Royal Surrey County Hospital
NHS Foundation Trust

Annual Report and Accounts for the period of
1 April 2013 to 31 March 2014

Presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006
Introduction to the Royal Surrey County Hospital NHS Foundation Trust

This report covers the period 1 April 2013 to 31 March 2014
The Royal Surrey County Hospital NHS Foundation Trust, located on Egerton Road in Guildford, Surrey has delivered leading general district hospital services at its current site since 1980 after relocating from Farnham Road. It became a foundation trust on 1 December 2009, making it accountable to the local community. It has 14,362 representative members from the catchment area who provide feedback to the Trust on the services it provides. It has 520 beds and 14 operating theatres. It employs 3,300 staff, making it the largest employer in Guildford.

Following an intensive inspection in October 2013, the Trust was judged by the Care Quality Commission (CQC) to be a good hospital. It delivers safe and effective general hospital services, including oral and maxillo-facial surgery and pathology to a population of 330,000. St. Luke’s, the Trust’s leading specialist centre for cancer patients in Surrey, West Sussex and Hampshire, serves a population of 1.2 million.

The Trust is the host site for the National Institute for Health Research for Kent, Surrey and Sussex as well as host for the new Academic Health Science Network as it launches its activities in 2013/14 in the same region. It also has very close links to the University of Surrey providing an extensive education, training and research portfolio.

It boasts a very strong reputation for minimally invasive and laparoscopic surgery, used widely across the surgical specialties. The Trust is a national leader in surgical training and laparoscopic surgery. Its MATTU (Minimal Access Therapy Training Unit) is one of the most advanced training centres for this type of surgery, designated as a national training centre for laparoscopic colorectal surgery.

Patients also benefit from state of the art diagnostic and treatment equipment including two MRI scanners, four CT scanners, interventional radiology equipment and two gamma cameras. The Trust is one of the few hospitals in the country that has a Papillion machine which delivers a contact radiotherapy treatment suitable for some patients with early stage bowel cancer. This treatment offers patients an alternative to major surgery and a better quality of life.

In addition, the Trust has a stereotactic radiotherapy machine. Stereotactic radiotherapy is a ground-breaking treatment that delivers highly accurate and focused radiotherapy treatment to tumours with much less damage to surrounding healthy tissue and can cut treatment time significantly and improve success rates, especially in the case of brain tumours.

Each year the Trust treats around 215,000 outpatients, with 58,000 admitted for treatment. Around 72,000 patients attend its A&E department and its midwifery team deliver more than 3,200 babies.

The Trust’s maternity unit was found to have outstanding leadership and standards of care in the CQC’s inspection, and it is set to improve on this even further. It is one of 63 Trusts to receive additional funding as part of a national programme to improve maternity care and has been awarded £508,000 - the highest allocated to a hospital in the South East. The money will be used to complete the refurbishment of the delivery suite and to build bespoke en-suite facilities in all rooms. The hospital will also be able to upgrade the current maternity high dependency unit (HDU) allowing us to provide improved facilities for partners to stay. In addition, the hospital will add a new high risk area for women with complex needs who want a home-from-home environment, with the availability of a birthing pool, but in the safety of a fully equipped delivery suite.

Away from the hospital, the Trust provides services to its patients in the community. It runs outpatient clinics at Cranleigh, Haslemere and Woking hospitals and a number of GP surgeries. It operates a HOST team who provide short term care in the community to facilitate timely discharge. The team includes nurses, doctors, and physiotherapists and is part of the Trust’s commitment to provide integrated care in the community.
Statement of the Chairman and Chief Executive
The on-going challenging financial environment within the NHS is particularly evident as the 2013/14 financial year closes with more than half mid-sized acute trusts finishing the year in deficit.

The Trust ends the year with a small surplus - achieved through sound financial management providing a firm foundation on which to build our strategy and deliver our vision of providing the best care, anywhere. We will maintain a sharp focus on remaining financially stable, investigating opportunities to work with partners to provide improved care against ever tighter financial resources.

One of the ways we are doing this is to address the significant changes to NHS commissioning structures and the introduction of the Better Care Fund – as a result we are working more closely than ever before with our commissioner partners to ensure the best experience and outcomes for our patients. We have a continued focus on moving the delivery of care from an acute to a community setting where it makes sense to do so.

We have also been working together with the lead Clinical Commissioning Group to encourage strongly patients to make the most appropriate choice for their care needs to help ease the pressure on our very busy A&E department. The very wet winter this year contributed to the peaks seen in A&E and on the wards with high numbers of very ill patients who needed to be treated in hospital. So, internally, we have been looking at ways to improve patient flow - identifying where bottle-necks occur and initiating action plans to address these.

We continue to make good progress against our action plan following the Francis Report and were one of the first 18 Trusts to be inspected under the CQC’s new, much more rigorous inspection regime. The CQC gave the Trust an overall rating of ‘good’ and found elements of our maternity and paediatric care to be “outstanding”.

Despite the challenges faced through the year, we are extremely proud of our staff who have shown tremendous commitment to deliver the best care that they can. We remain in the top 20 per cent of Trusts following the latest NHS Staff Survey and look forward to an exciting year ahead as we start our journey of being the host site for the National Institute for Health Research.
Once again, the Trust was recognised for outstanding quality and was named again as one of the CHKS top 40 hospitals.

Mortality rates, one of the most important markers of clinical quality, remain the subject of intensive scrutiny at the Trust and it is comforting to be able to provide reassurance that our mortality performance is strong. We are consistently amongst the best 20 per cent of acute trusts nationally based on the Summary Hospital Mortality Index (SHMI), which is the Department of Health’s preferred measure of mortality.

National benchmarking also provides an encouraging view of the quality of our cancer services. Data from the National Cancer Intelligence Network indicates that our cancer centre compares very favourably overall against other cancer centres nationally, and that the outcomes for a number of our specialist cancer services are amongst the very best anywhere in the country.

We are committed to making sure our patients can benefit from the very latest and most cutting edge treatments, and it was pleasing to be acknowledged as one of the top three medium sized acute trusts nationally in terms of clinical trials enrolments.

In terms of safety during the year, the Trust reported 2 MRSA bacteraemia cases. These were both fully investigated as part of the post infection review process, with learning outcomes disseminated to clinical teams.

There were 26 cases of Clostridium difficile (Cdiff). A root cause analysis is undertaken for each case by the clinical staff which is then reviewed by the infection control team. Any learning outcomes are disseminated to clinical teams. A Trust-wide action plan was implemented to address the breach of the Department of Health limit of 14 cases for the year. Infection control remains the subject of intensive focus at all levels in the organisation, from Board to Ward.

The Trust strives to give its patients an excellent experience with every contact. During the year it has reliably delivered against our trust-level targets for cancer waits and 18 week “Referral to Treatment”.

The Trust is also pleased to have achieved its 4-hour A&E target for the year, despite an extremely challenging fourth quarter in which the target was narrowly missed. The Trust was awarded additional non-recurrent winter monies by the Guildford and Waverley Clinical Commissioning Group that has been invested in introducing additional staff and equipment to support patient and information flow out of A&E and through the hospital.

Other highlights of 2013/14 included the opening of a newly expanded Intensive Care Unit (ICU), built with thanks in part to the generosity and dedication of local fundraisers. Work is also well underway on the new £10m oncology outreach facility at Surrey and Sussex Healthcare NHS Trust in Redhill which will open in the summer of 2014. This will enable the Trust to provide state of the art radiotherapy and chemotherapy closer to patients’ homes.

The Trust has continued its long history of close collaboration both with other acute trusts and with other stakeholders in the local health system, further developing and strengthening our collaborative relationships throughout the year.

The formal collaborative partnership with Ashford and St Peter’s NHS Foundation Trust has already resulted in patient benefits, including a new outreach chemotherapy service at Ashford Hospital offering patients the opportunity to receive this care much closer to home. Clinicians from both Trusts are working together to look at opportunities to develop, for example, additional services for which patients currently have to travel into London. In April 2014 the boards of both trusts considered an outline business case for potential merger and have agreed to develop a full business case for a potential merger.
In addition the Trust has continued to progress and strengthen its relationship with the University of Surrey, agreeing to create a formal collaborative framework with them to develop clinical research and teaching at Guildford. It is also the host site for the National Institute for Health Research for Kent, Surrey and Sussex as well as host for the Academic Health Science Network as it launches its activities in 2013/14 in the same region.

In terms of its Board, the Trust welcomed three new Board members during the year: Peter Ridley joined as the Director of Finance and Informatics, Giles Mahoney was appointed into the new role of Director of Strategic Marketing and Business Development, and Shirley Trundle took up the post of Non-Executive Director.

There really is much to be proud of at the Trust and there is a good foundation to move into the next operational year determined that the Trust will continue to be amongst the best in its class. The Trust will continue to work closely with its Clinical Commissioning Groups, and the other healthcare authorities within Surrey, embracing the challenges that face the NHS, nationally and locally. The Trust is committed to supporting the drive to ensure that patients are cared for in the most appropriate place – developing a robust integrated care system within its community, with its partners.

The Trust believes that it has the right plans in place to achieve its strategy, while continuing to put its patients - and its staff - first.

Peter Dunt
Chairman
CB DL

Nick Moberly
Chief Executive
Strategic Report
(including the Director’s Report and including disclosures required by Schedule 7 of the National Health Service Act 2006)
About the Directors for the year ended 31 March 2014

(The Trust’s accounts have been prepared under a direction issued by Monitor under the National Health Service Act 2006)

The directors present their annual report together with the audited financial statements for the year 1st April 2013 to 31st March 2014. The directors’ report incorporates the management commentary, an analysis of the development and performance of the Trust during that period and the vision for the future.

As can be seen from the Directors’ biographies below and from our compliance with the requirements of the Monitor FT Code of Governance, the Board has an appropriate composition, balance of skills and depth of experience to lead the Trust for the good of patients, staff and the communities it serves.

The directors, who held office during the year, were:

Non-Executive Directors

Peter Dunt CB DL
Chairman - appointed 1 December 2010

Peter was reappointed on 1 December 2013. He has had a distinguished career in the Royal Navy, which he ended as a Vice Admiral. Peter now sits on a number of Boards in the private sector as well as the governing bodies of two schools. He has lived in Guildford for 28 years. He was appointed Deputy Lieutenant of Surrey in 2011.

Jacqueline Burke
Chair of Audit Committee - appointed 1 December 2010

Jacqui was appointed to the Foundation Trust in December 2010 and was reappointed on 1 December 2013. She was also previously a Non-Executive Director and Chair of the Audit Committee on the Royal Surrey County Hospital NHS Trust Board between 1998 and 2004. She is an accountant by profession and trained in the NHS before joining KPMG. For the last 15 years she has worked as a freelance management consultant specialising in healthcare and higher education. She has held or does hold a number of non-executive positions including Deputy Chair of the Board for a University and as an independent member of the Audit Committees of the British Academy, the Arts and Humanities Research Council and the Department of Health.
Gary Crouch
Independent Non-executive Director - appointed 1 December 2009

Gary was re-appointed on 1 December 2013 and over a period of 30 years in business, has held positions in Industrial Relations, HR and International Management Development. He was a Board Director of Lever Brothers, Walls Ice Cream, Birds Eye, Elida Faberge and Unilever UK. After retiring in 2008, he served with the Judicial Appointments Commission as Panel Chair; and spent two years as a Visiting Fellow of Surrey University. He chaired Surrey Police Authority’s Standards Committee until the Authority was replaced by the new PCC. He is currently a Lay Chair with the Kent Surrey and Sussex Post-Graduate Deanery, and a Director of Unilever Pensions Trust Ltd (i.e. a Pensions Trustee). Apart from a 3 year period in Brussels, he has lived in various parts of Surrey continuously since 1982.

John Denning
Senior Independent Director - appointed 1 October 2008

John was reappointed on 1 October 2012, is a Chartered Surveyor and is the former MD of Bass Leisure Retail. He has previously held senior management positions with McDonalds Restaurants, Imperial Group and Forte, and Non-executive directorships at Fitness First PLC and SFI plc. He now runs a licensed retailing consultancy business, and sits as a magistrate on the North Hampshire bench. He is also Trustee of the Queen Elizabeth Foundation for Disabled People, Chairman of the Retirement Lease Housing Association and Chairman of the Ethical Lease Management Company.

Debbie Glenn
Independent Non-executive Director- appointed 1 March 2011

Debbie was reappointed on 1 March 2014 and is currently an independent management consultant and Gateway Review Team Leader. Previously Debbie was Chief Executive of Rushmoor & Hart Primary Care Group from 1999, leading it to become Blackwater Valley & Hart Primary Care Trust (PCT) in 2002. Debbie was PCT Chief Executive until late 2006 during which time she also became Chief Executive of the neighbouring North Hampshire PCT (in 2004). Her early career consisted of a combination of IM & T leadership roles in social services and the NHS. Debbie has previously served as a Trustee of a national learning disabilities charity.
Tony Harris
Independent Non-executive Director - appointed 1 November 2009

Tony was appointed on 1 November 2009. Tony has extensive business experience leading large organisations and has held several senior roles including Chief Executive of ADT Fire & Security plc, Managing Director of NTL Business Inc and President, Business Services at BT plc. Before joining BT, Tony was an Executive Board member for 11 years at DHL Worldwide Express. He has served as a Non-Executive Director of Telspec plc, the Audit Commission and the Norbain Group and is currently a Senior Adviser to a private investment company. Tony retired from the Trust on 31 October 2013.

Shirley Trundle
Independent Non-executive Director - appointed 29 January 2014

Shirley is currently Director of Sustainable Land Management and Livestock Farming at the Department for the Environment, Food and Rural Affairs Shirley has worked at Director level in various departments of the civil service for the past 20 years. Shirley has lengthy experience at senior level in three government departments; her roles have given her experience of setting strategic direction, business planning, performance management, change management, financial management, programme management and working collaboratively with partners of many kinds. Shirley has experience of Board level governance and activities as she chaired the Rent Service Board, and has been a non-executive member of the Child Support Agency Board. She has also had extensive engagement with the boards of Jobcentre Plus, the Health and Safety Executive and Cafcass (the Children and Families Court Advisory and Support Service).

Executive Directors

Nick Moberly
Chief Executive

Nick is a former Director of Strategic Development at King's College Hospital NHS Trust with experience as an independent strategy consultant having worked for McKinsey & Company and a former First Secretary at the Foreign & Commonwealth Office.
Giles Mahoney  
*Director of Strategic Marketing and Business Development*

Giles joined the Trust in June 2013 from PA Consulting where he most recently led a major reconfiguration of hospital services in North Central London. Giles brings other commercial experience from his time as an Executive Director at The Priory Group. Giles first joined the NHS as a Management Trainee and held a number of senior management and operational roles in NHS Trusts and SHAs mostly in London including a period working with a US based hospital.

Peter Ridley  
*Director of Finance and Informatics*

Peter joined the Trust in June 2013 and is a qualified Chartered Management Accountant. Prior to joining the Trust Peter was Director of Financial Operations at the Royal Free London NHS Foundation Trust. Peter first joined the NHS on the national financial management training scheme and has worked for a number of NHS organisations, including the Royal Marsden, as well as on assignment with NHS IMAS (interim management and support).

Louise Stead  
*Director of Nursing and Patient Experience*

Louise was appointed to the Board in November 2011. Louise has worked at the Trust for 13 years, having previously worked in the London teaching hospitals, and her most recent role at the Trust was Acting Head of Nursing and Associate Head of Nursing. She has worked in a wide variety of clinical specialities including cardiology, cardiothoracic surgery, gastroenterology and hepatobiliary.
Christopher Tibbs  
*Medical Director*

Christopher has been a Consultant gastroenterologist and physician at the Trust since 2005, having previously been Consultant at St George’s Hospital and Queen Mary’s Roehampton, with honorary contracts at the Liver Unit, Kings College Hospital and the Royal Marsden. He has extensive management experience as Clinical Director at both Queen Mary’s Roehampton and St George’s. His main clinical interests are in liver disease and advanced therapeutic endoscopy.

Alf Turner  
*Director of Organisational Transformation*

Alf joined the Trust in October 2012 as operational lead for the Trust’s transformation programme. The portfolio of services he is responsible for includes Human Resources, Patients 1st, Volunteer Services, Non Clinical Risk, Company Secretary and Estates and Facilities. With significant transformation, human resources and NHS experience, Alf was previously Director of Transformation and Human Resources in British Gas and other recent roles include Interim Director of Transformation at Serco Marine and consultancy positions. He was previously also a Non-Executive Director at Heatherwood & Wexham Park Hospital.

Changes to the Board of Directors (the Board)

**Non-executive Directors**

The Council of Governors agreed during the year to extend terms of office as follows:

- Peter Dunt, Chairman, 30 November 2013 to 30 November 2016
- Jacqui Burke, Chair of Audit Committee, 30 November 2013 to 30 November 2016
- Gary Crouch, 30 November 2013 to 30 November 2016
- Debbie Glenn, 01 March 2014 to 1 March 2017
- Tony Harris retired from the Board on the expiry of his term of office on 31 October 2013.
- Shirley Trundle was appointed to the Board on 29 January 2014 as an independent Non-Executive Director.

**Executive Directors**

Paul Biddle retired from the Trust in July 2013 and was replaced from June 2013 by Peter Ridley. The Trust recruited Giles Mahoney to the new position of Strategic Director of Marketing and Business Development.
Principal Activity
During 2013/14 the Trust continued to provide a range of general hospital services to its catchment, including:

● A full emergency service
● Elective and emergency services in surgery and medicine
● Women's and Children's services
● Therapeutic, diagnostic and pharmaceutical services

Activity review
We have continued to strengthen and develop the range of services and the quality of care provided to our patients during the year despite the increasingly challenging environment across the NHS.

Our main strength continues to be our dual role as a District General Hospital for people living in the Guildford and Waverley area and as the tertiary cancer centre. This duality of service has allowed the Trust to continue to innovate and patients from across a wide catchment area are now benefitting from ground breaking surgical techniques and care.

The year has been challenging because of continuing high emergency activity which has led to the opening of escalation areas.

This has resulted in Non elective activity being above plan in year 10% (3032 spells), Elective activity has run marginally ahead of plan finishing the year 0.5% (182) ahead. During the year emergency attendance finished behind plan by 2% (1298)

Outpatient attendances performed above plan finishing the year 8% (24,078) above plan. Chemotherapy attendances were also above plan finishing the year at 12% (1979) above plan. Radiotherapy fractions were 16% (6450) above plan for the year. Referrals from General Practitioners showed an increase during the year reaching 6% (4830) over plan.

Financial review
The Trust has successfully completed its fifth year as a foundation trust, achieving a Continuity of Services Risk Rating of 4 which represents the lowest risk on Monitor’s risk rating.

A surplus of £2.8 m, equating to a margin of 1.0%, was achieved. The Trust achieved a full year over plan performance of £12.1m against the internal plan for commissioned income. This equated to £18.2m over performance against agreed contact values with clinical commissioning groups and NHS England. The Trust saw high levels of high use of temporary staff within the year which saw an £5.7m overspend against pay budgets (reflecting the high activity levels seen throughout the Trust). Agency spend was £7.7m with key areas being A&E, ICU, escalation areas and Theatres. Non pay was overspent by £10.7m which was due to drugs (£4.6m) medical and surgical equipment (£1.3m), Premises and fixed plant (£1.7m), and provisions of £3.3m.

The need for Cost Improvement Programmes (CIP's) is well embedded across the Trust. This year the programme was targeted to achieve £14.8m with £16.4m (110%) being delivered. The schemes covered a wide range of opportunities including, procurement, reduction in staff numbers, and pharmacy savings on drugs. Additional schemes to generate income included increased elective activity and private patient income increases. During the year the Trust revised its approach to project management with increased coordination between the Finance Team and the Patients First Programme.
The Trust’s capital programme for the year was £21.7m this was partly funded through internal cash generation and partly through a loan of £7.5m from the FT financing facility; against which the Trust spent £19m. The ICU unit extension was completed during the year, providing a much improved patient experience. The radiotherapy outreach project with Surrey and Sussex hospital has been subject to some delays and is now expected to open in summer 2014. The Trust continues to maintain the infrastructure of the hospital to a high standard.

A satisfactory cash position was maintained throughout the year with year-end cash of £12.9m. Since becoming a foundation trust, the Trust has had in place a working capital facility of £14m designed to provide overall liquidity of a minimum of 25 days. To date no use has been made of this facility.

A large proportion of Trust staff belong to the NHS Pension Scheme, which is an unfunded defined benefit scheme. The scheme is accounted for as a defined contribution scheme. The remuneration report provides details of the Executive Directors’ pension entitlement.

Overall, 2013/14 was a challenging year for the Trust, having to balance increased activity with increased cost of delivery. The Trust continues to make good progress and will need to focus on managing temporary staffing costs in the forthcoming year, whilst maintaining patient care & experience at a high level.
Regulatory Ratings

Monitor
During the year the Trust was selected for a second stage review of its annual plan, this involved a
team from Deloittes carrying out a detailed analysis of the plan and the underlying assumptions within
it. The final report produced highlighted the need for robust governance and monitoring of the Trust’s
Cost Improvement Programme, with a focus on cost saving schemes rather than reliance on revenue
generation. These recommendations have been taken on board by the Trust and built into the forward
plan for 2014/15.

Annual plan review and in-year reporting and monitoring
Monitor uses the information provided in the annual plan primarily to assess the risk that an NHS
foundation trust may breach its licence in relation to finance and governance and assigns risk ratings.
Every quarter, NHS foundation trust boards are required to submit details of performance in the most
recent quarter and year-to-date against their annual plan, and self certify that all healthcare targets and
indicators have been met. Each trust is assigned an overall financial and governance risk rating for the
quarter based on the declarations they make to Monitor.

There were no formal interventions by the regulator during the year.

Care Quality Commission (CQC)
In line with the requirements of the Health and Social Care Act 2008, the Trust continues to be registered
with the Care Quality Commission, the regulators of health and social care in England, without any
enforcements or conditions, to provide the following services:

- Diagnostic and/or screening services
- Family Planning services
- Maternity and midwifery services
- Services for everyone
- Surgical procedures
- Termination of pregnancy

In order to maintain registration as a healthcare provider, the Trust is required to demonstrate that it is
meeting the 5 main key domains of quality:

- Safety
- Caring
- Responsiveness
- Effective
- Well led

During the year the Trust continued to undertake self assessments of performance against outcomes
to confirm compliance in all the areas of quality and safety providing the Board via the Chairman, with
assurance on levels of compliance.
During the year the Trust was inspected by the CQC and information on those visits can be found within the Quality Account (see annex 5).

**Trust performance**

At each monthly meeting the Board reviews the Trust’s performance. Below is a summary of the year’s key achievements:

The Trust’s performance against the targets and national core standards set by Monitor for the period:

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In August 2013 Monitor published the Risk Assessment Framework which changed the methodology by which it performance manages foundation trusts. The Financial Risk Rating (FRR) which gives a risk rating of 1-5 (1 being high risk) was replaced with the Continuity of Services Risk Rating (CoSRR) which gives a risk rating of 1-4 (1 being high risk).

The new risk rating operated in shadow form from Quarter 2 of the year and in full from Quarter 3. The CoSRR includes 2 measures of financial robustness:

- Liquidity: days of operating costs held in cash or cash equivalent forms, including wholly committed lines of credit available for drawdown,
- Capital servicing capacity: the degree to which the organisation’s generated income covers its financing obligations.
The scoring mechanism is an average of the 2 measures and if a trust is assigned a rating of 4, Monitor will take no action and the trust will be on quarterly monitoring, any other risk rating will raise concerns with Monitor with additional information being required, or a move to more frequent monitoring and potential regulatory action for risk ratings of 2 or below.

The Trust has maintained a strong finance risk rating during the year, achieving a 3 in Quarter 1 and 4 in Quarter 2 under the old system and 4 for both quarters under the revised framework. This is better than anticipated in the plan that was submitted at the start of the year with the Trust achieving its financial plan this year, all be it with increased income for additional activity offset by additional costs of delivery.

The governance rating has been impacted by the difficulties experienced in A&E to achieve the 4 hour wait target, and the higher than anticipated number of C Difficile cases that have occurred. The Trust was given a governance rating of amber red in quarter 1 and amber green in quarter 2 under the Compliance Framework and a narrative rating in quarter 3 under the Risk Assessment Framework, quarter 4 sees a scoring of 2 with Monitor informing the Trust of the outcome of this rating in due course.

The Trust places a high priority on the quality of its clinical outcomes, patient safety and patient experience and abides by the principles outlined in Monitor’s quality governance framework, as follows:

**Quality strategy:** outstanding quality forms part of the Trust’s strategy, against which quality key performance indicators are identified, monitored and reported to the Board of Directors on a monthly basis. Both current and future risks to the strategy are listed in the Board Assurance Framework and in the Trust’s risk register and used to inform decision priorities. Potential initiatives (such as cost improvement measures) and investments are assessed for the potential risks to quality. These risk assessments are reviewed by representatives of the Board and executive team before proceeding, and the outcomes reported to the Board of Directors through the joint clinical and corporate executive.

**Capabilities and culture:** the Board has identified its quality priorities through the quality reporting process, and has achieved non-executive engagement through the Clinical Quality Governance Committee and governor engagement through the governors’ Patient Experience Committee and other initiatives such as assistance with the patient experience e-survey, Patient Led Assessment of the Care Environment (PLACE) assessments, privacy and dignity review and other reviews and assessments. The monthly performance report to the Board includes patient safety and patient experience issues. The Trust has a mature reporting culture with a high reporting rate and a full and comprehensive commentary is provided for all metrics.

**Structures and processes:** quality is a standing item in all meetings of the Board which receives reports routinely on serious incidents, complaints, patient and staff feedback surveys, incident reporting trends and any on-going actions to address concerns identified.

The Trust has engaged with its key stakeholders on quality through the quality reporting process, which has ensured input from its lead commissioner, the Health Overview and Scrutiny Committee and Health Watch.

**Measurement:** the Board reviews its key performance indicators on a monthly basis. These are linked explicitly to the Trust’s strategic objectives, national priority indicators, Monitor governance ratings, CQUINs and local priorities.
Delivery of the 2013/14 strategic plan

The Trust’s strategic vision is centred around delivering the best care, anywhere to its patients. Its firm foundations ensure that it has strong governance, sound finances, robust IT and information, effective marketing, vibrant teaching and research and strong partnerships. It strives to deliver the best outcomes, working closely with other professionals across the health service. Central to the vision are the Trust’s patients to whom it endeavours to give an excellent experience with every contact. Its skilled and motivated teams are what make the Trust such a good hospital. They harness all the resources at their disposal to deliver the highest levels of productivity and quality at all times for the population it serves. The Trust has a portfolio of projects that will help it to deliver the best care, anywhere.

The Trust also uses its performance against CQUIN targets to ensure that it is striving to deliver the best care. CQUIN stands for Commissioning for Quality and Innovation and this system was introduced in 2009 to make a proportion of healthcare providers’ income conditional on demonstrating improvements in quality and innovation in specified areas of care.

Below is a summary of performance against some of the strategic initiatives and CQUIN targets for the Trust during the year.

Best outcomes

Intra Operative Fluid Management (IOFM)

Intra Operative Fluid Management (IOFM) Project is led by Angela Bates and Dr Piers Johnston at the Trust. The Trust’s goal was to ensure that IOFM is used in appropriate procedures, as it is a vital component of high quality surgical care and can contribute to achieving enhanced recovery for patients. The Trust was required to achieve 80 per cent compliance by March 2014.

The Trust had already actively adopted the use of IOFM as part of the Enhanced Recovery Programme and current utilisation is running at 85 per cent reaching a rate of 95 per cent in March 2014.

To facilitate the adoption of IOFM, the Trust updated the admissions department system to flag on the Theatre Operating List where a procedure is appropriate and IOFM should be used. In Theatres a mandatory question has been added to the e-OASIS system asking whether IOFM has been used in each procedure.

In addition the Trust Anaesthetic team have been fully briefed and are supportive of the need to use IOFM for appropriate procedures.

Harm free care

As part of its strategy to deliver the best outcomes for our patients, the Trust is committed to delivering harm free care and it uses the NHS Safety Thermometer to facilitate this.

The NHS Safety Thermometer allows frontline staff to measure how safe their services are and to deliver improvement locally. The thermometer captures a range of indicators: patient falls with harm, urinary catheter infections, pressure ulcers and the incidence of VTE. The Trust conducts a monthly harm free care audit to establish the percentage of harm free care and has been successfully collecting data in accordance with the NHS Safety Thermometer since April 2012, demonstrating audit compliance of 10 per cent of appropriate patients.

The Trust is an outlier in the use of indwelling catheters, so further analysis, an action plan and training are actively underway to ensure a reduction of the incidence of these.
The team have provided further training to clinical staff, put a revised care plan in place and the use of a specially designed magnet for use on ward boards to prompt the discussion over whether a catheter is still required. This work has led to a reduction in the number of catheters to a median of 23.5 per cent from 27.2 per cent. Work is still on-going to reduce this further.

In addition, the impact of this work has led to a reduction in the number of catheter associated urinary tract infections (CAUTIs) developing in the Trust to 0.5 per cent from 2.5 per cent. Further training has been given to staff to ensure that they are confident in how to complete the Harm Free Care audit.

The Trust has consistently achieved a lower than the national average rate for falls during 2013/14 and has appointed a falls practitioner to provide an additional focus on reducing this level even further as part of its commitment to providing harm free care.

Finally, the Trust is consistently achieving its target of 95 per cent completion of a VTE risk assessment where appropriate.

Enhanced care for frail elderly patients
The Trust has developed an enhanced Older Peoples Assessment and Liaison team (OPAL) that aims to provide supportive care for frail older people by intervening within the first hours of an admission, tracking their care through clinical decision and emergency assessment units to the wards. The purpose of the tracking is to manage a reduction in length of stay and facilitate early supported discharge using the appropriate community services. The team also enables frail older patients to have a comprehensive geriatric assessment.

Improving care for patients with dementia
The Trust has worked hard to identify patients with dementia and other causes of cognitive impairment alongside their other medical conditions using its robust process for the screening, assessment and referral of patients with suspected dementia. This process prompts the appropriate referral and follow-up after the patient is discharged from hospital and ensures that we deliver high quality care to patients with dementia and to support their carers.

Since January 2013 the Trust has consistently achieved the required 90 per cent screen, assess and refer of appropriate patients. The practice development nurse for dementia supports this role.

An in-house training programme for raising staff awareness is in place including in-house dementia training provided in collaboration with our dementia specialist nurse and the psychiatric liaison nurse.

The Trust also set up monthly carer’s support forums and had a display stand at the Dementia Awareness evening hosted by Alzheimer’s UK and Jeremy Hunt in November.

New mortality review process
Following an extensive review in 2012/13, the Trust agreed a revised policy and set of processes to manage mortality, with the aim of reducing avoidable deaths in hospital. The processes have now been implemented and the recommendations and actions following the review are now ‘business as usual’.

Engagement in the process has been good and has enabled increased understanding and discussion of care around the time of death across the Trust. Rates of reporting of problems in care are, at this stage, lower than those reported in published studies, though increasing, and further work is needed to provide assurance of a good reporting culture and to further embed the process.

Mortality rates and indices are currently stable, and below or within the expected range, though there remains a discrepancy between two different indices: the latest Standardised Hospital Mortality Index and the Hospital Standardised Mortality Rate.
The difference most likely relates to palliative care coding rates, which are currently around 15 per cent, still lower than the rate expected for this Trust. Work is on-going to address this, and in addition the Trust plans to participate in a National study of mortality which will include detailed external review of clinical notes, providing further assurance that problems in care are being reported with appropriate rigour.

**Excellent experience**

**Enhanced End of Life Care**
The Trust has been working to deliver an increase in the use of the AMBER care bundle with its patients. The AMBER care bundle was introduced into the Trust during 2012 and is a way of identifying patients who may not survive their current episode of care providing a systematic approach to the care of patients where recovery is uncertain. It prompts teams to discuss appropriate medical management, make decisions about escalation and DNAR (Do Not Attempt Automatic Resuscitation) status, documents these clearly in the notes and ensures that these decisions are discussed with the patient and their next of kin.

**The Friends and Family Test**
The Friends and Family Test provides timely, granular feedback from patients about their experience in order to improve it. It asks patients about the care and treatment they receive in hospital and whether they would recommend their care provider to their friends and family if they needed similar treatment.

The Trust has been conducting the Friends and Family Test in A&E and across its wards since April 2013 and in Maternity since October 2013. It was launched in outpatients and day services in March 2014 and will be conducted four times a year with staff from May 2014.

The Trust’s response rate at the end of March was 35.6% for quarter 4 and the overall net promoter score ranged between 55 and 61.

**Outreach Chemotherapy and Radiotherapy services at Surrey and Sussex Healthcare Trust, Ashford Hospital and Frimley Park Hospital**
As part of the Trust’s commitment to ensuring that patients get the best outcomes and an excellent experience the Trust is exploring opportunities to provide outreach cancer services with healthcare partners in and around Surrey.

The Trust is building a facility at East Surrey Hospital, which is owned by Surrey and Sussex Healthcare NHS Trust (SaSH). This is great news for patients, who currently travel to Guildford who will be able to access treatment much closer to home. Most patients who live in the areas around Redhill, Reigate and West Sussex will be able to be treated much closer to home when the new facility opens in summer 2014.

In addition, the Trust recently began offering chemotherapy services at Ashford Hospital which again means that many patients will now be able to receive their treatment in a much more convenient location. Similarly, we now offer adjuvant and neo-adjuvant breast chemotherapy services at Frimley Park Hospital.

**Ophthalmology**
Since the end of 2012, demand on the ophthalmology service has grown significantly resulting in a service which did not have the capacity to meet demand, was not fit for purpose and did not provide a pleasant or safe physical environment to deliver the service in a timely way. This is evidenced through high numbers of patient complaints and informal concerns raised via the Patient Advisory Liaison Service and poor staff feedback. Coupled with this, the service is not performing at its optimum operational efficiency as demonstrated by long delays and late finishing clinics. The administration functions have failed to keep pace with the level of demand on the service, which, at its peak, led to a typing backlog of nine weeks.
The service has been inspected by the Kent, Sussex and Surrey Deanery, the Care Quality Commission and the Clinical Commissioning Group. In all cases a common message has been relayed: clinical care is excellent, but patient experience must be improved.

In September 2013, the ophthalmology service began a programme of turnaround. A new leadership team was put in place who, working closely with the clinical team, undertook a piece of diagnostic work to understand problems and find solutions.

In March 2014 a business case was approved to provide significant investment in this service that will enable the service to provide an optimal patient experience, a physical environment which is fit for purpose and a service which is profitable. Delivering this option will also allow the service to implement the recommendations from the zero based review, thereby maximizing the operational efficiencies identified.

**Skilled motivated teams**

*NHS Annual Staff Survey – Results*

The results of the annual staff survey are set out on pages 42 to 44.

**Achieving Excellence**

Achieving Excellence is a Trust wide programme, made up of several elements, to help teams improve the way they manage their work on a daily basis and to ensure the highest standards of care. Each ward will begin with a BEST Accreditation assessment which assesses and benchmarks individual wards against Trust standards.

Wards are given a rating which communicates to staff and patients how effectively they are performing. The Patients 1st team will train, coach and support the ward team during the six months following the initial assessment, so that the team can embed a number of techniques that will improve the way that they manage their work. Teams are then re-assessed with BEST accreditation to see the impact of the improvements and how these are being maintained.

**Strategy deployment**

During the year the Trust piloted a programme of strategy deployment to show staff how their work contributed to the effective delivery of the Trust’s strategy. It did this by cascading their objectives through a strategy deployment matrix so that all staff could draw a golden thread between their team objectives and the overarching Trust strategy. To ensure that the strategy was meaningful for staff, every manager had a catchall discussion with their direct reports where they explained their own objectives and how their team members could contribute to them. This process cascaded down the organisation ensuring that all objectives were linked to the Trust’s strategy.

In 2013/14 the process was taken as far as matrons and specialty managers. The feedback from the pilot was listened to and in 2014/15 the Trust will be deploying a new software tool called OrgVue to replace unwieldy spread sheets which will make reporting much simpler and more visual.

**Establishment**

There has been a significant focus on recruiting substantive staff to the Trust over the last year. The Trust initially tries to recruit high standard nurses from the UK using a rolling programme of on-going adverts via NHS jobs and a monthly assessment and interview centre.
However, given the particular skill shortages in nursing in intensive care and acute emergency medicine, the Trust is now looking further afield with campaigns in Ireland, Spain and potentially Portugal. These campaigns have proved to be very successful, but there are still a number of vacancies to be filled so the targeted focus on recruiting staff will not reduce.

**Estates**

Planning permission has been received to build an M&S Simply Food and expand the existing Costa Coffee in the hospital’s front hall. The Trust is working together with its contractor Medirest to improve the services on offer to its patients, staff and visitors. By redesigning the front hall, the Trust will provide a bigger waiting area, a larger capacity for seating and a better flow around the stores will enhance the experience for all users. The Trust is also going through a tendering process on the new Hard Facilities Management contract which begins in July 2014.

**Top productivity**

**New length of stay process**

In 2013/14, the Trust continued with its programme to improve the emergency pathway. It merged two projects - Reducing Emergency Length of Stay and ‘Front Door’ – in order to better manage the work and make it more effective.

Within A&E, efforts have focused on reducing delay when patients first arrive through the introduction of a ‘See & Treat’ model for Minors patients and a Rapid Assessment Team (RAT) for more seriously ill patients.

On the wards, work has been done to look at how delays to discharges are managed. Problems are now escalated quickly to the right staff so that they can be resolved more effectively.

**Omnicell inventory system**

A new Trust-wide inventory system called Omnicell was introduced, initially into main theatres, to facilitate improved stock levels, reduce stock wastage and to ensure that the correct equipment is where it needs to be on time.

Despite significant operational and logistical challenges throughout the operation not a single theatre list was affected as a result.

**Firm Foundations**

**Improving facilities to enhance patient care and experience**

The Trust has made significant investment in its estates portfolio during the year, including two significant building projects in expanding the Intensive Care Unit (ICU) department and in building a new outreach radiotherapy unit.

The ICU provides excellent quality care to the most critically ill patients. Over the last few years staff have risen to the challenge of treating more patients, with no increase in space or facilities. The Trust now treats over 1,000 patients a year and the number is constantly growing. The hospital needed to expand the ICU in order to continue offering the same level of care to an increasing number of patients. The new unit opened in March 2014.
There is also a new facility being built at East Surrey Hospital for the Trust to provide chemotherapy and radiotherapy much closer to home for patients living in Redhill, Reigate and West Sussex (and surrounding areas). The unit will open in Summer 2014.

**Informatics (IT)**

The Trust’s IT infrastructure was very dated and in need of upgrade and some progress has been made in improvements during 2013/14 the IT department commenced a rollout programme of new PCs with Windows 7, a series of network upgrades and the implementation of additional storage capacity.

The Trust has also introduced a new PACS (picture archiving and communication) radiology system, facilitating improved communication of clinical information between staff and departments and the rollout of the nursing functionality of VitalPAC was completed.

VitalPAC enables nurses to capture vital signs electronically at the bedside. The system analyses vital signs together with other clinical data and provides risk scores and assessment tools which reduce clinical risk and mortality, length of stay and ICU admissions, and track patient condition in real-time. Standard observations are supported with an additional library of special observations such as diabetic monitoring.

**Improved coding**

The Trust recognised the need to revise the coding processes in order to provide a more effective and efficient coding service. Coding is important to the Trust not only for ensuring that contract payments are correct but also in providing diagnostic information for national epidemiological databases and for understanding and improving local management of care pathways. As part of the improvements the coding team was restructured in order to facilitate improved interaction with departments.

**Chemo ePrescribing**

The Oncology Specialty Business Unit, along with the Pharmacy team, has made significant progress with the implementation of the Chemotherapy e-prescribing system in the last 12 months.

By the end of the year, 87 per cent of the regimen protocols have been inputted and a number of tumour groups are now fully live on the Aria e-prescribing system. The team anticipates delivering 100 per cent completion ahead of the October 2014 national delivery date after which the system will require on-going maintenance to ensure it is clinically up to date with the latest treatment protocols.

The team are also currently working with Ashford & St Peters NHS Foundation Trust and Surrey & Sussex NHS Trust in setting up links into the Trust’s system to support them in delivering e-prescribing locally.

**Principal risks facing the Trust**

As with all NHS Trusts, there are several risks which are managed or tolerated in order for us to perform the work we do. Some of these risks could potentially impact on our ability to deliver services and the Board reviews these every month. The Audit Committee has oversight of strategic risks, which are defined as risks that could affect the Trust’s achievement of its strategic objectives.

The most significant risks are summarised in the Board Assurance Framework. The principal risks can be collated into the following themes:-

- **Risks to Best Outcomes**
  Examples of this category include the risk of top-down restructuring by the Department of Health, competition from other providers and the risks of failing to recover anticipated benefits from merging with Ashford and St Peters.
Risks to Excellent Experience
These risks include the potential for failing to achieve high ratings in Friends and Family tests, lack of physical capacity to deliver services or inability to meet targets due to high demand.

Risks to Skilled, Motivated Teams
This category includes the risk of failure to achieve acceptable levels of statutory and mandatory training.

Risks to Robust Foundations
Financial and reputational risks are included in this section, including the risk of over performing against contracts, or the risk of failing to meet quality Key Performance Indicators and therefore increasing financial risk rating.

Risks to Top Productivity
The Trust endeavours to continue to deliver high quality services at a time when pressure to drive costs down is increasing. There is a risk that the Trust may be unable to do so safely.

Risk management
Although the NHSLA (National Health Service Litigation Authority) Risk Management Standards were suspended in November 2013, the Trust continues to work towards improving risk management in order to achieve its own objectives.

NHSLA intends to recommence shortly with a focus on maternity and surgical services, and the Trust will be ready to provide evidence of its risk management in these areas.

The NHSLA Group will be reconvened to supervise this work and to monitor progress. In addition, a review of the Risk Management Strategy is underway to identify what progress has been made and what improvements should be implemented.
Patient Care

Patient Safety and quality embraces a number of strands of work including complaints, clinical effectiveness and risk. All these elements are critical in ensuring our patients and their carers receive excellent care, and the Trust continues to meet its core values.

All staff have responsibility for safety and quality. There are, however, designated teams within the Trust who lead or are directly involved in these activities under the executive lead of the Director of Nursing and Patient Experience and the Medical Director (Clinical Risk) and Director of Organisational Transformation (Non-Clinical Risk) with the Chief Executive being ultimately responsible.

The Clinical Quality Governance Committee and Risk Management Group have overseen the progress towards achievement of the Patient and Quality Strategy, and have observed good compliance with the agreed actions and timelines. They will continue to monitor this on a monthly basis. Two Quality Account Workshops were held in the year, attended by Healthwatch, representatives of the Clinical Commissioning Groups, councillors and governors.

The Trust has produced its Annual Quality Account which sets out its priorities and objectives in relation to quality improvements for the year. During the year the Trust’s Quality Strategy has been reviewed to ensure continued alignment to the Trust’s priorities and overall strategy going forward.

Listening to Patients

During the year the Trust has continued to use the e-survey to capture patients’ views of their experience of being an inpatient.

All wards continue to display their Patient Pledge boards each month. These include feedback from patients and actions that wards have taken as a result of this.

Ward staff collect a patient story each month which involves a member of staff listening to a patient talking through their experience of their hospital journey. One of the orthopaedic wards has been contacting patients on discharge, to ensure that the patient has no concerns. Matrons for the inpatient areas now hold Matrons clinics, giving relatives or patients the opportunity to meet with them to discuss any concerns that they might have.

Patient comments:

“I was most impressed by the consideration shown by all the staff in RSCH.”

“I was impressed with the thoroughness and consideration of the doctors on the ward rounds and the subsequent treatment.”

“On this occasion the medicines were ready before I was discharged so that has got much better.”

The Trust offers patients many mediums to feedback including email, Twitter and Facebook accounts and via the NHS Choices website. All feedback is shared with the clinical areas and is responded to by the Communications Team.
**Friends and Family Test**

In April 2013 the National Friend and Family Test was introduced which requires all inpatients and those attending the Accident and Emergency Department to be given the opportunity to say whether or not they are “extremely likely” to recommend the hospital to their family and friends if they required similar treatment. (the ‘extremely likely’ category being the response which generates a positive figure for the Trust: the response of only ‘likely’ is neutral to a trust’s score).

A similar question has always been asked through the e-survey but, as this is managed through the Trust’s volunteer service, this did not capture all patients.

The Friends and Family Test survey is collected by postcard or SMS texting and patients have the opportunity to give comments as well as a score.

The Trust aimed to have a combined response rate of 20 per cent for A&E and inpatients for the first year. The combined response rate that has been achieved is 35.6 percent for the past quarter; this is an improvement since the results for the first quarter showed a response rate of 15.9 percent.

The Trust wanted to see a minimum of 75 per cent of patients being extremely likely to recommend the trust and a net promoter score in the upper quartile. The results showed 80 per cent of patients were extremely likely to recommend the Trust, while its combined net promoter score finished the year at 58 in March (the net promoter score takes the “extremely likely” responses and nets off all negative responses).

There has been an upward trend for the net promoter throughout the year and the Trust is committed to continuing to improve these results. It will do this by responding quickly to address any areas for improvement, and proactively encouraging patients to take part in the survey. The Trust operates an environment of continuous improvement and feedback from patients is a key driver for positive change.

In October the Friends and Family Test was rolled out to Maternity Services. The percentage response rate has risen from 19.8 per cent in October to 42.2 per cent in March and the net promoter score has varied between 70 and 77. There are four points where the women are given the opportunity to complete a survey. These are at antenatal, delivery, discharge from the post natal ward and discharge from the midwife to the health visitor. The results above show the combined results for all four touch points.

**Quality Mark for Elderly Care**

The Quality Mark for Elderly Care is awarded by the Royal College of Psychiatrists and is held for three years. Wisley and Ewhurst received notification in April that they had achieved the Quality Mark for Elderly Care. The wards received 128 patient satisfaction surveys between them. Between 91 per cent and 97 per cent of patients cared for on these wards said they would be happy for their family members to be treated on these wards.

A third ward entered stage one of the Quality Mark in 2013 - forty-three patients returned a satisfaction survey and 95 per cent of these patients were happy for their family members to receive care on the ward. This ward will be completing an action plan in preparation for Stage 2 in 2014.

