain score	0.482	0.414	0.422
National average	0.44	.0438	0.0437
Highest Trust performance	0.54	0.051	0.33
Lowest Trust performance	0.30	0.32	0.523
Knee replacement			
Adjusted Health gain score	0.353	0.0343	0.309
National average	0.32	0.0320	0.315
Highest Trust performance	0.403	0.0397	0.418
Lowest Trust performance	0.245	0.0798	0.204
Groin hernia surgery			

Adjusted Health gain score	Low numbers data not published	Low numbers data not published	Low numbers data not published
National average	n/a	n/a	0.083
Highest Trust performance	n/a	n/a	0.148
Lowest Trust performance	n/a	n/a	0.02
Varicose vein surgery			
Adjusted Health gain score	Low numbers data not published	Low numbers data not published	Low numbers data not published
National average	n/a	n/a	n/a
Highest Trust performance	n/a	n/a	n/a
Lowest Trust performance	n/a	n/a	n/a

Source of information: HSCIC

The PROMs data is published nationally in arrears. Latest published data covers the period April 16 – March 17. Against the four monitored surgical procedures only two have published results for patient reported outcomes scores. There are no published scores for varicose veins and groin surgery due to the low number of procedures performed /surveys completed.

The reported procedure scores are for hip and knee replacement surgery. The highest, lowest, and national average figures are all shown in the table above.

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

- We have a robust process with hip and knee procedures for engaging with patients and collecting PROMS data.
- We maintain high volumes of procedures.
- Information is collected and reported by the Department of Health.

Torbay and South Devon NHS Foundation Trust has taken the following actions to improve this score and so the quality of its services by

- Continuing to monitor and act on the results of these surveys as well as other benchmarking sources including Dr Foster and that national joint registry.

Patients readmitted to a hospital within 28 days of being discharged

	April 16 – March 17	April 15 – March 16	April 14 – March 15
0-15 years old			
% readmissions	9.1%	8.7%	6.96%
Benchmark national benchmark 100	103	102	94.38
=>16 years old			
% readmissions	9.1%	8.1%	7.47%
Benchmark national benchmark 100	107	101	95.17

Source of information: Dr Foster (Note – HSCIC / NHS digital no longer report this indicator)

There is no high or low rate for a Trust or an average. The benchmark is 100.

The change in readmission rate is linked to the introduction of ambulatory assessment units. The new pathways have increased the flow of patients away from ED into specialist assessment areas, however many patients are discharged and do not require admission to a hospital bed or overnight stay. Our IT systems currently record this stay as an admission irrespective of whether the patient has been discharged or not. This change in practice is introduced to streamline and improve the effectiveness of clinical team processes and support patient flow to avoid unnecessary admission to a hospital bed for on-going assessment where this can be avoided.

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

- The Trust reports admissions data nationally to agreed standards which is used by Dr Foster.

Torbay and South Devon Foundation Trust has taken the following actions to reduce this rate, and so improve the quality of its services through:

- A review of recording practice has been undertaken and once recording systems can be changed in an effective way, it is proposed that patients who do not get admitted to a hospital bed and discharged from the ambulatory assessment areas, are not coded as admissions in the national data sets.

Standardised approach to recording ambulatory patient activity is a national issue with Trusts adopting different recording practices, further guidance is awaited.

Domain 4 Ensuring people have a positive experience of care

Overall patient experience – inpatient survey

Between August 2016 and January 2017, a questionnaire was sent to 1250 recent inpatients at each Trust who had received care in July 2016. Responses were received from 608 patients at Torbay and South Devon NHS Foundation Trust.

The survey was published in May 2017 and overall performance is shown below.

Patient survey	2017	2016	2015	Compared with other trusts
Overall view of inpatient services (for feeling that overall, they have a good experience)	8.4/10	8.3/10	8.2/10	About the same

Source of information: CQC

There is no worst or best performing Trust or a national average.

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

- Information is reported nationally and to the Trust Board.

Torbay and South Devon Foundation Trust has taken the following actions to increase this rate, and so improve the quality of its services by:

- Learning from feedback received and making changes
- Continuing to use real time feedback to augment the national inpatient survey.

Staff survey: staff recommendation of the Trust as a place to work or receive treatment

Staff survey	2017	2016	2015
Torbay and South Devon NHS Foundation Trust	3.79	3.89	3.91

Scoring scale
1= strongly disagree
5= strongly agree

National median score for combined acute and community Trusts	3.75	3.71	3.71
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Source of information: <http://www.nhsstaffsurveys.com>

In 2017 the national median score for combined acute and community Trusts was 3.75. The best performing Trust achieved 4.18 with the lowest performing Trust achieving 3.38.

