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Salford Royal NHS Foundation Trust
Annual Report and Accounts
1 April 2015 to 31 March 2016

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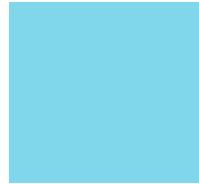
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1 Performance Report





An Introduction to Salford Royal NHS Foundation Trust

Salford Royal NHS Foundation Trust (Salford Royal) is a statutory body, which became a public benefit corporation on 1 August 2006. Salford Royal's core purpose is to provide clinical, academic and service excellence ensuring the patient experience is at the forefront of care.

Salford Royal aims to be the safest organisation in the NHS through providing safe, clean and personal care to every patient, every time.

Salford Royal has a strong track record of delivering improvements in clinical outcomes, patient experience and safe transformational efficiencies. This was evidenced by the award of an 'Outstanding' rating by the Care Quality Commission, following formal inspection in January 2015. Salford Royal is the first trust in the North of England to achieve the Care Quality Commission's highest rating.

Salford Royal is an integrated provider of hospital, community and primary care services, with some 750 beds and over 6,900 staff providing a comprehensive range of local services to the 240,000 population of Salford, as well as specialist services to Greater Manchester, the North West and nationally, meeting the explicit and often complex needs of a wide range of patients. The organisation provides over one million hospital and community contacts for patients across:

- Emergency and elective inpatient services
- Day case services
- Outpatient services
- Diagnostic and therapeutic services
- Adult and children's community services.

The majority of acute services are provided at the main Salford Royal site and Salford Royal also provides:

- Community healthcare services, across Salford;
- Specialist services at The Maples Neuro-rehabilitation Centre in Boothstown, Greater Manchester;
- Renal dialysis services at satellite units in Wigan, Bolton and Rochdale;
- Elective orthopaedic services at the Manchester Elective Orthopaedic Centre (MEOC) on the Trafford General Hospital site;
- Outpatient neurology and dermatology clinics across Greater Manchester and into Cheshire

Salford Royal's Head Office is at:

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Salford Royal NHS Foundation Trust
Stott Lane
Salford
Greater Manchester
M6 8HD

Tel: **0161 789 7373**

Email: **enquiries@srft.nhs.uk**

Salford Royal is registered with the Care Quality Commission without conditions and provides the following Regulated Activities:

- Accommodation for persons who require nursing or personal care
- Accommodation for persons who require treatment for substance misuse
- Treatment of disease, disorder or injury
- Assessment or medical treatment for persons detained under the 1983 (Mental Health) Act
- Surgical procedures
- Diagnostic and screening procedures
- Transport services, triage and medical advice provided remotely
- Termination of pregnancies
- Nursing care
- Family Planning Services
- Management of blood supplies and blood derived products

Salford Royal has a Divisional management structure to coordinate and deliver high quality services for specific patient population groups.

Division of Salford Healthcare

The Division of Salford Health Care provides a range of acute, community and specialist services to the population of Salford. Services include; Emergency Department, Acute Medicine, Specialist Medicine and Aging and Complex Medicine. The Division also provides the majority of Salford Royal's community based services, including Children's services with PANDA (Paediatric Assessment and Decision Area), Health Visiting and School Nursing, Community and District Nursing, Intermediate Care, GP out of hours and the Salford Care Homes Medical Practice.

Division of Surgery and Neurosciences

From April 2015, the two previous Divisions of Surgery and Neurosciences merged to form one Division. The Division provides a range of general and specialist Surgical Services, including Neurosurgery.

The Division also provides services including Neuro Rehabilitation, regional Stroke Services, Clinical Health Psychology and community based Sexual Health and Oral Services.

Division of Clinical Support Services and Tertiary Medicine

The Division of Clinical Support Services and Tertiary Medicine provides a comprehensive range of both clinical and support services including Radiology, Pharmacy, Allied Health Professionals, Cancer Services and Hotel Services.

The Division also provides Critical Care services including the Intensive Care, Surgical High Dependency and Neuro High Dependency Units.

Tertiary Medical services include Dermatology, Rheumatology, Clinical Haematology, Clinical Immunology and Renal. Dermatology services are provided in Bury, Radcliffe and Stockport and Clinical Haematology, including Oncology services, are provided for patients of the North West sector of Greater Manchester. The Renal Department provides an inpatient and outpatient service to the Western sector of Greater Manchester and satellite dialysis services in Salford, Wigan, Bolton and Rochdale.



