

Torbay and South Devon NHS Foundation Trust

Annual Report and Accounts 2018/19

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2018/19

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

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Foreword by the Chairman and Chief Executive

Welcome to the Annual Report 2018/19 for Torbay and South Devon NHS Foundation Trust. This report summarises our achievements and challenges over the past 12 months, our ambitions for 2019/20 and describes the context in which we have operated. It also includes the Quality Account, which details our approach to quality and improvement priorities.

The past 12 months have been extremely challenging for the NHS with continued financial squeeze in all sectors, coupled with growing levels of demand, culminating in increasing occupancy rates in hospitals and a steady decline in financial and operational performance. A shortage of qualified staff to fill important roles, and the impact of Brexit, has compounded this position.

Despite this we have continued to focus our work to further integrate health and care services in this part of Devon, whilst also investing in our acute care pathways and collaborating with other NHS Foundation Trusts in our county through our Sustainability and Transformation Partnership. As we move in to 2019/20, the Foundation Trust has already seen the further development of integrated services with the formation of a new county-wide service for children's and young person. This service called 'Family Health Devon' will see us work in partnership with Devon Partnership Trust, Royal Devon and Exeter NHS Foundation Trust and Northern Devon Healthcare NHS Trust.

There still remains much to do and our financial position presents us with ongoing challenges as we move in 2019/20. We are also aware that our Devon system will need to consider how to meet the continuing pressure on performance targets and the availability of financial resources. In responding to this we recognise that our staff are our greatest resource and therefore enabling them to make the best use of their skills competence and experiences to do what is important for the people they support and care for is paramount. A commitment to the wellbeing of our staff whilst keeping our values of *'working with you, for you'* is the golden thread underpinning our new focus, that will enable decision making and control of resources to be delegated to teams within a defined self-organising structure.

At the same time, we have been working towards establishing a new operational delivery structure that will mean our model of care being delivered through five new Integrated Service Units. This is the next step in our becoming a fully integrated organisation, thanks to enhanced clinical leadership and a focus on clinical pathways aligned to each of our five localities. Maintaining quality and safety of all our services is paramount at this time of change, and will be a key focus over the coming year as this model develops and embeds.

We therefore believe that we have now reached a position where a person's care pathway from home to hospital to community hospital to home is as seamless as it has ever been.

We are privileged to have a very supportive community and our local charities, including The League of Friends, have continued to raise an incredible amount of money to support patient care and made many generous donations throughout the year to the hospital and community services.

Finally, we would like to thank all our colleagues for the outstanding care they have provided to our local community, both in our hospitals and through community services, and to pay tribute to the people who make our ambition of providing integrated care a reality for people in our care. Thanks are also due to our Non-Executive Directors and Governors who have helped, supported and challenged constructively throughout the year.

There remains much to do to achieve our goals and aspirations but we are grateful for the opportunity we have to positively affect our patients and our local community that we serve. This is an important time for us as we develop further as an integrated care organisation and we will continue to do all we can to provide the best possible health care to our local community as we continue on '*Our Journey*'.

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

Richard Ibbotson, KBE, CB, DSC, DL

Chairman

28 May 2019

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

Liz Davenport

Chief Executive

28 May 2019

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.

Chief Executive's statement on performance

The performance of the Foundation Trust is monitored and overseen by the Foundation Trust Board of Directors through reviewing monthly performance reports which are 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.

Monitoring of performance during the year was delivered via four Service Delivery Units covering medicine, surgery, community and women, children, and diagnostics and therapies. Performance monitoring required Service Delivery Units to review quality and performance dashboards relevant to each of their units and to present plans where there were risks or concerns. This process provided the Foundation Trust Executive and Foundation Trust Board assurance that performance rules are understood, and remedial action plans are taken forward when necessary. Looking ahead to 2019/20, the process of performance monitoring will be delivered through the creation of a new operational management structure seeing the change from the previous service delivery units to service alignment around a locality based integrated service unit model. The process of executive review meetings for the monitoring of performance will cover each of the five Integrated Service Units ('ISUs'). These meetings will require ISU teams to review their quality and performance dashboards and to present plans where there are risks or concerns. This process will give the Executive Team and Board, assurance against performance delivery that risks are identified early with remedial action plans taken forward where necessary.

The Clinical Commissioning Groups ('CCG') in Devon merged with effect from 1 April 2019, and the Foundation Trust is now commissioned by Devon CCG for the significant majority of the services it delivers. The Devon STP is now coterminous with the CCG, along with 43 other STPs in England. The STP was established to enable the pooling of resources, and expertise where appropriate, so that a sustainable health and care system exists across Devon. Our Foundation Trust is one of the partners in the Devon STP.

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 will be vital to help tackle the financial and service performance challenges to be faced.

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 shown below:

- 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”. The first phase of 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. The next phase will look at wider service collaboration and 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 so 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.
- The Foundation Trust led the successful award of the children’s services tender through a Devon Alliance that commenced on 1 April 2019.

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 are also using the Model Hospital approach, ensuring that everything we do is based on best practice.

Further developing local integration

Whilst we have made good progress, we and our partners (i.e. our commissioners in Devon CCG, 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 continue to focus on optimising the care model to support local people in their communities, rather than in bed based care, whenever it is safe to do so.

The Foundation Trust’s Medical Director is leading the Clinical Cabinet for the STP and is also leading on the establishment of a number of clinical networks that the Foundation Trust has been asked to host. These networks have been established to secure additional resilience across health and care providers through greater partnership working.

Purpose and activities of the Foundation 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.

Torbay and South Devon NHS Foundation Trust is an award winning Foundation Trust providing high quality, personalised acute, elective, specialist, social care and community care services to a resident population of approximately 293,000 people, plus about 100,000 visitors at any one time during the summer holiday season.

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 settings. We have around 600 volunteers working in Torbay Hospital and across the community, including our Leagues of Friends who fundraise to help support the Foundation Trust. Approximately 75,000 people received treatment in our Emergency Department during the year, and 41,000 were treated in our Minor Injury Units. There were around 500,000 face-to-face contacts with service users and carers in their homes and communities each year. The Foundation Trust has an annual operating budget of over £441million.

We provide services from our main hospital site, Torbay Hospital, and from community hospitals, as well as health centres. Our main services are commissioned by Devon Clinical Commissioning Group as well as Torbay Council and Devon County Council.

In addition to partnerships with its commissioners, the Foundation Trust has also developed a range of strategic and business partnerships, including;

- The Foundation Trust is a partner in a Limited Liability Partnership (*Health and Care Innovations LLP*) providing health care videos developed by clinicians and specialists to improve the patient and user experience of the care we provide;
- The Foundation Trust has a wholly owned subsidiary to provide an on-site pharmaceutical dispensary at Torbay Hospital;
- The Foundation Trust is a partner in a Limited Liability Partnership to support the Foundation Trust's ambitions to develop new buildings to replace out-of-date facilities;
- With three other Devon NHS Foundation Trusts the Foundation Trust joined University of Exeter's new Academy of Nursing. This will help to bolster the nursing profession through development and training, with our local nurses at the forefront of regional, national and international advances in care.
- The Foundation Trust partnered with Plymouth University to launch Torbay Clinical School, to promote clinical research.

History and statutory background of the Foundation Trust

Torbay and South Devon NHS Foundation Trust ('the Foundation Trust') is a statutory body which, in October 2015, became a public benefit corporation, following its approval as a NHS Foundation Trust by the Independent Regulator of the NHS Foundation Trusts authorised under the Health and Social Care (Community Health and Standards) Act 2006.

The Foundation Trust was formed by the merger of two Foundation Trusts - South Devon Healthcare NHS Foundation Trust (providing acute services); and Torbay and Southern Health and Care NHS Foundation Trust, (providing community and adult social care), thereby enabling us to implement a new model of integrated care. In creating the Integrated Care Organisation we brokered a financial Risk Share Agreement with our partners, which has stood us in good stead and enabled major changes to how health and care is delivered for our local population.

The principal location of business of the Foundation Trust is Torbay Hospital, Lowes Bridge, Torquay TQ2 7AA.

In addition to the above, the Foundation Trust has registered the following locations with the Care Quality Commission:

- Ashburton and Buckfastleigh Hospital, Eastern Road, Ashburton TQ13 7AP
- Brixham Hospital, Greenswood Road, Brixham TQ5 9HN
- Brunel Dental Centre, Brunel Industrial Estate, Newton Abbot TQ12 4XX
- Castle Circus Health Centre, Abbey Road, Torquay TQ2 5YH
- Dartmouth Clinic, Mayors Avenue, Dartmouth TQ6 9NF
- Dawlish Hospital, Barton Terrace Dawlish EX7 9DH
- Kingsbridge Hospital (South Hams) Special Care Dental, Plymouth Road, Kingsbridge TQ7 1AT
- Newton Abbot Hospital, Jetty Marsh Road, Newton Abbot TQ12 2TS
- Paignton Hospital, Church Street, Paignton TQ3 3AG
- St Edmunds Victoria Park Road, Torquay TQ1 3QH
- Tavistock Special Care Dental Service, 70 Plymouth Road, Tavistock PL19 8BX
- Teignmouth Hospital, Mill Lane, Teignmouth TQ14 9BQ
- Totnes Hospital, Coronation Road, Totnes TQ9 5GH
- Walnut Lodge, Walnut Road, Torquay TQ2 6HP

The Foundation Trust is registered with the Care Quality Commission without conditions and provides the following regulated activities across the stated locations:

- Diagnostic and screening procedures;
- Family planning services;
- Management of supply of blood and blood derived products;
- Maternity and midwifery services;
- Personal care;
- Surgical procedures;
- Termination of pregnancies
- Transport services, triage and medical advice provided remotely; and
- Treatment of disease, disorder or injury

As a Foundation Trust responsible for public funds, the Board of Directors is accountable to local people represented by the Council of Governors. Full guidance on how Foundation Trusts are required to operate is available from NHS Improvement.

Highlights of the year 2018/19

The Foundation Trust received an overall rating of *Good* from the Care Quality Commission in May 2018, following inspections undertaken in February and March 2018. The report rated the Foundation Trust as *'Outstanding'* in the *'Caring'* category. The Care Quality Commission also inspected the Foundation Trust for its *'Use of Resources'* during the year and rated the Foundation Trust as *'Good'*.

Highlights during the year included:

- We opened a new state-of-the-art cancer targeting Linear Accelerator (LINAC) radiotherapy machine.
- Our Medical and Admissions Avoidance Team (MAAT) nurses began training community nurses to enable more people to receive specialist treatments at home.
- With our partners we acquired £1.3m funding to continue with the Health and Wellbeing Programme, enabling voluntary sector support for people over 50 needing help with 'what matters to them'.
- The Foundation Trust laid on a number of free events for unpaid carers as part of Carers Rights Day.
- Health Service Journal (HSJ) shortlisted our blood management team for a patient safety award.

Supporting our staff

- We welcomed our fifth cohort of nurses from the Philippines.
- The NHS celebrated its 70th birthday on 5 July 2018. Our Foundation Trust marked the occasion with a staff ball at the English Riviera Centre. In the lead up to the big day, staff participated in social media campaigns and a host of other events.

Working with our communities

- We supported 'City & Guilds Aspire', an initiative where young people with learning difficulties attend 10 week internships, leading to City & Guilds qualification.
- Foundation Trust staff, including our Chief Executive, took part in 2018 South West NHS Military Challenge, and got a taste of challenges our reservists face.
- The Foundation Trust opened a dedicated hub provided for the League of Friends to enable them to continue their work in organising fundraising events and donations.

Service developments and initiatives

- Building work was completed on the 'Friends Centre' in Brixham and was opened in May 2019.
- The new Outpatient Pharmacy opened at the Torbay Hospital site.
- The Horizon Centre, Torbay Hospital hosted a medical virtual training simulation event.
- The 'Last Kiss Foundation' donated funds to help refurbish the Mary Delve Bereavement Suite in the baby delivery unit.
- The new Ambulatory Unit area opened before Christmas.

- The Health and the Arts in Torbay and South Devon (HeArTs) Gallery was launched.

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.

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 Foundation 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 our main commissioner now called Devon Clinical Commissioning Group ('CCG') since the merger of NHS South Devon and Torbay CCG and NHS Northern, Eastern and Western Devon CCG, effective from 1 April 2019. We have plans for the next four years to deliver real change in how services are provided.

Key risks to performance, NHSI standards, emergency access, 4-hour ED wait

In 2018/19, the Foundation Trust did not deliver the level of performance expected against the key NHSI performance standards.

Emergency access standard: The winter in 2018/19 highlighted system vulnerabilities to maintaining target waiting times in the Emergency Department, although system safeguards did give assurance that patient care and safety was maintained. This was further supported by an unannounced inspection of the Emergency Department by the Care Quality Commission; the feedback from which was very positive of the care provided. The principle risk being maintaining timely discharge and flow in to and out of the hospital setting, and in doing so to secure the Medical Assessment area for direct GP emergency admissions piloted in December 2018 that clinical teams found invaluable in improving the care and delivery of the 4 hour standard.

The system response in 2018/19 was to deliver the actions identified following the assessment of learning from the previous winter. This included the establishment of the Medical Assessment Service with additional staffing, the establishment of a 24/7 Clinical Site Team and additional nursing staff on medical wards, amongst other improvements.

The Foundation Trust has also increased capacity in domiciliary care and enhanced medical assessment capacity in the community with coordination with partners, to maintain system-wide oversight and ensure effective escalation.

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 the Emergency Department, 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.

Referral to treatment standard: Good progress has been made against delivery improvement against the key NHSI referral to treatment standard, including to reduce the number of people waiting 52 weeks for treatment by half and to have the number of people waiting longer than 18 weeks no higher in March 2019, than that in March 2018.

In November 2018, two operating theatres were closed due to concerns raised with ongoing ventilation and air conditioning issues. During the strip-out works, additional remedial structural works were identified putting the scheduled operational reopening of these theatres back to August 2019.

The result of the loss of two theatres meant that from December 2018 through to March 2019, the Foundation Trust did not achieve the planned trajectory for reducing to zero the number of our longest waiting patients waiting over 52 weeks to treatment from initial referral. In response to the impact from the loss of theatre capacity, plans were agreed to provide short term capacity through extended day working in other theatres with additional weekend lists and outsourcing to other providers. A recovery trajectory based on this additional short term capacity plans was submitted to achieve a total of 72 people waiting longer than 52 weeks at the end of March 2019; this target figure was missed by just eight patients with a total of 78 being declared.

Cancer standards: The Foundation Trust maintained its commitment to prioritise delivery of cancer standards with several significant investments to increase capacity across clinical teams and diagnostics capacity approved during 2018/19. Throughout the disruption from theatres the Foundation Trust made a commitment to protect theatre lists for cancer and urgent patients; this has been maintained.

As a result of these investments, our plans for both the 14 day urgent referral and 62 day from urgent referral to treatment cancer standard, forecast compliance for the 14 day urgent referral standard in October 2019, and the 62 day from urgent referral to treatment cancer standard in August 2019. This is set against the 11% increase in urgent two-week wait referrals for suspected cancer and the associated increase in activity to meet this demand being carried forward in to the 2019/20 operational plans.

Diagnostics: In 2018/19, the Foundation Trust has seen a deterioration in performance with March 2019 performance of 10.11% against a standard of 1%. Recovery plans are being drawn up to increase the support from mobile scanner visits to bolster capacity in 2019/20. These plans also take into account the replacement programme of aging equipment with both a CT and MR scanner scheduled to be replaced by March 2020 and the potential disruption this may cause to operational capacity.

Further detail on key risks is set out in the Annual Governance Statement.

Going concern

Under international accounting standards the Board of Directors is required to consider the matter of going concern.

These accounts have been prepared on a going concern basis.

Financial plans negotiated across the Devon Sustainability Partnership footprint were agreed and submitted on 23 May 2019. The Board of Directors acknowledge that the Foundation Trust, with the benefit of additional income agreed through that process, is forecasting a £4.7m surplus for 2019/20. The forecast is based upon a number of assumptions including the delivery of cost improvement plans, the limited cash headroom within that plan, and that contracts will be signed in line with this agreement. In this context, the Board of Directors recognises the risk that the Foundation Trust might fail to deliver on its financial plan and require financial support from the Department of Health and Social Care during the course of 2019/20 in order to meet its liabilities and continue to provide healthcare services. The extent and nature of the financial support from the Department of Health and Social Care, including whether such support will be forthcoming or sufficient, is currently uncertain, as are any terms and conditions associated with the funding. The existence of such material uncertainty may cast doubt about the Trust's ability to continue as a going concern. The Trust will apply for cash support in line with current NHS Funding policy.

After making enquiries, the Board of Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts. The expectation is informed by the anticipated continuation of the provision of service in the future, as evidenced by inclusion of financial provision for that service in the published documents. Contracts for Service are due to be signed with the Trust's main commissioners in the near future. The accounts do not include any adjustments that would result if the Foundation Trust was unable to continue as a going concern.

In summary, 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.
- 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.

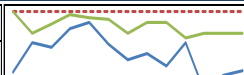

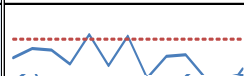


Performance Analysis

National and Local Standards

The purpose of this overview of performance is to provide the reader with sufficient information to understand how the organisation has performed against key regulator standards during the year.

During the reporting period, performance reports were provided monthly to the Finance, Performance and Investment Committee and the Board. These reports covered all the key national and local performance standards to provide assurance to the Board.

In 2018/19, against the operational performance indicators described in the Single Oversight Framework that are monitored by NHSI, we have performed as follows:

Corporate Objective		Target 2018/2019	13 month trend	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	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%		80.6%	87.7%	86.7%	90.9%	92.7%	87.2%	83.8%	85.1%	82.2%	87.6%	76.4%	79.8%	81.0%	85.4%
	A&E - trajectory [STF]	>92%		95.0%	90.1%	92.1%	94.6%	93.7%	93.3%	90.0%	92.7%	92.7%	88.8%	90.0%	90.0%	90.0%	90.0%
1	Referral to treatment - % Incomplete pathways <18 wks	>92%		81.6%	81.7%	82.1%	81.0%	81.5%	82.2%	81.0%	82.4%	82.7%	81.8%	82.0%	81.3%	81.3%	81.3%
	RTT Trajectory			90.0%	82.2%	82.3%	82.4%	82.5%	82.6%	82.7%	82.7%	82.8%	82.8%	82.7%	82.6%	82.5%	82.5%
1	Cancer - 62-day wait for first treatment - 2ww referral	>85%		79.7%	82.0%	81.7%	78.1%	86.2%	77.6%	85.5%	74.0%	80.1%	80.6%	74.5%	69.6%	76.9%	78.8%
1	Diagnostic tests longer than the 6 week standard	<1%		8.9%	11.0%	5.9%	5.9%	5.7%	6.6%	7.7%	9.8%	6.1%	9.8%	12.0%	10.7%	10.1%	8.5%
1	Dementia - Find - monthly report	>90%		92.7%	99.2%	92.6%	93.8%	94.3%	95.6%	86.0%	90.9%	97.1%	96.3%	97.2%	86.3%	89.4%	92.8%

4 Hour Emergency Department ('ED') waiting times: In 2018/19, performance has remained below the agreed trajectory of performance.

Progress has been made with recruitment to nursing and middle grade doctor posts. These substantive recruitments have increased staffing resilience and team working across the emergency department and inpatient medical assessment teams. Feedback from an unannounced CQC visit to the ED was positive in relation to the care provided and the joint working between the acute physicians and the ED consultants.

The front door assessment model piloted in December 2018 supports direct GP referral to medical team assessment and much closer working between the emergency department and inpatient medical assessment teams. This change will become a key enabler to reduce overcrowding and to underpin improved resilience with reduced waiting time within the Emergency Department. This model of care has required investment to increase staffing levels to extend hours of senior front line presence including weekends in the assessment ward areas. The pilot demonstrated that a step change in performance can be achieved however, it has not been possible to maintain the availability of the assessment capacity during the winter months.

Building on this pilot in the coming year and in preparation for next winter our plans will focus on creating the capacity to ring-fence sufficient assessment space to manage the daily number of direct emergency admissions. To support this development, three clinically led and operational enabled task and finish groups have been established.

- Front door: Emergency ED and medical assessment;
- Wards: Inpatient patient processes for review, treatment, flow and discharge planning; and,
- Home first: community capacity to prevent admissions and maintain patients at home.

The expected improvement in 2019/20 is to achieve a minimum performance of 90% in Q4 against the current 95% national standard.

Referral to Treatment (RTT) access times: RTT performance trajectory set out in our plans was to maintain performance at 81% for the first 6 months of 2018/19, and then increase to 82% for the remainder of the year. Performance followed this trajectory very closely with the investments and actions agreed in our plans halting any further deterioration in the performance that had been seen in the previous year against this standard.

Waiting times remained a challenge in several specialties which were exacerbated by the failure of two operating theatres in November 2018. Our trajectory for the number of longest wait patients over 52 weeks was being achieved from July 2018 to November 2018 however, due to the theatre failures we were unable to maintain this agreed trajectory of improvement for the remainder on 2018/19. The Foundation Trust has worked with regulators NHSI to validate recovery plans and create more robust assurance process for future performance improvement.

At the end of March 2019 the number of longest waiting patients over 52 weeks for treatment reduced to 79 against our target of 72. The plans for 2019/20 reflect the continued loss of capacity from theatre remedial works due for completion in August and then an improving position to have no patient waiting over 52 weeks by March 2020.

Cancer 62 day from urgent referral: Performance did not achieve the standard of 85%, with an average of 78.8% of patients referred on an urgent referral treated within 62 days of referral.

Whilst not achieving the headline target of performance, teams have managed to see on average a 15% increase in urgent referrals and make solid progress with permanent staffing recruitment to build capacity across Urology Lower and Upper GI pathways. With these developments a trajectory of improvement has been confirmed to see standards achieved in 2019/20.

Diagnostics waiting times: Performance did not meet the national standard of less than 1% of patients waiting over 6 weeks. Performance at the end of March 2019 was 13% of patients waiting over 6 weeks for diagnostic tests. The main pressure areas were CT and MRI diagnostic tests. These services were reliant upon additional capacity from visiting mobile van visits to maintain capacity levels and waiting times. A programme of additional mobile van visits is scheduled for 2019/20 to support improvement against these

diagnostic waiting times. Plans also include the replacement of one CT scanner and one MRI scanner, with a proposal being developed to have a third permanent on-site CT scanner in 2020.

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. The standard was achieved with 92.8% of qualifying patients receiving timely dementia screening on admission to hospital.

Assurance and performance monitoring: Bi-weekly assurance meetings led by the Chief Operating Officer review these key standards and operational plans. Each month executive-led Quality and Performance Review meetings are held with each of the Service Delivery Unit ('SDU') management teams 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 team and Board of Directors assurance of action plans and actions being taken.

Summary of performance - 2018/19 compared to 2017/18

	This year (2018/19)	Previous year (2017/18)
Total revenue income	£441,046,000	£427,207,000
Foundation Trust funded capital expenditure (excluding capital acquired under absorption)	£14,009,000	£6,642,000
Total revenue expenses (including PDC*, but excluding gain from absorption)	£438,900,000	£410,518,000
Pay expenditure (excluding capitalised costs)	£234,400,000	223,189,000
Non-pay expenditure (including depreciation and PDC)	£198,177,000	£187,533,000
How much we spend per day (excluding depreciation and impairments)	£1,227,000	£1,136,000
Worked FTE*	5,565	5,408
Staff numbers headcount	6,236	6,023

*FTE: Full-Time Equivalent and includes worked FTE of bank and agency staff.

Financial performance

Funding overview

The Foundation Trust earned £441 million of income during 2018/19, primarily from clinical activities, but also received a significant contribution from education and training and other income generation activities.

In 2018/19 much of the Foundation 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 received by the Foundation 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 Foundation Trust's patient-related income was funded on a block-contract basis, with the Foundation 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 Foundation 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.

It is important within such a model, where risk is shared across a system, 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 Foundation Trust's activities is therefore a fundamental part of our financial strategy.

The Foundation Trust targeted delivery of £26.9m of savings in 2018/19. This was the requirement of NHS Improvement in order for the Foundation Trust to deliver its revenue control total target. The Foundation Trust achieved a total of £18.5m of income and cost reduction in the year, £8.0m of which is recurring in a full year, but with a non-recurrent element in the year of £10.5 m.

To demonstrate value for money, the Foundation Trust uses benchmarking information such as the NHS productivity metrics. For procurement of non-pay related items, the Foundation 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 2018/19 the Foundation Trust continued to invest in its facilities and equipment and carried out capital projects totalling £15.3 million. In addition to this sum the Foundation Trust received charitable donations totalling £1.3 million which has predominantly been invested in new medical equipment. Part of the Foundation Trust's capital expenditure has

been supported by the Public Dividend Capital received from the Department of Health and also supported by finance leases with commercial providers.

Cashflow

During the year the net cash balance decreased from a credit balance of £6.1million to a net credit balance of £2.2million. This was after accessing the Foundation Trust's working capital facility within year; the balance being accessed totalling £10.5million. Therefore the net cash deterioration totalled £14.4million. The principal components driving this decrease in cash; one being the reported revenue position for the year i.e. net deficit of £2.0million (excluding the net reversal of impairments); repayment of existing debt principal of £7.8million and capital expenditure investments made in excess of depreciation and external sources of capital funding of £1.6million. The balance of the movement totalling £3.0million relates to movements in working capital (£1.3million) and adjustments made to the opening reserves figure as a consequence of the introduction of the new IFRS9 and IFRS15 accounting standards (£1.7million).

As described in the Annual Accounts the Foundation Trust has an approved Revolving Working Capital Facility in place with the Department of Health, which expires in September 2020. The facility totalled of £110m, of which £10.5m was being used at 31 March 2019.

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

Financial framework

Being licensed as an NHS Foundation Trust means that the Foundation 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 Foundation 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 the Remuneration Report.

Income from non-contracted activity

A percentage of the Foundation 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 of land and buildings (including buildings useful lives). The Foundation Trust engaged the District Valuer to perform a full revaluation during 2018/19. As part of external audit's year-end procedures, PricewaterhouseCoopers (PwC) have consulted with their own internal valuers to determine whether the valuation methodology and assumptions used were appropriate. In addition, they 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 2018/19 the Charitable Fund received donations and legacies totalling £1,927,000. This included very generous donations of £1,477,000 from the Leagues of Friends of our Hospitals towards the purchase of equipment and other items, including £1,267,000 from the Torbay Hospital League of Friends. The Charitable Fund also received £107,000 from Torbay Medical Research Fund in respect of various research projects within the Foundation Trust.

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 Foundation Trust in its role as Corporate Trustee.

Emergency preparedness, response, and resilience ('EPRR')

On 29 October 2018, the Foundation 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

Foundation Trust was substantially compliant with the EPRR core standards, apart from seven amber ratings in relation to the provision of a roster for decontamination, as the Foundation Trust relies on volunteer staff members, business continuity plans being written, a statement of compliance data protection governance and executive training portfolios. In addition to the assessment against core standards, NHS England and the Clinical Commissioning Group undertook a deep dive into the provision of an 'incident coordination centre'. Performance against eight criteria were rated as 'Good' with only one amber rating due to the availability of national guidance that is awaiting publication by NHS England.

The Foundation Trust's Chief Executive provided an assurance letter to NHS England describing the compliance position against core standards and the deep dive undertaken.

Environmental matters and impact on the environment

As an NHS organisation, and as a spender of public funds, we have an obligation to work in a way that has a positive effect on the communities we serve. Sustainability means spending public money well, the smart and efficient use of natural resources and building healthy, resilient communities. In 2018/19, the Foundation Trust has continued to reduce its environmental impact.

In order to fulfil our responsibilities for the part we play, the Foundation Trust has undertaken risk assessments and has a Sustainable Development Management Plan ('SDMP') in place which takes account of UK Climate Projections 2018 (UKCP18). The Foundation Trust ensures that its obligations under the Climate Change Act and the Adaption Reporting requirements are complied with. Our SDMP recognises that as one of the largest employers in the region and 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.

For the year 2018/19, achievements included:-

- Improving waste recycling throughout the Foundation Trust, achieving over 50% of the recycling target in 2018/19 – a continued improvement on the previous year's achievement.
- A joint project between the Foundation Trust's procurement and waste management department led to a total of over six tonnes of furniture being re-used – a saving of £40,000.
- Minimizing food waste in the way it is prepared, procured, and served, including composting coffee granules and promoting the Foundation Trust as a 'Refill' water site (reducing usage of plastic bottles).
- Continuing to promote cycle to work and car sharing initiatives, including financial incentives for cycle purchases via a salary sacrifice scheme.
- Moving the Foundation Trust's fleet of vehicles to electric charging and introducing electric charging points at Torbay Hospital.
- Maximising the estates grounds to support health and wellbeing at work including a woodland walk, landscaped gardens and a sensory garden.

The Foundation Trust recognises that to achieve greater efficiencies, it must make changes to its estate, both in terms of replacing the ageing plant infrastructure and continue to introduce energy efficient means of heating, lighting, and controls. While

capital monies have been limited over recent years, 2019/20 sees a real opportunity for the Foundation Trust to improve sustainability within our infrastructure. The Foundation Trust is currently developing a business case having successfully received outline approval for a £13.3m development of its Accident and Emergency Department. The new building extension will be designed to achieve building research establishment environmental assessment ('BREEAM') rating of 'excellent', while the refurbishment of existing patient areas will present an opportunity to optimise efficiencies, aiming for a 'good' rating.

The Foundation Trust's Health & Wellbeing Programme will also be progressed with BREEAM influencing its design, identifying opportunities to maximise efficiencies during construction.

Social and community issues

The Foundation Trust has a significant profile in the local area and sees its community role as important both as a health care provider and potential local employer. In addition to which our staff support many health related groups in both a business and voluntary capacity. We also enable our staff to play a full part in the community, for example by acting as governors for schools and colleges.

During the year we continued to build on our links with schools and colleges by holding open day events for local students to hear about careers in the NHS. Our Governors also organised a careers information day at South Devon College in which students heard from NHS professionals about the varied career opportunities available within the NHS.

Anti-bribery and human rights issues

Our internal processes ensure consistency with our zero tolerance approach to bribery and we work closely with our Local Counter Fraud Specialist ('LCFS') to raise awareness of our policies and procedures through local induction sessions and bespoke training. During the year the Foundation Trust commissioned a management database system to support the Foundation Trust's compliance with NHS England guidance on managing conflicts of interest.

We encourage anyone with a concern to speak out and report concerns through our Foundation Trust policy. Employees can raise concerns through internal channels, either via our Freedom to Speak Up Guardians ('FTSU') or the LCFS. The FTSU and LCFS report periodically to the Board and the Audit Committee, respectively and the FTSU line management is direct to the Chief Executive.

As an organisation we recognise the benefits of ethical procurement and professional training. We endorse membership of the Chartered Institute of Procurement and Supply for our professional buying team. This includes the adoption of the Institute's code of conduct, which is also included within the Foundation Trust's Standing Orders and Standards of Business Conduct. We also encourage our suppliers and contractors working on our behalf to challenge unethical behaviour and promote a 'speak up' culture.

We have a number of policies in place which cover social, community, counter fraud, bribery and human rights matters. A process is in place to ensure that none of our policies have an adverse or discriminatory effect on patients and staff.

The Foundation Trust has a Board approved anti-slavery and human trafficking statement, which is published on its website.

Important events since the end of the financial year

There have been no material events affecting the Foundation Trust since the end of the financial year. Details of any post balance sheet events are provided in note 24 of the accounts.

Overseas operations

The Foundation Trust does not operate outside England.

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

Liz Davenport, Chief Executive

28 May 2019

Part II – Accountability

Directors' report

The Directors are responsible for the preparation of the Financial Statements in accordance with Department of Health and Social Care Group Accounting Manual and that the account gives 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 Foundation Trust's performance, business model and strategy.

The Foundation Trust board of directors

The Foundation Trust board of directors ('the Board') has collective responsibility for the exercise of all the powers of the Foundation Trust. The general duty of the Board and of each Director individually, is to act with a view to promoting the success of the Foundation Trust to maximise the benefits for the members of the Foundation 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 Foundation 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.

The Foundation Trust 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 Non-Executive 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 Foundation 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 Foundation Trust meets its legal and regulatory requirements. In doing so, the Board of Directors ensures that the Foundation 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 Foundation Trust's long-term objectives and financial strategy;
- annual operating and capital budgets;
- changes to the Foundation Trust's senior management structure;
- the Board's overall 'risk appetite';
- the Foundation Trust's financial results and any significant changes to accounting practices or policies;
- changes to the Foundation Trust's capital and estate structure; and,
- conducting an annual review of the effectiveness of internal control arrangements.

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

- enact the strategic direction of the Foundation 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 Foundation 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 Foundation 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.

Composition of the board of directors

The Board of Directors as at 31 March 2019 is shown below:

Non-Executive Directors	Executive Directors
Richard Ibbotson – Chairman Sally Taylor – Vice Chair and Chair, Audit Committee Jacqui Lyttle – Senior Independent Director and Chair, Quality Assurance Committee Jacqui Marshall – Non-Executive Director Vikki Matthews – Non-Executive Director Paul Richards – Non-Executive Director Robin Sutton – Non-Executive Director Jon Welch – Non-Executive Director	Liz Davenport – Chief Executive Paul Cooper – Director of Finance Rob Dyer – Medical Director Judy Falcão – Director of Workforce and Organisational Development Jane Viner – Chief Nurse Ann Wagner – Director of Strategy and Improvement John Harrison – Interim Chief Operating Officer

The Board has an additional non-voting director – Lesley Darke, Director of Estates and Commercial Development

Since the year-end the following changes in Board membership have occurred:

- Jacqui Marshall retired as Non-Executive Director on 13 April 2019;
- Professor Christopher Balch was appointed as Non-Executive Director on 14 April 2019
- John Harrison was appointed to the substantive position of Chief Operating Officer on 1 April 2019;
- Ann Wagner retired as Director of Strategy and Improvement on 31 March 2019;
- Dawn Butler was appointed as Interim Director of Strategy and Transformation on 1 April 2019. A substantive appointment has been made and will take up office in July 2019; and
- Jane Viner appointed Deputy Chief Executive with effect from 1 April 2019.

The gender balance of the Board as at 31 March 2019 was:

	Female	Male
Non-Executive Directors	4	4
Executive Directors	4	3

Biographies of the members of the Board are provided at “Appendix A – Biographies of the board of directors”.

Directors’ interests

Members of the Board of Directors are required to disclose details of company directorships or other material interests which may conflict with their role and management responsibilities at the Foundation Trust. At each meeting of the Board of Directors, a standing agenda item also requires all Executive and Non-Executive Directors to make known any interest in relation to the agenda and any changes to their declared interests. There are no interests which may conflict with their management responsibilities as per the requirements of the NHS Improvement Code of Governance. The Chairman has no other significant commitments that affected their ability to carry out their duties to the full and was able to allow sufficient time to undertake those duties.

The Chief Executive’s Office maintains a register of interests, and is available on the Foundation Trust’s website or by contacting the Company Secretary at the address given at “Appendix B – Further information and contact details”.

No political donations were made or received by the Foundation Trust in the reporting period.

Independence of the non-executive directors

The Foundation 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 Foundation 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 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 in the Accountability 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 Foundation Trust, other than the Chief Executive who shall be appointed or removed by the Non-Executive Directors subject to approval by the Council of Governors. The Committee also considers succession planning for Executive Directors, considering the challenges and

opportunities facing the Foundation Trust, and the skills and expertise that will be needed on the Board of Directors in the future.

The Foundation 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 reviews the suitability of structures of remuneration for senior managers.

The Committee met on a number of occasions in the reporting period to consider changes in remuneration for Executive Directors and to lead on the appointments of Executive Directors, namely the Chief Executive and Director of Transformation and Partnerships as a result of retirements. The appointment of the Foundation Trust's Chief Operating Officer to the substantive position of Chief Executive following a period of acting as Chief Executive also resulted in the Chief Operating Officer position being appointed to on an interim basis prior to being filled on a substantive basis. The Committee was supported in the recruitment process by an external recruitment consultant. The Chair of the Committee submitted a report to the Board following each meeting, highlighting any matters requiring disclosure to the Board.

(b) Audit committee

The Foundation Trust's Audit Committee works in parallel with the Quality Assurance Committee 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 Foundation Trust's activities. By comparison, the Quality Assurance Committee reviews the actions being taken by the Foundation Trust to ensure the on-going maintenance of standards of quality of care, and improvements where necessary to patient experience.

During 2018/19 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 indicated 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, including the implementation of new accounting standards (IFRS 9 and 15);

- 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; and
- the Committee's Terms of Reference and work plan.

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. As part of the year-end reporting process, the Director of Finance presented the impact of the two new accounting standards, IFRS 9 and 15 on the Foundation Trust final outturn position, which the Audit Committee considered for onward reporting to the Board. Note 35 provides further detail relating to the reassessment undertaken in relation to IFRS 9 and 15.

The Committee met on five occasions in the reporting period, and was attended by the Director of Finance and other senior managers, including the Chief Nurse and Company Secretary. A governor observer was also in attendance. The Committee undertook a self-assessment during the year and also reviewed its terms of reference. The Chair of the Committee submitted a report to the Board following each meeting, highlighting any issues requiring disclosure to the Board.

No additional non-audit services were required during the period.

Audit committee chair's opinion and report

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

- 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 Foundation 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; and
- 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 Foundation 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 plan, 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;
- 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 Foundation Trust. This included a regular report from the NHS Counter Fraud Service and the independent review of the Estates department' and
- additionally, we specifically reviewed the Foundation 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 Foundation Trust Board of Directors established the Quality Assurance Committee to support the Board in discharging its responsibilities for monitoring the quality of the Foundation 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 Oversight Framework). The Committee's work plan is aligned to the Foundation Trust's corporate objectives and associated risks.

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; maternity; and the 62-day cancer treatment target.

The Committee met six times during this reporting period. A Governor observer was present at each meeting. 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 Foundation 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 Foundation 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. A Governor observer was present at each meeting. The Chair of the Committee submitted a report to the Board following each meeting, highlighting any issues requiring disclosure to the Board.

The Committee undertook a review of its Terms of Reference during Quarter 4 and agreed a change of name for the Committee from April 2019 onwards to Finance, Performance and Digital Committee to reflect the broadened scope of the work of the Committee.

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 Foundation 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; and
- 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 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 2019, which was prepared after due and careful enquiry. The Annual Governance Statement provides further information.

Membership and attendance at board and committee meetings

The Foundation Trust Board of Directors discharged its duties during 2018/19 in ten 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 during the year.

Figures in brackets indicate the number of meetings the individual could be expected to attend by their membership of the Board or Committee. A dash indicates that the individual was not a member. "C" denotes the Chair of the Board or Committee.

2018-19	Foundation Trust Board of Directors	Council of Governors	Executive Nominations and Remuneration Committee	Audit Committee	Quality Assurance Committee	Finance, Performance, and Investment Committee
Number of meetings	10	5	6	5	5	12
Richard Ibbotson	C10(10)	C4(5)	C6(6)	-	-	-
Liz Davenport	10(10)	5(5)	-	-	-	-
Jacqui Lyttle	8(10)	2(5)	4(6)	3(5)	C4(5)	-
Jacqui Marshall	8(10)	2(5)	4(6)	5(5)	-	-
Vikki Matthews	9(10)	4(5)	4(6)	4(5)	-	12(12)
Paul Richards	9(10)	4(5)	4(6)	3(5)	-	-
Robin Sutton	9(10)	4(5)	5(6)	4(5)	-	C11(12)
Sally Taylor	9(10)	4(5)	5(6)	C5(5)	3(5)	6(12)
Jon Welch	8(10)	4(5)	4(6)	3(5)	-	7(12)
Paul Cooper	10(10)	3(5)	-	-	-	11(12)
Lesley Darke*	8(10)	4(5)	-	-	-	-
Rob Dyer	9(10)	2(5)	-	-	4(5)	-
Judy Falcão	6(10)	2(5)	-	-	3(5)	-
Jane Viner	10(10)	3(5)	-	-	4(5)	8(12)
Ann Wagner	9(10)	3(5)	-	-	3(5)	11(12)
*non-voting director						

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. The Chairman is appraised by the Senior

Independent Director in conjunction with the Governors' Nominations and Appointments Committee.

The Foundation 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.

For the reporting period, the Board's performance, considering the role, function, and work of the Board Committees, was of the requisite standard. The Board believes that it is balanced and complete in its composition and appropriate to the requirements of the organisation. This was attributed to the 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 Foundation Trust as a whole and the interests of the public.

The Council of Governors discharged its statutory duties as set in the NHS Code of Governance supported through its sub-committees and working groups.

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

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

Membership and attendance at council of governors meetings

The table below shows the membership and attendance of Governors at meetings of the Council of Governors during the year.