The Trust's score of 3.79 is better than the national median score.

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

- Information is reported nationally and to the Trust Board.

Torbay and South Devon NHS Foundation Trust has taken the following actions to improve this score and so the quality of its services, by:

- Detailed action plan developed for areas of improvement.

Staff survey: Percentage of staff experiencing harassment, bullying or abuse from staff in last 12 months

Staff survey	2017	2016	2015
Torbay and South Devon NHS Foundation Trust	23%	22%	25%
National median score for combined acute and community Trusts	24%	23%	25%

Source of information: <http://www.nhsstaffsurveys.com>

In 2017/18 the national for combined acute and community Trusts was 24%. The best performing Trust achieved 20% and the worst performing Trust achieved 32%.

The Trust's result of 23% is better than the national median score for combined acute and community Trusts.

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

- Information is reported nationally and to the Board.

Torbay and South Devon NHS Foundation Trust has taken the following actions to improve this score and so the quality of its services, through addressing areas requiring improvement:

- Detailed action plan developed for areas of improvement.

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

Patients admitted to hospital who were risk assessed for venous thromboembolism

	Q3 2017/18	Q4 2016/17	Q4 2015/16
% VTE assessed UNIFY return	91.37%	94.9%	95%
National standard	95%	95%	95%
Highest performing	100%	100%	
Lowest performing	76.1%	63.02%	

Source of information: HSCIC

As of the end of quarter 3 2017/18 the highest performing Trust is 100% and the lowest performing Trust is 76.1%. The national standard is 95%. The Trust is performing below the national standard.

Torbay and South Devon NHS Foundation considers that this data is as described for the following reasons:

- Information is reported nationally and to the Trust Board.

Torbay and South Devon NHS Foundation Trust has taken the following actions to improve this score and so the quality of its services by

- Changing the system from where the data is reported from. This should more accurately capture the % of VTE assessments undertaken.

Rate of C. difficile infection

<i>C.difficile rate per 100,000 bed days – 2yrs and over</i>	April 16 – March 17	April 15 – March 16	April 14 – March 15	April 13 – March 14
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Torbay & South Devon NHS Foundation Trust	19.4	22.4	17.7	12.6
Nationally set target for the trust	14.2	14.9	15.1	14.7
Best performing	0	0	2.6	1.2
Worst performing	82.7	66	62.2	37.1

Source of information: HSCIC.

In 2016/17 the C. difficile rate per 100,000 bed days reduced to 19.4 from 22.4 the previous year. This exceeded the overall national average rate and the target rate of 14.2 set for the Trust.

The best performing trust was a zero rate, this being a specialist women's hospital and the worst performing trust rate 82.7 per 100,000 bed days. The national average is 14.2 per 100,000 bed days. The data is published in arrears.

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

- Information reported nationally via the Trust Performance and Information team.

Torbay and South Devon NHS Foundation Trust has taken the following actions to reduce this rate, and so improve the quality of its services by:

- Adherence to all infection control and prevention policies and standards and continued proactive engagement between all clinical areas and the infection control team.

Number of patients' safety incidents recorded

	April 17 – February 18	April 16 – March 17	April 15 - March 16	April 14 - March 15
Number of incidents reported	6525	7056	6979	5546

Source of information: October 2016 onwards Datix. Prior to October 2016 the data was sourced from Safeguard & Datix.

The numbers of incidents reported over the last 11 months as highlighted in the table above are 6525. There is no highest or lowest score or national average for incident reporting. Trusts are encouraged to record incidents, and this is a marker of a good learning organisation.

Torbay and South Devon NHS Foundation Trust considers that this data is as

described for the following reasons:

- Information is recorded on the Trusts incident reporting system, Datix.

Torbay and South Devon NHS Foundation Trust has taken the following actions to improve this number of reported incidents, and so the quality of its services through:

- Induction training
- On-line training
- Bespoke team and individual training
- Incident management training
- Data analysis training
- Datix feedback reports e.g. 5 Point Safety Brief, Datix Digest

Number and % of patient safety incidents that have resulted in severe harm or death

	Oct 16 – Mar 17	Apr 16 – Sept 16	Oct 15 – Mar 16
Number of incidents severe harm or death	4	13	3
% of all incidents	0.3	0.3%	0.1%

Source of information: NRLS via NHS Improvement

The number of incidents of severe harm or death is 4 between October 2016 and March 2017. This figure is for the integrated care organisation. Information is published in arrears. There is no highest or lowest score or national average.