Performance Overview from the Chairman and Chief Executive

Salford Royal approached 2015/16 with aims set high and determination to succeed. Robust plans were in place to sustain Salford Royal's position as one of the safest and best run NHS Foundation Trusts in the country, delivering some of the best health outcomes for populations with the highest health needs. We strode into this new financial year recognising the challenges it would bring.

2015/16 started with Salford Royal receiving continuing positive results in the National Patient and Staff Satisfaction Surveys for acute NHS Trusts. Salford Royal scored at or above average in all National Staff Survey scores and joint second nationally for engagement, with particularly pleasing results in the categories relating directly to patient care. The National Inpatient Survey results placed Salford Royal second out of all acute trusts nationally, achieving the highest rating for "Overall view of inpatient services - for feeling that overall patients had a good experience".

This continuing double accolade galvanised our belief that better motivated staff provide better care to patients. The Board of Directors recognised the challenges staff would face during 2015/16 and committed to strong engagement and implementing an extensive Health and Wellbeing Strategy.

The national context during 2015/16, was one of major financial deficit for the NHS. Although, Salford Royal's financial plan was set at deficit for the year of £17.4m, we had robust financial controls and strong programme management arrangements in place to deliver Salford Royal's Better Care at Lower Cost Programme and achieve best possible operational performance. Our people were engaged at every level, suggesting ideas and implementing schemes that supported well established workstreams. Performance information processes were further developed and work was actively driven and meticulously

monitored via project groups, Divisional and Executive committees, and the Board of Directors.

Unlike many providers in the first half of 2015/16, Salford Royal was achieving all key national standards, including A&E performance, referral to treatment time, infection control and diagnostic service standards. As the year progressed, NHS foundation trusts locally and nationally continued to experience increased demand for services. Demand for services at Salford Royal was unprecedented bringing significant additional operational and financial challenge in a year that was committed to further improve productivity, further reduce inefficiencies and continuing to provide the highest standards of care.

Salford Royal's strategic workstreams never wavered during 2015/16, in fact they gained momentum. Our strategic ambitions were focussed on transforming the way care was delivered and managed to ensure sustainable, high quality services were available for future generations. Our strategic achievements during 2015/16 included:

- The successful development of a strategic outline case, outline business case and full business case to create Salford Integrated Care Organisation (ICO), including rigorous due diligence and agreement with key partners. This leads the way to the launch of the ICO in the summer of 2016, when Salford Royal will take lead responsibility for meeting the health and social care needs for the adult population of Salford;
- Approval of governance arrangements and draft principles to guide the redesign and reconfiguration of services in the North West Sector of Greater Manchester as part of the Healthier Together programme. Together Salford Royal and its key partners, the Bolton

and Wrightington, Wigan and Leigh NHS Foundation Trusts, are exploring a wider range of service reconfigurations where a collaborative approach will deliver better outcomes for patients, and financial benefits;

- Implementation of plans to establish the Greater Manchester Major Trauma Service and ensure 95% of major trauma patients are received and treated at Salford Royal, as the Principal Receiving Site by April 2017;
- Establishing the foundations for the formation of a Healthcare Group. Salford Royal and Wrightington, Wigan and Leigh NHS Foundation Trust have worked together as part of the 'Acute Care Collaborative' vanguard to develop a model through which a Group of organisations can deliver sustainable, high quality healthcare services;
- Proactive Salford Royal leadership and involvement in the Greater Manchester Devolution arrangements; with specific responsibility for developing a new model of care for people with dementia and their carers.

Salford Royal continued to provide high quality care to patients during 2015/16, delivering the aims of its well established Quality Improvement Strategy and achieving high levels of compliance with key national standards. Although unprecedented demand for A&E services at the end of 2015 and last quarter of 2015/16 resulted in Salford Royal being unable to achieve the national A&E target, Salford Royal was one of the highest performing trust's with respect to the A&E standard in Greater Manchester. Financially, Salford Royal had delivered a significantly improved year-end financial position at reported deficit of £13.3m, £4.1m better than planned.

Throughout 2015/16, a robust and extensive Assurance Framework was maintained by the Board of Directors and Divisional leaders to ensure risks to the delivery of principal objectives were identified; controls and assurances were assessed; and action plans were developed and

implemented appropriately. This system provided clear sight of significant risks and ensured action was prioritised.

This report provides a fair review of the business of Salford Royal, including a balanced and comprehensive analysis of the development and performance of Salford Royal during the financial year and the position of the business at the end of the financial year. A description of the significant risks and uncertainties facing Salford Royal and the controls in place is also included below.