**Learning Disabilities Peer Group Review**

This is the second year that the Trust has taken part in the Learning Disabilities Peer Group Review. The Trust was visited in January by representatives from Surrey and Sussex Healthcare Trust, service users, carers and community learning disability nurse specialists. The purpose of the review was to identify and share areas of good practice and agrees areas for further work.

Overall feedback was positive and the work plan has been updated to reflect the areas for improvement.
Evidence of good practice

- Staff clearly thoughtful of people with Learning Disability, resource packs in all areas that the team visited
- Outpatients had clear makaton signs
- Learning Disability Steering Group in place, in addition to the Adult Safeguarding Committee
- Bleep system in place in Emergency Department and Outpatients (OP) Department to allow patients to book in and leave the busy waiting room until called
- Touch screen in Outpatients quite complex with no “help” button
- Main notice and signage difficult to interpret
- Quiet spaces to wait for treatment and OP appointments
- Policies out of date
- Board Lunches to allow for face to face feedback to the Executive Team
- Liaison Nurse Posters needed in ward areas.
- Red ticket system for phlebotomy
- Positive experience for service users

Areas for improvement

- Policies out of date

Care and Compassion Peer Group Review

For the third year running the Western Sussex Hospital team have visited and conducted the care and compassion review at the Trust.

The team used the tool developed by the South East Coast Directors of Nursing Forum and focused on 21 vital signs of fundamental care provided by all members of staff.

They are divided into three domains:
A. General Care
B. Patient and visitor engagement
C. Patient safety

Description of Grade

<table>
<thead>
<tr>
<th>Positive</th>
<th>Passive</th>
<th>Poor</th>
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<tbody>
<tr>
<td>Staff demonstrate that they respect the patient/visitors; they use opportunities to engage with and/or solve difficulties without giving any impression that the task is too much or not their job, that the patient is treated first and foremost as a person and their medical condition is treated within context</td>
<td>This is when staff attend the patient/visitor but are business like or impartial, showing no emotion or visual signs of caring or respect for the patient as a person but they are not treated as an object or a medical condition</td>
<td>Staff either do not attend or attend the patient/visitor but are abrupt, negative in tone and body language or do talk or attend to the patient at all. Staff may talk over the patient. The person appears to be treated as an object or as a medical condition</td>
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</table>
The observational visit to all wards was reduced from four hours (previous annual visits) to 30 minutes on the request of Western Sussex Trust. This is the methodology they use quarterly and wished to benchmark with their own findings.

In future the Trust will be performing its own care and compassion review every six months between the peer reviews. Training for all senior sisters was provided by the author of the tool at the end of March 2014.

**Results**

Previously it was not possible for all wards to be visited. The change in methodology resulted in an increase in wards being visited however not all wards could be included as Western Sussex had a reduced team, due to circumstances beyond their control. The previous peer review results of 2012 and 2011 are shown in brackets.

<table>
<thead>
<tr>
<th>Ward</th>
<th>Positive</th>
<th>Passive</th>
<th>Poor</th>
</tr>
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<tbody>
<tr>
<td>Hindhead</td>
<td>48</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>Albury</td>
<td>65</td>
<td>4</td>
<td>17</td>
</tr>
<tr>
<td>Wisley</td>
<td>68 (47)</td>
<td>0 (0)</td>
<td>2 (4)</td>
</tr>
<tr>
<td>Onslow</td>
<td>73 (84) (194)</td>
<td>0 (11) (19)</td>
<td>0 (4) (31)</td>
</tr>
<tr>
<td>EAU</td>
<td>30 (167) (210)</td>
<td>1 (2) (26)</td>
<td>0 (0) (74)</td>
</tr>
<tr>
<td>Elstead</td>
<td>21 (103)</td>
<td>1 (9)</td>
<td>8 (5)</td>
</tr>
<tr>
<td>Tilford</td>
<td>20 (107)</td>
<td>0 (4)</td>
<td>1 (1)</td>
</tr>
<tr>
<td>Frensham</td>
<td>40</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>Compton</td>
<td>23</td>
<td>0</td>
<td>22</td>
</tr>
<tr>
<td>Clandon</td>
<td>79</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Ewhurst</td>
<td>47</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Millbridge</td>
<td>62</td>
<td>1</td>
<td>3</td>
</tr>
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The visiting team provided feedback which included overall very positive review results. They felt the patients looked well cared for and the staff were, on the whole, very caring and compassionate. They found the wards to be calm and clean.

Conversely, the ‘poor’ results were mainly lack of interaction by housekeeping staff with patients, hand washing by all groups of staff and patient call bells not always in reach or answered. The results and action plans have been shared with the Senior Sisters, Matron, Housekeeping and Management Teams. All action plans are anticipated to be completed by April 2014.

**Inpatient survey**

The inpatient survey was carried out on patients who were discharged in August 2013, 476 patients completed their surveys which gave a response rate of 57.9 per cent. As with previous surveys, the Trust continues to score highly on questions relating to privacy when being treated with patients feeling that they were treated with dignity and respect. Patients continue to demonstrate that they have confidence in the doctors and nurses who are treating them.

An action plan is being developed to focus on the areas which require further work. This information is being used in conjunction with the results from the e-survey and the Friends and Family Test to identify specific areas of focus for 2014.
Care Quality Commission (CQC) Inspections
The Trust had two routine CQC inspections the year. The first in April took place over four days and the Trust was found to have met all the standards reviewed as part of this inspection.

The Trust was also one of 18 organisations to be inspected under the CQC’s new inspection regime. The inspection was carried out over three days in October 2013. The Trust received an overall rating of ‘good’ following this inspection, with some elements of its maternity and paediatric services found to be outstanding.

The CQC did identify some areas where improvements could be made, but there were no actions that the Trust was told it must take, and there is an action plan in place to take forward the areas for improvement.

Although the inspection was very time consuming for the Trust and many staff were involved in preparation for the visits, it was found to be helpful and informative and the Board welcomed the opportunity to work with the CQC in piloting the new regime and were pleased that the CQC recognised the same issues and challenges that, in many cases, were already being addressed.

Patient Advocacy and Liaison Service (PALS)
PALS deals with informal complaints, concerns or general requests for information, endeavouring to provide a timely response or solution, often within hours. During the year the Trust’s PALS office received 2,292 referrals which is an increase of 5 per cent from the previous year. Of the cases tracked for completion time, 69 per cent were completed and closed within three days.

Although PALS deals with a broad range of issues and requests for information from patients, the public and the Trust’s own staff, the most common problems raised were appointments, communication and treatment.

PALS continue to seek to identify and advise those users with additional needs such as disability, mental health problems and where English is not a patient’s first language. New PALS resources for adults with learning disabilities have been produced this year and PALS continues to work closely with the acute liaison nurse - learning disabilities.

The interpreting service for the hospital is co-ordinated by PALS and over the last 12 months this has work grown in demand.

The PALS office provides the lead as Mental Health Act Administrator and successful liaison with the Surrey and Borders Partnership about this work has continued. The PALS manager continues to manage the Relatives Office and the PALS staff provide cover and additional support to the Relatives Officer when required.

During the year the PALS manager has delivered internal customer service training to team leaders and a broad spectrum of staff have successfully completed this training.

Complaints handling
During the year the number of formal complaints investigated by the Trust has decreased slightly representing a year-on-year decrease of 0.2 per cent. Of the 430 complaints investigated, 36 per cent related to inpatient concerns, 53 per cent related to outpatient concerns and 11 per cent related to A&E attendances.

The Trust has continued with its emphasis of providing high quality responses to complaints in a timely manner. As a result the number of complaints responded to within the target time of 25 working days has decreased slightly to 79 per cent and just 3 formal complainants have requested an independent review by the Parliamentary and Health Service Ombudsman.
In accordance with the recommendations of the Francis Report, the Trust has continued with its policy of actively encouraging complaints as we recognise this helps us to identify those aspects of our service where we can improve.

Through the Trust’s clinical governance structure and Complaints Monitoring Group, trends are analysed to act as an early warning of those areas of concern to our patients. Also, in accordance with the recommendations of the Francis Report, during the year the Trust commenced placing information regarding upheld complaints on to its website so that service users can be informed about concerns raised by patients and their relatives.

During the year the Trust has made improvements to the monitoring of learning or changes in practice that have arisen from formal complaints investigations. These are now fed-back to the business units on a quarterly basis to confirm that any changes or improvements are fully embedded and that service quality has improved as a result.

Some improvements that have been made during the year include:

- Posters are now on display in wards to remind staff to ensure that when a patient is discharged their bedside locker is emptied of medication and that pharmacy staff must check bedside medication with the information on their drug chart.
- Additional training has been provided to the MRI scanning team regarding patients with cochlear implants.
- Only permanent and trained staff are to apply total contact plaster of paris casts and all diabetic patients with a plaster cast must have the plaster removed and the foot fully inspected at each appointment.
- Additional training to be provided by the IV clinical nurse specialist on infection and prevention and control for central lines put in place for parental nutrition.
- Patients with autism admitted to Hascombe Ward are to be given a bed in a single cubicle wherever possible and further training is then provided regarding the care of patients with autism.
- Additional secretarial resources have been provided to the Cardiology team to ensure that all correspondence is typed within seven days. The reporting process for cardiology scans has also been reviewed to allow registrars more time to report abnormal scans.
- The maternity clinical practice development team are conducting a review of all midwives’ sterile techniques to ensure that best practice is actioned.
- An action plan is in place to improve turnaround times for MRI scan reports
- The speciality manager for breast surgery has reviewed the process and timescales for returning telephone enquiries
- Improved signage to Castle outpatient clinics.
- Additional training is to be provided to paediatric doctors when taking blood samples from young babies and to improve their technique for soothing distressed babies.
- Improved nursing discharge letters are to be introduced for the elderly care wards.
- All patients on the elderly care unit are now referred to the dietician if they have a pressure ulcer.
- A ward book has been introduced on Wisley ward to inform doctors of relatives who wish to speak to them. Doctors respond to these requests within 24 hours.
• Appointment centre staff have been instructed to refer all patients with repeated cancellations to a senior member of staff for review.

• A turnaround and action plan to improve the patient experience in the Eye Clinic is in progress.

**Patient Led Assessment of the Care Environment (PLACE)**

The National Patient Led Assessment of the Care Environment (PLACE) commenced on 2nd April 2013 replacing the Patient Environment Action Team (PEAT). All trusts were allocated an assessment date between 2nd April – 21st June 2013.

There were many similarities with the revised process but also some key changes including:

• 50 per cent of those involved in undertaking the assessment must be a ‘user’ rather than a ‘provider’ of the service and were given the opportunity to feedback directly to NHS Commissioning Board regarding their involvement & experience.

• Governors or members of the Trust were eligible to act as patients representatives within their own Trust

• The Trust was responsible for providing training for patient representatives and staff who were to be involved.

• The scoring and assessment document contents.

• Final results of the “Excellent – Unacceptable” scale were replaced with a percentage for cleanliness, food, privacy and dignity and condition, appearance and maintenance.

The Trust’s assessment was completed during the week commencing 3rd June 2013. The assessment team included patient representation from Health Watch, governors, a mother of a child service user and Trust staff.

The Trust formulated its action plan and commenced actions regarding cleanliness, condition, appearance and maintenance prior to the national release of results in autumn 2013.

The Trust results were as follows:

<table>
<thead>
<tr>
<th>Cleanliness</th>
<th>Food</th>
<th>Privacy, dignity &amp; wellbeing</th>
<th>Condition, appearance &amp; maintenance</th>
</tr>
</thead>
<tbody>
<tr>
<td>89.29</td>
<td>77.86</td>
<td>84.88</td>
<td>85.28</td>
</tr>
</tbody>
</table>

The formal results were shared with senior staff and governors. The PLACE action plan is monitored via the Patient Environment Quality Steering Group.

The 2014 PLACE assessment team and training format remains unchanged. However, the assessment documents have been amended by NHS Commissioning Board following feedback on the content from participants in the first year.
The Trust continues to strengthen clinical governance structures across all levels within the Trust in order to optimise the safety of patients. A key driver for improving patient safety within the Trust has been the implementation of the Francis recommendations. As of March 2014, only 7 out of the 290 recommendations were still in progress with the rest having been completed in year. We held our first learning lessons conference in December with the solicitor to the Francis Inquiry as key note speaker.

We have used clinical audits to assess the safety and effectiveness of our services and through this process, have identified areas for improvement. A number of local improvement initiatives undertaken during the year have been informed by results from clinical audit. These are further detailed within the Quality Account.

Finally, we have launched an electronic incident reporting system which will better support the reporting of incidents and the Trust’s ability to identify themes and trends to support learning from incidents.

**Priority 2 - Reduce inpatient fall rates**  
Patient falls continue to be the most commonly reported patient safety incident nationally. The Trust’s target was to have no more than eight falls per 1,000 bed days. The chart below demonstrates the falls rate has been consistently below this figure during the year.

The 12-month rolling average has decreased from 5.52 per 1000 bed days to 4.68 per 1000 bed days. The in-month figures have decreased from 6.5 per 1000 bed days to 5.3 per 1000 bed days

The Trust continues to fully investigate any fall resulting in a moderate or severe harm for the patient, using a formal root cause analysis tool and when deemed necessary, a learning panel is held.

Key achievements during the year:

- Reduction in the number of falls trust wide
- Focussed work with the ward areas that historically had a higher number of falls which has resulted in a reduction in the number of falls in these areas
- Embedding the falls risk assessment and post falls proforma
Priority 3 - Promote and improve harm free care

The Trust has continued to carry out monthly safety thermometer audits. These audits record the number of patients with harm, whether that is pressure damage, fall with harm, catheter associated urinary tract infections or Venous Thrombosis Embolysims. It also records whether patients were admitted with the harm or developed it whilst in the hospital.

The Trust’s aim was to achieve the top quintile for harm free care with 95 per cent of patients being treated without harm. The chart below shows that we have achieved this for new harms.

During the year the Trust focused on reducing the number of catheters that were inserted in the hospital and on reducing catheter associated urinary tract infections (CAUTI). The chart below demonstrates that the Trust has reduced the percentage of patients with a CAUTI.

Catheter & New UTI:

<table>
<thead>
<tr>
<th>Month</th>
<th>Data 1</th>
<th>Data 2</th>
<th>Data 3</th>
<th>Data 4</th>
<th>Data 5</th>
<th>Data 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar13</td>
<td>1.51</td>
<td>1.02</td>
<td>2.51</td>
<td>0.02</td>
<td>1.4</td>
<td>0.92</td>
</tr>
<tr>
<td>Apr13</td>
<td>0.34</td>
<td>1.4</td>
<td>0.4</td>
<td>0.3</td>
<td>0.2</td>
<td>0.02</td>
</tr>
<tr>
<td>May13</td>
<td>0.41</td>
<td>0.4</td>
<td>0.41</td>
<td>0.2</td>
<td>0.4</td>
<td>0.02</td>
</tr>
<tr>
<td>Jun13</td>
<td>0.41</td>
<td>0.4</td>
<td>0.41</td>
<td>0.2</td>
<td>0.4</td>
<td>0.02</td>
</tr>
<tr>
<td>Jul13</td>
<td>0.41</td>
<td>0.4</td>
<td>0.41</td>
<td>0.2</td>
<td>0.4</td>
<td>0.02</td>
</tr>
<tr>
<td>Aug13</td>
<td>0.41</td>
<td>0.4</td>
<td>0.41</td>
<td>0.2</td>
<td>0.4</td>
<td>0.02</td>
</tr>
<tr>
<td>Sep13</td>
<td>0.41</td>
<td>0.4</td>
<td>0.41</td>
<td>0.2</td>
<td>0.4</td>
<td>0.02</td>
</tr>
<tr>
<td>Oct13</td>
<td>0.41</td>
<td>0.4</td>
<td>0.41</td>
<td>0.2</td>
<td>0.4</td>
<td>0.02</td>
</tr>
<tr>
<td>Nov13</td>
<td>0.41</td>
<td>0.4</td>
<td>0.41</td>
<td>0.2</td>
<td>0.4</td>
<td>0.02</td>
</tr>
<tr>
<td>Dec13</td>
<td>0.41</td>
<td>0.4</td>
<td>0.41</td>
<td>0.2</td>
<td>0.4</td>
<td>0.02</td>
</tr>
<tr>
<td>Jan14</td>
<td>0.41</td>
<td>0.4</td>
<td>0.41</td>
<td>0.2</td>
<td>0.4</td>
<td>0.02</td>
</tr>
<tr>
<td>Feb14</td>
<td>0.41</td>
<td>0.4</td>
<td>0.41</td>
<td>0.2</td>
<td>0.4</td>
<td>0.02</td>
</tr>
<tr>
<td>Mar14</td>
<td>0.41</td>
<td>0.4</td>
<td>0.41</td>
<td>0.2</td>
<td>0.4</td>
<td>0.02</td>
</tr>
</tbody>
</table>

Patients:

<table>
<thead>
<tr>
<th>Month</th>
<th>Data 1</th>
<th>Data 2</th>
<th>Data 3</th>
<th>Data 4</th>
<th>Data 5</th>
<th>Data 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar13</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
</tr>
<tr>
<td>Apr13</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
</tr>
<tr>
<td>May13</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
</tr>
<tr>
<td>Jun13</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
</tr>
<tr>
<td>Jul13</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
</tr>
<tr>
<td>Aug13</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
</tr>
<tr>
<td>Sep13</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
</tr>
<tr>
<td>Oct13</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
</tr>
<tr>
<td>Nov13</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
</tr>
<tr>
<td>Dec13</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
</tr>
<tr>
<td>Jan14</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
</tr>
<tr>
<td>Feb14</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
</tr>
<tr>
<td>Mar14</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
<td>472</td>
</tr>
</tbody>
</table>
This has been achieved through additional awareness raising sessions for nursing and medical staff. The catheter documentation has been reviewed and patients are identified on wards to encourage medical and nursing discussion and review of any catheters to ensure that they stay in for the least amount of time needed for the patient.

**Priority 7 - Implement Friends & Family Test**

In April 2013 the National Friend and Family Test was introduced which requires all inpatients and those attending the Accident and Emergency Department to be given the opportunity to say whether or not they are extremely likely to recommend the hospital to their family and friends if they required similar treatment. The Friends and Family Test was rolled out to Maternity Services in October 2013. The Friends and Family Test survey is collected by postcard or SMS texting and patients have the opportunity to give comments as well as a score.

The Trust aimed to have a combined response rate of 20 per cent for A&E and inpatients for the first year. The combined response rate that has been achieved is 35.6 percent for the past quarter, this is an improvement since the results for the first quarter showed a response rate of 15.9 percent.

The Trust wanted to see a minimum of 75 per cent of patients being extremely likely to recommend the trust and a net promoter score in the upper quartile. The results showed XX per cent of patients were extremely likely to recommend the Trust, while its combined net promoter score finished the year at 58 in March.

There has been an upward trend for the net promoter since April 2013 and the Trust is committed to continuing to improve these results. It will do this by responding quickly to address any areas for improvement, and proactively encouraging patients to take part in the survey. The Trust operates an environment of continuous improvement and feedback from patients is a key driver for positive change.

In October the Friends and Family Test was rolled out to Maternity Services. The percentage response rate has risen from 19.8 per cent in October to 42.4 percent in March and the net promoter score has varied between 70 and 77. There are four points where the women are given the opportunity to complete a survey. These are at antenatal, delivery, discharge from the postnatal ward and discharge from the midwife to the health visitor. The results above show the combined results for all four touch points.
Working in Partnership

Developing strong partnerships is one of the Trust’s strategic foundations and a key driver to achieving our vision of delivering the best patient care, anywhere. The Trust is developing a partnership with Ashford and St. Peter’s Hospital Foundation Trust which is moving forward well.

More and more trusts are starting to work more closely together, in part to pool resources and do some things more efficiently but, more importantly for patients to take advantage of the latest clinical developments and treatments so hospitals can provide the most specialist services across larger catchment areas.

The Trust has a Principal Partnership agreement with Ashford and St Peter’s Hospitals which sets out a clear agreement on the principles by which we want to work together. This is about taking advantage of opportunities, where it makes sense to do so, to create larger scale services, improving the quality of care for our patients and being able to deliver services more efficiently.

Together the Trusts have already started looking at how they can improve the quality of their Stroke services, particularly out of hours, by working together over a wider population across two hospital catchment areas.

They are also working together to develop jointly a Surrey Renal Service, which would include an in-patient unit at St Peter’s. Similarly, they have developed a new chemotherapy service at Ashford, with clinical links to the Trust’s St Luke’s Cancer Centre. This should result in shorter journey times and more convenient care for patients in the catchment area.

Working together will also make it easier to deliver extended hours and more seven day working; improving patients’ outcomes and experience by offering some services outside the more traditional Monday to Friday 8am-6pm timescale.

The partnership has also started investigating potential economies of scale for some of its corporate services, including some Human Resources functions, finance and Information Technology. In addition, works is also underway with other nearby Trusts to identify other key services for collaboration to drive patient benefits, whether it is through delivering the service at a more convenient location or creating a specialist centre where the skills of clinicians can be developed.

The two Trusts are also working in close partnership with the University of Surrey, and Royal Holloway University of London, focusing on clinical research and seeking new ways to improve patient outcomes.

Finally, both Trusts are working closely with their CCG and community service providers to investigate opportunities to provide holistic care for patients in the most appropriate location. It is understood that hospital is not the best place for all patients and there is a real commitment to working with community partners to deliver the best outcomes with an excellent experience.
Our People

People (including staff survey)

Staff Survey Results
The principal aim of the staff survey is to gather information that will help the Trust to improve the working lives of our staff and so help to provide better care for patients. The staff survey provides the Trust with a wealth of information detailing our staff’s views about working for the Trust, the areas in which we excel and areas that could be improved.

The Trust is delighted that the 2013 staff survey results show another year of continued good performance for the Trust:

- Has maintained its place in the top 20 per cent of trusts for staff “recommending the Trust as a place to work or receive treatment”.
- Staff engagement score in 2013 has increased from its score in 2012, although this places it in the above average category as opposed to the top 20 per cent, where it was placed in 2012.
- Was placed in the top 20 per cent of acute trusts in 12 of the 25 key findings.
- Performed better than average in a further 8 of the 25 key findings.

No areas of deterioration were reported.

Response Rate

Progress
Following the 2012 staff survey the Trust identified a number of areas for improvement relating to the staff pledges:

- Staff agreeing their role makes a difference to patients (Improved from a below average result in 2012 to a top 20 per cent result in 2013).
- Staff agreeing they are able to contribute to improvements (Improved from a below average result in 2012 to an above average result in 2013).

The Trust also identified the importance of maintaining its top 20 per cent result in relation to staff recommendation of the Trust as a place to work or receive treatment as this is connected to a 2014 CQUIN target – which has been achieved.
## Top Ranking Scores

<table>
<thead>
<tr>
<th>Top 4 Ranking Scores</th>
<th>2011/12</th>
<th>2012/13</th>
<th>Trust Improvement/ Deterioration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust National Average</td>
<td>Trust National Average</td>
<td>Trust National Average</td>
<td>Trust National Average</td>
</tr>
<tr>
<td>Response Rate</td>
<td>Trust National Average</td>
<td>Trust National Average</td>
<td>Trust National Average</td>
</tr>
<tr>
<td>43% Bottom 20%</td>
<td>41% Bottom 20%</td>
<td>-2%</td>
<td></td>
</tr>
<tr>
<td>Support from immediate managers</td>
<td>3.65</td>
<td>3.61</td>
<td>3.78</td>
</tr>
<tr>
<td>Staff believing the Trust provides equal opportunities for career progression or promotion</td>
<td>91%</td>
<td>88%</td>
<td>94%</td>
</tr>
<tr>
<td>Staff feeling pressurised in the last 3 months to attend work when feeling unwell.*</td>
<td>26%</td>
<td>29%</td>
<td>23%</td>
</tr>
<tr>
<td>Percentage of staff witnessing potentially harmful errors, near misses or incidents in the last month.*</td>
<td>31%</td>
<td>34%</td>
<td>27%</td>
</tr>
</tbody>
</table>

* Lower the score the better.

## Bottom Ranking Scores

<table>
<thead>
<tr>
<th>Bottom 4 Ranking Scores</th>
<th>2011/12</th>
<th>2012/13</th>
<th>Trust Improvement/ Deterioration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust National Average</td>
<td>Trust National Average</td>
<td>Trust National Average</td>
<td>Trust National Average</td>
</tr>
<tr>
<td>Staff working extra hours.*</td>
<td>73%</td>
<td>70%</td>
<td>79%</td>
</tr>
<tr>
<td>Staff appraised in the last 12 months</td>
<td>80%</td>
<td>84%</td>
<td>76%</td>
</tr>
<tr>
<td>Staff experiencing physical violence from staff in the last 12 months.*</td>
<td>2%</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>Staff experiencing harassment, bullying or abuse from patients in the last 12 months.*</td>
<td>25%</td>
<td>24%</td>
<td>30%</td>
</tr>
</tbody>
</table>

* Lower the score the better.
Next Steps
The Trust has shared the 2013 results at a team briefing for senior managers with access to their individual business units results being given.

The senior managers present were asked to consider how the information will be disseminated and how we should engage with staff in addressing areas for improvements. Following their feedback an action plan will be devised and shared with the staff side committee of recognised unions and professional associations for their involvement.

Over the coming 12 months the Trust plans to take action to improve in a number of identified areas. This is a challenging and changing environment for everyone in the NHS, and to get top scores in many important indicators shows the Trust is continuing in the right direction for staff and ultimately - patients.

Resourcing
Resourcing activity in the year has seen clinical staff increase from 2353 whole time equivalents (WTE) to 2436 WTE, an increase of 83 WTE clinical staff.

The overall number of staff in post has fallen due to the transfer of non-clinical housekeeping, portering and switchboard staff to Compass Medirest on 31 January.

Staff in post 2013 v 2014

<table>
<thead>
<tr>
<th>Permanent staff in post (WTEs)</th>
<th>Mar - 13</th>
<th>Mar - 14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultants</td>
<td>171</td>
<td>179.6</td>
</tr>
<tr>
<td>Junior Medical</td>
<td>295</td>
<td>325.8</td>
</tr>
<tr>
<td>Nursing, midwifery &amp; health visitors</td>
<td>932.1</td>
<td>952.6</td>
</tr>
<tr>
<td>Dental</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Scientific, therapeutic &amp; technical</td>
<td>652</td>
<td>677.5</td>
</tr>
<tr>
<td>Other clinical staff</td>
<td>302.4</td>
<td>300.4</td>
</tr>
<tr>
<td>Non clinical staff</td>
<td>757.9</td>
<td>671</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3110.4</strong></td>
<td><strong>3106.9</strong></td>
</tr>
</tbody>
</table>

Staff with disabilities
The Trust continues to demonstrate its commitment to disability, taking positive action by displaying the Positive about Disabled People symbol which includes:

- Interviewing applicants with disabilities who meet the minimum job criteria
- Consulting annually with individual staff with disabilities through the appraisal process about how the Trust can develop and support them
- Making every effort to redeploy staff who become disabled and cannot continue in their current role
- Raising awareness of disability amongst staff
- Monitoring and communicate achievements in relation to commitments

During the period 1 January to 31 December 2013, the Trust received 442 applications for jobs from disabled candidates with disabilities. Of these, 137 candidates were shortlisted and 17 interviewees were appointed.
Staff Monitoring

The age and ethnic breakdown is shown below:

<table>
<thead>
<tr>
<th>Age</th>
<th>2010/11</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(31.3.11)</td>
<td>%</td>
<td>(31.3.12)</td>
<td>%</td>
</tr>
<tr>
<td>0 - 16</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>17 - 21</td>
<td>71</td>
<td>2.04</td>
<td>51</td>
<td>1.42</td>
</tr>
<tr>
<td>22+</td>
<td>3404</td>
<td>97.84</td>
<td>3536</td>
<td>98.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>2010/11</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(31.3.11)</td>
<td>%</td>
<td>(31.3.12)</td>
<td>%</td>
</tr>
<tr>
<td>White</td>
<td>2389</td>
<td>68.7</td>
<td>2432</td>
<td>68.9</td>
</tr>
<tr>
<td>Mixed</td>
<td>54</td>
<td>1.6</td>
<td>59</td>
<td>1.7</td>
</tr>
<tr>
<td>Asian or Asian British</td>
<td>391</td>
<td>11.3</td>
<td>411</td>
<td>11.6</td>
</tr>
<tr>
<td>Black or Black British</td>
<td>87</td>
<td>2.5</td>
<td>86</td>
<td>2.4</td>
</tr>
<tr>
<td>Other</td>
<td>554</td>
<td>15.9</td>
<td>541</td>
<td>15.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th>2010/11</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(31.3.11)</td>
<td>%</td>
<td>(31.3.12)</td>
<td>%</td>
</tr>
<tr>
<td>Male</td>
<td>770</td>
<td>22.16</td>
<td>772</td>
<td>21.9</td>
</tr>
<tr>
<td>Female</td>
<td>2705</td>
<td>77.84</td>
<td>2757</td>
<td>78.1</td>
</tr>
<tr>
<td>Transgender</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Recorded Disability</th>
<th>2010/11</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(31.3.11)</td>
<td>%</td>
<td>(31.3.12)</td>
<td>%</td>
</tr>
<tr>
<td>5</td>
<td>0.14</td>
<td>16</td>
<td>0.45</td>
<td>21</td>
</tr>
</tbody>
</table>
Staff gender distribution
A breakdown of the number of person who were directors of the Trust, senior managers and other employees is shown below.

<table>
<thead>
<tr>
<th>Directors (including clinical directors)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>19</td>
</tr>
<tr>
<td>Female</td>
<td>7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Senior Managers</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>24</td>
</tr>
<tr>
<td>Female</td>
<td>40</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employees</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>703</td>
</tr>
<tr>
<td>Female</td>
<td>2805</td>
</tr>
</tbody>
</table>

Current Workforce
The Trust’s current workforce profile is more diverse than the local population, with a higher proportion of Black and Minority Ethnic staff compared to both Guildford and the wider South East area (source: ONS Census 2011).

It should be noted however that demographic data of the Trust’s workforce shows that only 55 per cent of staff live within the Guildford postcode area; the higher BME representation is therefore not unexpected as staff commute from a wider geographical area to come to work.

<table>
<thead>
<tr>
<th>Ethnic Origin Comparisons</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>RSCH</td>
<td>23.8</td>
</tr>
<tr>
<td>GUILDFORD</td>
<td>15.60</td>
</tr>
<tr>
<td>SOUTH EAST</td>
<td>13.90</td>
</tr>
<tr>
<td>ENGLAND</td>
<td>19.20</td>
</tr>
</tbody>
</table>

The overall Trust profile has remained broadly unchanged during the last six years; the number of BME staff employed at the Trust as a percentage of the total workforce has been between 23 per cent and 25 per cent since 2007.
Human Rights

Whilst the Trust does not have a specific human rights policy. It does have a wide range of human resources policies covering issues such as dignity at work.

Occupational Health Service

In September the Trust entered into a partnership arrangement with Ashford and St Peter’s Hospitals NHS Foundation Trust for the provision of occupational Health services across the two trusts.

The agreement for this service is part of the Trust’s partnership working. It brings together a team of 16 individuals with a variety of expertise in the field of occupational health; the objective being to support the employees of both Trusts to achieve their maximum potential at work by supporting good health in the workplace.

The clinical speciality of occupational health understands the link between good work and good health and recognises the challenges staff experience working in an acute NHS Trust.

The service is nurse led and has created access to a 24/7 telephone and face to face counselling service for all staff.

Changes have been made to share occupational health specific IT systems which allow for efficient use of on line technologies in the recruitment process and for service users.

The service can now monitor and evaluate activities on the range of services it provides using the IT infrastructure. Paper light practices are being introduced, which overall improves service delivery against the agreed service level agreement.

Efficiencies and improvements are being created under the partnership agreement by pooling clinical expertise and availability, sharing best practice, and developing shared policies and procedures.

The underlying principles of the partnership are to ensure that the service has:

- A workforce focus
- Methodological rigour in the process to assess levels of performance
- A service of excellence and commitment to quality improvement
- Sound governance
- Value for money
- External quality assurance

The service will align its services to the Trust’s corporate business plan with a priority of continuing to improve the health, safety and wellbeing of staff. The focus is on management of illness and prompt rehabilitation, promoting active lifestyles, and health promotion awareness.

It also supported the Trust to achieve an improved uptake of seasonal flu vaccination for clinical staff.
Sickness absence 1 April 2013 to 31 March 2014

The Trust continues to have sickness rates that compare favourably with the NHS national average of 3.87 per cent*. A Trust-wide absence review project has been launched which aims to reduce sickness absence and associated costs.

<table>
<thead>
<tr>
<th>Overall Trust Sickness absence %</th>
<th>% Absence rate</th>
<th>No. of episodes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr - 13</td>
<td>3.15%</td>
<td>737</td>
</tr>
<tr>
<td>May - 13</td>
<td>3.13%</td>
<td>665</td>
</tr>
<tr>
<td>June - 13</td>
<td>3.08%</td>
<td>640</td>
</tr>
<tr>
<td>July - 13</td>
<td>2.88%</td>
<td>581</td>
</tr>
<tr>
<td>Aug - 13</td>
<td>2.58%</td>
<td>517</td>
</tr>
<tr>
<td>Sept - 13</td>
<td>3.07%</td>
<td>685</td>
</tr>
<tr>
<td>Oct - 13</td>
<td>3.25%</td>
<td>781</td>
</tr>
<tr>
<td>Nov - 13</td>
<td>3.37%</td>
<td>738</td>
</tr>
<tr>
<td>Dec - 13</td>
<td>3.52%</td>
<td>814</td>
</tr>
<tr>
<td>Jan - 14</td>
<td>3.27%</td>
<td>734</td>
</tr>
<tr>
<td>Feb - 14</td>
<td>3.2%</td>
<td>650</td>
</tr>
<tr>
<td>Mar - 14</td>
<td>3.19%</td>
<td>684</td>
</tr>
</tbody>
</table>

* source Health & Social Care Information Centre, Sickness Absence Rates in the NHS - July to September 2013

Health and Safety

Health and Safety across the Trust continues to be overseen by the Health and Safety Committee, which has membership from management and staff side.

The Committee scrutinises and ratifies health and safety policies, discusses and decides on health and safety issues affecting staff and patients of the Trust and receives reports from Security, Fire Safety and Health and Safety advisers.

The Health and Safety Committee is informed of local issues by a network of Health and Safety representatives, who meet every two months in a Representatives' Forum, to discuss issues that arise in the workplace and what action they would like the Trust to take. Their attendance at committee meetings is by rota and is considered important so that the Committee can make appropriate decisions in the best interests of staff and patients.

The Health and Safety Department uses the following targets to measure and improve its performance:
<table>
<thead>
<tr>
<th>KPI</th>
<th>Objective</th>
<th>Target</th>
<th>Measurement</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Policy</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Ensure all H&amp;S Policies are up to date</td>
<td>100%</td>
<td>Policies on TrustNet</td>
<td>Work continues to ensure that health and safety policies are reviewed and revised in line with best practice and current guidance.</td>
</tr>
<tr>
<td>2</td>
<td>Ensure staff are familiar with where to locate policies</td>
<td></td>
<td>Staff Survey</td>
<td>Important that staff know where to access the policies and that they are easily accessible.</td>
</tr>
<tr>
<td></td>
<td><strong>Organisation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Improve compliance with H&amp;S SaMT</td>
<td>85%</td>
<td>Training Data</td>
<td>A slight increase in compliance has been observed over the past year. In order to improve next year’s compliance, a working group has been set up to streamline the process of undertaking SaMT and encourage uptake. In addition, staff will not be supported in their requests for development opportunities until their SaMT training is up to date.</td>
</tr>
<tr>
<td>4</td>
<td>Improve management involvement in H&amp;S</td>
<td>75%</td>
<td>Staff Survey, H&amp;S Inspections Data</td>
<td>An improvement project to ensure all departments complete their workplace inspections is underway.</td>
</tr>
<tr>
<td></td>
<td><strong>Planning and Implementation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Improve compliance with RIDDOR reporting timescales</td>
<td>75%</td>
<td>Reporting data</td>
<td>Improved scrutiny of Datix reports will help to identify RIDDOR reports early and ensure compliance with timescales.</td>
</tr>
<tr>
<td>6</td>
<td>Trustwide use of online Risk Assessments</td>
<td>100%</td>
<td>Datix Data</td>
<td>Following the roll out of the Datix system, risk assessments can be completed online and the risk team will be helping to support this across the Trust.</td>
</tr>
<tr>
<td>7</td>
<td>Trust wide reporting of incidents online</td>
<td>100%</td>
<td>Datix Data</td>
<td>The Datix system is being utilised throughout the Trust for online incident reporting.</td>
</tr>
<tr>
<td>KPI</td>
<td>Objective</td>
<td>Target</td>
<td>Measurement</td>
<td>Comment</td>
</tr>
<tr>
<td>-----</td>
<td>---------------------------------------------------------------------------</td>
<td>--------</td>
<td>----------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>8</td>
<td>Achieve compliance with H&amp;S Inspections</td>
<td>75%</td>
<td>Monitoring and Audit results</td>
<td>All departments should complete a 6-monthly workplace inspection, and will have a health and safety inspection once a year by the H&amp;S advisers.</td>
</tr>
<tr>
<td>9</td>
<td>Achieve compliance with Fire Assessments</td>
<td>100%</td>
<td>Monitoring and Audit results</td>
<td>Compliance with fire risk assessments is being addressed to reach 100 per cent by the end of the financial year.</td>
</tr>
<tr>
<td>10</td>
<td>Achieve completion of actions arising from H&amp;S Inspections / Learning Panels</td>
<td>75%</td>
<td>Tracking data</td>
<td>Findings from learning panels are disseminated by flyer, and are implemented by use of action plans where appropriate.</td>
</tr>
<tr>
<td></td>
<td><strong>Measuring Performance and Monitoring</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Monitor H&amp;S Inspections Compliance</td>
<td>100%</td>
<td>Monitoring results</td>
<td>Action plan implementation following H&amp;S inspections will be monitored to ensure they are completed.</td>
</tr>
<tr>
<td>12</td>
<td>Monitor H&amp;S Assessments Compliance</td>
<td>100%</td>
<td>Monitoring results</td>
<td>An improvement project is being implemented to ensure that all departments undertake their H&amp;S workplace inspections.</td>
</tr>
<tr>
<td>13</td>
<td>Tracking completion of actions arising from H&amp;S Inspections / Learning Panels</td>
<td>100%</td>
<td>Tracking data</td>
<td>Compliance with action plans from learning panels are monitored to ensure completion.</td>
</tr>
<tr>
<td></td>
<td><strong>Audit and Review</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Develop internal audit plan</td>
<td>100%</td>
<td>Audit results</td>
<td>Important to monitor and review compliance against statutory requirements and obtain a third party assurance.</td>
</tr>
</tbody>
</table>
Other disclosures in the public interest (not covered elsewhere)

Personal data-related incidents
During the year a total of 35 incidents in relation to information governance (IG) were reported on the Trust's incident reporting system. (see Table A below)

Following Health and Social Care Information Centre guidance (2013) for reporting and managing and investigating Information Governance Serious Incidents Requiring Investigation (IG SIRI), two of the incidents were reported through the IG Incident Reporting Toolkit, and subsequently to the Information Commissioner Office (ICO).

The first concerned a spreadsheet containing patient identifiable information of 549 data subjects that was disclosed to another NHS body in breach of DPA Principle 3. The patient identifiable data should have been anonymised and was transferred electronically across the secure NHSmail system – the data did not leave the NHS. On investigation the cause of the breach was 'human error' and further learning has been taken forward to improve information request and disclosure processes.

The second reported IG SIRI involved lost Newborn Blood Screening Test cards relating to 12 patients that were reported missing in transit. All patients were immediately informed of loss and recalled to retake their tests. On investigation Trust staff had been shown to have been following national guidance though with immediate effect the Trust changed its local process on how the screening cards are dispatched to the screening hub

In both cases the ICO served enforcement notices and after review of reported incidents, no further action was taken.

Table A: Showing total of 35 incidents in relation to information governance by incident category.

Cost allocation and charging guidance
The Trust has compiled with the cost allocation and charging guidance issued by HM Treasury.
Looking ahead: The vision for 2014/15

The Trust’s strategy sets out to achieve the vision of best patient care, anywhere. This means that we want our patients to benefit from care which is as good as the very best in the NHS, and internationally.

Its mission is to focus on providing outstanding general hospital and cancer services in the South East of England – attracting patients by being the best at what we do, and working efficiently to make best use of the resources we are given. Four specific strategies will enable delivery of this vision and mission:

**Best outcomes** - working closely with other professionals from across the health system, our expert clinical teams will focus on delivering the best and most up to date treatments, putting patient safety at the heart of everything we do.

**Excellent experience** - we recognise our patients have a choice, and we will strive to treat them with the courtesy and compassion that we would expect for ourselves, ensuring that all aspects of our service are user-friendly and convenient.

**Skilled, motivated teams** - our people are our most precious resource and we will enable them to deliver our vision - empowering them to shape and lead their services, and supporting them to reach their full potential.
Top productivity - we will harness all the resources at our disposal to benefit our patients, achieving outstanding levels of quality and productivity by continuously reviewing and improving what we do.

These strategies are built on firm foundations of strong governance, sound finances, robust IT and information, effective marketing, vibrant teaching and research and strong partnerships. Getting these basics right will create the stability we need to deliver our vision successfully.

As an organisation, we have strong beliefs, and have crystallised these into four operating principles. These explain how we intend to conduct ourselves as we pursue our BEST care, anywhere strategy.

1. Working together with our partners, we will deliver outstanding care for our patients
   - We will strive to deliver outstanding outcomes for our patients
   - We will put safety at the heart of everything we do
   - We will work with partner organisations to ensure that care is delivered seamlessly across the whole health system

2. We will treat our patients as we would wish to be treated ourselves
   - We will treat our patients with courtesy and compassion
   - We will focus on making sure that all aspects of our service are genuinely user-friendly
   - We will listen to the views of our patients, their visitors and our staff, to improve what we do

3. We will ensure that everyone at Trust is working to their full potential to deliver our vision
   - We will ensure that every one of our staff is focused and engaged in delivering our vision of best patient care, anywhere
   - We will empower staff to lead their services by devolving accountability and decision making to the lowest possible level
   - We will foster cohesive team based leadership and ensure that our clinicians play a central role in shaping and managing their services
   - We will strive to attract the very best people and enable them to reach their full potential, recognising excellence and proactively addressing poor performance

4. We will continuously review what we do and how we do it, simplifying and standardising processes wherever possible
   - We will simplify and standardise our processes, maintaining flexibility for clinicians to exercise their expert judgement and respond to the specific needs of individual patients
   - We will continuously improve the way we do things, using lean management techniques to maximise efficiency
   - We will seek to learn from others and ensure that we always follow best practice, tailored where necessary to meet our unique circumstances
Code of Governance
Disclosures
Background

The Trust is a public benefit corporation established under Section 35 of the National Health Service Act 2006.

In accordance with its Licence the Trust has in place mechanisms in its Constitution to ensure that no person who is an unfit person may become or continue as a Governor, except with the approval in writing of Monitor.

The Board of Directors (the Board) of the Royal Surrey County Hospital NHS Foundation Trust attaches great importance to ensuring that the Trust operates to high ethical and compliance standards. In addition it seeks to observe the principles set out in the Monitor NHS Foundation Trust Code of Governance.

The Board is responsible for the management of the Trust and for ensuring proper standards of corporate governance are maintained. The Board accounts for the performance of the hospital and consults on its future strategy with its members through the Council of Governors.

The Council of Governors’ role is to influence the strategic direction of the Trust to take into account the needs and views of the members, local community and key stakeholders, to hold the Board to account for its performance, to develop a representative, diverse and well-involved membership and to make a noticeable improvement to the patient experience.

It also has to undertake other statutory and formal duties, including the appointment of the Chairman and Non-Executive Directors of the Trust and appointment of the external auditors. In the event of a dispute between the Board and the Council a disputes procedure is described in the Constitution.
Governance Structure

The Trust’s Constitution has been further revised to incorporate statutory changes required under the Health and Social Care Act 2012, including the holding of Board meetings in public and the definition of significant transactions.

The Trust continues to be open and transparent with the community through the public Council of Governors’ meetings, the various health events held during the year, the local interest groups and the large amount of information on the Trust's website.

Directors and their independence

At the end of the financial year, the Board comprised the Chairman, 5 Non-Executive Directors and 6 Executive Directors. The Board has reviewed and confirmed the independence of all the Non-Executive Directors who served during the year, none of who have any conflicting relationships. Brief biographies of the directors who held office during the year appear on pages 13 to 17.

Chairman

The Chairman of the Trust is Peter Dunt CB DL a Non-Executive Director who has no conflicting relationships.

During the year Mr Dunt was appointed for a further 3 year term of office which expires on 30 November 2016. His appointment is on the basis that he works 2.5/3days per week for the Trust with a minimum of 1 day per week on site. Details of the Chairman’s other commitments are listed in his biography on page 13. There were no significant changes to his other commitments during the year.

Deputy Chairman and Senior Independent Director

The Deputy Chairman throughout the year was John Denning, a Non-Executive Director. He is also Senior Independent Director for the remainder of his term of office. Part of the role is to provide another route for communication with governors if they feel unable to raise a particular concern through the Chairman for any reason. The Senior Independent Director also undertakes the Chairman's appraisal, after seeking feedback from the rest of the Board and from governors.

The Board

The Board of Directors manages the business of the Trust and is the legally responsible body for the delivery of high quality, effective services and for making decisions relating to the strategic direction, financial control and performance of the Trust. The Board meets regularly and has a formal schedule of matters specifically reserved for its decision. The Board delegates other matters to the Executive Directors and other senior management. The Board met 12 times during the year. Regular contact including with the Non-Executive Directors is maintained between formal meetings.

Board meetings follow a formal agenda which includes a review of strategy, a full performance report covering clinical, financial and performance against both national and local targets, and risk management.

The directors have timely access to all relevant management, financial and regulatory information. On being appointed to the Board, directors are fully briefed on their responsibilities.

The Chairman ensures that the Board focuses on the strategic development of the Trust and that robust governance and accountability arrangements are in place, as well as undertaking an evaluation of the performance of the Board of Directors, its committees and individual Non-Executive Directors.
The Chairman also chairs the Council of Governors’ meetings and ensures that there is effective communication between the Board and the Council of Governors and that, where appropriate, the views of the governors are obtained.