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

- Information is recorded on Trust incident reporting system and reported nationally.

Torbay and South Devon NHS Foundation Trust has taken the following actions to reduce this number, and so the quality of its services by:

- The Trust has created an integrated dashboard which is presented and reviewed at the Quality Improvement Group, Quality Performance & Review meeting and Health and Safety Committee
- The Dashboard has developed over time to include individual appendices on specific incident or area types e.g. Falls, Pressure Ulcers, Medications, Safety Audits, Staff, Health and Safety, Maternity
- Serious incident reviews

- Safebook intranet site – central location for all alerts, 5 Point safety briefs, Datix digest and much more.
- Learning and sharing culture including a strong human factors focus.

Part 3: Our performance in 2017/18

Overview of the quality of care based on Trust performance

Torbay and South Devon NHS Foundation Trust an integrated care organisation. It continues to work with and be accountable to:

- NHS Improvement, our regulator.
- The Care Quality Commission (CQC).
- The commissioners via the various health contracts.
- The Local Authorities for social care.
- Our local communities through our members and governors.

We also continue to work with the Devon 'STP'. The STP brings together our NHS organisations to develop plans and transform services across our county. In November 2016, the Devon sustainability and transformation plan was published and information about the plan and the work of the STP can be found at:
<http://www.devonstp.org.uk/>

In 2018/19 the shared STP priorities are:

- **Productivity:** Delivering the existing care model more effectively and efficiently. This includes: plans to utilise the model hospital digital information services to identify and realise productivity opportunities; addressing unwarranted variations by implementing the Getting it Right First time programme; and opportunities to share key corporate services.
- **Transformation:** Continuing the shift towards a new model of care including using new data on frailty to identify people most at risk and intervene accordingly. There will be a renewed system wide and local focus on the most effective approaches to moderate demand using tried and tested approaches, benchmarked tools, and new initiatives where these are assessed to be of value.
- **Integration:** Building on the progress of partnership working across the system and the policy direction for integrated care, the foundations are already in place to establish an Integrated Care System in shadow form from April 2018 with an integrated strategic commissioner for Devon, and local integration through four place based Local Care Partnerships and a Mental Health Care Partnership.

In the Trust the 2018/19 performance priorities are:

- **Cancer:** The national targets for all eight cancer key performance indicators will be met.
- **A&E 4 hour waits:** The targets for the year are Q1 > 92.2%, Q2 > 92.4%, Q3 > 91.4%, Q4 ≥ 90%
- **RTT:** We will ensure the number of people on incomplete pathways does not increase and we expect to be able to move performance against RTT targets towards 82% by 31st March 2019, whilst also reducing the number of people waiting over 52 weeks to zero.

Within the Trust we currently have five service delivery units who are accountable for the delivery of operational performance and quality of care provided by them.

The units are split into:

- Medicine, which includes the Emergency Department
- Surgery
- Women, children's, and diagnostics
- Community services
- Corporate services

During 2018/19 this operational structure will change with the aim of continuing to drive a more integrated approach to health and care.

The executive team reviews each service delivery unit's performance once a month in the service delivery unit quality and performance review meetings. The meetings include regulatory performance and quality outcomes as a standing item. This allows the executive team to review performance and establish forward actions. The actions and exceptions reports arising from the reviews are incorporated as needed to inform the monthly Board report.

In October 2017 the NHSI single oversight framework was updated with minor changes to the regulatory performance standards.

The table below shows performance against the revised single oversight framework indicators as reported in Board reports. The summary shows actual performance against the agreed trajectory of improvement where required or standard.

Indicator/Target	Quality Indicator	Target/Standard	17/18	16/17	15/16
Maximum time of 18 weeks from point of referral to treatment (RTT) - incomplete pathways ^A	Experience	92%	81.6%	87.2%	91.6%
A&E: maximum waiting time of four hours from arrival to admission/transfer/discharge ^A	Experience	95%	89.7%	90.9%	87%
Maximum 6 week wait for diagnostic procedure	Effectiveness	<1%	4.2%	1.7%	1.9%
Cancer 62 day wait for first treatment from urgent GP referral for suspected cancer	Effectiveness	85%	83.1%	88.7%	89.6%
Cancer 62 day wait for first treatment from NHS cancer screening service referral	Effectiveness	90%	95.9%	94.5%	96.9%
Dementia assessment and referral	Experience	90%	64.8%	46.7%	60%

With regards to:

Referral to Treatment waiting times: A decrease in the % of patients treated within 18 weeks is seen against the previous year. This position has been closely monitored and reflects the prioritisation of the financial recovery plan limiting actions to increase activity. A consequence is that overall waiting times have increased with a deterioration of RTT. The operational plan for 2018/19 is to maintain performance of 82% and move to 86% if additional funding is identified.