● **The effectiveness of financial control systems**

Salford Royal's 2015/16 Financial Plan was achieved and exceeded. The 2016/17 Financial Plan has been developed and approved by the Board of Directors, and submitted with the Long Term Financial Plan to the Regulator. Divisional financial contracts are in place and monitored via the Executive Finance, Information and Capital Governance Committee. Robust monthly monitoring by Board of Directors, supported by detailed financial review via the Audit Committee.

● **Delivery of the Salford Royal's Better Care at Lower Cost programme**

Dedicated programme management office arrangements in place and effective project initiation and project implementation methodologies established. Automated reporting methodology is utilised and Steering Groups established. The productivity Improvement Board is chaired by the Executive Director of Finance and has oversight of Executive-Led workstreams, reporting directly to the Board of Directors.

● **On-going compliance with national A&E standard**

Rigorous monitoring of this standard via the operations and performance governance committees at corporate and divisional level, with oversight via the Executive Assurance and Risk Committee and monthly report to the Board of Directors. Detailed analysis

of attendances and patient acuity and the robust action plan to deliver the improvement trajectory reviewed and approved by the Board of Directors in April 2016.

● **Provision of 24/7 Interventional Radiology Services**

If Salford Royal is unable to provide 24/7 radiology then patients may require more invasive treatment than necessary. Internal plans have been set and implemented to ensure safe patient care. Salford Royal is actively pursuing collaboration with partner organisations to secure a longer term solution.



● **Maintaining Trust-wide clinical staffing levels**

Salford Royal has established its Workforce Strategy for 2016/17 and 2017/18, approved by the Board of Directors in April 2016. Divisional implementation plans are in place and progressing. There are established medical and nursing staffing processes in place to minimise the impact of the national shortage of training grade medical staff and qualified nursing staff.

● **Potential Cyber Security threat**

To manage this risk Salford Royal is trialling intrusion detection and SPAM filtering software, and will implement appropriately. Plans for 2016/17 include the provision of advanced forensics and secured dedicated incident response.

● **Capital solutions for major strategic programmes**

Salford Royal is working with commissioners and Greater Manchester Devolution leaders to identify how the capital requirements of the Healthier Together Programme and Major Trauma Centre will be met.

● **Adequacy of rehabilitation pathways**

Salford Royal is managing this risk via internal provision of rehabilitation capacity for trauma patients. Additional commissioned intermediate neurorehabilitation unit beds based at Salford Royal and Central Manchester NHS Foundation Trust. An Operational Delivery Network for rehabilitation is in place for Greater Manchester, to establish lead provider to co-ordinate and manage the flow of patients.

● **Estates solution: Clinical Sciences Building**

A business case for the development of the Clinical Sciences Building site is to be reviewed at Salford Royal's Executive Finance, Information and Capital Governance Committee during April 2016.

Going Concern Assessment

Salford Royal NHS Foundation Trust has prepared its 2015/16 Annual Accounts on a Going Concern basis. After making enquiries, the Directors have a reasonable expectation that Salford Royal has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the Going Concern basis in preparing the accounts.



Performance Analysis

Delivery of the 2015/16 Annual Plan

Salford Royal developed Strategic Priorities, Principal Objectives and Board Level Key Performance Indicators (KPIs) to effectively monitor the delivery of the aims described within Salford Royal's 2015/16 Annual Business Plan.

The Board of Directors monitored operational and strategic progress via a monthly Integrated Performance Dashboard and Chief Executive's Report. These were supported by detailed monthly reports with respect to the Better Care at Lower Cost Programme, Finance and Activity and key Strategic Programmes, Salford Royal's quarterly Quality Improvement Dashboard, and six-monthly Patient Experience and Patient Responsiveness Reports.

The 2015/16 Annual Business Plan was interpreted at all levels across Salford Royal. Objectives and targets were agreed with and allocated to Divisions, along with activity and financial plans, including income and expenditure budgets.

During 2015/16, the Board Assurance Framework reflected Salford Royal's Annual Objectives and identified Principal Risks to the delivery of the objectives in-year.

This section of the Performance Report provides a detailed analysis of performance in relation to each Strategic Priority and Objective, crucially conveying achievements, challenges and any actions taken to address these.

THEME 1

Pursuing Quality Improvement to become the safest organisation in the NHS

1.1 Maintain the relative risk of mortality to be within the top 10% of acute trusts in the NHS

Salford Royal has a robust and far reaching Quality Improvement Strategy and our high level aims for 2015/16 were to save and improve lives through reliable and safe care by:

- Maintaining the relative risk of mortality to be within the top 10% of the NHS;
- 95% of our patients to receive harm free care;
- 95% compliance with the WHO safer surgery checklist.