Public Constituency			
Name	Constituency	Tenure	CoG Attendance
Peter Coates	South Hams and Plymouth	Elected - 01 Mar 2017	4/5
Craig Davidson	South Hams and Plymouth	Elected - 01 Mar 2016	3/5
Mary Lewis	South Hams and Plymouth	Elected - 01 Mar 2016	5/5
Carol Day	Teignbridge	Elected - 01 Mar 2013	5/5
Chris Edwards	Teignbridge	Elected - 07 Mar 2019	1/1
Eileen Engelmann	Teignbridge	Elected - 07 Mar 2019	1/1
Annie Hall	Teignbridge	Elected - 01 Mar 2016	5/5
Barbara Inger	Teignbridge	Elected - 01 Mar 2015	4/5
Michael James	Teignbridge	Elected - 01 Mar 2018	4/5
David Parsons	Teignbridge	Term ended - 28 Feb 2019	3/3
John Smith	Teignbridge	Elected - 01 Mar 2016	3/5
Ken Allen	Torbay	Elected - 01 Mar 2018	5/5
Michael Birch	Torbay	Elected – 07 Mar 2019	n/a
Bob Bryant	Torbay	Elected - 01 Mar 2017	4/5
Lynne Hookings	Torbay	Elected - 01 Mar 2013	4/5
Paul Lilley	Torbay	Elected - 01 Mar 2017	4/5
Wendy Marshfield*	Torbay	Elected - 01 Mar 2014	5/5
Andy Proctor	Torbay	Resigned - 28 Feb 2019	0/4
Elizabeth Welch	Torbay	Elected - 01 Mar 2018	4/5

*Lead Governor

Staff-elected governors (staff constituency), 6 representatives (2 vacancies)			
Name	Class	Tenure	CoG Attendance
Lesley Archer	Clinical (acute)	Elected - 01 Mar 2015	3/5
David Hickman	Community	Elected - 08 Sep 2017	3/5
Anna Pryor	Community	Elected - 08 Sep 2017	3/5
April Hopkins	Non-clinical	Elected - 01 Aug 2016	3/5

Appointed governors (partner organisations)			
Name	Organisation	Tenure	CoG Attendance
Derek Blackford	South Devon and Torbay CCG	Appointed - 01 Apr 2017	2/5
Stuart Barker	Devon County Council	Appointed - 01 Jul 2017	2/5

Sylvia Russell	Teignbridge Council	Appointed - 01 Jun 2013	1/5
Nicole Amil	Torbay Council	Appointed - 01 Oct 2017	5/5
Simon Wright	South Hams District Council	Term ended - 16 May 2018	0/1
Peter Smerdon	South Hams District Council	Appointed - 17 May 2018	0/4

Governor elections

In order to refresh the Council of Governors and bring a diverse range of views in to the Foundation Trust, elections are held every year. These elections are held in the various geographical or staff constituencies of the Foundation Trust. During 2018/19 the following elections were held with each member being offered a 3 year term of office.

Constituency	Name	Re-elected/elected	Election turnout
Teignbridge	Carol Day	Re-elected	25.44%
Teignbridge	Annie Hall	Re-elected	
Teignbridge	John Smith	Re-elected	
Teignbridge	Chris Edwards	Elected	
Teignbridge	Eileen Engelmann	Elected	
Torbay	Michael Birch*	Elected	28.63%
Torbay	Lynn Hookings	Re-elected	
South Hams	Craig Davidson	Re-elected unopposed	Not applicable
South Hams	Mary Lewis	Re-elected unopposed	

*Michael Birch was the reserve candidate and elected following the resignation of the first placed candidate. No candidates were nominated for the vacant staff seats (clinical and non-clinical).

Governors' interests

Governors are required to disclose details of company directorships or other material interests which may conflict with their role as Governors. The Foundation Trust Secretariat maintains a register of interests, which is available to members of the public by contacting the Company Secretary at the address given at 'Appendix B – Further information and contact details'.

Committees of the council of governors

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

(a) Non-executive directors' nomination and remuneration committee

The Non-Executive Directors' Nomination and Remuneration Committee is a formal Committee of the Council established in accordance with the NHS Act 2006, the Foundation Trust Constitution, and the Monitor NHS Foundation Trust Code of

Governance for carrying out the duties of Governors with respect to appointments, 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-Executive Directors;
- to monitor the performance of the Non-Executive Directors through the Foundation Trust Chairman;
- to monitor the performance of the Foundation Trust Chairman through the Senior Independent Director;
to undertake a 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;
- to develop succession plans for the Chairman and Non-Executive Directors, considering the size and composition of the Foundation Trust; and
- identify and nominate candidates to fill the Chairman and Non-Executive Director posts as they arise.

The Committee met during the year to consider remuneration levels for Non-Executive Directors, re-appointment of Non-Executive Directors and the recruitment of a Non-Executive Director to replace a retiring Non-Executive Director post the year-end. An external recruitment agency was commissioned to support the recruitment process.

(b) 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 Foundation 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 Foundation Trust Board.
- progress in implementing action plans to address shortcomings in the quality of services, should they be identified.
- progress on the Care Model Strategy.

It is the Quality and Compliance Committee's responsibility to write the Governor statement in the quality report contained within the annual report and accounts.

(c) Membership group

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

Its functions include:

- advice – by offering advice and information to the Council of Governors on the community perception of the Foundation Trust's conduct of its healthcare provision;
- recruitment – by seeking to maintain the registered membership at its present level and to maintain under review means of achieving a representation of all sectors of the community;
- information - by promoting a series of seminars and events for members and members of the public, focusing on significant sectors of the Foundation Trust's work;
- engagement - by promoting communications to and from members; and,
- partnerships - by actively working with Healthwatch, the local Patient Participation 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.

Membership and meetings of the council of governors

Membership is free and aims to give local people and staff a greater influence over how our services are provided and developed. It also helps the Trust to work much more closely with local people and service users. Our members have the chance to find out more about the hospitals, our community services, the way they are run and the challenges they face, and furthermore, help us work with local people to improve the care and experience of patients and their carers. Members also elect representatives to the Council of Governors.

The Foundation Trust had 16,709 members as at 31 March 2019, split between 10,473 public members and 6,236 staff members. The public constituencies of South Hams and Plymouth (eastern), Teignbridge and Torbay comprised 1,185 members; 3,848 members; and, 5,440 members, respectively. Public membership is open to people aged 14 or over and who live within our defined membership area. All eligible staff members automatically become Foundation Trust staff members unless they choose to opt out. Staff are eligible for membership provided that they hold a permanent contract of employment with us or they have been employed by the Trust on a temporary contract of 12 months or longer.

The Council of Governors met on a total of four occasions during 2018/19. 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.

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

2018-19

	Council of Governors*	Remuneration Committee	NED Nomination and Appointments Committee*	Quality and Compliance Committee
Number of meetings	5	1	4	4
Ken Allen	5(5)	-	3(4)	-
Nicole Amil	5(5)	-	-	-
Lesley Archer	3(5)	-	2(4)	-
Stuart Barker	2(5)	-	-	-
Michael Birch	0(0)	-	-	-
Derek Blackford	2(5)	-	-	-
Bob Bryant	4(5)	-	-	-
Peter Coates	4(5)	-	-	2(4)
Craig Davidson	3(5)	-	-	1(4)
Carol Day	5(5)	-	4(4)	3(4)
Chris Edwards	1(1)	-	-	-
Eileen Engelmann	1(1)	-	-	-
Annie Hall	5(5)	-	-	3(4)
David Hickman	3(5)	-	-	2(4)
Lynne Hookings	4(5)	1(1)	3(4)	3(4)
April Hopkins	3(5)	-	2(4)	-
Barbara Inger	4(5)	1(1)	4(4)	-
Michael James	4(5)	-	-	-
Mary Lewis	5(5)	1(1)	4(4)	-
Paul Lilley	4(5)	-	-	1(4)
Wendy Marshfield	5(5)	1(1)	4(4)	C4(4)
David Parsons	3(3)	-	-	-
Andy Proctor	0(4)	-	-	-
Anna Pryor	3(5)	-	-	1(4)
Sylvia Russell	1(5)	-	-	-
Peter Smerdon	0(4)	-	-	-
John Smith	3(5)	-	-	-
Elizabeth Welch	4(5)	-	-	3(4)
Simon Wright	0(1)	-	-	-

*The Chairman of the Foundation Trust is the Chair of the Council of Governors and the NED Nominations and Appointments Committee.

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 Company Secretary at the address given at "Appendix B – Further information and contact details".

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 Foundation 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 the Foundation Trust with knowledgeable information. The Foundation Trust Governors as well as patient representatives also attend important groups such as the Quality Improvement Group, Mortality Surveillance Group, and Learning from Complaints / Engagement Group so that the Foundation 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 Foundation Trust.

The Foundation Trust also works with external organisations such as Healthwatch and seAp (a charity providing independent and confidential advocacy services), both of which are seen as providing a valuable source of information from local people who use Foundation Trust services. This partnership working is welcomed.

The Council of Governors' Membership Group, focuses on ensuring there is an ongoing dialogue with Foundation Trust members and that the Foundation Trust continues to develop the membership to make it as representative as possible of the whole community. Public membership at the end of March 2018 totalled 10,389 and 10,473 at the end of March 2019. This represents around seven per cent of the households in the Foundation Trust's catchment area. 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 strengthened our Board of Directors during the year through the re-

appointment of two experienced Non-Executive Directors and post year-end the successful appointment of a Non-Executive Director who succeeded an existing Non-Executive Director when their term of office expired

Another important factor to strong organisational leadership is to be found in the partnerships we have forged – critical to us as an integrated care organisation.

During the previous reporting period, the Foundation Trust consulted extensively with its staff to inform a new organisational structure for operational delivery - one which would best support how the Foundation Trust delivers health and social care for each of the localities it serves. The system leadership structure was developed following consultation and implemented in April 2019 with the premise of managing services in each locality.

Fees and charges (income generation)

Costs associated with fees and charges levied by the Foundation 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 Foundation Trust's annual accounts, the Foundation 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 Foundation 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 Foundation 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 Foundation 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 Foundation 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 Committee receives and approves the counter fraud annual work plan and annual report, monitors counter fraud arrangements at the Foundation Trust and reports on progress to the Board. During 2018/19 a total of 197 days were provided.

The Foundation 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 Foundation 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 Foundation 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 (2017: £Nil) under the Late Payment of Commercial Debts (Interest) Act 1998.

	2018/19		2017/18	
	Number	£000	Number	£000
Total Non-NHS trade invoices paid in the year	127,505	202,840	115,696	178,176
Total Non-NHS trade invoices paid within target	113,637	175,391	102,705	149,834
Percentage of Non-NHS trade invoices paid within target	89%	86%	89%	84%
Total NHS trade invoices paid in the year	1,863	7,803	1,704	10,684
Total NHS trade invoices paid within target	1,440	5,169	1,289	6,331
Percentage of NHS trade invoices paid within target	77%	66%	76%	59%

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 Foundation 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 their 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 their duty as a director of the company to exercise reasonable care, skill, and diligence.

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.

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

Liz Davenport, Chief Executive
28 May 2019

Part III – Remuneration Report

Salary and pension entitlements of senior managers as at 31 March 2019 (audited information)

Name and title	2017-18						2018-19					
	Salary	Expense payments (taxable)	Annual performance pay and bonuses	Long-term performance pay and bonuses	All pension related benefits	Total	Salary	Expense payments (taxable)	Annual performance pay and bonuses	Long-term performance pay and bonuses	All pension related benefits	Total
	(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 (to 31 st July 2018)	155-160	100	0	0	0	155-160	0-5	0	0	0	0	0-5
Ms L Davenport Chief Executive (from 1 st August 2018)	130-135	0	0	0	115.0-117.5	245-250	165-170	0	0	0	282.5-285.0	450-455
Dr R G Dyer Medical Director	200-205	0	0	0	0	200-205	200-205	0	0	0	0	200-205
Mr P Cooper Director of Finance and Information	125-130	200	0	0	0	125-130	135-140	200	0	0	85.0-87.5	220-225
Prof J Viner Chief Nurse	115-120	0	0	0	7.5-10.0	125-130	115-120	0	0	0	0.0-2.5	120-125
Mrs A Wagner Director of Strategy and Improvement	125-130	0	0	0	7.5-10.0	130-135	125-130	0	0	0	-10.0 to -12.5	115-120
Ms J Falcão Director of Workforce and Organisational Development	115-120	100	0	0	25.0-27.5	140-145	115-120	0	0	0	17.5-20.0	135-140
Mrs L Darke* Director of Estates and Commercial Development	105-110	0	0	0	30.0-32.5	135-140	110-115	0	0	0	17.5-20.0	130-135

Mr J Harrison Interim Chief Operating Officer	5-10	0	0	0	575.0-577.5	580-585	100-105	100	0	0	72.5-75.0	175-180
Sir Richard Ibbotson Chairman	40-45	400	0	0		45-50	45-50	400	0	0		45-50
Mr D Allen OBE** Non-Executive Director	10-15	0	0	0		10-15						
Mrs S Taylor Non-Executive Director	15-20	300	0	0		15-20	15-20	0	0	0		15-20
Mrs J Lyttle Non-Executive Director	10-15	0	0	0		10-15	15-20	0	0	0		15-20
Mr J Welch Non-Executive Director	10-15	0	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	10-15	0	0	0		10-15
Mrs V Matthews Non-Executive Director	0-5	0	0	0		0-5	10-15	0	0	0		10-15

Notes:

*Mrs L Darke is an Associate Director i.e. non-voting member of the Board.

**Mr D Allen OBE resigned with effect from 30 November 2017.

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

The following 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. The Senior Manager Remuneration Policy section refers to managers who are paid more than £142,500 per annum (not including pension related benefits).

Pension benefits as at 31 March 2019 (audited information)

Name and title	Real increase in pension at pension age (bands of £2,500) £000	Real increase in pension lump sum at pension age (bands of £2,500) £000	Total accrued pension at pension age at 31 March 2019 (bands of £5,000) £000	Lump sum at pension age related to accrued pension at 31 March 2019 (bands of £5,000) £000	Cash equivalent transfer value at 1 April 2018 £000	Real Increase / (Decrease) in Cash equivalent transfer value £000	Cash equivalent transfer value at 31 March 2019 £000	Employers contribution to stakeholder pension (To nearest £100) £000
Mrs A M McAlinden Chief Executive	0	0	0	0	0	0	0	0
Ms L Davenport Chief Operating Officer	12.5-15.0	30.0-32.5	65-70	170-175	924	380	1,331	0
Dr R G Dyer Medical Director	0	0	0	0	0	0	0	0
Mr P Cooper Deputy Chief Executive Director of Finance	2.5-5.0	5.0-7.5	45-50	110-115	709	172	902	0
Prof J Viner Chief Nurse	0.0-2.5	2.5-5.0	50-55	155-160	1,102	127	1,262	0
Mrs A Wagner Director of Strategy and Improvement	0.0-2.5	0.0-2.5	40-45	130-135	919	92	1,038	0
Ms J Falcão Director of Workforce and Organisational Development	0.0-2.5	0 to -2.5	40-45	100-105	669	107	797	0
Mrs L Darke* Director of Estates and Commercial Development	0.0-2.5	2.5-5.0	35-40	100-105	668	105	793	0
Mr J Harrison Interim Chief Operating Officer	2.5-5.0	5.0-7.5	30-35	70-75	429	126	568	0

*Mrs L Darke is an Associate Director i.e. non-voting member of the Board

As Non-Executive Directors do not receive pensionable remuneration, there are 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.

Annual statement on remuneration

The Foundation Trust has established two committees responsible for the remuneration, appointments and nominations of directors. A description of the committee responsible for Non-Executive Director remuneration can be found in the section 'Committees of the Council of Governors'. The committee responsible for the remuneration of Executive Directors is described below.

The role of the Executive Nominations and Remuneration Committee

The Executive Nominations and Remuneration Committee ('the Committee') advises the Board on matters regarding the remuneration and terms of service for senior managers. The Committee is established for the purpose of overseeing the recruitment and selection process for executive directors and associate directors i.e. senior managers, and the appointment of formal Board positions, for example the senior independent director. The Committee's second purpose is to determine the remuneration and terms of service of Executive Directors and Associate Directors.

The term 'senior managers' covers Foundation Trust employees in senior positions, who have authority and responsibility for directing and controlling major Foundation Trust activities. These employees influence the decisions of the entire Foundation 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 and bonuses, as applicable, 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, including remuneration, 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 Foundation Trust's performance and the performance of individuals; and
- advising on the proper calculation of any termination payments.

The Committee is empowered to obtain independent advice as it considers necessary. At all times, it must have regard to the Foundation 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. The Company Secretary attends the Committee in an advisory capacity.

Senior managers' remuneration policy

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

Item	Rationale
Salary	<p>The Foundation Trust strategy and business planning process sets the key business objectives of the Foundation 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>Foundation 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 Foundation Trust are both reasonable and competitive, comparisons are made between the scale and scope of responsibilities of senior managers at the Foundation 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 Organisational Development, which makes these comparisons between the Foundation Trust's remuneration rates for senior managers and market rates.</p> <p>The base salaries of Executive Directors in post at the start of the policy period and who remain in the same role throughout the policy period will not usually be increased by a higher percentage than the maximum incremental uplift applicable to the highest paid staff on Agenda for Change. The only exceptions are where an Executive Director has been appointed at below market level to reflect experience.</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.</p> <p>This forms part of the recruitment and retention of senior managers by ensuring that the Foundation Trust remains competitive.</p> <p>There is no maximum amount payable.</p>
Pension	<p>Standard pension arrangements are in place in 2018/19.</p> <p>This forms part of the recruitment and retention of senior managers by ensuring that the Foundation 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> <p>All other staff are subject to Agenda for Change pay rates, terms and conditions of service, which are determined nationally.</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>Senior managers' terms and conditions e.g. holidays, pensions, sick pay are in accordance with Agenda for Change terms and conditions.</p>

For Executive Directors there are no arrangements relating to termination payments other than the application of employment contract law.

No significant awards have been made to either present or past senior managers within 2018/19.

During the year ending 31 March 2019, two Executive Directors and senior managers were paid more than £142,500 as identified by the remuneration report (audited information). The steps outlined above provides the Executive Nominations and Remuneration Committee with assurance that the remuneration level is reasonable and linked appropriately to the weight of the role based on accountability, job responsibilities and the knowledge and skills required for each of those positions.

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 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 their 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.

The Chief Executive presents an assurance report to the Committee each year outlining the appraisal process undertaken. The Committee also receives a summary report on the performance of each of the executive directors and associate director and a recommendation in respect of any proposed changes to remuneration levels. The Chairman adheres to the same process in regard to the Chief Executive.

Chairman and non-executive director remuneration

Chairman and Non-Executive Director remuneration is overseen by the Non-Executive Director Nominations and Remuneration Committee ('Committee') as outlined in the Accountability Report 'Committees of the Council of Governors' section. The Committee makes recommendations to the Council of Governors on the Non-Executive Directors and Chairman's remuneration levels. The Chairman and Non-Executive Directors receive spot level remuneration but can claim reasonable expenses, for example travel expenses, as per other employees. The Non-Executive Directors (excluding the Foundation Trust Chairman), receive baseline remuneration currently set by the Council of Governors at £13,000 per annum with some Non-Executive Directors receiving an additional one-off responsibility allowance based on Board positions held.

The remuneration package for the Chairman and other Non-Executive Directors remain the same as the previous year and are made up of:

Item	Rationale
Remuneration	£45,000 per annum for the Non-Executive Chairman - three days per week
Remuneration	£13,000 per annum for all other Non-Executive Directors - three days per month
Remuneration	Additional responsibility allowance of £3,000 for the Chair of the Audit Committee
Remuneration	Additional responsibility allowance of £1,500 given to the Senior Independent Director (SID*)
Remuneration	Additional responsibility allowance of £1,000k given to the Vice Chair
Expenses	Chairman and Non-Executive Director mileage rates are aligned with latest guidance; 56p per mile for the first 3,500 miles reducing to 20p per mile thereafter. All other expenses remain in line with Foundation Trust policy.

Service contracts

The following table shows for each person who was an Executive or Associate Director or Non-Executive Director as at 31 March 2019, the commencement date for their current position and the term of service agreement or contract for services and details of notice periods.

Director	Contract start date	Contract term (years)	Unexpired term at the date of publication^	Notice period by the Foundation Trust	Notice period by the director
Ms L Davenport	01.10.2018	Indefinite term	Not applicable	*	Six months
Mr P Cooper	19.07.2010	Indefinite term	Not applicable	*	Six months
Mrs L Darke	01.04.2017	Indefinite term	Not applicable	*	Three months
Dr R G Dyer	01.10.2015	Indefinite term	Not applicable	Three months	Three months
Ms J Falcão	01.08.2016	Indefinite term	Not applicable	*	Six months
Mr J Harrison	13.02.2018**	Indefinite term	Not applicable	*	Six months
Mrs J Viner	15.07.2013	Indefinite term	Not applicable	*	Three months
Mrs A Wagner	01.02.2016	Indefinite term	Not applicable	*	Six months
Sir Richard Ibbotson	01.06.2017	3 years	12 months	One month	One month
Mrs J Lyttle	01.10.2017	3 years	16 months	One month	One month
Mrs J Marshall	13.03.2016	3 years	Retired****	Not applicable	Not applicable
Mrs V Matthews	01.12.2017	3 years	18 months	One month	One month
Mr P Richards	13.11.2017	3 years	17 months	One month	One month
Mr R Sutton	01.06.2016	3 years	36 months***	One month	One month
Mrs S Taylor	01.01.2019	3 years	30 months	One month	One month

Mr J Welch	01.10.2018	3 years	28 months	Not specified	Not specified
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Notes:

*as per statutory notice period i.e. one week for each year of employment up to a maximum of 12 weeks

**Mr J Harrison appointment date as Interim Chief Operating Officer

***Mr R Sutton re-appointed with effect from 1 June 2019

****Mrs J Marshall retired 13 April 2019

^date of publication taken to mean June 2019

Unless noted above, these officers have been in post throughout 2018/19.

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. During the financial year, a number of Governors were paid expenses to reimburse their travel costs incurred while attending meetings of the Foundation Trust and at external training and development events.

	31 March 2019	31 March 2018
Number of Governors in office	26	25
Number of Governors receiving expenses	7	10
Total expenses paid to Governors	£2,019.52	£2,117.43

Fair pay multiple (audited information)

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 2018/19 was £185,000 - £190,000 (2017/18, £170,000 - £175,000). This was 6.6 times (2017/18, 6.5) the median remuneration of the workforce, which was £28,050 (2017/18, £26,260).

In both 2018/19, no employees (2017/18, 5) received remuneration in excess of the highest paid Director. Remuneration ranged from £17,460 to £185,000. (2017/18, £15,404 - £509,227).

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 Foundation 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, Associate and Non-Executive Directors. This definition covers all those who hold or have held office as Chairman, Non-

Executive Director, Executive Director, Associate 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.

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

Liz Davenport, Chief Executive

28 May 2019

Part IV – Staff Report

Analysis of staff costs (audited information)

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

	2018-19			2017-18		
	Total	Permanently Employed	Other	Total	Permanently Employed	Other
	£000s	£000s	£000s	£000s	£000s	£000s
Salaries and wages	186,076	186,076	-	179,252	179,252	-
Social security costs	-	16,913	-	16,196	16,196	-
Apprenticeship levy	-	911	-	873	873	-
Employer's contributions to NHS pensions	-	22,722	-	21,920	21,920	-
Pension cost - other	-	70	-	42	42	-
Temporary staff	-	-	9,398	5,786	-	5,786
Total staff costs	236,090	226,692	9,398	224,069	218,283	5,786
Of which: Costs capitalised as part of assets	1,690	1,690	-	880	880	-

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

Analysis of worked full time equivalents (FTEs) (audited information)

The Foundation 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.

During 2018/19, the Foundation Trust reviewed the way in which it categorises staff numbers, in order to improve alignment with NHS Digital's guidance on the categorisation of staff using Occupation Codes. The principal outcome of this review was an increase in the number of staff classified as 'Healthcare assistants and other support staff' and corresponding reductions in other categories (principally 'Administration and Estates', 'Nursing, midwifery and health visiting staff' and 'Scientific, therapeutic and technical staff'). 2017/18 prior year values have been restated accordingly.

	2018/19			2017/18
	Total Number	Permanently Employed	Other Number	Total Number
Medical and dental	526	501	25	501
Ambulance staff	-	-	-	-
Administration and estates	1,144	1,137	7	1,108
Healthcare assistants and other support staff	1,757	1,757	-	1,706
Nursing, midwifery, and health visiting staff	1,229	1,189	40	1,231
Nursing, midwifery and health visiting learners	-	-	-	-
Scientific, therapeutic, and technical staff	692	678	14	669
Healthcare science staff	95	95	-	78
Social care staff	122	-	122	115
Total staff numbers (average)	5,565	5,357	208	5,408
Of which number of employees (WTE) engaged on capital projects	39	39	-	22

Analysis of sickness absence

The Foundation Trust continues to develop the overall health and wellbeing of its workforce, and management of sickness absence. The sickness absence rate for the 2018 compared to the previous two years is shown below.

Year	12 months sickness	FTE	FTE days available	FTE days lost to sickness absence	Average number of days' sickness absence*
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
2018/19	4.23%	5,177	1,889,505	79,859	9.5

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

*Period covered: January to December 2018.

*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 policies and actions applied during the year

The Foundation 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 work that has formed part of 'Our Journey' has continued with the development of a number of resource tools designed to support teams to have local conversations about 'Our Journey' and to create their own local plans.

The Diversity and Inclusion Policy sets out the responsibilities of the Foundation Trust, its staff, and those who use its services. The Foundation 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 Foundation 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 Foundation 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 Foundation 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 Foundation Trust continues to be a 'Mindful Employer', supporting health and wellbeing at work. The Foundation 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 Foundation 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 and Diversity and Inclusion Guardians 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 Foundation Trust have embedded coaching into the organisation. 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, which have had advance coaching skills training to be able to assist staff. The details are available on the staff ICON pages. This initiative had been running for two years and in September 2018 we hosted a Coaching Conference in Torbay which generated a lot of interest from the Torbay and South Devon community and beyond. Feedback received to date about the Coaching Collective has been positive.

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, Asian and Minority Ethnic Representatives (BAME), have an opportunity to affect positive change.

2018 national NHS staff survey

Staff engagement

The Foundation 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. The Foundation Trusts Staff Engagement and Communication Strategy articulates how we seek to achieve and sustain high levels of staff engagement.

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 and feel their views are considered when decisions are being discussed that affect them. The Foundation Trust has a range of opportunities for staff to share their views and to engage with the wider Foundation Trust agenda which include the following communication channels:

- 'Just Ask!' noticeboard for staff to ask questions or raise issues with the executive team;
- Staff Surveys including the national annual staff survey and quarterly pulse surveys e.g. Staff Friends and Family Test, 'Great Place to Work' survey;
- Freedom to Speak Up Guardian network;
- Health and wellbeing networks, including mental health forum;
- Equality forums;
- Joint consultations/negotiations with the Trade Unions;
- Foundation Trust Talk - monthly briefing session for all staff from the Executive team; and
- Staff Governors.

Summary of performance

The NHS staff survey is conducted annually. From 2018 onwards, the results from questions were grouped to give scores in ten indicators. The indicator scores were based

on a score out of 10 for certain questions with the indicator score being the average of those.

The response rate to the 2018 survey for Foundation Trust staff was 43%. This is above average for combined acute and community Foundation Trusts in England (41%) and compares with a response rate of 37% in 2017. This improvement lends support to the revised approach taken to the fieldwork during the year which saw a move away from a centralised approach to a more local approach, congruent with the Foundation Trust's direction of travel to establish self-organising teams.

Scores for each indicator together with that of the survey benchmarking group are presented in the table below. In comparison to 2017, the Foundation Trust has maintained or seen improvement in seven of the ten themes (one not comparable). There has been a statistically significant improvement in three themes - staff engagement; safety culture; and, safe environment – violence. Whilst there has not been a statistically significant deterioration in any theme, the Foundation Trust has seen a reduction in health and wellbeing and quality of care themes over the past three years.

In comparison with all combined acute and community Foundation Trusts in 2018, the Foundation Trust performs equal to or above the national average in seven of the ten themes. The Foundation Trust performs particularly well with regard to health and wellbeing, morale, bullying and harassment and staff engagement. The Foundation Trust performs below the national average in regards to quality of appraisal, quality of care and safety culture. The Foundation Trust did not feature in the bottom 20% of scores for any of the indicators.

	2018/19		2017/18		2016/7	
	Foundation Trust	Benchmarking group	Foundation Trust	Benchmarking group	Foundation Trust	Benchmarking group
Equality, diversity and inclusion	9.2	9.2	9.2	9.2	9.4	9.3
Health and wellbeing	6.0	5.9	6.1	6.0	6.3	6.1
Immediate managers	6.8	6.8	6.7	6.8	6.8	6.8
Morale	6.3	6.2	Not comparable			
Quality of appraisals	4.9	5.4	4.8	5.3	4.9	5.4
Quality of care	7.3	7.4	7.4	7.5	7.5	7.5
Safe environment – bullying and harassment	8.2	8.1	8.2	8.1	8.3	8.2
Safe environment - violence	9.5	9.5	9.4	9.5	9.5	9.5
Safety culture	6.6	6.7	6.5	6.7	6.6	6.7
Staff engagement	7.1	7.0	7.0	7.0	7.2	7.0

Future priorities

In order to respond to the findings and address the areas of concern, the following areas have been identified as key priorities for 2019/20:

- focussed work to improve the quality of staff appraisals;
- further development of the Foundation Trusts health and wellbeing offer for staff, with specific reference to musculoskeletal and mental ill health;
- developing a compassionate work environment where people are empowered to address bullying behaviour;
- progressing self- organising teams; and
- development of the 'Speak Up' work programme.

Performance against these criteria will be monitored through the Workforce and Organisational Development Group.

Trade union facility time

The Foundation Trust is required to make the following disclosure in accordance with the Trade Union (Facility Time Publication Requirements) Regulations 2017.

Relevant union officials

Number of employees who were relevant union officials during the relevant period	16
Full-time equivalent employee number	8.1

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1 – 50%	14
51% - 99%	0
100%	2

Percentage of pay bill spent on facility time

Total cost of facility time	£115,175
Total pay costs	£226,448,912
Percentage of the total pay bill spent on facility time, calculated as (total cost of facility time divided by total pay bill) x 100	0.05%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	1,900 hours
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Consultancy costs

Expenditure on consultancy costs for 2018/19 was £357,000 compared with £103,000 for 2017/18.

Off-payroll report

PES (2018)13 requires the Foundation Trust to seek assurance from off-payroll engagements, that all their tax obligations are being met. This is required for existing engagements that at the 31 March 2019 cost in excess of £58,000 per annum or for new engagements during the period between 1 April 2018 and 31 March 2019 cost more than £245 per day and were engaged for more than six months.

The Foundation Trust is required under the reporting requirements published by HM Treasury in relation to PES (2018)13, to report if it had any engagements which met the disclosure requirements. The Foundation Trust can confirm that it had no engagements requiring disclosure.

Off-payroll engagements as of 31 March 2019, for more than £245 per day and that last for longer than six months

Number of existing engagements as of 31 March 2019	0
Of which.....	
Number that have existed for less than one year at time of reporting	0
Number that have existed for between one and two years at time of reporting	0
Number that have existed for between two years and three years at time of reporting	0
Number that have existed for between three and four years at time of reporting	0
Number that have existed for four or more years at time of reporting	0

New off-payroll engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019, for more than £245 per day and that last for longer than six months

Number of new engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019	0
Of which.....	
Number assessed as within the scope of IR35	0
Number assessed as not within the scope of IR35	0
Number engaged directly (via PSC contracted to Foundation Trust) and are on the Foundation Trust's payroll	0
Number of engagements reassessed for consistency/assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

Off-payroll engagements of Board members and/or senior officials with significant responsibility, between 1 April 2018 and 31 March 2019

Number of off-payroll engagements of Board members, and/or senior officials with significant financial responsibility, during the financial year	0
Number of individuals that have been deemed 'Board members and/or senior officials with significant responsibility' during the financial year	16

Note: The Foundation Trust has a number of doctors who meet the financial criteria but have no significant financial responsibility and therefore fall outside of the scope of the reporting requirement.

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.

	2018/19			2017/18		
Exit package cost band (including any special payment element)	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	20	21	1	29	30
£10,001 - £25,000	-	1	1	3	9	12
£25,001 - 50,000	-	-	-	-	9	9
£50,001 - £100,000	-	-	-	-	4	4
£100,001 - £150,000	-	-	-	-	-	-

£150,001 - £200,000	-	-	-	-	-	-
Greater than £200,000	-	-	-	-	-	-
Total number of exit packages by type	1	21	22	4	51	55

	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	5	-	5	50	-	50
Contractual payments in lieu of notice	-	70	70	-	880	880
Exit packages payments following employment tribunals or court orders	-	-	-	-	-	-
Total cost of exit packages	5	70	75	50	880	930

Exit packages: other (non-compulsory) departure payments

	2018/19		2017/18	
	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
Early retirements in the efficiency of the service contractual costs	-	-	-	-
Contractual payments in lieu of notice	21	70	27	164
Exit payments following Employment Tribunals or court orders	1	-	1	-
Non-contractual payments requiring HMT approval	-	-	-	-
Total	22	70	52	880
Of which: Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	-	-	-	-

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.

Diversity and inclusion

Diversity and inclusion is at the forefront of everything we do within the NHS. As a Foundation 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, nine public focussed, and nine workforce focussed.

The Foundation Trust is required to produce specific and measurable equality objectives to maintain legal compliance. Equality objectives must be published every four years; however, the Foundation 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 Foundation Trust is dedicated to equal opportunities for staff with disabilities. We have participated in the '*two-ticks positive about disabled people*' scheme in the past. This year we will be moving to the 'Disability Confident Standard', a new initiative from NHS Employers and the Department of Work & Pensions. The Foundation 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. During the year we saw the introduction of the Workforce Disability Equality Standard (WDES) introduced to tackle any barriers that disabled staff may experience in the workplace. We will be required to report in August 2019 on our data and produce a work plan.

Workforce race equality system

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

The data from 2018 survey is as follows:

			2018	Average for combined acute and community Foundation Trusts	2017
KF 25	Percentage of staff experiencing harassment, bullying or abuse from patients, relatives, or the public in the last 12 months	White	22%	26%	23%
		BAME	26%	27%	25%
KF26	Percentage of staff experiencing harassment, bullying or abuse from staff in last 12 months	White	23%	24%	22%
		BAME	24%	29%	26%
KF21	Percentage of staff believing that the organisation provides equal opportunities for career progression or promotion	White	86%	87%	85%
		BAME	77%	77%	73%
Q17b	In the last 12 months have you personally experienced discrimination at work from manager/team leader or other colleagues	White	7%	6%	7%
		BAME	17%	15%	17%

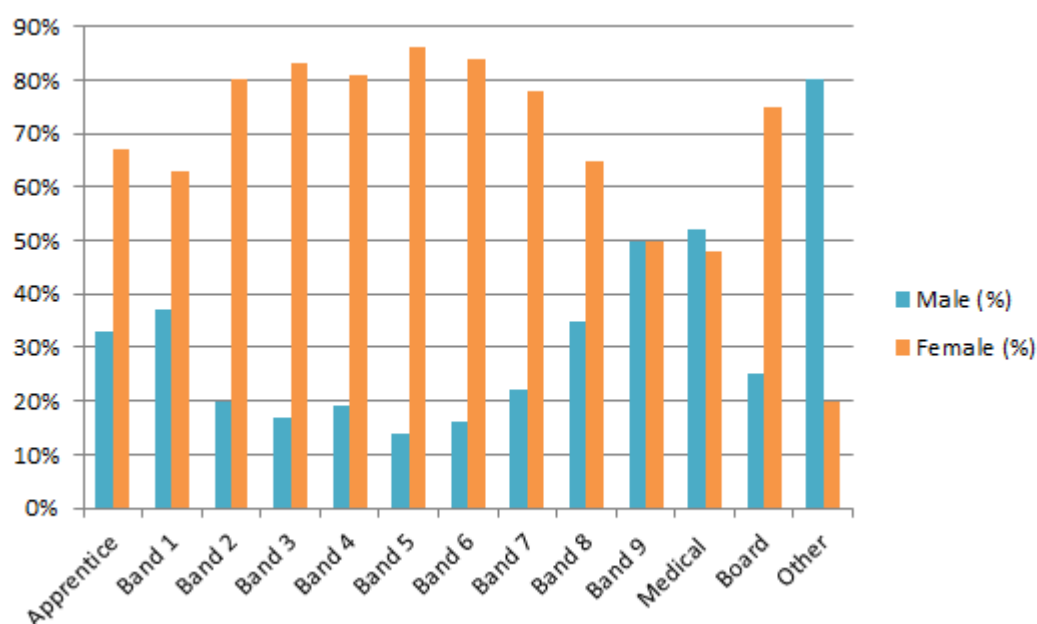
Gender pay differential

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 78% female and 22% male.



Average gender pay gap

	Male	Female	% difference
Mean hourly rate 2017	£18.21	£14.45	20.58%
Mean hourly rate 2018	£18.76	£14.85	20.84%

	Male	Female	% difference
Median hourly rate 2017	£13.45	£12.62	6.18%
Median hourly rate 2018	£14.16	£13.10	7.49%

Summary of results average gender pay gap

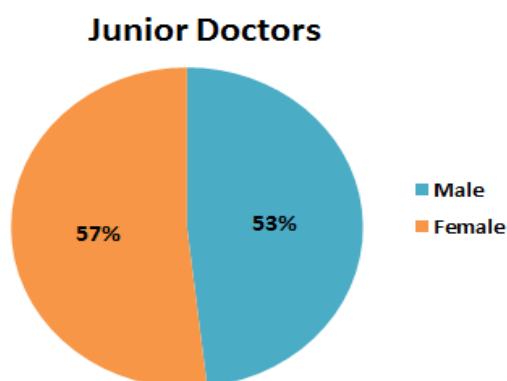
The overall percentage variance for the average hourly rate of pay as a mean average is low at 20.84%. This calculation is based on the average hourly rate for 4,716 female staff compared to 1,339 male staff; because the average is calculated over different numbers of staff (there are almost four times more female staff), some variance is to be expected.

Having reviewed the data there are two themes which stand out:

- when looking at the total workforce, male staff are disproportionately represented in the lowest and highest pay quartiles; and
- the most obvious imbalance of pay is amongst the Medical and Dental staff.

It is the inclusion of our Consultant Body which shows a significant impact on the figures, reversing the female positive gender pay gap across the remainder of the Foundation Trust's workforce.

Analysis of our medical workforce continues to reveal its own complexities. The Junior Doctors show a pay gap in favour of female staff, but at more senior level then this is in favour of male employees, with a higher number of male consultants employed compared to female. Although the legacy of a predominantly male Consultant body is slowly changing, as demonstrated by the current Junior Doctor workforce, which shows a higher number of female employees compared to male.



The Employability Hub

As the largest employer in the area 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 was created to do just that and is a vehicle for delivering the Employability Strategy; it utilises the benefits of a large employer by offering work placements and training to people within our community. Its aim is to develop and enhance skills and confidence to individuals and as a result they are better equipped to find sustainable employment.

The hub offers a range of services including work experience to adults and young people and several extended placements and internships to those undertaking the Aspire programme (formerly known as Project Search).

We also offer the Step Programme which focuses on supporting people who may face discrimination or social exclusion. Through the Step Programme we are able to offer work placements with the intention of developing knowledge, skills and experience to those seeking this support. 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

Torbay and South Devon NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a '*comply or explain*' basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

Compliance with the Code

In considering the provisions of the NHS Improvement Code of Governance for Foundation Trusts, the Board of Directors considers that it was fully compliant or had otherwise appropriate arrangements for the governance of the Foundation Trust in place, and consequently there are no disclosure requirements.

In accordance with the Code, the Foundation Trust is led by the Board of Directors who have joint and several responsibility for the exercise of the powers of the Foundation 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.

Details of the constitution of the Board are given in the Accountability Report.

Mandatory disclosures

Relating to	Code provision	Summary of requirement	Location in Annual Report
Board and Council of Governors	A.1.1	The schedule of matters reserved for the board of directors should include a clear statement detailing the roles and responsibilities of the council of governors. This statement should also describe how any disagreements between the council of governors and the board of directors will be resolved. The annual report should also include this schedule of matters or a summary statement of how the board of directors operate, including a summary of the types of decisions to be taken by each of the boards and which are delegated to the executive management of the board of directors.	Accountability Report Page 25
Board, Nomination Committee(s), Remuneration Committee	A.1.2	The annual report should identify the chairperson, the deputy chairperson (where there is one), the chief executive, the senior independent director (see A.4.1) and the chairperson and members of the nominations, audit and remuneration committees. It should also set out the number of meetings of the board and those committees and individual attendance by directors	Accountability Report page 27 and 33

Council of Governors	A.5.3	The annual report should identify the members of the council of governors, including the description of the constituency or organisation they represent whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the Lead Governor	Accountability Report Page 35
Council of Governors	FT ARM*	The annual report should include a statement about the number of meetings of the council of governors and individual attendance by governors and directors	Accountability Report Page 38 - 39
Board	B.1.1	The board of directors should identify in the annual report each of the non-executive director it considers to be independent, with reasons where necessary	Accountability Report Page 28
Board	B.1.4	The board of directors should include in its annual report a description of each director's skills, expertise and experience. Alongside this, in the annual report, the board should make a clear statement about its own balance, completeness and appropriateness to the requirements of the Foundation Trust	Accountability Report Page 26 and Appendix A
Board	FT ARM*	The annual report should include a brief description of the length of appointments of the non-executive directors, and how they may be terminated	Accountability Report Page 51
Nomination Committee(s)	B.2.10	A separate section of the annual report should describe the work of the nominations committee(s), including the process it has used in relation to board appointments	Accountability Report Page 28 and 36
Nominations Committee(s)	FT ARM*	The disclosure in the annual report on the work of the nomination committee(s) should include an explanation if neither an external search consultancy nor open advertising has been used in the appointment of a chair or non-executive director.	Accountability Report Page 37
Chair/Council of Governors	B.3.1	A chairperson's other significant commitments should be disclosed to the council of governors before appointment and included in the annual report. Changes to such commitments should be reported to the council of governors as they arise, and included in the next annual report.	No other significant commitments to report Page 28
Council of Governors	B.5.6	Governors should canvass opinion of the Foundation Trust's members and the public, and for appointed governors the body they represent, on the NHS Foundation Trust's forward plan, including its objectives, priorities and strategy and their views should be communicated to the board of directors. The annual report should contain a statement as to how this requirement has been undertaken and	Accountability Report Page 38

		satisfied.	
Council of Governors	FT ARM*	If during the financial year, the Governors have exercised their power under paragraph 10C of Schedule 7 of the NHS Act 2006, to require one or more of the directors to attend a governors' meeting for the purpose of obtaining information about the Foundation Trust's performance of its functions or the directors' performance of their duties, then information on this must be included in the annual report.	Not applicable
Board	B.6.1	The board of directors should state in the annual report how performance evaluation of the board, its committees, and its directors, including the chairperson, has been conducted.	Accountability report Pages 28 - 32 Pages 36 - 37
Board	B.6.2	Where there has been an external evaluation of the board and/or governance of the Foundation Trust, the external facilitator should be identified in the annual report and statement made as to whether they have any other connection to the Foundation Trust.	Not applicable
Board	C.1.1	The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide information necessary for patients, regulators and other stakeholders to assess the NHS Foundation Trust's performance, business model and strategy. Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report).	Accountability Report Page 25, 32 and 81
Board	C.2.1	The annual report should contain a statement that the board has conducted a review of the effectiveness of its system of internal controls.	Accountability Report Page 91 - 92
Audit Committee/ control environment	C.2.2	A Foundation Trust should disclose in the annual report: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Accountability Report Page 30 - 31
Audit Committee/ control environment	C.3.5	If the council of governors does not accept the audit committee's recommendation on the appointment, re-appointment or removal of an external auditor, the board of directors should include in the annual report	Not applicable

		a statement from the audit committee explaining the recommendation and should set out reasons why the council of governors has taken a different position.	
Audit Committee	C.3.9	<p>A separate section of the annual report should describe the work of the audit committee in discharging its responsibilities. The report should include:</p> <ul style="list-style-type: none"> the significant issues that the committee considered in relation to financial statements, operations and compliance, and how those issues were addressed. an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of external audit services and information on the length or tenure of the current audit firm and when a tender was last conducted; and if the external auditor provided non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded. 	<p>Accountability Report</p> <p>Page 29 – 31</p>
Board Remuneration Committee	D.1.3	Where an NHS Foundation Trust releases an executive director, for example to serve as a non-executive director elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the director will retain such earnings.	Not applicable
Membership	E.1.4	Contact procedures for members who wish to communicate with governors and/or directors should be made clearly available to members on the NHS Foundation Trust's website and in the annual report.	<p>Accountability Report</p> <p>Appendix B</p> <p>Page 99 - 100</p>
Board	E.1.5	The board of directors should state in the annual report the steps they have taken to ensure that the members of the board, and in particular non-executive directors, develop an understanding of the views of governors and members about the NHS Foundation Trust, for example through attendance at meetings of the council of governors, direct face-to-face contact, surveys of members' opinions and consultations.	<p>Accountability Report</p> <p>Page 33 - 34</p>
Board/ Membership	E.1.6	The board of directors should monitor how representative the NHS Foundation Trust's membership is and how the level and effectiveness of member engagement and report this in the annual report.	<p>Accountability Report</p> <p>Page 34 and 38</p>

Membership	FT ARM*	<p>The annual report should include:</p> <ul style="list-style-type: none"> • a brief description of the eligibility requirements for joining difference membership constituencies, including the boundaries for public membership; • information on the number of members and the number of members in each constituency; and • a summary of the membership strategy, an assessment of the membership and a description of any steps taken during the year to ensure a representative membership, including progress towards any recruitment targets for members. 	<p>Accountability Report</p> <p>Page 38</p>
Board/Council of Governors	FT ARM*	<p>The annual report should disclose details of company directorships or other material interests in companies held by governors and/or directors where those companies or related parties are likely to do business, or are possibly seeking to do business, with the NHS Foundation Trust.</p>	<p>Accountability Report</p> <p>Page 28 and 36</p>

*FT ARM disclosures are required by the NHS Foundation Trust Annual Reporting Manual rather than the NHS Foundation Trust Code of Governance.