A+E Maximum waiting time < 4 hours: Our overall performance has been above the previous year's position however severe winter pressures in January to March 2018 has seen a reduction in our overall performance. There are clear signs of improved resilience to demand pressure across the system and effective pathway management through the "care model" changes implemented as part of the ICO. The operational planning priority for 2018/19 is to maintain the same or better performance in each quarter of 2018/19 with a minimum threshold of 90%.

Cancer 62-day treatment from referral: Performance has reduced to below target (85%). Actions have been taken to support capacity and introduce "direct to test" pathways that will see performance improve. The operational planning priority for 2018/19 is to achieve the 85% standard.

Diagnostic waiting times: The standard of 1% is not met. The Trust is working to a local tolerance of less than 4% of patients waiting over 6 weeks to reflect on-going demand pressures across several diagnostic tests. The operational planning priority for 2018/19 is to remain within the 4% tolerance, whilst business plans to increase capacity are developed.

Dementia screening: the standard of 90% is not met. Additional support has been provided which is demonstrating an improvement in Dementia reporting. In 2018/19

the aim is to change the reporting system to Nervecentre to improve data recording and reporting.

Mandated quality indicators

These are reported in part 2 of the Quality Account.

Local priorities

In addition to reporting performance against the statutory indicators for regulatory assessment a range of further indicators are reported to the Board. These have changed slightly from the previous year's account reflecting the priority areas for the integrated care organisation.

Other National and local priorities	Quality indicator	Target 2017/18	2017/18	2016/17	2015/16
Smoking during pregnancy	Effectiveness	n/a	15.09%	15.14%	15.6%
Breastfeeding initiation rates (% initiated breast feeding)	Effectiveness	n/a	69.62%	68.8%	70.5
DNA rate	Effectiveness	5%	5.48%	5.65%	5.6%
Stroke care: 90% of time spent on stroke ward	Effectiveness	80%	80.5%	83%	80%
Timeliness of social care assessment	Effectiveness	>70%	78.5%	71.2%	69%
Urgent intermediate care referrals per month (new)	Effectiveness	113	161	n/a	n/a
Mixed sex accommodation breaches of standard	Experience	0	0	0	4
52-week referral to treatment incomplete pathways year end position	Experience	10	33	17	0
Delayed transfer of care (bed days lost)	Experience	4548	5311	4561	5298
Cancelled operations on the day of surgery	Experience	<0.8%	1.3%	1.1%	1.0%
No of children with child protection plan	Safety	None set	160	191	147
Never events	Safety	0	1	1	2
Reported incidents – Major and catastrophic	Safety	<60	23	27	27
C Difficile reported cases	Safety	18	18	18	32

Patient safety and delivering quality outcomes will continue to remain the highest priority to ensure that individuals have access to, and receive, the best possible care. The Trust Board will ensure that governance arrangements will continue to provide the oversight and scrutiny against the quality and patient safety outcomes.

In 2017/18 a revised format for the integrated performance report was developed as part of a review following feedback from NHSI and auditors. This was implemented

in July 2017 and has been very well received by the Board. A version of the report can be found in section 4.1 of the published board reports:

<https://www.torbayandsouthdevon.nhs.uk/uploads/180307-trust-board-papers.pdf>

Annex 1 – Engagement in developing the Quality Account

Prior to the publication of the 2017/18 Quality Account we have shared this document with:

- Our Trust governors, commissioners, and Board
- Healthwatch.
- Torbay Council Health Scrutiny Board.
- Devon County Council's Health and Wellbeing Scrutiny Committee.
- Trust staff.
- Carers Group.
- Torbay Community Development Trust.

As in previous years, we continue to hold an annual Quality Account engagement event inviting key stakeholders to come together and recommend the priority areas to be included in this year's Quality Account.

The feedback from the event continues to be positive with stakeholders feeling engaged in the development of the Quality Account and receiving feedback from the work undertaken in the previous year.

In 2018/19 we will continue to share our progress against our Trust improvement priorities and continue to work closely with the users of our services to improve the overall quality of care offered.