Each of these aims was achieved, with many projects surrounding them that supported the delivery of our Quality Improvement Strategy for 2015/16. These projects are more fully detailed in the Quality Report section of the Annual Report.

Key achievements against our aims were as follows:

- Hospital Standardised Mortality Ratio (HSMR) remains in the top 10% of the NHS and is statistically better than expected (87.79 July 2014 - June 2015, most recent data available)
- Summary Hospital-level Mortality Indicator (SHMI) is in the top 30% of the NHS and is statistically as expected (96.55 July 2014 - June 2015, most recent data available)
- 97.56% of patients receive harm free care (Feb 2015 - Feb 2016, as measured by the safety thermometer, acute and community combined)
- 99% compliance with the WHO safer surgery checklist (most recent audit January 2016)

You can find out more about our achievements in the Quality Report.

1.2 Putting patients first by delivering personalised care: Maintain patient experience indicators in the top 20% nationally.

Delivering personalised care is a priority for Salford Royal; patient and customer focus being one of four values. The ongoing Patient, Family and Carer Experience (PFCE) Collaborative, which includes 30 teams from across Salford Royal, produced a Change Package in 2015/16; a guide for staff on how to test new ways of improving the patient experience.

Results from internal patient experience surveys have shown the following:

- In response to the question 'did we deliver what matters most to you' over 95% of patients responded 'yes definitely' and 'yes to some extent' over 2015/16 with the highest percentage seen in July 2015.
- The response from community patients answering the question 'are you involved in decisions about your care' was on average 92% 'yes always' and over 99% when considering 'yes always' and 'yes to some extent' combined.
- Outpatients when posed the question 'was it worth coming to your appointment' answered 93% to 'yes definitely' with a further 6% stating 'yes to some extent'.

Going forward the PFCE Collaborative will continue as a place where staff can come together and test ideas to deliver more person-centred care.

Salford Royal's Nursing Assessment and Accreditation System (NAAS), was recognised as an area of outstanding practice during the CQC Inspection (January 2015), providing a high level of transparency to Salford Royal's board and to patients in relation to clinical performance indicators and measures. At the end of 2015/16, 29 out of 45 wards had achieved SCAPE status (Safe, Clean and Personal Care Every Time), demonstrating consistently high quality care to patients.

There will opportunity in 2016 for Salford Royal's community teams to achieve SCAPE status as specific community SCAPE Panels will be held for those areas eligible to apply.

National NHS Inpatient Surveys are conducted each year. The Picker Institute conducts the survey on behalf of Salford Royal and 81 other trusts. Patients are randomly selected and for the 2015 survey, 1184 patients were eligible to respond to the survey, with 482 patients responding, a 41% response rate.

Compared to the other 81 trusts utilising the Picker Institute, Salford Royal was:

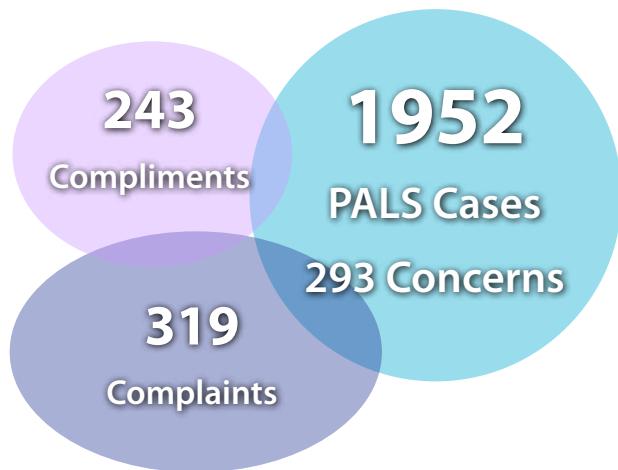
- Significantly better on 21 questions
- Significantly worse on 2 questions
- The scores showed no significant difference on 59 questions. The scores were average on 42 questions

Salford Royal will receive further information about how these results compare with trusts from all over the country a little later in the year.



Listening and responding to patients

Salford Royal is committed to responding to issues of concern by a patient, relative or carer and learning from the issues raised. Salford Royal provides an accessible and impartial service, with all issues raised being handled not only with the seriousness they deserve, but also in a way that provides answers to service users which are full, frank and honest.