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 2018/19, the Foundation 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. Whilst not currently subject to enforcement action, the Foundation Trust has accepted targeted support from NHS Improvement in respect to the Emergency System and Theatres.

This segmentation information is the Foundation Trust's position as at 20 May 2019. Current segmentation information for NHS Foundation Trusts is published on the NHS Improvement website.

Finance and use of resources

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

Area	Metric	2018/19 scores				2017/18 scores			
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Financial sustainability	Capital service capacity	4	4	4	4	2	4	4	4
	Liquidity	3	3	4	3	3	4	4	4
Financial efficiency	I & E margin	3	4	4	4	1	3	4	4
Financial controls	Distance from financial plan	3	2	2	2	1	1	1	1
	Agency spend	4	3	3	3	1	1	1	1
Overall scoring		3	3	3	3	2	3	3	3

The Foundation Trust's financial performance is monitored by NHS Improvement, principally using the measure of 'adjusted financial performance excluding Provider Sustainability Funding ('PSF')'. This measure excludes items such as asset impairment, income/depreciation relating to donated assets and PSF, which do not reflect underlying financial performance. On this measure, the Foundation Trust is reporting a 2018/19 deficit of £8.17million, £3.75million adverse to that planned. The overall financial performance was a surplus of £2.15million, which included £4.14million reversal of asset impairment and £5.49million of PSF.

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.

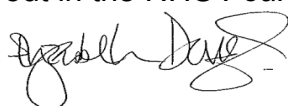
NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Torbay and South Devon NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts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

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Department of Health and Social Care Group Accounting Manual and 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
- confirm that the annual report and accounts, taken as a whole, is fair balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS Foundation Trust's performance, business model and strategy; and
- prepare the financial statements on a going concern basis.

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

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



Liz Davenport, Chief Executive
29 May 2019

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 Torbay and South Devon NHS Foundation Trust;
- 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 Torbay and South Devon NHS Foundation Trust for the year ended 31 March 2019 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

As accounting officer, I have overall responsibility for ensuring that there are effective risk management and integrated governance systems in place within the Foundation Trust and these meet all statutory requirements and adhere to guidance issued by NHS Improvement in respect of governance and risk management.

The Foundation Trust has a Risk Management Strategy, which is reviewed and endorsed by the Board of Directors. The Strategy provides the framework for managing risks across the organisation which is consistent with best practice and Department of Health guidance. The Strategy provides a clear, systematic approach to the management of risks to ensure that risk assessment is an integral part of clinical, managerial and financial processes across the organisation.

The Board of Directors provides leadership on the overall governance agenda including risk management. It is supported by a number of sub-committees that scrutinise and review assurances on internal control. These include the Audit Committee, Quality and Assurance Committee and the Finance, Performance and Digital Committee. Underpinning these sub-committees are the executive-led groups – Workforce and Organisational Development Group and the Risk Group.

Independent assurance on the effectiveness of the system of internal control and overall governance arrangements is provided by the Audit Committee. Additional assurance on the effectiveness of the systems for ensuring clinical quality is given by the Quality and Assurance Committee. The Board of Directors receives a report from the Chair of each of the committees. The Board of Directors also receives the Board Assurance Framework and Corporate Risk Register.

The Risk Group oversees all risk management activities across the Foundation Trust to ensure that the correct strategy is adopted for managing risk; controls are present and effective; action plans are robust for these risks that are being actively managed; and, that high risks are scored appropriately. The Risk Group is chaired by the Director of Finance (who is also the designated Senior Information Risk Owner). Membership includes Executive Directors and senior management 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.

Established governance arrangements maintain effective risk management arrangements across the Service Delivery Units, maintain risk registers and report accordingly. The 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 and any escalation as required is 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.

Whilst the Chief Executive has overall responsibility for the management of risk, other members of the Executive Team exercise lead responsibility for the specific types of risk as follows:

<i>Strategic risk</i>	<i>Chief Executive</i>
<i>Clinical and quality risks</i>	<i>Chief Nurse/Medical Director</i>
<i>Financial risk</i>	<i>Director of Finance</i>
<i>Workforce risk</i>	<i>Director of Workforce and Organisational Development</i>
<i>Staffing risk</i>	<i>Chief Nurse/Medical Director</i>
<i>Environmental risk</i>	<i>Director of Estates and Business Development</i>
<i>Operational risk</i>	<i>Chief Operating Officer</i>
<i>IT risk</i>	<i>Director of Strategy and Transformation</i>

All Board level directors are responsible for ensuring there are appropriate arrangements and systems in place to identify and assess risks and hazards; comply with internal policies and procedures, and statutory and external requirements; and, integrate functional risk management systems and develop the assurance framework. These responsibilities are supported operationally by divisional managers.

All members of staff have responsibility for participation in the risk/patient safety management system, through:

- awareness of risk assessments which have been carried out in their place of work and to compliance with any control measures introduced by these risk assessments;
- compliance with all legislation relevant to their role, including information governance requirements set locally by the Foundation Trust;
- following all Foundation Trust policies and procedures;
- reporting all adverse incidents and near misses via the Foundation Trust's incident reporting system;
- attending regular training as required ensuring safe working practices;
- awareness of the Foundation Trust's patient safety and risk management strategy; and
- knowing their limitations and seeking advice and assistance in a timely manner when relevant.

The Foundation Trust recognises the importance of supporting staff.

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

The Foundation Trust continues to maximise its opportunity to learn from other Foundation Trusts (particularly those who achieve outstanding CQC ratings), internal / external audit and continuous feedback is sought internally to ensure the systems and processes in place are fit for purpose. The findings are taken to the Foundation Trust's Quality and Assurance Committee to ensure that any learning points are implemented. A wider distribution of learning points for staff is disseminated via staff briefings and bulletins.

In addition to the Foundation Trust reviewing all internally driven reports, the Foundation Trust adopts an open approach to the learning derived from third party investigations and audits, and/or external reports. The Foundation Trust has also adopted a pro-active approach to seeking independent reviews in which Royal College reviews would be commissioned should concerns be raised of a significant magnitude.

I have ensured that all risks of which I have become aware are reported to the Board of Directors. All new significant risks are escalated to the Executive Team and reviewed and validated by the Risk Group. There is a regular programme of review of risks on the Board Assurance Framework by the Board of Directors, the purpose of which is to scan the horizon for emergent threats and opportunities, and consider the nature and timing of the response required to ensure the risk is kept under control.

The risk and control framework

Risk is managed at all levels of the Foundation 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 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 Foundation Trust's risk management strategy has defined the Foundation Trust's approach to risk throughout the year and provides an integrated framework for the identification and management of risks of all kinds, whether clinical, non-clinical, corporate, 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 Foundation Trust risk tolerance is defined as: 'the amount of risk the Foundation 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 Foundation 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 Foundation 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 Foundation 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) receive detailed scrutiny at the Risk Group, Audit Committee, Quality Assurance Committee or Finance, Performance, and Investment Committee meetings. Further information can be found within the Foundation 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 Foundation 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.

Risks posing a threat to the Foundation Trust's strategic objectives 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 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 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 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 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 escalate, the Chair of the Audit 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. 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 Foundation 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 Foundation Trust identifies up to five quality improvements for the year, which have been developed through discussions with clinical teams, commissioners, and the senior clinical and business leaders in the

organisation. These priorities were then signed off by the Board for 2018/19 and managed in accordance with internal processes. An external audit review is undertaken on the Quality Report as part of the year-end audit process to inform the independent auditor's limited assurance opinion on the Annual Quality Report that can be found at Appendix D.

Principal risks

The Foundation Trust's risk management processes have identified a number of risks. These system-wide risks relating to unprecedented challenges in achieving financial sustainability and controlling costs whilst having sufficient monies to maintain the digital and estate infrastructure to ensure continued patient safety, quality and productivity have been considered and reflected in the Board Assurance Framework. The most significant are outlined below along with how they have been/are being managed and mitigated and how outcomes are being assessed.

The risks to the achievement of the goals are described in the Board Assurance Framework for 2018/19 as:

Corporate Theme 1: Available capital resources are insufficient to fund high risk / high priority infrastructure /equipment requirements / IT Infrastructure and systems - Risk of insufficient capital funding and backlog of maintenance

- Risk of the current IT systems and infrastructure not meeting future demands.
- Risk of failure to raise sufficient capital

Corporate Theme 2: Failure to achieve key performance / quality standards

- Risk of inability to meet the 4 hour emergency care standard
- Risk of increasing Emergency Department admissions requiring CAMHS input
- Risk of the Referral to Treatment" care standard not met
- Risk of non-compliance with the national cancer waiting time standard
- Risk associated with a lack of access to critical ventilation maintenance of all operating theatres
- Risk of a lack of systematic approach to continuing health care learning disabilities assessments.
- Risk of operating list capacity due to temporary closure of Theatres A and B

Corporate Theme 3: Inability to recruit / retain staff in sufficient number / quality to maintain service provision

- Vulnerability of the Junior Doctors rota in Medicine.
- Difficulty in recruiting service critical staff

Corporate Theme 4: Lack of available Care Home / Domiciliary Care capacity of the right specification / quality

- Viability of Care Homes and Nursing Homes due to reduction in supply
- Failure to deliver sufficient domiciliary care to Torbay and South Devon areas

Corporate Theme 5: Failure to achieve financial plan

Risk associated with the financial sustainability risk rating for 2018/19

- Risk of failure to secure fund monies for 2018/19.
- Risk associated with the potential financial impact due to loss or reduction of commercial activities
- Risk of an increase in overspends in the independent sector

- Risk of failure to spend capital within time limits

Corporate Theme 6: CQC rating and the inability to deliver sufficient progress to maintain 'good' or achieve 'outstanding'

Vulnerable patients admitted to EAU's whilst awaiting mental health beds

- Risk of overcrowding in the Emergency Department

During the year, the Foundation Trust has also monitored closely the risk of Brexit, the potential impact on the UK economy and specifically the implications for the Foundation Trust, both in the near term and further out. How the risks were identified and monitored formed part of the Foundation Trust's risk management process. The Foundation Trust accepted that the effect of an EU exit, and in particular leaving the EU market with no deal, was a significant risk. The potential challenges identified included, delays or failures to procure and receive goods (including drugs) and services, and staffing from the EU. In order to mitigate these risks a number of reviews were undertaken, for example, business continuity plans and review of capacity. Actions required for data protection and a financial impact analysis were also put in place. Government guidance on the planning of a no-deal Brexit informed the Foundation Trust plans..

The Foundation Trust ensures that public stakeholders are involved in managing risks which impact on them. The Council of Governors, having responsibility for representing the Foundation Trust members and members of the public, receive briefings from the chief executive and chair and have regular dialogue with the chair, executive and non-executive directors. Matters pertaining to the Foundation Trust's performance, both quality and financial, and any changes to Foundation Trust services are reported.

Discussions have also been ongoing throughout the year with commissioner colleagues to ensure all key access targets are being managed from within available resource. There have been regular contract management meetings with the Foundation Trust's lead commissioners and councils.

Looking forward to 2019/20, the Foundation Trust has identified a number of risks, which are being managed and mitigated, which could impact on the achievement of corporate objectives, compliance with its licence or Care Quality Commission; these being:

- Failure to provide safe, quality patient care due to service interruption with major consequences
- Failure to achieve the financial plan
- Failure to maintain a fit for purpose estate
- Failure to maintain a fit for purpose digital infrastructure
- Failure to meet agreed trajectories set out within the annual plan
- Failure to recruit and retain sufficient skilled staff to maintain safe core services
- Failure to implement the Foundation Trusts transformation plan
- Failure of key stakeholders
- Failure to be the employer of choice
- Failure to engage and involve the workforce
- Failure to change and sustain the organisational culture to enable delivery of workforce transformation
- Failure to support the mental and physical health and wellbeing of all staff, including supporting their individual needs
- Failure to develop a succession planning and talent management system

- Failure to create an inclusive culture
- Failure to ensure leadership capacity and capability to deliver high-quality, sustainable care
- Failure to define a clear vision and credible strategy to deliver high-quality sustainable care to people, with robust plans to deliver
- Failure to ensure a culture of high-quality sustainable care

The Foundation Trust's Annual Operational Plan for 2019/20 has acknowledged the risks facing the Foundation Trust during the coming year and has set out explicit plans for what must be done and how the outcomes will be measured - these being:

Financial, performance, workforce and quality risks

As the Foundation Trust goes in to 2019/20, plans are in place to mitigate these risks through rigorous budgetary control and management of significant productivity and efficiency improvements. Outcomes will be measured by monthly review of financial, quality, performance and workforce information by the Board, in addition to scrutiny of the impact of efficiency savings on patient safety and quality of service. The Board receive the quality and safety impact assessments of the Foundation Trust's cost improvement plans from the chief nurse and medical director on an annual basis. A Board Sub-Committee focussing on finance is in place to provide additional scrutiny of productivity and improve financial efficiency by reducing variation at directorate level. This will be achieved by benchmarking the Foundation Trust's operational efficiency against the Lord Carter Model Hospital. Our plans, which are built up from service delivery unit and system developments, set out an ambition to reduce the existing core workforce by 170 wte during 2019/20. The primary focus of this reduction will be on bank and agency.

The cost improvement plans ('CIP') requirement for the coming year remains challenging. We plan to deliver 4% efficiencies (£16m) through a combination of core service productivity (2%) and system transformation programmes (2% in 2019/20), and whilst good progress has been made, plans are not yet fully in place. CIP delivery remains a risk and is reflected in the Corporate Risk Register.

Capital funding risks

Reduced levels of EBITDA associated with challenged revenue performance in both 2017/18 and 2018/19, 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 Foundation Trust's care model has, similarly been curtailed.

The capital risk facing the Foundation Trust is now so significant that it is no longer possible to contain capital spending within internally generated cash. The Foundation Trust will develop further its 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.

System cost pressures

The pressure in the 2019/20 cost base reflects the increasing operational risk profile across the Integrated Care Organisation including the costs of addressing the consequences of infrastructure failures, continued in-sourcing and out-sourcing of elective

patients to maintain a maximum 52 week wait position; continued reliance on agency medical staff in a number of national shortages specialties; uniquely, and most significantly in this ICO, are pressures building in Continuing Health Care and Adult Social Care. This is largely the result of a number of providers withdrawing from the market or experiencing difficulty in maintaining qualified staffing, both restricting the number of placements available.

The Devon STP system-wide plans for 2019/20 have been developed in conjunction with our partners and through the Board. These have been tested by a peer review process organised by the Devon STP and scrutinised by the Regulator. The Board has acknowledged that the Foundation Trust must continue to develop its planning and delivery models, and to this end the Foundation Trust has implemented a revised operational structure in which leadership groups, will operate as 'self-managed teams', with greater freedoms and authority to act and lead delivery. An enhanced accountability framework and programme management office will support this model.

Despite this achievement, the potential failure remains in achieving the necessary level of financial improvement reflects the scale of system wide savings required to deliver the Devon STP control total position. At the time of writing this report, the Devon STP has been unable to reach agreement on how much providers should be paid for activity, as the current assessed income requirements in the provider sector are unaffordable to the overall system.

Performance and activity risks

In 2018/19 our performance has been challenged in a number of areas; most notably Referral to Treatment ('RTT') longest waiting pathways longer than 52 weeks, Emergency Department performance and diagnostic waiting times.

RTT longest waiting pathways > 52 weeks: Plans are in place to increase capacity, however, the recent theatre closures have changed the forecast outturn in the current year leaving a carry forward of recovery into 2019/20; this is predicated on accessing emergency finance to invest in essential theatre infrastructure maintenance.

Urgent care - 4 hour ED standard: The Foundation Trust struggled to achieve the planned trajectory of improvement during 2018/19. Plans for 2019/20 will see a continuation of investments made in the previous year to improve the front door assessment, admissions avoidance, and productive ward leading to effective discharge and managing length of stay to planned levels. Work to drive forward these service improvements and system reset will be clinically led with clear accountability to secure the necessary improvement early in 2019/20. We will be working with the Emergency Care Intensive Support Team (ECIST) to further support our plans.

Cancer: Two-week wait for urgent referral and 62-day to treatment standards were not met consistently during 2018/19. Increased numbers of urgent referrals of 15% in key pathways have been a challenge as have vulnerabilities in key elements of the workforce. Investment is set aside for Urology and General Surgery to increase capacity in order to meet the increase in demand and secure the cancer access standards. However substantive recruitment to key clinical roles continues to be a risk.

Diagnostics: increasing demand for diagnostic tests and increasing complexity of tests have seen demand reach a critical point whereby the Foundation Trust is reliant upon outsourcing mobile solutions for both CT and MRI scans. Plans for 2019/20 include an approved business case for a 3rd CT scanner to increase in-house capacity and continuation of mobile scanning and out-sourcing.

Bed capacity: we are not planning any further changes to the core number of general and acute beds in our 2019/20 operational plan. We will continue to drive down length of stay and focus on early interventions to avoid admissions and facilitate early discharge.

Compliance with information governance requirements

Maintaining the security of information that the Foundation Trust holds provides confidence to patients and employees of the Foundation Trust. To ensure that its security is maintained an executive director has been identified (the Foundation Trust's Director or Finance) to undertake the role of senior information risk owner (SIRO). The SIRO support the Chief Executive and the Board in ensuring compliance with appropriate standards and management of information risks. The SIRO oversees the wide range of measures to protect the data held and the review of information flows to underpin the Foundation Trust's information governance assurance statements and its assessment against the information governance toolkit.

The Foundation Trust's Caldecott Guardian is the Deputy Medical Director. Freedom of information compliance is managed by the Head of Information Governance. The Head of Information Governance provides support for the day to day management of information governance. There is an established Information Governance Group, chaired by the SIRO, which oversees information governance compliance, manages issues and incidents and reports on action plans and projects. The Information Governance Group regularly reports and informs on progress and compliance with the Information Governance Toolkit and the SIRO signs-off the year-end annual submission.

The Foundation Trust takes an open and transparent approach to reporting and a willingness to apply any lessons learned to further improve information governance processes and procedures. Hence during the year a total of 39 incidents were reported to the Data Security and Protection Toolkit ('DSPT'), with 33 meriting further reporting onto the Information Commissioner's Office ('ICO'). The ICO have closed 32 of these reported cases at this time with no further action deemed necessary.

In March 2019, the Foundation Trust was affected by a minor spear phishing campaign aimed at public sector bodies, including the NHS, which is still under investigation. Any other incidents recorded during 2018/19 were assessed as being of low or little significant risk.

The Foundation Trust Information Governance Assessment report is no longer available and the system has been replaced by the 'Data Security & Protection Toolkit (DSP Toolkit)'. The new toolkit demonstrates that the Foundation Trust is working towards the ten National Data Guardian's data security standards as set out in the Data Security and Protection Standards for health and care.

There are no longer attainment levels, instead the toolkit works on either 'standards met' or 'standards not met'. All organisations are expected to achieve 'Standards Met' on the

DSP Toolkit or action plans are in place to ensure compliance. The toolkit publication for the Foundation Trust for 2018/19 was 'standards not met' however, a compliant action plan is in place.

Care Quality Commission

The Chief Nurse is responsible for ensuring compliance with the Foundation Trust's registration with the Care Quality Commission. This is achieved by:

- Reporting and keeping under review matters highlighted within inspections;
- Liaising with the Care Quality Commission inspectors and senior clinicians and managers in response to any specific concerns raised by the Care Quality Commission by patients and members of the public;
- Engaging with the Care Quality Commission inspectors in the inspection process and co-ordinating the Foundation Trust's response to inspections and any recommendations or actions that arise;
- Analysing trends from incident reporting, complaints and patient and staff surveys and sharing the learning from these across the Foundation Trust;
- Reviewing assurances on the effective operation of controls; and
- Receiving assurances provided by internal audit and any clinical audit conclusions, which provide only limited assurance.

As noted in the 2017/18 report, the Foundation Trust received announced inspections in February 2018 in Community Children and Young People (Short-announced), Community End of Life Care (Short-announced) and Social Reablement Services.

The Foundation Trust also received three unannounced inspections over the same period in Maternity, Outpatients and Acute End of Life Care. The table below shows the rating provided for each of the services inspected in 2018/19.

Service	Rating	Requirement notice
Community Children and Young People	Good	No
Community End of Life	Requires improvement	Yes
Social Reablement Services	Good	No
Maternity	Requires improvement	Yes
Outpatients	Good	Yes
Acute End of Life	Good	Yes

Requirement notices and 'should do' action plans are monitored through the individual service leadership teams and reported to the Foundation Trust's CQC Assurance Group.

Following the core service inspections described above, the Foundation Trust received a 'well led' inspection during March 2018. The focus for this inspection was predominantly Foundation Trust Board focussed; the feedback formed part of the overall Foundation Trust report along with the core service reports. The well-led inspection was rated as 'Good'.

Other CQC service inspections that took place during 2018/19 included:

- Specialist dental services delivered by the Foundation Trust were inspected during February to May 2018 under the Primary Services inspection format. These services are delivered across four Foundation Trust sites and all were found to be delivering care in line with regulations.
- Special Education Needs and Disability services in Devon were inspected by Ofsted and the CQC in December 2018. The inspection was hosted by the Clinical Commissioning Groups and Devon County Council. Foundation Trust staff in various therapies disciplines were involved in the focus groups and inspection. The inspection report findings are yet to be published.
- Ionising Radiation (Medical Exposure) Regulations (IR(ME)R) 2017. The CQC undertook a short notice inspection of the Foundation Trust compliance against the IRMER regulations during December 2018, which focussed on the Torbay Hospital site. The inspection noted the good clinical practice, including training packages, incident reporting and investigations, and team working. An Improvement Notice was issued to improve written procedures to meet Regulatory Requirements. The Improvement Notice requirements and timeframe were met satisfactorily and following submission of an action plan to address the initial findings was accepted by the CQC.
- Emergency Department. In February 2019 the CQC undertook a one day unannounced inspection of the Emergency Department at Torbay Hospital. This was one of a series of targeted inspections across a number of Foundation Trusts that took place on a Monday, when acute hospitals were very busy after the weekend. The inspection was part of a CQC national programme of inspections by the Pressure Resilience Operational Group. There were several triggers for this visit: Devon was in the spotlight due to the county-wide deteriorating performance against meeting the 4-hour standard, and the Foundation Trust's performance had deteriorated; in January the 4-hour position was 66.1% for the Emergency Department and 76.4% overall, against the national target of 95%; and the CQC had also received some complaints. Although the Emergency Department was extremely busy after a challenging weekend, the Foundation Trust staff coped well and the inspectors witnessed good care being provided under pressure. The Foundation Trust has not yet received the draft report following the visit, however, verbal feedback provided on the day was that inspectors were impressed by the quality and safety of care they witnessed.

This inspection was not part of the inspection regime and did not of itself impact on the Foundation Trust rating, which remains overall 'Good'.

Compliance with NHS Foundation Trust condition 4(8)(b)

The assurance process described in this statement allow the Board to issue an accurate Corporate Governance Statement, required under NHS Foundation Trust condition 4(8)(b) of NHS Improvement's provider licence. The Foundation Trust will, during 2019/20, use

the learning from its recent Care Quality Commission Well Led and NHS Improvement Use of Resources inspections to form the basis of an externally led assessment developmental review of leadership and governance using the NHS Improvement well-led framework.

Communication with stakeholders

The Foundation Trust's communication team works closely with the quality team and the Foundation Trust membership office. Together they ensure there is public stakeholder engagement that addresses any perceived or actual risks that might impact on the public. This includes undertaking any necessary consultation exercises.

A number of forums exist that allow the Board of Directors, Executive Directors and staff at all level to communicate with stakeholders, for example formal Board to Board and Executive to Executive meetings with local commissioners, Health and Wellbeing Boards and meetings with Healthwatch. The forums provide a mechanism for risk identified by stakeholders that affect the Foundation Trust to be discussed for any action plans to be developed.

Compliance with workforce strategies and 'Developing Workforce Safeguards'

The Foundation Trust has processes to ensure that short, medium and long-term workforce strategies and staffing systems are in place to assure the Board that staffing processes are safe, sustainable and effective. Further, as part of the safe staffing review, the chief nurse and medical director confirm that staffing is safe, effective and sustainable and meet the requirements of the national quality board.

The Board continually reviews the effectiveness of its systems of internal control. The embedding of the strengthened governance framework supports the provision of evidenced based assurance from Ward to Board. The Board reviews the organisation's performance in the key areas of finance, activity, national targets, patient safety and quality and workforce in the form of an integrated quality dashboard. This includes the regular presentation of performance information against key quality, workforce and financial metrics to the Board and its Committees. The workforce section contains information on monthly staff sickness, staff turnover and volume of temporary staffing, as well as performance against the annual staff survey. These are high level organisational metrics and data that the Foundation Trust will continue to collate, review and analyse each month for a range of workforce metrics, quality and outcomes indicators and productivity measures.

The Foundation Trust's workforce operating model mirrors that of our Care Model, helping to enable and empower teams to be self-organising. In embedding the Foundation Trust's aim to be a fully integrated organisation providing integrated pathways of care a new system leadership structure has been established that will oversee the entire pathway of care across primary and community care, through to emergency medicine and planned care. Whilst, the new structure is in its early stages of implementation a culture has evolved fostered around autonomy and accountability with a common sense of purpose and overall aim to support and engage staff to remove barriers to their productivity and ensure their time is used in the best way possible to provide direct or relevant care or care support.

The Foundation Trust seeks to continuously improve its performance against workforce standards and the national staff survey. The annual workforce plan that forms part of the Foundation Trust's Annual Plan sets out the key organisational aims for the coming year, including how the Foundation Trust will maximise workforce analytics, planning and redesign capabilities. In terms of the wider context, the Foundation Trust remains fully engaged with the Devon STP Workforce Strategy, of which the main focus of the workforce planning and transformation plan will be centred on developing a culture and structure that facilitates trust; involvement and innovation; and, local empowered decision making.

Care Quality Commission compliance declaration

At 31 March 2019, the Foundation Trust remains fully compliant with all CQC registration requirements.

Compliance with 'Managing Conflicts of Interest in the NHS' guidance

The Foundation Trust is not fully compliant with the requirement to publish an up-to-date register of interests for 'decision-making staff' within the past 12 months, in accordance with the 'Managing Conflicts of Interest in the NHS' guidance.

The Foundation Trust has published an up-to-date register of interests for the Board of Directors within the past 12 months and has a paper-based register of all interests declared by decision-making staff. The Foundation Trust has put in place processes to ensure full compliance during 2019/20.

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 Foundation 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 Foundation 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 Foundation 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

Committee through to the Foundation Trust Board; and the Equality Business Forum (for staff) which reports through the Workforce and Organisational Development Group to the Quality Assurance Committee.

The Foundation 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 Act and the adaptation reporting requirements

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 UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are met.

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 Foundation Trust's use of resources. The Foundation 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 Foundation Trust public members, providing a key focus for our engagement work within South Devon. Established objectives are supported by quantifiable and measurable outcomes.

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 Foundation Trust including weekly capacity review meetings, executive reviews of services, budget reviews (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 Committee and Board of Directors.

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 Foundation 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 Foundation Trust uses other benchmarking tools such as the Model Hospital productivity metrics to demonstrate the delivery of value for money. The Foundation 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 Foundation Trust has a clear procurement strategy and collaborates with other NHS bodies to maximise value through the NHS South West Peninsular Procurement Alliance.

Annual Quality Report

The Directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. NHS Improvement (in exercise of the powers conferred on Monitor) has issued guidance to NHS Foundation Trust boards on the form and content of annual Quality Reports which incorporate the above legal requirements in the *NHS Foundation Trust Annual Reporting Manual*.

The Annual Quality Report 2018/19 has been developed in line with relevant national guidance. The data and information within the Quality Report is reviewed by the Quality Assurance Committee, which is attended by Non-Executive Directors and Executive Directors. The Board of Directors reviews the quality dashboard and the patient safety scorecard at each Board meeting as a standing agenda item. The quality and safety metrics were also reported on a monthly basis to the Board of Directors through the integrated performance dashboard.

The Foundation Trust has developed its vision, values and priorities through wide involvement and in consultation with patients, carers, staff, external stakeholders and Governors. Through this engagement, the Foundation Trust has been able to ensure the Quality Report provides a balanced view of the organisations priorities for 2018/19. In preparing the Quality Report, the Foundation Trust had a project lead to develop the Quality Report, reporting directly to the Chief Nurse. A formal review of the engagement process was established involving a presentation to Governors and presentation of the initial draft report to its external stakeholders, including:

- Clinical commissioning groups;
- Healthwatch;
- Torbay County Health Scrutiny Board;
- Devon County Council's Health and Wellbeing Scrutiny Committee;
- Foundation Trust staff; and
- Carers Group.

As in previous years, the Foundation 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 the following year's report. The feedback from the event continues to be positive, with stakeholders feeling engaged in the development of the Quality Report.

The Foundation Trust has utilised performance reports, governance and quality reports, clinical outcome measures, mortality reports, Health Education England and

benchmarking data, and a range of key national targets, to govern the work associated with the Quality Report.

The Foundation Trust's external auditor, PwC have undertaken a review of the arrangements in place to secure the data quality information included in the Quality Report. The external auditor have provided an unqualified limited assurance opinion.

Review of effectiveness

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

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee, the Quality Assurance Committee, the Finance, Performance, and Investment Committee, the Executive Group, and the Risk Group and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Board Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its corporate objectives have been reviewed. My review has also been informed by the major sources of assurance on which reliance has been placed during the year. These sources include reviews carried out by PwC, Care Quality Commission, Internal Audit, NHS Litigation Authority and the Health and Safety Executive.

The following committees and groups are involved in maintaining and reviewing the effectiveness of the system of internal control:

- The Board of Directors has overall accountability for the governance arrangements, including the committee structure, and ensuring the Foundation Trust adheres to its Constitution and applies its standing orders, scheme of delegation and standing financial instructions correctly. The Chairs of each of the Board sub-committees present a report to the next available Board meeting for the purpose of providing assurance on matters within its terms of reference. Urgent matters if requiring escalation to the Board would be reported by the committee chair in the intervening period. The Board has agreed, in conjunction with the Council of Governors, the strategic objectives for the Foundation Trust. The executive directors have assessed the risks to their achievement, along with risk controls and assurance mechanisms. As part of this risk assessment process, gaps in controls and assurances have been highlighted. This information is incorporated in the Foundation Trust's Board Assurance Framework document reviewed regularly by the Board of Directors.

- The Audit Committee is responsible for establishing an effective system of internal control and risk management and provide an independent assurance to the Board. The Committee takes an overview of the organisation's governance activity by reviewing the statement on internal effectiveness and Annual Governance Statement. Reports from the internal auditors and external auditor also provide assurance. The Committee also reviews on a regular basis, the risks that are described in the Board Assurance Framework. The Committee has oversight of, and relies on the work of, the Risk Group to monitor the risk management process and risk registers. The committee has oversight of expressions of concerns and whistleblowing arrangements. The Audit Committee is chaired by the Vice-Chair and membership comprises all Non-Executive Directors except the Chairman.
- The Quality Assurance Committee provides the Board of Directors with assurances of clinical effectiveness through scrutiny of patient quality and safety, patient experience, medicines management and staffing. It monitors selected quality metrics and ensures the Foundation Trust has robust systems in place to learn from experience. It receives reports from specialist governance groups e.g. safeguarding; patient safety; and serious incidents. The Quality Assurance Committee is chaired by a Non-Executive Director and reports to the Board of Directors.
- The Finance, Performance and Investment Committee scrutinises the financial risks and targets and any significant risks to activity and performance. The Committee is responsible for ensuring there are robust financial control procedures in place. The Finance, Performance and Investment Committee is chaired by a Non-Executive Director and reports to the Board of Directors.
- The Risk Group oversees the risk management process at operational level, ensuring that risks are managed and/or escalated in line with the Risk Management Strategy.
- The Internal Audit reports issued in the year have given significant assurance that there is generally a sound system of internal control, designed to meet the organisation's objectives, and controls are generally being applied consistently. Some weaknesses in the design and/or inconsistent application of controls which put the achievement of certain objectives at risk are appropriately managed. There were 15 completed internal audit reports in 2018/19, of which 14 received significant or satisfactory assurance and one audit report relating to the agency booking process for Allied Health Professional Staff received limited assurance. Action plans and progress is reported in detail to each subsequent Audit Committee meeting as part of Internal Audit's follow up process. The Internal Auditor takes a risk-based approach to formulating the annual work plan for agreement with management prior to final approval by the Audit Committee.

- External Audit provides independent assurance on the Annual Accounts, Annual Report, Annual Governance Statement and the Annual Quality Report.

Conclusion

In concluding my review on the overall system of internal control, I am assured that:

- The Board, executive directors, senior management and staff of the Foundation Trust, have identified and are managing the risks facing the Foundation Trust, with escalation of risk events, an effective process for keeping risk scores up to date and flagging any risk and control concerns;
- There is an appropriate risk management framework embedded in the Foundation Trust along with there being no major concerns from their undertaking an effective programme of independent, risk based monitoring; and
- The Foundation Trust's internal auditors and other independent assurance providers such as external auditors, have no major concerns from their risk focussed programme of independent assurance.

My review therefore confirms that no significant internal control issues have been identified for the financial year ended 31 March 2019 and up to the date of approval of the annual report and accounts.



Liz Davenport, Chief Executive

28 May 2019

Appendix A – Biographies of the board of directors as at 31 March 2019

<p><i>Richard Ibbotson – Chairman</i></p> <p>Appointed: June 2014</p> <p>Reappointed: April 2017</p>	<p>Sir Richard Ibbotson was appointed Chair of the Foundation Trust in June 2014 shortly after retiring from a successful career in the Royal Navy. This included periods in command of Britannia Royal Naval College Dartmouth, Commander British Forces Falkland Islands and, most recently, Deputy Commander-in-Chief Fleet (effectively Chief Operating Officer of the Royal Navy and Royal Marines). 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 – Chief Executive (as of 1 October 2018)</i></p> <p>Appointed: September 2014</p>	<p>Liz has been employed in the NHS for 34 years and has a clinical background as an Occupational Therapist qualifying in 1986.</p> <p>Liz's passion for service improvement and transformation is driven by the recognition that there is a need to change and adapt to meet the changing needs of our people and communities. Her experience in service change started in the 1980's with the Hospital Closure Programme and development of community services for people with mental health needs in Lincoln. She has subsequently continued to work in a number of NHS organisations across the country leading on a number of service improvement projects in mental health, learning disabilities and social care services. Liz started work in the Torbay and Devon system in September 2014 as Chief Operating Officer.</p> <p>Liz has held a broad portfolio of Executive Director positions including Director of Operations, Director of Workforce and Deputy Chief Executive. She has been an Interim Chief Executive at Devon Partnership Foundation Trust and at Torbay and South Devon Foundation Trust.</p> <p>Liz was appointed as the substantive Chief Executive and took up post on 1 October 2018.</p>

<p>Jacqui Lyttle – Non-Executive Director and Senior Independent Director</p> <p>Appointed: October 2014</p> <p>Reappointed: April 2017</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.</p> <p>Other areas of interest include rheumatology, dermatology, endocrinology, cardiology and oncology with Jacqui working extensively in these areas across the UK.</p> <p>Jacqui continues to work actively within the NHS, undertaking service reviews and leading on large scale quality improvement programmes. She acts as an executive commissioning adviser to several Royal Colleges, Crohns and Colitis UK and the London Joint Working Group (Hepatitis C).</p> <p>She is an NHS 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 and is chair of AGE UK Torbay.</p>
<p>Jacqui Marshall – Non-Executive Director</p> <p>Appointed: April 2016</p> <p>Retired: April 2019</p>	<p>Jacqui Marshall joined the Foundation Trust as Non-Executive Director in April 2016 and retired in April 2019 having served one three year term. Jacqui is an experienced Human Resources and Organisational Development Director and has operated in large complex public service organisations. Jacqui was Deputy Registrar and HR Director at the University of Exeter until December 2018 and was appointed Director of People and Transformation at North Bristol Foundation Trust with effect from 1 April 2019. She also brought board experience as a Foundation Trustee of the Young Bristol charity and board level experience within Whitehall.</p> <p>She also led the people aspects of merger of the two large MOD organisations; Defence Logistics Organisation and Defence Procurement Agency.</p>
<p>Vikki Matthews – Non-Executive Director</p> <p>LLB (Hons) MBA FCIPD</p> <p>Appointed: December 2017</p>	<p>Vikki Matthews joined the Foundation 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 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 Foundation Trust based in Plymouth and is the Company Secretary for a small education charity in Brighton.</p>

<p>Paul Richards – Non-Executive Director</p> <p>Appointed: November 2017</p>	<p>Paul Richards joined the Board as 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 led 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>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>Robin Sutton – Non-Executive Director</p> <p>Appointed: May 2016</p> <p>Reappointed: Re-appointed May 2019</p>	<p>Robin Sutton joined the Foundation Trust as Non-Executive Director in May 2016. Robin is a chartered accountant with over thirty years of financial experience gained at executive and non-executive director level in both private and public enterprises. including several multi-national organisations, most notably Rolls-Royce PLC and Deloittes.</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 attended a Harvard University sponsored 'Innovating in Healthcare Program' focussing on smart phone applications in the field of dementia.</p>
<p>Sally Taylor – Non-Executive Director and Vice chair. Chair of the Audit Committee</p> <p>Appointed: January 2013 (South Devon Healthcare NHSFT)</p> <p>Reappointed: January 2016 and January 2019</p>	<p>Sally Taylor joined the Board of Southern Devon Healthcare NHS Foundation Trust as Non-Executive Director in January 2013 and was appointed to the Board of Torbay and South Devon NHS Foundation Trust when it was established in October 2015. Sally is currently in her second term of office with the Foundation Trust.</p> <p>Sally previously held a joint role, as Service Director for Palliative Care in the Plymouth area, and as Chief Executive of St Luke's Hospice, Plymouth from 1994 to 2016. 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 Foundation Trustee/ Treasurer/Chair 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 currently a Non-Executive Director of Pluss (a social enterprise supporting people with disabilities in to employment) and a facilitator for the Windsor Leadership Foundation Trust.</p>

<p>Jon Welch – Non-Executive Director</p> <p>Appointed: October 2015</p> <p>Reappointed: October 2018</p>	<p>Jon Welch joined the Board of Torbay and Southern Devon Health and Care NHS Foundation Trust as Non-Executive Director in 2006 and was appointed to the Board of Torbay and South Devon NHS Foundation Trust when it was established in October 2015. Jon is currently in his second term of office with the Foundation Trust. 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>Paul Cooper – Director of Finance</p> <p>BA (Hons) ACA</p> <p>Appointed: July 2010</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 Foundation Trusts and provider organisations, all within the South and West Devon area.</p> <p>Paul was appointed Finance Director of the newly established Torbay and South Devon NHS Foundation Trust in October 2015, having previously been Finance Director at Southern Devon Health and Care NHS Foundation Trust since 2010. Prior to that he was Finance Director at Plymouth Hospitals NHS Foundation Trust. As well as leading on all aspects of financial management, Paul has a wealth of experience in contracting, performance and information management. Paul is an active member of the Healthcare Financial Management Association.</p>
<p>Lesley Darke – Director of Estates and Commercial Development</p> <p>Appointed: July 2012</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 number of senior nursing and management posts in a variety of provider organisations and a health authority including as director of planning, deputy and interim chief operating officer and director of estates, facilities, and site services.</p> <p>Lesley has a master's degree in business administration and 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 '<i>champion of the patient environment</i>'.</p>

<p>Rob Dyer – Medical Director</p> <p>Appointed: December 2015</p>	<p>Prior to being appointed as Medical Director, Rob was a Consultant Physician and Endocrinologist. He trained in Birmingham and Newcastle and has been a consultant since 1994, firstly in Northumberland and Newcastle, and from 1998 at Torbay Hospital. His clinical specialisms are 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. Rob also has experience of management of acute medical admissions and sub-specialty endocrine and thyroid cancer management.</p> <p>He has held a range of appointments in educational roles through his career and is currently the Lead Medical Director for the Devon STP.</p>
<p>Judy Falcão – Director of Workforce and Organisational Development</p> <p>Dip MS, FCIPD, MSc HRM</p> <p>Appointed: August 2016</p>	<p>Judy joined the Foundation Trust in 2016, having previously been Director of Workforce and Organisational Development at Poole Hospital NHS Foundation Trust. She has over 15 years senior management experience in the NHS and has held several Executive Director level positions across the NHS including Acute and Mental Health providers, the Strategic Health Authority, and the Ambulance Service.</p> <p>Judy is responsible for workforce and organisational development which includes recruitment, payroll and pension services, workforce information, staff experience and engagement, health and well-being leadership, management development, talent management, employee relations and occupational health.</p>
<p>Jane Viner – Chief Nurse and Deputy Chief Executive</p> <p>MAEd, MSc, RN</p> <p>Appointed: July 2013</p>	<p>Jane joined the Foundation Trust in 2013 as Chief Nurse, having previously been Director of Nursing and Professional Practice at Torbay and Southern Devon Health and Care Foundation Trust. Jane qualified as a nurse in 1985 and spent her early career specialising in critical care and emergency medicine where she held a wide range of clinical, management and education positions. She has held various posts in the South West since 2001, including Nurse Consultant and Associate Director of Nursing at South Devon Healthcare Foundation Trust, Deputy Director of Nursing at Royal Devon & Exeter NHS Foundation Trust, as well as Director of Nursing and Professional Practice and Deputy Chief Executive.</p> <p>Jane's portfolio at the Torbay and South Devon NHS Foundation Trust includes leading on several objectives including quality, professional practice, patient experience, safeguarding, infection prevention and control and 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>Retired 31 March 2019</p>	<p>Ann Wagner joined the Foundation Trust in February 2016 to a new post of Director of Strategy and Improvement. Prior to Ann's retirement she led the Children and Families Health Devon Alliance bid for children and young people services through to its successful launch on 1 April 2019.</p> <p>Ann has over 20 years NHS experience having held a variety of Board level roles including most recently Director of Strategy and Business Development at Airedale NHS Foundation Trust where she led the successful Foundation Trust application and expanded the Foundation Trust's innovative Telemedicine service offer to become a national market leader and the basis of a successful Care Home Vanguard and End of Life Gold Line.</p> <p>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 (Interim): January 2018</p> <p>Appointed (Substantive) April 2019</p>	<p>John Harrison joined Torbay and South Devon NHS FT in February 2012. In January 2018, John was appointed Interim Chief Operating Officer from his previous role as Deputy Chief Operating Officer. He was appointed to the substantive position on 1 April 2018.</p> <p>Prior to joining the Foundation 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 over 20 years healthcare experience and was previously Director of Commissioning for Plymouth Primary Care Foundation 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 are available on request.