Statements from Commissioners, Governors, OSCs and Healthwatch

Statement from Torbay Council's Health Overview & Scrutiny Board on Torbay and South Devon NHS Foundation Trust Trust's Quality Account 2017/18

Members of Torbay Council's Overview and Scrutiny Board have considered the draft Quality Account 2017/2018 for Torbay and South Devon NHS Foundation Trust.

In relation to the outcomes achieved against the priorities for 2017/2018, the Board welcomes the investment in the Community Health and Wellbeing Team and the work towards including independent care homes and domiciliary providers in care planning. The introduction of Wellbeing Coordinators is also welcomed although the Board will be seeking assurance as to how they are reaching out to the most isolated residents across Torbay.

The actions taken to reduce the number of people who Did Not Attend appointments have shown good results as has the implementation of Nervecentre. The Board is pleased to note the work towards seven day working across the Trust.

In terms of the Trust's priorities for 2018/2019, the Board is encouraged by the further investment in IT to improve efficiency within outpatients. Reassurance will be sought over the course of the year over the effectiveness and impact of the NHS Quicker app.

The Board will continue to keep a watching brief on the development of the Local Care Partnership within Torbay and South Devon as the new model of care continues to be implemented. The Board will specifically focus on the services in relation to intermediate care and reablement.

The Board commends Torbay and South Devon NHS Foundation Trust for its openness and transparency of its operations. Given the reducing availability of resources in the public sector, the Board would seek to ensure that all Trusts and partner organisations continue to work together for the benefit of the whole Torbay community.

Statement from South Devon and Torbay Clinical Commissioning Group on Torbay and South Devon NHS Foundation Trust Quality Account 2017/18

South Devon and Torbay Clinical Commissioning Group (SDTCCG) is lead commissioner for Torbay and South Devon NHS Foundation Trust (TSDFT) and is pleased to provide our commentary for the Trust's Quality Account for 2017/18.

SDTCCG has taken reasonable steps to corroborate the accuracy of data provided within this account. We have reviewed and can confirm that the information presented in the Quality Account appears to be accurate and fairly interpreted, from the data collected regarding the services provided. The Quality Account demonstrates a high level of commitment to quality in the broadest sense and we commend this.

Looking Back

We were pleased to support the quality priorities selected by the Trust last year the initiative to use patient experience to evaluate the efficacy of the care model, using gap analysis to target low feedback areas. Participation in the Northumbria project will allow for rich and timely feedback and we are pleased to see consideration for non-bed-based care as part of the further roll-out.

We were also pleased to see the roll-out of Nerve-centre to improve accurate information sharing which we know is vital for sustained patient safety. We view the roll-out to all wards, (with exception of Special Care Baby Unit) as a success and commend the efforts taken by staff to adopt this new technology. It is promising to see that several key assessments, (nutrition, dementia etc.) are also being captured within this system to give clinicians a full view of patients' needs and requirements.

We note that priority to increase safe and timely discharge has had mixed results but commend the community hospitals on achieving the 33% target. We appreciate the winter pressures have affected the performance of the acute hospital however it is disappointing to see data collection does not reflect the Trust's actual position. It is positive to see the SAFER principles being rolled out across the wards which will aim to ensure safe discharge and follow up.

Additionally, we note the varied results of the Outpatient redesign with improvements made in some specialties. It is pleasing to see that this priority will be taken forward for 2018/19 as an overall approach.

Looking Forward

We are happy to support the five quality improvement priorities the Trust has developed through discussions with health and care teams working within the boundaries of the new care model and the CCG. As noted above, the continuation of the Outpatients redesign as a priority is encouraging and the proposed utilisation of technology and innovation to improve appointments is commendable.

The use of patient experience to inform principles of winter planning for 2018/19 is deserving of priority status, particularly given the challenges faced across Devon for 2017/18. We know that in busy period's patients face long waits which can impact on their outcome as well as experience for themselves and their families or carers.

Using feedback to construct mitigating actions for 2018/19 is of great benefit and we

would wish to see this learning shared across the system as noted by the Trust.

We are pleased to see that the work completed within the Emergency Department to recognise and treat patients with sepsis promptly will be rolled out to inpatient wards. Having clear and accurate data collection on the wards will allow for targeted intervention if required and we support this approach to improving patient safety.

The HOPE (Help Overcoming Problems Effectively) programme is a positive and supportive step in promoting patients' health and wellbeing and reinforces the principles of the care model to enable patients to become active in managing their own health. The use of patient activation measures will allow for relevant evaluation of the scheme. The proposed planned courses will impact across both physical and mental health and we commend this approach.