The Board has discussed the development of the Trust’s Annual Plan with governors on a number of occasions. Directors have also attended the Council of Governors meetings. This ensures that all parties maintain an understanding of the views and aspirations of the Trust and are able to contribute to the forward thinking for the future development of the Trust.

The Executive Directors are responsible for the day to day operational management of the Trust whilst the Non-Executive Directors share the corporate responsibility for ensuring that the Trust is run efficiently, economically and effectively. Non-Executive Directors use their expertise, interest and experience to achieve this.

The composition of the Board of Directors is in accordance with the Trust’s Constitution which sets out the qualifications and reasons for disqualification of directors. It is appropriately composed to fulfil its statutory and constitutional function and remain within Monitor’s Licence for the Trust.

The directors have timely access to all relevant management, financial and regulatory information. On being appointed to the Board, directors are fully briefed as to their responsibilities and meetings are arranged with the Executive Directors and other senior managers within the Trust.

On-going development and training requirements are assessed through the appraisal process and the Board is undertaking an externally facilitated (Board Intelligence) evaluation of its corporate governance arrangements.

### Appointments, terms of office and attendance

The directors are responsible for assessing the size, structure and skill requirements of the Board and considering any changes necessary or new appointments.

The Council of Governors is responsible for the appointment of Non-Executive Directors. The Trust has 2 Nominations Committees, one comprising the Chairman and Non-Executive Directors to deal with appointment of Executive Directors and one comprising governors to deal with the appointment of Non-Executive Directors. The governors’ committee is chaired by the Chairman (unless a conflict of interest arises) and is assisted by the Director of Organisational Transformation and the Company Secretary.

During the year the Committee met 4 times and discussed the process for appraisal of the Non-Executive Directors, and the extension of the terms of office for relevant Non-Executive Directors.

The Committee’s recommendations were subsequently agreed by the Council of Governors.

The Committee also met to review the remuneration of the Non-Executive Directors and its recommendation to the Council of Governors to increase the remuneration of the Chairman and Non-Executive Directors as follows was accepted:

<table>
<thead>
<tr>
<th>Position</th>
<th>Remuneration (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair</td>
<td>40,685</td>
</tr>
<tr>
<td>Senior Independent Director</td>
<td>10,500</td>
</tr>
<tr>
<td>Chair Audit</td>
<td>10,500</td>
</tr>
<tr>
<td>Non-Executive Director</td>
<td>10,300</td>
</tr>
</tbody>
</table>
The Council of Governors also agreed that future remuneration levels should be considered in April of each year, to align with staff, commencing from April 2014.

The Committee also dealt with the process of appointing a Non-Executive Director (Shirley Trundle) to replace Tony Harris who retired from the Board on the expiry of his term of office on 31 October 2013. The Trust's Resourcing Team dealt with the recruitment process and the appointment was approved by the Council of Governors in January 2014.

The attendance at the meetings is shown below:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Meetings attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angela Barker</td>
<td>Patients</td>
<td>0/4</td>
</tr>
<tr>
<td>David Chuter</td>
<td>Patients</td>
<td>2/4</td>
</tr>
<tr>
<td>Margaret Dolman</td>
<td>Patients</td>
<td>3/4</td>
</tr>
<tr>
<td>Mr Peter Dunt</td>
<td>Chairman of the Trust</td>
<td>4/4</td>
</tr>
<tr>
<td>Helen Edwards</td>
<td>Woking Public</td>
<td>4/4</td>
</tr>
<tr>
<td>Prof C Marks</td>
<td>Staff medical and dental</td>
<td>3/4</td>
</tr>
<tr>
<td>Tim Reeder (retired Sept 2013)</td>
<td>Mole Valley Public</td>
<td>2/2</td>
</tr>
<tr>
<td>Dr Jan Whitby</td>
<td>Woking Public</td>
<td>4/4</td>
</tr>
<tr>
<td>John Denning</td>
<td>Senior Independent Director</td>
<td>1 (attendance at April meeting for appraisal)</td>
</tr>
</tbody>
</table>

In January 2014 the Council of Governors decided to increase the size of the Committee's membership and appointed 3 additional governors (Jim Blake, Tom Jordan and Sue Rout) to serve.

Non-Executive Directors are appointed for 3 year terms of office and can be re-appointed for a second term subject to a maximum of 2 terms. The term can be extended beyond a second term on an annual case by case basis by the Council of Governors subject to particularly rigorous review and taking into account the need to refresh the Board and subject to annual reappointment.

If any of the grounds for exclusion or disqualification, set out in the Constitution are found to apply to a Non-Executive Director during their term of office, their appointment may be terminated. The Chairman, other Non-Executive Directors and the Chief Executive (except in the case of the appointment of a new Chief Executive) are responsible for deciding the appointment of Executive Directors. The Chairman and the other Non-Executive Directors are responsible for the appointment and removal of the Chief Executive, whose appointment requires the approval of the Council of Governors.
### Membership of Board Committees at 31 March 2014

<table>
<thead>
<tr>
<th>Director and Position</th>
<th>Audit</th>
<th>Finance &amp; Investment</th>
<th>Board Review &amp; Remuneration</th>
<th>Clinical Quality Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peter Dunt</td>
<td>-</td>
<td>-</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Chairman</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jacqui Burke</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Non-Executive Director</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Chmn)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gary Crouch</td>
<td>-</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Non-Executive Director</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>John Denning</td>
<td>✓</td>
<td>✓ (Chmn)</td>
<td>✓</td>
<td>(Chmn)</td>
</tr>
<tr>
<td>Non-Executive Director</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debbie Glenn</td>
<td>✓</td>
<td>✓</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Non-Executive Director</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tony Harris</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-Executive Director(until Oct 2013)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shirley Trundle</td>
<td>-</td>
<td>-</td>
<td>✓</td>
<td>-</td>
</tr>
<tr>
<td>Non-Executive Director(from 29 January 2014)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nick Moberly</td>
<td>In attendance</td>
<td>✓</td>
<td>In attendance</td>
<td>In attendance</td>
</tr>
<tr>
<td>Chief Executive</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paul Biddle</td>
<td>In attendance</td>
<td>✓</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Director of Finance (until July 2013)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Giles Mahoney</td>
<td>In attendance</td>
<td>✓</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Director of Strategic Marketing and Business Development (from June 2013)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peter Ridley</td>
<td>In attendance</td>
<td>✓</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Director of Finance and Informatics (from June 2013)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Louise Stead</td>
<td>In attendance</td>
<td>✓</td>
<td>-</td>
<td>In attendance</td>
</tr>
<tr>
<td>Director of Nursing and Patient Experience</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dr Christopher Tibbs</td>
<td>In attendance</td>
<td>✓</td>
<td>-</td>
<td>In attendance</td>
</tr>
<tr>
<td>Medical Director</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alf Turner</td>
<td>In attendance</td>
<td>✓</td>
<td>In attendance</td>
<td>In attendance</td>
</tr>
<tr>
<td>Director of Organisational Transformation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Attendance record for the year ending 31 March 2014

The table below sets out the number of Board and Board Committee meetings held during the year and the number attended by each director:

<table>
<thead>
<tr>
<th>Director</th>
<th>Board (12)</th>
<th>Audit</th>
<th>Finance &amp; Investment (11)</th>
<th>Board Review &amp; Remuneration</th>
<th>Clinical Quality Governance (11)</th>
<th>Council of Governors (5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peter Dunt</td>
<td>12</td>
<td>-</td>
<td>10</td>
<td>5</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td><strong>Chairman</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jacqui Burke</td>
<td>11</td>
<td>5</td>
<td>10</td>
<td>4</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td><strong>Non-Executive Director</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gary Crouch</td>
<td>12</td>
<td>1</td>
<td>9</td>
<td>4</td>
<td>11</td>
<td>4</td>
</tr>
<tr>
<td><strong>Non-Executive Director</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>John Denning</td>
<td>11</td>
<td>5</td>
<td>9</td>
<td>4</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td><strong>Non-Executive Director</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debbie Glenn</td>
<td>11</td>
<td>1</td>
<td>10</td>
<td>4</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td><strong>Non-Executive Director</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tony Harris</td>
<td>7/7</td>
<td>2/3</td>
<td>4/7</td>
<td>4/4</td>
<td>-</td>
<td>1/3</td>
</tr>
<tr>
<td><strong>Non-Executive Director</strong></td>
<td>(until Oct 2013)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shirley Trundle</td>
<td>2/3</td>
<td>-</td>
<td>2/2</td>
<td>1/1</td>
<td>-</td>
<td>1/1</td>
</tr>
<tr>
<td><strong>Non-Executive Director</strong></td>
<td>(from 29 January 2014)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nick Moberly</td>
<td>10</td>
<td>4</td>
<td>9</td>
<td>5</td>
<td>9</td>
<td>5</td>
</tr>
<tr>
<td><strong>Chief Executive</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paul Biddle</td>
<td>3/4</td>
<td>2/2</td>
<td>3/3</td>
<td>-</td>
<td>-</td>
<td>2/2</td>
</tr>
<tr>
<td><strong>Director of Finance</strong></td>
<td>(until July 2013)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Giles Mahoney</td>
<td>9/10</td>
<td>1/3</td>
<td>6/9</td>
<td>-</td>
<td>-</td>
<td>3/4</td>
</tr>
<tr>
<td><strong>Director of Strategic Marketing and Business Development</strong></td>
<td>(from June 2013)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peter Ridley</td>
<td>10/10</td>
<td>3/3</td>
<td>9/9</td>
<td>-</td>
<td>1</td>
<td>4/4</td>
</tr>
<tr>
<td><strong>Director of Finance and Informatics</strong></td>
<td>(from June 2013)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Louise Stead</td>
<td>11</td>
<td>5</td>
<td>7</td>
<td>-</td>
<td>10</td>
<td>4</td>
</tr>
<tr>
<td><strong>Director of Nursing and Patient Experience</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dr Christopher Tibbs</td>
<td>11</td>
<td>1</td>
<td>7</td>
<td>-</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td><strong>Medical Director</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alf Turner</td>
<td>11</td>
<td>5</td>
<td>9</td>
<td>5</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td><strong>Director of Organisational Transformation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Register of Directors’ interests

The register of directors’ interests is available for inspection during normal office hours in the Company Secretary’s office.

Trust auditors

The Trust has to appoint an external auditor to undertake statutory duties in auditing the financial and quality accounts of the Trust. This involves ensuring that:

- The accounts are prepared in accordance with all relevant directions set by Monitor and any other statutory provisions
- Proper practices have been observed in the compilation of the accounts and
- The Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources

KPMG the Trust’s external auditor prior to achieving foundation trust status and following a competitive tendering exercise, were appointed by the Council of Governors as the foundation trust’s external auditor with effect from 1 April 2011 for a 3 year period. The firm has therefore been external auditor for 7 years in total. During 2014/15 the Trust will consider the possible extension of their appointment.

The Trust’s internal audit function is carried out by Mazars (previously under the name of Deloittes). The annual internal audit plan is proposed in draft to the Audit Committee which includes the timing of each audit and is prepared on the basis of the resource input of 157 days for 2013/14 and is based on a 3 year strategic audit plan agreed by the Committee.

The purpose of internal audit is to provide the Trust, via the Committee and the Chief Executive, with an independent and objective opinion on risk management, control and governance and their effectiveness in achieving the Trust’s agreed objectives. To provide this opinion the internal auditor is required to review annually the risk management and governance processes within the Trust and on a cyclical basis the operation of internal control systems within the Trust.

A major factor in the effective operation and management of the internal audit service is the proper assignment of its resources to key areas meriting audit review. Specific terms of reference for each audit are discussed and agreed with the lead Executive Director as part of the more detailed planning process; however, the annual plan provides a brief summary/purpose of the audits. The plan is discussed with each Executive Director to enable audit resource to be focused on providing assurance against the key risks and areas of concern.

The schedule of reviews for each financial year is agreed by the Committee. Reports on the issues raised and any necessary follow up action are considered, together with management responses and the steps to be taken to avoid similar issues arising again. The day to day relationship with the Internal Auditor is managed by the Director of Finance and Informatics.

Audit Committee function

The Audit Committee is comprised entirely of independent Non-Executive Directors, the biographical details of which can be found on pages 13 to 17. The Committee is chaired by Jacqui Burke, Non-Executive Director and the Board is satisfied that she has recent and relevant financial skills and experience necessary to fulfil her role as Chair of the Committee.

Audit Committee is responsible to the Board for reviewing the adequacy of the governance and internal control processes within the Trust. In undertaking this work the Committee primarily utilises the work of internal and external audit and the counter fraud service.

Executive Directors, the Financial Controller and Company Secretary normally attend the meetings as well
as the external auditor, KPMG LLP, Internal Auditor (Mazars) and Counter Fraud Specialist (Baker Tilly)

Other relevant people from the Trust are also invited to attend certain meetings in order to provide a deeper level of insight into certain key issues and developments. The Committee regularly meets separately with the External Auditor, Internal Auditor and the Counter Fraud specialist.

The audit review of the financial year end and the annual report and accounts is discussed by the Audit Committee with the External Auditor before the Board approves and signs the financial statements.

The Committee ensures that there is an effective internal audit function established by management that meets mandatory NHS internal audit standards and it reviews the work and findings of the internal auditor.

The Committee receives and monitors the policies and procedures associated with counter fraud and corruption and during the year approved revised policies for anti-fraud and anti-bribery.

An independent local counter fraud service provided by Baker Tilly produces a counter fraud progress report giving updates on both reactive and proactive work undertaken in the Trust.

The Committee reviews and monitors the external auditor’s independence, effectiveness and objectivity at least once a year. The Trust’s external auditors received £50,000 (2012/13 £50,000) for the statutory audit of the financial statements and £17,000 (2012/13 £20,125) for further assurance work on the quality report and whole of government accounts.

During the year the Committee considered the following significant issues in relation to financial statements, operations and compliance:

- A review of the risk assurance strategy and framework
- A revaluation exercise covering the trusts physical assets
- Compliance with information governance requirements
- The continued internal controls over financial transactions
- Compliance with Standing Financial Instructions, particularly noting good progress in ensuring the use of purchase orders by budget holders

During the year KPMG also undertook work to the value of £12,000 providing taxation advisory services.

In receiving the accounts the Committee was not required to consider any significant issues.

**Disclosure of information to auditors**

The directors who held office at the date of the approval of the directors’ report confirm that, so far as they are aware, there is no relevant audit information of which the Trust’s external auditors are unaware and that they have taken all steps necessary as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of any such information.

**Directors’ responsibilities statement and going concern**

The directors are responsible under the National Health Service Act 2006 for preparing financial statements for each financial year. The Secretary of State, with the approval of the Treasury, directs that these financial statements give a true and fair view of the state of affairs of the Trust for that period. In preparing those financial statements, the directors are required to: apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury; make judgements and estimates which are reasonable and prudent and state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors confirm to the best of their knowledge and belief that they have complied with the above requirements in preparing the financial statements. The directors also consider 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 Trust’s performance, business model and strategy.

The directors are also required, under the Monitor Code of Governance, to consider whether or not it is appropriate to adopt the going concern basis in preparing the Trust’s financial statements (annual accounts).

After making enquiries, the directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the annual report and financial statements (accounts).

**Board, committee and directors’ performance appraisal**

The directors recognise the importance of evaluating the performance and effectiveness of the Board as a whole, of the committees and of individual directors. The performance is appraised in terms of:

- Attendance at Board and committee meetings
- The independence of individual directors
- The ability of directors to make an effective contribution to the Board and committees through the range and diversity of skills and experience each director brings to the role
- The Board’s ability to make strategic decisions and to manage the Trust effectively

In terms of individual appraisals, the Chairman will undertake the appraisal of the Chief Executive and the Non-Executive Directors, having sought feedback from the other directors and the Council of Governors; the Chief Executive undertakes the appraisal of the other Executive Directors and as mentioned above the Senior Independent Director undertakes the appraisal of the Chairman. The outcome of Executive Director appraisals are considered by the Board Review and Remuneration Committee.

In May 2013, the Chairman reported to the Council of Governors that, at a meeting of the Nominations Committee in April (on behalf of the Council of Governors), the Committee had been briefed by the Chairman on the Non-Executive Director (NED) appraisals. The Committee had been reassured that there were no performance issues with the NEDs.

As required by the Constitution, the Senior Independent Director had also undertaken the Chairman’s appraisal and in May 2013, confirmed that the Chairman fulfilled his time commitment to the Trust and since his appointment in December 2010, continued to hold the respect of all Trust stakeholders.

Evaluation of the committees also indicates that they are working well with a good level of debate and interaction between the Non-Executive Directors, the Executive Directors and other employees who attend the committees. However, as the committee structure has not been substantially changed since the achievement of foundation trust status, the Board evaluation referred to above will include a review of the committee structure to further refine it where necessary.

**Company Secretary**

The Board has direct access to the advice and services of the Company Secretary (Secretary), who is responsible for ensuring that the Board and committee procedures are followed. The Secretary is also responsible for ensuring the timely delivery of information and reports. The Secretary is responsible for advising the Board, through the Chairman, on all corporate governance matters.

**Statement of compliance with the NHS Foundation Trust Code of Governance**

The detail contained within this report relating to Board composition, balance and performance, committee structure, roles of Remuneration and Nominations Committees, wider governance and the Trust’s relationship with stakeholders illustrates how the principles of NHS and Monitor’s Code of Governance have been applied. The Trust considers that it complies with the main and supporting principles of the code.
Council of Governors and Membership

The Trust has a Council of Governors (CoG). The Board reports to the CoG on the performance of the Trust and its progress against agreed objectives and consults on its future direction. At least 4 CoG meetings are held each year in public. Governors may report matters of concern raised by members to the CoG meetings and directors. Members of the public have an opportunity to ask questions of the governors and any directors in attendance at these meetings. Copies of the minutes from these meetings are available on the Trust’s website.

Membership

Membership comprises individuals in the following categories:

**Public constituency** - within one of the 7 public constituencies – any resident over the age of 16 years

**Patient constituency** - anyone over the age of 16 years and who has been a patient or carer of a patient in the past 3 years

**Staff constituency** - any member of staff employed by the Trust under a contract of employment which has no fixed term or has a fixed term of at least 12 months or has been continuously employed by the Trust for at least 12 months or is an individual who exercises functions for the purposes of the Trust otherwise than under a contract of employment with the Trust this includes academic staff, volunteers, staff employed by independent contractors.

Members are represented on the CoG by governors from the above constituencies and other stakeholder groups. More than half of the CoG is elected from the Trust’s membership, which means the members (14,362 at 31 March 2014) have a significant influence on the hospital’s future strategy. The Trust is constantly exploring wider stakeholder engagement through its governors.

Role of the Governors

The CoG is responsible for the appointment of the Chair and the Non-Executive Directors, agreeing their terms and conditions as well as the appointment of the external auditors. The CoG is consulted by the Board of Directors on the Trust’s forward plans. It receives the annual accounts, auditors’ report and the annual report and quality report. Governors respond as appropriate when consulted by the directors on specific issues.

Together with the Board, governors also considered the changes required to the Constitution, due to the implementation of the Health and Social Care Act 2012 in April 2013. As part of this, agreement was reached between the Trust and governors about matters on which governors would be informed/consulted and the mechanisms for doing so.

Governors were also involved in working with the hospital on the 2013 Patient Led Assessment of the Care Environment, peer reviews with other hospitals, cleanliness audits within the hospital, responding to the Care Quality Commission, during its inspection in October 2013, as part of its revised inspection regime. A number of governors also accompany Non-Executive Directors on visits to hospital wards (board walks). These are a useful way for Non-Executive Directors and governors to see the hospital in operation.

During the year the Council of Governors reviewed its committees and how they would operate and decided that a governor would chair 2 of its committees, Membership and Community Engagement and Patient Experience. Governors also agreed to establish Finance Sub-group.

Governors are unpaid however; they receive reimbursement of expenses which amounted to £2,527 in 2013/14.
Lead Governor
In March 2010, as requested by Monitor, the Council of Governors appointed a Lead Governor for the first time. During the year the Council of Governors reviewed the role of the Lead Governor and decided to create 2 roles, one as Lead Governor who will act essentially as a point of contact for Monitor and 1 who will undertake a co-coordinating role, including chairing the pre meetings held by governors prior to formal Council of Governors’ meetings.

Composition
The CoG comprises 3 main groups:

1. Public and Patient governors
There are 14 public and patient governors who nominated themselves for election within their local constituencies, which are based on local authority boundaries:
   - Guildford
   - Waverley
   - Woking
   - Mole Valley
   - East Hants
   - Chichester
   - Elmbridge

There are 5 governors elected to represent the patient constituency members who live outside the Trust’s catchment area.

2. Staff governors
The 5 staff governors are elected by self-nomination for the following constituencies:
   - Medical and dental
   - Nursing and midwifery
   - Scientific, technical and allied health professionals
   - Ancillary, Administrative and other staff
   - Other eligible staff e.g. volunteers

3. Appointed governors
The Trust has representatives from a number of partnership organisations. During the year in considering changes to the Constitution a number of changes were made to appointed governor representation as follows:

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Surrey</td>
<td>1</td>
</tr>
<tr>
<td>Other partnership organisations</td>
<td>4</td>
</tr>
</tbody>
</table>
Governor resignations and elections (April 2013 to March 2014)

During the year a number of appointed governors resigned and new appointments made by the organisations as follows:

<table>
<thead>
<tr>
<th>Appointed Governor</th>
<th>Organisation</th>
<th>New Appointee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cllr Mike Band</td>
<td>Waverley Borough Council</td>
<td>Cllr Peter Isherwood</td>
</tr>
<tr>
<td>Fiona White</td>
<td>Surrey County Council</td>
<td>Bill Barker</td>
</tr>
</tbody>
</table>

In accordance with its Constitution, the trust uses the “first past the post” voting system for all elections. An external electoral agent is appointed by the Trust to oversee the election process. During the year elections were held for a number of seats with the following results:

<table>
<thead>
<tr>
<th>Candidate</th>
<th>Votes Cast</th>
</tr>
</thead>
<tbody>
<tr>
<td>KUBALE, Valerie</td>
<td>83 Elected</td>
</tr>
<tr>
<td>POTTER, John</td>
<td>28</td>
</tr>
<tr>
<td>SAUNDERS, Robert</td>
<td>31</td>
</tr>
<tr>
<td>SAWKINS, Michael</td>
<td>28</td>
</tr>
<tr>
<td>FISHER, Kevin</td>
<td>Uncontested</td>
</tr>
<tr>
<td>MOYER, John</td>
<td>Uncontested</td>
</tr>
</tbody>
</table>

A full list of governors as at 31 March 2014 is set out on pages 67 to 68 with details of the number of CoG meetings attended by each governor.

Register of governors’ interests

A register of governors’ interest is maintained and may be inspected during normal office hours at the Company Secretary’s office. All governors have completed declarations of interest.

Governors and community activity

During the year governors have been involved in a number of activities to help improve the patient experience within the Trust including patients’ surveys, peer reviews with other trusts and cleanliness audits. Governors have also highlighted to the Board issues of concern including patient experience in the hospital’s Eye Clinic.

A number of Trust staff attend meetings of various community groups within the Trust’s catchment e.g. Surrey Older Peoples’ Network and has continued to respond to Surrey Health Watch.
**Contacting a governor**

Any member who wishes to discuss any issues about membership and the Council of Governors should make contact via the Foundation Trust section of the web site or by contacting the Company Secretary, Joanne Green on 01483 571122 ext. 2318, or email (j.green7@nhs.net)

**Membership strategy**

During the year the following has been undertaken:

- Applicants for membership have been asked to identify particular areas of interest to inform future communications
- Circulated 2 hard copy editions of the membership newsletter (the Royal Supporter) (August 2013 and March 2014)
- A number of governors have attended local events and events within the hospital engaging with and recruiting members.

**Membership size and movements**

The number of public members recruited exceeded the original target by 100 per cent and the membership totals at 31 March 2014 were as follows:

- Public and Patient members: 9,853
- Staff: 4,509

**Analysis of current membership**

In common with many other trusts, the Trust’s membership is under represented in areas such as people under 22 years old and some minority ethnicities (BMEs) and is overrepresented in social groups ABC1. However, it should be borne in mind that category ABC 1 covers 55 per cent of the nation’s population and 64 per cent of the Trust’s eligible population.

The governors’ Membership and Engagement Committee looks at ways to recruit and engage with these groups, using their local knowledge to identify the best methods.

**Membership engagement**

During the year the Trust held the following health events for its members:

- **May 2013** - enhanced recovery
- **July 2013** - the audiology department
- **September 2013** - oral and maxillofacial surgery
- **March 2014** - prostate cancer

**Proposals to increase membership in 2014/15**

While the number of members recruited is good, there are areas where more work is needed e.g. recruitment of young people, people from black and minority ethnic communities and people from social grades C2 and D. The governor’s Membership and Engagement Committee looks at ways and means of addressing these areas within the resources available.
<table>
<thead>
<tr>
<th>Name</th>
<th>Constituency/Appointing organisation</th>
<th>No of Council meetings attended/possible total</th>
<th>Term expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elspeth Allpress</td>
<td>Patients</td>
<td>2/5</td>
<td>Sept 2015</td>
</tr>
<tr>
<td>Cllr Mike Band (until June 2013)</td>
<td>Waverley Borough Council</td>
<td>1/2</td>
<td></td>
</tr>
<tr>
<td>Angela Barker</td>
<td>Patients</td>
<td>4/5</td>
<td>Oct 2014</td>
</tr>
<tr>
<td>Jim Blake</td>
<td>Guildford Public</td>
<td>4/5</td>
<td>Sept 2015</td>
</tr>
<tr>
<td>Patrick Brown</td>
<td>Patients</td>
<td>4/5</td>
<td>Sept 2015</td>
</tr>
<tr>
<td>David Chuter</td>
<td>Patients</td>
<td>4/5</td>
<td>Sept 2015</td>
</tr>
<tr>
<td>Lucy Clements</td>
<td>Staff Ancillary, Administrative and other staff</td>
<td>2/5</td>
<td>Feb 2016</td>
</tr>
<tr>
<td>Stephen Craske</td>
<td>Guildford Public</td>
<td>5/5</td>
<td>Sept 2015</td>
</tr>
<tr>
<td>Margaret Dolman</td>
<td>Patients</td>
<td>3/5</td>
<td>Sept 2015</td>
</tr>
<tr>
<td>Helen Edwards</td>
<td>Woking Public</td>
<td>5/5</td>
<td>Sept 2015</td>
</tr>
<tr>
<td>Kevin Fisher (from January 2014)</td>
<td>Mole Valley Public</td>
<td>0/0</td>
<td>Jan 2017</td>
</tr>
<tr>
<td>John Gamble</td>
<td>East Hants Public</td>
<td>5/5</td>
<td>Sept 2015</td>
</tr>
<tr>
<td>Emma Haines (until September 2013)</td>
<td>Mole Valley Public</td>
<td>0/2</td>
<td></td>
</tr>
<tr>
<td>Tom Jordan</td>
<td>Staff Scientific &amp; Technical &amp; Allied Health Professionals</td>
<td>3/5</td>
<td>Sept 2015</td>
</tr>
<tr>
<td>Valerie Kubale (from January 2014)</td>
<td>East Hants Public</td>
<td>0/0</td>
<td>Jan 2017</td>
</tr>
<tr>
<td>Prof Chris Marks</td>
<td>Staff Medical &amp; Dental</td>
<td>5/5</td>
<td>Sept 2015</td>
</tr>
<tr>
<td>Prof Vincent Marks</td>
<td>Waverley Public</td>
<td>5/5</td>
<td>Sept 2015</td>
</tr>
<tr>
<td>Andrew Moncreiff</td>
<td>Chichester Public</td>
<td>3/5</td>
<td>June 2014</td>
</tr>
<tr>
<td>John Moyer (from January 2014)</td>
<td>Mole Valley Public</td>
<td>0/0</td>
<td>Jan 2017</td>
</tr>
<tr>
<td>Bruce Philpott (from October 2013)</td>
<td>East Hants Public</td>
<td>3/3</td>
<td></td>
</tr>
<tr>
<td>Name</td>
<td>Constituency/Appointing organisation</td>
<td>No of Council meetings attended/possible total</td>
<td>Term expires</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>-----------------------------------------------</td>
<td>-----------------------------------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>Tim Reeder (until September 2013)</td>
<td>Mole Valley Public</td>
<td>1/2</td>
<td></td>
</tr>
<tr>
<td>Brian Richards</td>
<td>Waverley Public</td>
<td>5/5</td>
<td>Sept 2015</td>
</tr>
<tr>
<td>Clare Richardson</td>
<td>Staff Nursing &amp; Midwifery</td>
<td>5/5</td>
<td>Sept 2015</td>
</tr>
<tr>
<td>Prof Lisa Roberts</td>
<td>University of Surrey</td>
<td>2/3</td>
<td>Jan 2016</td>
</tr>
<tr>
<td>Cllr Iseult Roche</td>
<td>Guildford Borough</td>
<td>2/5</td>
<td>Sept 2015</td>
</tr>
<tr>
<td>Ray Rogers</td>
<td>Guildford Public</td>
<td>5/5</td>
<td>Sept 2015</td>
</tr>
<tr>
<td>Sue Rout</td>
<td>Elmbridge Public</td>
<td>4/5</td>
<td>Sept 2015</td>
</tr>
<tr>
<td>Sheila Smith</td>
<td>Waverley Public</td>
<td>4/5</td>
<td>Sept 2015</td>
</tr>
<tr>
<td>Natalie Straughen</td>
<td>Staff - Other</td>
<td>5/5</td>
<td>Sept 2015</td>
</tr>
<tr>
<td>Ishbel Veitch</td>
<td>Surrey Healthwatch</td>
<td>5/5</td>
<td>Sept 2015</td>
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<td>Dr Jan Whitby</td>
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<td>3/5</td>
<td>Sept 2015</td>
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<td>Fiona White (until June 2013)</td>
<td>Surrey County Council</td>
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</table>
Other disclosures in the public interest

Income disclosures required by Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012)

During the year the income from the provision of goods and services for the purposes of the health service in England was greater than its income from the provision of goods and services for any other purposes. Income from private patient services has been used to enhance the services provided to NHS patients.

Voluntary Disclosures

Research & Development

The Trust continues to develop its strong research and development culture and is very pleased to report on another year of successful recruitment to an expanding portfolio of specialities within the trust.

During the year the Trust has approved 84 new trials to open. The new trials now bring the total number of trials hosted at the hospital up to 334 of which 88 are commercially sponsored. Of these studies 216 are still open to recruitment. A total of 4100 patients have been recruited into trials this financial year to date. This is a 55 per cent increase on the number of new studies opened and this is an overall 14 per cent increase on the number of studies hosted by the Trust at the same time last year. Of these 330 studies, 241 (3464 recruited patients) have been adopted on to the National Institute of Health Research Comprehensive Research Network (NIHR CRN) portfolio.

For the second year the Trust has been ranked the highest recruiting trust within the Surrey and Sussex Comprehensive Local Network (SSCLRN), with areas of strength continuing to be within oncology, diabetes, and stroke, and now including ophthalmology and anaesthetics, which has this year launched the Surrey Peri-Operative, Anaesthesia & Critical Care Collaborative Research Group (SPACER).

The Trust also continues to have a strong collaborative partnership with the University of Surrey leading to the development and consolidation of a strong clinical research portfolio with high quality collaborative research programmes and efficient systems for the administrative/financial management and governance of research projects.

Oncology

The oncology portfolio continued to expand this year in particular, with the number of industry studies increased compared to previous years. In terms of study recruitment to time and target; 67% of industry studies achieved 90% of annual target and 56% of academic studies tracking to target. A level comparable with the national performance.

In terms of study recruitment to time and target; 67 per cent of industry studies achieved 90 per cent of annual target and 56 per cent of academic studies tracking to target - a level comparable with the national performance.

A number of studies recruited particularly well exceeding target.
Sixty per cent of patient recruitment to interventional studies was accounted for by recruitment to prostate, breast and colorectal cancer trials.

The Self-management of urinary symptoms study was particularly successful and the Dexamethasone Reduces Emesis after Major gastrointestinal Surgery (DREAMS trial), supported by the Anaesthetics team.
Furthermore, recruitment to non-interventional studies Head and Neck 500 study and OCCAMs recruited exceptionally well during the year.

In collaboration with the University of Surrey, the Trust has established itself as a leading UK centre for gene therapy and cancer vaccines. As well as a national/international profile, this will benefit patients and also enhance the reputation of both parties. The publication output in the highest calibre international journals continues, with 17 papers published last year, including Nature Medicine and Nature Biotechnology.

The development of a new prostate cancer test by the oncology group at the University in conjunction with the Trust’s Urology department also matured last year with 3 further publications and the licensing of the test to two international diagnostic companies, Zeus Scientific (New Jersey) and Randox Ltd.

**Bowel Screening: Research activity at the BCSP Southern Hub**

Since 2006, the Trust has hosted the NHS Bowel Cancer Screening Programme (BCSP) Southern Hub, which is now located in new premises on the Surrey Research Park. As well as coordinating the screening activity for the south of England (excluding London), the Hub is actively engaged in research, led by the Hub’s director, Professor Stephen Halloran.

The Hub’s research team collaborates with many academic research units around the country and internationally and is proud of its research publication record. In October, the team was delighted to receive a Trust Stars award in recognition of its work on the ‘FIT for Follow-up Study’.

The screening test currently used by the BCSP is a guaiac-based faecal occult blood test (gFOBt). Anyone who tests positive is referred for colonoscopy and if adenomas are detected individuals enter into a programme of colonoscopic surveillance. The faecal immunochemical test for haemoglobin (FIT) has demonstrable superiority over the gFOBt and may replace gFOBt in the BCSP from 2016.

The ‘FIT for Follow-up Study’ is a nationwide NIHR-funded study designed to investigate whether annual FIT testing is a feasible, safe, acceptable and cost-saving alternative to colonoscopy surveillance for BCSP participants who had intermediate-risk adenomas removed at colonoscopy, and who are awaiting surveillance colonoscopy at three years. The study started in January 2012 and is being conducted in conjunction with colleagues at Imperial College London, led by Professor Wendy Atkin, and University College London. Each year participants are asked to complete a FIT kit and return it the Hub for analysis; those with a positive FIT result after either the first or second annual FIT are invited to bring forward their surveillance colonoscopy. The research team at the Southern Hub manages patient recruitment for the whole of England (study population about 8,000), performs FIT laboratory analysis (using OC-Sensor DIANA, Eiken Chemical Co. Ltd., Japan) and organises follow-up. The third and final round of invitations commenced in January 2014. To date, 350 individuals have had an early surveillance colonoscopy and 75 advanced adenomas and seven cancers have been diagnosed. The study results are expected to be published in 2017.

Participation in the BCSP is strongly associated with levels of deprivation. Nationally, participation (or uptake) is about 54 per cent, but in the most deprived areas uptake is only about 35 per cent. In more affluent areas, uptake is more than 60 per cent.

The Southern Hub research team is working closely with colleagues from Imperial College and University College London on another national NIHR-funded project designed to improve uptake of bowel cancer screening invitations. The ‘ASCEND’ project (a study looking at why people don’t take up the offer of bowel cancer screening) has been designed to address socioeconomic inequalities in the uptake of BCSP invitations. Four interventions (work streams) are being evaluated: (a) an amended BCSP invitation letter, (b) an enhanced reminder letter, (c) an additional simplified information leaflet (the ‘gist’ leaflet) and (d) a narrative leaflet.
The leaflets will supplement the existing BCSP information materials by presenting information in forms that are associated with increased salience and comprehension in lower socioeconomic groups.

Depending upon the outcomes of the various work streams, the ASCEND project team will develop a single complex intervention based on the previously trialled single interventions, and investigate its effectiveness and cost-effectiveness in a national randomised-controlled trial across England. Results from the first intervention will be published soon.

Other research activity at the Hub includes an evaluation of FIT devices for the BCSP, ahead of FIT procurement for the Programme. In addition, Professor Halloran leads an international Expert Working Party, ‘FIT for Screening’, to promote the optimal use of FIT in bowel cancer screening.

**Ophthalmology**

The COMRADE study was one of the first studies that the Ophthalmology research team signed up to when the research programme started in 2010, and it was gratifying to see the results of this take shape at the end of 2013. The study was a head-to-head comparison of two treatments for retinal vein occlusion and the Trust was the top recruiting centre in the United Kingdom. As a result, the PI, Simon Taylor, was asked to present some of the initial results at the Investigator meeting in Frankfurt last December. The research team will write to all trial patients to let them know which treatment they received, and will be letting them know the results of the study once these are formally released.

Mr Taylor and his team are continuing to sign up to new studies, and are also working to generate projects in collaboration with other departments such as ICU. Dr Ben Creagh-Brown, however, should be held entirely responsible for calling this study ‘Eye-CU’... Katherine Atkins, Ophthalmology senior research nurse, is also taking on a new role as Principal Investigator (PI) of the INJECT study and will be writing about the trials and tribulations of being a PI in future updates.

**Diabetes**

The Department has had an exciting year and has been strengthened with the Consultant appointment of Dr Roselle Herring. She has been instrumental in developing the nationally recognised diabetes ‘admission to discharge’ education programme. This work has been published widely and the Trust was highly commended in the 2013 Quality in Care Awards. She also has experience in the niche area of stable isotopes that add to the departmental skills.

The Trust is the lead site PI for a number of multinational multicentre clinical studies on insulin and are taking part in a number of multicentre insulin and GLP-1 agonist studies. As well as multicentre clinical trials a number of complex metabolic studies are taking place although externally funded, with the University of Surrey acting as sponsor. These studies have resulted in a number of international presentations and Professor Margot Umpleby is collaborating with a number of Institutes who require the department’s unique experience in metabolic isotope technology. The department continues to publish in high impact journals with over 26 publications in the last 2 years, including 2 publications in the Lancet and one publication currently under review in the New England Journal of Medicine. Personnel have been asked to speak at high profile international and national meetings.

A clinical academic group in Diabetes has been established between the University of Surrey and the local NHS Trusts to develop collaborative research. There have been a number of successful collaborative research grants. Professor Russell-Jones has been an external examiner for a number of PHD submissions from Cambridge, Oxford, Southampton and Portsmouth. He is also trustee to St Jules Thorne Trust and sits on the Research Advisory Board for the Diabetes Research and Wellness Foundation and the Research Election Committee of Novonordisk UK Research Foundation.
The Environment and Sustainability

The Trust actively considers its environmental impact and has a wide range of policies in place to help play its part in tackling climate change. The Trust undertook its annual waste audit, waste pre-acceptance audit and duty of care audits of practices and procedures for the disposal of healthcare and domestic waste streams.

Use of finite resources (water, gas, electricity and other energy consumption)

<table>
<thead>
<tr>
<th>Area</th>
<th>Non-financial data</th>
<th>Non-financial data</th>
<th>Non-financial data</th>
<th>Finance (£)</th>
<th>Finance (£)</th>
<th>Finance (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011/12</td>
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<td>2013/14</td>
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<td>2012/13</td>
<td>2013/14</td>
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<tr>
<td>Waste minimisation and management:</td>
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<td></td>
<td></td>
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<tr>
<td></td>
<td>1,098.526 tonnes</td>
<td>1,201.91 tonnes</td>
<td>1,165.85 tonnes</td>
<td>339,880.89</td>
<td>396,821.41</td>
<td>401,288</td>
</tr>
<tr>
<td>Finite Resources:</td>
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<td></td>
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<tr>
<td>Water</td>
<td>93,506m³</td>
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<td>102,983m³</td>
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<tr>
<td>Electricity</td>
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<td>49,549GJ</td>
<td>51,107GJ</td>
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<td>1,179,134</td>
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<tr>
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<td>73,338GJ</td>
<td>68,553GJ</td>
<td>803,070</td>
<td>669,724</td>
<td>626,503</td>
</tr>
</tbody>
</table>
Annex

Remuneration Report
Statement of Accounting Officer’s Responsibilities
Annual Governance Statement
Financial Report and Accounts
Quality Account 2013/2014

Annex 1
Annex 2
Annex 3
Annex 4
Annex 5
Annex 1

Remuneration Report
Remuneration Report

This report includes details regarding “senior managers” remuneration in accordance with the following:

- Sections 420 to 422 of the Companies Act 2006 as they apply to foundation trusts;
- Regulation 11 and Parts 3-and 5 of Schedule 8 of Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI2008/410); and
- Elements of the NHS Foundation Trust Code of Governance.

Remuneration Governance:

The Trust’s Board Review & Remuneration Committee (BRRC) advises and assists the Board in meeting its responsibilities to ensure appropriate remuneration and terms of service for the Chief Executive and Executive Directors, in line with Monitor’s Foundation Trust Code of Governance. Membership of the Committee consists the Trust’s Chairman and at least 4 Non-Executive Directors. The Director of Organisational Transformation, Alf Turner, is responsible for the human resources function and as such provides advice and support to the BRRC.

Non-Executive Director remuneration, including the Chairman, is determined by the Council of Governors. To support this there is a governors’ Nominations Committee which considers and makes recommendations to the Council of Governors. Alf Turner, Director of Organisational Transformation, also provides input to both bodies on remuneration information.

Remuneration Policy & Determination

Executive Remuneration:

- The Chief Executive and Executive Director remuneration is determined on the basis of reports to the BRRC taking account of any evaluation of the posts and national and local benchmarking of total pay for similar roles. Every year executive pay is benchmarked against other foundation trusts across the country by using the Foundation Trust National Survey and comparisons with other local trusts. The Committee also took into account the current climate of pay restraint and cost control and considered it inappropriate to make any adjustment to Executive Directors pay other than a 1% increase from 1 April 2014.

- Following a previous three year pay freeze, the BRRC agreed to increase executive basic pay for the year by 1 per cent which was in line with the national level of increase in NHS pay that was applied across the Trust. Some minor adjustments were also applied to the Director of Organisational Transformation and Director of Nursing and Patient Experience to take account of changes to responsibility and market comparisons. A further 1 per cent has been applied from 1st April 2014 (as a pay supplement) in line with the national increase for 2014-15.

- The Trust also has in place a scheme of variable pay for the Chief Executive and Executive Directors to ensure alignment between organisational performance and reward. This places at risk 10 per cent of executive pay, which is only paid if important targets, affecting patient care, finance and governance are achieved. Within these there are core threshold targets on Monitor and Care Quality Commission (CQC) compliance which achieve 50 per cent of the variable payment with the rest based on internal stretch’ targets’ covering quality and financial performance. Variable pay is not due for periods where the executive is not in post during the year. The BRRC also has discretion on payment of the variable element should targets not be achieved for special, unforeseen or exceptional reasons.
As reported last year variable pay was not paid for 2012/13 because a core threshold had not been met. Similarly, for the current year a compliance target has not been met under the previous ratings regime although the BRRC is considering whether it should exercise discretion (available under the terms of the scheme) and make a part or full payment under the scheme.

Design of the variable pay scheme is underway for 2014/15 and is likely to follow similar architecture as set out below for the 2013/14 scheme:

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<tr>
<th>Objective</th>
<th>Weight</th>
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<tr>
<td>Quality - CQC Unconditional Registration</td>
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<tr>
<td>Finance - Monitor Financial Risk Rating</td>
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<td>Governance</td>
<td></td>
<td></td>
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<tr>
<td>Sound Management - all of the above</td>
<td>0.5</td>
<td>5%</td>
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<tr>
<td>Stretch Target 1 - Quality</td>
<td>0.25</td>
<td>2.5%</td>
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<td>Stretch Target 2 - Finance</td>
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<tr>
<td>Total</td>
<td>1.00</td>
<td>10%</td>
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</table>

Non-Executive Remuneration:

- Non-executive remuneration is also benchmarked each year in accordance with the annual Foundation Trust survey. Comparisons are also made with other local Trusts.

- The three year pay freeze that came to an end in December 2013 has resulted in Non-Executive pay falling significantly below the market and local comparison. In the financial current climate the Council of Governors made a limited increase to the Non-Executive Directors in December 2013 to be followed by consideration of further reviews each year which are aligned with NHS national pay arrangements.

Tables attached show details of total pay, benefits and any other remuneration and pension entitlements of senior managers. No compensation is payable to former senior managers and no amounts included in the above are payable to third parties for the services of senior managers.

Signed: 28 May 2014

N. Moberly
Chief Executive
# Name and Title

<table>
<thead>
<tr>
<th>Name and Title</th>
<th>Salary (bands of £5,000)</th>
<th>Taxable Benefits</th>
<th>Annual performance-related bonus (bands of £5,000)</th>
<th>Long-term performance-related bonus (bands of £5,000)</th>
<th>Pension-related benefits (bands of £2,500)</th>
<th>Total (bands of £5,000)</th>
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<tbody>
<tr>
<td>Mr P Dunt - Chairman &amp; Non-Executive Director</td>
<td>35-40</td>
<td>0</td>
<td>0</td>
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<td>0</td>
<td>35-40</td>
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<tr>
<td>Mr E J Denning - Senior Independent Director (Non-Exec) and Deputy Chairman</td>
<td>10-15</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>10-15</td>
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<tr>
<td>Mr N Moberly - Chief Executive</td>
<td>180-185</td>
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<td>0</td>
<td>102.5-105.0</td>
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<td>285-290</td>
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<td>Mr C Tibbs - Medical Director</td>
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<td>0</td>
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<td>170-175</td>
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<tr>
<td>Mr A Turner - Director of Organisational Transformation</td>
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<td>55.0-57.5</td>
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<td>170-175</td>
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<td>Mr P Biddle - Director of Finance</td>
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<td>0</td>
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<td>115-120</td>
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<td>Mr P Ridley - Director of Finance and Informatics</td>
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<td>150-155</td>
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<td>Mr G Mahoney - Director of Strategic Marketing</td>
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<td>Ms D Glenn - Non-Executive Director</td>
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<td>Mr A G Harris - Non-Executive Director</td>
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<td>5-10</td>
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<td>Mr G Crouch - Non-Executive Director</td>
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<td>Mrs S Trundle - Non-Executive Director</td>
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<td>Band of Highest Paid Director's Total Remuneration (£000)</td>
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<td>05-10</td>
<td>180-185</td>
<td>170-175</td>
<td>160-165</td>
<td>150-150</td>
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<td>(bands of £2,500)</td>
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<td>0</td>
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<tr>
<td><strong>Total</strong></td>
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<td></td>
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<tr>
<td>(bands of £5,000)</td>
<td>35-40</td>
<td>05-10</td>
<td>180-185</td>
<td>170-175</td>
<td>160-165</td>
<td>150-150</td>
</tr>
<tr>
<td><strong>Taxable Benefits</strong></td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Rounded to the nearest £100</td>
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<td>0</td>
<td>0</td>
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<tr>
<td><strong>Salary</strong></td>
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<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>(bands of £5,000)</td>
<td>35-40</td>
<td>05-10</td>
<td>180-185</td>
<td>170-175</td>
<td>160-165</td>
<td>150-150</td>
</tr>
<tr>
<td><strong>Name and Title</strong></td>
<td>Mr P Dunt - Chairman &amp; Non-Executive Director</td>
<td>Mr E J Denning - Senior Independent Director (Non-Exec) and Deputy Chairman</td>
<td>Mr N Moberly - Chief Executive</td>
<td>Mr C Tibbs - Medical Director</td>
<td>Mr M Pantlin - Director of Human Resources &amp; Corporate Development</td>
<td>Mr A Turner - Director of Organisational Transformation</td>
</tr>
<tr>
<td><strong>Band of Highest Paid Director's Total Remuneration (£000)</strong></td>
<td>180 - 185</td>
<td>120 - 120</td>
<td>115-120</td>
<td>110-110</td>
<td>105-105</td>
<td>100-100</td>
</tr>
<tr>
<td><strong>Median Total Remuneration (£)</strong></td>
<td>29,526</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ratio</strong></td>
<td>6.2%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Mr. M Pantlin - resigned as Director of Human Resources & Corporate Development on 30/09/2012

Mr. A. Turner - commenced as Director of Organisational Transformation on 01/10/2012

Mr P Biddle - retired as Director of Finance and Informatics on 07/08/2013

Mr P Biddle served and received remuneration for fulfilling a non-executive directorship at W&J Linney Ltd.