To obtain additional information available under the Freedom of Information Act, refer to our public website at www.torbayandsouthdevon.nhs.uk. 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 Foundation 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.

For further information contact the Foundation Trust office on 01803 655705 or email Foundation.Trust.tsdft@nhs.net

To tell us what you think

About this annual report or our forward plans, contact the Communications Office 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 on 01803 655705 or email Foundation.Trust.tsdft@nhs.net
- Patient Services Support Officer on 01803 654842
- League of Friends, on 01803 654520 or website 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 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: tsdft.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

Torbay and South Devon NHS Foundation Trust

Annual accounts for the year ended 31 March 2019

Foreword to the accounts

These accounts, for the year ended 31 March 2019, 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

A handwritten signature in black ink, appearing to read 'Liz Davenport', written over a horizontal dotted line.

Name Liz Davenport
Job title Chief Executive
Date 28 May 2019

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 (the "financial statements"):

- give a true and fair view of the state of the Group's and Trust's affairs as at 31 March 2019 and of the Group's income and expenditure and the Group's and Trust's cash flows for the year then ended; and
- have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2018/19.

We have audited the financial statements, included within the Annual Report and Accounts 2018/19 (the "Annual Report"), which comprise: the Group and Trust's Statement of Financial Position as at 31 March 2019; the 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.

Material uncertainty relating to going concern

Material uncertainty relating to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1.1.2 to the financial statements concerning the Group's and Trust's ability to continue as a going concern.

Financial plans negotiated across the Devon Sustainability Partnership footprint were agreed and submitted on 23 May 2019. The Board of Directors acknowledge that the Foundation Trust, with the benefit of additional income agreed through that process, is forecasting a £4.7m surplus for 2019/20. The forecast is based upon a number of assumptions including the delivery of cost improvement plans, the limited cash headroom within that plan, and that contracts will be signed in line with this agreement. In this context, the Board of Directors recognise the risk that the Foundation Trust might fail to deliver on its financial plan and require financial support from the Department of Health and Social Care during the course of 2019/20 in order to meet its liabilities and continue to provide healthcare services. The extent and nature of the financial support from the Department of Health and Social Care, including whether such support will be forthcoming or sufficient, is currently uncertain, as are any terms and conditions associated with the funding. The existence of such material uncertainty may cast doubt about the Trust's ability to continue as a going concern.

These conditions, along with the other matters explained in note 1.1.2 to the financial statements, indicate the existence of a material uncertainty, which may cast significant doubt about the Group's and Trust's ability to continue as a going concern. The financial statements do not include any adjustments that would result if the Group and Trust were unable to continue as a going concern.

Details of material uncertainty

The Department of Health and Social Care Group Accounting Manual 2018/19 requires that the financial statements should be prepared on a going concern basis unless management either intends to apply to the Secretary of State for the dissolution of a NHS Foundation Trust without the transfer of the services to another entity, or has no realistic alternative but to do so.

The Trust's current year surplus is £2.5 million, which was behind its originally planned control target.

The Trust is forecasting a surplus for 2019/20 and having sufficient cash balances during the year. This is contingent on the cost improvement plans being achieved, a working capital facility from the Department of Health and Social Care, which has not yet been confirmed, and having no adverse impact from unsigned income contracts.

Work we performed on going concern

In considering the financial performance of the Trust and the appropriateness of the going concern assumption in the preparation of the financial statements, we obtained the 2019/20 annual plan as well as the Trust's cash flow forecasts until the end of May 2020 and:

- examined the impact of cash flow sensitivities and assessed these against the Trust's ability to meet its liabilities as they fall due; and
- sensitised the assumptions behind the Trust's financial forecasts by comparing them to historical performance.

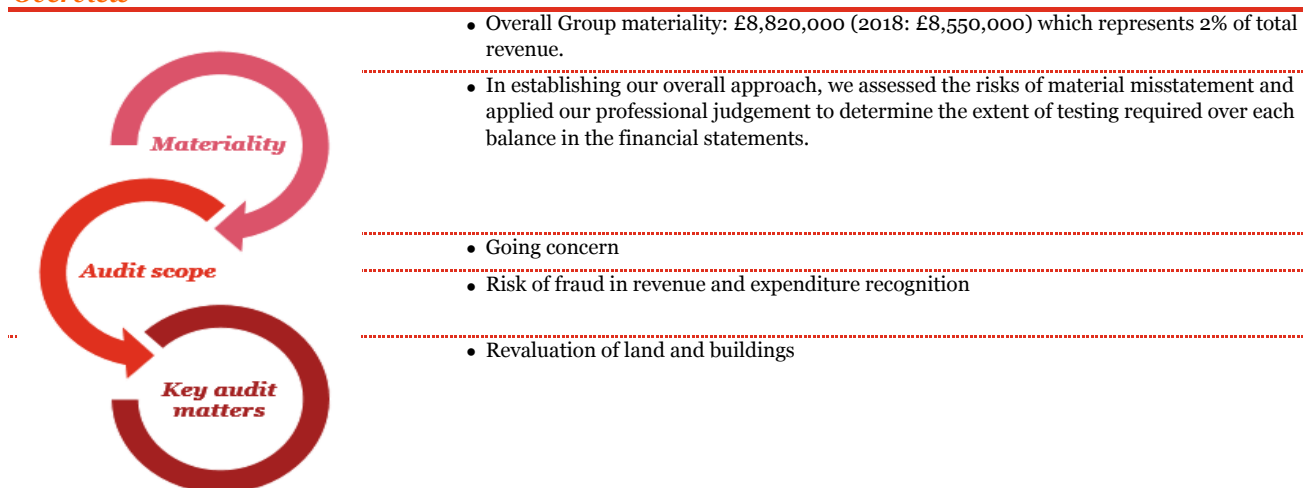
The Trust's forecasts suggest that further funding will be required for the Trust to meet its liabilities from quarter two of 2019/20. The Trust will negotiate additional loan funding in the last two quarters of 2019/20 to cover the financial requirements for the rest of the financial year. The Trust has stated it will begin these negotiations in the 2019/20 financial year (at least two months prior to the loan being required). The Trust will also assess the need for further funding for 2020/21 when negotiating its control total.

Our audit approach

Context

Our audit for the year ended 31 March 2019 was planned and executed having regard to the fact that the Group's 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 key audit matters was largely unchanged apart from one key audit matters that was new this year with regards to financial sustainability.

Overview



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. In addition to going concern, described in the 'Material uncertainty relating to going concern' section above, we determined the matters described below to be the key audit matters to be communicated in our report. This is not a complete list of all risks identified by our audit.

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 continues to deliver the benefits associated with the Integrated Care Organisation.

The Trust agreed a control of £1.725m surplus with NHS Improvement. The Trust was required to achieve their quarterly control total targets to receive Provider Sustainability 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 is that a 50% of variance against plan will be received by, or payable to the counterparties.

We determined the risks to be:

- the Trust being under increasing financial pressure. It has set a control total for the financial year, with STF revenue paid when certain financial and non-financial targets are met. Whilst the Trust is looking at ways to maximise revenue, there is an incentive for the Trust to recognise as much revenue as possible in 2018/19 to meet its control total;
- inappropriate recognition of revenue from 2019/20 to 2018/19 in order to improve the current year position;
- inappropriate recognition of revenue where the performance obligation has not occurred; and
- deferral of expenditure from 2018/19 to 2019/20, through an understatement of liabilities, or an overstatement of prepayments.

How our audit addressed the Key audit matter

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 2018/19, particularly with the implementation of IFRS15 Revenue from Contracts with Customers

We read the relevant parts of the risk share agreement against the outturn performance to ensure that no monies were owed by the Trust. We also agreed to agreements with the Clinical Commissioning Group that no monies were repayable as a result of the Trust's under-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.

We tested a sample of other revenue by tracing the transaction to invoices or other correspondence, and using our knowledge and experience in the sector, to determine whether the revenue was recognised in the correct period. Items of other revenue included private patient revenue, overseas patient revenue, education and training, and research and development.

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.

Furthermore, we performed testing on a sample basis, to agree payments made and invoices received after the year-end to supporting documentation and checking that, where they related to 2018/19 expenditure, an accrual was recognised appropriately.

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.

Our testing identified no issues that required further investigation

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 £189.3 million, represents the largest balance in the Trust's statement of financial position. The value of land is £7.7 million and of buildings is £145.3 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 during 2018/19 to complete a full valuation of the Trust's land and buildings.

We determined the areas of risk to be:

- assumptions made by the Directors, including the condition of the assets, any obsolescence, 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.

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 have evaluated the impact of depreciating the components over a different life and calculated the impact on depreciation. The difference is immaterial.

Our testing noted no material changes in carrying value.

Other than the matter noted in the 'Material Uncertainty relating to going concern' paragraph, we determined that there were no further key audit matters relating to the financial statements of the Group to communicate in our report.

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 Trust and 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.

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 app	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 £168,100 and £8,820,000. 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) (2018: £300,000) and £300,000 (Trust audit) (2018: £300,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

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 2018/19 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.

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 2019 is consistent with the financial statements and has been prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2018/19.

In light of the knowledge and understanding of the Group and the Trust and their 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 2018/19.

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 73, the directors are responsible for the preparation of the financial statements in accordance with the Department of Health and Social Care Group Accounting Manual 2018/19, 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 Group and 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.

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

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 2019.

We draw your attention to the Group's Financial Review and Annual Governance Statement on page 74 of the Annual Report, which includes further details on the matters noted below and the Trust's actions to address the issues.

Adverse opinion

As a result of the matters set out in the Basis for Adverse Opinion and Key Audit Matter section immediately below, we have concluded that the Trust has not put in place proper arrangements for securing economy, efficiency and effectiveness in the use of its resources for the year ended 31 March 2019.

Basis for Adverse Opinion and Key Audit Matter

We focused on this area in particular due to the deterioration in the Trust's financial position and the uncertainty over the Trust's ability to continue as a going concern. The Trust continues to experience increases in demand for services that are outstripping increases in funding and cost savings being achieved. The Department of Health and Social Care Group Accounting Manual 2018/19 requires that the financial statements should be prepared on a going concern basis unless management either intends to apply to the Secretary of State for the dissolution of a NHS Foundation Trust without the transfer of the services to another entity, or has no realistic alternative but to do so.

We note that:

- while the Trust is forecasting a surplus in 2019/20, the Trust has limited headroom with regards to cash;
- cost improvement plans have not all been developed for 2019/20; and
- the Trust's cash flow forecasts suggest that further funding will likely be required for the Trust to meet its liabilities in 2019/20

The extent, nature and availability of any financial support to meet funding requirements, which includes a working capital facility from the Department of Health and Social Care, has not yet been confirmed.

In considering the financial performance of the Trust and the appropriateness of the going concern assumption in the preparation of the financial statements, we obtained the 2019/20 annual plan and:

- examined the impact of cash flow sensitivities and assessed these against the Trust's ability to meet its liabilities as they fall due; and
- sensitised the assumptions behind the Trust's financial forecasts by comparing them to historical performance against plan

The Trust's forecasts suggest that further funding will be required for the Trust to meet its liabilities from quarter two of 2019/20. The Trust will likely negotiate additional loan funding in the last two quarters of 2019/20 to cover the financial requirements for the rest of the financial year. The Trust has stated it will begin these negotiations in the 2019/20 financial year (at least two months prior to the loan being required). The Trust will also assess the need for further funding for 2020/21 when negotiating its control total.

Other matters on which we report by exception

We are required to report to you if:

the statement given by the directors on page 67, 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 patients, regulators and other stakeholders to assess the Group and Trust's performance, business model and strategy is materially inconsistent with our knowledge of the Trust acquired in the course of performing our audit.

the section of the Annual report on page 29, 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 2018/19 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.

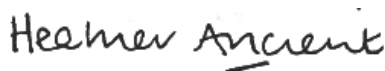
we have issued a report in the public interest under Schedule 10 (3) of the National Health Service Act 2006.

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
29-May-18

Statement of Comprehensive Income for the year ended 31 March 2019

		Group	
		Year Ended 2018/19	Year Ended 2017/18
	Note	£000	£000
Operating income from patient care activities	3	391,510	374,919
Other operating income	4	49,536	52,288
Operating expenses	5	(432,577)	(404,981)
Operating surplus from continuing operations		8,469	22,226
Finance income	10	102	41
Finance expenses	11	(3,419)	(3,365)
PDC dividends payable		(2,972)	(2,417)
Net finance costs		(6,289)	(5,741)
Other (losses) / gains	12	(12)	216
Corporation tax expense		(22)	(12)
Surplus for the year from continuing operations		2,146	16,689
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Revaluations	18	2,902	2,918
Total comprehensive income for the year		5,048	19,607
Surplus for the period attributable to:			
Torbay and South Devon NHS Foundation Trust		2,146	16,689
TOTAL		2,146	16,689
Total comprehensive income for the year attributable to:			
Torbay and South Devon NHS Foundation Trust		5,048	19,607
TOTAL		5,048	19,607

Statement of Financial Position as at 31 March 2019

	Notes	Group		Trust	
		31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000
Non-current assets					
Intangible assets	14	11,911	8,740	11,911	8,740
Property, plant and equipment	15 & 16	189,468	179,451	189,276	179,243
Investments in associates (and joint ventures)	19	35	35	35	35
Trade and other receivables	21	1,109	2,338	1,593	2,866
Total non-current assets		202,523	190,564	202,815	190,884
Current assets					
Inventories	20	9,456	8,264	8,856	7,738
Receivables	21	29,947	27,186	29,913	26,978
Non-current assets for sale and assets in disposal	22	613	655	613	655
Cash and cash equivalents	23	2,206	6,168	1,836	6,122
Total current assets		42,222	42,273	41,218	41,493
Current liabilities					
Trade and other payables	24	(34,707)	(32,322)	(34,423)	(32,175)
Borrowings	26	(8,325)	(7,797)	(8,325)	(7,797)
Provisions	28	(433)	(436)	(433)	(436)
Other liabilities	25	(835)	(835)	(835)	(835)
Total current liabilities		(44,300)	(41,390)	(44,016)	(41,243)
Total assets less current liabilities		200,445	191,447	200,017	191,134
Non-current liabilities					
Borrowings	26	(81,115)	(77,218)	(81,115)	(77,218)
Provisions	28	(4,400)	(4,287)	(4,400)	(4,287)
Total non-current liabilities		(85,515)	(81,505)	(85,515)	(81,505)
Total assets employed		114,930	109,942	114,502	109,629
Financed by					
Public dividend capital		64,509	62,826	64,509	62,826
Revaluation reserve		41,869	39,027	41,869	39,027
Income and expenditure reserve		8,552	8,089	8,124	7,776
Total taxpayers' equity		114,930	109,942	114,502	109,629

The notes on pages 114 to 163 form part of these accounts

Signed

Name
Position
Date



Liz Davenport
Chief Executive
28 May 2019

Statement of Changes in Equity for the year ended 31 March 2019

Group	Note	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2018 - brought forward		62,826	39,027	8,089	109,942
Impact of Implementing IFRS 9 on 1 April 2018	35.1	0	0	(109)	(109)
Impact of Implementing IFRS 15 on 1 April 2018	35.2	0	0	(1,634)	(1,634)
Surplus for the year		0	0	2,146	2,146
Revaluations		0	2,902	0	2,902
Transfer to retained earnings on disposal of assets		0	(60)	60	0
Public dividend capital received		1,683	0	0	1,683
Taxpayers' and others' equity at 31 March 2019		64,509	41,869	8,552	114,930

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
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 2019

Trust	Note	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2018 - brought forward		62,826	39,027	7,776	109,629
Impact of Implementing IFRS 9 on 1 April 2018	35.1	0	0	(109)	(109)
Impact of Implementing IFRS 15 on 1 April 2018	35.2	0	0	(1,634)	(1,634)
Surplus for the year		0	0	2,031	2,031
Revaluations		0	2,902	0	2,902
Transfer to retained earnings on disposal of assets		0	(60)	60	0
Public dividend capital received		1,683	0	0	1,683
Taxpayers' and others' equity at 31 March 2019		64,509	41,869	8,124	114,502

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
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

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.

Statement of Cash Flows for the year ended 31 March 2019

	Note	Group		Trust	
		Year ended 2018/19 £000	Year Ended 2017/18 £000	Year Ended 2018/19 £000	Year ended 2017/18 £000
Cash flows from operating activities					
Operating surplus		8,469	22,226	8,311	22,174
Non-cash income and expense:					
Depreciation and amortisation	5	9,200	8,367	9,184	8,367
Net impairments	6.1	(4,136)	(5,923)	(4,136)	(5,923)
Income recognised in respect of capital donations	4	(1,314)	(614)	(1,314)	(614)
Increase in receivables and other assets		(3,275)	(6,893)	(3,450)	(6,823)
Increase in inventories		(1,192)	(989)	(1,118)	(1,061)
Increase in payables and other liabilities		1,483	2,581	1,368	2,888
Increase in provisions		97	375	97	375
Tax paid		0	(29)	0	0
Net cash flows from / (used in) operating activities		9,332	19,101	8,942	19,383
Cash flows from investing activities					
Interest received		102	41	132	41
Sale of financial assets / investments		0	0	0	928
Purchase of intangible assets		(3,612)	(1,242)	(3,612)	(1,218)
Purchase of Property, Plant and Equipment		(8,907)	(6,532)	(8,907)	(6,348)
Sales of Property, Plant and Equipment		3	996	3	68
Receipt of cash donations to purchase assets		1,314	614	1,314	614
Net cash flows from / (used in) investing activities		(11,100)	(6,123)	(11,070)	(5,915)
Cash flows from financing activities					
Public dividend capital received		1,683	958	1,683	958
Movement on loans from DHSC		3,595	(6,172)	3,595	(6,172)
Other capital receipts *		0	0	36	30
Capital element of finance lease rental payments		(109)	(106)	(109)	(106)
Capital element of PFI obligations		(783)	(667)	(783)	(667)
Interest paid on finance lease liabilities		(33)	(13)	(33)	(13)
Interest paid on Private Finance Initiative Obligations		(1,798)	(1,766)	(1,798)	(1,766)
Other interest paid		(1,604)	(1,581)	(1,604)	(1,581)
PDC dividend paid		(3,145)	(2,099)	(3,145)	(2,099)
Cash flows used in other financing activities **		0	0	0	(100)
Net cash flows used in financing activities		(2,194)	(11,446)	(2,158)	(11,516)
Increase / (decrease) in cash and cash equivalents		(3,962)	1,532	(4,286)	1,952
Cash and cash equivalents at 1 April - b/f		6,168	4,636	6,122	4,170
Cash and cash equivalents at 31 March	23	2,206	6,168	1,836	6,122

* Other Capital Receipts totalling £36,000 (2017/18 £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 £0 (2017/18 £100,000) 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 2018/19 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to accounts.

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.

Financial plans negotiated across the Devon Sustainability Partnership footprint were agreed and submitted on 23 May 2019. The Board of Directors note that the Foundation Trust, with the benefit of additional income agreed through that process, is forecasting a £4.7m surplus for 2019/20. The forecast is based upon a number of assumptions including the delivery of cost improvement plans, the limited cash headroom within that plan, and that contracts will be signed in line with this agreement. In this context, the Board of Directors recognise the risk that the Foundation Trust might fail to deliver on its financial plan and require financial support from the Department of Health and Social Care during the course of 2019/20 in order to meet its liabilities and continue to provide healthcare services. The extent and nature of the financial support from the Department of Health and Social Care, including whether such support will be forthcoming or sufficient, is currently uncertain, as are any terms and conditions associated with the funding. The existence of such material uncertainty may cast doubt about the Trust's ability to continue as a going concern. The Trust will apply for cash support in line with current NHS Funding policy.

After making enquiries, the Board of Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts. The expectation is informed by the anticipated continuation of the provision of service in the future, as evidenced by inclusion of financial provision for that service in the published documents. Contracts for Service are due to be signed with the Trust's main commissioners in the near future. The accounts do not include any adjustments that would result if the Foundation Trust was unable to continue as a going concern.

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 adopted an additional (extended) remaining living model to apply to its Buildings and Dwelling Assets as provided by the District Valuer.

The adoption of this model has continued during 2018/19. Two potential asset lives were provided by the valuer during 2017-18. The Trust judged in 2017-18, and still concludes in 2018/19, 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 additional (extended) remaining lives of the specialised buildings. This has consequently reduced the depreciation charge in year. Depreciation has reduced by circa £2.4m in 2017/18 and circa £2.6m in 2018/19.

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

During 2018/19 the Trust commissioned the District Valuation Office to undertake a full revaluation of the Trust's Land, Buildings (excluding Dwellings) and Dwellings as at 31 March 2019. The review was primarily undertaken as the last full and entire physical inspection of the Trust's Land, Buildings (excluding Dwellings) and Dwellings was undertaken in 2014. The outcome of the review is described in notes 6 and 18 to these accounts. The Trust judges that the outcome of this exercise correctly reflects the depreciated replacement cost of its specialised Buildings excluding Dwellings and Dwellings assets and also reflects the market value for non specialised Buildings excluding Dwellings.

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 estimated 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 estimated 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 2019.

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 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, transactions and gains/losses are eliminated in full on consolidation.

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 has elected not to consolidate on the grounds of immateriality.

Note 1.3 Consolidation - continued

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

Note 1.5.1 Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS). As directed by the GAM, the transition to IFRS 15 in 2018/19 has been completed in accordance with paragraph C3 (b) of the Standard: applying the Standard retrospectively but recognising the cumulative effects at the date of initial application (1 April 2018).

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. A performance obligation relating to delivery of a spell of health care is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the commissioner, but the customer benefits as services are provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligns with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer. At the year end, the Trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete.

Revenue is recognised to the extent that collection of consideration is probable. Where contract challenges from commissioners are expected to be upheld, the Trust reflects this in the transaction price and derecognises the relevant portion of income.

Where the Trust is aware of a penalty based on contractual performance, the Trust reflects this in the transaction price for its recognition of revenue. Revenue is reduced by the value of the penalty.

The effect of re-admissions is built into the baseline contracts and is not adjusted in year and therefore is reflected in the contractual values stated.

The Trust agrees CQUIN schemes with Commissioners. The CQUIN schemes affect how care is provided to patients and are not distinct performance obligations in their own right, instead they form part of the transaction price for performance of obligations under the contract.

Note 1.5.1 Revenue from contracts with customers - continued

Revenue from research contracts

Revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract.

NHS injury cost recovery scheme

The Trust receives income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

Note 1.5.2 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 1.5.3 Other income

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.

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. Assets which are held for their service potential and are in use (i.e. operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost on a modern equivalent asset basis.

Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements of the services being provided.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees. Assets are revalued and depreciation commences when the assets are brought into use.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful lives or low values or both, as this is not considered to be materially different from current value in existing use.

Valuations of the Land and non specialised buildings and specialised buildings 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 2018/19 with a prospective valuation date of 31 March 2019. Full physical valuations take place every 5 years.

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.

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 expense.

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, the charges for services and lifecycle replacement of components of the asset. The element of the annual unitary payment increase due to cumulative indexation is treated as contingent rent and is expensed as incurred.

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	6	70
Dwellings	36	48
Plant & machinery	2	25
Transport equipment	3	7
Information technology	2	15
Furniture & fittings	2	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.

Note 1.9.1 Recognition - continued

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 or IFRS 5.

Intangible assets held for sale are measured at the lower of their carrying amount or "fair value less costs to sell".

Amortisation

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

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	13

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 Trust'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 arise where the Trust is party to the contractual provisions of a financial instrument, and as a result has a legal right to receive or a legal obligation to pay cash or another financial instrument. The GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by ONS.

This includes the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements and are recognised when, and to the extent which, performance occurs, i.e., when receipt or delivery of the goods or services is made.

Classification and measurement

Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through income and expenditure. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.

Note 1.13 Financial instruments and financial liabilities - continued

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

Financial assets are classified as subsequently measured at amortised cost,

Financial liabilities classified as subsequently measured at amortised cost.

Financial assets and financial liabilities at amortised cost

Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets, the Trust recognises an allowance for expected credit losses.

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

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 credit loss is made. A general provision for a credit loss for is applied to NHS Recovery Unit debts as advised by NHSI. The Trust also applies a general provision for expected credit losses against its Adult Social Care debtors. This general provision is based upon long standing historical experience of recovering these type of debts.

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

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

The initial application of IFRS9 is further considered in note 35.1.

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.

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 of 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, where held, 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 2018/19.

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

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.

IFRS 17 Insurance Contracts – Application required for accounting periods beginning on or after 1 January 2022, 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 as the Trust does not issue insurance contracts.

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 2.1 Operating Segments 2018/19

Nature of services provided	Reconciliation to Statement of Comprehensive Income									
	Community					Acute healthcare services			Other	
	£000	Adult Social Care	Placed People	Medical Services	Surgical Services	Diagnosics and	Corporate Services	Largely support services	Operating income	Non-operating items
Pay costs - as reported to Board *	(39,422)	(1,308)	(970)	(51,420)	(50,763)	(35,270)	(51,247)		0	0
Non Pay costs - as reported to Board	(9,900)	(50,052)	(35,380)	(27,729)	(22,089)	(9,791)	(38,172)		0	(193,113)
Financing Costs - depreciation and amortisation	0	0	0	0	0	0	(9,200)		0	(9,200)
Financing Costs - net impairment	0	0	0	0	0	0	4,136		0	4,136
Financing Costs - interest income	0	0	0	0	0	0	102		0	102
Financing Costs - interest expense	(1,798)	0	0	0	0	0	(1,621)		0	(3,419)
Financing Costs - PDC dividend expense	0	0	0	0	0	0	(2,972)		0	(2,972)
Financing Costs - net losses on disposal of assets	0	0	0	0	0	0	(12)		0	(12)
Financing Costs - corporation tax expense	0	0	0	0	0	0	(22)		0	(22)
Financing Costs - as reported to Board	(1,798)	0	0	0	0	0	(9,589)		0	(6,323)
Income - as reported to Board	3,040	11,020	660	98,560	73,243	45,893	208,630		391,510	49,536
Surpluses / (Deficits) for the year reported to Board	(48,080)	(40,340)	(35,690)	19,411	391	(3,168)	109,622		391,510	(432,577)
										(6,323)

* Pay costs exclude capitalised costs totalling £1,690k, as disclosed in Note 7 to the Accounts

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 2018/19 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.

Note 2.2 Operating Segments 2017/18

Nature of services provided	Women's, Children's, Diagnostics						Total	Operating income	Operating expenses	Non-operating items
	Adult Social Care			Placed People		Corporate Services Largely support services				
	Community	Medical Services	Surgical Services	Therapies	Therapies					
	£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)
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)
Financing Costs - depreciation and amortisation	0	0	0	0	0	0	(8,367)	(8,367)	0	(8,367)
Financing Costs - impairment	0	0	0	0	0	0	5,923	5,923	0	5,923
Financing Costs - interest income	0	0	0	0	0	0	41	41	0	41
Financing Costs - interest expense	(1,766)	0	0	0	0	0	(1,599)	(3,365)	0	(3,365)
Financing Costs - PDC dividend expense	0	0	0	0	0	0	(2,417)	(2,417)	0	(2,417)
Financing Costs - gains on disposal of assets	115	0	0	0	0	0	101	216	0	216
Financing Costs - corporation tax expense	0	0	0	0	0	0	(12)	(12)	0	(12)
Financing Costs - as reported to Board	(1,651)	0	0	0	0	0	(6,330)	(7,981)	0	(2,444)
Total reported to Board	(49,621)	(47,294)	(32,512)	(72,263)	(68,017)	(46,769)	(93,876)	(410,352)	0	(404,815)
Reconciliation to statutory accounts										
Operating expenditure recognised after Board reporting issued								(166)	0	(166)
Operating income from patient care activities								374,919	0	0
Other operating income								52,288	0	0
Surplus for the year								427,207	(404,981)	(5,537)

* Pay costs exclude capitalised costs totalling £880k, as disclosed in Note 7 to the Accounts

During 2017/18, Operating Income and Other Operating Income were not allocated to individual divisions for board reporting purposes.

Note 3 Operating income from patient care activities (Group)

Note 3.1 Income from patient care activities (by nature)

	2018/19 £000	2017/18 £000
Acute services		
Elective income	39,567	35,817
Non elective income	63,071	63,691
First outpatient income	27,541	26,022
Follow up outpatient income	25,752	24,279
A & E income	9,755	9,821
High cost drugs income from commissioners (excluding pass-through costs)	18,790	19,554
Other NHS clinical income	52,535	50,122
Community services		
Community services income from CCGs and NHS England	85,645	82,675
Income from other sources (e.g. local authorities)	63,824	61,274
All services		
Private patient income	1,084	942
AfC pay award central funding	3,322	0
Other clinical income	624	722
Total income from activities	391,510	374,919

Note 3.2 Income from patient care activities (by source)

	2018/19 £000	2017/18 £000
Income from patient care activities received from:		
NHS England	43,006	42,155
Clinical commissioning groups	278,502	269,084
Department of Health and Social Care	3,322	0
Other NHS providers	1,159	370
NHS other	349	2,471
Local authorities	53,733	50,716
Non-NHS: private patients	969	860
Non-NHS: overseas patients (chargeable to patient)	115	82
NHS injury scheme	497	704
Non NHS: other	9,858	8,477
Total income from activities	391,510	374,919
Of which:		
Related to continuing operations	391,510	374,919
Related to discontinued operations	0	0

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

	2018/19 £000	2017/18 £000
Income recognised this year	115	82
Cash payments received in-year	65	66
Amounts added to provision for impairment of receivables	0	0
Amounts written off in-year	18	12

Note 4 Other operating income (Group)

	2018/19 £000	2017/18 £000
Other Operating income from contracts with customers:		
Research and development (contract)	1,137	1,012
Education and training (excluding notional apprenticeship levy income)	8,313	8,123
Non-patient care services to other bodies	4,664	3,317
Sustainability and transformation fund income	5,487	10,294
Other income (recognised in accordance with IFRS15)	27,045	26,165
Other non-contract operating income:		
Education and training - notional income apprenticeship fund	462	166
Charitable and other contributions to expenditure	426	1,903
Receipt of capital grants and donations	1,314	614
Rental revenue from operating leases	688	694
Total other operating income	49,536	52,288
Of which:		
Related to continuing operations	49,536	52,288
Related to discontinued operations	0	0

Other income (recognised in accordance with IFRS 15) includes £19.5m of sales (2017/18 £18.3m) from the Trust's Pharmacy Manufacturing Unit. Other income (recognised in accordance with IFRS 15) also includes £1.7m (2017/18 £1.8m) from hosting the Audit South West - Internal Audit Counter Fraud and Consultancy Services

Note 4.1 Additional information on contract revenue (IFRS 15) recognised in the period (Group)

	2018/19 £000
Revenue recognised in the reporting period that was included within contract liabilities at the end of the previous period	835
Revenue recognised from performance obligations satisfied (or partially satisfied in previous periods)	0

Note 4.2 Transaction price allocated to remaining performance obligations (Group)

	31 March 2019 £000
Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:	
within one year	0
after one year, not later than five years	0
after five years	0
	0

Note 4.2 Transaction price allocated to remaining performance obligations (Group) - continued

IFRS 15 requires providers to disclose the remaining transaction price of partially completed contracts that will be recognised when performance obligations are met in future periods. In line with NHS Improvement's expectations the practical expedients have been applied, i.e. the disclosure excludes (i) contracts with a duration of one year or less and (ii) contracts where the provider recognises revenue from the right to consideration corresponding to work done to date.

Note 4.3 Income from activities arising from commissioner requested services (Group)

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

	2018/19	2017/18
	£000	£000
Income from services designated as commissioner requested services	386,480	373,255
Income from services not designated as commissioner requested services	5,030	1,664
Total	391,510	374,919

Note 4.4 Profits and losses on disposal of property, plant and equipment (Group)

During 2017/18 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 has had 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. No disposals of buildings or dwellings have taken place during 2018/19 although the Trust is actively marketing two properties for sale. In 2018/19 the Trust disposed of a number of other Property, Plant and Equipment items mostly Plant and Equipment items, the net loss of which was £12,000 (2017/18 Profit of £51,000)

Note 5 Operating expenses (Group)

	2018/19 £000	Restated * 2017/18 £000
Purchase of healthcare from NHS and DHSC bodies	2,123	649
Purchase of healthcare from non-NHS and non-DHSC bodies	37,752	32,934
Purchase of social care	51,165	47,783
Staff and executive directors costs	224,238	213,706
Remuneration of non-executive directors	176	161
Supplies and services - clinical (excluding drugs costs)	25,681	25,354
Supplies and services - general	4,663	4,606
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	32,163	31,116
Inventories written down	38	101
Consultancy costs	357	103
Establishment	2,678	2,488
Premises	15,204	13,631
Transport (including patient travel)	2,620	2,487
Depreciation on property, plant and equipment	8,261	7,538
Amortisation on intangible assets	939	829
Net impairments	(4,136)	(5,923)
Movement in credit loss allowance: contract receivables / contract assets	389	0
Movement in credit loss allowance: all other receivables and investments	0	300
Increase/(decrease) in other provisions	526	818
Change in provisions discount rate(s)	(74)	58
Audit fees payable to the external auditor		
audit services- statutory audit	61	84
other auditor remuneration (external auditor only)	0	0
Internal audit costs **	332	291
Clinical negligence	7,004	6,971
Legal fees	258	275
Insurance	111	100
Research and development ***	1,395	1,484
Education and training ****	10,692	9,653
Rentals under operating leases	1,404	1,521
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT) on IFRS basis	936	898
Grossing up consortium arrangements	1,449	1,364
Other	4,172	3,601
Total	432,577	404,981
Of which:		
Related to continuing operations	432,577	404,981
Related to discontinued operations	0	0

* **Restated data.** The categorisation of operating expenditure was reviewed during the year. This resulted in a number of minor categorisation changes, with 2017/18 comparatives restated accordingly. With respect to the category of 'Purchase of Social Care', which was introduced as a reporting category in 2017/18, the Trust concluded that a greater proportion of its care expenditure met the definition of healthcare and would be better classified as 'Purchase of Healthcare'. In respect of this issue, the 2017/18 comparative for Purchase of Social Care was reduced by £9,211k,

** **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.

*** **Research & Development costs** includes pay costs totalling £1,351k (2017/18 £1,438k)

**** **Education and Training costs** includes pay costs totalling £8,479k (2017/18 £7,754k)

Note 5.1 Limitation on auditor's liability (Group)

The limitation on auditor's liability for external audit work is £1m (2017/18: £1m).

Note 6 Net impairments (Group)

Note 6.1 Net Impairments total (Group)

	2018/19 £000	2017/18 £000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	(4,178)	(6,244)
Other	42	321
Total net impairments credited to operating surplus	(4,136)	(5,923)

2018/19 - The Trust commissioned the District Valuation Office in 2018/19 to perform a physical inspection of all of the Trust's properties to enable a full revaluation of the Trust's land, buildings and dwelling assets to be provided. 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 2019. 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.

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 assets. 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.

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

	2018/19 £000	2017/18 £000
Note 6.2 Changes to market price (Group)		
Revaluation of Trust's Buildings and Dwelling assets	(4,120)	(5,998)
Application of BCIS and local indexation to Specialised Building *	0	0
Revaluation of Land	(58)	(246)
	(4,178)	(6,244)

* - 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.

Note 6.3 Other

	2018/19 £000	2017/18 £000
Revaluation of surplus assets available for sale - Assets held for Sale	42	0
Revaluation of surplus assets available for sale - Buildings and Dwellings	0	352
Revaluation of surplus assets unavailable for sale - Buildings and Dwellings	0	(99)
Revaluation of surplus assets unavailable for sale - Land	0	(16)
Impairment of asset no longer available for use - Buildings	0	84
	<u>42</u>	<u>321</u>

** - A Modern Equivalent Asset (MEA) impairment review was not separately commissioned from the District Valuation Office during 2018/19 or 2017/18 for two principal reasons. The first being that the value of buildings and dwellings brought into use was not material in value £2,725k (2017/18 £2,143k) and secondly the Trust has instead commissioned a full revaluation of the Trust's Building and Dwelling assets as at 31st March 2019; (Desk top revaluation of the Trust's assets as at 31st March 2018).

The categorisation of the net impairment movement over 'Assets held for Sale' is shown in note 22. The categorisation of the net impairment in 2017/18 over Land, Buildings and Dwellings is shown in note 15.2 - Property, Plant and Equipment.

Note 7 Employee benefits (Group)

	2018/19 Total £000	2017/18 Total £000
Salaries and wages	186,076	179,252
Social security costs	16,913	16,196
Apprenticeship levy	911	873
Employer's contributions to NHS pensions	22,722	21,920
Pension cost - other	70	42
Temporary staff (including agency)	9,398	5,786
Total gross staff costs	<u>236,090</u>	<u>224,069</u>
Costs capitalised as part of assets	1,690	880

Note 7.1 Retirements due to ill-health (Group)

During 2018/19 there were no early retirements from the trust agreed on the grounds of ill-health (none in the year ended 31 March 2018). The estimated additional pension liabilities of these ill-health retirements is £0k (£0k in 2017/18).

The cost of these ill-health retirements would 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 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account 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 2016. The results of this valuation set the employer contribution rate payable from April 2019. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% of pensionable pay from this date.

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

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.

	2018/19 £000	2017/18 £000
Operating lease revenue		
Minimum lease receipts	688	694
Total	688	694
	31 March 2019 £000	31 March 2018 £000
Future minimum lease receipts due:		
- not later than one year;	703	688
- later than one year and not later than five years;	0	0
Total	703	688

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 2018/19 this income totalled £688,000 (2017/18 £688,000). The balance of operating lease income totalled £0k (2017/18 £6k) related 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.

	2018/19 £000	2017/18 £000
Operating lease expense		
Minimum lease payments	1,292	1,396
Contingent rents	112	125
Total	1,404	1,521
	31 March 2019 £000	31 March 2018 £000
Future minimum lease payments due:		
- not later than one year;	1,055	1,061
- later than one year and not later than five years;	1,744	2,298
- later than five years.	226	198
Total	3,025	3,557
Future minimum sublease payments to be received	0	0

Included in these commitments is £0.7m (2017/18 £1.0m) 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 £0.5m (2017/18 £0.6m) 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.

	2018/19 £000	2017/18 £000
Interest on bank accounts	102	41
Total	102	41

Note 11 Finance expenses (Group)

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

	2018/19 £000	2017/18 £000
Interest expense:		
Loans from the Department of Health and Social Care	1,585	1,582
Finance leases	23	13
Main finance costs on PFI schemes obligations	1,288	1,337
Contingent finance costs on PFI schemes obligations	510	429
Total interest expense	3,406	3,361
Unwinding of discount on provisions	13	4
Total finance costs	3,419	3,365

Note 12 Other gains / (losses) (Group)

	2018/19 £000	2017/18 £000
Gains on disposal of assets	3	219
Losses on disposal of assets	(15)	(3)
Total (losses) / gains on disposal of assets	(12)	216

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 £2,031k (2017/18 surplus of £16,649k). The trust's total comprehensive income for the period was £4,933k (2017/18: Income of £19,567k).