We are also pleased to note the support for each priority via a named executive and governance structure responsible for achievement.

General Comments

Quality Accounts are intended to help the public understand how their local health services are performing and should therefore be clear and readable. TSDFT have produced a comprehensive understandable Quality Account which is simple to understand and clearly set out.

We feel that the Trust's attention to quality and safety is commendable and we are pleased to note progress in this past year to drive the aims of the care model. We understand that the Care Quality Commission (CQC) has undertaken announced, unannounced, and well-led inspections and we are keen to see the results and work with the Trust towards further quality improvements because of any recommendations and actions.

As commissioner we have taken reasonable steps to review the accuracy of data provided within this Quality Account and it is unfortunate that the Trust have been unable to clarify our data queries. Going forward we hope that data consistency and evaluation is prioritised.

Our requirements as a CCG are to gain continual assurance that providers are demonstrating safe, high quality care for all and by working in collaboration with the Trust we can gain these assurances and hope to maintain this collaborative relationship.

Overall, we are happy to commend this Quality Account and TSDFT for its continued focus on quality of care, patient safety and a positive patient experience.

Statement from Governors on Torbay and South Devon NHS Foundation Trust Quality Account 2017/18

The Governor quality statement demonstrates the continued commitment that the Trust has in developing and implementing its strategy for health and social care, focusing on providing care to patients at home and maintaining their independence. Further testament is evident that the Trust has also continued to develop its estate plan, with the successful opening of the Critical Care Unit and the replacement of two linear accelerators to improve the delivery of oncology services. These developments have been delivered against the most challenging year for the NHS financially, the increasing complexity of health and social care and unprecedented levels of activity.

Last year's quality account listed five priority areas for quality improvement in 2017/18, all of which had been agreed with local stakeholders. Considerable progress has been made in these areas with further work continuing.

The Council of Governor's chosen quality audit for 2017 was "Delayed Transfer of Care" and the audit identified that the Trust continues to have a low delayed transfer of care rate compared to other hospitals in England. However, it was identified that further work should be undertaken to improve systems for recording data and developing criteria for discharge.

Governor representatives participated in the Quality Account Stakeholders' meeting for this year and the audit chosen for 2018/19 is "Readmission within 28 days".

There is strong evidence that the Trust continues to review and participate in national clinical audit and research, and when appropriate, implementing the recommendations from the findings to support the improvement of healthcare.

The Governor Observer role continues to provide the Council of Governors with the opportunity to engage with the safety and quality agenda and in providing an assessment of evidence on the performance of the Trust against national Key Performance Indicators.

The Trust continues to be challenged in achieving the Referral to Treatment (RTT) for both 18 and 52 week waits. It has also been challenging to maintain consistent performance against cancer targets. However, there is clear evidence of action plans in place which are constantly reviewed to address the challenges faced.

The Governor Observer role has also provided the opportunity for governors to review the actions and performance of the Chair and Non-executive Directors. A more formal process has been adopted this year to support the appraisal with all governors actively involved.

Further scrutiny conducted by the Quality and Compliance Committee members in providing the Council of Governors with evidence that the Trust is performing well. This includes statutory committee reviews and reports on CQC Key Lines of Enquiry.

The governors can confirm that they continue to receive evidenced assurance of the Trust's commitment to the provision of safe, high quality and responsive health and social care. We recognise the challenges the Trust faces and support the Board in delivering new models of care within a very tight financial framework and look forward to continuing as to be active participants working together in the future.

Statement from Devon County Council's Health and Adult Care Scrutiny Committee on Torbay and South Devon NHS Foundation Trust Quality Account 2017/18

Devon County Council's Health and Adult Care Scrutiny Committee has been invited to comment on the Torbay and South Devon NHS Foundation Trust's Quality Account for the year 2017/18. All references in this commentary relate to the reporting period of the 1st of April 2017 to the 31st of March 2018 and refer specifically to the Trust's relationship with the Scrutiny Committee.

The Scrutiny Committee commends the Trust on a comprehensive Quality Account for 2017-18 and believes that it provides a fair reflection of the services offered by the Trust, based on the Scrutiny Committee's knowledge.

In terms of the priorities for 2017-18 Members appreciate the work undertaken by the Trust in the last year to increase the number of patients discharged earlier in the day and to reduce delayed transfers of care and lengths of stays. Reducing delayed transfers of care has been an issue of importance to Members. The Committee notes however that the progress of the Trust in improving outpatient pathways during 2017/18 has been mixed.