Mr P Ridley - commenced as Director of Finance and Informatics on 04/06/2013

Mr G Mahoney - commenced as Director of Strategic Marketing on 04/06/2013

Mrs. S Trundle - commenced as a Non-Executive Director on 29/01/2013

Mrs L Stead's salary level shown reflects her contract for 4 days a week

Total remuneration paid to directors (in their capacity as directors) in 2013/14 totalled £726,967 (2012/13 £599,894)

Expenses incurred by directors and governors during 2013/14 were as follows:

Directors £4,629 (2012/13 £1,463)

Governors £2,527 (2012/13 £1,995)
Salary and Pension entitlements of senior managers (cont.)

Pension Benefits

<table>
<thead>
<tr>
<th>Name and Title</th>
<th>Real increase in pension at age 60 (bands of £2,500)</th>
<th>Real increase in lump sum at age 60 (bands of £2,500)</th>
<th>Total accrued pension at age 60 at 31 March 2014 (bands of £5,000)</th>
<th>Total related lump sum at age 60 at 31 March 2014 (bands of £5,000)</th>
<th>Cash Equivalent Transfer Value at 31 March 2014 (£000)</th>
<th>Cash Equivalent Transfer Value at 31 March 2013 (£000)</th>
<th>Real Increase in Cash Equivalent Transfer Value (£000)</th>
<th>Employers Contribution to Stakeholder Pension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr N Moberly Chief Executive</td>
<td>5 - 7.5</td>
<td>15 - 17.5</td>
<td>40 - 45</td>
<td>125 - 130</td>
<td>780</td>
<td>647</td>
<td>118</td>
<td>0</td>
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<tr>
<td>Mr C Tibbs Medical Director</td>
<td>0 - 2.5</td>
<td>0 - 2.5</td>
<td>60 - 65</td>
<td>185 - 190</td>
<td>1,345</td>
<td>1,275</td>
<td>42</td>
<td>0</td>
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<tr>
<td>Mr P Biddle Director of Finance</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>0</td>
</tr>
<tr>
<td>Mrs L Stead Director of Nursing &amp; Patient Experience</td>
<td>2.5 - 5</td>
<td>10 - 12.5</td>
<td>20 - 25</td>
<td>65 - 70</td>
<td>383</td>
<td>303</td>
<td>73</td>
<td>0</td>
</tr>
<tr>
<td>Mr A Turner Director of Organisational Transformation</td>
<td>2.5-5</td>
<td>0</td>
<td>0.5</td>
<td>0</td>
<td>66</td>
<td>13</td>
<td>52</td>
<td>0</td>
</tr>
<tr>
<td>Mr P Ridley Director of Finance and Informatics</td>
<td>2.5 - 5</td>
<td>7.5 - 10</td>
<td>10 - 15</td>
<td>40 - 45</td>
<td>178</td>
<td>133</td>
<td>35</td>
<td>0</td>
</tr>
<tr>
<td>Mr G Mahoney Director of Strategic Marketing</td>
<td>0 - 2.5</td>
<td>0</td>
<td>10 - 15</td>
<td>25 - 30</td>
<td>195</td>
<td>170</td>
<td>17</td>
<td>0</td>
</tr>
</tbody>
</table>

Non-Executive Directors are not shown above because they receive non-pensionable remuneration.
Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member’s accrued benefits and any contingent spouse’s pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries. A change in the factors used to calculate CETVs came into force in October 2008 as a result of the Occupational Pension Scheme (Transfer Value Amendment) regulations.

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. A CETV is not provided once a scheme member reaches age 60.

Off-payroll engagements

During 2012/13 financial year we reviewed the Trust’s payments to employees and contractors in the light of the Treasury’s own review of the tax arrangements of public sector employees which was published in May 2012. New procedures and compliance requirements were put in place from 1 April 2013 for individuals working for the Trust but who are not on the substantive payroll.

As a result of those procedures, there are no disclosures to be made for the reporting period.
Annex 2

Statement of Accounting Officer’s Responsibilities
Statement of the Chief Executive’s responsibilities as the Accounting Officer of Trust County Hospital NHS Foundation Trust

The NHS Act 2006 states that the Chief Executive is the Accounting Officer of the NHS foundation trust. The relevant responsibilities of the Accounting Officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the NHS Foundation Trust Accounting Officer Memorandum issued by Monitor.

Under the NHS Act 2006, Monitor has directed the Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Trust County Hospital NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the NHS Foundation Trust Annual Reporting Manual and in particular to:

- Observe the Accounts Direction issued by Monitor, 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 have been followed, and disclose and explain any material departures in the financial statements;
- Ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance; and
- Prepare the financial statements on a going concern basis.

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

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

Nick Moberly - Chief Executive
29 May 2014
Annex 3

Annual Governance Statement 2013/14

Nick Moberly, Chief Executive
1. Scope of Responsibility
As Accounting Officer I have responsibility for maintaining a sound system of internal control that supports the achievement of the 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 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.

2. The Purpose of the System of Internal Control
The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Royal Surrey County Hospital NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact of those risks should they be realised and finally to manage them efficiently, effectively and economically. The system of internal control has been in place in Royal Surrey County Hospital NHS Foundation Trust for the year ended 31 March 2014 and up to the date of approval of the annual report and accounts.

3. Capacity to handle risk
The Trust's Risk management Strategy sets out the approach to risk management and has been endorsed by the Board of Directors. The strategy has been distributed throughout the Trust and is also available on the Trust's Intranet. Risk management training is provided to all managers and senior managers up to Board Level in accordance with the Trust's Statutory and Mandatory Training Programme which stipulates this must be undertaken as a minimum every three years.

The Trust separates clinical and non clinical risks and has the appropriate structures in place to manage these separately on a day to day basis. However, the two structures work in an integrated manner at all levels and formally come together under the Corporate Risk Department which maintains one Trustwide Risk Register. The strategy delegates responsibility to lead in risk management to the following senior managers or executive directors:

- The Director of Organisational Transformation has overall responsibility for corporate risk management but the Director of Nursing and Patient Experience maintains responsibility for patient safety and therefore clinical risks.
- Clinical and non-clinical legal claims are overseen by the Medical Director.
- The Director of Nursing and Patient Experience has delegated responsibility for complaints. She is also the Caldicott Guardian.
- The Director of Finance and Informatics has delegated responsibility for financial risk management, including the standing financial instructions and the scheme of delegation. He is the lead executive director for counter fraud.
- The Director of Organisational Transformation has delegated responsibility for workforce management and development. He is also the lead executive director for security management.
- The Director of Finance and Informatics is the Senior Information Risk Owner and effectively owns the Trust's overall information risk policy and assessment as well as the information incident management framework.
The strategy encourages proactive management of risks at local team levels, whilst ensuring appropriate and effective risk management processes are in place. This is underpinned with statutory and mandatory training, which includes risk assessments and other management obligations.

4. The risk and control framework
The Trust’s Risk Management Strategy is designed to provide a rigorous organisational framework to co-ordinate and oversee risk management activities. The risk strategy contains the following elements:

- Risk Management Strategy – Aims and Scope;
- Organisational Arrangements;
- Management of risks;
- Education and Training;
- Communication;
- Fair and Just Culture;
- Monitoring and Compliance Arrangements.

A risk assessment matrix is used to ensure a consistent approach is taken to assessing and responding to clinical and non-clinical risks and incidents. This includes the assessment of risks which potentially impact on the Trust’s achievement of objectives.

The Trust faces a number of challenges associated with the changes happening in the wider healthcare economy which in turn has created several strategic risks for 2014/15. The Trust has aligned these risks to its strategic framework to provide ‘Best Care Anywhere’ which is based on the following four key pillars:

These strategic ‘pillars’ are set upon a base strategic objective relating to Firm Foundations.

The Board have reviewed the key risks facing the Trust for 2014/15 and have agreed that these are as follows:

**Risks to Best Outcomes**

- Top-down NHS restructure including changes in commissioning arrangements
- Aggressive competition from neighbouring cancer centres
- Potential change in demand for general hospital services
- Increased focus on commissioning community-based care
- Increased competition for general hospital services from other acute providers
- Failure of outline business case to deliver sufficient benefits of merger
Risks to Excellent Experience
- Capacity constraints impacting on ability to deliver operational targets
- Failure to deliver high response rate and performance on Friends and Family Test
- Physical capacity and resource in Ophthalmology Department

Risks to Skilled, Motivated Teams
- Inability to improve compliance with statutory and mandatory training

Risks to Firm Foundations
- Deterioration in Financial Risk Rating driven by tariff deflation, penalties and cost inflation
- Increasingly stringent monitoring of quality by Care Quality Commission and other bodies

Risks to Top Productivity
- The need to deliver cost savings at the same time as delivering improvements in the quality of services
4.1 The governance framework of the organisation

The Trust has developed its governance structures over a period of time to deliver an integrated governance agenda. Integrated governance is the combination of systems, processes and behaviours which the Trust uses to lead direct and control its functions in order to achieve its organisational objectives.

The Board of Directors leads on integrated governance and delegates key duties and functions to its sub-committees. In addition the Board reserves certain decision-making powers including decisions on strategy and budgets. The diagram below gives an overview of the governance structure.

The roles and responsibilities of the Board and the key assurance committees are described more fully below. There are five key committees within the structure that provide assurance to the Board. These are:

- The Clinical Quality Governance Committee
- The Executive Leadership Team
- The Audit Committee
- The Finance and Investment Committee
- The Board Review and Remuneration Committee

are a range of mechanisms available to these assurance committees to gain assurance that our systems are robust and effective. These include utilising internal and external audit, management reporting and clinical audit. Where systems and processes cover non-clinical areas, assurance can be obtained from the Executive Leadership Team to which a number of sub-groups report.
4.2 Committee structure and reporting
Details of the key assurance committees in the Trust’s governance structure are given below. Each Committee Chair has information that ensures a consistent approach across all groups, including Terms of Reference, upward reporting and review of effectiveness.

4.3 The Board of Directors
The Board of Directors meets regularly to discuss an agenda based on three key elements of:

- Strategy/Business Planning and Improvement – this covers strategic decision making.
- Operational performance and use of resources – this has a focus on quality and patient safety outcomes.
- Corporate Governance/Risk/Regulatory – this gives the Board an opportunity to consider key risks, the Board Assurance Framework, legislative changes which may impact the Trust, other governance issues and regular reports from its sub committees.

The Board is responsible for setting strategy and for ensuring that the Trust meets its statutory duties and effectively manages risk through the Trust’s Board Assurance Framework and Risk Register. The Board exercises all powers of the Trust and can delegate these powers to a committee or to an Executive Director.

The Board maintains responsibility for setting and approving work plans and monitoring the delivery of planned objectives. The Board of Directors regularly receives reports from its sub-committees on the business covered, risks identified and action taken as well as regular performance related reports. The Board of Directors is responsible for ensuring the Trust’s financial viability is monitored through the establishment of effective financial stewardship.

Membership of the Board is comprised of the Trust Chairman, Chief Executive, Non-Executive Directors (one of which is appointed as Deputy-Chairman) and Executive Directors.

The Board of Directors meets at least ten times per year and members must attend at least 70% of all meetings.

4.4 The Clinical Quality Governance Committee
The Clinical Quality Governance Committee (CQGC) is accountable to the Board and is responsible for ensuring effective clinical governance throughout the Trust. The CQGC receives and reviews core reports that affect clinical governance including: Care Quality Commission Forum Minutes; CLAIM Minutes; Complaints Monitoring Group; Complaints, Litigation, Incidents and PALs (CLIP) report; Drugs and Therapeutic Committee Minutes, Hospital Infection Control Committee Minutes, Clinical Quality Risk Management Group minutes and any other information affecting clinical governance within the Trust as required.

Membership of the CGQC comprises the following:

- Two Non-Executive Directors
- Chief Executive
- Director of Nursing and Patient Experience
- Deputy Director of Nursing
- Medical Director
● Deputy Director of Professional Standards
● Director of Organisational Transformation
● Head of Patient Safety and Quality
● Head of Non-Clinical Risk

The CQGC meets monthly and members are required to attend a minimum of 70% of all meetings.

4.5 The Executive Leadership Team

The purpose of the Executive Leadership Team (ELT) is to assist the Chief Executive and the Executive Team in the performance of their duties and to ensure the involvement of key senior managers and clinicians in corporate decision making. The Team maintains a monitoring role over day to day activities affecting core functions including: strategy design and execution; planning and management; organisational development, and stakeholder management and communications. The Executive Leadership Team receives and reviews reports from a number of sub groups. These sub groups include the Risk Management Strategy group, Health and Safety Committee, Safeguarding Children Board, Safeguarding Adults Board and the Clinical Directors Forum amongst others.

Membership of the Executive Leadership Team comprises the following:

● The Chief Executive
● All Executive Directors
● All Directors of Operations
● All Deputy Medical Directors
● Patients First Programme Director

The Executive Leadership Team meets twice each month and members are expected to attend a minimum of 75% of all meetings.

4.6 The Audit Committee

The Audit Committee is accountable to the Board and is responsible for ensuring an effective system of internal control is in place across the Trust. The Chief Executive, The Director of Finance and appropriate internal and external audit representatives attend meetings. Executive Directors are invited to attend if the Committee is discussing areas of risk or operation within their area of responsibility.

The External Auditor provides an independent view on the financial affairs of the Trust and expresses this via their annual audit opinion and through frequent management updates. In so doing they consider and advise on the principal risks faced by the Trust throughout the year.

The Internal Auditor provides independent advice on the risk assurance framework of the trust and on the controls in place over core financial systems and other data and processes (such as information governance). Detailed reviews are undertaken within an agreed three year rolling programme, based on the needs of the External Auditor and on a risk based assessment of the Trust’s activities.

The Audit Committee maintains responsibility for the Head of Internal Audit statement, external audit opinion or other appropriate independent assurances, prior to endorsement by the Board. The Committee also reviews the effectiveness of the underlying assurance processes that indicate the degree of achievement of corporate objectives, the effectiveness of the management of principal risks and the
appropriateness of the disclosure statements detailed above. Policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements are also monitored. The Committee also monitors the effectiveness of the 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 Service. In carrying out its work, the Committee primarily utilises the work of Internal Audit, External Audit and other assurance functions, but is not limited to these audit functions. Reports and assurances from directors and managers related to the effectiveness of internal control are provided as appropriate.

The Audit Committee meets five times each year and members are required to attend a minimum of 75% of all meetings. The Committee currently has one vacancy in its membership of 3 Non-executive Directors which the Board will fill following the results of the Board effectiveness review.

4.7 The Finance and Investment Committee
The Finance and Investment Committee is accountable to the Board and is responsible for conducting an independent and objective review of financial and investment policy and financial performance issues. The Committee is also responsible for: overseeing the trust’s medium term financial strategy; considering the Trust’s annual financial targets and performance against them; reviewing the annual budget; reviewing and monitoring the progress of cost improvement plans; reviewing proposals for major business cases (> £250k) and their respective funding sources; and setting and maintaining oversight of the Trust’s investment strategy and policy.

The Finance and Investment Committee meets at least ten times a year and members must attend at least 70% of all meetings.

4.8 Council of Governors
The Council of Governors forms an integral part of the governance framework of the Trust. The governors maintain an active role in the development of the Trust. The governors’ activities are monitored through three separate and distinct formal committees: Membership and Community Engagement; Patient Experience and Nominations.

5. Changes in Governance
During the year the Trust changed its portfolio structure of services reducing the number from 3 to 2 (Surgery and Oncology and Acute Medicine and Access). Work is also on going to strengthen the reporting structures between the portfolios and the Executive Leadership Team and the Board. The Trust is also revising its risk management strategy and process, which will assist in embedding strong governance practices throughout the Trust.

6. Trust Board Review of Effectiveness
Commencing in March 2014, with the assistance of the company Board Intelligence, the Trust is undertaking a review of the effectiveness of its governance arrangements.

The Board of Directors has agreed the Trust’s governance arrangements, as outlined in the Risk Management Strategy, founded on the operation of the assurance framework which is presented both to Board and ELT regularly for scrutiny. In addition to this, the Trust’s performance is monitored and reported to the Board of Directors either directly, or via the Clinical Quality Governance Committee and the Executive Leadership Team.

The Trust manages key risks not only through the Board and its sub-committees but also through the portfolio governance meetings. Other internal stakeholders are involved via working groups and committees; for example: Clinical Quality Risk Management Group and the Infection Control Committee.
The Trust recognises external agencies as an effective source of risk identification e.g. Care Quality Commission (CQC), Medicines and Healthcare Products Regulatory Agency (MHRA), National Patient Safety Agency (NPSA), the Health and Safety Executive (HSE), NHS Litigation Authority (NHSLA) NHS Protect and Internal and External Audit.

During the year the Trust was visited by Care Quality Commission and NHS Protect.

Specific governance issues to note:

6.1 Information Governance

The Trust is committed to its statutory duty to maintain the security and confidentiality of information, whether held in hard copy or electronically, ensures compliance with professional standards and legislation, e.g. Data Protection Act 1998. Information Governance (IG) gives assurance that the Trust handles personal and non-personal information efficiently, securely, effectively and in accordance with relevant legislation, with the objective of delivering the best possible care and service. IG Spot Checks have been undertaken on a regular basis across the Trust to ensure that guidance is adhered to and vice versa, for staff and patients to ask for advice and the lead has advised and assisted with new project work.

In its annual return to the Health and Social Care Information Centre (HSCIC) AS AT 31 March 2014 the Trust returned a rating of 2 or above for all requirements of the IG self-assessment, therefor meeting the full national standards of compliance. However, during the year a total of 35 incidents in relation to information governance (IG) were reported on the Trust’s incident reporting system. (see Table A below)

Following HSCIC guidance (2013) for reporting and managing and investigating Information Governance Serious Incidents Requiring Investigation (IG SIRI), two of the incidents were reported through the IG Incident Reporting Toolkit, and subsequently to the Information Commissioner Office (ICO).

The first concerned a spread sheet containing patient identifiable information of 549 data subjects that was disclosed to another NHS body in breach of DPA Principle 3. The patient identifiable data should have been anonymised and was transferred electronically across the secure NHSmail system – the data did not leave the NHS. On investigation the cause of the breach was ‘human error’ and further learning has been taken forward to improve information request and disclosure processes.

The second reported IG SIRI involved lost Newborn Blood Screening Test cards relating to 12 patients that were reported missing in transit. All patients were immediately informed of loss and recalled to retake their tests. On investigation Trust staff had been shown to have been following national guidance though with immediate effect the Trust changed its local process on how the screening cards are dispatched to the screening hub.

In both cases the ICO served enforcement notices and after review of reported incidents, no further action was taken.
Table A: Showing total of 35 incidents in relation to information governance by incident category.

Information governance forms part of the Mandatory Training requirements for all Trust staff, with training provided at each monthly corporate induction with updates being provided as required. The Trust also provides IG training through the IG training Toolkit e-learning modules as developed by the Information Governance team at the Department of Health.

6.2 Care Quality Commission
The Trust is fully compliant with the registration requirements of the Care Quality Commission.

6.3 Health and Safety
The Trust has not been the subject of any Health and Safety Executive inspections in 2013/14.

6.4 NHSLA
The Trust currently holds Level 1 of the NHSLA Risk Management Standards and awaits the outcome of the review by the NHSLA of its revised risk management standards but is working towards achieving the previously rated level 2 standard for the Trust's own internal objectives.

6.5 NHS Pension Scheme
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.

6.6 Equality and Diversity
Control measures are in place to ensure that all the organisation's statutory obligations under equality, diversity and human rights legislation are complied with.
6.7 Carbon Reduction
The Trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation’s obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

6.8 NHS Protect
A report from NHS Protect was received in February 2014 to provide a summary of inspection findings from a visit in January 2014. The report highlighted a need for increased attention to training and development of staff with regard to the management of physically or verbally challenging behaviour. There were also recommendations for improvements in the way in which evidence of the effectiveness of security measures is managed. It was identified that the Trust has a Director providing strategic leadership, and that there is evidence of collaboration and joint working with the Police and other authorities.

A Security Strategy is being developed to deliver the required improvements.

7. Review of economy, efficiency and effectiveness of the use of resources
The Finance and Investment Committee reviews the monthly financial position and the overall financial strategy taking into account latest developments both externally and internally. It also reviews the capital plan and major investment business cases. The Committee reports to the next meeting of the Board. The financial review not only covers functional reporting but also service line reporting over each strategic business unit, clinical services unit and corporate departments. The key objective is to maintain the financial performance “on track” with the annual plan. The Committee agrees action plans for any recovery actions necessary, which are then approved at the Board meeting. The 2013/14 plan was an EBITDA margin of £16.6 m (6.4%) a surplus of £3.2m (1.2%) and a continuity of services risk rating of 4. The EBITDA was £16.2 m (5.8%) achieved, with a surplus of £2.8m (1%). However under Monitor’s Risk Assessment Framework any impairment expenses are removed before comparison to the planned surplus. Therefore for those purposes the surplus is £3.2m which was £0.1m better than plan. The Continuity of Services Risk Rating was 4 which represents the lowest risk on Monitor’s risk rating.

8. Annual Quality Report
The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. 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 Quality Report has been produced in consultation with patients, staff, and patient representatives (such as Healthwatch and governors). The account is monitored on a monthly basis by the Clinical Quality Risk Management Group, who review in detail, and the Clinical Quality Governance Committee, who have an overarching remit. The latter has quality and safety matters delegated to them by, and on behalf of the Trust Board of Directors and is chaired by a Non-Executive Director. The Report is also subject to detailed review by the Medical Director and approved by the Board of Directors.

The majority of the content of the Quality Report is subject to the various foundation trust policies and procedures which ensure the quality of care provided. Using a risk based approach, these are clinically audited on a regular basis and the results reported to the above mentioned group and committee or others, as identified in the risk management strategy.
KPMG LLP provides external assurance on the Quality Accounts by issuing a limited assurance report (limited in scope) on compliance with the Regulations (this is included in the Quality Accounts). Also data quality/accuracy in the Quality Report is subjected to an external audit by KPMG LLP and also to an internal audit by Mazars. Improving data quality has been identified as a priority this year. The Trust is developing an Information Assurance Framework with the aim of driving up data quality and improving data quality reporting processes across the organisation.

In conducting the audit of the two nationally mandated quality indicators KPMG LLP discovered an issue with the calculation of the Trust’s 28 day readmission rate. This required extensive additional sampling in order for them to form an audit opinion. Whilst the result of the recalculation showed that the Trust had performed better on this indicator than had been reported to commissioners and regulators it does indicate that there is work to be done in providing a high degree of assurance across the range of indicators used both locally by the Trust and for comparison nationally. Hence the Trust’s emphasis on the Information Assurance Framework for the coming year.

9. Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit, 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 and other performance information available to me. My review is also informed by comments made by the external auditors in their management letters 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, Audit Committee, and Clinical Quality Governance Committee, Finance and Investment Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Trust’s Head of Internal Audit provides an annual opinion on the assurance framework. The Head of Internal Audit Opinion for 2013/14 indicates that substantial assurance is provided by the arrangements for internal control within the Trust and for the risk management framework and processes.

This opinion for the financial year to 31 March 2014 is summarised as:

‘Significant assurance can be given that there is a generally sound system of internal control, designed to meet the organisation’s objectives, and that controls are generally being applied consistently. However, some weaknesses in the design and/or inconsistent application of controls put the achievement of particular objectives at risk.’

During 2013/14 all internal audit reports carried an opinion that there was ‘substantial assurance’ (which means a sound system of internal control was in place).

In quarter 4 the Trust failed to meet the CDiff and A&E waiting time targets. However in quarter 3 Monitor considered the actions the Trust was taking and considered that the Board had a good understanding of the reasons for these failures and the actions in place to address these issues. Monitor concluded that the Trust should be given a green governance rating.

My review confirms that the Royal Surrey County Hospital NHS Foundation Trust has a generally sound system of internal control that supports the achievement of its policies, aims and objectives.
Accountable Officer: Nick Moberly, Chief Executive.

Organisation: Royal Surrey County Hospital, NHS Foundation Trust

29 May 2014
Annex 4
Foreword to the Accounts

Royal Surrey County Hospital NHS Foundation Trust

The accounts for the year ended 31 March 2014 have been prepared in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006.

Signed:                    Nick Moberly
29th May 2014                 Chief Executive
Independent Auditor's Report to the Council of Governors of the Royal Surrey County Hospital NHS Foundation Trust

We have audited the financial statements of the Royal Surrey County Hospital NHS Foundation Trust for the year ended 31 March 2014 on pages 102 to 139. These financial statements have been prepared under applicable law and the NHS Foundation Trust Annual Reporting Manual 2013/14.

This report is made solely to the Council of Governors of the Royal Surrey County Hospital NHS Foundation Trust in accordance with Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust, as a body, those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust, as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of the accounting officer and the auditor

As described more fully in the Statement of Accounting Officer’s Responsibilities in annex 2 the accounting officer is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practice’s Board’s Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Trust’s circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the accounting officer and the overall presentation of the financial statements.

In addition we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Royal Surrey County Hospital NHS Foundation Trust’s affairs as at 31 March 2014 and of its income and expenditure for the year then ended; and
- have been prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2013/14.

Opinion on other matters prescribed by the Audit Code for NHS Foundation Trusts

In our opinion the information given in the Strategic Report and Directors’ Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
Matters on which we are required to report by exception

We have nothing to report where under the Audit Code for NHS Foundation Trusts we are required to report to you if, in our opinion, the Annual Governance Statement does not reflect the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading or is not consistent with our knowledge of the Trust and other information of which we are aware from our audit of the financial statements.

We are not required to assess, nor have we assessed, whether all risks and controls have been addressed by the Annual Governance Statement or that risks are satisfactorily addressed by internal controls.

Certificate

We certify that we have completed the audit of the accounts of the Royal Surrey County Hospital NHS Foundation Trust in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts issued by Monitor.

Neil Thomas, for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

29 May 2014
## Statement of Comprehensive Income for the Year Ended 31 March 2013

<table>
<thead>
<tr>
<th>Description</th>
<th>2013/14 £000</th>
<th>2012/13 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue from patient care activities</td>
<td>245,865</td>
<td>232,563</td>
</tr>
<tr>
<td>Other operating revenue</td>
<td>35,457</td>
<td>24,878</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>(273,965)</td>
<td>(250,316)</td>
</tr>
<tr>
<td><strong>Operating surplus</strong></td>
<td>7,357</td>
<td>7,125</td>
</tr>
<tr>
<td><strong>Finance costs:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance income</td>
<td>34</td>
<td>206</td>
</tr>
<tr>
<td>Finance expense - financial liabilities</td>
<td>(71)</td>
<td>(39)</td>
</tr>
<tr>
<td>Finance expense - unwinding of discount on provisions</td>
<td>(6)</td>
<td>(5)</td>
</tr>
<tr>
<td>Public dividend capital dividends payable</td>
<td>(4,556)</td>
<td>4,628</td>
</tr>
<tr>
<td><strong>Retained surplus for the period</strong></td>
<td>2,758</td>
<td>2,659</td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impairments and reversals</td>
<td>(14,584)</td>
<td>(551)</td>
</tr>
<tr>
<td>Gains on revaluations</td>
<td>22</td>
<td>740</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the period</strong></td>
<td>(11,804)</td>
<td>2,848</td>
</tr>
</tbody>
</table>

The notes on pages 8 to 37 form part of these accounts.
All income and expenditure is derived from continuing operations.
## STATEMENT OF FINANCIAL POSITIONS AS AT 31 MARCH 2013

<table>
<thead>
<tr>
<th>NOTE</th>
<th>31 March 2014</th>
<th>31 March 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>1,184</td>
<td>629</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>139,479</td>
<td>144,452</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>507</td>
<td>574</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>141,170</td>
<td>145,655</td>
</tr>
</tbody>
</table>

| **Current assets** | | |
| Inventories | 4,789 | 4,611 |
| Trade and other receivables | 28,331 | 15,696 |
| Non-current assets held for sale and assets in disposal groups | 0 | 0 |
| Cash and cash equivalents | 12,858 | 15,582 |
| **Total current assets** | 45,978 | 35,889 |

| **Current liabilities** | | |
| Trade and other payables | (24,367) | (16,371) |
| Borrowings | (664) | (212) |
| Provisions | (4,316) | (2,711) |
| Tax payable | (3,144) | (3,084) |
| Other liabilities | (1,960) | (3,102) |
| **Total current liabilities** | (34,451) | (25,480) |

**Total assets less current liabilities** | 152,697 | 156,064 |

| **Non-current liabilities** | | |
| Borrowings | (7,346) | (510) |
| Provisions | (410) | (205) |
| Other liabilities | (938) | (950) |
| **Total non-current liabilities** | (8,694) | (1,665) |

**Total assets employed** | 144,003 | 154,399 |

**Financed by taxpayers’ equity:**

- Public Dividend Capital | 62,313 | 69,905 |
- Revaluation Reserve | 47,008 | 61,917 |
- Income and Expenditure Reserve | 34,682 | 31,577 |

**Total Taxpayers' Equity** | 144,003 | 154,399 |

The financial statements on pages 4 to 37 were approved by the Board on 29th May 2014 and signed on its behalf by:

Signed: 
29th May 2014

Nick Moberly
Chief Executive
## STATEMENT OF CHANGES IN TAXPAYERS’ EQUITY

<table>
<thead>
<tr>
<th></th>
<th>Public Dividend Capital £000</th>
<th>Revaluation Reserve £000</th>
<th>Income and Expenditure Reserve £000</th>
<th>Total £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Taxpayers’ Equity at 1 April 2013</strong></td>
<td>60,905</td>
<td>31,917</td>
<td>31,577</td>
<td>154,399</td>
</tr>
<tr>
<td><strong>Changes in taxpayers’ equity for period 01/04/13 to 31/03/14</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Comprehensive Income for the year:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained surplus (deficit) for the year</td>
<td>0</td>
<td>0</td>
<td>2,758</td>
<td>2,758</td>
</tr>
<tr>
<td>Impairments and reversals</td>
<td>0</td>
<td>(14,584)</td>
<td>0</td>
<td>(14,584)</td>
</tr>
<tr>
<td>Gains on revaluation</td>
<td>0</td>
<td>22</td>
<td>0</td>
<td>22</td>
</tr>
<tr>
<td>Transfers between reserves</td>
<td>0</td>
<td>(347)</td>
<td>347</td>
<td>0</td>
</tr>
<tr>
<td>New Public Dividend Capital received</td>
<td>1,408</td>
<td>0</td>
<td>0</td>
<td>1,408</td>
</tr>
<tr>
<td><strong>Taxpayers’ Equity at 31 March 2014</strong></td>
<td>62,313</td>
<td>47,008</td>
<td>34,682</td>
<td>144,003</td>
</tr>
<tr>
<td><strong>Taxpayers’ Equity at 1 April 2012</strong></td>
<td>60,505</td>
<td>61,810</td>
<td>28,386</td>
<td>151,151</td>
</tr>
<tr>
<td><strong>Changes in taxpayers’ equity for period 01/04/12 to 31/03/13</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Comprehensive Income for the year:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained surplus (deficit) for the year</td>
<td>0</td>
<td>0</td>
<td>2,659</td>
<td>2,659</td>
</tr>
<tr>
<td>Impairments and reversals</td>
<td>0</td>
<td>(551)</td>
<td>0</td>
<td>(551)</td>
</tr>
<tr>
<td>Gains on revaluation</td>
<td>0</td>
<td>740</td>
<td>0</td>
<td>740</td>
</tr>
<tr>
<td>Transfers between reserves</td>
<td>0</td>
<td>(82)</td>
<td>82</td>
<td>0</td>
</tr>
<tr>
<td>New Public Dividend Capital received</td>
<td>400</td>
<td>0</td>
<td>0</td>
<td>400</td>
</tr>
<tr>
<td><strong>Balance at 31 March 2013</strong></td>
<td>60,905</td>
<td>61,917</td>
<td>31,577</td>
<td>154,399</td>
</tr>
</tbody>
</table>
### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2014

<table>
<thead>
<tr>
<th>2013/14</th>
<th>2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
</tr>
</tbody>
</table>

#### Cash flows from operating activities

- **Operating surplus from continuing operations**: 7,357
  - **Operating surplus**: 7,357

#### Non-cash income and expense:

- **Depreciation and amortisation**: 8,366
- **Impairments**: 1,168
  - **Reversals of impairments**: (677)
- **Non-cash donations/grants credited to income**: (16)
- **(Gain)/Loss on disposal**: (8)
- **(Increase)/Decrease in Trade and Other Receivables**: (12,495)
- **(Increase)/Decrease in Inventories**: (178)
- **(Increase)/Decrease in Trade and Other Payables**: 4,353
- **(Increase)/Decrease in Other Liabilities**: 1,154
- **(Increase)/Decrease in Provisions**: 1,804

**NET CASH GENERATED FROM (USED IN) OPERATIONS**: 8,520

#### Cash flows from investing activities

- **Interest received**: 34
- **Purchase of intangible assets**: (738)
- **Sales of intangible assets**: 75
- **Purchase of Property, Plant and Equipment**: (14,557)
- **Sales of Property, Plant and Equipment**: 18

**Net cash generated from (used in) investing activities**: (15,168)

#### Cash flows from financing activities

- **Public dividend capital received**: 1,408
- **Loans received from the Independent Trust Financing Facility**: 7,500
- **Capital element of finance lease rental payments**: (213)
- **Interest paid**: (38)
- **Interest element of finance lease**: (29)
- **PDC Dividend paid**: (4,704)

**Net cash generated (used in) financing activities**: 3,924

**Increase in cash and cash equivalents**: (2,724)

**Cash and Cash equivalents at 1 April**: 15,582

**Cash and Cash equivalents at 31 March**: 12,858
NOTES TO THE ACCOUNTS

1. Accounting policies and other information

Monitor has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the NHS Foundation Trust Annual Reporting Manual which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the 2013/14 NHS Foundation Trust Annual Reporting Manual issued by Monitor. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury’s Financial Reporting Manual to the extent that they are meaningful and appropriate to NHS foundation trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

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.

1.2 Consolidation - Joint operations

The Trust has a joint operational arrangement with both Frimley Park Hospital NHS Foundation Trust and Ashford & St Peter’s Hospital NHS Foundation Trust to provide Pathology services to the Hampshire and Surrey localities. All the organisations account for their own assets and liabilities relating to this joint operation with income and expenditure recognised in equal shares. This arrangement is then subject to a reconciliation process by the three organisations to identify and account for small local variations, such as medical staffing. The main deviation to this allocation arrangement relates to Direct Access Referrals by General Practitioners, whereby 100% of the income is retained by the Trust providing the service but the costs are shared equally.

A bowel cancer screening service is operated jointly with Frimley Park Hospital NHS Foundation Trust where the income and expenditure is recognised in equal shares. Each organisation accounts for their own assets and liabilities.

1.3 Income recognition

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the foundation trust is contracts with commissioners in respect of healthcare services. Revenue relating to patient care spells that are part-completed at the year end are apportioned across the financial years on the basis of length of stay at the end of the reporting period compared to expected total length of stay.

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

The Trust receives income under the NHS Injury Cost Recovery Scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid e.g. by an insurer. The Trust recognises the income when it receives notification from the Department of Work and Pension’s Compensation Recovery Unit that the individual has lodged a compensation claim. The income is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful compensation claims and doubtful debts.
Revenue in respect of goods supplied is recognised when the goods are supplied, at the fair value of the consideration receivable.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

1.4 Employee Benefits

**Short-term employee benefits**
Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

**Retirement benefit cost**
Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. It is not possible for the NHS foundation trust to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme.

Employers 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.

1.5 Expenditure on other goods and services

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

1.6 Property, plant, and equipment

**Recognition**
Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to, the Trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has a cost of at least £5,000; or
- collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.
Where a large asset, for example a building, includes a number of components with significantly different asset lives e.g. plant and equipment, the components are treated as separate assets and depreciated over their own useful economic lives.

Valuation
All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All assets are measured subsequently at fair value.

Land and buildings used for the Trust’s services or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost

Until 31 March 2008, the depreciated replacement cost of specialised buildings has been estimated for an exact replacement of the asset in its present location. HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. The Trust carried out a revaluation of buildings on this basis with a valuation date of 30 November 2009 and has, this financial year, carried out an up to date valuation of land and buildings. Valuations are supplemented by an annual desktop valuation exercise in between formal valuations.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

Until 31 March 2008, fixtures and equipment were carried at replacement cost, as assessed by indexation and depreciation of historic cost. From 1 April 2008 indexation ceased. Fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

Subsequent expenditure
Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is added to the asset’s carrying value. Where subsequent expenditure is simply restoring the asset to the specification assumed by its economic useful life then the expenditure is charged to operating expenses.
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. Equipment is depreciated on current cost evenly over the estimated life of the asset using the following lives:

<table>
<thead>
<tr>
<th>Item</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property</td>
<td>5 to 90</td>
</tr>
<tr>
<td>Medical equipment and engineering plant and equipment</td>
<td>5 to 15</td>
</tr>
<tr>
<td>Furniture</td>
<td>10</td>
</tr>
<tr>
<td>Mainframe information technology installations</td>
<td>8</td>
</tr>
<tr>
<td>Soft furnishings</td>
<td>7</td>
</tr>
<tr>
<td>Office and information technology equipment</td>
<td>5</td>
</tr>
<tr>
<td>Set-up costs in new buildings</td>
<td>10</td>
</tr>
<tr>
<td>Vehicles</td>
<td>7</td>
</tr>
</tbody>
</table>

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

Revaluation gains and losses

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

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of ‘other comprehensive income’.

Impairments

In accordance with the FT ARM, impairments that are due to a loss of economic benefits or service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of:

- the impairment charged to operating expenses; and
- the balance in the revaluation reserve attributable to that asset before the impairment.

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

Other impairments are treated as revaluation losses. Reversals of other impairments are treated as revaluation gains.
De-recognition
Assets intended for disposal are reclassified as ‘Held for Sale’ once all of the following criteria are met:

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

Following reclassification, the assets are measured at the lower of their existing carrying amount and their ‘fair value less costs to sell’. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as ‘Held for Sale’ and instead is retained as an operational asset and the asset’s economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

Donated, government grant and other grant funded assets
Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

Private Finance Initiative (PFI) transactions
PFI 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 at their fair value, together with an equivalent finance lease liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for services. The finance cost is calculated using the implicit interest rate for the scheme.

The service charge is recognised in operating expenses and the finance cost is charged to Finance Costs in the Statement of Comprehensive Income.
1.7 Intangible assets

Recognition
Intangible assets are non-monetary assets without physical substance, which are capable of being sold separately from the rest of the Trust’s business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the Trust, where the cost of the asset can be measured reliably and where the cost is at least £5,000.

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets. Expenditure on research is not capitalised. Expenditure on development is capitalised only where all of the following can be demonstrated:

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

Software 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.

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.

Following initial recognition, intangible assets are carried at fair value by reference to an active market, or, where no active market exists, at amortised replacement cost (modern equivalent assets basis), indexed for relevant price increases, as a proxy for fair value. Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances. Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in operating expenses, in which case they are recognised in operating income. Decreases in asset values and impairments 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’. Revaluation gains and losses and impairments are treated in the same manner as for Property, Plant and Equipment.

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.

1.8. Revenue government and other grants

Government grants are grants from Government bodies other than income from primary care trusts or NHS 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.

1.9 Leases

Finance leases
Where substantially all risks and rewards of ownership of a leased asset are borne by the NHS foundation trust, the asset is recorded as Property, Plant and Equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The asset and liability are recognised at the inception of the lease, and are de-recognised when the liability is discharged, cancelled or expires. The annual rental is split between the repayment of the liability and a finance cost. The annual finance cost is calculated by applying the implicit interest rate to the outstanding liability and is charged to Finance Costs in the Statement of Comprehensive Income.

Operating leases
Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

Leases of land and buildings
Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

The Trust as Lessor
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 so as to reflect a constant periodic rate of return on the trust’s net investment outstanding in respect of the 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 on a straight-line basis over the lease term.

1.10 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the First In, First Out method except for drugs where a dedicated stock system is used applying the weighted average cost method.
1.11 Cash and cash equivalents

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

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust’s cash management.

1.12 Provisions

Provisions are recognised when the Trust has a present legal or constructive obligation as a result of a past event, it is probable that the Trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury’s discount rate of (1.8%) for 0-5 years and (1.0%) for 6-10 years in real terms, except for early retirement provisions and injury benefit provisions which both use the HM Treasury’s pension discount rate of 1.8% in real terms.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the Trust has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when the Trust has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the Trust pays an annual contribution to the NHSLA which, in return, settles all clinical negligence claims. The contribution is charged to operating expenses. Although the NHSLA is administratively responsible for all clinical negligence cases the legal liability remains with the Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the Trust is disclosed at note 28 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 the NHS Litigation Authority and, in return, receives assistance with the costs of claims arising. The annual membership contributions, and any excesses payable in respect of particular claims are charged to operating expenses as and when they become due.
1.13 Contingencies

Contingent liabilities are not recognised, but are disclosed in note 29.1, 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.

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 29.2 where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

1.14 Financial instruments and financial liabilities

Recognition

Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust’s normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs i.e. when receipt or delivery of the goods or services is made.

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

All other financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

De-recognition

All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the Trust has transferred substantially all of the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Classification and Measurement

Financial assets are classified into the following categories: financial assets at fair value through profit and loss; loans and receivables; held to maturity investments; and available for sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial liabilities are classified as either ‘at fair value through profit and loss’ or as ‘other financial liabilities’.

Financial assets and financial liabilities at ‘Fair Value through Income and Expenditure’

Financial assets and financial liabilities at ‘fair value through income and expenditure’ are financial assets or financial liabilities held for trading. A financial asset or financial liability is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Derivatives which are embedded in other contracts but which are not ‘closely-related’ to those contracts are separated-out from those contracts and measured in this category. Assets and liabilities in this category are classified as current assets and current liabilities.
These financial assets and financial liabilities are recognised initially at fair value, with transaction costs expensed in the income and expenditure account. Subsequent movements in the fair value are recognised as gains or losses in the Statement of Comprehensive Income.

**Loans and receivables**
Loans and receivables are non-derivative financial assets with fixed or determinable payments with are not quoted in an active market. They are included in current assets.

The Trust’s loans and receivables comprise: current investments, cash and cash equivalents, NHS debtors, accrued income and ‘other debtors’.

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

**Held to maturity investments**
Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, and there is a positive intention and ability to hold to maturity. After initial recognition, they are held at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

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

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

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

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

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to Finance Costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.
Determination of fair value
For financial assets and financial liabilities carried at fair value, the carrying amounts are determined from quoted market prices where possible, otherwise by valuation techniques.

Impairment of financial assets
At the Statement of Financial Position date, the Trust assesses whether any financial assets, other than those held at ‘fair value through income and expenditure’ are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset’s carrying amount and the present value of the revised future cash flows discounted at the asset’s original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced directly.

1.15 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.

1.16 Corporation Tax
Section 148 of the Finance Act 2004 amended S519A of the Income and Corporation Taxes Act 1988 to provide power to the Treasury to make certain non-core activities of Foundation Trusts potentially subject to corporation tax. This legislation became effective in the 2005/06 financial year.

In determining whether or not an activity is likely to be taxable a three-stage test may be employed:

■ “Is the activity an authorised activity related to the provision of core healthcare?”
■ The provision of goods and services for purposes related to the provision of healthcare authorised under Section 14(1) of the Health and Social Care Act 2003 (HSCA) is not treated as a commercial activity and is therefore tax exempt.”
■ “Is the activity actually or potentially in competition with the private sector?”
■ Trading activities undertaken in house which are ancillary to core healthcare activities are not entrepreneurial in nature and not subject to tax. A trading activity that is capable of being in competition with the wider private sector will be subject to tax.”
■ “Are the annual profits significant?”
■ Only significant trading activity is subject to tax. Significant is defined as annual taxable profits of £50,000 per trading activity.”

The majority of the Trust’s activities are related to core healthcare and are not subject to tax. Where trading activities are undertaken that are commercial in nature they are considered insignificant with profits per activity below the £50,000 tax threshold.
1.17 Foreign exchange

The functional and presentational currencies of the Trust are sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the Trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items (other than financial instruments measured at ‘fair value through income and expenditure’) are translated at the spot exchange rate on 31 March;
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction; and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

1.18 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. The Trust has no third party assets to disclose.

1.19 Accounting Estimates and Judgements

International accounting standard IAS1 requires estimates, assumptions and judgements to be continually evaluated and to be based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The purpose of the evaluation is to consider whether there may be a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year, compared to the carrying value in these accounts. The following significant assumptions and areas of estimation and judgement have been considered in preparing these financial statements.

Value of land and buildings as detailed in note 15: This estimate is based upon the professional judgement of the Trust’s Valuer who has extensive knowledge of the physical estate and market factors. The value does not take into account potential future changes in market value which cannot be predicted with any certainty.