Note 14.1 Intangible assets - 2018/19

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 2018 - brought forward	11,608	873	0	3,115	15,596
Additions	890	0	0	3,149	4,039
Reclassifications	1,248	264	0	(1,441)	71
Disposals / derecognition	(70)	0	0	0	(70)
Valuation / gross cost at 31 March 2019	13,676	1,137	0	4,823	19,636
Accumulated Amortisation at 1 April 2018 - brought forward	6,856	0	0	0	6,856
Provided during the year	939	0	0	0	939
Disposals / derecognition	(70)	0	0	0	(70)
Accumulated Amortisation at 31 March 2019	7,725	0	0	0	7,725
Net book value at 31 March 2019	5,951	1,137	0	4,823	11,911
Net book value at 31 March 2018	4,752	873	0	3,115	8,740

Note 14.2 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 - as previously stated	10,240	472	0	3,786	14,498
Additions	185	0	0	1,033	1,218
Reclassifications	1,183	401	0	(1,704)	(120)
Disposals / derecognition	0	0	0	0	0
Valuation / gross cost at 31 March 2018	11,608	873	0	3,115	15,596
Accumulated Amortisation at 1 April 2017 - as previously stated	6,027	0	0	0	6,027
Provided during the year	829	0	0	0	829
Disposals / derecognition	0	0	0	0	0
Accumulated 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

Torbay and South Devon NHS Foundation Trust

Note 15 Property, plant and equipment - Group

Note 15.1 Property, plant and equipment - 2018/19

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 2018 - brought forward	7,505	139,831	4,026	3,433	55,409	1,426	19,826	4,758	236,214
Additions	0	1,492	1	6,588	2,274	0	905	24	11,284
Impairments	0	(1,136)	0	0	0	0	0	0	(1,136)
Reversals of impairments	58	5,254	2	0	0	0	0	0	5,314
Revaluations	145	(1,330)	163	0	0	0	0	0	(1,022)
Reclassifications	0	1,196	36	(2,354)	865	23	151	12	(71)
Disposals / derecognition	0	0	0	0	(1,622)	(18)	(43)	0	(1,683)
Valuation/gross cost at 31 March 2019	7,708	145,307	4,228	7,667	56,926	1,431	20,839	4,794	248,900
Accumulated depreciation at 1 April 2018 - brought forward	0	6	0	0	34,859	626	16,784	4,488	56,763
Provided during the year	0	3,841	97	0	3,329	155	742	97	8,261
Revaluations	0	(3,827)	(97)	0	0	0	0	0	(3,924)
Disposals / derecognition	0	0	0	0	(1,608)	(18)	(42)	0	(1,668)
Accumulated depreciation at 31 March 2019	0	20	0	0	36,580	763	17,484	4,585	59,432
Net book value at 31 March 2019	7,708	145,287	4,228	7,667	20,346	668	3,355	209	189,468
Net book value at 31 March 2018	7,505	139,825	4,026	3,433	20,550	800	3,042	270	179,451

Note 15 Property, plant and equipment - Group

Note 15.2 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 - as previously stated	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 / derecognition	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 - as previously stated

Provided during the year	0	13,658	589	0	33,174	613	16,133	4,360	68,527
Revaluations	0	3,571	86	0	3,006	81	666	128	7,538
Transfers to/ from assets held for sale	0	(17,165)	(675)	0	0	0	0	0	(17,840)
Disposals / derecognition	0	(40)	0	0	0	0	0	0	(40)
Accumulated depreciation at 31 March 2018	0	(18)	0	0	(1,321)	(68)	(15)	0	(1,422)
	0	6	0	0	34,859	626	16,784	4,488	56,763

Net book value at 31 March 2018

Net book value at 31 March 2018	7,505	139,825	4,026	3,433	20,550	800	3,042	270	179,451
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Net book value at 31 March 2017

Net book value at 31 March 2017	7,615	133,968	3,701	3,728	20,350	187	3,367	346	173,262
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Note 15.3 Property, plant and equipment financing - 2018/19

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 2019									
Owned - purchased	7,708	124,970	4,228	6,166	17,118	105	3,258	181	163,734
Finance leased	0	0	0	1,501	0	563	0	0	2,064
On-SoFP PFI contracts and other service concession arrangements	0	14,772	0	0	0	0	0	0	14,772
Owned - government granted	0	0	0	0	9	0	0	0	9
Owned - donated	0	5,545	0	0	3,219	0	97	28	8,889
NBV total at 31 March 2019	7,708	145,287	4,228	7,667	20,346	668	3,355	209	189,468

Note 15.4 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 16.1 Property, plant and equipment - 2018/19

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 2018 - brought forward	7,505	139,831	4,026	3,225	55,409	1,426	19,826	4,758	236,006
Additions	0	1,492	1	6,588	2,274	0	905	24	11,284
Impairments	0	(1,136)	0	0	0	0	0	0	(1,136)
Reversals of impairments	58	5,254	2	0	0	0	0	0	5,314
Revaluations	145	(1,330)	163	0	0	0	0	0	(1,022)
Reclassifications	0	1,196	36	(2,146)	657	23	151	12	(71)
Disposals / derecognition	0	0	0	0	(1,622)	(18)	(43)	0	(1,683)
Valuation/gross cost at 31 March 2019	7,708	145,307	4,228	7,667	56,718	1,431	20,839	4,794	248,692

Accumulated depreciation at 1 April 2018 - brought forward

Provided during the year	0	6	0	0	34,859	626	16,784	4,488	56,763
Revaluations	0	3,841	97	0	3,313	155	742	97	8,245
Disposals / derecognition	0	(3,827)	(97)	0	0	0	0	0	(3,924)
Accumulated depreciation at 31 March 2019	0	0	0	0	(1,608)	(18)	(42)	0	(1,668)
	0	20	0	0	36,564	763	17,484	4,585	59,416

Net book value at 31 March 2019

Net book value at 31 March 2019	7,708	145,287	4,228	7,667	20,154	668	3,355	209	189,276
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Net book value at 31 March 2018

Net book value at 31 March 2018	7,505	139,825	4,026	3,225	20,550	800	3,042	270	179,243
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Note 16 Property, plant and equipment - Trust

Note 16.2 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 - as previously stated	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 / derecognition	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 - as previously stated	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 / derecognition	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 16.3 Property, plant and equipment financing - 2018/19

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 2019									
Owned - purchased	7,708	124,970	4,228	6,166	16,926	105	3,258	181	163,542
Finance leased	0	0	0	1,501	0	563	0	0	2,064
On-SoFP PFI contracts and other service concession arrangements	0	14,772	0	0	0	0	0	0	14,772
Owned - government granted	0	0	0	0	9	0	0	0	9
Owned - donated	0	5,545	0	0	3,219	0	97	28	8,889
NBV total at 31 March 2019	7,708	145,287	4,228	7,667	20,154	668	3,355	209	189,276

Note 16.4 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 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 2018/19 £1,314,000, (2017/18 total of £614,000). 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 £8,000 (2017/18 £21,000); Assets under construction £0 (2017/18 £182,000) and Plant Machinery £1,306,000 (2017/18 £411,000).

Note 18 Revaluations of property, plant and equipment and intangibles

As described in note 6 to the Accounts 'Impairment of Assets', the Trust commissioned the District Valuation Office to undertake a full revaluation during the course of 2018/19, 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 2019. 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 £7,080k. Of this increase £4,178k has been credited to operating expenditure and the balance of £2,902k 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 2019

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 £115,000 post tax profit in the year ending 31st March 2019 (2017/18 £40,000). Its gross and net assets at 31st March 2019 were £1,849,000 (2017/18 £1,570,000) and £428,000 (2017/18 £313,000) 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	
	31 March	31 March
	2019	2018
	£000	£000
Carrying value at 1 April - brought forward	<u>35</u>	<u>35</u>
Carrying value at 31 March	<u><u>35</u></u>	<u><u>35</u></u>

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	
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	£000	£000	£000	£000
Drugs	1,991	1,705	1,391	1,179
Consumables	3,000	2,726	3,000	2,726
Energy	35	60	35	60
Other	<u>4,430</u>	<u>3,773</u>	<u>4,430</u>	<u>3,773</u>
Total inventories	<u><u>9,456</u></u>	<u><u>8,264</u></u>	<u><u>8,856</u></u>	<u><u>7,738</u></u>
of which:				
Held at fair value less costs to sell	0	0	0	0

Inventories recognised in expenses for the year were £41,826k (2017/18: £40,633k). Write-down of inventories recognised as expenses for the year were £38k (2017/18: £101k).

Note 21 Trade and other receivables

Note 21.1 Trade and other receivables total

	Group		Trust	
	31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000
Current				
Contract receivables (IFRS15) : invoiced * & **	13,671	0	13,671	0
Contract receivables (IFRS 15) : not yet invoiced / non-invoiced * & ***	11,992	0	12,032	0
Trade receivables *	0	5,988	0	5,988
Accrued income *	0	11,643	0	11,614
Allowance for impaired contract receivables / assets *	(1,268)	0	(1,268)	0
Allowance for impaired other receivables *	0	(934)		(934)
Prepayments (non-PFI)	4,452	4,064	4,452	4,064
VAT receivable	507	509	433	346
Other receivables ****	593	5,916	593	5,900
Total current trade and other receivables	29,947	27,186	29,913	26,978
Non-current				
Contract receivables (IFRS 15) : not yet invoiced / non-invoiced * & ***	606	0	606	0
Finance lease receivables	503	504	503	504
Other receivables ****	0	1,834	484	2,362
Total non-current trade and other receivables	1,109	2,338	1,593	2,866
Of which receivables from NHS and DHSC group bodies:				
Current	14,233	13,458	14,233	13,458
Non-current	244	245	244	245

* **Adoption of IFRS15** - Following the application of IFRS15 from 1 April 2018, the Trust's entitlement to consideration for work performed under contracts with customers are shown separately as contract receivables. This replaces the previous analysis into trade receivables and accrued income. IFRS15 is applied without restatement therefore the comparative analysis of receivables has not been restated under IFRS15.

** **Contract receivables (IFRS15) : invoiced** . includes Adult Social Care Debt of £4,089,000 (2017/18 £0).

*** **Contract receivables (IFRS15) : not yet invoiced / non invoiced** . includes NHS Injury Unit receivables £1,256,000 (2017/18 £0)

**** **Other receivables**. Other receivables includes NHS Injury Unit receivables £0 (2017/18 £2,835,000) and Adult Social Care Debt of £0 (2017/18 £3,644,000).

Note 21 Trade receivables and other receivables

Note 21.2 Allowance for credit losses - 2018/19

		Group and Trust		
	Notes	Contract receivables and contract assets £000	All other receivables £000	Total £000
Allowances as at 1 April 2018		0	934	934
Impact of implementing IFRS9 (and IFRS 15) on 1 April 2018 *	35.1 & 35.2	1,043	(934)	109
New allowances arising		416	0	416
Reversals of allowances		(27)	0	(27)
Utilisation of allowances (write offs)		(164)	0	(164)
Allowance at 31 March 2019		1,268	0	1,268
Loss recognised in expenditure		389	0	389

* IFRS 9 and IFRS 15 are adopted without restatement therefore this analysis is prepared in line with the requirements of IFRS 7 prior to IFRS 9 adoption. As a result it differs in format to the current period disclosure.

Note 21.3 Allowance for credit losses - 2017/18

	Group and Trust £000
Allowances as at 1 April 2018	907
Increase in Provision	300
Amounts utilised	(273)
Allowance at 31 March 2019	934

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 expected credit losses is applied to NHS Recovery Unit debts as advised by NHSI. The Trust also applies a general provision for expected credit losses 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 and Trust	
	2018/19	2017/18
	£000	£000
NBV of non-current assets for sale and assets in disposal groups at 1 April	655	163
Assets classified as available for sale in the year	0	1,255
Assets sold in year	0	(763)
Impairment of assets held for sale	(42)	0
NBV of non-current assets for sale and assets in disposal groups at 31 March	613	655

During the course of the 2017/18 two 'Available for Sale Assets' were disposed of. A further two assets are classified as available for sale as at 31 March 2018 and 31st March 2019. Both of these properties are vacant and are being marketed as for sale. 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	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
At 1 April	6,168	4,636	6,122	4,170
Net change in year	(3,962)	1,532	(4,286)	1,952
At 31 March	2,206	6,168	1,836	6,122
Broken down into:				
Cash at commercial banks and in hand	422	98	52	52
Cash with the Government Banking Service	1,784	6,070	1,784	6,070
Total cash and cash equivalents as in SoFP and SoCF	2,206	6,168	1,836	6,122

The Trust has a committed Working Capital Loan Facility at £11.0m in place with the Independent Trust Financing Facility. As at 31 March 2019, the Trust had used £10.5m of this facility (31 March 2018 £0)

Note 24 Trade and other payables

	Group		Trust	
	31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000
Current				
Trade payables	7,685	7,975	7,685	7,975
Capital payables	2,660	1,357	2,660	1,357
Accruals	11,764	10,352	11,704	10,273
Receipts in advance (including payments on account)	2,554	3,057	2,554	3,057
Social security costs	4,886	4,395	4,886	4,395
Other taxes payable	32	10	0	0
PDC dividend payable	46	219	46	219
Accrued interest on loans *	0	250	0	250
Other payables	5,080	4,707	4,888	4,649
Total current trade and other payables	34,707	32,322	34,423	32,175
Of which payables to NHS and DHSC group bodies:				
Current	4,968	2,332	4,968	2,332

* Following adoption of IFRS 9 on 1 April 2018, loans are measured at amortised cost. Any accrued interest is now included in the carrying value of the loan within note 26. IFRS9 is applied without restatement therefore comparatives have not been restated.

** Other Payables includes £3,175,000 (2017/18 £2,991,000) outstanding pension contributions as at 31 March.

Note 25 Other liabilities

	Group and Trust	
	31 March 2019 £000	31 March 2018 £000
Current		
Deferred income : contract liabilities	835	835
Total other current liabilities	835	835

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

Note 26 Borrowings

	Note	Group and Trust	
		2019 £000	2018 £000
Current			
Loans from DHSC	26.1	7,136	6,905
Obligations under finance leases	27.2	295	110
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	33.1	894	782
Total current borrowings		8,325	7,797
Non-current			
Loans from DHSC	26.1	60,736	57,141
Obligations under finance leases	27.2	1,760	563
Obligations under PFI, LIFT or other service concession contracts	33.1	18,619	19,514
Total non-current borrowings		81,115	77,218

Note 26 Borrowings

Note 26.1 Loans from DHSC

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

Group and Trust									
	Total principal and interest outstanding at 31 March 2019 £000	Interest Rate %	Interest outstanding at 31st March 2019 and repayable within one year £000	Annual loan principal repayment value £000	Total current liability as at 31st March 2019 £000	Loan principal repayments due after more than one year at 31 March 2019 £000	Duration of Loan Years	Date of final loan repayment £000	Total principal outstanding at 31 March 2018 £000
Loans for Capital Developments									
Backlog Maintenance 2011/12	6,553	3.41%	63	540	603	5,950	20	Dec 2030	7,031
Backlog Maintenance 2012/13	6,870	1.90%	4	527	531	6,339	20	Mar 2032	7,393
Pharmacy Manufacturing Freehold	5,966	2.99%	7	411	418	5,548	20	Sep 2033	6,370
Pharmacy Manufacturing Fit-out	6,620	3.14%	9	1,887	1,896	4,724	12	Sep 2022	8,498
Critical Care Unit and Hospital Front Entrance	11,383	2.34%	96	706	802	10,581	20	Nov 2034	11,994
Linear Accelerator Bunker and associated enabling works	3,032	2.34%	26	188	214	2,818	20	Nov 2034	3,194
Replacement Linear Accelerator	1,998	1.66%	12	331	343	1,655	10	Feb 2024	2,317
Car Parking Facilities	1,293	1.66%	8	214	222	1,071	10	Nov 2024	1,499
Sub-total: Capital loans	43,715		225	4,804	5,029	38,686			48,296
Other Loans									
Working Capital Facility	13,657	1.47%	7	2,100	2,107	11,550	10	Sep 2025	15,750
Revolving Working Capital Facility *	10,500	3.50%	0	0	0	10,500	5	Sep 2020	0
Sub-total: Other loans	24,157		7	2,100	2,107	22,050			15,750
Total	67,872		232	6,904	7,136	60,736			64,046

of which payable within: -

- not later than one year;
- later than one year and not later than five years;
- later than five years.

* The Revolving Working Capital Facility was granted to the Trust by the Independent Trust Financing Facility during 2015 as part of the acquisition process of Torbay and Southern Devon Health and Social Care NHS Trust. It was accessed by the Trust for the first time during 2018/19. Total funds drawdown in year within this facility total £10.5m. The loan becomes repayable in full in September 2020. There were no other loan drawdowns from DHSC within 2018/19. Loan repayments and interest payments on DHSC debt were paid on their due dates.

Note 27 Finance leases

Note 27.1 Finance Lease as a lessor

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

	Group and Trust	
	31 March 2019 £000	31 March 2018 £000
Gross lease receivables	2,896	2,956
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.	2,599	2,659
Unearned interest income	(2,393)	(2,452)
Net lease receivables	503	504
of which those receivable:		
- not later than one year;	0	0
- later than one year and not later than five years;	2	2
- later than five years.	501	502
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 South Devon College which expires in 2063.

Note 27.2 Finance Lease as a lessee

Obligations under finance leases where the trust is the lessee.

	Group and Trust	
	31 March 2019 £000	31 March 2018 £000
Gross lease liabilities	2,307	732
of which liabilities are due:		
- not later than one year;	375	131
- later than one year and not later than five years;	1,445	494
- later than five years.	487	107
Finance charges allocated to future periods	(252)	(59)
Net lease liabilities	2,055	673
of which payable:		
- not later than one year;	295	110
- later than one year and not later than five years;	1,289	456
- later than five years.	471	107
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) and medical equipment.

Note 28 Provisions

Group and Trust	Group and Trust			
	Pensions : early departure costs £000	Pensions : Injury benefits £000	Legal claims £000	Total £000
At 1 April 2018	1,151	3,373	199	4,723
Change in the discount rate	(9)	(65)	0	(74)
Arising during the year	70	442	126	638
Utilised during the year	(114)	(200)	(101)	(415)
Reversed unused	(10)	(3)	(39)	(52)
Unwinding of discount	3	10	0	13
At 31 March 2019	1,091	3,557	185	4,833
Expected timing of cash flows:				
- not later than one year;	85	163	185	433
- later than one year and not later than five years;	452	752	0	1,204
- later than five years.	554	2,642	0	3,196
- Sub-total; more than one year	1,006	3,394	0	4,400
Total	1,091	3,557	185	4,833

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 principal 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 2019, £70,908k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Torbay and South Devon NHS Foundation Trust (31 March 2018: £64,369k).

Note 30 Contingent assets and (liabilities)

	Group and Trust	
	31 March 2019	31 March 2018
	£000	£000
Value of contingent (liabilities)		
NHS Resolution legal claims	(86)	(84)
Other	(1,838)	(2,061)
Gross value of contingent (liabilities)	(1,924)	(2,145)
Amounts recoverable against liabilities	0	0
Net value of contingent (liabilities)	(1,924)	(2,145)
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 £86,000 (2017/18 £84,000)

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 2019 the potential liability would be £1.8m (2017/18 £2.1m). 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 2019	31 March 2018
	£000	£000
Property, plant and equipment	2,498	59
Intangible assets	38	174
Total	2,536	233

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 2019	31 March 2018	31 March 2019	31 March 2018
	£000	£000	£000	£000
not later than 1 year	2,265	2,989	2,219	2,944
after 1 year and not later than 5 years	0	0	0	0
paid thereafter	0	0	0	0
Total	2,265	2,989	2,219	2,944

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 £603,000 at 31st March 2019 (31st March 2017 £478,000)

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 2018-19 that the Trust operated the scheme the unitary payment was £1,024,000 (2017-18 £969,000)

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 2018-19 the unitary payment was £2,773,000 (2017-18 £2,703,000). Newton Abbot Hospital has a value of £14,169,000 at 31st March 2019 (31st March 2018 £14,676,000).

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 2018
	31 March 2019			
	Dawlish £000	Newton Abbot £000	Total £000	Total £000
Gross PFI, LIFT or other service concession liabilities	3,462	28,713	32,175	34,245
Of which liabilities are due				
- not later than one year;	615	1,508	2,123	2,070
- later than one year and not later than five years;	2,740	6,014	8,754	8,708
- later than five years.	107	21,191	21,298	23,467
Finance charges allocated to future periods	(937)	(11,725)	(12,662)	(13,949)
Net PFI, LIFT or other service concession arrangement obligation	2,525	16,988	19,513	20,296
- not later than one year;	338	556	894	782
- later than one year and not later than five years;	2,090	2,518	4,608	4,226
- later than five years.	97	13,914	14,011	15,288

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 2018
	31 March 2019			
	Dawlish £000	Newton Abbot £000	Total £000	Total £000
Total future payments committed in respect of the PFI service concession arrangements	6,028	71,306	77,334	81,237
Of which liabilities are due:				
- not later than one year;	1,080	2,842	3,922	3,804
- later than one year and not later than five years;	4,718	12,097	16,815	16,446
- later than five years.	230	56,367	56,597	60,987

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 2018
	31 March 2019			
	Dawlish £000	Newton Abbot £000	Total £000	Total £000
Unitary payment payable to service concession operator	1,024	2,773	3,797	3,672
Consisting of:				
- Interest charge	307	981	1,288	1,337
- Repayment of finance lease liability	270	513	783	667
- Service element and other charges to operating expenditure	364	300	664	636
- Capital lifecycle maintenance	0	280	280	341
- Revenue lifecycle maintenance	83	189	272	262
- Contingent rent	0	510	510	429
- 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	1,024	2,773	3,797	3,672

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 IFRS 7 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

IFRS 9 Financial Instruments is applied retrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

	Group		Trust	
	31 March 2019		31 March 2019	
	Held at	Total book	Held at	Total book
	amortised	value	amortised	value
	cost	£000	cost	£000
Carrying value of financial assets as at 31 March 2019 under IFRS 9				
Receivables (excluding non financial assets)	25,571	25,571	26,095	26,095
Other investments / financial assets	648	648	648	648
Cash and cash equivalents	2,206	2,206	1,836	1,836
Total	28,425	28,425	28,579	28,579

Restated *

	Group		Trust	
	31 March 2018		31 March 2018	
	Loans and	Total book	Loans and	Total book
	receivables	value	receivables	value
	£000	£000	£000	£000
Carrying value of financial assets as at 31 March 2018 under IAS 39				
Trade and other receivables excluding non financial assets	23,117	23,117	23,600	23,600
Other investments / financial assets	35	690	35	690
Cash and cash equivalents	6,168	6,168	6,122	6,122
Total	29,320	29,975	29,757	30,412

* Restated - The Trust incorrectly included NHS Recovery Unit receivables within the Carrying Value of financial assets as at 31st March 2018, the impact of which was to overstate financial assets by £1,834k within the financial instruments note. There is no impact upon the Trust's SOFP as a consequence of this error.

Note 34.3 Carrying values of financial liabilities

	Group		Trust	
	Held at amortised cost		Held at amortised cost	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£000	£000	£000	£000
Other financial liabilities				
Liabilities as per SoFP				
Loans from the Department of Health and Social Care		64,046	67,872	64,046
Obligations under finance leases	67,872	673	2,055	673
Obligations under PFI, LIFT and other service concession contracts	2,055	20,296	19,513	20,296
Trade and other payables excluding non financial liabilities	19,513	21,650	23,730	21,513
Provisions under contract	24,014	199	185	199
Total	113,639	106,864	113,355	106,727

Note 34.4 Maturity of financial liabilities

	Group		Trust	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£000	£000	£000	£000
In one year or less	32,524	29,646	32,240	29,175
In more than one year but not more than two years	18,577	7,913	18,577	7,913
In more than two years but not more than five years	22,615	24,389	22,615	24,389
In more than five years	39,923	44,916	39,923	44,916
Total	113,639	106,864	113,355	106,393

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 35.1 Initial Application of IFRS 9

IFRS 9 Financial Instruments as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to reserves on 1 April 2018.

IFRS 9 replaces IAS 39 and introduces a revised approach to classification and measurement of financial assets and financial liabilities, a new forward-looking 'expected loss' impairment model and a revised approach to hedge accounting.

Under IFRS 9, borrowings from the Department of Health and Social Care, which were previously held at historic cost, are measured on an amortised cost basis. Consequently, on 1 April 2018 borrowings increased by £250k, and trade payables correspondingly reduced.

Reassessment of allowances for credit losses under the expected loss model resulted in a £109k decrease in the carrying value of receivables. This was undertaken with regards to a provision matrix.

The GAM expands the definition of a contract in the context of financial instruments to include legislation and regulations, except where this gives rise to a tax. Implementation of this adaptation on 1 April 2018 has led to the classification of receivables relating to Injury Cost Recovery as a financial asset measured at amortised cost. The carrying value of these receivables at 1 April 2018 was £1,834k.

Note 35.2 Initial Application of IFRS 15

IFRS 15 Revenue from Contracts with Customers as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to the income and expenditure reserve on 1 April 2018.

IFRS 15 introduces a new model for the recognition of revenue from contracts with customers replacing the previous standards IAS 11, IAS 18 and related Interpretations. The core principle of IFRS 15 is that an entity recognises revenue when it satisfies performance obligations through the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services.

The Trust has performed a reassessment of its income recognition as at 1 April 2018 and has identified two instances where income had been recognised but the performance obligations were not met. The sum of these two contracts total £2,088k. Another Income contract totalling £454k had not been accounted for in 2017-18 but the performance obligations had been met at 31st March 2018. A net reduction of £1,634k to the carrying values of receivables has been applied.

Note 36 Losses and special payments

Group and trust	2018/19		2017/18	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Cash losses	3	1	4	3
Bad debts and claims abandoned	170	260	160	350
Stores losses and damage to property	0	0	1	0
Total losses	173	261	165	353
Special payments				
Compensation under court order or legally binding arbitration award	0	0	1	6
Ex-gratia payments	17	8	18	8
Total special payments	17	8	19	14
Total losses and special payments	190	269	184	367
Compensation payments received		0		0

Note 37 Related parties

Torbay and South Devon NHS Foundation Trust is a body corporate established by order of the Secretary of State for Health. The Foundation 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

Note 37.1 Related parties - Senior Management

During 2018/19 and 2017/18 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	
	2018/19 £000	2017/18 £000	31 March 2019 £000	31 March 2018 £000
Ashburton Surgery	0	1	0	0
Devon Studio School	10	17	260	260
Office of Police & Crime Commissioner	3	2	1	0
South Devon College	66	65	11	0
The Pluss Organisation C.I.C.	0	0	0	0
University of Exeter	69	85	0	35
	148	170	272	295

	Expenditure		Payables	
	2018/19 £000	2017/18 £000	31 March 2019 £000	31 March 2018 £000
Age UK Torbay	97	115	0	18
Ashburton Surgery	1	12	0	0
Ogwell Grange Ltd	5	7	0	1
South Devon College	24	0	0	0
The Pluss Organisation C.I.C.	0	8	0	0
University of Exeter	65	80	20	2
	192	222	20	21

Note 37 Related parties continued

Note 37.2 Related Parties -Whole Government Accounting

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	
	2018/19 £000	2017/18 £000	31 March 2019 £000	31 March 2018 £000
NHS Foundation Trusts	7,869	7,594	1,196	1,264
NHS Trusts	8,800	7,684	2,244	1,181
NHS South Devon and Torbay CCG	272,435	261,892	2,810	648
NHS Northern, Eastern and Western CCG	6,777	7,336	245	582
NHS England - South West	38,035	37,973	107	1,638
Other NHS Organisations	24,814	26,850	7,862	8,388
Torbay Council	51,437	50,044	471	751
Devon County Council	2,522	2,027	600	1,484
Other Local and Central Government bodies	2,010	2,067	611	697
	414,699	403,467	16,146	16,633

	Expenditure		Payables	
	2018/19 £000	2017/18 £000	31 March 2019 £000	31 March 2018 £000
NHS Resolution	7,252	7,200	0	0
Other NHS Organisations	7,634	6,643	4,907	2,688
NHS Pension Scheme	22,722	21,920	3,175	2,991
HMRC and National Insurance Fund	17,846	17,081	4,918	4,404
Torbay Council	1,689	2,008	63	636
Devon County Council	3,861	9,111	854	1,198
Other Local and Central Government bodies	1,370	1,556	153	243
	62,374	65,519	14,070	12,160

The Trust also receives charitable contributions from a number of generous charitable and other bodies. These are channelled through Torbay and 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. During the year, the Trust received revenue contributions of £1,234,000 (2017/18 restated: £2,335,000) and capital of £1,314,000 (2017/18: £614,000) from the charity. The charity had reserves of £1,285,000 as at 31st March 2019 and recorded a decrease in funds of £13,000 during the year ended 31st March 2019. The balance of receivable due from the charity at 31st March 2019 was £641,000 (31st March 2018 £1,080,000).

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.

Appendix D

Torbay and South Devon NHS Foundation Trust Quality Account 2018/19

N.B This document forms part of the Foundation Trust's 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 2018/19 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 2017/18 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 (2019/20).

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

tsdft.qualityimprovement@nhs.net or telephone 01803 655690.

Part 1: Introduction and statement of quality from the 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 2019/20. In year we have made progress and addressed a number of challenges to delivery of our quality account priorities. Thank you to staff whose energy commitment and enthusiasm has ensured that we have kept our focus on doing the right thing for people who use our services.



We have improved our approach to winter planning using our experience of the 'Beast from the East'. This includes changes to our care pathways and the design of our new Emergency Department which has been made possible by an allocation of £13 million to give us the right environment to deliver the highest quality emergency care.


We are using technology to support delivery of our priorities for example virtual clinics and NHS Quicker enabling improved access to services with real time information to make informed choices. Our clinical teams are taking the lead in making the real changes that reduce potential harm from sepsis. Patients are benefitting from the HOPE program and I am pleased that work in all these areas will continue.

We have been tested this year with challenges to timely access to services both in the Emergency Department and more recently theatre capacity which has resulted in delays to treatment for patients requiring routine treatment. We have engaged with national leads to implement plans to address these challenges.

Supporting carers across the Urgent and Emergency pathway is a priority area this year and I am pleased to see the continued focus on improving digital and technology enhanced care. We are already seeing the benefits of this with local care home partners.

I want to send a huge thank you to staff; I am looking forward to next stage of 'Our Journey'.

I commend this Quality Account to you and confirm that, to the best of my knowledge, the information in the document is accurate.



Liz Davenport, Chief Executive, 28 May 2019

Part 2: Priorities for improvement

Looking back: 2018/19

In our 2017/18 Quality Account we reported that we would focus on five priority areas for quality improvement in the period 2018/19. 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. The priorities were then endorsed by the Trust board prior to publication.

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.

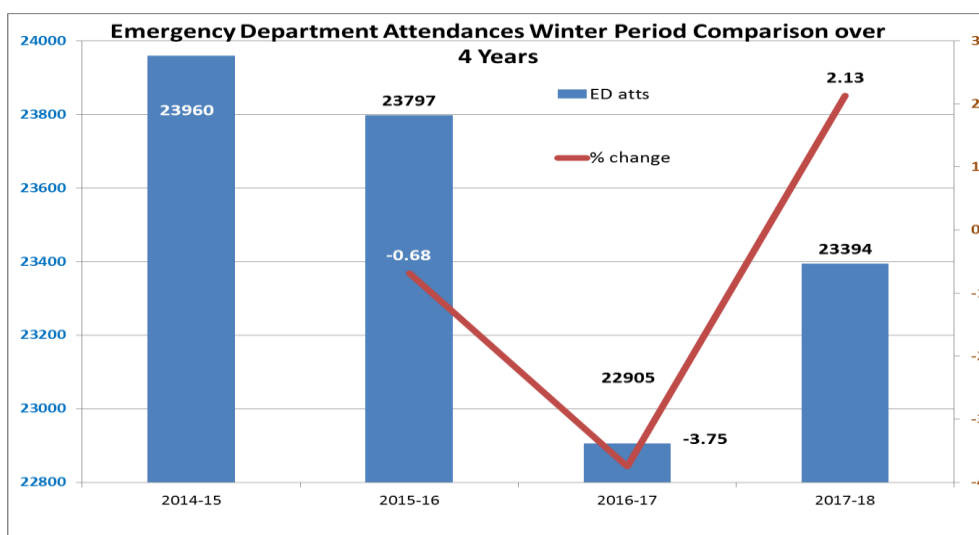
In quarters 1 and 2 we agreed we would:

- 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.

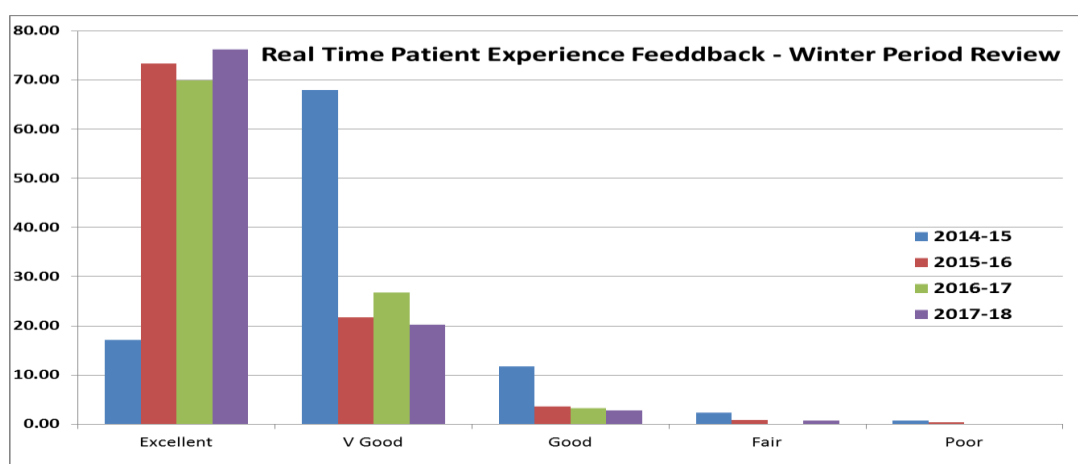
In quarters 3 and 4 we agreed we would:

- 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.

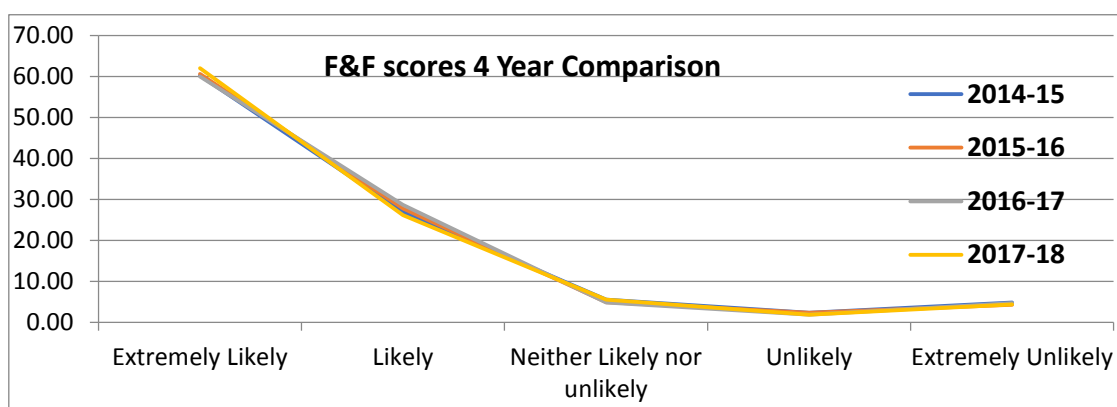
A small steering group started work on this priority. We started by gathering a wide range of data the Trust collected to compare and contrast over 4 winter periods, (Dec - Mar). The data was taken from sources such as engagement, performance, discharge, waiting times and specifically included activity. Activity data as below showed an increase of attendances from the previous year.



The Trusts incidents data, complaints, real time patient feedback was also reviewed. The real time patient experience data show no significant change over the reviewed periods. Patient reported experience remains high.



The Friends and Family results also showed consistently good feedback, as below.



The data was analysed looking for any trends and the analysis included word clouds and surveys of the Emergency Department Users. These word clouds highlight expectation, waits but also good care and compassion.

The main findings of the wide ranging review included privacy, parking, waiting times, and user variable expectation and understanding of the service. The outcome of this highlighted the building infrastructure as needing modernisation to meet future need.

Actions that have followed included:

- Sharing the findings with the Emergency Department Matron.
- A patient survey was undertaken in the department to further help the understanding of the patients' experience and expectations
- The Emergency Department commissioned Healthwatch Torbay to survey patients as part of a larger piece of work to prepare for the proposed new build to the department.

Future actions include the displaying of information electronically in the waiting areas e.g. waiting times and alternative treatment centres.

The work undertaken reviewing patient experience and expectation will largely be met with this planned new build for the Emergency Department. The new build will address space and privacy issues and bring real time data on triage waiting times, and alternative treatment centres and their waiting times directly to the patients in the department and also be available online or via the new NHS quicker app.

Staff engagement work is ongoing in helping bridge the information gap until the new build is complete by highlighting the alternative centres e.g. Newton Abbot Minor Injuries unit and display of waiting times so users can make an informed choice on where to receive treatment.

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.

The Trust in recent years 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 Emergency 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 agreed we would:

- Spread the use of the inpatient sepsis proforma which has been developed 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.

In 2018/19 we have seen the successful embedding of a simplified inpatient sepsis proforma on the wards. This has used both NICE guidance and Sepsis Trust suggestions to provide a local solution.

A group of enthusiastic F1 and F2 doctors have helped introduce the concept of raising sepsis at the daily ward safety huddles and assessing if any patients meet the criteria for treatment. They have also helped train the remainder of the junior doctor team.

In our Emergency Department we have continued with the successful use of the existing sepsis protocol. This is linked into our IT system, Symphony, used within the Emergency Department

Notes reviews have seen antibiotic delivery to suspected septic patients within 60 minutes in over 70% of cases. The remaining cases are due to late triage or a data recording issue on Symphony. Both issues are being addressed.

Our Sepsis Working Group has been re-launched and now renamed the Deteriorating Patient Working Group in order to broaden our focus to all patients whose physiology is deteriorating, and not just sepsis.

In 19/20 the first role of the new group is to oversee the introduction of NEWS 2. NEWS 2 is the latest version of the National Early Warning Scores (NEWS) which is a standardised scoring system to assess and respond to acute illness, including sepsis.

Ward sepsis proforma – top sheet

Torbay and South Devon Inpatient Sepsis Screening Pathway

STEP 1 (Nurse triage)
Identify deteriorating patient.
Date: Time: Sign
Change in clinical status:
AND EWS ≥ 5 (or single parameter ≥ 3) ☐
OR clinical suspicion of sepsis ☐

Is escalation clinically appropriate? ☐

STEP 2 (Doctor review)
Date: Time: Sign
Could deterioration be due to infection?
Yes, source unclear ☐
Pneumonia ☐
Urinary tract infection ☐
Intra-abdominal ☐
Cellulitis/septic arthritis/infected wound ☐
Device related infection ☐
Meningitis ☐
Other (Specify) ☐

Any RED FLAG criteria? ☐
Objective evidence of new altered mental state ☐
Heart rate >130 bpm ☐
Systolic BP ≤ 90 (or drop >40 mmHg from normal) ☐
Respiratory rate ≥ 25 per minute ☐
New O₂ requirement aim SaO₂ $>92\%$ (88% in COPD) ☐
Non-blanching rash/ mottled/ ashen/ cyanotic ☐
Nil urine output in last ~ 18 h (or U.O. <0.5 ml/kg/hr) ☐
Severe immunosuppression ☐
e.g. suspected neutropenia, chemo within 6 weeks

Pathway discontinued (indicate reason)
End of life care ☐
Already on appropriate antibiotics? ☐
Low risk (nil red/amber flags) ☐
Alternative diagnosis (state) ☐
• Treat and review accordingly
• Consider escalation within your clinical team, specialty or ICU referral
*If continued deterioration despite sepsis six discuss with outreach #6469

Any amber flags (other sepsis concerns)? ☐
Other risk factors for severe infection? ☐
Acute deterioration in functional/mental state ☐
Systolic BP $91-100$ mmHg or new arrhythmia ☐
Hypothermia ☐
Patient, relative or staff remain worried ☐
*e.g. recent surgery; immunosuppression; oral steroids; rapidly spreading cellulitis or possible necrotising fasciitis (in pain out of proportion to clinical signs of cellulitis); (N.B. Severe immunosuppression incl. suspected neutropenia or chemo within 6 weeks = "red flag")

Send bloods (including blood cultures, FBC, U&Es, CRP, LFTs, clotting, VBG) ☐

AKI or lactate >27 (if infection concern persists) ☐

Clinician to follow up results and outline alternative diagnosis and plan within 3h ☐

Treat Urgently for Sepsis NOW (see overleaf)
Time is critical, immediate action is required

Clinical effectiveness

Priority 3: To redesign outpatients to make these services more patient-centred and use resources effectively.

The Trust provides over 300,000 outpatient appointments a year. These appointments are delivered at Torbay Hospital and in our local community hospitals and health and wellbeing centres. The way clinics are delivered has remained largely unchanged over the last thirty years with increasing mismatch of what patients need versus how outpatients work. Also with increasing demands on an outdated outpatient's model, patients are waiting longer. We currently have over 9,000 patients waiting past their planned to be seen date.

Redesigning outpatient services has been recognised nationally as a key priority with the head of the NHS Simon Stevens referring to the way outpatient services are offered 'is obsolete'. There is also recognition that this will take time to make all the changes required. The Trust started on this journey two years ago with it being a Quality Account priority in 2017/18. Last year we agreed to 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.