The Committee fully supports the Trust's Quality Priorities for Improvement 2018-19 and expects that the Trust will continue to work on improving outpatient pathways. Members also appreciate the willingness of the Trust to learn from and act on the experiences of its local population during the winter period 2017/18.

The Committee also supports improvements to patient experience measures to reflect service users' experience of care in the integrated care organisation. Members applaud the Trust's introduction of the NHS quicker app and the priority to increase the usage across Torbay and South Devon. The Committee also supports the aim of the Trust to encourage people to become more active in managing their own health through the HOPE (help overcoming problems effectively) programme.

Members anticipate that regular information on the progress of the HOPE programme will be shared by the Trust.

The Committee welcomes a continued positive working relationship with the trust in 2018/19 and beyond to continue to ensure the best possible outcomes for Devon residents.

Statement from Healthwatch (Torbay) on Torbay and South Devon NHS Foundation Trust Quality Account 2017/18

Healthwatch Torbay is the independent local champion for people who use health and social care services. We gain an understanding of their experiences through personal contact and the use of technology. Our networks of champions and our focussed reports have added to this, giving a rich picture of what matters to local people. Our participation in deliberations for the sustainable transformation partnerships (STP) across Devon has added a county-wide perspective to our knowledge.

We are pleased to add our comment to the Quality Account for this year, especially to commend the clarity of presentation. It is a document that is readable by the public, is well explained and gives a clear overview of the importance of the quality initiatives. The quality improvement priorities for the next year confirm the views of the stakeholders taking part in the preparatory stakeholder event, giving a challenging mix of on-going improvement, innovation, and forward thinking.

Of over 130 feedback comments from the public to Healthwatch Torbay, about the acute hospital alone for this year, over 75% were in praise of the quality of service. Of those making adverse comment, these corresponded to the priorities identified in the Account especially waiting times in accident and emergency. Car parking and transport to the acute hospital continues to be mentioned. Staff treatment and attitudes is ranked highly with one comment being representative, "We had a warm welcome".

Healthwatch Torbay has worked alongside the Trust on the path to an integrated service by having an opportunity to observe and evaluate change in some areas. Although the priority for the public is to have an efficient illness service, we have noticed comments about appreciation of the changes delivered by the new model of care, for example relocation of some outpatient services to become more local. The wellbeing agenda is still not well understood, which supports the choice of the HOPE project as one of the priorities for 2018.

We welcome the honesty of the Trust in recognising that more investment in measuring patient experience is required, especially within intermediate care. As an independent organisation, Healthwatch Torbay has been able to provide some insight and partnership working to facilitate the public voice and we know that this has been valued. We look forward to developing this relationship further.

Overall, we consider that the Quality Account presents a realistic overview of the Trust's performance and identifies appropriate internal controls and assurances.

Annex 2

Statement of Directors' responsibilities in respect of the 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 23 May 2018
 - papers relating to quality reported to the board over the period April 2017 to 23 May 2018
 - feedback from commissioners dated 11/05/2018
 - feedback from governors dated 23/04/2018
 - feedback from the local Healthwatch organisation dated 24/04/2018
 - feedback from Overview and Scrutiny Committee dated 27/04/2018 and 04/05/2018
 - the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 13/03/18
 - the 2016 national inpatient survey 31/05/2017
 - the 2017 national staff survey 06/03/2018
- the Head of Internal Audit's annual opinion of the trust's control environment dated 17/05/18

- CQC inspection report dated May 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.



Richard Ibbotson
Chairman
23 May 2018



Liz Davenport
Interim Chief Executive
23 May 2018

Independent Auditors' Limited Assurance Report to the Council of Governors of Torbay and South Devon NHS Foundation Trust on the Annual Quality Report

We have been engaged by the Council of Governors of Torbay and South Devon NHS Foundation Trust to perform an independent assurance engagement in respect of Torbay and South Devon NHS Foundation Trust's Quality Report for the year ended 31 March 2018 (the 'Quality Report') and specified performance indicators contained therein.