Income from patient care activities: Invoicing deadlines for NHS income prevent actual activity data from being used for non-contracted work performed in March. Income for March is estimated using the February activity data and adjusting this value for the number of working days in March.

Incomplete inpatient episodes as at 31 March: Where a patient occupies a bed at the financial year end an estimated value for the partially completed spell is calculated using a bed day rate multiplied by the number of days that bed has been occupied. The total value calculated for 2013/14 was £2,779k (2012/13 £3,030k).
Untaken annual leave: At the end of each financial year enquiries are made of business managers to gather data on the number of days annual leave earned that are being carried forward into the new financial year. Using a response rate of 75% (2012/13 67%) and actual pay values the value for annual leave carried forward has been estimated to be £731k (2012/13 £985k). The year on year increase/decrease is accounted for as a salary cost/benefit and reported within note 8.1.

Provisions: Values for provisions are based upon data received from the NHS Pensions Agency, the NHS Litigation Authority, expert opinion from within the Trust and external professional advisors regarding when settlement will be made. The basis of those estimates is set out in note 28.

1.20 Public Dividend Capital (PDC) and PDC dividend

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

A charge, reflecting the cost of capital utilised by the NHS foundation trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the NHS foundation trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for donated assets, 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 any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the ‘pre-audit’ version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts.

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, and special notation in the accounts to draw them to the attention of Parliament. 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. The note on losses and special payments is compiled directly from the losses and compensations register which reports amounts on an accruals basis with the exception of provisions for future losses.

1.22 Subsidiaries

Material entities over which the Trust has the power to exercise control so as to obtain economic or other benefits are classified as subsidiaries and are consolidated. Their income and expenses; gains and losses; assets, liabilities and reserves; and cash flows are consolidated in full into the appropriate financial statement lines. Appropriate adjustments are made on consolidation where the subsidiary’s accounting policies are not aligned with the Trust’s or where the subsidiary’s accounting date is before 1 January or after 30 June.

Subsidiaries that are classified as ‘held for sale’ are measured at the lower of their carrying amount or ‘fair value less costs to sell’.

For 2013/14 the Trust has not consolidated the NHS charitable funds for which it is the corporate trustee as the values are considered immaterial.
1.23 Accounting standards that have been issued but have not yet been adopted

The following accounting standards, amendments and interpretations have been issued by the IASB but are not yet required to be adopted:

**Effective for future financial years:**

- IAS 27 Separate Financial Statements
- IAS 28 Associates and joint ventures.
- “IAS 32 Financial Instruments: Presentation amendment
  Offsetting financial assets and liabilities”
- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IFRS 13 Fair Value Measurement

The Trust has considered the above new standards, interpretations and amendments to published standards that are not yet effective and concluded that they are either not relevant to the Trust or that they would not have a significant impact on the Trust’s financial statements, apart from some additional disclosures.

1.24 Accounting standards, amendments and interpretations issued that have been adopted

The Trust has not early adopted any new accounting standards, amendments or interpretations.
2. Operating segments (unaudited)

The contribution variance for each Portfolio and SBU is reported to the Chief Operating Decision Maker (CODM), the Trust’s Chief Executive, monthly; Operating results are not used by the CODM to make decisions about resource allocation to SBUs; Discrete financial information is available by SBU monthly to the CODM.

<table>
<thead>
<tr>
<th></th>
<th>Corporate Services</th>
<th>Medicine &amp; Access</th>
<th>Oncology &amp; Surgical Services</th>
<th>Reserves</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013/14</td>
<td>2013/14</td>
<td>2013/14</td>
<td>2013/14</td>
<td>2013/14</td>
<td>2013/14</td>
</tr>
<tr>
<td>Income</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Catering revenue</td>
<td>102</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>102</td>
</tr>
<tr>
<td>Donations &amp; Grants received</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Donations received in cash &amp;</td>
<td>0</td>
<td>0</td>
<td>643</td>
<td>643</td>
<td></td>
</tr>
<tr>
<td>to fund Operating Expenses</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education and Training income</td>
<td>3,110</td>
<td>2,385</td>
<td>3,185</td>
<td>437</td>
<td>9,117</td>
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<td>Misc. Other Operating income</td>
<td>2,985</td>
<td>11,859</td>
<td>5,849</td>
<td>3,268</td>
<td>23,961</td>
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<td>NHS Acute Activity Income</td>
<td>0</td>
<td>84,745</td>
<td>137,122</td>
<td>11,102</td>
<td>232,969</td>
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<tr>
<td>NHS Clinical Revenue</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other Non Mandatory/Non protected clinical revenue</td>
<td>183</td>
<td>159</td>
<td>45</td>
<td>540</td>
<td>927</td>
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<tr>
<td>Private patient revenue</td>
<td>0</td>
<td>225</td>
<td>4,408</td>
<td>(2)</td>
<td>4,631</td>
</tr>
<tr>
<td>Research and Development</td>
<td>5,265</td>
<td>294</td>
<td>2,675</td>
<td>52</td>
<td>8,286</td>
</tr>
<tr>
<td>Pay</td>
<td>(20,262)</td>
<td>(73,257)</td>
<td>(69,099)</td>
<td>(587)</td>
<td>(163,205)</td>
</tr>
<tr>
<td>Employee Benefits Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Pay</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clinical supplies</td>
<td>(308)</td>
<td>(10,868)</td>
<td>(17,639)</td>
<td>(623)</td>
<td>(29,438)</td>
</tr>
<tr>
<td>Consultancy expense</td>
<td>(1,978)</td>
<td>(123)</td>
<td>(233)</td>
<td>(3)</td>
<td>(2,337)</td>
</tr>
<tr>
<td>Drugs</td>
<td>(263)</td>
<td>(9,415)</td>
<td>(21,474)</td>
<td>(241)</td>
<td>(31,393)</td>
</tr>
<tr>
<td>Misc. other Operating expenses</td>
<td>(18,252)</td>
<td>(5,100)</td>
<td>(2,143)</td>
<td>(1,081)</td>
<td>(26,576)</td>
</tr>
<tr>
<td>Non-clinical supplies</td>
<td>(5,892)</td>
<td>(1,127)</td>
<td>(2,621)</td>
<td>(51)</td>
<td>(9,691)</td>
</tr>
<tr>
<td>(Increase)/decrease in Provisions, Current and Non-Current, net</td>
<td>(13)</td>
<td>(91)</td>
<td>(38)</td>
<td>(1,649)</td>
<td>(1,791)</td>
</tr>
<tr>
<td>Profit (loss) on asset disposals</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Depreciation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and Amortisation on assets held under finance leases</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>(51)</td>
<td>(51)</td>
</tr>
<tr>
<td>Depreciation and Amortisation on owned assets</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>(8,315)</td>
<td>(8,315)</td>
</tr>
<tr>
<td>Impairment (Losses)/Reversals net - purchased/constructed assets</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>(491)</td>
<td>(491)</td>
</tr>
<tr>
<td>Financing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Expense on Finance leases (non-PFI)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>(33)</td>
<td>(33)</td>
</tr>
<tr>
<td>Interest Expense on Overdrafts and Working Captial Facilities</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>(38)</td>
<td>(38)</td>
</tr>
<tr>
<td>Interest Income</td>
<td>35</td>
<td>0</td>
<td>0</td>
<td>35</td>
<td></td>
</tr>
<tr>
<td>PDC dividend expense</td>
<td>0</td>
<td>0</td>
<td>(4,556)</td>
<td>(4,556)</td>
<td></td>
</tr>
<tr>
<td>Other finance Costs</td>
<td>0</td>
<td>0</td>
<td>(6)</td>
<td>(6)</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>(35,288)</td>
<td>(314)</td>
<td>40,037</td>
<td>(1,677)</td>
<td>2,758</td>
</tr>
</tbody>
</table>
### 2. Operating segments (Continued)

#### 2012/13 Comparison (unaudited)

<table>
<thead>
<tr>
<th>Segment</th>
<th>2013/14 £000</th>
<th>2013/14 £000</th>
<th>2013/14 £000</th>
<th>2013/14 £000</th>
<th>2013/14 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Corporate Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations &amp; Grants received of PPE &amp; intangible assets</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>114</td>
<td>114</td>
</tr>
<tr>
<td>Donations received in cash &amp; to fund Operating Expenses</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>521</td>
<td>521</td>
</tr>
<tr>
<td>Catering revenue</td>
<td>2,001</td>
<td>2,115</td>
<td>3,262</td>
<td>3,538</td>
<td>7,987</td>
</tr>
<tr>
<td>NHS Clinical Revenue</td>
<td>20</td>
<td>0</td>
<td>0</td>
<td>8,841</td>
<td>21,653</td>
</tr>
<tr>
<td>Private patient revenue</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>292</td>
<td>21,279</td>
</tr>
<tr>
<td>Research and Development income</td>
<td>140</td>
<td>371</td>
<td>280</td>
<td>5,981</td>
<td>6,772</td>
</tr>
<tr>
<td><strong>Pay</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Benefits Expenses</td>
<td>(17,769)</td>
<td>(71,675)</td>
<td>(64,835)</td>
<td>(621)</td>
<td>(154,900)</td>
</tr>
<tr>
<td>Non-Pay Clinical supplies</td>
<td>(85)</td>
<td>(9,546)</td>
<td>(16,370)</td>
<td>(8,369)</td>
<td>(26,522)</td>
</tr>
<tr>
<td>Consultancy expense</td>
<td>(714)</td>
<td>(251)</td>
<td>(200)</td>
<td>(521)</td>
<td>(1,261)</td>
</tr>
<tr>
<td>Drugs</td>
<td>(169)</td>
<td>(6,896)</td>
<td>(19,858)</td>
<td>(1,059)</td>
<td>(21,279)</td>
</tr>
<tr>
<td>Non-clinical expenses</td>
<td>(365)</td>
<td>(1,126)</td>
<td>(3,662)</td>
<td>(1,871)</td>
<td>(7,126)</td>
</tr>
<tr>
<td>Non-Mandatory/Non protected clinical revenue</td>
<td>(189)</td>
<td>(37)</td>
<td>(32)</td>
<td>(1,504)</td>
<td>(1,753)</td>
</tr>
<tr>
<td>Profit (loss) on asset disposals</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Non-Pay</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consulting fees</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Depreciation and Amortisation on assets held under finance leases</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Depreciation and Amortisation on owned assets</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Impairment (Losses)/Reversals net - purchased/constructed assets</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Financing</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Expense on Finance leases (non-PFI)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Interest Expense on Overdrafts and Working Capital Facilities</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Interest income</td>
<td>0</td>
<td>35</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>PDC dividend expense</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>(4,628)</td>
</tr>
<tr>
<td>Other finance Costs</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>(4,628)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Royal Surrey County Hospital NHS Foundation Trust – Annual Report & Accounts 2013/14
3. Income from healthcare activities

<table>
<thead>
<tr>
<th></th>
<th>2013/14</th>
<th>2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>NHS Foundation Trusts</td>
<td>5,502</td>
<td>4,457</td>
</tr>
<tr>
<td>NHS Trusts</td>
<td>580</td>
<td>565</td>
</tr>
<tr>
<td>CCGs &amp; NHS England</td>
<td>232,983</td>
<td>0</td>
</tr>
<tr>
<td>Strategic Health Authorities</td>
<td>0</td>
<td>689</td>
</tr>
<tr>
<td>Primary Care Trusts</td>
<td>0</td>
<td>213,738</td>
</tr>
<tr>
<td>Local Authorities</td>
<td>260</td>
<td>151</td>
</tr>
<tr>
<td>Department of Health</td>
<td>0</td>
<td>312</td>
</tr>
<tr>
<td>Public Health England</td>
<td>982</td>
<td>0</td>
</tr>
<tr>
<td>Non-NHS:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private Patients</td>
<td>4,632</td>
<td>5,879</td>
</tr>
<tr>
<td>Overseas Patients (non-reciprocal)</td>
<td>139</td>
<td>61</td>
</tr>
<tr>
<td>Injury Costs Recovery Scheme</td>
<td>457</td>
<td>547</td>
</tr>
<tr>
<td>Other</td>
<td>330</td>
<td>6,164</td>
</tr>
<tr>
<td></td>
<td>245,865</td>
<td>232,563</td>
</tr>
</tbody>
</table>

Injury cost recovery income is subject to a provision for impairment of receivables of 15.8% to reflect expected rates of collection.

Included within Non-NHS Other income in 2012/13 is the release of £5.36m from deferred income relating to income received in the financial years 2007/08 to 2010/11 for the bowel cancer screening service. Development of the service provides a greater degree of certainty regarding future income which enabled the Trust in 2012/13 to recognise income deferred from previous years through the Statement of Comprehensive Income.

4. Other Operating Revenue

<table>
<thead>
<tr>
<th></th>
<th>2013/14</th>
<th>2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research and Development</td>
<td>8,286</td>
<td>4,235</td>
</tr>
<tr>
<td>Education and Training</td>
<td>9,116</td>
<td>7,907</td>
</tr>
<tr>
<td>Charitable and other contributions to expenditure - revenue</td>
<td>143</td>
<td>445</td>
</tr>
<tr>
<td>Charitable and other contributions to expenditure - capital</td>
<td>500</td>
<td>190</td>
</tr>
<tr>
<td>Profit on disposal of tangible fixed assets</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>Clinical tests</td>
<td>4,649</td>
<td>4,511</td>
</tr>
<tr>
<td>Pharmacy sales</td>
<td>3,540</td>
<td>1,662</td>
</tr>
<tr>
<td>Property rentals</td>
<td>1,612</td>
<td>1,383</td>
</tr>
<tr>
<td>Other revenue</td>
<td>7,603</td>
<td>4,545</td>
</tr>
<tr>
<td></td>
<td>35,457</td>
<td>24,878</td>
</tr>
</tbody>
</table>

5. Revenue analysis

5.1 Revenue from goods and services

<table>
<thead>
<tr>
<th></th>
<th>2013/14</th>
<th>2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rendering of services</td>
<td>277,782</td>
<td>255,779</td>
</tr>
<tr>
<td>Sale of goods</td>
<td>3,540</td>
<td>1,662</td>
</tr>
<tr>
<td></td>
<td>281,322</td>
<td>257,441</td>
</tr>
</tbody>
</table>

5.2 Revenue arising from commissioner requested services and non-commissioner requested services

<table>
<thead>
<tr>
<th></th>
<th>2013/14</th>
<th>2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commissioner requested services</td>
<td>230,620</td>
<td>200,417</td>
</tr>
<tr>
<td>Non-commissioner requested services</td>
<td>50,702</td>
<td>27,024</td>
</tr>
<tr>
<td></td>
<td>281,322</td>
<td>257,441</td>
</tr>
</tbody>
</table>
The Trust is working with its commissioners to determine the level of commissioner requested services currently provided. Within the 2013-14 financial statements management has taken the view to define the following as commissioner requested services:

Where the Trust has a service level agreement with a commissioner there are indicative levels of activity contained within that agreement, which may or may not be exceeded. This disclosure takes the view that all activity linked to those agreements is a commissioner requested service and the value has been calculated accordingly. Where no agreement exists with a commissioner any activity that is due to be paid for is assumed to be a non-commissioner requested service.

The 2012/13 comparative figures have, however, been provided using the mandatory services definition contained within that year’s reporting guidance.

6. Operating Expenses

<table>
<thead>
<tr>
<th></th>
<th>2013/14</th>
<th>2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services from NHS Foundation Trusts</td>
<td>£1,284</td>
<td>£980</td>
</tr>
<tr>
<td>Services from NHS Trusts</td>
<td>£43</td>
<td>£4</td>
</tr>
<tr>
<td>Services from CCGs &amp; NHS England</td>
<td>£276</td>
<td>£0</td>
</tr>
<tr>
<td>Services from PCTs</td>
<td>£0</td>
<td>£227</td>
</tr>
<tr>
<td>Services from other NHS bodies</td>
<td>£0</td>
<td>£85</td>
</tr>
<tr>
<td>Purchase of healthcare from non NHS bodies</td>
<td>£1,082</td>
<td>£162</td>
</tr>
<tr>
<td>Employee Expenses - Executive directors</td>
<td>£993</td>
<td>£828</td>
</tr>
<tr>
<td>Employee Expenses - Non-executive directors</td>
<td>£140</td>
<td>£91</td>
</tr>
<tr>
<td>Employee Expenses - Staff</td>
<td>£162,072</td>
<td>153,982</td>
</tr>
<tr>
<td>Drug costs</td>
<td>£29,666</td>
<td>£25,146</td>
</tr>
<tr>
<td>Supplies and services - clinical</td>
<td>£32,392</td>
<td>£28,118</td>
</tr>
<tr>
<td>Supplies and services - general</td>
<td>£9,691</td>
<td>£7,126</td>
</tr>
<tr>
<td>Establishment</td>
<td>£3,541</td>
<td>£3,212</td>
</tr>
<tr>
<td>Transport</td>
<td>£568</td>
<td>£488</td>
</tr>
<tr>
<td>Premises</td>
<td>£10,223</td>
<td>£9,531</td>
</tr>
<tr>
<td>Increase/(decrease) in provision for impairment of receivables</td>
<td>£218</td>
<td>£106</td>
</tr>
<tr>
<td>Increase/(decrease) in other provisions</td>
<td>£1,791</td>
<td>£1,753</td>
</tr>
<tr>
<td>Change in provisions discount rate(s)</td>
<td>£14</td>
<td>£0</td>
</tr>
<tr>
<td>Depreciation</td>
<td>£8,182</td>
<td>£8,202</td>
</tr>
<tr>
<td>Amortisation on intangible assets</td>
<td>£183</td>
<td>£172</td>
</tr>
<tr>
<td>Impairments of property, plant and equipment</td>
<td>£1,168</td>
<td>£2,128</td>
</tr>
<tr>
<td>Audit fees - Statutory Audit</td>
<td>£60</td>
<td>£60</td>
</tr>
<tr>
<td>Other auditor’s remuneration:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Further assurance services - Quality &amp; Whole of Gov’t Accounts review</td>
<td>£20</td>
<td>£20</td>
</tr>
<tr>
<td>Taxation Advisory Services</td>
<td>£12</td>
<td>£0</td>
</tr>
<tr>
<td>Internal Audit service</td>
<td>£48</td>
<td>£46</td>
</tr>
<tr>
<td>Clinical negligence</td>
<td>£5,009</td>
<td>£4,335</td>
</tr>
<tr>
<td>Legal Fees</td>
<td>£217</td>
<td>£209</td>
</tr>
<tr>
<td>Consultancy costs</td>
<td>£2,270</td>
<td>£1,182</td>
</tr>
<tr>
<td>Training, courses and conferences</td>
<td>£1,079</td>
<td>£622</td>
</tr>
<tr>
<td>Insurance</td>
<td>£264</td>
<td>£251</td>
</tr>
<tr>
<td>Redundancy &amp; early retirements</td>
<td>£735</td>
<td>£472</td>
</tr>
<tr>
<td>Losses, ex gratia and special payments</td>
<td>£333</td>
<td>£187</td>
</tr>
<tr>
<td>Other</td>
<td>£390</td>
<td>£591</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>273,965</strong></td>
<td><strong>250,316</strong></td>
</tr>
</tbody>
</table>

Audit liability cap

The engagement letter signed on 26 June 2010 states that the liability of KPMG, its members, partners and staff (whether in contract, negligence or otherwise) in respect of services provided in connection with or arising out of the audit shall in no circumstances exceed £1,000,000, in the aggregate in respect of all such services. The only exception to this limit is in respect of the limited assurance opinion provided on the Quality Account where the liability is capped at £200,000.
7. Operating leases

7.1 As lessee

<table>
<thead>
<tr>
<th>Payments recognised as an expense</th>
<th>2013/14</th>
<th>2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum lease payments</td>
<td>2,061</td>
<td>1,773</td>
</tr>
<tr>
<td>Total</td>
<td>2,061</td>
<td>1,773</td>
</tr>
</tbody>
</table>

Total future minimum lease payments

<table>
<thead>
<tr>
<th>2013/14</th>
<th>2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
</tr>
</tbody>
</table>

Payable:

- Not later than one year: 1,316, 1,141
- Between one and five years: 2,193, 1,693
- After 5 years: 3,388, 0

Total: 6,897, 2,834

7.2 As Lessor

A number of lease agreements have been entered into by the Trust allowing the use of land and/or buildings on the main Royal Surrey County Hospital site. The provisions of IAS 17 have been considered with the conclusion that all of these leases should be accounted for as operating leases.

Rental revenue

<table>
<thead>
<tr>
<th>2013/14</th>
<th>2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
</tr>
</tbody>
</table>

Other:

| 1,749 | 1,535 |

Total rental revenue:

| 1,749 | 1,535 |

Total future minimum lease payments

<table>
<thead>
<tr>
<th>2013/14</th>
<th>2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
</tr>
</tbody>
</table>

Receivable:

- Not later than one year: 957, 556
- Between one and five years: 2,462, 1,295
- After 5 years: 36,963, 21,212

Total: 40,382, 23,063

8. Employee benefits and numbers

8.1 Employee benefits

<table>
<thead>
<tr>
<th>2013/14</th>
<th>2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>£000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Permanently Employed</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
</tr>
</tbody>
</table>

Salaries: 128,245, 113,256, 14,989, 122,582
Social Security Costs: 10,754, 10,754, 0, 10,370
Employer contributions to NHS Pension Scheme: 14,768, 14,768, 0, 13,114
Termination benefits: 849, 849, 0, 472
Agency/contract staff: 9,343, 0, 9,343, 8,804
Employee benefits expense: 163,959, 139,627, 24,332, 155,342

Included within pay costs is £45k (2012/13 £60k) which represents staff time capitalised in the reporting period.

Within the accounts payable note £731k (2012/13 £985k) has been included as an estimate of annual leave not taken as at 31/03/2014. The adjustment of £254k has had the impact of reducing staff costs within the accounting period.
8.2 Staff exit packages

<table>
<thead>
<tr>
<th>Exit Package Cost Band</th>
<th>Compulsory Redundancies</th>
<th>Other Departures</th>
<th>Total Number by Cost Band</th>
</tr>
</thead>
<tbody>
<tr>
<td>£10,000</td>
<td>0</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>£10,000 - 25,000</td>
<td>5</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>£25,001 - 50,000</td>
<td>4</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>£50,001 - 100,000</td>
<td>4</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>£100,001 - 150,000</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

|                      | 14                      | 17               | 31                        |

The total cost to the Trust of redundancy payments in this financial year was £716k (2012/13 £441k) and for early retirement payments £19k (2012/13 £31k). Other departures relate to contractual payments made in lieu of notice. There were seventeen cases in this financial year (2012/13 two) at a total cost of £133k (2012/13 £31k). There were no non-compulsory departures in either this financial year or 2012/13.

8.3 Directors’ remuneration and other benefits

Total remuneration paid to directors for the year ended 31/03/2014 (in their capacity as directors) totalled £726,967 (2012/13 £599,894). No other remuneration was paid to Directors in their capacity as directors. There were no advances or guarantees entered into on behalf of directors by the Trust. Employer contributions to the NHS Pension Scheme for Executive Directors for the year ended 31/03/2014 totalled £87,840 (2012/13 £84,217). The total number of directors to whom benefits are accruing under the NHS defined benefit scheme (the NHS Pension Scheme) was seven (2012/13 six).

8.4 Average number of full time equivalent people employed

<table>
<thead>
<tr>
<th></th>
<th>2013/14</th>
<th>2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Permanently Employed</td>
</tr>
<tr>
<td>Medical and dental</td>
<td>490</td>
<td>490</td>
</tr>
<tr>
<td>Administration and estates</td>
<td>632</td>
<td>632</td>
</tr>
<tr>
<td>Healthcare assistants and other support staff</td>
<td>489</td>
<td>489</td>
</tr>
<tr>
<td>Nursing, midwifery and health visiting staff</td>
<td>928</td>
<td>928</td>
</tr>
<tr>
<td>Scientific, therapeutic and technical staff</td>
<td>594</td>
<td>594</td>
</tr>
<tr>
<td>Bank and agency staff</td>
<td>458</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Total</td>
<td>3,603</td>
<td>3,145</td>
</tr>
</tbody>
</table>

Included within the number of staff employed is one employee (2012/13 one employee) directly involved in the Trust’s capital projects.

9. Pension costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhbsba.nhs.uk/pensions. The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the 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 the scheme liability is carried out annually by the scheme actuary 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 are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2014, is based on valuation data as 31 March 2013, updated to 31 March 2014 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 scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts, published annually. These accounts can be viewed on the NHS Pensions website. 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 scheme (taking into account its recent demographic experience), and to recommend the contribution rates to be paid by employers and scheme members

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2004. Consequently, a formal actuarial valuation would have been due for the year ending 31 March 2008. However, formal actuarial valuations for unfunded public service schemes were suspended by HM Treasury on value for money grounds while consideration is given to recent changes to public service pensions, and while future scheme terms are developed as part of the reforms to public service pension provision due in 2015.

The Scheme Regulations were changed to allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

The next formal valuation to be used for funding purposes will be carried out at as at March 2012 and will be used to inform the contribution rates to be used from 1 April 2015.

c) Scheme provisions
The NHS Pension Scheme provides defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained:

Annual Pensions
The Scheme is a “final salary” scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as “pension commutation”.
**Pensions Indexation**
Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) has been used and replaced the Retail Prices Index (RPI).

**Ill-Health Retirement**
Early payment of a pension, with enhancement, is available to members of the Scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity.

**Death Benefits**
A death gratuity of twice their final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

**Compensation for Early Retirement**
For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

**Additional Voluntary Contributions (AVCs)**
Members can purchase additional service in the NHS Scheme and contribute to money purchase AVCs run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

10. **Retirements due to ill-health**
During the accounting period there were 0 (2012/13 there were 0) early retirements from the NHS Foundation Trust agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements is £0k. (2012/13 £0k). The cost of ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

11. **Better Payment Practice Code (Unaudited)**

11.1 **Better Payment Practice Code - measure of compliance**

<table>
<thead>
<tr>
<th></th>
<th>2013/14</th>
<th></th>
<th>2012/13</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>£000</td>
<td>Number</td>
<td>£000</td>
</tr>
<tr>
<td>Total Non-NHS trade invoices paid in the year</td>
<td>66,058</td>
<td>95,014</td>
<td>56,300</td>
<td>79,306</td>
</tr>
<tr>
<td>Total Non-NHS trade invoices paid within target</td>
<td>62,142</td>
<td>88,747</td>
<td>52,795</td>
<td>73,337</td>
</tr>
<tr>
<td>Percentage of Non-NHS trade invoices paid within target</td>
<td>94%</td>
<td>93%</td>
<td>94%</td>
<td>92%</td>
</tr>
<tr>
<td>Total NHS trade invoices paid in the year</td>
<td>2,322</td>
<td>18,664</td>
<td>1,911</td>
<td>17,075</td>
</tr>
<tr>
<td>Total NHS trade invoices paid within target</td>
<td>1,872</td>
<td>14,991</td>
<td>1,551</td>
<td>14,343</td>
</tr>
<tr>
<td>Percentage of NHS trade invoices paid within target</td>
<td>81%</td>
<td>80%</td>
<td>81%</td>
<td>84%</td>
</tr>
</tbody>
</table>

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

11.2 **The Late Payment of Commercial Debts (Interest) Act 1998**
No claims or compensation payments were made under this legislation in either this or the previous financial year.
### 12. Finance Income

<table>
<thead>
<tr>
<th></th>
<th>2013/14 £000</th>
<th>2012/13 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on bank accounts</td>
<td>33</td>
<td>55</td>
</tr>
<tr>
<td>Interest on held-to-maturity financial assets</td>
<td>1</td>
<td>151</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>34</strong></td>
<td><strong>206</strong></td>
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</tbody>
</table>

### 13. Finance Costs

#### 13.1 Finance Costs - interest expense

<table>
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<tr>
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<th>2012/13 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on Loans and Receivables</td>
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<td>0</td>
</tr>
<tr>
<td>Finance leases</td>
<td>29</td>
<td>39</td>
</tr>
<tr>
<td>Other - payment penalty HMRC</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>71</strong></td>
<td><strong>39</strong></td>
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</tbody>
</table>

#### 13.2 Impairment of assets (PPE & intangibles)

<table>
<thead>
<tr>
<th></th>
<th>2013/14 £000</th>
<th>2012/13 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abandonment of assets in course of construction</td>
<td>0</td>
<td>14</td>
</tr>
<tr>
<td>Changes in market price</td>
<td>15,752</td>
<td>2,665</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>15,752</td>
<td>2,679</td>
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</table>

### 14. Intangible assets

<table>
<thead>
<tr>
<th></th>
<th>2013/14</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td><strong>Computer software - purchased</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross cost at 1 April 2013</td>
<td>545</td>
<td>546</td>
<td>32</td>
<td>1,123</td>
</tr>
<tr>
<td>Impairments charged to revaluation reserve</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Reclassifications</td>
<td>32</td>
<td>0</td>
<td>(32)</td>
<td>0</td>
</tr>
<tr>
<td>Revaluation surpluses</td>
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<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Additions - purchased</td>
<td>694</td>
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<td>694</td>
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<tr>
<td>Additions - donated</td>
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<td>0</td>
<td>0</td>
<td>44</td>
</tr>
<tr>
<td>Additions - internally generated</td>
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<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Transferred to disposal group as asset held for sale</td>
<td>0</td>
<td>0</td>
<td>0</td>
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</tr>
<tr>
<td>Disposals</td>
<td>(112)</td>
<td>0</td>
<td>0</td>
<td>(112)</td>
</tr>
<tr>
<td><strong>Gross cost at 31 March 2014</strong></td>
<td><strong>1,203</strong></td>
<td>546</td>
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<td><strong>1,749</strong></td>
</tr>
<tr>
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<td>109</td>
<td>0</td>
<td>494</td>
</tr>
<tr>
<td>Provided during the year</td>
<td>74</td>
<td>109</td>
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<td>183</td>
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<tr>
<td>Impairments recognised in the income and expenditure account</td>
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<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Reversal of impairments recognised in the income and expenditure account</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Reclassifications</td>
<td>0</td>
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<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Revaluation surpluses</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Transferred to disposal group as asset held for sale</td>
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<td>0</td>
</tr>
<tr>
<td>Disposals</td>
<td>(112)</td>
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<td>0</td>
<td>(112)</td>
</tr>
<tr>
<td><strong>Amortisation at 31 March 2014</strong></td>
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<td><strong>218</strong></td>
<td><strong>0</strong></td>
<td><strong>565</strong></td>
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</table>
Net book value

<table>
<thead>
<tr>
<th></th>
<th>Purchased</th>
<th>Donated</th>
<th>Government granted</th>
<th>Total at 31 March 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Gross cost at 1 April 2013</td>
<td>500</td>
<td>546</td>
<td>11</td>
<td>1,057</td>
</tr>
<tr>
<td>Impairments charged to revaluation reserve</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Reclassifications</td>
<td>11</td>
<td>0</td>
<td>(11)</td>
<td>0</td>
</tr>
<tr>
<td>Revaluation surpluses</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Additions - purchased</td>
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<td>32</td>
<td>70</td>
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<tr>
<td>Additions - donated</td>
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<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Additions - internally generated</td>
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<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Transferred to disposal group as asset held for sale</td>
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<tr>
<td>Disposals</td>
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<td>0</td>
<td>(4)</td>
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<tr>
<td>Gross cost at 31 March 2013</td>
<td>545</td>
<td>546</td>
<td>32</td>
<td>1,123</td>
</tr>
</tbody>
</table>

Amortisation at 1 April 2012 | 326 | 0 | 0 | 326
Provided during the year | 63 | 109 | 0 | 172
Impairments recognised in the income and expenditure account | 0 | 0 | 0 | 0
Reversal of impairments recognised in the income and expenditure account | 0 | 0 | 0 | 0
Reevaluations surpluses | 0 | 0 | 0 | 0
Transferred to disposal group as asset held for sale | 0 | 0 | 0 | 0
Disposals | (4) | 0 | 0 | (4)
Amortisation at 31 March 2013 | 385 | 109 | 0 | 494

Net book value

<table>
<thead>
<tr>
<th></th>
<th>Purchased</th>
<th>Donated</th>
<th>Government granted</th>
<th>Total at 31 March 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Gross cost at 1 April 2013</td>
<td>500</td>
<td>546</td>
<td>11</td>
<td>1,057</td>
</tr>
<tr>
<td>Impairments charged to revaluation reserve</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Reclassifications</td>
<td>11</td>
<td>0</td>
<td>(11)</td>
<td>0</td>
</tr>
<tr>
<td>Revaluation surpluses</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Additions - purchased</td>
<td>38</td>
<td>0</td>
<td>32</td>
<td>70</td>
</tr>
<tr>
<td>Additions - donated</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Additions - internally generated</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Transferred to disposal group as asset held for sale</td>
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<tr>
<td>Disposals</td>
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<td>0</td>
<td>0</td>
<td>(4)</td>
</tr>
<tr>
<td>Gross cost at 31 March 2013</td>
<td>545</td>
<td>546</td>
<td>32</td>
<td>1,123</td>
</tr>
</tbody>
</table>

Amortisation at 1 April 2012 | 326 | 0 | 0 | 326
Provided during the year | 63 | 109 | 0 | 172
Impairments recognised in the income and expenditure account | 0 | 0 | 0 | 0
Reversal of impairments recognised in the income and expenditure account | 0 | 0 | 0 | 0
Reevaluations surpluses | 0 | 0 | 0 | 0
Transferred to disposal group as asset held for sale | 0 | 0 | 0 | 0
Disposals | (4) | 0 | 0 | (4)
Amortisation at 31 March 2013 | 385 | 109 | 0 | 494

Only purchased computer software, that has a financial benefit to the Trust, has been capitalised. These assets are amortised over a maximum period of five years.
## 15. Property, plant and equipment

<table>
<thead>
<tr>
<th>2013/14</th>
<th>Land</th>
<th>Buildings excluding dwellings</th>
<th>Dwellings</th>
<th>Assets under construction and payments on account</th>
<th>Plant and machinery</th>
<th>Transport equipment</th>
<th>Information technology</th>
<th>Furniture &amp; fittings</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Cost or valuation at 1 April 2013</td>
<td>30,655</td>
<td>110,117</td>
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<td>1,540</td>
<td>40,197</td>
<td>54</td>
<td>9,332</td>
<td>242</td>
<td>192,137</td>
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<tr>
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<td>0</td>
<td>0</td>
<td>(14)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>(14)</td>
</tr>
<tr>
<td>Additions - purchased</td>
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<td>5,579</td>
<td>0</td>
<td>5,108</td>
<td>5,271</td>
<td>0</td>
<td>1,858</td>
<td>0</td>
<td>17,816</td>
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<td>0</td>
<td>16</td>
<td>416</td>
<td>0</td>
<td>0</td>
<td>416</td>
<td>40</td>
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<td>0</td>
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<td>(1,168)</td>
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<td>0</td>
<td>0</td>
<td>(14,584)</td>
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<td>(790)</td>
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</tr>
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<td>0</td>
<td>0</td>
<td>22</td>
</tr>
<tr>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Disposals</td>
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<td>(265)</td>
<td>0</td>
<td>0</td>
<td>(4,103)</td>
<td>0</td>
<td>(1,925)</td>
<td>(48)</td>
<td>(6,341)</td>
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<tr>
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<td>5,844</td>
<td>41,797</td>
<td>54</td>
<td>9265</td>
<td>194</td>
<td>189,001</td>
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<tr>
<td>Depreciation at 1 April 2013</td>
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<td>0</td>
<td>14</td>
<td>26,924</td>
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<td>6,300</td>
<td>228</td>
<td>47,685</td>
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<td>(14)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>(14)</td>
</tr>
<tr>
<td>Impairments recognised in the operating expenses</td>
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<td>3,958</td>
<td>0</td>
<td>0</td>
<td>3,253</td>
<td>2</td>
<td>967</td>
<td>3</td>
<td>8,183</td>
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<tr>
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<td>0</td>
<td>0</td>
<td>0</td>
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<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Reclassifications</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Transferred to disposal group as asset held for sale</td>
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<td>0</td>
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<td>0</td>
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<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Disposals</td>
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<td>(265)</td>
<td>0</td>
<td>0</td>
<td>(4,094)</td>
<td>0</td>
<td>(1,925)</td>
<td>(48)</td>
<td>(6,332)</td>
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<tr>
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<td>17,868</td>
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<td>0</td>
<td>26,083</td>
<td>46</td>
<td>5,342</td>
<td>183</td>
<td>49,552</td>
</tr>
</tbody>
</table>

### Net book value

| Owned at 31 March 2014 | 21,722 | 86,908 | 0 | 5,844 | 14,229 | 8 | 3,835 | 11 | 132,557 |
| Finance Leased at 31 March 2014 | 0 | 1,421 | 0 | 0 | 0 | 0 | 0 | 0 | 1,421 |
| Donated at 31 March 2014 | 0 | 3,928 | 0 | 0 | 1,485 | 0 | 88 | 0 | 5,501 |
| Total at 31 March 2014 | 27,722 | 328 | 0 | 5,844 | 15,714 | 8 | 3,923 | 11 | 139,479 |
## Prior Year

### 2013/14

<table>
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<tr>
<th></th>
<th>Land</th>
<th>Buildings excluding dwellings</th>
<th>Dwellings</th>
<th>Assets under construction and payments on account</th>
<th>Plant and machinery</th>
<th>Transport equipment</th>
<th>Information technology</th>
<th>Furniture &amp; fittings</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Cost or valuation at 1 April 2012</td>
<td>29,915</td>
<td>102,167</td>
<td>0</td>
<td>3,498</td>
<td>37,724</td>
<td>43</td>
<td>7,708</td>
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<td>2,705</td>
<td>11</td>
<td>1,665</td>
<td>0</td>
<td>10,924</td>
</tr>
<tr>
<td>Additions - donated</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>189</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>189</td>
</tr>
<tr>
<td>Acquisition through business combination</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Impairments charged to revaluation reserve</td>
<td>0</td>
<td>(551)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>(551)</td>
<td>0</td>
</tr>
<tr>
<td>Reclassifications</td>
<td>0</td>
<td>3,416</td>
<td>0</td>
<td>(3,416)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Revaluation surpluses</td>
<td>740</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>740</td>
<td>0</td>
</tr>
<tr>
<td>Transferred to disposal group as asset held for sale</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Disposals</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>(421)</td>
<td>0</td>
<td>(41)</td>
<td>0</td>
</tr>
<tr>
<td><strong>Cost or valuation at 31 March 2014</strong></td>
<td><strong>30,655</strong></td>
<td><strong>110,125</strong></td>
<td><strong>0</strong></td>
<td><strong>1,540</strong></td>
<td><strong>41,797</strong></td>
<td><strong>54</strong></td>
<td><strong>9265</strong></td>
<td><strong>242</strong></td>
<td><strong>192,137</strong></td>
</tr>
<tr>
<td>Depreciation at 1 April 2012</td>
<td>0</td>
<td>8,067</td>
<td>0</td>
<td>0</td>
<td>23,919</td>
<td>43</td>
<td>5,563</td>
<td>225</td>
<td>37,817</td>
</tr>
<tr>
<td>Provided during the year</td>
<td>0</td>
<td>3,994</td>
<td>0</td>
<td>0</td>
<td>3,426</td>
<td>1</td>
<td>778</td>
<td>3</td>
<td>8,202</td>
</tr>
<tr>
<td>Acquisition through business combination</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Impairments recognised in the operating expenses</td>
<td>0</td>
<td>2,114</td>
<td>0</td>
<td>14</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>2,128</td>
</tr>
<tr>
<td>Reversal of impairments</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Reclassifications</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Revaluation surpluses</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Transferred to disposal group as asset held for sale</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Disposals</td>
<td>0</td>
<td>(265)</td>
<td>0</td>
<td>0</td>
<td>(421)</td>
<td>0</td>
<td>(41)</td>
<td>0</td>
<td>(462)</td>
</tr>
<tr>
<td><strong>Amortisation at 31 March 2014</strong></td>
<td><strong>0</strong></td>
<td><strong>14,175</strong></td>
<td><strong>0</strong></td>
<td><strong>14</strong></td>
<td><strong>26,924</strong></td>
<td><strong>44</strong></td>
<td><strong>6,300</strong></td>
<td><strong>228</strong></td>
<td><strong>47,685</strong></td>
</tr>
</tbody>
</table>

### Net book value

<table>
<thead>
<tr>
<th></th>
<th>Owned at 31 March 2014</th>
<th>Finance Leased at 31 March 2014</th>
<th>Donated at 31 March 2014</th>
<th>Total at 31 March 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td></td>
<td>30,655</td>
<td>89,409</td>
<td>0</td>
<td>136,279</td>
</tr>
<tr>
<td>Finance Leased at 31 March 2014</td>
<td>0</td>
<td>2,493</td>
<td>0</td>
<td>2,493</td>
</tr>
<tr>
<td>Donated at 31 March 2014</td>
<td>0</td>
<td>4,040</td>
<td>0</td>
<td>5,680</td>
</tr>
<tr>
<td><strong>Total at 31 March 2014</strong></td>
<td><strong>30,655</strong></td>
<td><strong>95,942</strong></td>
<td><strong>0</strong></td>
<td><strong>144,452</strong></td>
</tr>
</tbody>
</table>
16. Impairments

A revaluation of the Trust's Land and Building assets was carried out at the end of the financial year by the Trust's valuer DTZ. This identified an impairment in the carrying amount for buildings of £6,819k and land of £8,933k. Of this figure £14,584k (land £7,879k and buildings £6,705k) has been charged to the Trust's Revaluation Reserve and the remaining £1,168k to operating expenses. In 2012/13 there was a buildings impairment of £2,114k charged to operating expenses. In this financial year £677k has been reversed in the statement of comprehensive income.

17. Capital commitments

Contracted capital commitments at 31 March not otherwise included in these financial statements:

<table>
<thead>
<tr>
<th></th>
<th>31 March 2014</th>
<th>31 March 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>£1,356</td>
<td>£8,989</td>
</tr>
<tr>
<td>Total</td>
<td>£1,356</td>
<td>£8,989</td>
</tr>
</tbody>
</table>

The major commitments are:
- Radiotherapy Outreach Facility - Redhill £661k Complete in 2014/15
- ITU Extension £278k Complete in 2014/15
- Outpatient Pharmacy £208k Complete in 2014/15
- Various Building Works £187k Complete in 2014/15

18. Inventories

18.1 Inventories

<table>
<thead>
<tr>
<th></th>
<th>31 March 2014</th>
<th>31 March 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventories held for use</td>
<td>£4,789</td>
<td>£4,611</td>
</tr>
<tr>
<td>Total</td>
<td>£4,789</td>
<td>£4,611</td>
</tr>
</tbody>
</table>

18.2 Inventories recognised in expenses

<table>
<thead>
<tr>
<th></th>
<th>31 March 2014</th>
<th>31 March 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Write-down of inventories (including losses)</td>
<td>165</td>
<td>155</td>
</tr>
<tr>
<td>Total</td>
<td>165</td>
<td>155</td>
</tr>
</tbody>
</table>

19. Trade and other receivables

19.1 Trade and other receivables

<table>
<thead>
<tr>
<th></th>
<th>Current 31 March</th>
<th>Non-current 31 March</th>
<th>Current 31 March</th>
<th>Non-current 31 March</th>
</tr>
</thead>
<tbody>
<tr>
<td>NHS receivables - Revenue</td>
<td>£15,832</td>
<td>£0</td>
<td>£7,802</td>
<td>£0</td>
</tr>
<tr>
<td>Other receivables with related parties</td>
<td>£379</td>
<td>£0</td>
<td>£167</td>
<td>£0</td>
</tr>
<tr>
<td>Non NHS receivables</td>
<td>£4,066</td>
<td>£572</td>
<td>£2,950</td>
<td>£514</td>
</tr>
<tr>
<td>Non NHS capital receivables</td>
<td>£125</td>
<td>£25</td>
<td>£100</td>
<td>£125</td>
</tr>
<tr>
<td>PDC receivable</td>
<td>£265</td>
<td>£0</td>
<td>£117</td>
<td>£0</td>
</tr>
<tr>
<td>VAT</td>
<td>£662</td>
<td>£0</td>
<td>£388</td>
<td>£0</td>
</tr>
<tr>
<td>Prepayments</td>
<td>£1,367</td>
<td>£0</td>
<td>£764</td>
<td>£0</td>
</tr>
<tr>
<td>Accrued income</td>
<td>£6,061</td>
<td>£0</td>
<td>£3,680</td>
<td>£0</td>
</tr>
<tr>
<td>Provision for the impairment of receivables</td>
<td>(426)</td>
<td>(90)</td>
<td>(272)</td>
<td>(65)</td>
</tr>
<tr>
<td>Total</td>
<td>£28,331</td>
<td>£507</td>
<td>£15,696</td>
<td>£574</td>
</tr>
</tbody>
</table>
19.2 Provision for impairment of receivables

<table>
<thead>
<tr>
<th></th>
<th>31 March 2014</th>
<th>31 March 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
<td></td>
</tr>
<tr>
<td>At 1 April</td>
<td>337</td>
<td>337</td>
</tr>
<tr>
<td>Increase in provision</td>
<td>299</td>
<td>125</td>
</tr>
<tr>
<td>Amount utilised during the period</td>
<td>(39)</td>
<td>(106)</td>
</tr>
<tr>
<td>Amount reversed unused</td>
<td>(81)</td>
<td>(19)</td>
</tr>
<tr>
<td>Balance at 31 March</td>
<td>516</td>
<td>337</td>
</tr>
</tbody>
</table>

Outstanding invoiced receivables are reviewed monthly and any invoices that are greater than 60 days past their due date are assessed for impairment. Debtor type and length of association are factors taken into account when deciding whether the receivable should be impaired. The Trust does not hold collateral for any of its receivables.