Our work over the last 12 months includes:

- Developing virtual clinics where patient's conditions will be reviewed by clinicians and then information shared with patient's by phone, letter or video and only those needing to be seen coming into an outpatient clinic. Recent examples include respiratory services who have set up a virtual pneumonia clinic and audiology.
- In Pain services work has included developing a new set of resources which people can use to understand their pain condition better and strategies to manage it. Called ReConnect2Life this interactive programme includes a set of six modules including a series of short videos. Early evidence shows the resources are having a positive impact.



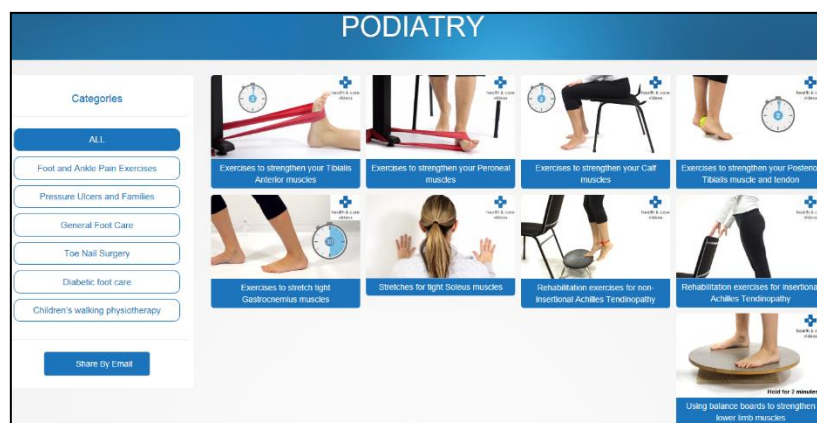
<https://www.torbayandsouthdevon.nhs.uk/services/pain-service/reconnect2life/>

- In Ear, Nose and Throat different strategies have been used to redesign services includes stopping referrals for some conditions. A recent example includes stopping outpatient clinics for simple snoring with GPs offering alternative strategies to treat the condition. Also guidelines continue to be updated and standardised across Devon based on best evidence. Examples include rhinitis and globus. All this information about referrals are available to our GPs through the South and West Devon Formulary website <https://southwest.devonformularyguidance.nhs.uk/>.

In Audiology, hearing test follow ups are now three yearly. Virtual clinics mean that patients are now informed by letter or phone for negative results, saving unnecessary trips to the hospital. Also patient initiated appointments mean that patients are seen when they need to be seen, rather than a standard follow up which may not be necessary and opens up an appointment for someone with a greater need to be seen.

These initiatives have saved 402 new ENT appointments 183 follow ups and 2700 audiology appointments in the first six months since the changes have been made.

- In Podiatry services, outpatient clinic times have been reduced by 25% as a result of developing a suite of videos that patients can use. Patients can practice at a time and place convenient to them and can pause, replay and see and try the correct techniques as much as they want.



- In spinal services we are in the process of refreshing and relaunching the spinal pathway with patients being referred to a physiotherapist first rather than going straight for an MRI scan. The new spinal pathway was launched on the 1st April 2019 with the aim of reducing unnecessary MRIs and for patients to be seen and treated in a more timely way.

- In rheumatology services, patient initiated appointments are common place for patients with chronic conditions. Also the team have led in developing group rheumatology sessions. These sessions enable patients to come together to not only be treated individually but also to share and learn how to manage their condition with people they can relate to. The team has also been testing out a tool called PAM (Patient Activation Measure) which measures the knowledge, skills and confidence of a person to manage their own health care. Depending on their level of activation different strategies can be used to support the person. This may range from video and online tools for highly activated individuals to 1-1 coaching for those with a very low level of activation.

The infrastructure to support the delivery of outpatient services has also started to be redesigned. Work led by the Medical Director includes reviewing the multiple referral routes into outpatients with the aim of simplifying the routes whilst improving access to advice and guidance by specialists to GPs. Work has also started on outpatient scheduling and on the outpatient environment at Torbay Hospital. There is now a bigger range of multifunctional outpatient rooms available to clinicians and the work currently being undertaken on outpatient scheduling means that the wide range of clinic rooms will be visible and bookable via our Trust intranet.

In 2019/20 we will continue to focus on outpatient redesign working pathway by pathway whilst continuing to improve our underlying infrastructure. This work will be led by our two System Medical Directors supported by their Paignton & Brixham Integrated service team and Coastal Integrated Service team.

Patient experience

Priority 4: NHS Quicker <https://www.nhsquicker.co.uk/>

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.

Our aim over the last 12 months has been to increase its use by the public and its visibility within the NHS, with the



aim of increasing interest across the wider NHS to adopt this form of technology and put.

As of February 2019 we have over 13,500 downloads of the app since its launch. This is a steady growth from its initial launch last winter where national and regional coverage ensured a flurry of downloads. In the last 30 days (Feb) there were 439 downloads onto apple devices and 269 onto android phones and tablets. People can also look at NHS Quicker on their PCs which does not require any downloads at all.

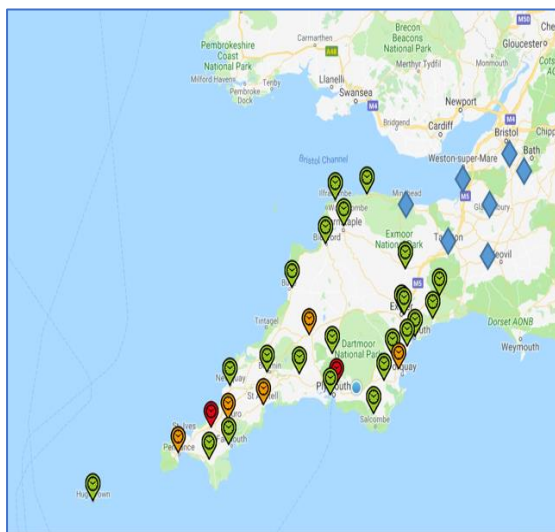
The feedback from people using the app is positive and comments include:

"My GP used quicker to tell me where I could go to a local MIU which was 15 drive past ED. I was seen so much quicker despite the distance".

"Used NHs quicker this morning went to Newton as there was only 2 people waiting ... booked in ... had consultation ... had 3 X-rays ... got treatment plan and crutches ... out in less than an hour ... "

NHS quicker is not only being used by the public, but also by health and care professionals on a daily basis. The NHS quicker platform is the only system where you can see live wait times across multiple providers, using multiple IT systems across multiple counties.

The work started initially by Torbay and Exeter University has spread across Devon and Cornwall and now into Somerset and shortly Bristol. This means that anyone living, working or travelling in the SW will be able to see live wait and travel times at the touch of a button. This platform provides enormous value for money costing just £27,000 to deliver this innovation. The system has also been developed so it could be spread nationally.



"It is great to see frontline teams working together with academic partners in such an innovative way to come up with solutions. What is more exciting is increasingly seeing these ideas being shared and applied by organisations across the wider STP area and beyond." (Medical Director)

"It's fantastic – I use this every day to see what is happening in my organisation and the status of the adjoining trusts"

"Seeing data in real time allows us all to plan ahead. This is a first nationally!" (NHS Director)

As a result of the work undertaken, NHS quicker has also been recognised nationally in both the health and university sector. Quicker was a HSJ award finalist and also recognised in the technological innovation category at the Times Higher Education Awards, only one of four nationally.

Both these have helped raised the profile with interest from several other large Trusts in England.

In the remaining part of 18/19, our communications team have committed to work with us to run a marketing campaign and Healthwatch continue to helpfully promote the app and platform as part of their local digital inclusion campaigns and through their websites.

In 19/20 the aim is to continue to increase coverage through marketing and campaigns and we are exploring the opportunity to obtain a small amount of funding to spread nationally.

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.

In 2018/19 our objectives were to:

- To plan and deliver a minimum of 24 HOPE programmes and 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 and to increase the number of trained HOPE facilitators available to deliver the HOPE programme
- To evaluate the effectiveness of the HOPE programme with regards to improving health and wellbeing as well as impact on services.

During the course of 2018 we worked to build up the availability and variety of HOPE facilitators across the system, as a result 30 HOPE programmes were offered and run across Torbay and South Devon, serving people with a variety of issues. This equated to 400 places. Of the 400 places 182 people attended the programme.



Podiatry HOPE attendees

Some courses are more popular than others, depending on the cohort of individuals and the health conditions that they may be living with.

Programmes delivered include:

Carers HOPE	Depression and anxiety HOPE
HOPE for the workforce	HOPE for Chronic Pain
Movement disorders.	Substance misuse.
Generic HOPE	as part of the Wellbeing co-ordination programme.
HOPE for people with diabetic lower-limb neuropathy and recurrent ulceration.	parent with children exhibiting complex behaviours.

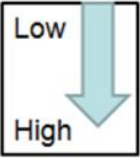
We started April 2018 with 19 trained facilitators and by March 2019 we have 64 trained facilitators.

We have also been measuring the impact of the programme over the course of the year. We are using a range of qualitative and quantitative measure to do this.

Over the course of the year we have been collecting questionnaires completed by the participants of the programme, with a focus on their level of knowledge, skills and confidence to manage their health conditions, mental wellbeing and quality of life. These questionnaires were completed at the beginning of the programme, at the end of the programme, at 6 months after the programme and at 12 months after the programme.

As the evaluation is for those people who participated during 2018, we have not yet got the full data returned yet. However we do have the data comparison between the beginning of the programme and the end of the programme, demonstrating on the whole self-reported improvements. These are shown in the tables in this section.

Activation knowledge, Skills and Confidence to self-care)		
PAM level	Baseline	6 week
1	35%	18%
2	29%	16%
3	24%	45%
4	12%	21%



This shows improvements in people's knowledge, skills and confidence around managing and taking control of their health conditions.

Improved levels of activation results in better health, wellbeing and life outcomes for people.

EQ5D5L	Score Change
54%	Improved
28%	No change
18%	Worsened

54% of people have stated their quality of life has improved as a result of HOPE

Mental Well-being	
Baseline	6 weeks
Low	86% improved
Moderate a	77% improved
High	66% improved

Mental wellbeing has improved overall from the start of the course to the end of the course.

We have also be collecting feedback from the course participants. Comments include:

"I felt really nervous at the first session and was worried about what other people might think of me but the facilitators were so warm and welcoming. I instantly felt supported. Each week I came away feeling more empowered to tackle some of the challenges I was facing and it was comforting to know that others who attended the course were facing similar struggles but that together we supported each other to improve and overcome these. The results for all of us who attended the course showed that things had improved significantly and I continue now to reflect and use the strategies I have learnt to improve my life and the way that I overcome problems". (HOPE participant)

"When asked would I like to go to the HOPE course with the others I thought "why". The reason why, I was gently told, was because I felt angry, frightened, and guilty and knew I couldn't cope. How right.

I arrived and sat in a room with people just like me looking around thinking "what am I doing here!?" When asked how we felt, we all said sad, negative and unhappy things. However, at the end of our first HOPE get together I felt like I was with people who understand!

At the end of the six weeks of HOPE we all, and I do mean all, felt positive about handling our situations better. Our chats, tears and laughter made us all good and trusted friends. We now meet up once a month and catch up re our lives.... Due to HOPE my handing of the situation is so much better, because of that my darling is so much more relaxed and, dare I write, less stressed" (HOPE participant)

In 19/20 we plan to work with hospital speciality teams to develop the HOPE offer to better support people requiring outpatient care, empowering people to better self-manage their health conditions and helping to reduce the number of face to face follow up's required. We plan to work with Coventry University to develop a HOPE for wider determinants of health and its efficacy, testing this locally.

There is a recognised need and interest to expand the variety of HOPE courses offered across Torbay and South Devon, aligned to demand and operational priorities. HOPE is essentially a generic programme, with the greatest benefit coming from bringing people with shared or similar experiences together as peers. We plan to extend the current groups of people that we are offering HOPE to, including testing a 'Virtual/Live' HOPE course for those who may prefer or could benefit from it.

We are finally working with our commissioning organisations and our partners, including the voluntary sector to spread this model of care.

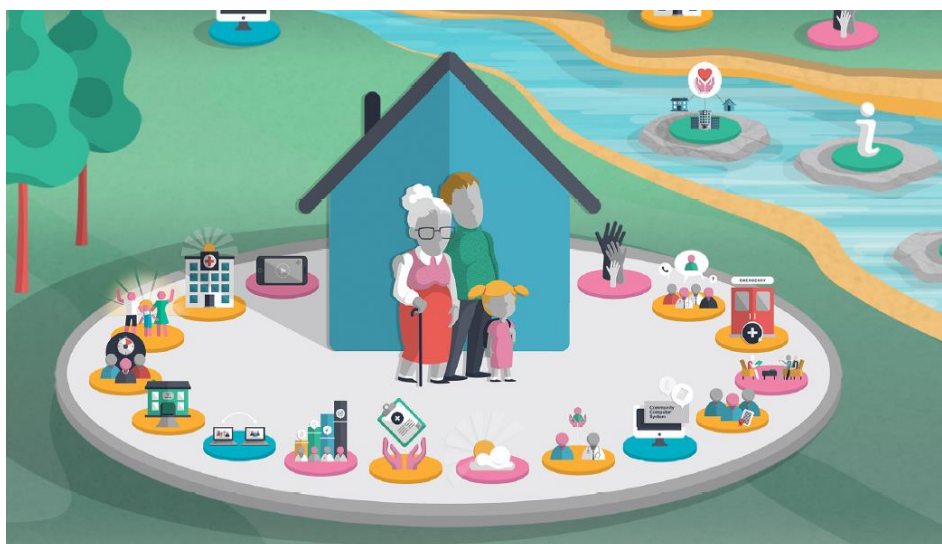
Local improvement initiatives 2018/19

The Trust is involved in a wide range of improvement initiatives, many of which have been described in the annual report. Below is small selection. These reflect our joined up approach to delivering care.

Our integrated care journey

Torbay and South Devon Foundation Trust continues to be on a unique journey as one of the few Integrated Care Organisations nationally combining acute and community health and social care services together. In 2019, with the publication of the NHS Long Term Plan, integration of services is seen a key driver in improving the quality of care for patients and their families accessing our health and care services.

What matters to Mrs Smith and her family?



*Extract from
integrated
care graphic*

Our organisation is working closely with our health and care partners (Councils, Commissioners, other Trusts, Voluntary Sector etc.) in progressing at pace the delivery of our integrated care model. The model focuses on 5 key strategic objectives outlined below:

Staying well

This includes supporting people to live their lives well for as long as possible and working differently to support independence and wellbeing. In the long term this will reduce the burden on health and social care services in the future.

Examples of how we are making this happen:

- Extending Wellbeing Coordination Services delivered by the Voluntary sector

- Extending HOPE (Helping Overcome Problems Effectively) Programme
- Implementing Making Every Contact Count
- Managing population health by implementing a risk stratification tool
- Promoting the best start to life through a focus on children and young people.

The Right Care in the Right Place

Providing care to people at home or in the community and supporting people to access the right support in the right place when they need it is integral to the way we deliver care.

Examples of how we are making this happen:

- Developing clinical networks across a wider geographic footprint to serve people in Torbay and South Devon.
- Optimising ambulatory care pathways to increase same day assessment and discharges
- Implementing the Enhanced Care in Care Homes Framework
- Embed shared decision making which will ensure people are involved in decisions about their care.
- Building greater market sufficiency across the care sector
- Continuing to improve discharge processes through the implementation of a discharge hub in summer 2018 and embedding SAFER principles (<https://improvement.nhs.uk/resources/safer-patient-flow-bundle-implement/>) as part of a continued focus on Urgent and Emergency Care.

Strengthening Partnerships

We work closely with partners to deliver health and care across Torbay and South Devon.

Examples of how we are making this happen:

- Developing local and joined up physical and mental health services that deliver holistic care.
- Providing and develop health and wellbeing centres that provide local access to services people need close to home.
- Strengthening partnerships with general practice including extending access out of core hours.
- Continuing to capture real time patient experience on the wards.

Sharing Information

We are working together to share information so that people only need to tell their story once.

Examples of how we are making this happen:

- Delivering integrated care records within the community.
- Using technology and new approaches to long term conditions management to enable innovations in outpatient services.
- Using video-conferencing to link care homes with professionals for advice and guidance.

We have also embedded our electronic handover tool (Nerve centre) into all our inpatient wards whilst continuing to use the Risk assessment booklet developed as part of the 2017/18 Quality Accounts to capture a range of clinical assessments.

Wellbeing at work

Together are investing in care and supporting to both do their jobs and improve it.

Examples of how we are making this happen:

- Focus on 'What is important to you'
- Promoting a self-organising team culture that frees people to deliver.

Our Integrated Maternity Services

Maternity services are a fully integrated service working across the hospital and within the community and an early example of the Trust in delivering joined up care. During 2018 the team have worked on five priorities to improve the care provision to women and our families. Below is an outline of two of the projects and the improvements to date.

Smoking Cessation

We identified compared to other Maternity units we had a high number of women who smoke at the time of birth. We also were not following national guidance in respect to monitoring carbon monoxide (CO) levels in all women in pregnancy. There is strong evidence that reducing smoking in pregnancy reduced the likelihood of stillbirth. The improvements that we have achieved:

- Policies and guidelines have been reviewed and updated to give staff clearer advice and guidance,

- CO monitors funded for all midwives – now 100% have a monitor, and all women are monitored at booking.
- Educated staff around the smoking data locally and
- Single electronic referral process to the smoking cessation service
- Newsletter for staff
- Auditing of data to see how we have made improvements.

Postnatal Contraception

Following our meeting and a national survey, it was highlighted that women did not feel they were being advised about contraception prior to discharge from hospital.

The improvements we have achieved:

- Developed a postnatal contraception leaflet and videos on hand held devices on the postnatal ward.
- Plan in 2019 to provide education to Maternity staff on contraception methods.
- A process for midwives to prescribe and administer the contraceptive pill prior to transfer home.

Joining up care for children and young people

Following a tender exercise by the two Clinical Commissioning Groups in Devon an alliance of NHS providers led by Torbay and South Devon NHS Foundation Trust has been awarded the contract to run community children's health services. The initial contract, which begins on 1 April 2019, is for a period of seven years which can be extended by a further three years. The service will be known as Children and Family Health Devon.



A lot of work has gone into ensuring there is a smooth transfer of staff and services from the current provider so that on day one children, young people and their families won't notice a difference. However, over the coming months we will be working with staff, partners and most importantly those who use the services to develop the services to achieve the vision of a truly integrated system where children, young people and their families receive the support they need with a greater focus on prevention.

National improvement initiatives

Currently the Trust is involved in a number of national improvement initiatives including:

Seven-day services

Torbay hospital continues to work on developing seven-day services. There are 10 clinical standards which are used to measure progress in this area. Our report to our Trust Board in February notes the following:

Seven-day service standards		Self-assessment
Standard 2	Emergency admissions seen by a suitable consultant within 14 hours of admission	Standard not met
Standard 5	Seven day a week access to diagnostic services such as CT, endoscopy etc.	Standard met
Standard 6	Seven day a week access to consultant directed interventions e.g. interventional radiology and endoscopy	Standard met
Standard 8	High dependency patients seen twice daily and other patients once daily by a suitable consultant	Standard not met
Standard 1	Patients should be involved in shared decision making	Currently we do not have robust measurement systems to measure all these standards see commentary below
Standard 3	An integrated management plan established within 24hrs of admission to hospital	
Standard 4	Enhanced handover of clinical care between clinical teams	
Standard 7	Seven day a week availability of liaison mental health services	
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	

Standard 1. Although shared decision making is implicit for patient and clinician interaction, it is rarely explicitly recorded in the notes. Treatment escalation plans are an exception to this. The use of printed patient information sheets is rarely recoded for emergency patients.

Standard 3. Work is required to identify the members of the multidisciplinary team needed to provide a holistic assessment of emergency patients within 24hrs of admission as an emergency patient.

Standard 4. Handover is led by competent senior decision makers in the major acute specialities daily. Work is required to provide assurance that the handover process is accurately documented.

Standard 7. Liaison psychiatry is available for both adults and children. Data collection methods will need to be developed to assess this.

Standard 9. The development of community support services is a major component of the emergency offer. This includes development of enhanced intermediate care and work with care providers and community hospitals. Recent developments include the discharge hub and work to strengthen our frequent attenders offer.

Standard 10. Outcomes of emergency patients are monitored by a weekly multi-disciplinary team and a monthly strategic meeting.

In 2019/20 our aim is to work on improving seven day services through the newly developed Urgent and Emergency Care Integrated Service. This work will be clinically led by the System Medical Director and operationally delivered by the teams supporting urgent and emergency care.

Rotas and gaps

The Trust, as with most of health and care organisations is proactively addressing workforce challenges for doctors and dentists in training. As well as traditional recruitment processes the Trust is seeking to secure sufficient substantive Trust Grade Junior Doctors by creating attractive offers including QI and Research opportunities within job plans.

In addition, we have a number of Surgical Care Practitioners and Physicians Associates who have just completing or are in the process of completing their training. The Trust continues to develop these roles and the roles of specialist nurses alongside junior doctors to secure increased resilience in the rotas.

In 2019/20, as part of their overall improvement work, the Medical Leadership Workforce will review our overarching strategy in relation to the medical and dental workforce.

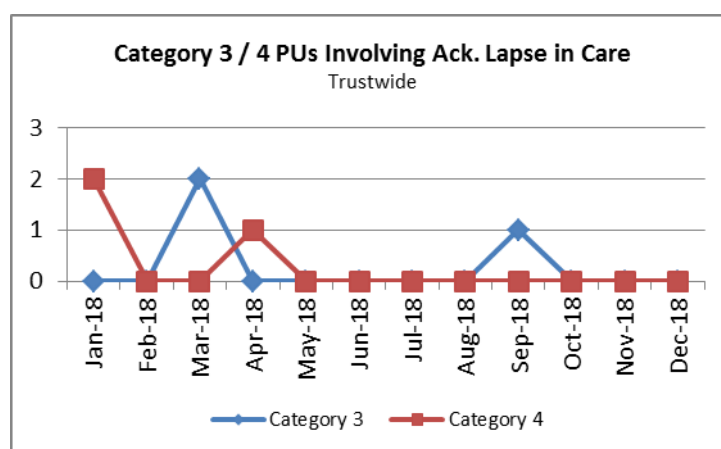
Sign up to safety

Tissue viability and pressure ulcer prevention

Pressure Ulcers continue to be a key area for the Trust's sign up to safety activities. To the end of Dec 2018 (start month April 18) there have been 2 patients who have developed Category 3 or 4 pressure ulcers with identified lapses in care against last year's YTD performance of 5 patients.

This means that the current position is a reduction of 60% in pressure damage from last year's data.

To put this in to perspective when the initial Pressure Ulcer Prevention programme was started in 2014/15 we had 17 patients who suffered pressure damage as a result of lapses in care across the Trust.



Pressure ulcer prevention remains a core part of the Trust teaching programme with the following education being provided by the tissue viability team:

- Pressure ulcer prevention teaching sessions which are open to Trust staff, care homes and GP practices
- Tissue viability updates which are open to Trust staff, care homes and GP practices
- Annual conference day for care homes
- National and international conference representation.

To support the pressure ulcer prevention programme we have been working on the types of mattresses we use and how this can support pressure ulcer prevention.

The tissue viability team are also involved in the PROMISE quality improvement project which has provided pressure mapping equipment to the Trust of the value of £34k. This enables the tissue viability team to visit patients in their own homes and provide pressure mapping over a 72 hour period to reduce the individual risk of pressure ulcer development and identify strategies that will achieve this.

Falls assessment prevention and treatment

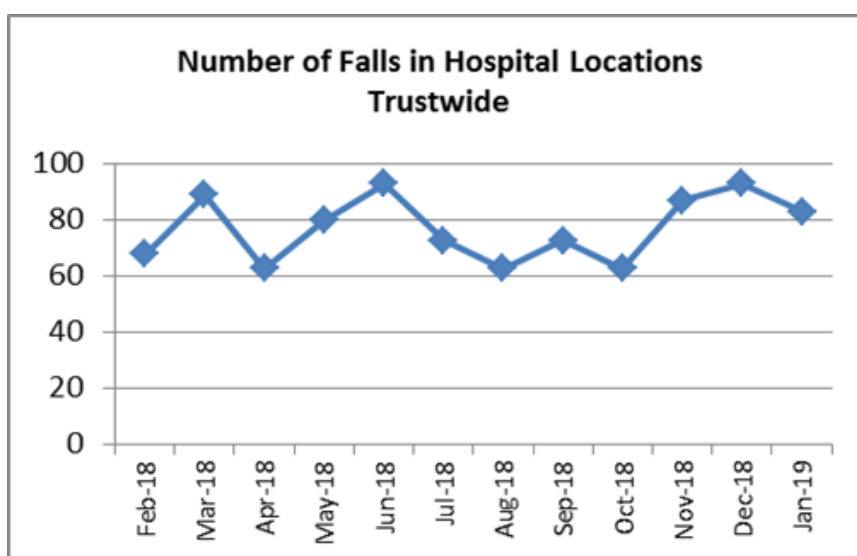
1 in 3 people over 65 will have a fall at home. Within hospitals a fall not only can be traumatic to the individual but it is also costly within the local health and care system.

With an ageing population in Torbay and South Devon, we recognise that likelihood of people falling is greater and as a result we have two falls specialist supporting us to reduce the number of preventable falls.

Over the last year the falls leads have:

- Worked closely with the newly created Assisted Lift Response Service (ALRT). This lifting service responding to 999 calls for non-injured fallers and was started in July 2018 and is expanding to offer support to our community teams. The service operates from 7.30 am to 4.30 pm Monday to Friday and is accessible by calling the usual 999 number.
- Tested and purchased new reusable bed and chair sensor pads to reduce fall within the Hospital
- Reviewed the current 'slipper sox' and moved to a safer double tread supplier.
- Created a new post fall policy, and post falls review form to ensure information is available in one place to ensure safe and effective handling after a fall.
- Extended post fall community training to care home staff.
- Created a suite of falls prevention leaflets available online.
- Accessed the improved Better Care Fund to expand the successful falls prevention groups further in the community of Torbay and South Devon

Between February 2018 and January 2019, the number of falls has continued to vary, running between 60 -100 falls per month. During the winter months, the inpatient falls rates are slightly higher due to the number of older more complex people.



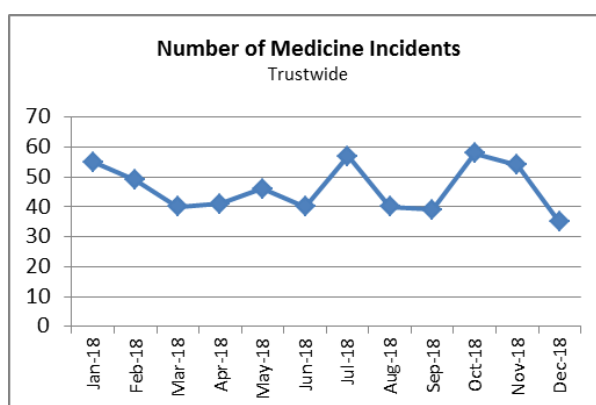
The falls prevention work will continue to remain a focus for 2019/20 and the Trust will be working on 3 high impact actions to prevent hospital falls; namely:

1. Lying and standing blood pressure to be recorded.
2. No hypnotics or anxiolytics to be given during stay OR rationale documented.
3. Mobility assessment and walking aid to be provided if required.

This improvement forms part of national CQUIN programme which will be reporting on throughout the year to the Trust.

Medications Safety

Medication safety has been continually enhanced by the medical safety pharmacist with the pharmacy department. The work undertaken in this area includes the preparatory foundations for the Electronic Prescribing Medication Administration which is referenced in the improvement priorities for 2019/20.



Duty of candour

Being open and honest in any situation has always been a clear focus of the organisation and work is always ongoing to ensure any care we give is of the highest quality. If this doesn't happen, the Trust is focused on identifying any issues straight away, recording these on an incident form, informing the patient or family at the earliest opportunity, apologising and involving the family, where possible, in any subsequent investigation. This also includes meeting with families and feeding back any learnings or actions as necessary.

The work this year has focused in the Service Delivery Units and, where appropriate, Duty of Candour process was followed in a timely manner. Feedback from patients and families, where this process has been followed has been positive.

Incident Investigation

One of the key objectives of the governance team was to review the incident investigation process to ensure any local investigations centre on the families need and follow the above duty of candour process.

The Trust sourced an external accredited investigations trainer who visited the Trust, worked with the Governance team and trained 15 investigators. The training was very relevant, dynamic and has produced a number of changes in the way incident investigation is undertaken. These include becoming more family centred, i.e. writing the report for the family, having a non-clinical reviewer of the investigation before sign off and a non-clinical proof reader, who ensures technical jargon and acronyms are removed.

This has resulted in a number of process changes which are continuing into 2019.

Speaking Up

We recognise that in order for staff to deliver high quality care they must have a safe and supportive working environment. Staff must feel able to raise concerns in the knowledge that they will be listened to, that actions will be taken and that they will be thanked for living the values of the NHS.

To continuously develop our safety culture, the Trust has an embedded the 'See Something, say Something' initiative, which encourages and supports staff to raise genuine concerns on any issues at the earliest opportunity. The visibility of the initiative is maintained through posters, leaflets, web pages and screen savers.



Under the 'See something Say something' initiative there are a number of people to whom staff can raise their concern, if they don't feel able to report it to their manager. These include:

- Professional Leads
- Trade Union/Health and Safety Representatives
- Health and Safety Managers
- Human Resources
- Acceptable Behaviour Advisors
- Freedom to Speak Up Guardians
- Diversity and Inclusion Guardian

Our network of Freedom to Speak Up Guardians provide ongoing impartial and confidential advice and support to staff in raising concerns, providing regular updates and feedback.

The Guardians are very active in the organisation, attending corporate induction and department meetings on a regular basis to ensure there is wide understanding of the role. The Guardians also present bi-annually to the Board, providing an overview of the number of cases raised, the emergent themes and developments in their work programme.

Any concerns about being subject to detrimental treatment as a result of raising a concern are immediately escalated to the Director of Workforce and Organisational Development and the Chief Executive, who in collaboration with the Guardians ensure a safe space is identified for those individuals in the workplace.

Feedback from staff who have been supported in raising concerns include:

“This episode has been very upsetting, but does prove the Trust does listen and cares for its employees. “

“I can never thank you enough for being so approachable, understanding and caring. Making an awful situation very simple and painless.”

In 2019/20, as a Trust, we have agreed to focus on:

- Development and launch of a speaking up vision which will be embedded in the Trust People Strategy
- Publicising the learning from speaking up cases across the Trust
- Development of management training in responding to concerns
- Ensuring the Trust annual report includes a summary about speaking up
- Focus attention on minority groups and overcoming barriers to speaking up
- Review of the Trust bullying and harassment policy and practices.

Priorities for improvement

Looking forward: 2019/20

The Trust has identified three improvement priorities for the year. These have been developed through discussions with health and care teams and our Trust Executive. We continue to hold the annual Quality Account stakeholders meeting to discuss and agree the priority areas for the year as the feedback year on year of this event is positive.

These priorities have been signed off by our Board. The three improvement priorities for the year are:

Safety

Priority 1: To change our inpatient prescribing for people in hospital inpatient beds across the ICO to our commissioned electronic prescribing and medicines administration programme by 31 December 2019. This will be for adults in all specialties with exceptions such as chemotherapy and intra-operation medications.

This project uses a new electronic prescribing and administrative system (EPMA) to record the prescription and administration of drugs, replacing paper-based charts. This new system is a major step towards the creation of a shared care record that all clinicians can access, whichever part of our health and care system they work within.

The system has initially been rolled out into nine of our medical and assessment wards starting in January 2019. Clinical staff can now record a patient's drug history and their allergies, create a prescription and send it our pharmacy so prescriptions can be dispatched quickly. We can also share the information accurately with the patient's GP.

The system is accessible from any Trust computer and the information is shared across all appropriate members of the clinical team, allowing them to make informed decisions. Unlike paper the information cannot get misplaced, lost or in use by someone else. This means that information is more accurate, accessible and available at any point in a patient's journey.

We have agreed the following objectives to roll out EPMA and monitor its impact.

This includes in quarter 1 and 2 (April to September) we will:

- Embed EPMA across our medical and assessment wards
- Roll out EPMA into our surgical inpatient wards
- Roll out EPMA to all our community hospitals

- Set up systems and measures to monitor impact (positive and unintended consequences). This includes a reduction in missed and late doses, and ensuring the timeliness of care planning summaries is not reduced from our pre-implementation baseline.

In quarter 3 and 4:

- Roll out EPMA to parts of our outpatient services
- Ensure that EPMA is fully embedded into all inpatient wards across the ICO.
- Report and publish measures as well as impact both through the Quality Account and through Trust newsletters and Trust communications.

We will measure, monitor and report our progress against our objectives on a monthly basis to the Clinical IT User Group. On a quarterly basis this meeting will provide a highlight report to the Board.

The project is being clinically led by the System Medical Director (Torbay) working with the EPMA project team. Board level support will be provided by the Director of Strategy and Improvement who also champions the use of technology to improve care.

Clinical Effectiveness

Priority 2: To implement the roll out of a community IT integrated clinical system to Coastal, and Newton Abbot localities.

Within several of our localities recording and capturing patient assessments is not an easy process. Currently we have a mixture of paper based and IT systems which mean that we have to ask patients, their families and carers for the same information several times. Also the present way of working makes it very difficult to share information across our local health and care teams and to enable staff to work effectively outside the area they normally work in. Weekend staff, for example currently work across several localities and cannot easily access patient records.

It is important that patient information is securely and easily shared. At the moment, this takes place through manual processes which is not ideal for timely or safe patient care. It also requires a member of staff remembering to share information.

As a result of all these problems and the need to be more integrated, we are implementing an IT solution called SystmOne across our community. This system is in use within some of the GP practices in South Devon already and once records have been agreed to be shared our health and care staff can view patient records, when appropriate. SystmOne is also available for use as a mobile solution. This

enables staff to download patient information onto an encrypted Trust laptop and visit the patient in their home with accurate up to date information.

In 2019/20 we have agreed:

Quarter 1

- To train community nurses in SystmOne in the Coastal locality
- Migrate patient records over from the community nurse waiting list

Quarter 2

- Go live with the community nurses in the Coastal locality
- Begin training staff on the IT system in the Newton Abbot Locality with a focus on occupational therapists, physiotherapists and enhanced intermediate care teams

Quarter 3

- Go live in the Newton Abbot locality for the teams trained in quarter 2

Quarter 4

- Train community nurses in the Newton Abbot locality
- Migrate patient records from community nurse waiting list and go live

The work will be led by the Community IT project manager supported by the IT Programme Manager. Board level support will be provided by the Medical Director. We will measure and monitor our progress against the objectives and report these to the IT Community Projects Board on a quarterly basis. A highlight report will then go to the Trust Board on a quarterly basis

Patient experience

Priority 3: To improve the Carers' experience for themselves and their families receiving care across the urgent and emergency care pathway

From Carers' stories, we know that their experience of urgent and emergency care is not always a good one. They feel that hospital staff could have identified them as a Carer sooner¹, and for Carers of people with long-term conditions, they sometimes feel that their knowledge and expertise about the person they care for is ignored.

¹ Healthwatch Consultation for 2018-2021 Carers Strategy

The Trust has signed up to the six principles of the Triangle of Care, identifying and supporting Carers, and treating them as partners in planning the care and support for the person they care for.

For many people their first point of using our services can be via A&E and the Minor Injury Units (MIUs). This can be stressful and by its nature is unplanned. If we can improve Carers' experience of the urgent and emergency care (UEC) pathway this should improve experiences across the whole system.

We will work closely with Carers and staff to embed the work which has already begun with the Triangle of Care, to start to address issues which have already been identified, and to identify what other priorities there may be going forward.

In 19/20, we have agreed to:

In quarter 1

- Collate complaints feedback and issues already identified by Healthwatch / Carers' Services
- Undertake survey work with Carers to identify their priorities
- Utilise Healthwatch's rate and review cards with volunteers / Carers' supporters in the Emergency Department to gain feedback and identify issues
- Liaise with staff to identify their priorities and any 'quick wins'
- Undertake a feasibility study for having additional volunteers / carers' supporters across the urgent and emergency care pathway particularly to address issues already raised such as Carers having to leave people unsupported while they park their car
- Identify means of improving communication / signage / publicity as required
- Use the existing Carers' Supporters in other wards to identify issues for Carers who have been admitted via urgent and emergency care
- Ensure agreed systems for identifying and recording carers are robustly in place, and identify any gaps
- Embed existing support to Carers e.g. Orange Lanyard and Hospital Passport
- Begin a programme of Carer awareness training across the pathway

In quarter 2:

- Based on the quarter 1 feedback and analysis develop an action plan which we will co-design with Carers and the teams involved in delivering care along the urgent and emergency care pathway
- Prioritise areas to focus on.

In quarter 3 and 4

- We will continue to work on the action plan, sharing successes and learning with the Carers and the clinical teams.
- We will re-measure at the end of quarter 4 the Carers' experience of accessing and using urgent and emergency care.

The work will be led by the Associate Director of Nursing for Urgent & Emergency Care and Newton Abbot locality supported by the Carers Lead and ED Matron. Progress against the objectives will be measured and monitored via the Triangle of Care Steering Group, and reported to Quality Improvement Group on a quarterly basis with a highlight report to the Board by the Chief Nurse on a quarterly basis.

Statements of assurance from the Board

Review of services

During 2018/19 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 2018/19 represents 89% (as of the end of March 2019) of the total income generated from the provision of relevant health services by Torbay and South Devon NHS Foundation Trust for 2018/19.