Scope and subject matter

The indicators for the year ended 31 March 2018 subject to limited assurance (the "specified indicators") marked with the symbol **A** in the Quality Report, consist of the following national priority indicators as mandated by Monitor:

Specified Indicators	Specified indicators criteria (exact page number where criteria can be found)
<i>Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period</i>	Page 68
<i>Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge</i>	Page 68
<i>Guidance for these indicators is available at:</i>	
https://improvement.nhs.uk/documents/2474/Detailed_requirements_for_quality_report_final_-_updated.pdf	

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 specified indicators criteria referred to on pages of the Quality Report as listed above (the "Criteria"). The Directors are also responsible for the conformity of their Criteria with the assessment criteria set out in the NHS Foundation Trust Annual Reporting Manual ("FT ARM") and the "Detailed requirements for quality reports for foundation trusts 2017/18" issued by Monitor (operating as NHS Improvement) ("NHSI").

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 does not incorporate the matters required to be reported on as specified in the FT ARM and the "Detailed requirements for quality reports for foundation trusts 2017/18";
- The Quality Report is not consistent in all material respects with the sources specified below; and
- The specified indicators have not been prepared in all material respects in accordance with the Criteria set out in the FT ARM and the "Detailed requirements for external assurance for quality reports for foundation trusts 2017/18".

We read the Quality Report and consider whether it addresses the content requirements of the FT ARM and the "Detailed requirements for quality reports for foundation trusts 2017/18"; 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 documents:

- Board minutes for the financial year, April 2017 and up to 23 May 2018 (the period);
- Papers relating to quality report reported to the Board over the period April 2017 to the date of signing this limited assurance report;
- Feedback from the Commissioners South Devon and Torbay Clinical Commissioning Group dated 11 May 2018;
- Feedback from Governors dated 23 April 2018;
- Feedback from Local Healthwatch organisations Torbay dated 24 April 2018;

- Feedback from Overview and Scrutiny Committee dated 27 April 2018 and 4 May 2018;
- The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 13 March 2018;
- The 2016 national inpatient survey dated 31 May 2017;
- The 2017 national staff survey dated 6 March 2018;
- Care Quality Commission inspection dated May 2018; and,
- The Head of Internal Audit's annual opinion over the Trust's control environment dated 17 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.

Our Independence and Quality Control

We applied the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

We apply International Standard on Quality Control (UK) 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Use and distribution of the report

This report, including the conclusion, has been prepared solely for the Council of Governors of Torbay and South Devon NHS Foundation Trust as a body, to assist the Council of Governors in reporting Torbay and South Devon 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 Torbay and South Devon NHS Foundation Trust for our work or this report save 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 (Revised)'). Our limited assurance procedures included:

- reviewing the content of the Quality Report against the requirements of the FT ARM and the "Detailed requirements for quality reports for foundation trusts 2017/18";
- reviewing the Quality Report for consistency against the documents specified above;
- obtaining an understanding of the design and operation of the controls in place in relation to the collation and reporting of the specified indicators, including controls over third party information (if applicable) and performing walkthroughs to confirm our understanding;
- based on our understanding, assessing the risks that the performance against the specified indicators may be materially misstated and determining the nature, timing and extent of further procedures;
- making enquiries of relevant management, personnel and, where relevant, third parties;
- considering significant judgements made by the NHS Foundation Trust in preparation of the specified indicators;
- performing limited testing, on a selective basis of evidence supporting the reported performance indicators, and assessing the related disclosures; and
- reading the documents.

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

Limitations

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

The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact 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 thereof, may change over time. It is important to read the Quality Report in the context of the assessment criteria set out in the FT ARM and "Detailed requirements for quality reports for foundation trusts 2017/18" and the Criteria referred to above.

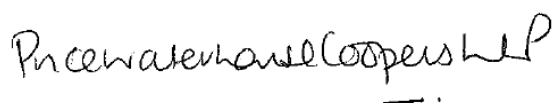
The nature, form and content required of Quality Reports are determined by NHSI. This may result in the omission of information relevant to other users, for example for the purpose of comparing the results of different NHS Foundation Trusts.

In addition, the scope of our assurance work has not included governance over quality or non-mandated indicators in the Quality Report, which have been determined locally by Torbay and South Devon 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 does not incorporate the matters required to be reported on as specified in the FT ARM and the "Detailed requirements for quality reports for foundation trusts 2017/18,"
- The Quality Report is not consistent in all material respects with the documents specified above; and
- The specified indicators have not been prepared in all material respects in accordance with the Criteria set out in the FT ARM and the "Detailed requirements for external assurance for quality reports for foundation trusts 2017/18".



PricewaterhouseCoopers LLP

Bristol

24 May 2018

The maintenance and integrity of the Torbay and South Devon NHS Foundation Trust's website is the responsibility of the directors; the work carried out by the assurance providers does not involve consideration of these matters and, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported performance indicators or criteria since they were initially presented on the website.