19.3 Analysis of impaired receivables

<table>
<thead>
<tr>
<th>Ageing of impaired receivables:</th>
<th>31 March 2014</th>
<th>31 March 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
<td></td>
</tr>
<tr>
<td>Up to three months</td>
<td>271</td>
<td>171</td>
</tr>
<tr>
<td>In three to six months</td>
<td>61</td>
<td>36</td>
</tr>
<tr>
<td>Over six months</td>
<td>184</td>
<td>130</td>
</tr>
<tr>
<td>Total</td>
<td>516</td>
<td>337</td>
</tr>
</tbody>
</table>

19.4 Receivables past their due date but not impaired

<table>
<thead>
<tr>
<th></th>
<th>31 March 2014</th>
<th>31 March 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
<td></td>
</tr>
<tr>
<td>By up to three months</td>
<td>7,283</td>
<td>3,803</td>
</tr>
<tr>
<td>By three to six months</td>
<td>4,618</td>
<td>294</td>
</tr>
<tr>
<td>By more than six months</td>
<td>3,120</td>
<td>23</td>
</tr>
<tr>
<td>Total</td>
<td>15,021</td>
<td>4,120</td>
</tr>
</tbody>
</table>

20. Trade and other payables

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts in advance</td>
<td>352</td>
<td>0</td>
<td>142</td>
<td>0</td>
</tr>
<tr>
<td>NHS payables</td>
<td>1,485</td>
<td>0</td>
<td>1,297</td>
<td>0</td>
</tr>
<tr>
<td>Trade payables - capital</td>
<td>4,129</td>
<td>0</td>
<td>1,053</td>
<td>0</td>
</tr>
<tr>
<td>Other trade payables</td>
<td>5,869</td>
<td>0</td>
<td>4,384</td>
<td>0</td>
</tr>
<tr>
<td>Taxes payable</td>
<td>3,144</td>
<td>0</td>
<td>3,084</td>
<td>0</td>
</tr>
<tr>
<td>Other payables</td>
<td>3,564</td>
<td>0</td>
<td>3,058</td>
<td>0</td>
</tr>
<tr>
<td>Accruals</td>
<td>8,968</td>
<td>0</td>
<td>6,437</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>27,511</td>
<td>0</td>
<td>19,455</td>
<td>0</td>
</tr>
</tbody>
</table>

Other payables include:
£1,792k outstanding pensions contributions at 31 March 2013 (£1.636k at 31 March 2012).

21. Other liabilities

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Income</td>
<td>1,960</td>
<td>938</td>
<td>3,102</td>
<td>950</td>
</tr>
<tr>
<td>Total</td>
<td>1,960</td>
<td>938</td>
<td>3,102</td>
<td>950</td>
</tr>
</tbody>
</table>
22. Borrowings

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Bank overdrafts</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Drawdown in committed facility</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Loans from Foundation Trust Financing Facility</td>
<td>441</td>
<td>7,059</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other Loans</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Obligations under finance leases</td>
<td>223</td>
<td>287</td>
<td>212</td>
<td>510</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>664</strong></td>
<td><strong>7,346</strong></td>
<td><strong>212</strong></td>
<td><strong>510</strong></td>
</tr>
</tbody>
</table>

In 2012/13 the Trust was granted a prudential borrowing limit (PBL) of £49,800k. The prudential borrowing code requirements in section 41 of the NHS Act 2006 have been repealed with effect from 1 April 2013 by the Health and Social Care Act 2012. As a result the disclosures provided previously are no longer required.

23. Finance lease obligations

<table>
<thead>
<tr>
<th>Amounts payable under finance leases:</th>
<th>Minimum lease payments</th>
<th>Present value of minimum lease payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 March 2014</td>
<td>£000</td>
<td>31 March 2014</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Gross lease liabilities of which liabilities are due:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>not later than one year;</td>
<td>533</td>
<td>510</td>
</tr>
<tr>
<td>later than one year and not later than five years;</td>
<td>242</td>
<td>237</td>
</tr>
<tr>
<td>later than five years</td>
<td>291</td>
<td>273</td>
</tr>
<tr>
<td>Less future finance charges</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Net lease liabilities</td>
<td>510</td>
<td>488</td>
</tr>
<tr>
<td>not later than one year</td>
<td>223</td>
<td>218</td>
</tr>
<tr>
<td>later than one year and not later than five years;</td>
<td>287</td>
<td>270</td>
</tr>
<tr>
<td>later than five years</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

24. Finance lease commitments

The Trust has no finance lease commitments.

25. Private Finance Initiative contracts

There are no PFI schemes to report for the year ending 31 March 2014.

26. Cash and cash equivalents

<table>
<thead>
<tr>
<th></th>
<th>31 March 2014</th>
<th>31 March 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 April</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Net change in year</td>
<td>(2,724)</td>
<td>1,526</td>
</tr>
<tr>
<td>At 31 March</td>
<td>12,858</td>
<td>15,582</td>
</tr>
</tbody>
</table>

Broken down into:

<table>
<thead>
<tr>
<th></th>
<th>31 March 2014</th>
<th>31 March 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at commercial banks and in hand</td>
<td>149</td>
<td>25</td>
</tr>
<tr>
<td>Cash with the Government Banking Service</td>
<td>12,709</td>
<td>15,557</td>
</tr>
<tr>
<td>Cash and cash equivalents as in Statement of Financial Position</td>
<td>12,858</td>
<td>15,852</td>
</tr>
<tr>
<td>Bank overdraft</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Cash and cash equivalents as in Statement of Cash Flows</td>
<td>12,858</td>
<td>15,852</td>
</tr>
</tbody>
</table>
27. Provisions

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>Non-current</th>
<th>Current</th>
<th>Non-current</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31 March</td>
<td>31 March</td>
<td>31 March</td>
<td>31 March</td>
</tr>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Pensions relating to other staff</td>
<td>17</td>
<td>189</td>
<td>17</td>
<td>178</td>
</tr>
<tr>
<td>Legal claims</td>
<td>85</td>
<td>221</td>
<td>68</td>
<td>27</td>
</tr>
<tr>
<td>Redundancy</td>
<td>162</td>
<td>0</td>
<td>941</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>4,052</td>
<td>0</td>
<td>1,685</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,316</td>
<td>410</td>
<td>2,711</td>
<td>205</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Pensions relating to former directors</th>
<th>Pensions relating to other staff</th>
<th>Legal claims</th>
<th>Redundancy</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>At 1 April 2013</td>
<td>0</td>
<td>195</td>
<td>95</td>
<td>941</td>
<td>1,685</td>
<td>2,916</td>
</tr>
<tr>
<td>Arising during the period</td>
<td>0</td>
<td>10</td>
<td>263</td>
<td>0</td>
<td>3,072</td>
<td>3,345</td>
</tr>
<tr>
<td>Utilised during the period</td>
<td>0</td>
<td>(17)</td>
<td>(46)</td>
<td>(612)</td>
<td>(658)</td>
<td>(1,333)</td>
</tr>
<tr>
<td>Reversed unused</td>
<td>0</td>
<td>0</td>
<td>(8)</td>
<td>(167)</td>
<td>(47)</td>
<td>(222)</td>
</tr>
<tr>
<td>Unwinding of discount</td>
<td>0</td>
<td>5</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>Change in Discount Rates</td>
<td>0</td>
<td>13</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>14</td>
</tr>
<tr>
<td><strong>At 31 March 2014</strong></td>
<td>0</td>
<td>206</td>
<td>306</td>
<td>162</td>
<td>4,052</td>
<td>4,726</td>
</tr>
</tbody>
</table>

**Expected timing of cash flows:**

- not later than one year; 0 17 85 162 4,052 4,316
- later than one year and not later than five years; 0 66 139 0 0 205
- later than five years 0 123 82 0 0 205

The provision for pensions relating to other staff is in respect of the early retirement of staff before 6 March 1995. Each year the provision is recalculated using the most recent quarterly payment made to the NHS Pensions Agency, life expectancy tables and the applicable Treasury discount rate. This provision will gradually diminish over an estimated period of 16 years.

Of the legal claims provision £52k relates to third party liability claims received by the Trust. These are administered by the NHS Litigation Authority with the Trust’s liability being limited to the value of the excess on each claim. Payment is expected to be made within one year. Of the remaining provision £30k relates to payments due to be made by the Trust to the NHS Pensions Agency over an estimated period of 19 years in respect of an injury benefit claim against the Trust. Each year the provision is recalculated using the most recent quarterly payment made, life expectancy tables and the applicable Treasury discount rate. A claim was made against the Trust by the supplier of bed side services for loss of income and following agreement payments will be made over the next six years. Consequently the provision has been increased to £224k.

A provision of £162k has been retained for potential redundancy costs of employees that have transferred to a third party organisation. The amount has been calculated using each employee’s current salary and their length of service;

Other provisions is made up of the following:

- a sum of £755k has been included for potential back pay to staff who have had contract amendments or were due incremental increases/banding reviews during the course of the financial year. This estimate is based upon payments made in 2013/14;
- a provision of £135k has been made for the purchase of allowances under the Carbon Reduction Commitment Energy Scheme relating to the actual volume of CO2 emissions made during the first three quarters of the 2013/14 financial year and an estimate for the fourth quarter;
- a provision of £110k has been made for the costs of litigation claims likely to be entered into during 2014/15.
- a provision of £2,088k has been made for potential employee liability costs; and
- a provision of £964k has been made for potential contract penalties/disputes.

£66,342 is included in the provisions of the NHS Litigation Authority at 31 March 2014 in respect of clinical negligence liabilities of the NHS Foundation Trust (£58,280k as at 31 March 2013).
28. Contingencies

28.1 Contingent liabilities

<table>
<thead>
<tr>
<th></th>
<th>2013/14</th>
<th>2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>£13</td>
<td>£18</td>
</tr>
<tr>
<td>Total</td>
<td>£13</td>
<td>£18</td>
</tr>
</tbody>
</table>

Within note 27 a provision for third party liability claims has been calculated using an estimation technique which assesses the probability of such claims being successful. £13k has been included as a contingent liability, being the difference between the maximum estimated value of the claim, up to an insurance policy excess limit, and the value of the provision calculated.

28.2 Contingent assets

The Trust does not have any contingent assets.

29. Financial Instruments

29.1 Financial assets

<table>
<thead>
<tr>
<th>Assets as per SoFP at 31 March</th>
<th>Loans and receivables</th>
<th>Assets at fair value through Income &amp; Expenditure</th>
<th>Held to maturity</th>
<th>Available-for-sale</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>excluding non financial assets</td>
<td>26,037</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>26,037</td>
</tr>
<tr>
<td>Cash and cash equivalents (at bank and in hand)</td>
<td>12,858</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>12,858</td>
</tr>
<tr>
<td>Total at 31 March 2014</td>
<td>38,895</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>38,895</td>
</tr>
</tbody>
</table>

29.2 Financial liabilities

<table>
<thead>
<tr>
<th>Liabilities as per SoFP at 31 March</th>
<th>At fair value through Income &amp; Expenditure</th>
<th>Other financial liabilities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Borrowings excluding Finance lease and PFI liabilities</td>
<td>0</td>
<td>7,500</td>
<td>7,500</td>
</tr>
<tr>
<td>Obligations under finance leases</td>
<td>0</td>
<td>510</td>
<td>510</td>
</tr>
<tr>
<td>Trade and other payables excluding non financial assets</td>
<td>0</td>
<td>20,451</td>
<td>20,451</td>
</tr>
<tr>
<td>Total at 31 March 2014</td>
<td></td>
<td></td>
<td>28,461</td>
</tr>
</tbody>
</table>

29.3 Maturity of financial liabilities

<table>
<thead>
<tr>
<th></th>
<th>31 March 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
</tr>
<tr>
<td>In one year or less</td>
<td>21,115</td>
</tr>
<tr>
<td>In more than one year but not more than two years</td>
<td>1,169</td>
</tr>
<tr>
<td>In more than two years but not more than five years</td>
<td>2,646</td>
</tr>
<tr>
<td>In more than five years</td>
<td>3,531</td>
</tr>
<tr>
<td>Total at 31 March 2014</td>
<td>28,461</td>
</tr>
</tbody>
</table>
29.4 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the NHS foundation trust has with CCGs and NHS England and the way those organisations are financed, the NHS foundation trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The NHS foundation trust has power to borrow and invest surplus funds.

The foundation trust’s treasury management operations are carried out by the finance department, within parameters defined formally within the foundation trust’s standing financial instructions and policies agreed by the Council of Directors. Treasury activity is subject to review by the foundation trust’s internal auditors.

Currency risk

The foundation trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. It has no overseas operations and consequently has low exposure to currency rate fluctuations.

Interest rate risk

The foundation trust’s main exposure to interest rate fluctuations will arise from external borrowings in accordance with its Prudential Borrowing Limit. The Trust has borrowed during the financial year £7,500k from the foundation trusts financing facility with the Department of Health, at a fixed rate of 1.35% and also has one finance lease with an outstanding balance of £510k.

Credit risk

Because the majority of the trust’s income comes from contracts with other public sector bodies, the trust has low exposure to credit risk. The maximum exposures as at 31 March 2014 are in receivables from customers, as disclosed in the Trade and other receivables note. As a foundation trust activity performance over and above contracted levels will be subject to agreement with the contracting organisation after the service has been provided. This factor is taken into account when assessing the impairment of receivables.

Liquidity risk

The foundation trust’s operating costs are incurred under contracts with primary care trusts, which are financed from resources voted annually by Parliament. Capital expenditure is financed from internally generated funds or from funds obtained within its prudential borrowing limit. The trust is not, therefore, exposed to significant liquidity risks.

30. Related Party Transactions

Under the requirements of the international accounting standard IAS 24 senior staff are required to declare any material transactions by themselves or any related party or any entities owned by themselves or any related party and the Trust. Jacqui Burke, Non Executive Director at the Trust, has disclosed her role as the independent member of the Audit Committee of the Department of Health, which is recorded as a general related party within the note below as a result of its responsibility for the oversight of NHS bodies within the UK health system.

During the period the Royal Surrey County Hospital NHS Foundation Trust has had a significant number of material transactions with other NHS Bodies which can be classed as related parties. These entities are listed below:
For the Financial year 2013/14

<table>
<thead>
<tr>
<th></th>
<th>Income £000</th>
<th>Expenditure £000</th>
<th>Receivables £000</th>
<th>Payables £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ashford &amp; St Peter’s Hospital NHS Foundation Trust</td>
<td>1,378</td>
<td>98</td>
<td>505</td>
<td>89</td>
</tr>
<tr>
<td>Brighton &amp; Sussex University Hospitals NHS Trust</td>
<td>4,296</td>
<td>17</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Department of Health</td>
<td>644</td>
<td>0</td>
<td>265</td>
<td>4</td>
</tr>
<tr>
<td>Frimley Park Hospital NHS Foundation Trust</td>
<td>5,450</td>
<td>1,777</td>
<td>1,575</td>
<td>1,361</td>
</tr>
<tr>
<td>Hampshire Hospitals NHS Foundation Trust</td>
<td>276</td>
<td>61</td>
<td>61</td>
<td>6</td>
</tr>
<tr>
<td>Health Education England</td>
<td>4,164</td>
<td>4</td>
<td>64</td>
<td>3</td>
</tr>
<tr>
<td>NHS Blood &amp; Transplant</td>
<td>17</td>
<td>1,367</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>NHS Bracknell &amp; Ascot CCG</td>
<td>665</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>NHS Brighton &amp; Hove CCG</td>
<td>224</td>
<td>0</td>
<td>0</td>
<td>22</td>
</tr>
<tr>
<td>NHS Coastal West Sussex CCG</td>
<td>3,988</td>
<td>0</td>
<td>964</td>
<td>0</td>
</tr>
<tr>
<td>NHS Crawley CCG</td>
<td>919</td>
<td>0</td>
<td>0</td>
<td>295</td>
</tr>
<tr>
<td>NHS East Surrey CCG</td>
<td>1,715</td>
<td>0</td>
<td>316</td>
<td>0</td>
</tr>
<tr>
<td>NHS England</td>
<td>77,555</td>
<td>398</td>
<td>13,161</td>
<td>227</td>
</tr>
<tr>
<td>NHS Guildford &amp; Waverley CCG</td>
<td>103,063</td>
<td>0</td>
<td>1,549</td>
<td>0</td>
</tr>
<tr>
<td>NHS Horsham &amp; Mid Sussex CCG</td>
<td>2,693</td>
<td>0</td>
<td>16</td>
<td>0</td>
</tr>
<tr>
<td>NHS Hounslow CCG</td>
<td>261</td>
<td>0</td>
<td>0</td>
<td>54</td>
</tr>
<tr>
<td>NHS Litigation Authority</td>
<td>8</td>
<td>5,207</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>NHS Merton CCG</td>
<td>518</td>
<td>0</td>
<td>172</td>
<td>0</td>
</tr>
<tr>
<td>NHS North East Hampshire &amp; Farnham CCG</td>
<td>7,743</td>
<td>0</td>
<td>62</td>
<td>0</td>
</tr>
<tr>
<td>NHS North Hampshire CCG</td>
<td>1,381</td>
<td>0</td>
<td>15</td>
<td>0</td>
</tr>
<tr>
<td>NHS North West Surrey CCG</td>
<td>14,870</td>
<td>0</td>
<td>359</td>
<td>0</td>
</tr>
<tr>
<td>NHS Property Services</td>
<td>100</td>
<td>252</td>
<td>11</td>
<td>8</td>
</tr>
<tr>
<td>NHS South Eastern Hampshire CCG</td>
<td>9,240</td>
<td>0</td>
<td>47</td>
<td>0</td>
</tr>
<tr>
<td>NHS Surrey Downs CCG</td>
<td>7,379</td>
<td>0</td>
<td>86</td>
<td>0</td>
</tr>
<tr>
<td>NHS Surrey Heath CCG</td>
<td>2,121</td>
<td>0</td>
<td>0</td>
<td>118</td>
</tr>
<tr>
<td>Public Health England</td>
<td>1,232</td>
<td>0</td>
<td>52</td>
<td>0</td>
</tr>
<tr>
<td>Surrey &amp; Borders Partnership NHS Foundation Trust</td>
<td>356</td>
<td>253</td>
<td>1</td>
<td>47</td>
</tr>
<tr>
<td>Surrey &amp; Sussex Healthcare NHS Trust</td>
<td>1,883</td>
<td>204</td>
<td>382</td>
<td>31</td>
</tr>
<tr>
<td>Western Sussex Hospitals NHS Foundation Trust</td>
<td>1,475</td>
<td>45</td>
<td>88</td>
<td>15</td>
</tr>
</tbody>
</table>

In addition, the Trust has had a number of material transactions with other Government Departments and other central and local Government bodies. The majority of these transactions have been with HM Revenue & Customs (VAT recoverable), National Insurance Fund (Employers NI contributions), NHS Pension Scheme (Employers contributions), Guildford Borough Council (Business Rates), Surrey County Council (Delayed Discharges) and the Scottish and Welsh Governments (Healthcare services provided to Local Health Boards).

For the Financial year 2013/14

<table>
<thead>
<tr>
<th></th>
<th>Income £000</th>
<th>Expenditure £000</th>
<th>Receivables £000</th>
<th>Payables £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>HM Revenue &amp; Customs</td>
<td>0</td>
<td>0</td>
<td>662</td>
<td>0</td>
</tr>
<tr>
<td>National Insurance Fund</td>
<td>0</td>
<td>10,754</td>
<td>0</td>
<td>893</td>
</tr>
<tr>
<td>NHS Pension Scheme</td>
<td>0</td>
<td>14,768</td>
<td>0</td>
<td>1,229</td>
</tr>
<tr>
<td>Guildford Borough Council</td>
<td>0</td>
<td>1,024</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Surrey County Council</td>
<td>258</td>
<td>3</td>
<td>94</td>
<td>0</td>
</tr>
<tr>
<td>Welsh Government</td>
<td>32</td>
<td>0</td>
<td>19</td>
<td>0</td>
</tr>
<tr>
<td>Scottish Government</td>
<td>15</td>
<td>0</td>
<td>7</td>
<td>0</td>
</tr>
</tbody>
</table>

The foundation trust has also received a revenue grant of £143k and a capital grant of £410k from the foundation trust’s charitable funds. As at 31st March 2014 £251k is reported as an outstanding receivable. The Corporate Trustee of The Funds Held on Trust is the Board of the Royal Surrey County Hospital NHS Foundation Trust.
31. **Third Party Assets**
The Trust holds a nominal value of third party assets, in the main related to patient property when patients are admitted for treatment.

32. **Losses and Special Payments**
These payments are charged to the Statement of Comprehensive Income and are recorded in the losses and special payments register on an accruals basis but exclude any provisions for future losses. Set out below are the losses and special payments incurred by the Trust for this and the previous financial year.

<table>
<thead>
<tr>
<th></th>
<th>2013/14</th>
<th>2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>£000</td>
</tr>
<tr>
<td>Bad debts and claims abandoned</td>
<td>35</td>
<td>40</td>
</tr>
<tr>
<td>Stores losses</td>
<td>1</td>
<td>165</td>
</tr>
<tr>
<td>Ex gratia payments (excluding redundancy and payments in lieu of notice, see note 8.2)</td>
<td>39</td>
<td>36</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>75</td>
<td>241</td>
</tr>
</tbody>
</table>

Clinical negligence cases are managed by the National Health Service Litigation Authority and transactions relating to such cases are held in their accounts. The Trust pays a premium for their services and excesses on some cases. Therefore, these cases have not been accounted for in the Trust’s accounts.

33. **Events after the reporting period**
There are no events after the reporting period having a material effect on the accounts.
Annex 5

Quality Accounts 2013/2014
# Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quality Accounts: Introduction</strong></td>
<td>144</td>
</tr>
<tr>
<td><strong>Part 1</strong></td>
<td>145</td>
</tr>
<tr>
<td>■ Foreword from the Chief Executive</td>
<td>146</td>
</tr>
<tr>
<td>■ Quality Highlights for 2013 - 2014</td>
<td>147</td>
</tr>
<tr>
<td><strong>Part 2</strong></td>
<td>148</td>
</tr>
<tr>
<td>■ Quality Narrative</td>
<td>149</td>
</tr>
<tr>
<td>■ Our Quality priorities for 2014/2015</td>
<td>151</td>
</tr>
<tr>
<td>■ Patient Safety</td>
<td>152</td>
</tr>
<tr>
<td>■ Clinical Effectiveness</td>
<td>154</td>
</tr>
<tr>
<td>■ Patient Experience</td>
<td>156</td>
</tr>
<tr>
<td>■ NHS Outcomes Framework</td>
<td>170</td>
</tr>
<tr>
<td><strong>Part 3</strong></td>
<td>181</td>
</tr>
<tr>
<td>■ Review of Quality Performance</td>
<td>182</td>
</tr>
<tr>
<td><strong>Appendices</strong></td>
<td>197</td>
</tr>
<tr>
<td>■ Summary of Stakeholder Involvement</td>
<td>198</td>
</tr>
<tr>
<td>■ Statements and Feedback from External Stakeholders</td>
<td>199</td>
</tr>
<tr>
<td>■ Statement of Director’s responsibility in respect of the Quality Account</td>
<td>202</td>
</tr>
<tr>
<td>■ External Audit Limited Assurance Report</td>
<td>203</td>
</tr>
<tr>
<td>■ Our Trust Strategy - BESTF</td>
<td>206</td>
</tr>
<tr>
<td><strong>Glossary</strong></td>
<td>207</td>
</tr>
</tbody>
</table>
Quality Accounts

Introduction

The safety and quality of the care that we deliver at Royal Surrey County Hospital NHS Foundation Trust is our utmost priority. Therefore we value the opportunity to review the quality of our services each year and outline the progress we have made as well as acknowledging the challenges that we have faced in delivering care to the standard that we aspire.

Each NHS Trust is required to produce an annual report on quality as outlined in National Health Service (Quality Account) Regulations 2010. The quality account is the vehicle by which we, as providers, inform the public about the quality of the services we provide. The quality account enables us to explain our progress to the public and allows leaders, clinicians, governors and staff to demonstrate their commitment to continuous, evidence based quality improvement. Through increased patient choice and scrutiny of healthcare service, patients have rightfully come to expect a higher standard of care and accountability from the providers of NHS services.

Therefore a key part of the scrutiny process is the involvement of relevant stakeholders. To that end, one of the requirements for inclusion with the quality account is a statement of assurance from these key stakeholders and evidence of how the stakeholders have been engaged. In addition, NHS Foundation Trusts are required to follow the guidance set out by Monitor with regard to the quality account and there are a number of national targets set each year by the Department of Health against which we monitor the quality of the services we provide. Through this quality account, we aim to show how we have performed against these national targets. We will also report on a number of locally set targets and describe how we intend to improve the quality and safety of our services. To that end, quality in healthcare is defined in terms of three inter linked components as described by Lord Darzi in his seminal review of quality and governance in health. These components are:

- Patient Safety
- Patient Experience
- Clinical Effectiveness
Part 1
Foreword from the Chief Executive

I am pleased to present the fourth quality account for the Royal Surrey County Hospital NHS Foundation Trust. It is always a pleasure to present this report as it is the time that we take stock of the progress and improvement work that we have undertaken and reflect on both the successes and challenges of the previous year. This process of reflection helps to inform our improvement priorities for the coming year.

Our quality account shows that whilst we had some great successes with some of our quality improvement goals such as setting up a trust wide mortality review process, we did not consistently provide the best patient experience for our outpatients, and we did not meet some of the national targets that are in place. We have tried to engage with our patients and other external stakeholders more meaningfully and have facilitated workshops with our stakeholders to share our successes and also to learn from them through their experience of the wider health economy. As we move in to a new year, I look forward to even greater collaboration with our stakeholders.

During 2012 -13, we launched our new Trust strategy, BESTF. The vision of this strategy is to deliver the best care, anywhere. At the time of writing the quality accounts, our quality strategy is being refreshed so that it is better aligned to our Trust strategy and reflects the key themes from the Francis Inquiry and Keogh review. To that end we will continue to monitor closely the quality priorities that we have set out in this quality account and will facilitate engagement workshops with external stakeholders throughout the year.

I confirm that to the best of my knowledge and belief, and in accordance with the regulations governing Quality Accounts, the information contained in this quality account is accurate and provides a true reflection of our organisation.

Finally, I would like to thank you for taking time to read our quality account. If you have any comments, or would like this report to be made available in a different format / language, please contact us.

Nick Moberly
Chief Executive

At the time of preparing this year’s quality accounts, the Royal Surrey County Hospital NHS Foundation Trust board and Ashford and St Peter’s NHS Foundation Trust board have jointly announced plans of a proposed merger of the two trusts. We at the Royal Surrey view this as a positive step and one that will further progress our quality and safety agenda in that it will enable us to fully implement the Keogh recommendations on 7 day working. We believe that the expertise within both hospitals are mutually complimentary and will enable us to better provide services to a wider patient population.
Quality Highlights for 2013/2014

Staff Survey
We were in the top 20% of all acute trusts for staff engagement. This is an important achievement for us as our staff are key to our success in delivering our quality improvement priorities.

Enhancing Quality and Recovery
We have performed very well in the enhancing quality and recovery project and are recognised as national leaders in innovative ER pathways, currently running 7 pathways, with 3 new ones in development. We have had multiple publications internationally on the results of these pathways and representation at a national level. We have been recognised across the Kent, Surrey and Sussex region as an exemplar of best practice in this regard.

Falls
We saw a significant reduction in falls resulting in severe harm compared to last year.

Quality Mark
Two of our elderly care wards have received the Quality Mark award from the Royal College of Psychiatrists. This is in recognition of the quality of care given to patients within these wards and achieving and elder –friendly hospital environment.

CQC Rating
We are proud to announce that of the three trusts that received a shadow rating following the new CQC hospital inspection methodology, we were the only trust to receive a rating of ‘good’.

Radiotherapy
We are one of three centres that have been appointed as mentors for the UK’s Stereotactic Ablative Radiotherapy (SABR) Consortium QA group mentoring program. This program is funded by the UK government National Cancer Action Team to ensure that SABR is correctly set up in England.

CNST
Retaining CNST level 3 in maternity for the third consecutive time is a real achievement. The new standards were introduced during the RSCH audit period and we were one of the first trusts to be tested against the new standards and very importantly to achieve compliance at the highest level. In addition we have achieved and maintained Global Baby Friendly Status for over ten years.

CHKS Patient Safety Award
We were proud to win the CHKS blue ribbon award. This is a national award for outstanding performance in providing a safe hospital environment for patients and is based on a range of indicators including mortality rates, post operative sepsis and rates of infection following caesarean section.

To write to us: PALS service, RSCH, Egerton Road, GU2 7XX
Follow us on twitter: Twitter @royalsurrey
or join us on Facebook: https://www.facebook.com/royalsurreyhospital
Part 2
Quality Narrative

Summary of Trust’s position and status for quality priorities 2012/13

In our quality account for 2012/13 we set nine priorities reflecting both the local issues at the time as well as national priorities. Namely these were:

Patient Safety
- Reducing Infection rates;
- Promoting Harm free Care;

Clinical Effectiveness:-
- Increased Clinical Trials Activity;
- Improve mortality review process;

Patient Experience:-
- Developing the Supportive and Palliative Care Services;
- Implementing Friends and Family Test;
- Implement new Emergency Processes and
- Improve Outpatient Experience.

For each of these priorities, a metric for measuring performance was agreed and it is against this that progress has been evaluated\(^1\). Progress on these priorities has been monitored throughout the year and workshops facilitated with external stakeholders to engage and collaborate with them in the review and monitoring of these quality priorities. Over all we are encouraged by the progress we made against these improvement goals and in particular we have seen real gains in respect to reducing inpatient falls. However we do recognise that we still face some challenges. In particular, we have been less successful in achieving the goals we set for improving the patient experience of those attending our A&E and outpatients departments. Consequently we will be taking these two quality priorities forward to the quality account 2013/14 as we are committed to improve the service we give to our patients in these departments. Later on in this report, we will outline how we intend to make improvements in these areas. Below is an RAG rating for each priority as of 31 March 2014 based on the last year's performance.

\(^1\) Some metrics are nationally determined and some are derived from locally determined priorities.
<table>
<thead>
<tr>
<th>Quality Priority</th>
<th>Performance Measure</th>
<th>RAG Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reducing Infection Rates</td>
<td>MRSA&lt;2  C. diff &lt;14 (external target) &lt;9 (internal target)</td>
<td></td>
</tr>
<tr>
<td>Reducing Inpatient Falls</td>
<td>&lt;8 falls per 1000 bed days</td>
<td></td>
</tr>
<tr>
<td>Promoting Harm Free Care</td>
<td>95% of patients free from new harm and &lt;8 hosp acquired Grade 3 Pressure Ucers</td>
<td></td>
</tr>
<tr>
<td>Increased Clinical Trials</td>
<td>To enrol 4350 patients in clinical trials</td>
<td></td>
</tr>
<tr>
<td>Improve Mortality Review Process</td>
<td>To achieve the upper quartile for SHMI</td>
<td></td>
</tr>
<tr>
<td>Develop the Supportive and Palliative Care Services</td>
<td>Improved use of AMBER care bundle and other elements of ‘route to success’</td>
<td></td>
</tr>
<tr>
<td></td>
<td>&lt;25% of questions receiving a dissatisfied response in bereaved relatives satisfaction survey</td>
<td></td>
</tr>
<tr>
<td>Implementing Friends and Family Test</td>
<td>Implementation of FFT in phases with a view to achieving an overall return rate of 20% for the first year</td>
<td></td>
</tr>
<tr>
<td>Implement new Emergency Processes</td>
<td>Seeing, treating and making a decision with regard to admission or discharge within 4hrs for 95% of patients</td>
<td></td>
</tr>
<tr>
<td>Improve Outpatient Experience</td>
<td>80% of specialties achieving an average clinic appointment waiting time of less than 30 minutes for their patients</td>
<td></td>
</tr>
</tbody>
</table>

In Part 3 we reflect in more detail on the progress that has been made during the last year against each of these improvement goals.
Our Quality Priorities for 2014/15

How we prioritised our quality improvement initiatives

This part of the report describes the areas for improvement that the Trust has identified for the forthcoming year. The quality priorities have been derived from a range of information sources consulting with key staff, including our council of governors. We have also been guided by our performance in the previous year and the areas of performance that did not meet the quality standard to which we aspire. Finally we have been mindful of quality priorities at national level as evidenced in the recent government publications not least the Francis report and the Care and Compassion review. Through this process, we have identified the following priorities:

Patient Safety: -

Priority 1 (New): Responding to the deteriorating patient

Priority 2 (Revision of previous priority): To increase the percentage of all clinical staff working in clinical areas receiving annual infection control update to 80%

Clinical Effectiveness:-

Priority 3 (New): To develop consultant level quality and safety dashboards

Priority 4 (Carried forward from 2012/13): To implement new emergency processes that will improve clinical care pathways for patients seen in A&E

Patient Experience:-

Priority 5 (New): Communicating with patient and relatives

Priority 6 (Carried forward from 2012/13): To improve the experience of outpatients

In choosing our priorities, we also considered the quality issues raised about the Trust through the various feedback mechanisms available to our staff and patients. We have listened to national debates on quality and safety and reviewed previous Trust performance reports. We have also listened to feedback from our CQC inspection report and peer reviews that have been undertaken in the last year. Through a series of discussions, we assessed each of our chosen priorities in terms of

1. Impact on improving quality through considering the likely improvement in safety, experience and outcomes

2. Feasibility, as a reflection of ease of implementation, resources required and likely time to completion or delivery

3. Ability to benchmark where measures are already in place or in development.

Each of the quality priorities outlined above will be monitored with progress tracked throughout the year via existing governance structures which will be described in more detail below. In addition we will facilitate stakeholder engagement workshops where we will chart our progress and discuss any challenges to implementing the quality improvement priorities as agreed.
PATIENT SAFETY

Priority 1: Responding to the deteriorating patient

Description of quality issue and rationale for prioritising
This priority has been chosen for inclusion in the quality account following a series of discussions within the NHS QUEST² network on the quality improvement work for the coming year. The ‘deteriorating patient’ initiative aims to use a collaborative model across the network to improve the detection and management of the deteriorating patient. In particular the quality improvement works is centred at achieving a reduction in cardiac arrest and improved management of sepsis, through standardising the response to early warning scores. To fully embed this process will likely take two years. In this year, we have chosen to focus mainly on sepsis management.

Current picture - There is variance in practice to responding to deteriorating patients

Identified areas for improvement
■ Sepsis management

How will we improve?
■ Collecting data at ward level that will highlight the need for improvement
■ Revision of consultant ward rounds to prioritise identified deteriorating patients
■ Empowering ward teams to take responsibility of the deteriorating patients
■ Agreeing the measures to be used, i.e. sepsis 6 and how this will be done

Metrics for measurement
■ Snapshot audit of blood cultures to determine how many were positive and based on this, undertake a look back exercise
■ Time to giving antibiotics
■ Admission to ICU for sepsis
■ Response to raised EWS (Early warning score)

Board Sponsor: Christopher Tibbs, Medical Director

Implementation Lead: Nial Quiney, Consultant Anaesthetist

Monitoring and Reporting Forum: Clinical Quality Governance Committee

² NHS QUEST is a network of 14 likeminded foundation trusts aiming to work together to make the greatest impact on care quality and patient outcomes through large scale quality improvement initiatives. The network expects high level of commitment from member organisations and dedication to a body of work that will both improve patient care and demonstrate the benefits of a collaborative quality improvement approach.
Priority 2:
3To increase the percentage of all clinical staff receiving annual update on infection control to 80%

Description of quality issue and rationale for prioritising
This priority was put forward by our council of governors and has full endorsement of the Trust board. We are committed to reducing infection rates in the hospital and this has been a key theme across our last three quality accounts. Whilst in the last quality account we focussed on reducing infection rates, this priority seeks to achieve the same goal but with a focus on ensuring that staff are receiving the appropriate training in infection prevention and control. Last year we did not achieve the targets that we had set in respect to infection control and hope that this quality improvement goal will support our efforts in bringing down rates of infection and improving the care of our patients.

Current picture - Infection control targets not met last year

Identified areas for improvement
  Compliance with mandatory training
  ■ Hand hygiene compliance (WHO 5 moments)
  ■ Compliance with ‘bare below the elbows’

How will we improve?
  ■ Improved compliance with infection control as evidenced against the monthly IC audits
  ■ Reduction in infection rates

Metrics for measurement
  ■ >= 80% for clinical staff (including medical staff) undertaking annual refresher in infection control
  ■ Consistent performance on IC monthly audits

Board Sponsor: Christopher Tibbs, Medical Director and DIPC
Implementation lead: Gill Hickman, Infection Control Nurse Specialist
Monitoring and reporting forum: Hospital Infection Control Committee (HICC)

3 There is currently no robust process for collating this data to adequately ensure that all clinical staff and medical staff’s training is recorded. In part this is due to the definition of this indicator and in the coming year, there will be work undertaken to try and improve on the data capture for this indicator. This will include clarifying if the indicator is intended to measure all clinical staff or just those in direct contact with patients.
CLINICAL EFFECTIVENESS

Priority 3:
To develop consultant level quality and safety dashboards

Description of quality issue and rationale for prioritising
We want to improve the safety and quality information that we share with our clinicians and patients, ensuring that the data is relevant to both patients and clinicians. Therefore we intend to build on the work to make key safety and quality data available to patients. This will require engagement from our clinicians to ensure that the data is accurate before it can be shared with patients. Our ultimate improvement goal is to develop safety and quality consultant dashboards that we can share with patients much like the NHS Choices model.

Current picture – This information is not readily available

Identified areas for improvement
■ We will make available quality and safety data about each of our consultants

How will we improve?
■ Through establishing dashboards with relevant accurate information relevant to patient safety. This will include compliments and complaints, incidents, complication and mortality rates
■ By engaging in meaningful dialogue with consultant colleagues about the safety and quality data related to their clinical practice, we will create a culture of openness and transparency

Metrics for measurement
■ Complaints data (total number of complaints; % upheld and file response times)
■ Serious incidents
■ Mortality and complication rates
■ Compliance to SaM training

Board Sponsor: Peter Ridley, Director of Finance

Implementation Lead: Levon Quilter, Head of Information &Taffy Gatawa, Head of Patient Safety and Quality

Monitoring and reporting forum: Information Governance Steering Group/ ELT
Priority 4:
To implement new emergency processes that will improve clinical care pathways for patients seen in A&E

Description of quality issue and rationale for prioritising
Nationally, the total number of A&E attendances has steadily risen each year for the last eight years (HSCIC). This has contributed to increased pressure within A&E units making it more important to design effective processes within emergency departments so that patients receive the best care at those safety critical times. This is well recognised by the College of Emergency Medicine who acknowledge the pressure placed on emergency units within the UK. In our 2012/13 quality account, we set a priority to implement new processes within our emergency department. We did not do as well as we would have liked in making improvements in this area and so we are taking this work forward into this quality account.

Current picture - Care pathways in A&E are not consistently managed

Identified areas for improvement:
- Door to needle times variable for A&E attendees
- Variable pain management processes
- Minimising impact of pressures in A&E on the rest of the hospital

How will we improve?
- Undertake Hospital reset project (‘Spring to Green’)
- Development of clear process for management of pain and consistently applying this within the emergency department
- Clear timeline for the review of pain score, including senior clinician review within 60 minutes of attendance

Metrics for measurement
- Door to needle times audit

Board Sponsor: Christopher Tibbs, Medical Director
Implementation Lead: John Coleman, Director of Operations and Mark Pontin, A&E Consultant
Monitoring and reporting forum: A&E performance review group
PATIENT EXPERIENCE

Priority 5:
Improving communication between patients, relatives and clinicians

Description of quality issue and rationale for prioritising
Currently, the way that we communicate with patients and their relatives about their care is inconsistent across the Trust, with some teams doing this very effectively and other not so well. As well as being a key theme in the recent Francis Inquiry publication, we have reviewed themes from complaints and PALS issues over the last 2 years and identified problems with communication as featuring consistently among the top 5 complaints subjects. Therefore we have recognised the importance of focusing closely on this over the coming year to make targeted improvements that will positively impact on the experience of our patients. We aim to improve communication with patients and relatives by developing a systematic approach to communicating which we will be able to monitor and measure more accurately.

Current status - Inconsistent picture

Identified areas for improvement
- Clearly defined timescale for responding to patients/ and or relatives concerns
- Clearly defined expectations for communication with clinicians made available for patients/ relatives
- Response times for PALS and formal complaints

How will we improve?
- Development of a standard operating procedure for patients’ and relatives’ communication with clinicians by end of June 2014
- Establishing relatives’ clinics in all main frame wards by end of September 2014
- Establishing a standard operating procedure for phone contact in all main frame wards by end of September 2014

Metrics for Measurement
- Proportion of complaints responded to with 25 days (>80%)
- Reduction in complaints relating to problems with communication
- Improved FFT responses

Board Sponsor: Louise Stead, Director of Nursing and Patient Experience
Implementation Lead: Marianne Illsley, Deputy Medical Director
Monitoring and reporting forum: Patients 1st / Clinical Quality Governance Committee
**Priority 6:**
To improve the experience of outpatients

**Description of quality issue and rationale for prioritising**
An optimum patient experience is a key element to delivering quality. Over the last few years we have found it challenging to consistently provide the best patient experience particularly within our outpatients’ services. Within our 2012/13 quality account, we set this as one of our quality priorities and whilst we have started to see some gains, we did not achieve all the improvement goals that we had set and so we are taking forward this priority into this quality account. We acknowledge that there is more work to be done and we have listened to feedback from our patients and staff on the areas that need to be prioritised. Our inspection with the CQC also provided useful feedback on where improvements should be targeted.

**Current picture** - There are particular areas within outpatients were the patient experience is consistently reported as poor

**Identified areas for improvement:**
- Ophthalmology Outpatients service
- Other outpatients services including pharmacy

**How will we improve?**
- Improving the physical space within ophthalmology through building an extension to allow additional consultation rooms
- Improving the patient flow processes to allow for various investigations to be completed within one outpatient appointment
- Clinic template redesign
- Review of staffing in outpatients

**Metrics for measurement**
- Average new appointment waiting time of $<=$5 weeks
- Patients seen at their appointment within a maximum waiting time of 30 minutes
- Reduction in the waiting times in pharmacy

**Board Sponsor:** Alf Turner, Director of Organisational Transformation

**Implementation lead:** John Coleman, Director of Operations

**Monitoring and reporting forum:** ELT
Our Quality Improvement Journey

In the table below we chart our quality account quality priorities over the last few years, showing the continuity of some priorities over the years alongside new priorities. Some priorities have features intermittently in the quality account showing our responsiveness to local priorities at different points in time.

<table>
<thead>
<tr>
<th>Quality Domain</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patient Safety</td>
<td>Safety Express, Safer and Smarter Care</td>
<td>To build a safe culture</td>
<td>Maintain minimal infection rates</td>
</tr>
<tr>
<td></td>
<td>Infection Prevention and Control</td>
<td>To lead and support staff</td>
<td>Reduce Inpatient Falls</td>
</tr>
<tr>
<td></td>
<td>Fails Reduction</td>
<td>To integrate risk management</td>
<td>Promote and Increase Harm Free Care</td>
</tr>
<tr>
<td></td>
<td>Increased Incident Reporting &amp; Investigation</td>
<td>To promote incident reporting</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Prevention of VTE</td>
<td>To involve and communicate with patients and the public</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>To learn and share safety lessons</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>To implement solutions to prevent harm</td>
<td></td>
</tr>
<tr>
<td>Clinical Effectiveness</td>
<td>Participation in National Clinical Audits</td>
<td>To distribute clinically effective</td>
<td>Increase clinical trials activity</td>
</tr>
<tr>
<td></td>
<td>Mortality Review</td>
<td>To implement clinically effective healthcare evidence</td>
<td>Improve mortality review process</td>
</tr>
<tr>
<td></td>
<td>Compliance to National Guidance</td>
<td>To provide assurance that patients are receiving clinically effective</td>
<td>Develop the supportive and palliative care services</td>
</tr>
<tr>
<td></td>
<td></td>
<td>healthcare</td>
<td></td>
</tr>
<tr>
<td>Patient Experience</td>
<td>Enhancing Quality Programme</td>
<td>To provide effective ‘board to ward’ leadership</td>
<td>Implement Friends and Family Test</td>
</tr>
<tr>
<td></td>
<td>PROMS</td>
<td>To deliver high quality patient communication and to optimise first</td>
<td>Implement new emergency processes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>impressions</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Board to Ward Leadership</td>
<td>To optimise dignity in care</td>
<td>Improve outpatients experience</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To optimise ethical spiritual care to ensure effective care of</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>vulnerable people</td>
<td></td>
</tr>
</tbody>
</table>

In this following section we report on matters relating to the quality of NHS services provided as stipulated in regulations. The content is common to all providers so that the quality accounts can be comparable between organisations.
Review of Services
During 2013 - 14, Royal Surrey County Hospital NHS Foundation Trust provided and or sub –contracted 40 NHS services. The Royal Surrey County Hospital NHS Foundation Trust has reviewed all the data available to them on the quality of the care in 40 of these services. The income generated by the NHS services reviewed in 2013 – 14 represents 100% of the total income generated from the provision of NHS services by Royal Surrey County Hospital NHS Foundation Trust.

Participation in Clinical Audit
During 2013 -14, 41 national clinical audits and 3 confidential enquiries covered NHS services that Royal Surrey County Hospital NHS Foundation Trust provides. During that period, Royal Surrey County Hospital participated in 100% national clinical audits and 100% national confidential enquiries which it was eligible to participate in. The national clinical audits and national confidential enquiries that Royal Surrey County Hospital NHS Foundation Trust was eligible to participate in during 2013 – 14 are shown in the table below. In addition, the national clinical audits and national confidential enquiries that Royal Surrey County Hospital participated in, and for which data collection was completed during 2013 -14 are listed 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 the audit or enquiry. The national clinical audits and national confidential enquiries that Royal Surrey County Hospital participated in during 2013 -14 are also shown in the following table.