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 2018/19, 49 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 98% national clinical audits and 100% 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 2018/19 are as follows:

National audits	Eligibility	Participation
Adult cardiac surgery audit	No	N/A
Adult Community Acquired Pneumonia	Yes	NO
BAUS Urology Audits: Cystectomy	No	N/A
BAUS Urology Audits: Female stress urinary incontinence	No	N/A
BAUS Urology Audits: Nephrectomy	Yes	Yes
BAUS Urology Audits: Percutaneous nephrolithotomy	Yes	Yes
BAUS Urology Audits: Radical prostatectomy	No	N/A
Cardiac Rhythm Management	Yes	Yes

Adult critical care (Case Mix Programme)	Yes	Yes
Child Health Clinical Outcome Review Programme	Yes	Yes
Elective surgery (National PROMs Programme)	Yes	Yes
Falls and Fragility Fractures Audit Programme, includes National Hip Fracture Database	Yes	Yes
Feverish Children (RCEM)	Yes	Yes
Inflammatory Bowel Disease (IBD)	Yes	Yes
Learning Disability Mortality Review Programme (LeDeR Programme)	Yes	Yes
Major Trauma Audit	Yes	Yes
Mandatory Surveillance of Bloodstream Infections and Clostridium Difficile Infection	Yes	Yes
Maternal, New-born and Infant Clinical Outcome Review Programme	Yes	Yes
Medical & Surgical Clinical Outcome Review Programme	Yes	Yes
Mental Health Clinical Outcome Review Programme	No	N/A
Myocardial Ischaemia National Audit Project	Yes	Yes
National Asthma and COPD Audit Programme	Yes	Yes
National Audit of Anxiety and Depression	No	N/A
National Audit of Breast Cancer in Older Patients	Yes	Yes
National Audit of Cardiac Rehabilitation	Yes	Yes
National Audit of Care at the End of Life	Yes	Yes
National Audit of Dementia	Yes	Yes
National Audit of Intermediate Care	Yes	Yes
National Audit of Percutaneous Coronary Interventions (PCI)	Yes	Yes
National Audit of Pulmonary Hypertension	No	N/A
National Audit of Seizures and Epilepsies in Children and Young People	Yes	Yes
National Bariatric Surgery Registry	No	N/A
National Bowel Cancer Audit	Yes	Yes
National Cardiac Arrest Audit	Yes	Yes
National Clinical Audit for Rheumatoid and Early Inflammatory Arthritis	Yes	Yes
National Clinical Audit of Psychosis	No	N/A
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
National Congenital Heart Disease	No	N/A
Diabetes (Adult) ND(A), includes National Diabetes Inpatient Audit Foot Care/Diabetes in Pregnancy	Yes	Yes
National Emergency Laparotomy 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 Mortality Case Record Review Programme	Yes	Yes
National Neonatal Audit Programme (Neonatal Intensive and Special Care)	Yes	Yes

National Oesophago-gastric cancer	Yes	Yes
National Ophthalmology Audit	Yes	Yes
National Paediatric Diabetes Audit	Yes	Yes
National Prostate Cancer Audit	Yes	Yes
National Vascular Registry	Yes	Yes
Neurosurgical National Audit Programme	No	N/A
Non-invasive Ventilation –Adults (BTS)	Yes	Yes
Paediatric Intensive Care	No	N/A
Prescribing Observatory for Mental Health (POMH-UK) (Prescribing in mental health services)	No	N/A
Reducing the impact of serious infections (Antimicrobial Resistance and Sepsis).	Yes	Yes
Sentinel Stroke National Audit Programme (SSNAP)	Yes	Yes
Serious Hazards of Transfusion (SHOT): UK National Haemovigilance scheme	Yes	Yes
Seven Day Hospital Services	Yes	Yes
Surgical Site Infection Surveillance Service	Yes	Yes
UK Cystic Fibrosis Registry	No	N/A
Vital Signs in Adults (care in emergency departments) (RCEM)	Yes	Yes
VTE risk in lower limb immobilisation (care in emergency departments) (RCEM)	Yes	Yes

Patient outcome programme incorporating national confidential enquiries	Eligibility	Participation
Child Health Clinical Outcome Review Programme	Yes	Yes
Maternal, infant and New-born clinical outcome review programme (MBRRACE)	Yes	Yes
Medical and Surgical programme: National Confidential Enquiry into Patient Outcome and Death (NCEPOD)	Yes	Yes
Mental Health programme: National Confidential Inquiry 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 2018/19, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

National clinical audit and patient outcome programme incorporating national confidential enquiries	Cases submitted	% Cases
BAUS Urology Audits: Nephrectomy	tbc	tbc
BAUS Urology Audits: Percutaneous Nephrolithotomy	tbc	tbc
Cardiac Rhythm Management	tbc	tbc
Adult critical care (Case Mix Programme)	668	100
Falls and Fragility Fractures Audit Programme, includes	429	100

National Hip Fracture Database Inpatient Falls		
Feverish Children (RCEM)	tbc	tbc
Inflammatory Bowel Disease (IBD)	tbc	tbc
Learning Disability Mortality Review Programme (LeDeR Programme)	8	100
Major Trauma Audit : Clinical Report Issue 1 March 2018 – Thoracic & Abdominal Injuries Clinical Report Issue 1 August 2018 – Core Measures for all Patients/Orthopaedic Injuries	311 426	100 100
Mandatory Surveillance of Bloodstream Infections and Clostridium Difficile Infection	tbc	tbc
Maternal, New-born and Infant Clinical Outcome Review Programme	tbc	tbc
Myocardial Ischaemia National Audit Project	tbc	tbc
National Asthma and COPD Audit Programme	tbc	tbc
National Audit of Breast Cancer in Older Patients	764	100
National Audit of Cardiac Rehabilitation	tbc	tbc
National Audit of Care at the End of Life	tbc	tbc
National Audit of Dementia	tbc	tbc
National Audit of Intermediate Care	tbc	tbc
National Audit of Percutaneous Coronary Interventions (PCI)	tbc	tbc
National Audit of Seizures and Epilepsies in Children and Young People	1	100
National Bowel Cancer Audit	236	100
National Cardiac Arrest Audit	77	100
National Clinical Audit for Rheumatoid and Early Inflammatory Arthritis	tbc	tbc
National Comparative Audit of Blood Transfusion	tbc	tbc
Diabetes (Adult) ND(A), includes National Diabetes Inpatient Audit Foot Care Diabetes in Pregnancy	 55 332	 100 100
National Emergency Laparotomy Audit	177	100
National Heart Failure Audit	tbc	tbc
National Joint Registry	665	100
National Lung Cancer Audit	tbc	tbc
National Maternity and Perinatal Audit	tbc	tbc
National Mortality Case Record Review Programme	tbc	tbc
National Neonatal Audit Programme (Neonatal Intensive and Special Care)	347	100
National Oesophago-Gastric cancer	107	100
National Ophthalmology Audit	585	100
National Paediatric Diabetes Audit	tbc	Tbc
National Prostate Cancer Audit	Tbc	Tbc
National Vascular Registry	178	100
Non-invasive Ventilation –Adults	Tbc	Tbc
Sentinel Stroke National Audit Programme (SSNAP)	615	100
Serious Hazards of Transfusion (SHOT): UK National Haemovigilance scheme	Tbc	Tbc

Seven Day Hospital Services	203	100
Vital Signs in Adults (care in emergency departments) (RCEM)	Tbc	Tbc
VTE risk in lower limb immobilisation (care in emergency departments) (RCEM)	tbc	tbc

Patient outcome programme incorporating national confidential enquires	Cases submitted	% cases
Child Health Clinical Outcome Review Programme	tbc	tbc
Maternal, infant and New-born clinical outcome review programme	tbc	tbc
Medical and Surgical programme: National Confidential Enquiry into Patient Outcome and Death (NCEPOD)		
• Chronic Neurodisability	2/5	20
• Peri-operative Management of Surgical Patients with Diabetes Study	7	100
• Cancer in Children, Teens and Young Adult Study	1	100
• Heart Failure Study	2/5	40

The reports of 18 national clinical audits were reviewed by the provider in 2018/19 and Torbay and South NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided:

Ref	Recommendations / actions
0486	(BASHH) HIV Partner Notification for adults.
	<ul style="list-style-type: none"> Identify who is responsible for HIV Partner notification (HIV Clinical Nurse Specialist) Revise history template for Partner notification (HIV Clinical Nurse Specialist will be developing this) Plan re-audit for November 2019
0567	(BASHH) Investigation and Management of Gonorrhoea Audit
	<ul style="list-style-type: none"> Invite the Microbiology Lab manager and consultant to discuss ways to improve - an email system is being set up to speed up the turnaround time for results
0604	(BHIVA) Monitoring of older adults with HIV
	<ul style="list-style-type: none"> Change history taking template so that details of types of drugs are clear (Herbal remedies, OTC treatments and Prescribed treatments) and change history taking template to include validated questions regarding mood Consider introduction of formal cognition screening after discussion with other regional HIV services and local Neuropsychologist
0529	(LeDeR) Learning Disabilities (LD) Mortality Review Programme
	<ul style="list-style-type: none"> People requiring the provision of reasonable adjustments must have these recorded and regularly audited - This is in place but will be reviewed in the LD Development Group Local Services to further strengthen Governance in relation to adherence to the Mental Capacity Act and provide training and audit of compliance 'on the ground' so that professionals fully appreciate the requirements of the Act in relation to their own role Mandatory Learning Disability Awareness Training should be provided to all staff, delivered in conjunction with people with Learning disabilities and their families. This is in place at induction, but will be reviewed in the LD Development Group, TSDFT to introduce E-learning to include people with LD and their families

438 (NADIA) National Diabetes Audit Programme – National Diabetes Inpatient Audit 2017
<ul style="list-style-type: none"> • Improve proportion of diabetic patients undergoing touch toe testing during admission • Re-design of IV insulin charts and supporting guidelines • Audit of remote hypo screening intervention • Mandatory e-learning module for safe use of insulin for Foundation doctors • Mandatory e-learning module for safe use of insulin for nursing staff • Re-establishment of link nurse meetings
578 (NCAA) National Cardiac Arrest Audit
<ul style="list-style-type: none"> • More arrests in evidence on Coronary Care Unit - Will be reviewed with Cardiology Team • Pulseless electrical activity (PEA) and Asystole rate is trending upwards, observe Treatment Escalation Plan (TEP) teaching for senior clinicians • Undertake a Quality Improvement project looking at Cardiac Arrest Team functions, review requirements with Cardiology • Four unexpected non-survivor cases to be reviewed in detail
0589 (NNAP) National Neonatal Audit Programme 2018 on 2017 data
<ul style="list-style-type: none"> ▪ Raise awareness among Consultant Paediatricians and senior Special Care Baby Unit (SCBU) nurses (and juniors) regularly during our Grand Rounds and Clinical Governance mornings, monthly Consultant Meetings and during New Doctors Induction that all babies admitted to SCBU irrespective of their gestation or clinical status needs a clearly documented consultation from senior clinicians in the communication sheet ▪ Have further empowered nurses to escalate to Consultant Paediatricians during the day time and evenings to ensure that documentation of the consultation with parents within the first 24 hours is done and recorded in the Yellow communication sheet ▪ 'Badger' administrator will highlight to the Consultant of the Week every Monday any outliers and necessary actions needed to be taken by the relevant consultant to address it ▪ During Monday ward rounds as Neonatal lead and Doctors' Thursday SCBU rounds as SCBU co-lead, check all notes for documentation and where the communication sheet is not filled up but there is a clearly documented consultation with time and date from a senior clinician elsewhere in the babies notes, we enter that with that particular individual's name in the communication sheet and the Badger data is updated ▪ Missed opportunities for communication - wherever feasible a gentle reminder is given to the clinicians involved in person to improve on their documentation ▪ Our SCBU 'patient board' now has a dedicated column to highlight the issue through introduction of a traffic light system colour magnets - green if done and red if still waiting within 24 hours ▪ There is now a dedicated column on our SCBU handover lists where completed and outstanding parental communications are highlighted and discussed in all three handover meetings and plan is made to complete it as a matter of priority
526 (RCEM) Fractured Neck of Femur
<ul style="list-style-type: none"> • Repeat audit locally as changes in process have occurred since this audit was completed and will likely have helped results • Evaluate and distribute results across the team • Undertake a separate audit looking at documentation of fascia iliac blocks
0554 (RCEM) Pain in Children
<ul style="list-style-type: none"> • Re-audit of notes • Ensure pain re-scored at one hour after analgesia • Ensure high pain scores receive more analgesia
556 (RCEM) Procedural Sedation in Adults (care in emergency departments)
<ul style="list-style-type: none"> • Develop written patient leaflet for patients • Disseminate/ Distribute results across the team

0480 (TARN) Clinical Report Issue 3 - Core measures for all patients - Head & Spinal Injuries
Nov 17

- Review Trauma Scribe Process
- Review times to CT definitive report and whether process change needed, discuss at Trauma MDT

0344 National Lung Cancer Audit Report 2017

- Ongoing data validation and assessment to ensure good quality data and data completeness to be undertaken
- Ensure adequate time within job plans for the Lung Cancer MDT lead or Clinical Data Lead - currently not in place
- Ongoing discussion and collaboration with Derriford, Plymouth Thoracic Surgical Service to ensure clinic capacity for timely assessment of patients with potentially resectable disease, as well as surgical capacity
- Ensure all appropriate patients have a pathological diagnosis and access to molecular testing to ensure equity of access to systemic anti-cancer therapy
- Maintain our current timely access to chemotherapy - ongoing support and investment in the Chemotherapy Day Unit may be required in order to provide this
- Consider the appointment of an additional Lung Cancer Nurse Specialist (LCNS) or support for existing LCNS to maintain the level of support they have been able to offer patients as they continue to carry a workload much greater than recommended (recommended: one WTE LCNS per 80 new cases per year). Band 4 support worker to be appointed on fixed term contract to work with the lung CNS team as part of the living with and beyond cancer programme
- Identify additional time for the Lung Cancer MDT (currently 60 minutes - should aim for 90 minutes) OR consider splitting the MDT into two separate parts; Diagnostic and Management (recommendations from Optimal Lung Cancer Pathway) ensuring adequate time allocated for both (ideally 60 minutes per MDT)
- Appoint an additional Respiratory Physician to support the current service and to enable adequate time for the provision of services for lung cancer patients (recommended; one WTE Respiratory Physician (Ten PA's per 200 new diagnoses per year)
- Develop a smoking cessation programme
- Invest in the pulmonary rehabilitation programme to reduce current waiting times

0312 National audit of Dementia

- All staff training to include assessment of delirium on admission using 'CAM' tool and AMTs (Matron, ward managers and junior doctor training) - Consultant to approach QI team
- Promote and encourage documentation of Dementia/ Delirium assessment form; Nervecentre and Infoflex
- Update and encourage use of delirium Patient Information Leaflet via Dementia Champions advertising
- Promote use of 'This is Me'. Involve carers; explore cost, ask Alzheimer's Society, photocopy in notes and highlight existence on Care Patient Summary (CPS); audit to be instigated
- Continue to encourage MUST scoring and documentation
- Ensure Dementia champion available 24/7. Site Nurse Practitioner and bed managers to be suitably trained. Explore out of hours liaison availability (Consultant to discuss with Liaison Psychiatry/ Education team)
- Promote documentation of consent, capacity assessments and best interest's decisions. MCA/ Junior Doctor/ Nurse Training

0498	National Diabetes Audit Programme – National Diabetes Foot Care Audit 2014-2017
	<ul style="list-style-type: none"> • Implementation of a "one-stop ulcer clinic" pilot for assessment and treatment to improve the number of patients being seen by the foot protection team within 24 hours of referral • Continue to reinforce diabetic foot referral pathway with Primary Care colleagues at every training opportunity and as part of the diabetes virtual clinic. Diabetes Specialist Nurse will now ask questions related to foot pathway if triggered by diabetes lead podiatrist. Feedback to Primary Care after Root Cause Analysis (RCA). Measure patient to be seen by foot protection team within three to 13 days after first presenting to either a GP or nurse • Data input diarised and training admin support to input data weekly • Healing times are not a true reflection of caseload complexity so will add NDFA activity code to enable audit and monitoring that NDFA completed for all patients both severe and less severe. Staff meeting training to reinforce the need to report all diabetic foot ulcers not just severe at staff meeting
0609	National Mortality Case Record Review Programme
	<ul style="list-style-type: none"> • Incorporation of medical examiner - we are reviewing our policy in the new year in conjunction with the development of the medical examiner role
0603	Patients 50 years or above attending the Sexual Health Service being given advice on when they can stop contraception
	<ul style="list-style-type: none"> • Alteration of recording template - followed by re-audit.
0560	UK Parkinson's Audit
	<ul style="list-style-type: none"> • Development/ amendment of an information pack for newly-diagnosed patients making packs available in clinics • Increase of use of screening tools for neuroleptic malignant syndrome (NMS), cognition, mood, activities of daily living (ADLs), bone health, sleep - Make screening forms available in clinic, trial use prior to appointment and develop new patient pro forma • Improve documentation of dopaminergic drug side effects, particularly ICDs - Use of drug information leaflets in clinic, approach Parkinsons Disease UK (PDUK) • Improve access to therapy – Occupational Therapy/ Physiotherapy/ Speech and Language Therapy - Develop MDT clinic at Newton Abbot Hospital for complex patients • Improve signposting to PDUK - Include in new patient packs • Improve discussions re Advanced Care planning in clinic
0519	Women attending the Sexual Health Clinic requesting Emergency Contraception are told that an IUCD is more effective than an oral method
	<ul style="list-style-type: none"> • Alteration of record template and staff education followed by a re-audit

The reports of 46 local clinical audits were reviewed by the provider in 2018/19 and Torbay and South Devon NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided.

Ref	Recommendations / actions
6494	Management of Multiple Sclerosis (MS) in secondary care
	<ul style="list-style-type: none"> • Develop a pro-forma, tailored to cover missed areas, for use in MS clinics in Torbay • Education needed for Neurology department with regards to criteria in NICE guidance
6495	Orthoptics and Stroke patients (NICE CG-162)
	<ul style="list-style-type: none"> • Continue regular visual training for Stroke team • Review Orthoptic visual acuity referral threshold • By way of a new audit, ensure Community 'Neuro Rehab' referrals meet the standard of Teign ward 'rehab'
6507	Are patients presenting with hyperglycaemic emergencies of diabetic ketoacidosis (DKA) and Hyperosmolar Hyperglycaemic State (HHS) assessed and managed effectively?
	<ul style="list-style-type: none"> • To provide education to juniors on long acting insulin analogue in DKA patients • May need to accept lower degree of potassium supplementation (against national recommendations) • Develop a new variable rate insulin chart to replace current intensive insulin prescription chart to reduce • Provide feedback nationally to Diabetes UK/ Joint British Diabetes Societies (JBDS) inpatient care group regarding hypoglycaemia and fixed rate insulin in DKA and HHS (does national guideline need further revision?)
6510	Management of Chest Trauma (including rib fractures) in elderly patients > 65 years
	<ul style="list-style-type: none"> • Ensure Chest Trauma Guideline is ratified and live on intranet • Provide education for all junior doctors on chest trauma guideline/ management
6512	Protected Mealtimes (PMT)
	<ul style="list-style-type: none"> • Feedback results of PMT Audit to Matrons Group. This resulted in a desire to re-launch PMT across the Trust with each ward manager to be sent a copy of PMT Policy and a new PMT Alert poster for ward door • Re-launch <ul style="list-style-type: none"> - PMT Policy and ward posters to be hand delivered to all Ward Managers - Write cover letter including link to policy and training on 'HIVE', importance of using printed food and fluid charts and hand bells to start PMT - Re-inforce the importance of Band 7s leading PMT • Awareness <ul style="list-style-type: none"> - Book PMT screensaver for w/c 19th March (following Nutrition & Hydration Week) - Importance of PMT feature in staff Bulletin/ ICON: write feature for Chief Nurse to endorse • Contact Digital Services and ask to add "The Importance of Protected Mealtimes" Training Video and questions to HIVE to promote Nursing Staff Learning. Viewing numbers to be monitored via 'ESR'/ 'HIVE' database • Ensure all wards have hand bells to start PMT <ul style="list-style-type: none"> - Visit all wards to check if they have a bell - Approach League of Friends to ask for funding for bells (approx. £10 per bell) • Improve monitoring of mealtimes using Food Charts <ul style="list-style-type: none"> - Discuss at Matrons Group meeting and include in cover letter to all ward managers - Emphasise need to use printed, colour Food Charts and not to photocopy - Include Agresso ordering information - Add this information to Nutrition Steering Group website
6521	Improving the management of people presenting with headache to the acute Medical take
	<ul style="list-style-type: none"> • Improve education for managing headache from Neurology team; around 20% of patients do not receive a 'neuro' exam • Develop new streamlined guideline for management of headache
6522	Measuring salicylate levels separately from Paracetamol
	<ul style="list-style-type: none"> • Discuss opinions with acute Medicine team members regarding testing paracetamol and salicylate levels • Discuss cost implications of these potential changes with Biochemistry • Discuss with Emergency Department doctors the change to investigations

<p>6523 “Child K” recommendations (Substance misuse services)</p> <ul style="list-style-type: none"> • Audit report to be shared with all staff with a reminder of the importance of the safety of the child being at the forefront of practice • Flowchart devised by Devon Partnership Trust governing the expected service response to clients living with/ having contact with children to be adopted and circulated across Walnut Lodge • The hierarchy for the completion of the Dependents Support Needs Assessment (DSNA) to be reviewed and re-issued to all staff, including when a parent is moved to a liberalised collection from DSC • Whenever a parent declines a DSNA visit needs to be documented consistently and accurately. The staff member also needs to evidence their response to this • The “Dear parent” letter to be re-sited within the assessment paperwork and guidance on how this is recorded on HALO computer system • The Specialist Health Visitor for substance misuse to provide an education slot for staff at Walnut Lodge concerning the impact of parental substance misuse on children
<p>6524 Safeguarding Children Supervision</p> <ul style="list-style-type: none"> • Policy requires update – thus policy/ paperwork can be adapted and updated to reflect feedback • Re-launch of Safeguarding supervision policy with training/ updates provided by Supervisors within clinical teams • Repeat of survey targeted to “high risk “ teams – initially teams which receive regular supervision – ‘Paed’ Learning Disability Team/ Public Health Nurses/ Sexual Health Team/ Midwifery/ Louisa Cary Ward/ CAMHS/ Paediatric Consultants/ Paeds ED (supported by Safeguarding Supervisors)
<p>6532 Venous thromboembolism (VTE) in patients with lower limb immobilisation following trauma</p> <ul style="list-style-type: none"> • Present findings at A&E audit meeting and discuss other ways of raising awareness at this time • Raise awareness for A&E staff of protocol through education sessions
<p>6534 Management of Low Risk Non Muscle Invasive Bladder Cancer</p> <ul style="list-style-type: none"> • Consider/ implement a protocol to bypass ‘MDT’ for low/ intermediate risk bladder cancer
<p>6535 The quality of labial gland biopsies in the diagnosis of Sjogren’s syndrome</p> <ul style="list-style-type: none"> • Create a protocol for labial gland biopsy procedures • Improve clarity of histology reporting by discussing with Pathology • Create an information sheet for patients to shorten the referral pathway • Discuss with Rheumatology the importance to them of the labial gland biopsy for diagnosis
<p>6537 Management of Bartholin’s cysts after the introduction of Word catheters</p> <ul style="list-style-type: none"> • Introduce a pro-forma for use with Word catheters in an outpatient setting. This will include a section for documentation of consent
<p>6540 A new exercise and fatigue management group improves short and long term outcome for patients with Inflammatory Arthritis</p> <ul style="list-style-type: none"> • No plan required, future work will be undertaken as part of a multi-centre pilot study
<p>6547 Child Protection Flagging</p> <ul style="list-style-type: none"> • Contact local Children’s services (Devon and Torbay) to investigate causative factors for lack of information for ‘flags off’ • Retrospective investigation to clarify if notification was sent by Children’s Services to Torbay Hospital • Safeguarding Children and Midwifery Teams - Review of flagging process to decrease potential for human error • The removal of ‘Out of Area’ flags if over one year, to be added to the flagging process
<p>6548 Management of Myotonic Dystrophy</p> <ul style="list-style-type: none"> • Regional recommendations will be made after data from different centres are collated • Increase percentage of patients having annual electrocardiograms/ ‘echos’; neurologists looking after these patients need to direct/ request them from Cardiology

6550	Maxillo Facial local anaesthetic World Health Organisation (WHO) checklists
	<ul style="list-style-type: none"> • Insert: "Imaging displayed and correct to patient" to checklist • Modification of "site marked" section – change to "site marked/ confirmed" • Change 1st signature box from "signature of surgeon" to "signature of nurse"
6554	Treatment Escalation Plans (TEP) in patients with fractured Neck of Femur
	<ul style="list-style-type: none"> • Information to be included within Trust review of TEPs
6557	Cervical smears prior to benign hysterectomy
	<ul style="list-style-type: none"> • Investigate the option of requesting 'clinic prep' to record the date of last smear for all patients >25 years attending 'Gynae' clinic
6558	Negative test of cure (TOC) smear after colposcopy treatment
	<ul style="list-style-type: none"> • Take results to 'Gynae' Governance • Telephone patients from the audit cohort who did not have TOC to try and establish the reasons why. This will inform any changes that can be made to help improve attendance for follow up smears
6559	Zoledronate Dental assessment
	<ul style="list-style-type: none"> • Develop a new letter to the Dentist advising of the risk of osteonecrosis of the jaw associated with these medications and extraction of unhealthy teeth
6560	Ventilation - Self Inflating Bag
	<ul style="list-style-type: none"> • Emphasise the importance of a thorough anaesthetic equipment check before commencing a list to all Anaesthetists and Operating Department Practitioners (ODP) • Inform Head ODP highlighting findings and the need to address current equipment checking • Ensure adequate stock of self-inflating bags to enable replacement
6563	Recording of outcome measures within Torbay Healthy Lifestyles Service
	<ul style="list-style-type: none"> • Caseload management - <ul style="list-style-type: none"> - Run a training session on caseload management - Update process maps - Develop a good practice case study as an exemplar for staff to refer to for training purposes • Healthy Lifestyles Quiz (HLQ) completion - <ul style="list-style-type: none"> - Update processes for HLQ completion within stop smoking service - Run training session on HLQ completion processes
6564	Aspirin in Pregnancy
	<ul style="list-style-type: none"> • Patient Group Direction to be written for aspirin prescription to women who meet the required criteria • Dissemination of the requirement to: <ul style="list-style-type: none"> - document the prescription of aspirin on the management plan - give women information from NICE about taking aspirin
6565	Timing of surgery following neoadjuvant chemotherapy treatment (NACT) for Breast Cancer
	<ul style="list-style-type: none"> • Move surgical planning appointments forward to before chemotherapy finishes • Consider grouping these with Oncology appointments to reduce visits • Consider standardising referral back to surgery point (potentially after three cycles) and see patients shortly thereafter • Keep records of patients undergoing NACT and their likely finish dates
6577	Management of anaphylaxis in Emergency Department
	<ul style="list-style-type: none"> • Education for staff to complete Mast Cell Tryptase on all anaphylaxis cases <4 hours • Ensure all patients' GPs are advised that the patient needs immunology follow up (pending agreement for direct referral) • Ensure all patients are discharged with rescue medication (epipen) - raise awareness through education • Ensure all paediatric cases are discussed with paediatrics

6579 Pain management in Emergency Department for fracture neck of femur (NoF)

- Education on rationale behind need for adequate analgesia
- If giving analgesia in Rapid assessment Area need to document on drug chart or ensure blue charts scanned in to 'MIDAS' system
- Posters – time requirements for analgesia in fracture NoF

Audits completed and reviewed NOT requiring a plan or specific actions due to good results or compliance

6437	Review of incidence of lymphoedema for Axillary lymph Node Clearance and Sentinel Node Biopsy patients
6491	Orthodontic Acceptance Criteria
6515	Repeated Attendances to the Emergency Department/ Short Stay Paediatric Assessment Unit by Children
6531	Reporting of accuracy of chest radiographs in patients subsequently shown to have lung cancer
6538	Surgical Antibiotic Prophylaxis
6539	Retinopathy of Prematurity screening 2016
6541	Assessment of intra-operative testing of Sentinel Lymph Nodes in patients with early invasive breast cancer
6542	Anticoagulants as a cause of cancelled appointments in musculoskeletal fluoroscopy
6546	Intracapsular hip fracture treated without an operation
6549	Gynae Surgery Readmissions
6552	Review of the Cerebrospinal fluid studies in children with suspected viral meningitis
6555	Paediatric Asthma
6556	Sickle Cell and Thalassaemia Screening
6561	Completion of World Health Organisation Checklist in Theatre 10
6562	Repeat Vaginal Repair Surgery
6570	Endoscopic Retrograde Cholangiopancreatography Procedure service at Torbay Hospital
6571	Complications and contraception post termination of pregnancy
6572	Hysterosalpingo Contrast Sonography
6581	Consenting for vaginal sling repair

The reports of 4 national confidential enquiries were reviewed by the provider in 2018/19 and Torbay and South Devon NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided.

0476 (MBRRACE-UK) Maternal, New-born and Infant Clinical Outcome Review Programme - Saving Lives, Improving Mothers' Care - Surveillance of Maternal Deaths in UK 2012-14 & lessons learned to inform Maternity Care

- Gain information from Emergency Department (ED)/ Clinical Experts as to whether this is a procedure undertaken locally! - A normal ECG and/or a Troponin does not exclude the diagnosis of an acute coronary syndrome
- Gain information from ED/ Clinical Experts as to whether this is a procedure undertaken locally - Women of reproductive age presenting to ED collapsed, in whom a pulmonary embolism is part of the differential diagnosis, should have a Focused Assessment with Sonography in Trauma (FAST) scan to exclude intra-abdominal bleeding from a ruptured ectopic pregnancy before thrombolysis is given. This should be done especially in the presence of anaemia
- Gain information from ED/ Clinical Experts as to whether this is a procedure undertaken locally - Pregnancy should not alter the investigation and treatment of a woman presenting with a stroke. Neurological examination including assessment for neck stiffness and fundoscopy is mandatory for all women with new onset headaches or headaches with atypical features, particularly focal symptoms

0493 (NCEPOD) Acute Heart Failure Study

- Recommendation 4 - Heart Failure medications to be reviewed by Heart Failure Pharmacist - Action: this needs to be discussed with the Pharmacy Team
- Recommendation 5 - Serum brain natriuretic peptide (BNP) access - achieved with access via cardiologist or Heart Failure Nurse Specialist - Action: audit of BNP use and changes to management

- Recommendation 6 - Echo should be performed on Heart Failure patients within 48 hours - Action: Audit of echocardiogram access within 48 hours of those with raised BNP or suspected Heart Failure, time from request to perform
- Recommendation 9 - TEP form completions and documentation - Action: Audit TEP forms for Heart Failure patients
- Recommendation 11 - Post Heart Failure admission, seen by Heart Failure team within two weeks - Action: audit required
- Recommendation 12 - Confirmed Heart Failure patients should have six monthly reviews - Action: audit required
- Recommendation 13 - Cardiac rehab for Heart Failure patients - Action: needs to be addressed, to be discussed with community rehab team

0421 (NCEPOD) Chronic Neurodisability Study

- Recommendation 1 - a) Gross Motor Function Classification System used routinely to describe functional level of child and used as indicators for prognosis and information sharing. Cerebral Palsy Integrated pathway (CPIP) used to share clinical information in standardised way. b-e) There is a lack of consistency in data collection and joining up of data sets, to contribute towards a UK wide picture of need. e) 'Windip' access for all clinicians. 'Infoflex' used for CPIP clinics to share reports. No electronic note keeping for therapists or community nursing as yet however this has been requested. Also, no coding for medical outpatient correspondence where these young people are increasingly managed - national recommendations have been made using Systematised Nomenclature of Medicine (SNOMED) listings. Action required: - IT systems to be developed to enable data collection across the service; has been escalated/raised within Directorates but on wider prioritisation list
- Recommendation 2 - Cerebral Palsy Integrated Pathway (CPIP) is a database in some parts of the UK and internationally. SW CPIP database has been purchased by Bristol as lead provider and the SW NHS Trusts have come together to adopt the database in order to progress this. The CP Integrated pathway is just one specific neuro-disability and we need to be mindful of ensuring that datasets can be collected for other chronic neuro-disabilities that we might see in childhood, e.g. Duchenne muscular dystrophy (DMD), Brain tumours etc. Action required: - TSDFT to adopt CPIP SW. Staff already on regional working group but will progress action plan within MDT physio/ Paeds and need to continue liaison with IT about data protection requirements. There will be local training required which can be delivered by the MDT team members
- Recommendation 3 - TSDFT hold a hip surveillance database and CPIP review system and there is robust assessment of diagnostic assessment for the children on that through MDT and paediatricians are aware to ensure physio is involved in patient to access that pathway and lead care. We are moving towards joining the South West CPIP database hosted by Bristol Children's Hospital. Local training of paediatricians will be required - training date requested. Action required: - TSDFT information governance approval to be sought to adopt CPIP database. Training session for Paediatricians.
- Recommendation 5: Gross Motor Function Classification System (GMFCS) is routinely used on clinic letters and CPIP assessment by physiotherapists but is not embedded across other specialties. Training will start with paediatricians. Action required: - Training date as above. Audit when clinical correspondence is coded
- Recommendation 7: For children with CP this is, for some, achieved through CPIP (most complex) and partially achieved by most physiotherapists. Paediatricians have a report on the MDT and messages can be relayed to colleagues. Community nursing have access to advice and for all complex conditions children's progress overall is measured to some extent through outcomes in EHC plans. Action required: - Planning through the Children and Young People bid
- Recommendation 9 - In reports, EHCP, clinic letters but this is not universal and has been raised at multiagency SEND forum for further focus - implications for access to services (such as GP annual check). Action required: - Table for pan Devon health subgroup
- Recommendation 14 - Pre and post op planning takes place by communication with the parents and operative team for elective surgery but it relies on parents letting us know date of surgery (usually in other centres). For emergency surgery in under18s there is shared care with 'Paeds'. For CP and NM disease groups the physiotherapist will be involved in planning changes to equipment as well as planning post op rehab at home and school. In addition to Physiotherapy, Occupational Therapy involvement needs to be considered in the planning of

any surgery so that a swift and fully supported discharge can be arranged post-surgery. Action required: - This continues improving with pathway development and individual case discussion through networks. It would be beneficial to have primary care on the network also - LD will raise at Clinician to Clinician meeting

- Recommendation 15:- Paediatric pain profile used occasionally to help determine source of discomfort. Pain scores are an integral part of inpatient care locally but communication with those with learning difficulties is a separate work stream. Action required: - Audit could be considered at Trust level?
- Recommendation 16: There is not a named keyworker from Child Health, but there is continuity of care with a named physiotherapist. Handover between physiotherapists is usually planned and parents are involved in transition where there is a change in staffing e.g. a joint appointment is held with both physiotherapists to ensure continuity of care. Community nurse or paediatric school nurse may be involved for under 18s. Occupational Therapist's involved in patient care will ensure a thorough handover if cases are being transferred from one clinician to another. Action required:- within CYP bid
- Recommendation 17:- Achieved - all children with CP GMFCS 3-5 are on the CPIP care pathway. Children GMFCS 1 and 2 are not included at present as this would need to be a newly commissioned service. Previous business case and commissioners aware. Action required: - within CYP bid
- Recommendation 20: - Ready Steady Go paperwork (from 14/15) is used by paediatricians and community nursing but is not shared by therapists at present. Use is not consistent/ embedded. There is no secondary medical service to transition to but individual arrangements are shared with carers/ young people with signposting. Action required: - There is an opportunity for this to be an MDT document in the new service redesign
- Recommendation 21: Appropriate clinical space is available at special schools, Newton Abbot hospital and at John Parkes unit. In each area privacy can be maintained and age appropriate setting provided. Action required: - Outreach clinics at Totnes hospital need child friendly rooms and patient feedback was of difficult access in radiology - taken on board
- Recommendation 22: Transition planning is undertaken by physiotherapists who may attend transition review meetings. A checklist has been developed describing transition from paediatric to adult physiotherapy services to aid clinicians in this process. Preparing for adulthood is a work stream in Devon and Torbay under the SEND Boards and includes outcome focussed integration. Primary care representation is improving but patchy. A transition report will be completed for children open to OT at the time of transition detailing functional skills, needs, and equipment in use. This is shared with adult services and we endeavour a handover to adult OT where appropriate. Action required: - This needs to be a multi-disciplinary plan. Needs ongoing engagement with SEND agenda especially to bring on board adult services and primary care
- Recommendation 25: Communication passports are provided by SALT at special schools. This information is included in the EHC plans but at present there is still poor knowledge of where these are stored and they may be out of date. Action required: - 1- Support plan to raise flag for all children/ YP with EHC plan with signposting. 2- Staff training. 3- Work to encourage communication of updates from Education and shared access to therapists reports
- Recommendation 26: Some resources are made available at John Parkes unit and at health bases within Special Schools. Communications have been distributed to GP surgeries through CCG and all services provide advice and guidance. Promotion of the 'Local Offer' (directory of services) is increasing but care events are still often 'silo focussed'. Action required: - Physiotherapists should routinely offer information at clinics or make resources more available for parents to access independently
- Recommendation 27: Longer appointments are made at Orthopaedic clinics and they are held at special schools to help improve access. Dedicated clinics have been set up by Radiology for hip screening with trained staff, longer appointments and hoisting facilities. 'Disability matters' has been shared among paediatricians and NHSE/ HEE competencies for working with disabled people have been shared with Directorate for Education. At clinic and school appointments children are accompanied by a carer who knows the child well enough to be able to facilitate communication. Action required: Share disability matters resource with clinicians at a team meeting and then at induction for new staff
- Recommendation 30: Children are included in decision making at clinics wherever it is appropriate to do so. This is often facilitated by the parents but SALT is rarely involved to facilitate this. Staff are not yet fully embedding 'having different conversations' with young

people early enough in transition. Action required: Within SEND work streams and to consider local audit of use of Ready Steady Go and evidence of engagement through SEND Champions forum.

- Recommendation 32: Total communication training is available to all clinicians who work with children with a learning disability through the SALT department. Therapists and nursing staff are encouraged to book onto this. Royal College of Paediatric and Child Health has recently updated its training programme to include improved generic skills to include communication. Action required: - Raise awareness with paediatricians through planned training - await date
- Recommendation 33: Care Pathways are in place e.g. postural management and CPIP care pathway but they are not published. Action required:- Publish pathways and contact details on the Trust website
- Recommendation 34: Hoisting is available on request at Torbay and Totnes hospital but not at Newton Abbot. Outreach clinics are held in health facilities on Special School sites to facilitate this. There is close communication and co-located clinics with equipment services (but different providers) and specific joint outcomes measures to include participation and independence. Action required: - Newton Abbot hospital needs a mobile hoist for outpatient clinics. The ward hoists are not compatible with most children's slings. Funding needs to be sought

0617 MBRRACE- UK - Saving lives, Improving Mothers Care - Lessons learned to inform maternity care from the UK and Ireland Confidential Enquiries into Maternal Deaths and Morbidity 2013-15

- Gain information from Emergency Department (ED)/ Clinical Experts as to whether this is a procedure undertaken locally! - A normal ECG and/or a Troponin does not exclude the diagnosis of an acute coronary syndrome
- Gain information from ED/ Clinical Experts as to whether this is a procedure undertaken locally - Women of reproductive age presenting to ED collapsed, in whom a pulmonary embolism is part of the differential diagnosis, should have a Focused Assessment with Sonography in Trauma (FAST) scan to exclude intra-abdominal bleeding from a ruptured ectopic pregnancy before thrombolysis is given. This should be done especially in the presence of anaemia
- Gain information from ED/ Clinical Experts as to whether this is a procedure undertaken locally - Pregnancy should not alter the investigation and treatment of a woman presenting with a stroke. Neurological examination including assessment for neck stiffness and fundoscopy is mandatory for all women with new onset headaches or headaches with atypical features, particularly focal symptoms

Research

The number of patients receiving relevant health services provided or sub-contracted by Torbay and South Devon NHS Foundation Trust in 2018/19 that were recruited during that period to participate in research approved by a research ethics committee was 1701.

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 235 clinical research studies during 2018/19 in 39 specialities.

During 2018/19 105 clinical staff participated in approved research at Torbay and South Devon NHS Foundation Trust.

In the past year more than 22 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
Respiratory	<p>Singing for Wellness study: A Trust led and sponsored study, funded by the Torbay Medical Research fund. Chief Investigator Dr Elizabeth Ginn.</p> <p>Is singing a useful way of supporting people in Torbay to self-manage aspects of their Chronic Obstructive Pulmonary Disease (COPD).? Does a bespoke respiratory choir provide a non-medical intervention for those with COPD in our local community?</p> <p>Participants were invited to take part in a new 12-week community choir to help us investigate the effect singing in a choir may have on their breathing, COPD management and wellbeing. There was one group choral session each week for the duration of a 12-week period.</p> <p>The results showed that participants reported outcomes wholly positive-with emotional narrative from participants very encouraging. So powerful were the stories heard, that participants thoughts and emotions were captured (with consent) on a short film by the HiBlio team.</p> <p>Other outcomes include:</p> <ul style="list-style-type: none"> • BBC interested and contacted local Culture board about making a short film. • Commissioners very excited and three more 12 week courses funded with collaboration with Arts Council and Culture board funding with more groups in Totnes, Brixham (local GP practices supporting self-referral process) and Shiphay, Torquay. • A great example of ICO working across boundaries of primary and secondary care. • Extension to other vocal practitioners within the community with new people joining- peer teaching occurring and mentorship for the vocal practitioners. • The Brompton keen to collaborate using this data and would like it to contribute to a national programme. • Participants leaving the first cohort have joined other local

	<p>choirs to continue their participation in singing.</p> <ul style="list-style-type: none"> • Mentioned in Great Places: local event held by Culture Board.
A&E	<p>HALT –IT Study: Tranexamic acid for the treatment of gastrointestinal bleeding: A randomised controlled trial.</p> <p>Gastrointestinal (GI) bleeding is a common emergency that causes substantial mortality worldwide. This International Emergency room study evaluated the use of tranexamic acid for GI bleeds. Trial results awaited. Patients with Gastro intestinal bleed not routinely given tranexamic acid to control the blood loss. If proves successful with GI bleeds tranexamic acid will reduce the need to have blood transfusions, and therefore reduce side effects such as clotting problems. Will also reduce the amount of blood used generally from the National transfusion service.</p>
Quality Improvement	<p>Reflections on the researcher-in-residence model co-producing knowledge for action in an Integrated Care Organisation: a mixed methods case study using an impact survey and field notes.</p> <p>Dr Felix Gradinger, Dr Julian Elston, Susan Martin, Professor Richard Byng and Professor Sheena Asthana. Funded by Torbay Medical Research Fund</p> <p>Background/Aims/Objectives ‘Embedded’ approaches to knowledge mobilisation are gaining currency, as health and social care services come under increasing pressure to re-design services now rather than wait for research. One such approach is the ‘Researcher in Residence’ (RiR) model which seeks to co-produce knowledge for action. The aim of this paper is to extend the evidence base regarding mechanisms of impact.</p> <p>Methods A two-year mixed-method case study of the experience and impact of two part-time RiRs, embedded within an Integrated Care Organisation to support the implementation of new models of care. Data included the results of an anonymous impact survey sent to 80 key stakeholders, field notes of meetings (n=112), and observations of naturally occurring events (n=68).</p> <p>Findings Impacts were identified in relation to use of co-produced evidence, capacity building, changes in ways of working, and to a lesser degree changes in operations or strategy. Impact involved learning which was mediated by three non-linear, non-predictable, positive and negative feedback cycles (learning/improvement, access, expectation). A mixture of technical skills, personal attributes and behaviours were identified as key to this mediation.</p> <p>Four key messages</p> <ul style="list-style-type: none"> • Researchers in Residence are embedded in care systems to co-produce knowledge for action.

	<ul style="list-style-type: none"> • Integrated care case study evidences mechanisms of impact and attributes from a stakeholder perspective. • Impact was mediated through three non-linear feedback cycles: Expectations, Access, and Learning and Improvement. • The RIR model is a complex implementation intervention that merits roll-out combined with further study.
Cancer-Prostate	<p>The STAMPEDE (Systemic Therapy in Advancing or Metastatic Prostate cancer: Evaluation of Drug Efficacy) Trial.</p> <p>STAMPEDE is a multi-centre international, multi-arm, multi-stage (MAMS) platform trial. The aim of the STAMPEDE trial is to test different approaches that try to prevent the tumour re-growth or spread by adding other treatments to the standard hormone therapy. The aim is to improve the survival of men with advanced prostate cancer. One part of the study tested whether adding radiotherapy to the prostate to long-term hormone therapy in men with newly diagnosed disease that had spread beyond the prostate could improve survival.</p> <p>The results showed that overall, radiotherapy did not improve survival for men whose disease had spread beyond the prostate. But, for the subgroup of men with 'low burden' disease (disease that had spread to lymph glands and/or to parts of the bone in the spine and/or pelvis, but not to other parts of the bone or other internal organs), radiotherapy significantly improved survival, with 81% of men alive after three years, compared to 73% in the group receiving drug therapy alone.</p> <p>Implications of these results</p> <ul style="list-style-type: none"> • Radiotherapy to the prostate should now be a standard of care for men with prostate cancer who have a low metastatic burden, but not for men with a high metastatic burden • Radiotherapy to the prostate is also likely to be beneficial to patients who have non-metastatic, pelvic node-positive disease • Radiotherapy to the primary tumour may also be beneficial for other types of metastatic cancer with low burden disease; research is needed to test this • Radiotherapy is relatively low-cost, has modest toxicity and widely available in most parts of the world • STAMPEDE is continuing to test new approaches to treating prostate cancer, with more results expected in 2019.
Quality Improvement	<p>Research and evaluation of the Trust's integrated care model: Dr Julian Elston and Dr Felix Gradingner are part of the Community and Primary Care Research Group at the University of Plymouth. Three year study funded primarily by Torbay Medical Research Fund.</p> <p>Background In Torbay and South Devon, the acute NHS Trust and adult social care</p>

	<p>and community services merged in October 2015 to create an Integrated Care Organisation (ICO) – among the first in the UK to adopt this new organisational form – implementing a new care model, as part of the integration of services. This vertical integration builds on the history of horizontal (i.e. across sectors) integration between organisations working in the Torbay area, following the development of the ‘Mrs Smith model’ and the creation of the Torbay Care Trust in 2005</p> <p>The research was a mixed methods study involving a phased, iterative process of collecting and analysing quantitative and qualitative data. The core of the RiR activity focused on two care model innovations :</p> <ol style="list-style-type: none"> 1. Enhanced intermediate care service (EIC) provided by multidisciplinary teams in the community looking to avoid hospital admission or bridging journeys back to people’s homes 2. Co-located holistic link-worker/social prescribing, Wellbeing Coordinators Programme(WBC) <p>The scope also included a case study of how these contribute to integration in one of the five ICO geographical locality hubs.</p> <p>Findings include:</p> <ul style="list-style-type: none"> • WBC programme has helped over 1,500 people over 50 years ≥2 LTCs, many frail and elderly in the first year • Health and wellbeing improved significantly, with many positive stories of lives turned around. • A small proportion of people account for a significant increase in health and social care use (and cost), often due to a rapid deterioration in their health. • Coastal locality model is relatively unique incorporating GPs, alongside health and care professionals and volunteers – working and coming together as an effective multidisciplinary team. • Coastal key ingredients appear to be related to: strong championing/leadership, good co-ordination, high levels of trust and respect, co-location and size, contracting and RiR input. • Enhanced Intermediate Care in Coastal is keeping relatively more people at home, reducing admissions into ED and holding more complex patients. • Patient experience is good. The team are providing good level of person-centred, coordinated <p>Dissemination:</p> <ul style="list-style-type: none"> • 3 academic, peer-reviewed journal papers in press • 5 Regional/national/international conferences • 2 Awards (Health Services Journal, KCL Implementation Conference) • 30 presentations across ICO, CCG etc. (incl gov bodies) • 3 Coastal Learning events (NHS-E, NHS-I, STP) • Media coverage (ITV/BBC)
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CQUIN

A proportion of Torbay and South Devon NHS Foundation Trust income in 2018/19 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 2018/19 and for the following 12-month period are available electronically at: <http://www.torbayandsouthdevon.nhs.uk>

In 2018/19 the potential value of the CQUIN payment was £4,793,000 and income subsequently received was £4,793,000 (tbc). In 2017/18 the potential value of the CQUIN payment for the Trust was £4,686,000 and the income subsequently received was £4,669,000. In 2019/20 the planned value of the CQUIN payment is £2,693,000.

(N.B. The CQUIN value of the contract in 19/20 has reduced from 2.5% to 1.25% of applicable contract value)

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:**

- 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 2018/19.

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.

As noted in the 2017/18 report, the Trust received announced inspections in February 2018 for the following areas;

- Community children and young people (Short-announced)
- Community end of life care (Short-announced)
- 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.

The table below shows the rating provided for each of the services inspected in 2018.

Service	Rating	Requirement notice
Community Children and Young People	Good	No
Community End of Life	Requires improvement	Yes
Social reablement (St Edmunds)	Good	No
Maternity	Requires improvement	Yes
Acute Outpatients	Good	Yes
Acute End of Life	Good	Yes

Requirement notices and 'should do' action plans are monitored through the individual service leadership teams and reported to the Trust CQC Assurance Group.

Following the core service inspections described above, the Trust received a 'well led' inspection during March 2018. The focus for this inspection was predominantly

Trust Board focussed; the feedback formed part of the overall Trust report along with the core service reports. The well-led inspection was rated as 'Good'.

The overall Trust rating improved to 'Good' as a result of the 2018 inspections and is shown in the table below.

Safe	Effective	Caring	Responsive	Well-led	Overall
Requires improvement ↔ May 2018	Good ↑ May 2018	Outstanding ↔ May 2018	Good ↑ May 2018	Good ↑ May 2018	Good ↑ May 2018

The full report can be accessed at

https://www.cqc.org.uk/sites/default/files/new_reports/AAAH1824.pdf

Other CQC service inspections during 2018/19

Specialist dental services delivered by the Trust were also inspected during February to May 2018 under the Primary Services inspection format. These services are delivered across 4 Trust sites and all were found to be delivering care in line with regulations.

Special Education Needs and Disability services in Devon were inspected by Ofsted and the CQC in December 2018. The inspection was hosted by the Clinical Commissioning Groups and Devon County Council. TSDFT staff in various therapies disciplines were involved in the focus groups and inspection. The inspection report was published on the Ofsted web site on 5 February 2019.

Ionising Radiation (Medical Exposure) Regulations (IR(ME)R) 2017. The CQC undertook a short notice inspection of the Trust compliance against the IRMER regulations during December 2018, and focussed on the Torbay Hospital site. The inspection noted the good clinical practice, including training packages, incident reporting and investigations, and team working. An Improvement Notice was issued to improve written procedures to meet Regulatory Requirements. The Improvement Notice requirements and timeframe were met satisfactorily and formally closed. The action plan submitted to address additional findings was accepted by the CQC.

Emergency Department 2019

In February the CQC attended Torbay Hospital to carry out a one-day unannounced inspection in the Emergency Department. This was one of a series of targeted inspections taking place on Mondays, across a number of Trusts, when acute hospitals are very busy after the weekend. This inspection was part of a CQC national programme of inspections by the Pressure Resilience Operational Group.

Although the Emergency Department was extremely busy after a challenging weekend, our teams were coping well. The subsequent report notes appropriate processes for initial assessment and triage, that care and treatment was planned carried out in a timely way. Although the inspectors noted that compliance with

constitutional standards remained a challenge, new models of care and escalation protocols were providing signs of incremental improvement. There were 2 areas which required improvement, both of which were addressed following the primary feedback.

This inspection is not part of the inspection regime and will not of itself impact on the Trust rating, which remains overall 'Good'.

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 2018/19 to the Secondary Uses Service for inclusion in the Hospital Episode Statistics.

The percentage of records in the published data, as of February 2019:

which included the patient's valid NHS number was:

- 99.7% for admitted patient care.
- 99.9% for outpatient care.
- 98.6% for accident and emergency care.

and those which included the patient's valid General Medical Practice Code was:

- 99.8% for admitted patient care.
- 99.7% for outpatient care.
- 98.7% for accident and emergency care

Information governance

Torbay and South Devon NHS Foundation Trust Information Governance Assessment report is no longer available and the system has been replaced by the "Data Security & Protection Toolkit (DSP Toolkit)".

Torbay and South Devon NHS Foundation Trust's toolkit publication for 2018/19 was standards met.

Clinical coding

Torbay and South Devon NHS Foundation Trust was not subject to the payment by results clinical coding audit during the reporting period by the Audit Commission.

Data quality improvements

Torbay and South Devon NHS Foundation Trust committed to take the following actions to improve data quality.

- Embedding the new information governance toolkit. An internal audit was commissioned and a draft action plan has been completed which will be updated if there are any additional recommendations from the auditors. The plan will be reviewed and approved to go forward at the next quarterly meeting of the Information Governance Steering Group. With regards to the remaining priorities:
- 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.

The Trust has had to defer this improvement work as a result of 2 major IT incidences which has meant the Trust teams have been focused on maintaining critical clinical IT systems during this difficult time.

The incidents were:

- Air Conditioning failure of Computer Room 1 at Torbay Hospital on the 27th February 2018. The failure of the 3 air conditioning units and subsequent overheating caused the failure of the system which took the teams several months to resolve. During this difficult period clinical services continued to run normally with health and care teams able to access patient level data.
- Fire in the electrical switch room/generator room on the 17th April at Torbay Hospital Annex. This room provides the main electrical power to Computer Room 1. Unfortunately the fire destroyed the main incoming cable to the Annex which resulted in no power being available across the site. Work was undertaken to ensure critical services were maintained whilst replacement kit was designed, manufactured and installed.

Despite this, data quality is only slightly down on the previous year's position and additional improvements in A&E data in particular should start to feed through from April 2019.

Torbay and South Devon NHS Foundation Trust will be taking the following actions to improve data quality in 2019/20.

- Focus improvements on the deferred 2018/19 data quality improvements listed above plus any additional actions as a result of the information governance toolkit evaluation.
- Acting on the recommendations of three data quality audits undertaken by the external auditor in spring 2019 as part of the Trust's annual quality account.

Data Quality Audits undertaken by PWC	
A&E: maximum waiting time of four hours from arrival to admission/ transfer/ discharge ^A	Mandated indicator
All cancers: 62-day wait for first treatment, from: urgent GP referral for suspected cancer, - NHS Cancer screening service referral ^A	Mandated indicator
Summary Hospital-level Mortality Indicator	Local 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.

Domain1: Patient safety

Learning from patient deaths

27.1	During 2018/19, (April 2018 to Mar 2019) of Torbay and South Devon NHS Foundation Trust 828 patients died. This comprised the following number of deaths which occurred in each quarter of that reporting period: 294 in the first quarter; 247 in the second quarter; 287 in the third quarter; 323 in the fourth quarter
27.2	By Dec 2018, 186 case record reviews and 186 investigations have been carried out in relation to the 828 deaths included above. The number of deaths in each quarter for which a case record review or an investigation was carried out was: 67 in the first quarter; 37 in the second quarter; 47 in the third quarter; 35 in the fourth quarter

27.3	<p>186 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.</p> <p>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.</p> <p>These numbers have been estimated using the Structured judgement framework based on the Royal College of Physicians guidance.</p>
27.4	<p>Based on the reviews undertaken we have learnt that communication is always an area where the system can improve and a video focusing on critical communication has been made. The video will be used as part of medical and nurse education.</p>
27.5	<p>The Trust has worked on the format and timings of its Mortality Surveillance Group and this is now incorporated within the Quality Improvement Group. This change has allowed for a wider clinical audience to participate in this important review group</p> <p>The group has strengthened its participation with the divisional Mortality and Morbidity meetings held in each speciality. These local meetings send through the review documents for the deaths they have reviewed as well as identifying any issues. These include learnings around VTE and the length of time prophylactic treatment needs to continue for, Mental capacity assessments as well highlighting the compassionate and family centred care that is given at the end of life.</p>
27.6	<p>The VTE learning is being shared at the Doctor grand rounds, the video produced is being used at local induction and planned Mental capacity talks are being planned at various meetings including a larger presentation by Browne Jacobson on mental capacity law</p>
27.7	<p>85 case record reviews and investigations were completed after January 2018 which related to deaths which took place before the start of the reporting period.</p>
27.8	<p>1, representing <1% of the patient deaths before the reporting period, are judged to be more likely than not to have been due to problems in the care provided to the patient. This number has been estimated using the Structure Judgement framework.</p>
27.9	<p>1 representing <1% of the patient deaths during 2017/18 are judged to be more likely than not to have been due to problems in the care provided to the patient.</p>

Preventing people from dying prematurely

	Oct 17 – Sept 18	July 16 – June 17	July 15 – June 16	Oct 14 – Sept 15
SHMI	0.9039	0.8530	0.8440	0.812
National High – Low	1.26 – 0.69	1.22 – 0.73	1.17 - 0.69	1.17 - 0.65
Band (<i>Band 2 = as expected</i> <i>Band 3 = lower than expected</i>)	2	3	3	3
Observed deaths	1736	1,808	1,798	1,866
Expected deaths	1921	2,119	2,130	2,298
Spells	46,621	49,473	47,927	45,336

Source of information: <https://digital.nhs.uk/data-and-information/publications/clinical-indicators/shmi/current/shmi-data>

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 1.26 and the lowest Trust score is 0.69. 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:

- Maintaining systems and process for mortality data review through the Quality Assurance Group and reported performance to the Trust Board

Palliative care coding (contextual indicator for SHMI)

	Oct 17 – Sept 18	July 16 – June 17	July 15 – June 16	Oct 14 – Sept 15
Palliative care coding % deaths	24.1	22.8	22.1	18.9
England average	33.6	31.2	29.1	26.6
High	59.5	58.6	54.8	53.3
Low	14.5	11.2	0.6	0.2

Source of information: <https://digital.nhs.uk/data-and-information/publications/clinical-indicators/shmi/current/palliative-care-coding>

The highest Trust score is 59.5 % and the lowest Trust score is 14.5%. The national average is 33.6%.

The number of deaths recorded as coded to palliative care within the Trust has remained within normal range and is below the national average.

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.
- Peer review of coding principles and practices including capture of palliative coding.

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.

Domain 3: Clinical effectiveness

Helping people to recover from episodes of ill health or injury

Hip replacement	Apr 18 – Sept 18	April 16 – Mar 17	April 15 – March 16
Adjusted Health gain score	0.521	0.482	0.414
National average	0.495	0.44	.0438
Highest Trust performance	0.66	0.54	0.051
Lowest Trust performance	0.34	0.30	0.32

Knee replacement			
Adjusted Health gain score	0.609	0.353	0.343
National average	0.486	0.32	0.320
Highest Trust performance	1.016	0.403	0.397
Lowest Trust performance	0.052	0.245	0.0798
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	n/a
Highest Trust performance	n/a	n/a	n/a
Lowest Trust performance	n/a	n/a	n/a
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:

<https://digital.nhs.uk/data-and-information/publications/statistical/patient-reported-outcome-measures-proms/provisional-quarterly---april-2018-to-september-2018>

The PROMs data is published nationally in arrears.

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

- PROMS returns are completed independently using a 3rd party contractor
- We receive regular feedback on participation rates

Torbay and South Devon NHS Foundation Trust has taken the following actions to improve this score and so the quality of its services by:

- Working with commissioners orthopaedic services have developed and follow agreed clinical threshold guidelines and non-surgical pathway options before proceeding to surgery.
- Clinical services maintain strong peer review of profession practice and monitor patient outcomes in conjunction with established revalidation and education and training programmes.

Patients readmitted to a hospital within 28 days of being discharged

	April 18- March 19	April 17 – March 18	April 16 – March 17
0-15 years old			
% readmissions	9.2%	9.6%	9.1%
Benchmark national benchmark 100*	104	105	103
=>16 years old			
% readmissions	9.9%	9.8%	9.1%
Benchmark national benchmark 100 *	108	108	107

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 National benchmark is 100. The trust data is higher than National benchmark*.

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

- The benchmarking data is taken from Dr Foster using national datasets

Torbay and South Devon Foundation Trust has taken the following actions to reduce this rate, and so improve the quality of its services through:

- The Trust is working to ensure all coding and counting of admissions is aligned with local trusts practices through the STP variation group and that this reflects national standards.

Domain 4: Patient Experience

Ensuring people have a positive experience of care

Overall patient experience – inpatient survey

Between August 2017 and January 2018, a questionnaire was sent to 1250 inpatients at each Trust who had received care in July 2018. Responses were received from 568 patients at Torbay and South Devon NHS Foundation Trust.

The survey was published in June 2017 and overall performance is shown in the next table.

Patient survey	2018	2017	2016	2015	Compared with other trusts
Overall view of inpatient services (for feeling that overall, they have a good experience)	8.4/10	8.4/10	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	2018	2017	2016	2015
Torbay and South Devon NHS Foundation Trust	3.85	3.79	3.89	3.91
National average score for combined acute and community Trusts	4.14	3.75	3.71	3.71

Scoring scale
1= strongly disagree
5= strongly agree

Source of information: <http://www.nhsstaffsurveys.com>

In 2018 the national average score for combined acute and community Trusts was 4.14. The best performing Trust achieved 4.16 with the lowest performing Trust achieving 3.47

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

- Nationally published data set commissioned by NHS England

Torbay and South Devon NHS Foundation Trust has taken the following actions to improve this score and so the quality of its services, by:

- Using the staff survey results to inform the development of an annual action plan

Staff survey: Percentage of staff experiencing harassment, bullying or abuse from staff in last 12 months

Staff survey	2018	2017	2016
Torbay and South Devon NHS Foundation Trust	23%	23%	22%
National average score for combined acute and community Trusts	25%	24%	23%

Source of information: <http://www.nhsstaffsurveys.com>

In 2018 the national average score for combined acute and community Trusts was 25%. The best performing Trust achieved 19% and the worst performing Trust achieved 34%.

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

- Nationally published data set commissioned by NHS England

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:

- Using the staff survey results to inform the development of an annual action plan

Domain 5: Patient Safety

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 2018/19	Q4 2017/18	Q4 2016/17
% VTE assessed UNIFY return	92.2%	91.3	94.9%
National standard	95%	95%	95%
Highest performing	100%	100%	100%
Lowest performing	54.8%	67%	63.02%

Source of information: <https://improvement.nhs.uk/resources/vte-risk-assessment-data-q4-201718/>

The highest performing Trust is 100% and the lowest performing Trust is 54.8%. The national standard is 95%. The Trust is performing 92.2% against the national standard of 95%.

Torbay and South Devon NHS Foundation considers that this data is as described for the following reasons:

- Data collection is reliant upon manual entry into the electronic reporting system. It is recognised that not all completed assessments are recorded so actual performance can be under reported.

Torbay and South Devon NHS Foundation Trust has taken the following actions to improve this score and so the quality of its services by

- A specialist team maintain education and training to ward staff in the assessment and treatment of VTE and oversee a programme of VTE root cause investigations.

Rate of C. difficile infection

<i>C.difficile rate per 100,000 bed days – 2yrs and over</i>	April 17- March 18	April 16 – March 17	April 15 – March 16	April 14 - March 15
Torbay & South Devon NHS Foundation Trust	18.25	19.4	22.4	17.7
Nationally set target for the trust	13.8	14.2	14.9	15.1
Best performing	0	0	0	2.6
Worst performing	91	82.7	66	62.2

Source of information: <https://www.gov.uk/government/statistics/clostridium-difficile-infection-annual-data>

In 2017/18 the C. difficile rate per 100,000 bed days is 18.25 (hospital onset status)

The best performing trust was 0 and the worst performing trust rate 91 per 100,000 bed days. The national average is 13.65 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:

- Adherence to all infection control and prevention policies and standards and continued proactive engagement between all clinical areas and the infection control 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 18 – Mar 2019	April 17 – March 18	April 16 – March 17	April 15 - March 16
Number of incidents reported	7255	6525	7056	6979

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 12 months, as highlighted in the table above, are within the expected range for the Trust and incidents are reported from all areas of the organisation.

There is no highest or lowest score or national average for incident reporting but the Trust remains within the top 25% of Trusts for healthy 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:

- Accurate data recording. Monthly review of the data via the Quality Improvement Group. All incidents are reviewed centrally and within the Service Delivery Units.

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:

- The Trust uses it 5 point safety brief to highlight how to report and works with areas and teams to ensure timely and factual reporting.

Number and % of patient safety incidents that have resulted in severe harm or death –

	April 18 – Sept 18	Oct 16 – Mar 17	Apr 16 – Sept 16
Number of incidents severe harm or death	1	4	13
% of all incidents	0%	0.3	0.3%

Source of information: NRLS via NHS Improvement

The number of incidents of severe harm or death is 1 for the period from April to September 2018.. 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:

- The data is taken from the monthly reported incident meeting the NRLS guidelines. This is checked and uploaded on a bimonthly basis

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 undertakes a variety of initiatives and actions to constantly review and ensure the care it gives is the best it can be. These range from prospective redesigns of functions, reviews of services and retrospective reviews via investigation or mortality reviews from Dr Foster

Part 3: Our performance in 2018/19

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.

The Devon STP has set out the operational planning context for 2019/20 that will see system plans capture the benefits of reducing variation in care and provision, and in reducing health inequalities with a focus on access, outcomes and management of demand. There is a shared focus on increasing planning alignment in 2019/20.

Whilst there is a continuing need for individual organisations to deliver their respective annual planning accountabilities, including their contribution to the NHS 2019/20 deliverables and the 2019/20 requirements of the recently published NHS Long Term Plan, collective planning will be a foundation of 2019/20, as the Devon system advances in maturity in readiness to become established as an Integrated Care System.

To deliver high impact transformational change and make the best use of any additional investment in 2019/20, system leaders have identified the following shared priorities:

Accelerating the **digital** opportunities for the system – fewer, more integrated and interoperable, care record systems and transformation of access to care through technology.

Development of an **acute strategy** for Devon and Cornwall, including tertiary services; and implementation of service delivery networks and changes in line with this direction of travel.

Piloting the implementation of the national community models for **mental health**, to improve the interface between primary and secondary care, development of in-patient services, work on geographical scope of specialist services and the relevant shifts in investment required.

Addressing inequalities by ensuring resources are deployed in line with strategic ambitions and population needs and outcomes

Investment in **prevention** to support people's needs in better ways, alternative to traditional care settings, to impact on demand in 2019/20.

Additionally, it is felt that there are two areas which have previously been agreed for implementation that need to be progressed locally across the system for 2019/20.

- Implementation of the **Integrated Care Model (ICM) blueprint** agreed in 2017, which will also help to stabilise primary care and impact on demand.
-
- Implementation of the Devon **workforce strategy** agreed in November 2018

Our role

Torbay and South Devon Foundation Trust has played a significant system role in shaping the design and development of system plans. This includes the executive team providing system leadership across a number of work streams in addition to the Trust's Medical Director holding a joint post as Medical Director for the STP.

The Trust is advancing the system priorities as part of its local transformation plans and is making significant progress in a number of key areas:

Prevention: Managing demand that comes into our services has been a key part of the Trust's care model strategy. As a consequence we have invested in a number of interventions and new approaches that are already impacting on the way people use our services. This includes Wellbeing Co-ordinators who assist people to connect with alternatives services, HOPE programmes and Patient Activation Measures that assist in increasing a person's activation and reduce their reliance on healthcare.

Integrated Care Model: We have made significant progress in leading a pioneering programme of change over the last three years. The integrated care model has enabled us to increase the number of people being cared for at home by approximately 40%. The enhanced care in the community model brings community health and social care teams together with primary care to avoid admissions to hospital and enable safer and timelier discharges home.

We have advanced our **Digital Strategy** with the introduction of a new single community care record that joins together information within primary care with community teams. This supports our objective that people should only have to tell their story once, as staff can now access joined-up information about a person supporting integrated delivery of care and support. We have also led on the development of our digital offer with the development and use of NHS Quicker

alongside the development of a comprehensive health and care video offer to the public.

We have brought together local partners and service users to develop a joint plan for how we improve our local offer to people experiencing **mental illness** in Torbay and South Devon. A group has now been convened to ensure that the actions we have committed too are delivered and that this improves access to physical and mental health services alongside improvements in people's experience of care.

A critical part of our future plan as an organisation is that we set ambitious objectives for how **acute services** will operate differently in the next 5 years. This means working closely with partners across the STP in the development of clinical networks in order to optimise the quality of care to the local population and to develop long term service resilience. Our clinical leaders are already engaged in scoping what the future of our acute services strategy looks like and how this impacts our workforce planning and the development of our estate and technology infrastructure.

Our transformation plans, in addition to advancing system priorities are also critical to enabling us to meet our planning milestones for financial savings, workforce resilience and development, activity trajectories and improved quality indicators. These changes are the critical indicators for successful transformation alongside people who use our services telling us that they have received high quality care that is compassionate and available when they need it.

Performance in 2018/19

The executive team review each month the integrated performance report that describes progress and operational updates against key performance indicators.

This allows the executive team and board to review performance and establish forward actions. Every year the performance report and indicators are reviewed with the Board and key stakeholders to ensure that the report is fit for purpose.

NHSI our regulators gain assurance through the "Single Oversight Framework" and central returns against the regulatory performance standards.

The next table shows performance against the "Single Oversight Framework" indicators as reported in Board reports. The summary shows actual performance over previous years and our latest performance to end of January 2019.

Indicator/Target	Quality Indicator	Target/Standard	18/19	17/18	16/17
Maximum time of 18 weeks from point of referral to treatment (RTT) - incomplete pathways	Experience	92%	82%	81.6%	87.2%
A&E: maximum waiting time of four hours from arrival to admission/transfer/discharge ^(A)	Experience	95%	86.3%	89.7%	90.9%
Maximum 6 week wait for diagnostic procedure	Effectiveness	<1%	8%	4.2%	1.7%
Cancer 62 day wait for first treatment from urgent GP referral for suspected cancer ^(A)	Effectiveness	85%	79.4%	83.1%	88.7%
Cancer 62 day wait for first treatment from NHS cancer screening service referral	Effectiveness	90%	94.1%	95.9%	94.5%
Summary Hospital-level Mortality Indicator (*to Dec 18)	Safety	n/a	0.91*	0.93	0.83
Venous thromboembolism (VTE) risk assessment – full year rolling average	Safety	95%	91.5%	91.5%	94%

With regards to:

Referral to Treatment waiting times: As planned we have maintained the % of patients treated within 18 weeks at 82% although this remains below the operational standard of 92%.

A+E Maximum waiting time < 4 hours: Our overall performance not met planned trajectory of improvement. Over the course of the year and in preparations for winter we have supported some key service improvement and operational changes. These have focused on:

- Optimisation of admissions avoidance through use of integrated and enhanced GP support
- Urgent care GP referred pathways direct to enhanced front door medical teams and acute care model piloted from December 2018 to reduce overcrowding within ED.
- Patient flow with focus on proactive care and introduction of Red to Green introduced November 2018.
- System with coordination of complex discharge support through the Discharge hub introduced September 2018.

The system has continued to struggle to improve performance and we are in addition now working closely with the Emergency Care improvement team (ECIST). A review of ongoing plans and recommendation from ECIST will then inform how performance trajectories are met in 2019.

Cancer 62-day treatment from referral: Performance has not met target (85%). In 2018/19 the Trust has made investments into clinical teams to support pathways across Urology and Colorectal teams with this increased capacity to be fully embedded from April 2019. The Trust is therefore now planning to see improvements through 2019 and deliver the expected standard against these targets.

Diagnostic waiting times: The standard of 1% is not met. The Trust is working to a local tolerance to achieve 4% of patients waiting over 6 weeks to reflect on-going demand pressures across several diagnostic tests. The operational planning priority for 2019/20 is to remain within the 4% tolerance, whilst business plans to increase capacity are developed.

VTE: Based on a rolling average the Trust is underperforming. With the roll out of the Electronic Prescribing Medication Assessment system (EPMA) data capture should improve.

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 2018/19	2018/19	2017/18	2016/17
DNA rate	Effectiveness	5%	5.2%	5.48%	5.7
Stroke care: 90% of time spent on stroke ward	Effectiveness	80%	86.9%	80.5%	83%
Timeliness of social care assessment	Effectiveness	>70%	78.6	78.5%	71.2%
Urgent intermediate care referrals per month (new)	Effectiveness	113	172	161	n/a
Mixed sex accommodation breaches of standard	Experience	0	0	0	0
52-week referral to treatment incomplete pathways year end position	Experience	10	91	33	17
Delayed transfer of care (bed days lost)	Experience	4548	5847	5311	4561
Cancelled operations on the day of surgery	Experience	<0.8%	1.3%	1.3%	1.1%
No of children with child protection plan	Safety	None set	146	160	191
Never events	Safety	0	2	1	1
Reported incidents – Major and catastrophic	Safety	<60	14	23	27
C Difficile reported cases	Safety	18	14	18	18
Timeliness of adult social care assessment	Experience / Safety	>70%	78.6%	78.5%	

Safeguarding adults - % of high risk concerns where immediate action was taken to safeguard the individual	Safety	100%	100%	100%	
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*18/19 based on Month 10 actual / forecast outturn performance data

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 the Trust the 2019/20 performance priorities are:

- **Cancer:** The national targets for all eight cancer key performance indicators will be met. Recovery trajectories to deliver these standards are confirmed in our operational plan.
- **A&E 4 hour waits:** The targets for the year are to achieve and maintain a minimum standard of 90%.
- **RTT:** We will ensure the number of people on incomplete pathways does not increase and we will maintain a minimum performance against RTT targets of 82%, whilst also reducing the number of people waiting over 52 weeks to zero.
- **Diagnostics:** Plans for 19/20 need to respond to increased demand for diagnostic services. The Trust has several areas that are operating at full capacity and will be reliant on additional outsourcing and mobile solutions to maintain diagnostics waiting times. Our plans will deliver an improvement trajectory to achieve minimum of 96% of patients waiting under 6 weeks for diagnostic tests.

Operational delivery

Within the Trust we currently implementing our new service delivery structure based on two system teams and 5 localities as follows.

Torbay System delivery system comprising of:

- Torquay Locality
- Paignton and Brixham locality

South Devon delivery system comprising of:

- Coastal (Teignmouth and Dawlish)
- Moor to Sea (Ashburton, Bovey Tracey, Totnes and Dartmouth)

- Newton Abbot

In addition to these localities based teams there will central corporate services function and a trust wide operations team.

The new system will come into operations from 1st April 2019. Alongside this new operational structure there will be revised arrangement for board oversight and corporate governance. These arrangements will form part of the 19/20 work plan.

Annex 1 – Engagement in developing the Quality Account

Prior to the publication of the 2018/19 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.

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 2019/20 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 South Devon and Torbay Clinical Commissioning Group on Torbay and South Devon NHS Foundation Trust Quality Account 2018/19

NHS Devon Clinical Commissioning Group (CCG) is the lead commissioner for Torbay and South Devon NHS Foundation Trust (TSDFT) and is pleased to provide commentary on TSDFT's Quality Account for 2018/19. NHS Devon CCG came into existence on the 1st April 2019 following the merger of South Devon and Torbay CCG and Northern, Eastern & Western Devon CCG.

NHS Devon CCG's role is to quality assure services it commissions, delivered by TSDFT, by attending organisational meetings and boards, and by reviewing performance and quality data, including investigation reports. This continuous process has enabled confirmation that the information presented in this Quality Account appears to be an accurate and fair interpretation regarding the services provided.

TSDFT's Quality Account validates the commitment to quality in patient care. The account details achievements and improvement that reflects the positive experience patients describe. TSDFT also continue to demonstrate their open and transparent approach, describing areas that require further improvement. For example, further efforts to improve performance where it is below national standards, leading to improved patient care and experience.

NHS Devon CCG recognises the quality of work implemented through the TSDFT five priorities. This includes the use of patient experience and feedback and its contribution to improvements within the Emergency Department facility.

NHS Devon CCG continues to encourage TSDFT to further develop improvements in processes. This includes the use of technology for early recognition of the deteriorating patient.

We have been pleased to support the development of innovative ways to deliver outpatient clinics and support for patients. These include the respiratory service virtual pneumonia clinics, pain services using online video resources, and the rheumatology department utilising group clinics. As well as offering alternative high quality outpatient care for patients, this work appears to have reduced demand on appointments which is crucial in assisting the system when under pressure.

NHS Devon CCG commends the development of the NHS Quicker application, an innovation recognised nationally for improving patient experience and reducing pressure demands within the system.

Looking ahead, we are pleased to support the three quality improvement priorities TSDFT has developed, recognising their value in relation to the shared priorities

across the STP towards the Devon Integrated Care System (ICS).

In-hospital electronic prescribing will be a helpful step towards a shared care record accessible to all within Torbay hospital. Further implementation of the community IT integrated clinical system will address the current recognised short falls. Plans to improve the urgent and emergency care pathways from the carer's perspective will potentially improve experience for those accessing services at this often difficult time.

NHS Devon CCG will support TSDFT to prioritise the improvements developed across the whole Integrated Care System. These include the acceleration of digital opportunities, the development of the national community model for mental health, investment in prevention to impact on demand, implementation of the integrated care model (ICM), and the Devon workforce strategy.

TSDFT's Quality Account demonstrates the Trust's ongoing commitment to safe and high quality of care for all. NHS Devon CCG 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 2018/19

The Governor Quality Account statement supports the continued commitment of the Trust in continuing to develop and implement its strategy for health and social care.

The year has been the most challenging to date, with national performance standards for all areas continuing below those set. This was further compounded by theatre infrastructure failure.

Set against an equally challenging financial budget the Trust however has maintained its strategic objectives by focussing on the provision of safe, high-quality and best experience care.

This was endorsed by the content of the CQC Well Led Report earlier in the year and the recent unannounced focussed inspection of the emergency department

Last year's Quality Account listed four 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 2018 was the review of re-admissions within 28 days. The audit identified that the Trust continues to be in the

lower quartile nationally for readmissions.

Governor representatives participated in the Quality Account Stakeholders meeting for this year and the audit chosen for 2019/20 as recommended by NHSI is Standard Health Mortality Indicator (SHMI).

There continues to be strong evidence that the Trust continues to review and participate in national clinical audit and research. One area of interest is the researchers in residence supported by Plymouth University undertaking a detailed review of the new health care model.

The Governor observer role at Trust Committees and at working group level provides the Council of Governors with the opportunity to engage with the safety and quality agenda and in providing assurance on the performance of the Trust against the National Key Performance Indicators.

The Council of Governors' Quality and Compliance Committee continues to provide the Council of Governors with evidence that the Trust, through its statutory committees reviews and reports on compliance of CQC Key Lines of Enquiry. Membership of the Quality and Compliance Committee has been enhanced to now include representation from Healthwatch.

The Council of Governors is again able to confirm that they continue to receive assurance of the Trust's commitment to the provision of safe high-quality responsive health and social care. We recognise and support the key challenges facing the Trust in delivering new models of care within a very tight financial framework and look forward to continuing 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 2018/19

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 2018/19. All references in this commentary relate to the reporting period of the 1st of April 2018 to the 31st of March 2019 and refer specifically to the Trust's relationship with the Scrutiny Committee.

The Scrutiny Committee commends the Trust on a comprehensive Quality Account for 2018-19 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 2018-19 Members appreciate the work undertaken by the Trust in the last year to making outpatient services more patient-centred and resource effective. This has been an issue of importance to Members. The Committee notes that the progress of the Trust in improving outpatient pathways during 2018/19 has been positive but recognises that that time is needed to make all the changes required.

The Committee appreciates the Trust's first 2018/19 priority, the use of the 2017/18 winter period as a learning experience. Members also fully agree with the Trust's increased attention on improved sepsis identification and treatment.

Members also continue to applaud the Trust's introduction of the NHS quicker app and the delivery of HOPE programmes.

The Committee fully supports the Trust's Quality Priorities for Improvement 2019/20 and expects that the Trust will continue to work on improving outpatient pathways. Members also appreciate the Trust's priority to change its inpatient prescribing for people in hospital inpatient beds to its commissioned electronic prescribing and medicines administration programme by the end of 2019.

The Committee also supports the Trust's goal to improve Carers' experience for themselves and their families receiving care across the urgent and emergency care pathway. The aim of the Trust to roll out a community IT integrated clinical system to Coastal and Newton Abbot localities is also strongly supported by members.

Members anticipate that regular information on the progress of improving carers' experience of urgent and emergency care will be shared by the Trust.

The Committee welcomes a continued positive working relationship with the Trust in 2019/20 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 2018/19

Healthwatch Torbay is the independent local champion for people who use health and social care services within the localities of Brixham, Paignton and Torquay. The Trust values our role as a critical friend, giving the opportunity for our representatives to contribute to service development by bringing our independent knowledge of local people's experience of their health and care service.

This year's Quality Account presents a clear explanation of the initiatives and service re-designs required to address the pressures in the system. Healthwatch Torbay is

able to gain deeper insight by taking part in the stakeholder event. In some instances, the priority decisions have supporting evidence from evaluation reports carried out by our volunteers, who are themselves patients and carers. This co-operative way of working is valued by both Healthwatch Torbay and the Trust.

The Quality Account shows how the Torbay and South Devon integrated system is addressing change pro-actively. The novel ways of working including NHS Quicker, the Researcher in Residence, the growth of video as a communication and learning tool and the intention to roll out SystmOne where it fits with primary care give positive messages for local people to understand. Torbay has substantial issues of inequality so the priorities for prevention work including its evaluation, new approaches and wellbeing focus are to be welcomed. It is also a positive message to local people that the knowledge and experience of unpaid Carers are recognised and that their voice will be listened to and respected.

Overall we consider that the Quality Account presents a realistic overview of the Trust's performance and identifies appropriate internal controls and assurances.

Statement from Healthwatch (Devon) on Torbay and South Devon NHS Foundation Trust Quality Account 2018/19

Healthwatch Devon welcomes the opportunity to provide a statement in response to the quality account produced by the Torbay & South Devon NHS Foundation Trust for the year 2018/19. Our statement is based on our knowledge of the Trust and its services, and on the feedback we have received about the quality of the services SD&T provides.

Review of quality performance in 2018/19

Patient Safety

Priority 1: To understand, learn and act on the experience of our local population using our services during the winter period (December to March) 2017/18.

Healthwatch Devon has very little intelligence during this period for Torbay & South Devon NHS Foundation Trust. However, Healthwatch Devon is encouraged by the illustrated effectiveness of this priority.

Priority 2: To improve the way inpatient sepsis is recorded on the wards to enable improved identification and treatment of ward-based sepsis

Such initiatives as this are extremely important in successful patient care, early interventions such as the administration of antibiotics for a prompt sepsis diagnosis not only contributes to the patients wellbeing, but also assists the patients prompt

recovery, releasing resource for subsequent patients. This can only aid the reputation of the hospital and its staff which will ultimately reflect in the user sentiment which Healthwatch Devon collates.

Clinical effectiveness –

Priority 3: To redesign outpatients to make these services more patient centred and use resources effectively

Healthwatch Devon are particularly interested in the focus on T&SD's commitment to improving the outpatient services as these services has been recognised as a key priority by the head of the NHS, however evidence collected by Healthwatch Devon shows that negative comments around the theme of access to hospital services has increased last year compared with 2017-18 which would suggest there is still some way to go before this is fully effective.

Patient Experience –

Priority 4: NHS Quicker

From the aspect of service delivery this innovation is of particular interest to Healthwatch Devon as such there is a link on our website.

<https://healthwatchdevon.co.uk/nhsquicker-app-helps-spend-less-time-waiting-treatment-minor-injury-illness/>

To be able to view wait and travel times to the appropriate unit providing the care you think you may need can only aid the public's access to healthcare across Torbay and South Devon.

Healthwatch Devon is encouraged that the populations served by other Healthwatch organisations will also soon be benefitting from this technology.

Priority 5 Wellbeing and supported self-management: HOPE programme

Programmes that allow for the population to live more independently in terms of managing their own health through education have an important place in today's health care systems. The feedback that has been received would suggest that there is a great benefit to this programme. Healthwatch Devon welcomes the Trust's plans for this programme during 2019/20.

Priorities for 2018/19

Healthwatch Devon are looking forward to the service improvements that next year's priorities can provide;

Patient Safety

Priority 1 Electronic prescribing. To change the current inpatient prescribing for people in hospital inpatient beds to the commissioned electronic prescribing.

Priority 2 The roll out of a community IT integrated clinical system to the Coastal and Newton Abbot localities.

Patient Experience

Priority 3 To improve the Carers' experience for themselves and their families receiving care across the urgent and emergency care pathway.

Healthwatch Devon notes that there are only three priorities for the coming year, however, also recognises that there is better opportunity to perform well on these three whilst maintaining any on-going initiatives from last year's priorities.

Statement from Torbay Council's Health Overview & Scrutiny Board on Torbay and South Devon NHS Foundation Trust Trust's Quality Account 2018/19

Due to the Local Elections and the timing of the publication of the Quality Account, Torbay Council's Overview and Scrutiny Board has not been able to consider Torbay and South Devon NHS Foundation Trust's Quality Account for 2018/2019.

Annex 2

Statement of Directors' responsibilities in respect of the Accounts

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

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

- the content of the Quality Report meets the requirements set out in the NHS foundation trust annual reporting manual 2018/19 and supporting guidance; Detailed requirements for quality reports 2018/19:
- the content of the Quality Report is not inconsistent with internal and external sources of information including:
 - board minutes and papers for the period April 2018 to April 2019
 - papers relating to quality reported to the board over the period April 2018 to April 2019
 - feedback from commissioners dated 26/04/2019
 - feedback from governors dated 26/03/2019
 - feedback from the local Healthwatch organisations dated 12/03/2019 and 21/03/2019
 - feedback from Overview and Scrutiny Committee dated 22/03/2019 and 29/04/2019
 - the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 03/04/2019
 - the 2018 national inpatient survey 13/06/2018
 - the 2018 national staff survey 26/02/2019
 - the Head of Internal Audit's annual opinion of the Trust's control environment dated 28/05/19

- CQC inspection report dated 17/05/2018
- the Quality Report presents a balanced picture of the NHS foundation trust's performance over the period covered
- the performance information reported in the Quality Report is reliable and accurate
- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice
- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review and
- the Quality Report has been prepared in accordance with NHS Improvement's annual reporting manual and supporting guidance (which incorporates the Quality Accounts regulations) as well as the standards to support data quality for the preparation of the Quality Report.

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

By order of the Board



Chairman, 28 May 2019



Chief Executive, 28 May 2019

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 2019 (the 'Quality Report') and specified performance indicators contained therein.

Scope and subject matter

The indicators for the year ended 31 March 2019 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 (operating as NHS Improvement) ("NHSI"):

<i>Specified indicators</i>	<i>Specified indicators criteria</i>
Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge	Page 220 of the Quality Report
Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers	Page 220 of the Quality Report

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 NHS Foundation Trust Annual Reporting Manual ("FT ARM") and the 'Detailed requirements for quality reports 2018/19' issued by NHSI. The Directors are also responsible for the conformity of the specified indicators criteria with the assessment criteria set out in the FT ARM and the 'Detailed requirements for external assurance for quality reports 2018/19' issued by NHSI and for reporting the specified indicators in accordance with those criteria, as referred to on the pages of the Quality Report listed above.

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 2018/19';
- 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 2018/19'.

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

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

- Board minutes for the financial year, April 2018 and up to the date of signing this limited assurance report ("the period");
- Papers relating to quality reported to the Board over the period April 2018 to the date of signing this limited assurance report;
- Feedback from the Commissioners dated 26 April 2019;
- Feedback from Governors dated 26 March 2019;
- Feedback from the local Healthwatch organisation dated 12 March 2019 and 21 March 2019;
- Feedback from the Overview and Scrutiny Committee dated 22 March 2019 and 29 April 2019;

- The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 3 April 2019;
- The 2018 national inpatient survey dated 13 June 2018;
- The 2018 national staff survey dated 26 February 2019;
- The Head of Internal Audit's annual opinion over the Trust's control environment dated 28 May 2019; and
- Care Quality Commission inspection, 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 complied with 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 2019, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and 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 2018/19';
- 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 criteria set out in the FT ARM and 'Detailed requirements for quality reports 2018/19'.

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 2019:

- 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 2018/19';
- 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 2018/19'.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Bristol

29 May 2019

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.