<table>
<thead>
<tr>
<th>Audit Category</th>
<th>Audit</th>
<th>Eligible (Yes/No)</th>
<th>Data Collection Required 2013/14</th>
<th>% of cases submitted to each audit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acute Care</td>
<td>Emergency use of oxygen (British Thoracic Society)</td>
<td>Yes</td>
<td>Yes 15th Aug ‘13 - 11th Nov ‘13</td>
<td>16 cases submitted, 100% completed</td>
</tr>
<tr>
<td></td>
<td>Adult Critical Care (Case Mix Programme - ICNARC CMP)</td>
<td>Yes</td>
<td>Yes On-going data input</td>
<td>100% (2013/14 data)</td>
</tr>
<tr>
<td></td>
<td>Paracetamol overdose (care provided in Emergency departments - College of Emergency Medicine)</td>
<td>Yes</td>
<td>Yes Registration complete audit 16th Sept ‘13, close 14th April ‘14</td>
<td>50/50 cases submitted, 100% completed</td>
</tr>
<tr>
<td></td>
<td>National Audit of Seizure Management (NASH)</td>
<td>Yes</td>
<td>Yes Not participating</td>
<td>Did not participate</td>
</tr>
<tr>
<td></td>
<td>Severe Sepsis and Septic Shock (CEM)</td>
<td>Yes</td>
<td>Yes Registration complete audit 16th Sept ‘13, close 14th April ‘14</td>
<td>21 out of a maximum of 50 cases submitted</td>
</tr>
<tr>
<td></td>
<td>National Emergency Laparotomy Audit (NELA)</td>
<td>Yes</td>
<td>Yes Organisational audit completed Sept 2 1st year Clinical audit started 26th Jan ‘14 (3 year funded audit)</td>
<td>Organisational audit completed Clinical audit cases 33/ expected 30 100% participation to date</td>
</tr>
<tr>
<td>Audit Category</td>
<td>Audit</td>
<td>Eligible (Yes/No)</td>
<td>Data Collection Required 2013/14</td>
<td>% of cases submitted to each audit</td>
</tr>
<tr>
<td>----------------</td>
<td>-------</td>
<td>-------------------</td>
<td>----------------------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>Acute Care</td>
<td>National Joint Registry (NJR)</td>
<td>Yes</td>
<td>Yes On-going data input</td>
<td>Up to Q3 98%, Q4 data not yet available</td>
</tr>
<tr>
<td></td>
<td>Severe trauma (Trauma Audit &amp; Research Network)</td>
<td>Yes</td>
<td>Yes On-going data input</td>
<td>79.8% 2013/14, national expectation 75%</td>
</tr>
<tr>
<td>Blood and Transplant</td>
<td>National Comparative audit of Blood Transfusion: Anti D</td>
<td>Yes</td>
<td>Yes Audit started June ‘13 and organisational questionnaire, data entry ends Oct ‘13</td>
<td>Completed (100%)</td>
</tr>
<tr>
<td></td>
<td>Red Cell Issue Trace Survey</td>
<td>Yes</td>
<td>Yes Audit 24th Feb ‘14 to 2nd Mar ‘14</td>
<td>Completed (100%)</td>
</tr>
<tr>
<td></td>
<td>Audit of Patient Information &amp; Consent</td>
<td>Yes</td>
<td>Yes Audit 13th Jan ‘14 for 12 week period, submission deadline 9th May ‘13</td>
<td>In progress</td>
</tr>
<tr>
<td>Cancer</td>
<td>National Lung Cancer Audit (NLCA)</td>
<td>Yes</td>
<td>Yes 1st June ‘13 to 31st Dec ‘13</td>
<td>98/109 (expected cases), 90% participation rate</td>
</tr>
<tr>
<td></td>
<td>Bowel Cancer (NBOCAP)</td>
<td>Yes</td>
<td>Yes 1st April ‘12 to 31st Mar ‘13</td>
<td>152/164 (expected cases), 93% participation rate</td>
</tr>
<tr>
<td></td>
<td>Head and Neck Oncology (DAHNO)</td>
<td>Yes</td>
<td>Yes 1st Nov ‘12 to 31st Oct ‘13</td>
<td>66/51-100 expected cases, 80+% participation rate</td>
</tr>
<tr>
<td></td>
<td>Oesophago-gastric Cancer (NAOGC)</td>
<td>Yes</td>
<td>Yes 1st April ‘12 to 31st March ‘13</td>
<td>66/51-100 expected cases, 80+% participation rate</td>
</tr>
<tr>
<td>Heart</td>
<td>National Cardiac Arrest Report (NCAA)</td>
<td>No</td>
<td>Not applicable</td>
<td>Not applicable</td>
</tr>
<tr>
<td></td>
<td>Coronary Angioplasty</td>
<td>No</td>
<td>Not applicable</td>
<td>Not applicable</td>
</tr>
<tr>
<td></td>
<td>National Vascular Registry (elements will include CIA, National Vascular Database, AAA, peripheral vascular surgery/VSGBI Vascular Surgery Database)</td>
<td>No</td>
<td>Not applicable</td>
<td>Not applicable</td>
</tr>
<tr>
<td></td>
<td>Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)</td>
<td>Yes</td>
<td>Yes On-going data input</td>
<td>90% (2013/14 data)</td>
</tr>
<tr>
<td>Audit Category</td>
<td>Audit</td>
<td>Eligible (Yes/No)</td>
<td>Data Collection Required 2013/14</td>
<td>% of cases submitted to each audit</td>
</tr>
<tr>
<td>----------------</td>
<td>----------------------------------------------------------------------</td>
<td>-------------------</td>
<td>----------------------------------</td>
<td>-----------------------------------</td>
</tr>
<tr>
<td>Heart</td>
<td>Heart Failure (HF)</td>
<td>Yes</td>
<td>Yes On-going data input</td>
<td>90% (2013/14 data)</td>
</tr>
<tr>
<td></td>
<td>Pulmonary Hypertension</td>
<td>No</td>
<td>Not applicable</td>
<td>Not applicable</td>
</tr>
<tr>
<td></td>
<td>Cardiac Arrhythmia (HRM)</td>
<td>Yes</td>
<td>Yes On-going data input</td>
<td>100% up to 10th March 2014, deadline for data submission is 1st July 2014</td>
</tr>
<tr>
<td></td>
<td>Congenital Heart Disease (Paediatric cardiac surgery) (CHD)</td>
<td>No</td>
<td>Not applicable</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Long-Term Condition</td>
<td>National Diabetes, includes Inpatient Audit (NADIA)</td>
<td>Yes</td>
<td>Audit 16th - 28th September 2013</td>
<td>Completed, participation rate currently unavailable</td>
</tr>
<tr>
<td></td>
<td>National Diabetes Audit (NDA)</td>
<td>Yes</td>
<td>Audit period 1st Jan ‘12 to 31st March ‘13 Data submission period 21st Oct ‘13 to 13th Jan ‘13</td>
<td>Completed, participation rate currently unavailable</td>
</tr>
<tr>
<td></td>
<td>National Pregnancy in Diabetes (NPID) Audit</td>
<td>Yes</td>
<td>Audit 16th - 28th September 2013</td>
<td>Completed, participation rate currently unavailable</td>
</tr>
<tr>
<td></td>
<td>Inflammatory Bowel Disease (IBD)</td>
<td>Yes</td>
<td>Audit 16th - 28th September 2013</td>
<td>Audit data not submitted</td>
</tr>
<tr>
<td></td>
<td>Chronic Obstructive Pulmonary Disease (COPD)</td>
<td>Yes</td>
<td>Audit 16th - 28th September 2013</td>
<td>Organisational audit completed Inpatient audit, 100% Biologics audit, Inpatient audit complete, 100%</td>
</tr>
<tr>
<td></td>
<td>Renal replacement Renal (Renal Registry)</td>
<td>No</td>
<td>Audit 16th - 28th September 2013</td>
<td>In progress</td>
</tr>
<tr>
<td>Audit Category</td>
<td>Audit</td>
<td>Eligible (Yes/No)</td>
<td>Data Collection Required 2013/14</td>
<td>% of cases submitted to each audit</td>
</tr>
<tr>
<td>----------------</td>
<td>-------</td>
<td>------------------</td>
<td>---------------------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td><strong>Long-Term Condition</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diabetes (Paediatric) (NPDA)</td>
<td>Yes</td>
<td>Yes Audit period 1st April ‘12 to 31st March ‘13 Data submission 5th Nov ’13 to 31st Jan ’14, deadline extension 14th Feb ‘14</td>
<td>100% completed (only HBA1c data entered) Dr Sumner has written to the Chair of the National Audit with his grievances regarding the audit data requested</td>
<td></td>
</tr>
<tr>
<td>Paediatric Bronchiectasis</td>
<td>No</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td></td>
</tr>
<tr>
<td><strong>Mental Health</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prescribing in Mental Health Services (POMH)</td>
<td>No</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td></td>
</tr>
<tr>
<td>Suicide and Homicide in Mental Health Settings (NCISH)</td>
<td>No</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td></td>
</tr>
<tr>
<td>National Audit of Schizophrenia</td>
<td>No</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td></td>
</tr>
<tr>
<td><strong>NCEPOD</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tracheostomy Care Study</td>
<td>Yes</td>
<td>Yes Continuation from 12/13 Audit period 24th Feb ‘13 to 12th May ‘13 Case note review July 2013</td>
<td>Organisational questionnaire completed Insertion questionnaires=7/7 100% Critical Care questionnaires=6/6 100% Ward Care questionnaires=6/6 100% Case notes =2/2 100%</td>
<td></td>
</tr>
<tr>
<td>Subarachnoid Haemorrhage</td>
<td>Yes</td>
<td>Yes</td>
<td>Organisational questionnaire completed Secondary Care Clinical questionnaire=3/4 75%</td>
<td></td>
</tr>
<tr>
<td>Alcohol Related Liver Disease</td>
<td>Yes</td>
<td>Yes</td>
<td>Organisational questionnaire completed Clinical questionnaire=3/3 100% Case notes=3/3 100%</td>
<td></td>
</tr>
<tr>
<td>Audit Category</td>
<td>Audit</td>
<td>Eligible (Yes/No)</td>
<td>Data Collection Required 2013/14</td>
<td>% of cases submitted to each audit</td>
</tr>
<tr>
<td>----------------</td>
<td>-------</td>
<td>-------------------</td>
<td>----------------------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>NCEPOD</td>
<td>Lower Limb Amputation</td>
<td>No</td>
<td>Not applicable</td>
<td>Not applicable</td>
</tr>
<tr>
<td></td>
<td>Gastrointestinal Haemorrhage Study</td>
<td>Yes</td>
<td>Patient identifier deadline 31st Jan 2014</td>
<td>Patient identifier spreadsheet completed Clinician questionnaire and peer review in progress, deadline 12th May Organisational questionnaire in progress, deadline 12th May</td>
</tr>
<tr>
<td>Older People</td>
<td>Sentinel stroke audit (2010/11, 2012/13)</td>
<td>Yes</td>
<td>Yes On-going data input</td>
<td>April-June 2014 =75/88 i.e. 85% July-Sept 2014=50/88 i.e. 56% Oct-Dec 2014=88/92 i.e. 95% Data submission for Jan-March 2014 is May 2014</td>
</tr>
<tr>
<td></td>
<td>Falls and Fragility Fractures audit programme (FFFAP) includes National Hip Fracture database (NHFD)</td>
<td>Yes</td>
<td>Yes On-going data input</td>
<td>338/339 cases submitted on the NHFD database and to be included in the NHFD report</td>
</tr>
<tr>
<td></td>
<td>Rheumatoid and early inflammatory arthritis (new NCAPOP topic under development)</td>
<td>Yes</td>
<td>Yes Start date 1st February 2014 Organisational data due 28th Feb ‘14</td>
<td>Organisational audit completed. Clinical audit in progress</td>
</tr>
<tr>
<td>Other</td>
<td>Elective surgery (National PROMs Programme)</td>
<td>Yes</td>
<td>Yes On-going data input</td>
<td>Pre-operative questionnaires returned - 1008/1051=99.3% (74.9% in England) Post-operative questionnaires, 621/936=66.3% (70.1% in England)</td>
</tr>
<tr>
<td>Audit Category</td>
<td>Audit</td>
<td>Eligible (Yes/No)</td>
<td>Data Collection Required 2013/14</td>
<td>% of cases submitted to each audit</td>
</tr>
<tr>
<td>----------------</td>
<td>----------------------------------------------------------------------</td>
<td>-------------------</td>
<td>----------------------------------</td>
<td>--------------------------------------------------------</td>
</tr>
<tr>
<td>Women’s &amp; Children’s Health</td>
<td>Maternal Infant and Perinatal (MBRRACE-UK), also known as Maternal, Newborn and Infant Clinical Outcome Review Programme, previously listed as Perinatal Mortality</td>
<td>Yes</td>
<td>Yes On-going data input</td>
<td>Up to 11th March 2014 100% case ascertainment</td>
</tr>
<tr>
<td></td>
<td>Neonatal Intensive and Special Care (NNAP)</td>
<td>Yes</td>
<td>Yes On-going data input</td>
<td>100% up to 31st March 2014, on-going data entry audit</td>
</tr>
<tr>
<td></td>
<td>Paediatric Asthma (British Thoracic Society)</td>
<td>Yes</td>
<td>yes 1st Nov ’13-31st Jan ’13</td>
<td>16 eligible cases submitted, 100% completed</td>
</tr>
<tr>
<td></td>
<td>Epilepsy 12 Audit (Childhood Epilepsy)</td>
<td>Yes</td>
<td>Yes Part 2 of audit to start end of Feb ‘14</td>
<td>15 cases entered to end of March, 8 questionnaires returned for PREM audit Audit deadline 12th May 2014</td>
</tr>
<tr>
<td></td>
<td>Paediatric Intensive Care (PICANet)</td>
<td>No</td>
<td>Not applicable</td>
<td>Not applicable</td>
</tr>
<tr>
<td></td>
<td>Child Health (CHR-UK) Also known as the Child Health Clinical Outcome Review Programme</td>
<td>Yes</td>
<td>Yes On-going data entry</td>
<td>Data currently unavailable</td>
</tr>
<tr>
<td></td>
<td>Moderate or severe asthma in children (care provided in Emergency Departments - College of Emergency Medicine)</td>
<td>Yes</td>
<td>Yes Registration complete Audit 16th Sept 13, close 14th April 14</td>
<td>50/50 cases submitted, 100% completed</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>39</td>
<td>39</td>
<td>37</td>
</tr>
</tbody>
</table>

The reports of 36 national clinical audits were reviewed by the provider in 2013 -14. Three reports have not yet been published. As a result of the audit reports, the Royal Surrey County Hospital NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided.
1. National Inpatient Diabetes audit –
   ■ To increase teaching opportunities for staff as patients reported that they did not feel that all staff knew enough about diabetes.
   ■ Not all patients felt that they were adequately involved in their diabetes care planning
   ■ Foot assessments for patients within 24hrs of admission. Performance in this area has been highlighted as requiring improvement.

2. SSNAP Audit –
   ■ Performance in relation to direct admission to a stroke unit was unsatisfactory. There were other indicators within this audit were the Trust’s performance was suboptimal. An action plan has been developed to improve on these areas

3. National Dementia Audit –
   ■ Improvements with regards to assessment for nutritional status of patients were identified
   ■ Provision for mental health liaison service at weekends and evenings

The reports of local clinical audits were also reviewed by the provider in 2013 -14 and Royal Surrey County Hospital NHS foundation Trust intends to take the following actions:

To make improvements in surgical safety, with particular focus on increased compliance with the WHO surgical safety checklist. At the time of writing the quality accounts, a review of compliance the WHO surgical safety checklist has been completed and new documentation has been developed to make the surgical safety checklist a standalone document. In addition at least two audits of compliance have been completed and the results have been shared with the surgical teams as well as the Guildford and Waverly Clinical Commissioning Group. Supporting policies and standard operating procedures have also been revised and or developed.

Another key action arising from local audit is in relation to the mortality review process. There is now an established hospital wide mortality review process and individual specialty business units each have a mortality and morbidity meeting at least once a month, with a few exceptions for specialties were mortality is low such as ophthalmology, pathology etc.

**Participation in Clinical Research**

The number of patients receiving NHS services provided or sub – contracted by Royal Surrey County Hospital NHS foundation Trust in 2013 -14 that were recruited during that period to participate in research approved by a research committee was 4100.

**CQUIN Framework**

2.5% of Royal Surrey County Hospital NHS Foundation Trust income in 2013 -14 was conditional on achieving improvement and innovation goals agreed between Royal Surrey County Hospital NHS Foundation Trust and Guildford and Waverly Clinical Commissioning Group for the provision of NHS services through the Commissioning for Quality and Innovation payment framework (CQUIN). Of this 0.5 % was set against national CQUIN goals. The remaining 2% was spread across locally agreed goals with the CCG and some specialist goals agreed with NHS England. Further details of the agreed goals for 2013 -14 and for the following 12 month period are available electronically via the link below:

http://www.institute.nhs.uk/world_class_commissioning/pct_potal/cquin.html
CQC Registration

Royal Surrey County Hospital NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is full compliance with no conditions imposed on registration. The Care Quality Commission has not taken enforcement action against Royal Surrey County Hospital during 2013 – 14. The Care Quality Commission has recently revised its hospital inspection methodology and now inspects hospitals under 5 main key domains of quality. These are

- Safety
- Caring
- Responsiveness
- Effective
- Well led

Royal Surrey County Hospital NHS Foundation Trust was amongst the first to be inspected under this new methodology in October 2013. Following this inspection, the Trust was awarded a shadow rating of ‘good’. Although the inspection did not impose any compliance conditions on the Trust’s registration, it did highlight some areas for improvement and an action plan was jointly developed with the CQC on how these can be taken forward. The improvements identified included the following:

- Level and mix of staffing in some ward areas
- Connection between root cause analysis for grade 2 and 3 pressure ulcers
- Proof of testing not available on all equipment
- Some clinical pathways needed improvement, i.e. management of neutropaenic sepsis in A&E
- Management of pain in A&E to ensure that pain relief was administered timely
- Poor attitude of some consultants and staff
- Monitoring of changes based on learning from complaints and incidents
- Staffing levels were impacting on effectiveness in some services
- Local priorities at departmental level needed to be captured at Trust level
- Risk Registers
- Rigorous business planning testing to ensure innovation control, impact on services, resource implications and workforce
- Significant delays in discharging medically well patients from ICU to wards
- Action plan for eye clinic
- Stronger connection of operational structures to board level to enable clear understanding of issues at ward level
- Inclusion of basic local quality issues within the trust quality strategy as well as national targets. Trust priorities to be clearly articulated within the strategy
- Leadership development plan
- Areas of dissatisfaction for cancer patients identified in the cancer survey
- Electronic discharge summaries being transmitted electronically to GPs timely
- Further progress needed in ‘join up’ care in the local health system

The full CQC inspection report can be found at the following link:
http://www.cqc.org.uk
During the reporting period, Royal Surrey County Hospital NHS Foundation Trust has also participated in a special thematic review by the Care Quality Commission relating to mental health. Royal Surrey County Hospital intends to take the following action to address the conclusions / requirements reported by the CQC.

<table>
<thead>
<tr>
<th>Page in report:</th>
<th>Domain and issue:</th>
<th>MHA Section &amp; CoP Ref:</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>2: Admission to the Ward – Patient Information on Rights under the MHA</td>
<td>132 /Chapter 2 and 30.28</td>
</tr>
</tbody>
</table>

**Action you will take:**

Update session on the use of the MHA for SNPs & CSMs and the need to record the reading of patient’s right appropriately. Update MHA flowchart to include prompt to re-read patient’s rights and to record the information in the patient’s medical records. “Information for staff on the MHA” notice produced that includes reminders about patient’s rights. Print out most recent national patient information leaflets and store in the SNP office.

<table>
<thead>
<tr>
<th>How will you know it is achieved:</th>
<th>Date when action will be completed: (dd/mm/yyyy)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All SNPs and CSMs will have completed MHA training</td>
<td>30/06/13</td>
</tr>
<tr>
<td>Updated MHA flowchart on desktop and in MHA folder</td>
<td>30/05/13</td>
</tr>
<tr>
<td>Notice produced for staff and circulated around the trust (draft attached) and on desktop.</td>
<td>30/05/13</td>
</tr>
</tbody>
</table>

**Comments:**

National patient information leaflets do not distinguish between treatment for physical and mental disorders, is this something that CQC could address nationally?

Responsible manager: Nurse trainer for safeguarding and mental health

<table>
<thead>
<tr>
<th>Page in report:</th>
<th>Domain and issue:</th>
<th>MHA Section &amp; CoP Ref:</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 &amp; 7</td>
<td>2: Consent to treatment – Awareness of the Interface between MHA and MCA</td>
<td>58 /Chapter 23</td>
</tr>
</tbody>
</table>

**Action you will take:**

Information for staff on the MHA’ notice produced that includes clarification about physical treatment and the need for record of consent and capacity assessments where appropriate. Ensure that this is mentioned in consent and capacity mandatory training for all staff.

<table>
<thead>
<tr>
<th>How will you know it is achieved:</th>
<th>Date when action will be completed: (dd/mm/yyyy)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notice produced for staff and circulated around the trust and on desktop.</td>
<td>30/05/13</td>
</tr>
<tr>
<td>Training slides and handouts updated to include this information.</td>
<td>30/05/13</td>
</tr>
</tbody>
</table>

**Comments:**

Nurse trainer for safeguarding and mental health
Data Quality

Good quality information underpins the effective delivery of patient care and is essential if improvements in quality of care are to be made. Improving data quality, which includes the quality of ethnicity and other equality data will therefore improve patient care. Royal Surrey County Hospital NHS Foundation Trust will be taking the following actions to improve data quality.

- Issuing regular data quality reports highlighting learning from incidents to be shared across the organisation
- Providing guidance to staff on what data fields to check to ensure the correct patient demographic identifiers (PDIs)
- The trust has established a data quality task force whose remit includes ensuring compliance with policy and providing targeted data quality awareness training to areas highlighting data quality issues
- Monitoring ongoing trends and themes via the IG steering group and escalating to board as necessary
- Raising awareness of the importance of reporting data quality issues so that remedial action can be taken in a timely manner

Records submitted for Secondary Uses Services for Hospital Episode Statistics

NHS Number and General Medical Practice Code Validity

Royal Surrey County Hospital NHS Foundation Trust submitted records during 2013 -14 to the Secondary Uses Services for inclusion in the Hospital Episode Statistics which are included in the latest published data. The percentage of records in the published data which included the patient’s valid NHS number is shown below:

<table>
<thead>
<tr>
<th></th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Inpatients</td>
<td>A&amp;E</td>
<td>Outpatients</td>
</tr>
<tr>
<td>NHS Number</td>
<td>98.8</td>
<td>95.4</td>
<td>99.4</td>
</tr>
<tr>
<td>General Medical Practice Code</td>
<td>99.4</td>
<td>100</td>
<td>99.6</td>
</tr>
</tbody>
</table>

Information governance assessment report

Royal Surrey County Hospital NHS Foundation Trust Information Governance Assessment Report score overall score for 2013 -14 was 74% and was graded in line with the IGT Grading Scheme.

Clinical coding error rate

Clinical coding is the translation of medical terminology as written by the clinicians to describe a patient’s complaint / diagnosis into a coded format which is nationally and internally recognised. Royal Surrey County Hospital NHS foundation Trust was subject to the Payment by Results clinical coding audit during
the reporting period by the Audit Commission. Two separate risk assessment processes were used to identify trusts for the reference costs and admitted patient care data audits. For the admitted patient care data quality audits 40 at-risk trusts and 10 trusts selected at random were audited in 2013/14. The Royal Surrey County Hospital NHS Foundation Trust was selected for audit as part of a random sample. The admitted patient care audits covered 200 Finished Consultant Episodes (FCEs) and were split as follows:

- 100 FCEs focusing on the coding of co-morbidities – this was an area of concern of commissioners and a consistent problem area highlighted in 2012/13 audits; and
- 100 FCEs locally chosen to maintain the local ownership by commissioners established in 2012/13.

The error rates reported in the latest published audit for that period for diagnoses and treatment coding (clinical coding) was 13.4%. This means that 13.4% of spells had either a clinical coding error affecting the HRG, or a data entry error (or both). This performance would place the Trust in the worst performing 25% of trusts compared to last year’s national performance.5

- Primary diagnosis incorrect – 11.3%
- Secondary diagnosis incorrect – 15.1%
- Primary procedures incorrect – 15.8%
- Secondary procedure incorrect – 43.8%

The clinical coding results should not be extrapolated further than the actual sample size.

Recommendations arising from this audit have been included in an action plan that the hospital has completed. The high priority recommendations include the following:

- Use of the full case notes for coding wherever possible
- Read the operation notes in full detail to capture all relevant procedures performed
- Liaise with clinicians to improve the quality of discharge summaries. There should be consistency between discharge summaries and case notes.

5 The comparison made here are against the average results from 2012/13. These results are not ‘national results’ similar to previous years approach. This is because in 2012/13 each PCT cluster was given flexibility to choose which trusts they wanted audited and the areas they wanted to audit, based on national and local risk assessments, and sample sizes varied considerably.
NHS OUTCOMES FRAMEWORK: Review of performance against mandated indicators

The NHS Outcomes Framework sets out high level national outcomes which the NHS should be aiming to improve. The Framework provides indicators which have been chosen to measure these outcomes. An overview of the indicators is provided in the table below. It is important to note that whilst these indicators must be included in the Quality Accounts, the most recent available national data for the reporting period is not always for the most recent financial year. Where this is the case, an * is included next to the indicator.

<table>
<thead>
<tr>
<th>NHS Outcome Framework Domain</th>
<th>Indicator</th>
<th>2013/14</th>
<th>National Average</th>
<th>Top performer (where applicable)</th>
<th>Worst performer (where applicable)</th>
<th>2012/13</th>
<th>2011/12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preventing people from dying prematurely</td>
<td>SHMI value and banding (October 2012 – September 2013)</td>
<td>SHMI value 0.93 (band 2 = as expected)</td>
<td>1 (band 2 – as expected)</td>
<td>Whittington Hospital (SHMI value 0.63 = band 1 lower than expected)</td>
<td>Wye Valley NHS trust (SHMI value 1.18 = band 3 higher than expected)</td>
<td>SHMI value 0.94 (band 2 = as expected)</td>
<td>SHMI value 0.76 (band 2 = as expected)</td>
</tr>
<tr>
<td>Enhancing quality of life for people with long-term conditions</td>
<td>% of admitted patients whose treatment included palliative care</td>
<td>22.4%</td>
<td>n/a</td>
<td>n/a</td>
<td>24.5%</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

The Royal Surrey County Hospital considers that this data is as described because the trust has established mortality and morbidity review meeting for each specialty. These meetings then feed into an overarching trust wide mortality review process meaning that there is a systematic process for mortality review. This was one of our quality priorities last year and it has had a positive impact on clinical practice, and so the quality of our services.

We attribute our % of palliative care coded admissions to our status as a cancer centre.

<table>
<thead>
<tr>
<th>Helping people recover from episodes of ill health or following injury</th>
<th>Patient reported outcome measure for groin hernia surgery (Apr 2012- March 2013)</th>
<th>53% (EQ -5D index)</th>
<th>49.90% (EQ -5D index)</th>
<th>n/a</th>
<th>n/a</th>
<th>46.20% (April 2011 – March 2012) (EQ -5D index)</th>
</tr>
</thead>
</table>

Royal Surrey County Hospital NHS Foundation Trust – Annual Report & Accounts 2013/14
<table>
<thead>
<tr>
<th>NHS Outcome Framework Domain</th>
<th>Indicator</th>
<th>2013/14</th>
<th>National Average</th>
<th>Top performer (where applicable)</th>
<th>Worst performer (where applicable)</th>
<th>2012/13</th>
<th>2011/12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Helping people recover from episodes of ill health or following injury</td>
<td>Patient reported outcome measure for varicose vein surgery **</td>
<td></td>
<td>**N/A this procedure is not carried out in the trust</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Patient reported outcome measure for hip replacement surgery (Apr 2012 – Mar 2013)</td>
<td></td>
<td>**N/A this procedure is not carried out in the trust</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Patient reported outcome measure for knee replacement surgery (Apr 2012 – Mar 2013)</td>
<td></td>
<td>**N/A this procedure is not carried out in the trust</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>% of patients aged 0-14 readmitted to hospital within 28 days (2002/3 – 2011/12)</td>
<td></td>
<td>**N/A this procedure is not carried out in the trust</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>% of patient aged between 15 and over readmitted to hospital within 28 days of discharge (2002/3 – 2011/12)</td>
<td></td>
<td>**N/A this procedure is not carried out in the trust</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Patient reported outcome measure for varicose vein surgery **

**Patient reported outcome measure for hip replacement surgery (Apr 2012 – Mar 2013)**

**Patient reported outcome measure for knee replacement surgery (Apr 2012 – Mar 2013)**

**% of patients aged 0-14 readmitted to hospital within 28 days (2002/3 – 2011/12)**

**% of patient aged between 15 and over readmitted to hospital within 28 days of discharge (2002/3 – 2011/12)**
The Royal Surrey County Hospital considers that the PROMS data is as described due to the our high participation rate in this national survey. This meant that we exceeded the national target in 6 out of the 8 measures for PROMS. We will continue to build on this by continuing to increase our participation for all eligible hospital episodes.

<table>
<thead>
<tr>
<th>NHS Outcome Framework Domain</th>
<th>Indicator</th>
<th>2013/14</th>
<th>National Average</th>
<th>Top performer (where applicable)</th>
<th>Worst performer (where applicable)</th>
<th>2012/13</th>
<th>2011/12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensuring that people have a positive experience of care</td>
<td>Responsiveness to the personal needs of patients (CQC inpatient survey 2013)</td>
<td>5.1</td>
<td>-</td>
<td>7.2 (score achieved by highest scoring trust)</td>
<td>4.7 (score achieved by lowest scoring trust)</td>
<td>6.7</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>% of staff who would recommend the provider to a friend or relative if they needed treatment</td>
<td>3.81</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>3.81</td>
<td>3.81</td>
</tr>
</tbody>
</table>

The Royal Surrey County Hospital considers that this data is as described for the staff recommendation of the trust which shows a consistent picture across the years. The results shown in the narrative section below indicate the areas where we have made an improvement and those we need to focus on for further improvement. The Royal Surrey County Hospital NHS Foundation Trust has developed an action plan to address these areas.

With regards to the inpatient survey, we recognise that communication between patients and clinicians is an area that requires improvement and so we have chosen this as one of our quality priorities specifically to address this.

| Treating and caring for people in a safe environment and protecting them from avoidable harm | % of patients who were admitted to hospital who were risk assessed for venous thromboembolism (VTE) during the reporting period (2013/14) | 95.6% | 95% | n/a | n/a | 93.41% | - |

Royal Surrey County Hospital NHS Foundation Trust – Annual Report & Accounts 2013/14
<table>
<thead>
<tr>
<th>NHS Outcome Framework Domain</th>
<th>Indicator</th>
<th>2013/14</th>
<th>National Average</th>
<th>Top performer (where applicable)</th>
<th>Worst performer (where applicable)</th>
<th>2012/13</th>
<th>2011/12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treating and caring for people in a safe environment and protecting them from avoidable harm</td>
<td>The rate per 100,000 bed days of cases of C. difficile infection reported within the trust amongst patients aged 2 or over (April 2012 – March 2013)</td>
<td>13.5 (April 2012 – March 2013)</td>
<td>17.3</td>
<td>n/a</td>
<td>n/a</td>
<td>13.5</td>
<td>14.0</td>
</tr>
<tr>
<td>Rate of patient safety incidents reported within the trust and the number and percentage of such patient safety incidents that resulted in severe harm or death.</td>
<td>1.13% Count of incidents 55 – (see table below)</td>
<td>-</td>
<td>n/a</td>
<td>n/a</td>
<td>0.32%</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

The Royal Surrey County Hospital considers that this data is as described as infection prevention and control is a top priority for our trust. Whilst our overall rates have consistently been below the national rate for the last 4 years, this year we exceeded our national target for C difficile. As result of this we commissioned an independent review of our infection prevention and management processes and we have increased the frequency of audits that we undertake for infection prevention and control. Please see additional commentary in the section below for other additional preventative measures that the trust is implementing.

We have achieved out target for VTE risk assessment each month and we attribute this to have a dedicated specialist VTE nurse who proactively monitors this aspect of care, and take appropriate and timely remedial action as required.
Further narrative on outcome framework indicators

Domain 1: Preventing people from dying prematurely
- Summary Hospital level Mortality Indicator (SHMI)

The SHMI reports on mortality at trust level across the NHS in England. The SHMI is the ratio between the actual number of patients who die following hospitalisation at the trust and the number that would be expected to die on the basis of average England figures, given the characteristics of the patients treated there. The SHMI values for each trust are published along with bandings indicating whether a Trust’s SHMI value is ‘as expected’, ‘higher than expected’, or ‘lower than expected’. The SHMI requires careful interpretation and should not be taken in isolation as a headline figure of trust performance. It is best treated as a smoke alarm which warrants follow up. The Trust score for the period covering October 2012 to September 2013 is 0.93 placing it into a value banding of 2.

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

The % of deaths with palliative care coding is an indicator designed to accompany the SHMI as the SHMI makes no adjustments for palliative care. This is because there is considerable variation between trusts in the coding of palliative care. The % of deaths with palliative care for RSCH was as follows:

<table>
<thead>
<tr>
<th></th>
<th>RSCH</th>
<th>CHKS Peer</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010/11</td>
<td>4.13%</td>
<td>11.48%</td>
</tr>
<tr>
<td>2011/12</td>
<td>10.81%</td>
<td>11.95%</td>
</tr>
<tr>
<td>2012/13</td>
<td>22.36%</td>
<td>12.23%</td>
</tr>
<tr>
<td>2013/14</td>
<td>22.40%*</td>
<td>16.94%</td>
</tr>
</tbody>
</table>

* This number has been taken from RSCH Information Department report as CHKS Insight has not yet been updated with the latest recoded data.

Domain 3: Helping people recover from episodes of ill health or following injury
- Patients readmitted to hospital within 28 days of discharge

The readmission rate for Royal Surrey County Hospital NHS Foundation Trust during 2013-14 was 5.1% overall against our peers at 6.6% overall based on the CHKS definition. The figures in the table below are based on the DH definition ‘Emergency readmissions within 28 days of discharge from hospital’ for this indicator.

<table>
<thead>
<tr>
<th>Period</th>
<th>Royal Surrey County Hospital</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-14</td>
<td>11.40%</td>
</tr>
<tr>
<td>2012-13</td>
<td>10.11%</td>
</tr>
<tr>
<td>2011-12</td>
<td>10.17%</td>
</tr>
</tbody>
</table>

- Stroke Performance
Direct admission to a stroke unit remains the most important intervention that we have for acute stroke and so it is concerning that we have not always achieved this for a significant number of our patients. Correcting this part of the pathway is a top priority for our hospital’s operating systems. Based on the results of the SSNAP report issued at the end of September 2013, an action Plan to Redesign the Stroke Unit and separate stroke and Neurology with no medical outliers is due to be implemented. Our overall performance for the last two years is detailed in the table below:

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Target</th>
<th>2012-13</th>
<th>2013-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of Direct Admission to acute stroke unit within 4hrs</td>
<td>90%</td>
<td>75%</td>
<td>67%</td>
</tr>
<tr>
<td>Percentage of eligible patients receiving thrombolysis &lt; 60 minutes of arrival</td>
<td>60%</td>
<td>30%</td>
<td>57%</td>
</tr>
<tr>
<td>Proportion of stroke patients scanned within one hour of hospital arrival</td>
<td>50%</td>
<td>55%</td>
<td>63%</td>
</tr>
<tr>
<td>Proportion of stroke patients scanned within 24 hours of hospital arrival</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Percentage of patients discharged under the early supported discharge team</td>
<td>40%</td>
<td>23%</td>
<td>22%</td>
</tr>
<tr>
<td>Percentage high risk TIA patients treated &lt;24 hours of 1st contact</td>
<td>60%</td>
<td>88%</td>
<td>61%</td>
</tr>
<tr>
<td>Percentage of patients receiving a swallow screen &lt;4 hours of arrival or onset</td>
<td>60%</td>
<td>-</td>
<td>52%</td>
</tr>
<tr>
<td>Percentage of patients receiving SALT assessment &lt;72 hours</td>
<td>30%</td>
<td>45%</td>
<td>47%</td>
</tr>
</tbody>
</table>

- PROMS data
Patient Reported Outcome Measures (PROMS) measures health gain in patient undergoing hip replacement, knee replacement, varicose veins and groin hernia surgery in England based on responses to a questionnaire before and after surgery. PROMs collect information on the effectiveness of care delivered to NHS patients as perceived by the patients themselves, making it a particularly important indicator which adds to the wealth of information available on the care delivered to NHS funded patients to complement existing information on the quality of services. The table below summarises the Trust’s performance in the last year.

### Health Gain Data - Reporting period April 2012 to March 2013

<table>
<thead>
<tr>
<th>% Patients reporting an improvement</th>
<th>EQ-5D Index*</th>
<th>EQ-VAS Index**</th>
<th>Oxford Hip/Knee*** Score</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Trust Score</td>
<td>National Ave</td>
<td>Trust Score</td>
</tr>
<tr>
<td>Following hip replacement surgery</td>
<td>91.90%</td>
<td>88.00%</td>
<td>66.50%</td>
</tr>
<tr>
<td>Following knee replacement surgery</td>
<td>83%</td>
<td>79.90%</td>
<td>58.60%</td>
</tr>
<tr>
<td>Following groin hernia surgery</td>
<td>52.70%</td>
<td>49.30%</td>
<td>34.40%</td>
</tr>
<tr>
<td>Following varicose vein surgery</td>
<td>N/A</td>
<td>- varicose vein procedures no longer conducted at Royal Surrey County Hospital NHS Foundation Trust</td>
<td></td>
</tr>
</tbody>
</table>

*EQ-5D is a health questionnaire consisting of a five dimensional descriptive system and a visual analogue scale ** (EQ – VAS).

***The oxford hip/knee is a type of hip/ knee replacement operation technique.

### Domain 4: Ensuring that people have a positive experience of care

- **Staff Survey**

The principal aim of the staff survey is to gather information that will help the Trust to improve the working lives of our staff and so help to provide better care for patients. The staff survey provides the Trust with a wealth of information detailing our staffs’ view about working at the Royal Surrey County Hospital. We are pleased to report that the 2013 staff survey results show another year of continued good performance. Areas to highlight include:

- Placed in the top 20% of acute trusts for 12 of the 25 key findings
- Better than average performance in a further 8 of the 25 key findings
- No areas of deterioration

An action plan will be developed in response to the areas identified for improvement. This will be shared with staff side and will seek their involvement in its implementation. The table below shows the areas where the trust has performed best and provides a comparison with the national benchmark.
Staff Survey Results - 2013

<table>
<thead>
<tr>
<th>Question</th>
<th>Trust Score</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>My organisation treats staff involved in an error, near miss or incident fairly</td>
<td>55</td>
<td>48</td>
</tr>
<tr>
<td>My training, learning and development has helped me to deliver a better patient/ service user experience</td>
<td>69</td>
<td>63</td>
</tr>
<tr>
<td>Care of patients/ service users is my organisation's top priority</td>
<td>75</td>
<td>69</td>
</tr>
<tr>
<td>I am able to make improvements happen in my area of work</td>
<td>60</td>
<td>54</td>
</tr>
<tr>
<td>Senior managers are committed to patient care</td>
<td>59</td>
<td>53</td>
</tr>
<tr>
<td>I would recommend my organisation as a place to work</td>
<td>66</td>
<td>61</td>
</tr>
<tr>
<td>I am involved in deciding on changes that affect my work area/ team / department</td>
<td>57</td>
<td>52</td>
</tr>
<tr>
<td>My immediate manager encourages those who work for him/ her to work as a team</td>
<td>75</td>
<td>70</td>
</tr>
<tr>
<td>If a friend or relative needed treatment I would be happy with the standard of care provided by my organisation</td>
<td>73</td>
<td>69</td>
</tr>
<tr>
<td>My immediate manager asks for my opinion before making decisions that affect my work</td>
<td>55</td>
<td>51</td>
</tr>
</tbody>
</table>

- Responsiveness to the personal needs of patients during the reporting period

Based on the recent CQC inpatient survey, the Royal Surrey County Hospital NHS Foundation Trust was found to be better than other trusts for giving information to patients about their condition or treatment in A&E. However we were worse than other trusts for staff providing information about how an operation or procedure had gone and also worse than other trusts on providing information explaining how to complain about the care received.

There was a significant improvement in the results for 6 of the questions as listed below

<table>
<thead>
<tr>
<th>Question</th>
<th>2013 RS Scores</th>
<th>Highest trust score</th>
<th>2012 RS Scores</th>
<th>Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>While you were in A&amp;E, how much information about your condition or treatment was given to you</td>
<td>8.8</td>
<td>9.4</td>
<td>8.2</td>
<td>↑</td>
</tr>
<tr>
<td>How clean were the toilets and bathrooms that you used in the hospital</td>
<td>8.3</td>
<td>9.6</td>
<td>8.0</td>
<td>↑</td>
</tr>
<tr>
<td>When you had important questions to ask a doctor, did you get answers that you could understand</td>
<td>8.4</td>
<td>9.3</td>
<td>8.0</td>
<td>↑</td>
</tr>
<tr>
<td>Did you have confidence and trust in the doctors treating you</td>
<td>9.0</td>
<td>9.6</td>
<td>8.6</td>
<td>↑</td>
</tr>
<tr>
<td>Did you have confidence and trust in the nurses treating you</td>
<td>8.8</td>
<td>9.5</td>
<td>8.3</td>
<td>↑</td>
</tr>
<tr>
<td>Do you feel you got enough emotional support from hospital staff during your stay</td>
<td>7.3</td>
<td>8.9</td>
<td>6.6</td>
<td>↑</td>
</tr>
</tbody>
</table>
Of the 60 questions, 30 showed an improved score, 12 questions remained at the same score as last year, with 17 showing a slight deterioration and 1 was a new question. It is pleasing to see that there have been increased scores for the sections relating to information given to patients, confidence in staff treating them, emotional support and the ability to find someone on the staff to talk to about worries and fears.

Nine of the questions had a score in excess of 9, however there are 7 questions that had a score below 6. These questions are detailed below.

<table>
<thead>
<tr>
<th>Question</th>
<th>2013 RS Scores</th>
<th>Highest trust score</th>
<th>2012 RS Scores</th>
<th>Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Were you ever bothered by noise at night from other patients</td>
<td>5.7</td>
<td>8.7</td>
<td>5.7</td>
<td>↔</td>
</tr>
<tr>
<td>How would you rate the hospital food</td>
<td>4.6</td>
<td>8.2</td>
<td>5.1</td>
<td>↓</td>
</tr>
<tr>
<td>Did you find someone on the hospital staff to talk to about your worries and fears</td>
<td>5.9</td>
<td>8.1</td>
<td>5.5</td>
<td>↑</td>
</tr>
<tr>
<td>Did a member of staff tell you about medication side effects to watch for when you went home</td>
<td>4.8</td>
<td>7.4</td>
<td>4.6</td>
<td>↑</td>
</tr>
<tr>
<td>Did a member of staff tell you about any danger signals you should watch out for after you went home</td>
<td>5.4</td>
<td>7.6</td>
<td>5.0</td>
<td>↑</td>
</tr>
<tr>
<td>During your hospital stay were you ever asked to give your views on the quality of care</td>
<td>2.0</td>
<td>4.6</td>
<td>1.5</td>
<td>↑</td>
</tr>
<tr>
<td>Did you see or were you given any information explaining how to complain about the care you received</td>
<td>1.6</td>
<td>5.9</td>
<td>1.4</td>
<td>↑</td>
</tr>
</tbody>
</table>

The questions that showed the greatest deterioration in scores compared to 2012 are shown below.

<table>
<thead>
<tr>
<th>Question</th>
<th>2013 RS Scores</th>
<th>Highest trust score</th>
<th>2012 RS Scores</th>
<th>Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>How do you feel about the length of time you have been on the waiting list</td>
<td>8.4</td>
<td>9.7</td>
<td>8.8</td>
<td>↓</td>
</tr>
<tr>
<td>How would you rate the hospital food</td>
<td>4.6</td>
<td>9.8</td>
<td>5.1</td>
<td>↓</td>
</tr>
<tr>
<td>Did you get enough help from staff to eat your meals</td>
<td>6.8</td>
<td>9.4</td>
<td>7.6</td>
<td>↓</td>
</tr>
<tr>
<td>Did a member of staff answer your questions about the operation or procedure</td>
<td>8.5</td>
<td>9.5</td>
<td>8.9</td>
<td>↓</td>
</tr>
</tbody>
</table>

An action plan has been developed to address the areas of concern from the 2013 survey. A number of actions had already been put in place prior to the results of the survey being known. We are working to improve overall communication with patients and relatives as indicated in part 2 of this report.

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

- VTE assessments for admitted patients

During the reporting period, Royal Surrey County Hospital NHS Foundation Trust has consistently achieved the target of 95% for VTE risk assessments for admitted patients each month. The Trust average for the year was 95.6%. Improvement work on VTE has continued throughout the year with focus directed at ensuring sustained and improved quality in completion of the documentation.
The Trust’s VTE Nurse has targeted specific areas of the Trust where data quality could be improved. She has also worked on getting VTE risk assessment validation embedded on inpatient wards. These measures are taking effect. Up to the end March 2014, the Royal Surrey County Hospital NHS Foundation Trust has consistently achieved the required 95% compliance target for VTE risk assessments.

![VTE Risk assessments achieved 2013/2014](image)

- C diff rates

Below are the rates for Clostridium difficile infection for the Royal Surrey County Hospital as published by the Public Health England (PHE).

<table>
<thead>
<tr>
<th>Year</th>
<th>RSCH Clostridium difficile rate</th>
<th>National Clostridium difficile rate per 100,000 bed days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr 07 - Mar 08</td>
<td>93.7</td>
<td>93.3</td>
</tr>
<tr>
<td>Apr 08 - Mar 09</td>
<td>47.1</td>
<td>54.9</td>
</tr>
<tr>
<td>Apr 09 - Mar 10</td>
<td>30.3</td>
<td>36.7</td>
</tr>
<tr>
<td>Apr 10 - Mar 11</td>
<td>19.8</td>
<td>29.6</td>
</tr>
<tr>
<td>Apr 11 - Mar 12</td>
<td>12.3</td>
<td>21.8</td>
</tr>
</tbody>
</table>
Number of patient safety incidents and % resulting in severe harm/death

The table below shows the number of patient safety incidents reported each month during the reporting period and a breakdown by severity grading for these, including the proportion of incidents resulting in severe harm or death.

<table>
<thead>
<tr>
<th></th>
<th>1 - Negligible</th>
<th>2 - Minor</th>
<th>3 - Moderate</th>
<th>4 - Major</th>
<th>5 - Catastrophic (i.e. death)</th>
<th>Total</th>
<th>% of Major &amp; Catastrophic Incidents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr 2013</td>
<td>317</td>
<td>144</td>
<td>31</td>
<td>0</td>
<td>1</td>
<td>493</td>
<td>0.20%</td>
</tr>
<tr>
<td>May 2013</td>
<td>283</td>
<td>161</td>
<td>34</td>
<td>4</td>
<td>0</td>
<td>482</td>
<td>0.83%</td>
</tr>
<tr>
<td>June 2013</td>
<td>162</td>
<td>167</td>
<td>40</td>
<td>3</td>
<td>0</td>
<td>372</td>
<td>0.81%</td>
</tr>
<tr>
<td>July 2013</td>
<td>147</td>
<td>190</td>
<td>52</td>
<td>3</td>
<td>1</td>
<td>393</td>
<td>1.02%</td>
</tr>
<tr>
<td>Aug 2013</td>
<td>147</td>
<td>195</td>
<td>52</td>
<td>5</td>
<td>0</td>
<td>399</td>
<td>1.25%</td>
</tr>
<tr>
<td>Sept 2013</td>
<td>144</td>
<td>191</td>
<td>55</td>
<td>3</td>
<td>0</td>
<td>393</td>
<td>0.76%</td>
</tr>
<tr>
<td>Oct 2013</td>
<td>148</td>
<td>198</td>
<td>55</td>
<td>2</td>
<td>0</td>
<td>403</td>
<td>0.50%</td>
</tr>
<tr>
<td>Nov 2013</td>
<td>132</td>
<td>179</td>
<td>50</td>
<td>9</td>
<td>2</td>
<td>372</td>
<td>2.96%</td>
</tr>
<tr>
<td>Dec 2013</td>
<td>129</td>
<td>199</td>
<td>50</td>
<td>1</td>
<td>0</td>
<td>379</td>
<td>0.26%</td>
</tr>
<tr>
<td>Jan 2014</td>
<td>142</td>
<td>212</td>
<td>47</td>
<td>7</td>
<td>0</td>
<td>408</td>
<td>1.72%</td>
</tr>
<tr>
<td>Feb 2014</td>
<td>122</td>
<td>209</td>
<td>53</td>
<td>4</td>
<td>1</td>
<td>389</td>
<td>1.29%</td>
</tr>
<tr>
<td>Mar 2014</td>
<td>141</td>
<td>171</td>
<td>71</td>
<td>9</td>
<td>0</td>
<td>392</td>
<td>2.30%</td>
</tr>
<tr>
<td>Total</td>
<td>2014</td>
<td>2216</td>
<td>590</td>
<td>50</td>
<td>5</td>
<td>4875</td>
<td>1.13%</td>
</tr>
</tbody>
</table>

The hospital has a robust and established incident management process. All incidents rated moderate and above are subject to further scrutiny by the clinical governance. In addition there is a weekly meeting with the safety and quality executives to review all incidents flagged as potential serious incidents. Where appropriate these incidents are then subject to a detailed root cause analysis investigation.
Part 3
Review of Quality Performance

In our quality account 2012/13, we set nine quality priorities and below are the analyses of our performance against these improvement goals.

1. Reducing Infection rates

Our targets in relation to this quality priority were nationally set based on our performance the previous year. The target for C diff was particularly low and by the beginning of Q3, we had breached this target. We saw a spike in C difficile incidence towards the end of summer and there were further cases since such that at year end we had reported a total of 26 C difficile cases against a DH target of 14.

We undertook a root cause analysis for each case of C difficile that was reported and developed an overarching action plan to minimise C diff risk. This action plan has been monitored via the hospital infection control committee and also shared with the local clinical commissioning group. We also sought advice from the regional consultant in communicable disease control (CCDC) to share any best practice in the management of C difficile infection. In addition, we commissioned an independent review into our infection control processes in order to get an external view on areas that we could improve. This review highlighted a number of learning points which we have now incorporated into an action plan to support our improvement efforts in this regard. This also had a wider discussion with our council of governors and Trust board about what actions the Trust could reasonably take to further mitigate the risk of infection. In response to this, a scoping exercise was completed by the Trust’s director of infection control to review practices in other trust with a view to identifying any learning that could be applied within the Trust. This quality priority has been revised with a particular focus on increasing compliance with refresher training for all clinical staff. The Trust had a stringent target of 14 cases for C difficile and 0 cases for MRSA as set by the Department of Health. This was based on our previous performance as shown below:

![RSCH Clostridium difficile Graph](image_url)
We continue our antimicrobial stewardship activities as part of the Trust Antimicrobial Strategy with the aims of

- Optimising antimicrobial prescribing practices by promoting safe, rationale and effective prescribing
- Conserving currently available broad –spectrum antimicrobials for more resistant infections and to reduce the risks of microbial resistance developing
- Reducing the risks of healthcare – associated infections such as MRSA and C. difficile
- Supporting measures to reduce healthcare associated infections and the spread of resistant organisms
- Promoting, monitoring and ensuring the cost – effective prescribing of antimicrobial agents

Through discussions with peers and our CCG, we were aware that other trusts in the region had also seen an increase in the incidence of C difficile.

2. Reducing Inpatient Falls

We have made very good progress against this quality priority and have reduced the rate of inpatient falls significantly below the national target and our locally set target. Below is a graph that shows our performance over the last year. We will continue to build on this success in the coming year. We attribute our success in this area to the increased input from the Falls Nurse Specialist and the implementation of the Royal College of Physician's Fallsafe initiative that has been rolled out across the Trust. This has led to a systematic approach to managing inpatient falls and standardisation of documentation. We also have a high risk falls group that meets on a monthly basis as well as a Falls Steering Group whose membership is multi – disciplinary and includes representation from the clinical governance team.

The falls specialist nurse has facilitated various education sessions for nurses including introducing bedside teaching sessions within wards. We have also tested out other new technologies to support falls prevention, including use of chair alarms and specialist socks. Following the release of the revised NICE guideline for falls prevention, we undertook a review of our processes and policies to bring them in line with the guideline.
This has meant that our approach and practice has been based on the latest guidance and available evidence base for improvement. The 12-month rolling average has decreased from 5.52 per 1000 bed days to 4.68 per 1000 bed days. The in-month figures have decreased from 6.5 per 1000 bed days to 5.3 per 1000 bed days. The Trust continues to fully investigate any fall resulting in a moderate or severe harm for the patient, using a formal root cause analysis tool and when deemed necessary, a learning panel is held. The graph below shows the Trust performance over the last year, reflecting the national target, the RSCH local target and the actual performance against these two targets. This priority has been retired from the quality account and ongoing monitoring of harm from falls will be via the Harm Free Care meetings and the Falls Steering Group.

In comparison to the previous year where the rate of falls fluctuated throughout the year, there has been a steady decline of the falls rate during this reporting period much of this improvement is attributed to the increase in falls nurse specialist provision to full time hours and other innovations implemented during the year.

3. Promoting Harm Free Care

The Trust takes part in the Safety thermometer, which is a national programme of monthly point prevalent audits targeted at looking at care across four clinical harms. These are falls; pressure ulcers; catheter associated urinary tract infections (CAUTI) and risk of blood clot known as venous thrombo-embolism (VTE). During the first two quarters, performance in harm free care did not reach the national target of 95%. Conversely, the period from October 2013, marked an improvement in performance and this has been sustained for the remainder of the year apart from March when performance dipped to just below the national average at 94.65%.

There is a monthly meeting to discuss harm free care performance and there have been additional quality improvement initiatives throughout the year to support the delivery of harm free care. This included running several workshops with ward staff to further develop the understanding of the audit methodology as well as some more focused work in relation to reducing CAUTI. As a consequence of this, we have introduced a catheter passport which is aimed at achieving a seamlessness transition between hospital and community care for patients with catheters.
During the year, the Trust saw an increase in the number of patients developing pressure ulcers including those admitted into hospital with pressure ulcers. The Trust has been collaborating with the local CCG to get a better understanding the care settings when patients are admitted with a pressure ulcer. Performance in relation to VTE has been consistently good with the target for risk assessment being achieved each month. As above, we have seen an overall decline in the number of inpatient falls, particularly those resulting in serious harm. The table below shows performance in relation to patients sustaining a new harm (i.e. whilst in hospital) over the last year.

### Table 1: Percentage of patients with no harm

<table>
<thead>
<tr>
<th>Month</th>
<th>No New Harms</th>
<th>One New Harm</th>
<th>Two New Harms</th>
<th>Three New Harms</th>
<th>Four New Harms</th>
<th>Patients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar 13</td>
<td>92.81</td>
<td>7.19</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>473</td>
</tr>
<tr>
<td>Apr 13</td>
<td>95.11</td>
<td>4.26</td>
<td>0.64</td>
<td>0.21</td>
<td>0</td>
<td>470</td>
</tr>
<tr>
<td>May 13</td>
<td>94.34</td>
<td>5.45</td>
<td>0.23</td>
<td>0.21</td>
<td>0</td>
<td>477</td>
</tr>
<tr>
<td>Jun 13</td>
<td>94.78</td>
<td>4.99</td>
<td>0.23</td>
<td>0.23</td>
<td>0</td>
<td>441</td>
</tr>
<tr>
<td>Jul 13</td>
<td>93.32</td>
<td>6.45</td>
<td>0.23</td>
<td>0.23</td>
<td>0</td>
<td>434</td>
</tr>
<tr>
<td>Aug 13</td>
<td>94.51</td>
<td>5.49</td>
<td>0.23</td>
<td>0.23</td>
<td>0</td>
<td>455</td>
</tr>
<tr>
<td>Sep 13</td>
<td>94.98</td>
<td>5.02</td>
<td>0.23</td>
<td>0.23</td>
<td>0</td>
<td>458</td>
</tr>
<tr>
<td>Oct 13</td>
<td>95.56</td>
<td>4.23</td>
<td>0.23</td>
<td>0.23</td>
<td>0</td>
<td>496</td>
</tr>
<tr>
<td>Nov 13</td>
<td>96.15</td>
<td>3.63</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>441</td>
</tr>
<tr>
<td>Dec 13</td>
<td>96.21</td>
<td>3.79</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>501</td>
</tr>
<tr>
<td>Jan 14</td>
<td>97.91</td>
<td>2.09</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>479</td>
</tr>
<tr>
<td>Feb 14</td>
<td>96.68</td>
<td>3.32</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>482</td>
</tr>
<tr>
<td>Mar 14</td>
<td>94.64</td>
<td>5.15</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>466</td>
</tr>
</tbody>
</table>

During the year the Trust focused on reducing the number of catheters that were inserted in the hospital and on reducing catheter associated urinary tract infections (CAUTI). The chart below demonstrates that the Trust has reduced the percentage of patients with a CAUTI. This has been achieved through additional awareness sessions to for nursing and medical staff. The catheter documentation has been reviewed and patients are identified on wards to encourage medical and nursing discussion and review of any catheters to ensure that they stay in for the least amount of time necessary. Whilst the Trust will continue to take part in the harm free care audits, this quality priority is being retired from the quality account and onward monitoring will be via the monthly harm free meetings as referenced above.
4. Increased clinical trials activity
The aim of the Research and Development Department for the 2013/14 financial year was

- to support established and developing areas of research at the Trust
- to follow up on interest in new areas of research
- ensure potential researchers are equipped with all of the relevant information and support available to bring research into their specialty areas.

During the last year the R&D team have continued to work with principal investigators, their research teams and support services to approve 84 studies in total. This is a 55% increase on the number of studies approved in the same period last year and as shown in table 1 is the most studies we have approved in one year.

The increase is thought to be due to the changes within the structure of the R&D department which allows us to process the increased number of trials we are receiving.

Table 1

<table>
<thead>
<tr>
<th>Total</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of studies approved 2010-11</td>
</tr>
<tr>
<td></td>
<td>Number of studies approved 2011-12</td>
</tr>
<tr>
<td></td>
<td>Number of studies approved 2012-13</td>
</tr>
<tr>
<td></td>
<td>Number of studies approved 2013-14</td>
</tr>
</tbody>
</table>
The Trust’s research portfolio continues to develop in the newer areas of research. How the studies are distributed across the trust is illustrated in figure 1.

![Figure 1: Studies approved within 2013-14 by speciality](image)

**Research Activity (2013/14)**

The Royal Surrey County Hospital is currently hosting 334 studies. 215 of these studies are actively recruiting patients, 68 studies are no longer recruiting patients but have patients attending follow up clinics and 51 studies are complete (or suspended) and are waiting for the required close out visits from the sponsor or relevant close out documentation to be completed.

In the last year the Trust recruited 4100 patients into research studies. This is a 10% decrease on the number of patients recruited last year. The reduction in recruitment is due to the large bowel cancer screening study (Fit for Follow up) led by Prof. Halloran come to an end towards the end of the year.

Excluding the bowel cancer study that recruited 2509 patients this financial year, the trust recruited 1591 patients to trials which is an 18% increase on the recruitment last financial year.

Fig 2 below excludes the large recruiting Fit for Follow up study and shows that the distribution of recruitment is more equally spread between a few key areas.

![Figure 2: Trust recruitment by Speciality 2013/14 (excluding Fit for Follow up)](image)
The overall increase in recruitment has been due to a well-balanced research portfolio that includes labour intensive interventional studies and less intensive observational studies.

**Commercially Funded Research**

Royal Surrey County Hospital continues to develop good working relationships with the pharmaceutical companies. This year the Trust opened 30 new commercially funded studies. This is the most commercial studies that R&D have approved in one year.

**Table 4: Number of studies that were commercially funded**

<table>
<thead>
<tr>
<th>Total</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of commercial studies approved 2010-11</td>
<td>12</td>
</tr>
<tr>
<td>Number of commercial studies approved 2011-12</td>
<td>26</td>
</tr>
<tr>
<td>Number of commercial studies approved 2012-13</td>
<td>16</td>
</tr>
<tr>
<td>Number of commercial studies approved 2013-14</td>
<td>30</td>
</tr>
</tbody>
</table>

There are currently 88 commercial studies open within the Trust and during the 2013/14 period these studies have generated an income of £1,118,011.

**National Institute of Health Research (NIHR) Portfolio research**

The purpose of the NIHR Clinical Research Network is to provide a world-class health service infrastructure to support clinical research in the NHS in England. It comprises a Coordinating Centre, six topic specific research networks, a primary care research network and a comprehensive clinical research network (CCRN) enabling research to be conducted across the full spectrum of disease and clinical need.

The CCRN currently comprises 25 Local Research Networks covering England however this is due to be re-structured from April 2014. The Surrey & Sussex Comprehensive Local Research Network (CLRN) provides NIHR funding to the Royal Surrey County Hospital to support trials adopted onto the NIHR portfolio. The level of funding allocated to Trusts is related to the number of new patients recruited onto trials annually and was £1,664,134 this year. 73% of the research studies approved by R&D during the 2013/14 period are on the NIHR portfolio. The NIHR’s set objectives for this period aimed to reduce the barriers to research. The main two being increasing the numbers of patients recruited to research studies and speeding up the approval process.
Increasing the number of patients recruited to studies.
The target set for the Royal Surrey County Hospital by the Surrey & Sussex CLRN was a recruitment target of 4094, which was a 12% increase on the target for the previous year. Failure to reach this target would affect the level of funding allocated to the Trust from the NIHR next year. The Royal Surrey has fallen short of this target by recruiting 3646 as shown in below (Fig 3). This is due to the fit for follow up study coming to an end before the end of the financial year.

Figure 3: Royal Surrey NIHR Recruitment against NIHR Target

Improving the approval process to start research
All R&D departments have been set the objective to approve studies within 30 days of R&D submission. This has proved challenging for most Trusts and RSCH has worked very hard with researchers and support services to improve these timelines. Researchers are encouraged to notify R&D at the earliest opportunity to ensure feasibility of their research proposal and to prevent delays at the submission stage. Within the RSCH the R&D department has developed tools and guidelines for researchers to follow, ensuring all information is readily available and clearly explained.

Figure 4 shows the significant improvement that R&D has made to reach the 30 day target and to ensure our funding is secured.

Figure 4: Comparison of Royal Surrey County Hospital Approval Timelines in different years
In addition to the original 30 day approval target the NIHR are looking at other performance metrics to reduce the time from study submission to 1st patient. As of April 2013 the NIHR will be introducing a 30 day target from R&D approval to recruit the first patient. The aim of which is to ensure that the study recruitment starts as quickly as possible. During the 2013/14 this performance metric has not been closely monitored however we have received confirmation that this will be reviewed in the 2014/15 period.

This quality priority is being retired with ongoing monitoring of research and clinical trials’ activity being remitted to the research and development governance committee.

5. Improved mortality review process

The Trust committed to improving its process for reviewing mortality in light of some unexpected publication in the Sunday Telegraph which reported the Trust as having a higher than expected mortality rate. A Trustwide mortality process has been set up, with the overall aim of reducing avoidable death in Hospital. Engagement in the process has been good and has enabled increased understanding and discussion of care around the time of death across the Trust. Rates of reporting of problems in care are, at this stage, lower than those reported in published studies, though increasing, and further work is needed to provide assurance of a good reporting culture and to further embed the process. Mortality rates and indices are currently stable, and below or within the expected range, though there remains a discrepancy between the latest SHMI and the HSMR, likely relating to palliative care coding rates, which are currently around 15%, still lower than expected. Work is ongoing to address this, and in addition the Trust plans to participate in a National study of mortality which will include detailed external review of clinical notes, providing further assurance that problems in care are being reported with appropriate rigour.

The aim of the mortality review process is to minimise avoidable in-hospital deaths due to problems in care. The process will also facilitate better understanding of mortality rates and standardised mortality indices such as SHMI and HSMR. The Trust mortality review process includes Consultant-led review of all in-patient deaths in the Trust, using a standard Trust mortality review form. All SBUs where this is relevant (some SBUs experience little or no mortality) have, as part of the process, minuted morbidity and mortality meetings at least once monthly. A Trust Mortality Review Group meets quarterly in order to monitor the process, oversee and understand trends in mortality and ensure that any actions required to reduce the rate of avoidable death are undertaken. This group reports into ELT and CQGC quarterly.

Mortality Indices

a) SHMI. The most recent SHMI, for the period July 2012-June is around the 25th centile value for UK Trusts. The SHMI is published quarterly and the three most recent values are shown in the table below.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SHMI</td>
<td>95.4</td>
<td>94.5</td>
<td>95.6</td>
</tr>
</tbody>
</table>

b) Higher than expected SHMI values for particular diagnoses

Three pieces of work have been undertaken to analyse the three apparently high SHMI values for particular diagnostic groups, as follows:

- Audit of deaths coded as “gastrointestinal, other” (SHMI code 98)
- Audit of deaths coded as “biliary tract disorders” (SHMI code 92)
- Analysis of death certificates on patients coded as “pneumonia” (SHMI code 73)

In none of these analyses were consistent problems with clinical care evident. Two themes are thought to have contributed to the apparently high mortality rates for these groups:
i) Issues with coding, in that the diagnostic code does not always correlate with what is felt, on notes review, or on the death certificate, to be the main cause of death, particularly where a symptom code (for example, constipation) has been used. This does not necessarily imply that the coding was incorrect, but may be amenable to improvement by closer working between coders and clinicians, so that the clinical diagnoses are clearly stated in the medical notes to facilitate coding. This has already been communicated to clinical staff and will be monitored as part of the mortality process.

ii) Issues related to the Cancer Centre status of the hospital, in particular where the Trust serves a catchment area for malignancy which is larger than its general hospital catchment, meaning that a larger than expected number of patients with terminal cancer are looked after towards end of life as in-patients at the Trust, and are not always “coded” as having cancer as part of their main diagnostic code.

Supporting this, and as can be seen from the SHMI report, the SHMI values for some cancer related diagnoses, including secondary malignancies, are considerably lower than 100. This may indicate that patients with these cancer related diagnoses are not being coded as such, but as other, non-malignant conditions which may co-exist.

On previous occasions the mortality rate for pneumonia (SHMI code 73) has been higher than expected; however, the latest SHMI report shows this to be 102.9; i.e., the Trust is not, on the most recent statistics, an outlier for pneumonia mortality. The most recent SHMI report indicates the mortality for superficial injury/contusion to be 231.7 (higher than expected); an audit is being carried out on these deaths.

c) Crude mortality. This is shown in the graph below to be approximately constant, taking into account seasonal variation, over the past 5 years.

![Total mortality trust rate last 5 years](image-url)
c) HSMR. The most recent HSMR, for the period April 2012-March 2013, is 111.19, which falls within the range “as expected”. In the preview of the most recent Dr Foster report, the Trust is an outlier for the statistic “deaths due to emergency admissions for neoplasms on weekdays” (147.7) and also has a high rate, though within the expected range, for “deaths due to emergency admissions for neoplasms at weekends” (173.61). The confidence limits for these statistics are extremely wide, indicating large variability in these statistics. However, the Trust’s death rates for SHMI codes related to cancer consistently shows a lower than expected death rate for cancer related diagnosis, as indicated above (for 20 cancer related causes of death). Further work is required to understand these figures.

The latest HSMR report for this period indicates the palliative care coding rate to be 15.37%.

Palliative Care Coding rates are shown in the graph below, for the past three years. Although the palliative care coding rates are currently higher than they were in 2011-2012, which was the period reported by the Dr Foster statistics highlighted in the Telegraph last year (for this period the HSMR was 114 and the palliative care coding rate 3.8%), rates of coding with the Z 51.5 code are still considerably lower than the 25% resulting from re-coding of these 2011-12 cases, and further work is needed to ensure that palliative care coding rates are appropriate. Ongoing work includes a comparative audit of the cases coded with the Z 51.5 code and the database kept by the palliative care team of patients seen over the same period of time, since there seems a discrepancy between these two datasets.

This quality priority has been retired from the quality account and ongoing monitoring of mortality will be via the established Trustwide mortality review group and the specialty business unit mortality and morbidity review meetings.

6. Friends and Family Test

In April 2013 the National Friend and Family Test was introduced which requires all inpatients and those attending the Accident and Emergency Department to be given the opportunity to say whether or not they are extremely likely to recommend the hospital to their family and friends if they required similar treatment. The Friends and Family Test was rolled out to Maternity Services in October 2013. The Friends and Family Test survey is collected by postcard or SMS texting and patients have the opportunity to give comments as well as a score. The Trust aimed to have a combined response rate of 20 per cent for A&E and inpatients for the first year. The combined response rate that has been achieved is 35.6 percent for the past quarter, this is an improvement since the results for the first quarter showed a response rate of 15.9 percent.
The Trust wanted to see a minimum of 75 per cent of patients being extremely likely to recommend the trust and a net promoter score in the upper quartile.

There has been an upward trend for the net promoter since April 2013 and the Trust is committed to continuing to improve these results. This will be achieved by responding quickly to address any areas for improvement, and proactively encouraging patients to take part in the survey. The Trust operates an environment of continuous improvement and feedback from patients is a key driver for positive change.

In October the Friends and Family Test was rolled out to Maternity Services. The percentage response rate has risen from 19.8 per cent in October to 42.4 percent in March and the net promoter score has varied between 70 and 77. There are four points where the women are given the opportunity to complete a survey. These are at antenatal, delivery, discharge from the post natal ward and discharge from the midwife to the health visitor. The results above show the combined results for all four touch points.

7. Develop the supportive and palliative care service

The Royal Surrey County Hospital was a pilot site for the introduction of the “Route to Success” (End of life Care Strategy for acute hospitals), and has introduced advance care planning, the AMBER Care Bundle, a Rapid Discharge Pathway and the Liverpool Care Pathway throughout the Trust. In light of the Neuberger review, the Liverpool Care Pathway will be phased out over the next couple of months, and replaced by a personalised end of life care plan (specific to the Royal Surrey County Hospital).

One of the 2012/2013 CQUINS involved the increased use of the AMBER Care Bundle and the Trust has now achieved relevant targets for this CQUIN. A further 2012/2013 CQUIN related to a bereaved relatives' satisfaction with end of life care survey (through the Association of Palliative Medicine of Great Britain and Ireland; 92% of responders reported being “satisfied” or “very satisfied” with the end of life care provided to their relative, 4% of responders (1 carer) reported being “very dissatisfied” with end of life care provided to their relative, and 4% of responders (1 carer) reported being “dissatisfied” with some aspects with the end of life care provided to their relative.

The Supportive and Palliative Care Team continue to review all patients on the Liverpool Care Pathway, and continue to use the Memorial Symptom Assessment Scale – Short Form to audit pain and symptom control. The cancer survivorship clinic commenced in September 2013. The Trust has agreed a business plan for a second consultant in Palliative Medicine; this person should be in post in the summer of 2014. This quality priority has been retired from the quality account.

8. Implement new emergency processes

During the last reporting period we set an improvement goal aimed at introducing new emergency processes which would improve the overall effectiveness of A&E processes. We developed a rapid assessment process aimed at identifying patients requiring prompt interventions and also assessing the speed at which pain management was administered within the A&E department. We developed a regular programme of audit to assess the efficacy of this new process. Unfortunately performance was inconsistent as shown in the audits and therefore this priority will be taken forward to next year. We also did not always meet the 95% national target for patients seen in A&E within 4 hours. We have signed up to take part in a week long audit that will provide a perspective on working in A&E - ‘Spring to Green’. This will provide the basis for future improvement work and also an opportunity to explore other ways of working to lessen pressures in A&E and improve patient flow and outcomes.
9. Improve the outpatients experience

The way that we have managed some of our patient experience outpatients departments has not always provided the best patient experience, particularly with regards to appointment bookings. During the last reporting period we set specific improvement goals aimed improving the outpatients experience. Specifically these were to achieve the following:

- An average new appointment waiting time of 5 weeks
- 80% of patients seen in a timely manner at their appointment with a maximum waiting time of 30 minutes

We did not achieve these targets and so this priority will be taken forward into next year. We have seen a high number of complaints within the ophthalmology department and other complaints linked to outpatients include long waiting times and problems with car parking. We will also be improving the physical space within outpatients to create more consultation rooms and afford greater privacy and dignity for patients.

As referenced above, we received a high number of complaints related to the Ophthalmology service. The subject matter of these has been varied, ranging from issues with appointments to waiting times within clinic. We know from the feedback that we have received that the experience of patients attending this department has been unsatisfactory and this was an area that was also highlighted during our latest CQC inspection in October 2013. We have developed an improvement plan to address the number of concerns that we have identified which includes re designing the clinic templates, review of staff capacity within this area and also redesigning the physical space. We have also reviewed some of the processes for delivering care in order to make them more effective and safer.

Other Quality and Safety Measures

Compliance with NICE and other National Guidance

Introduction

There are two main types of national guidance:

- NICE Guidance: Produced by the National Institute for Health and Clinical Guidance (NICE)
- Confidential Enquiries: Produced by one of 3 main bodies; National Confidential Enquiry into Patient Outcome and Death (NCEPOD), Confidential Inquiry into Suicides and Homicides by people with a mental illness (CISH) and Centre for Maternal and Child Enquiries (CMACE).

The table below summaries the Trust’s compliance to guidance received and reviewed since 1 April 2013 to 31 March 2014. Guidance that is still under review has not been included within the breakdown. The table below shows that the Trust is not compliant with 2 of the guidances that have been reviewed. The two pieces of guidance where compliance has not been achieved are:

**NICE Interventional Procedure: IPG475 – Insertion of prostatic urethral lift implants to treat lower urinary tract symptoms.** The Trust is non compliant with this guidance as there is currently no training in this technique available within the network. This does not mean that the Trust is not able to offer treatment for lower urinary tract symptoms, but that this is managed using other more established and effective means.

**NICE Diagnostic guidance: DG10 – Gene expression profiling and expanded imunohistochemistry tests for guiding adjuvant chemotherapy decisions in early breast cancer management:** Mammaprint Oncotype DX, IHC4. The Trust is not compliant with this guidance as funding agreements for use of Oncotype DX are to be set nationally and the Trust is awaiting further information on this. This is going through NHS England to agree a funding stream.
For the guidance that is partly met, the Trust has carried out a gap analysis and identified actions to be taken in order to achieve full compliance. This is monitored via the existing governance structures within the Trust to ensure that progress is made or where this is not possible, issues are appropriately escalated. The following table and graph show the compliance status of all guidance that has been reviewed within the reporting period.

102 pieces of National Guidance have been received during 2013/14, of these 29 were not applicable to the Trust. The compliance status for the remaining 73 is below.

<table>
<thead>
<tr>
<th>Compliance Status</th>
<th>%</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Met</td>
<td>55%</td>
<td>40</td>
</tr>
<tr>
<td>Partly Met</td>
<td>8%</td>
<td>6</td>
</tr>
<tr>
<td>Not Met</td>
<td>3%</td>
<td>2</td>
</tr>
<tr>
<td>Under Review</td>
<td>34%</td>
<td>25</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>73</td>
</tr>
</tbody>
</table>

28 Quality Standards have been received during 2013/14, of these 6 were not applicable to the Trust. The compliance status of the remaining 22 is below.

<table>
<thead>
<tr>
<th>Compliance Status</th>
<th>%</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Met</td>
<td>27%</td>
<td>6</td>
</tr>
<tr>
<td>Partly Met</td>
<td>41%</td>
<td>9</td>
</tr>
<tr>
<td>Not Met</td>
<td>5%</td>
<td>1</td>
</tr>
<tr>
<td>Under Review</td>
<td>27%</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>22</td>
</tr>
</tbody>
</table>
Collaboration with Kent, Surrey, and Sussex Academic Health Science Network (KSS AHSN)

The Royal Surrey County Hospital NHS Foundation Trust belongs to the KSS AHSN. The aim of the network is to drive innovation at pace and scale that will improve care across Kent, Surrey and Sussex. There are 9 universities within the region that offer breadth and diversity in research and teaching expertise. Through this network, we have been involved in collaborative work focusing on particular aspects of care that are prevalent across the region, for example pressure ulcers and medication errors.

Compliance with Patient Safety Alerts

During the reporting period, there have been 7 NPSA alerts that have been issued. One of these was not applicable to the Royal Surrey County Hospital NHS Foundation Trust.

Trust’s performance against some nationally targets and regulatory requirements

In the table below we have set out our performance against national targets and priorities, including those set out within Monitor’s compliance Framework.

<table>
<thead>
<tr>
<th>National Target/ Minimum Standard</th>
<th>Indicator</th>
<th>Monitor Target</th>
<th>2012/13 (DH Target)</th>
<th>2013/14 (DH Target)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infection Control</td>
<td>Number of C. difficile cases</td>
<td>12</td>
<td>(22) 21</td>
<td>(14) 26</td>
</tr>
<tr>
<td></td>
<td>Number of MRSA bloodstream infection cases</td>
<td>6</td>
<td>(1) 2</td>
<td>(0) 2</td>
</tr>
<tr>
<td>Access to Cancer Services</td>
<td>2 week wait from referral to date first seen for all cancers</td>
<td>93%</td>
<td>95%</td>
<td>95.0%</td>
</tr>
<tr>
<td></td>
<td>2 week wait from referral to date seen for symptomatic breast patients</td>
<td>93%</td>
<td>93.7%</td>
<td>93.6%</td>
</tr>
<tr>
<td></td>
<td>31 day wait for second or subsequent treatment with surgery</td>
<td>94%</td>
<td>96.6%</td>
<td>97.4%</td>
</tr>
<tr>
<td></td>
<td>31 day wait for second or subsequent treatment with anti-cancer drug treatments</td>
<td>98%</td>
<td>96.6%</td>
<td>99.6%</td>
</tr>
<tr>
<td></td>
<td>31 day wait for second or subsequent treatment with radiotherapy</td>
<td>94%</td>
<td>98.9%</td>
<td>95.6%</td>
</tr>
<tr>
<td></td>
<td>62 day wait for first treatment from urgent GP referral for treatment</td>
<td>85%</td>
<td>85.2%</td>
<td>85.5%</td>
</tr>
<tr>
<td></td>
<td>62 day wait for first treatment from consultant screening service referral</td>
<td>90%</td>
<td>95.8%</td>
<td>93.8%</td>
</tr>
<tr>
<td>A&amp;E waiting times</td>
<td>% of patients waiting a maximum of 4 hrs in A&amp;E from arrival to admission, transfer or discharge</td>
<td>95%</td>
<td>94.6%</td>
<td>94.1%</td>
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Appendices
Summary of Stakeholder Involvement

During 2013 -14, we have worked with colleagues from Guildford and Waverly Clinical Commissioning Group, local Healthwatch, Surrey County Council Health Scrutiny quality account member reference group representative and our council of governors to monitor and report on progress on the quality priorities. We facilitated two engagement workshops aimed at discussing the quality priorities and sharing learning from across the health economy where shared quality concerns had been identified.

This is the first time that we have held workshops aimed at looking at the quality priorities within the quality account and we intend to strengthen this process in the coming year. We have developed a set of Terms of Reference for the workshops which will be reviewed at the next quality account workshop.

The above mentioned stakeholders were invited to comment on the content of the quality account and some sections of the report were amended to reflect feedback received.
1. Statement from the Council of Governors

Royal Surrey County Hospital NHS Foundation Trust – Quality Accounts

This year, there has been attendance at the Quality Accounts Workshops by Ray Rogers (governor) and me. I can also confirm that we have both read and commented on the Quality Account.

It should also be noted that the Governors have selected a specific performance target and which they would like implemented during the next year. This ‘stretch’ target, which defines a requirement for 80% of all clinical staff to receive annual ongoing infection control training, should rapidly show obvious improvements in infection control in the hospital.

Dr Jan Whitby, Chair of Patient Experience Committee
(On behalf of the Council of Governors)
2. Statement from Surrey Health Scrutiny Committee

Royal Surrey County Hospital NHS Foundation Trust – Quality Accounts

The Health Scrutiny Committee is pleased to be offered the opportunity to comment on Royal Surrey County Hospital NHS Foundation Trust’s Quality Account for 2013/14. The Trust is thanked for its working with the Health Scrutiny Committee over the last year via a sub-group of two Committee members. This group met with the Trust to monitor its quality priorities and help develop its priorities for 2014/15.

A reference to the proposed merger between the Trust and the Ashford and St. Peter’s Hospitals NHS Foundation Trust would be welcomed in the report as this is undoubtedly an important future development for patients in Surrey. The Committee commends the Trust for meeting the majority of quality priorities that were set in the 2013/14 Quality Account and notes that it recognises there is still work to be done by retaining the two priorities where performance was not as good.

In reviewing the report the Committee is appreciative of the Trust’s honesty and would like to highlight the following:

■ Two priorities not met being taken forward. Not clear why those targets were missed – the report would benefit from greater explanation in this area
■ Report admits hospital did not provide best patient experience for outpatients in 2013/14
■ Recognises that the Trust is in the top 20% for all acute trusts for staff engagement
■ Why is there a variation in practice to responding to deteriorating patients? Encourage embedding process for responding to deteriorating patients as quickly as possible as two years is a long time
■ Good measures in place to reduce waiting times for prescriptions.
■ Cervical cancer and prostate cancers not mentioned in report
■ Clinical coding: 43.8% incorrect secondary procedure error rate is a concern
■ Achievement against targets for admission to the stroke unit has been below target in each of the last two years
■ The HSC supports efforts to improve communication with patients and relatives. Should include carers as well
■ Notes a number of terms used that may be unfamiliar to the public.

The Committee is supportive of the quality priorities chosen for 2014/15 and looks forward to working closely with the Trust over the next twelve months.
3. Statement from Healthwatch

RSCH Quality Account

Healthwatch Surrey

As the independent consumer champion for the views of patients and social care users in Surrey, Healthwatch Surrey is pleased to comment on RSCH Quality Accounts 2013/2014.

RSCH is thanked for working more openly with Healthwatch Surrey during the year and recommends that this will be continued in 2014/2015 with regular planned Quality Account stakeholder workshops.

Healthwatch commends the continued prioritisation of the Emergency Process and improvement of the OP experience as these are areas that people have told us are still not a good quality experience for them.
4. Statement of Director’s responsibility in respect of the Quality Account

Under the Health Act (2009) and the National Health Service (Quality Accounts) Regulations 2010, the directors are required to prepare quality accounts for each financial year. Monitor has issued guidance to NHS foundation trust boards on the form and content of annual quality accounts (which incorporate the above legal requirements) and on the arrangements that foundation trust boards should put in place to support the data quality for the preparation of the Quality Report. Directors must satisfy themselves that the content of the quality account meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual.

In preparing the quality report, directors are required to ensure that the content is not inconsistent with internal and external sources of information. Directors are also required to satisfy themselves that

- The Quality Report represents 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 Monitor’s annual reporting guidance (which incorporates the Quality Accounts regulations) published as www.monitor-mhsft.gov.uk/annualreportingmanual as well as the standards to support data quality for the preparation of the quality report (available at www.monitor-nhsft.gov.uk/sites/all/modules/fckedotor/plugins/ktbrowser/_openTKFile.php?id=3275)

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

By order of the Board

Chairman ................................................................. Date 29.05.14

Chief Executive .......................................................... Date 29.05.14
5. External Audit Limited Assurance Report

Independent Auditor's Report to the Council of Governors of Royal Surrey County Hospital NHS Foundation Trust on the Quality Report

We have been engaged by the Council of Governors of Royal Surrey County Hospital NHS Foundation Trust to perform an independent assurance engagement in respect of Royal Surrey County Hospital NHS Foundation Trust's Quality Report for the year ended 31 March 2014 (the “Quality Report”) and certain performance indicators contained therein.

Scope and subject matter

The indicators for the year ended 31 March 2014 subject to limited assurance consist of the national priority indicators as mandated by Monitor:

- 62 Day cancer waits – the percentage of patients treated within 62 days of referral from GP; and
- Emergency readmissions within 28 days of discharge from hospital.

We refer to these national priority indicators collectively as the “indicators”.

Respective responsibilities of the Directors and auditors

The Directors are responsible for the content and the preparation of the Quality Report in accordance with the criteria set out in the NHS Foundation Trust Annual Reporting Manual issued by Monitor.

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

- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual;
- the Quality Report is not consistent in all material respects with the sources - specified in the Detailed Guidance for External Assurance on Quality Reports; and.
- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the Detailed Guidance for External Assurance on Quality Reports.

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

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

- Board minutes for the period April 2013 to May 2014;
- Papers relating to Quality reported to the Board over the period April 2013 to May 2014;
- Feedback from the Commissioners dated 29 May 2014
- Feedback from local Healthwatch organisations dated – 29 May 2014
- The Trust’s complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, 2013/14;
- The 2013/14 national patient survey;
- The 2013/14 national staff survey;
- Care Quality Commission quality and risk profiles/intelligent monitoring reports 2013/14; and
- The 2013/14 Head of Internal Audit’s annual opinion over the Trust’s control environment.
We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively, the “documents”). Our responsibilities do not extend to any other information.

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

This report, including the conclusion, has been prepared solely for the Council of Governors of Royal Surrey County Hospital NHS Foundation Trust as a body, to assist the Council of Governors in reporting Royal Surrey County Hospital NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2014, 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 Royal Surrey County Hospital 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’). Our limited assurance procedures included:

■ Evaluating the design and implementation of the key processes and controls for managing and reporting the indicators.
■ Making enquiries of management.
■ Testing key management controls.
■ Limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation.
■ Comparing the content requirements of the NHS Foundation Trust Annual Reporting Manual to the categories reported in the Quality Report.
■ Reading the documents.

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

Limitations

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

The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can 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 NHS Foundation Trust Annual Reporting Manual.

The scope of our assurance work has not included governance over quality or non-mandated indicators which have been determined locally by Royal Surrey County Hospital NHS Foundation Trust.
Conclusion
Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2014:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual;
- the Quality Report is not consistent in all material respects with the sources specified above; and
- the indicators in the Quality Report subject to limited assurance have not been reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual.

KPMG LLP, Statutory Auditor
15 Canada Square, London, E14 5GL
29 May 2014
6. Our Trust Strategy – BESTF

The Trust strategy sets out the vision of best patient care, anywhere. This means that we want our patients to benefit from care which is as good as the very best in the NHS, and internationally. Our mission is to focus on providing outstanding general hospital and cancer services in the south East of England – attracting patients by being the best at what we do, and working efficiently to make best use of the resources we are given. The four specific strategies will enable us to deliver this vision and mission:

Best Outcomes – working closely with other professionals from across the health system, our expert clinical teams will focus on delivering the best and most up to date treatments, putting patient safety at the heart of everything we do.

Excellent Experience – we recognise our patients have a choice, and we will strive to treat them with the courtesy and compassion that we would expect for ourselves, ensuring that all aspects of our service are user friendly and convenient.

Skilled and Motivated Teams – our people are our most precious resource and we will enable them to deliver our vision – empowering them to shape and lead their services, and supporting them to reach their full potential.

Top Productivity – we will harness all the resources at our disposal to benefit our patients, achieving outstanding levels of quality and productivity by continuously reviewing and improving what we do.

These strategies are built on firm foundations of strong governance, sound finances, robust IT and information, effective marketing, vibrant teaching and research and strong partnerships. Getting these basics right will create the stability we need to deliver our vision successfully.
Dear Nick,

Re: Quality Account 2014 for Royal Surrey County Hospital NHS Foundation Trust

On behalf of the NHS Guildford and Waverley Clinical Commissioning Group (GWCCG), we welcome the opportunity to comment on The Royal Surrey County Hospital NHS Foundation Trust's 2014 draft Quality Account which was supplied to us by Tafawa Gatadzwa, Head of Patient Safety and Quality on the 20th May 2014.

We have reviewed the Quality Account using the checklist stipulated in Monitor's publication entitled; ‘NHS Foundation Trust Annual Reporting Manual for 2012/13 (Annex 2 to Chapter 7)’. The results of this review can be read in Appendix 1.

We can confirm that we have no reason to believe this Quality Account is not an accurate representation of the achievements of the organisation during 2012/13. This is in part due to the regular workshops the Trust have held with our organisation and other key stakeholders (e.g. Associate Commissioners, HealthWatch and Health Scrutiny Committee), and the opportunity this has given us both to review, celebrate and challenge performance in line with our statutory obligations.

We recognise the areas of strengths described in the Quality Account, and we also support the priority areas for quality improvement. We feel these are the right and appropriate priorities for our Guildford and Waverley residents, as well as the wider population to which the Trust serves.

Within the Patient Safety domain, we would however, welcome a renewed focus on both the improvement of incident reporting, as well as the quality and speed to which serious incidents are investigated within the time-frames set down by NHS England (and previously National Patient Safety Agency). GWCCG are committed to the improvement of these processes, and to this end, have developed a quality indicator through the Commissioning for Quality Improvement and Innovation (CQUIN) scheme. We have also chosen to focus on this through a Quality Premium for 2014/15 which aims to improve the reporting specifically of medication errors.

Underpinning all domains (but predominantly patient safety), we would also welcome a continued focus on data quality. In particular, the accuracy of General Practitioner records, and the impact that has on patient safety. We recognise that the Trust is addressing this through a range of structures and processes (as described in their data quality section of the Account), but we wish for the Trust to maintain a prioritised focus in this area.

We remain committed to our statutory obligation of ensuring the Trust continually improve their services, and will ensure that all the related recommendations set down in the Government’s response to the Francis Public Enquiry (2013) - ‘Hard Truths: The Journey to Putting Patient’s First (January 2013)’ will be met. We will do this through our monthly Clinical Quality Review meetings with the Trust; The regular review and reporting of quality/safety to our Clinical Quality and Governance Committee and Governing Body; Contractual measures, and a renewed Quality Strategy which will be available from July 2014.

As a result of continual surveillance and engagement with the Trust, we can confirm that the information concerning performance for 2013/14 within this Quality Account is, apart from the outcome of the thematic review performed by the Care Quality Commission, consistent with the information supplied or obtained by our organisation throughout the year.

29 May 2014
Like the Royal Surrey County Hospital, we are naturally disappointed about performance relating to infection control (Clostridium difficile infections), and Accident and Emergency waits. We recognise some of the pressure the Trust are facing to address these issues, and are, overall, assured that there is a commitment to improvement of these important areas of healthcare. Indeed, at the time of writing, the Accident and Emergency Department waits have improved. The Commissioners recognise that this is through increased investment in this area, as well as the concerted efforts of dedicated Clinicians and Managers in the Department. We commend all those individuals for their dedication.

Finally, we welcome the Trust’s recognition that further work is to be performed in the Outpatients Department (particularly Ophthalmology), and the refreshment of their strategy to ensure it is aligned with the recommendations from the Francis Public Enquiry and the Keogh Review. We would also ask that the Trust considers in their strategy, additional National recommendations (where applicable) that have been published around the same time and are explicitly referenced in the Government’s response to the Francis Public Inquiry. Namely those published by Cavendish4, Bewick5, Clwyd Hart6, Young Peoples Outcome Forum7 and NHS Confederation8.

The Commissioners look forward to working with the Royal Surrey County Hospital over the next year to ensure that our Commissioning intentions are met, quality and safety are sustained, and ultimately, patients and their families/ carers receive the best possible healthcare to which they deserve.

Yours Sincerely,

Dr. Susan Tresman
Vice Lay Chair and
Chairperson of the
Quality and Clinical
Governance Committee

Helen Collins
Associate Director of Quality and
Improvement on behalf of Vicky Stobbart,
Director of Quality and Safeguarding/
Executive Nurse

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1 Can be accessed via the following link: http://www.midstaffspublicinquiry.com/report2
2 Can be accessed via the following links:
3 The Quality and Governance function of the GWCCG were informed of this only through the circulation of the Quality Account.4 ‘The Cavendish Review: An Independent Review into Healthcare Assistants and Support Workers in the NHS and Social Care Settings’, by Camilla Cavendish. Can be accessed via the following link:
4 ‘The Cavendish Review: An Independent Review into Healthcare Assistants and Support Workers in the NHS and Social Care Settings’, by Camilla Cavendish. Can be accessed via the following link:
5 A Promise to Learn – A Commitment to Act: Improving the Safety of Patients in England, by Professor Don Berwick. Can be accessed via the following link:
6 A Review of the NHS Hospitals Complaints System: Putting Patients Back in the Picture by Rt Hon Ann Clwyd MP and Professor Tricia Hart. Can be accessed via the following link:
7 Report of the children and Young people’s health Outcomes forum 2013/14 by Professor Lewis and Christine Lenehan. Can be accessed via the following link:
8 Challenging Bureaucracy 2013 by NHS Confederation. Can be accessed via the following link:
   http://www.nhsconfed.org/Publications/reports/Pages/challenging-bureaucracy.aspx
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<th>Term</th>
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<tr>
<td>BESTF</td>
<td>Acronym for trust strategy representing Best outcomes; Excellent experience;</td>
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<td></td>
<td>Skilled and motivated teams; Top productivity; and Firm foundations</td>
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<tr>
<td>CCDC</td>
<td>Consultant in communicable diseases control</td>
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<td>CCG</td>
<td>Clinical commissioning group</td>
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<td>CCRN</td>
<td>Comprehensive clinical research network</td>
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<td>CHKS</td>
<td>Comparative health knowledge system</td>
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<td>CLRN</td>
<td>Comprehensive local research network</td>
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<td>CNST</td>
<td>Clinical negligence scheme for trusts</td>
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<td>Specialty business unit</td>
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