Complaints Performance 2015/16

98.6%	Percentage of complaints acknowledged within 3 working days
89.4%	Percentage of responses provided to complainant by agreed deadline

Complaints Performance 2014/15

98.7%	Percentage of complaints acknowledged within 3 working days
86.4%	Percentage of responses provided to complainant by agreed deadline

What were our patients' main concerns?



Learning from complaints and concerns

Salford Royal's Complaints Review Panel provides assurance to the Board that complaints are handled in line with NHS complaints regulations and in a robust, open, and timely manner. The meeting itself also aims to facilitate dialogue and encourage learning with a particular emphasis on Salford Royal's values of Patient and Customer Focus, Accountability, Continuous Improvement and Respect.

In February 2016 a survey was undertaken to review the effectiveness of the Complaints Review Panel with an additional aim of identifying any potential learning or areas for improvement. The response rate to the survey was 69% and results were extremely positive including:

- Over 90% of respondents agreed or strongly agreed the Complaints Review Panel provided the opportunity to identify learning with regard to procedures, communication, behaviour and feedback to patients and staff
 - 97% of respondents agreed or strongly agreed that the Complaints Review Panel was effective at identifying whether all aspects of the complaint were answered.

In response to the survey, the Divisions are developing a formalised and consistent approach for disseminating learning, with plans of how this learning will be monitored.

Communicating with patients

During 2015/16, a number of schemes were implemented to improve the way Salford Royal communicates with patients and provides information in a way that is easily understood, with specific focus on the use of technologies to assist communications. Examples include:

- Communication App: The use of ipads and apps to assist patients who cannot speak, enabling patients to type words and the ipad will speak.
- Eye Gaze: The use of computers and sensors to assist patients who cannot speak, enabling patients to type words using their eyes.

For the first time, patients coming to Salford Royal for outpatients appointments were able to view a short video. The film, made following a suggestion from a Foundation Trust member, explains the practicalities of attending an outpatient appointment at Salford Royal. The patient journey, starting from how patients are contacted about their appointment, what items they need to bring with them, how to get to Salford Royal and what help is available for those with extra needs, such as people with vision or hearing problems, are all explained. It follows a patient on a typical visit and also informs patients which car park is best for their appointment, what public transport is available, how to find the Outpatients Department and how to confirm attendance and book in.

In February 2016, the Better Care at Lower Cost and Equality and Inclusion Teams worked together to hold an interactive focus group exploring the communication requirements of patients from protected and seldom heard groups. Potential technical solutions were demonstrated including a Wayfinding App and Patient Portal, and the views and comments of patients with respect to these were captured. Salford Royal will implement changes based on this feedback during 2016/17.

THEME 2

Safely Reducing Costs by £30m

2.1 Safely reduce our costs by £30m (full year effect) by driving efficiency and sustaining financial performance.

The Better Care at Lower Cost (BCLC) Programme has a three year goal of delivering £75m cost savings, with a requirement that £30m (full year effect) was delivered within 2015/16. The programme delivered £20.6m of savings, in year. In addition to this the clinical divisions addressed unfunded areas of spend to the value of £11m.

The Better Care at Lower Cost Project Management Office has been fully established, and supports the delivery of cost reducing schemes and Salford Royal's framework that governs and monitors schemes. A number of workstreams have been established to manage the projects; each having Executive Director leadership. This senior leadership and oversight is further strengthened by the monthly Productivity and Improvement Board, a Standing Committee of the Board of Directors, chaired by the Executive Director of Finance.

A series of transformational initiatives contributed to savings during 2015/16, including; beneficial changes to how, and where, patients are treated within the organisation and partner organisations, securing the best deal possible on clinical and non-clinical supplies and improvements to the prescription and administration of drugs.

During 2016/17, Salford Royal intends to concentrate on improvements in discharge processes to reduce length of stay; patient communication and treatment using 'digital health' technologies, theatre utilisation and reduction in agency spend.

THEME 3

Supporting high performance and improvement

3.1 Maintain position in top 10% for staff engagement and ensure consistent performance across Salford Royal

For the 2015 National Staff Survey, the comparator group for Salford Royal was changed from acute trusts to combined acute and community trusts, reflecting the integrated nature of Salford Royal. The staff engagement score reported for Salford Royal was within the average band for those comparator trusts, with performance across Salford Royal being relatively uniform. Whilst a top 10% comparator is not given for this group of organisations, it is accepted that the engagement levels reported are lower than desired by Salford Royal's own very high standards, with a slight dip in the overall engagement from 3.98 to 3.80 out of 5 in 2014 and 2015 respectively. The Board of Directors acknowledge the impact of the Better Care at Lower Cost programme on the staff engagement score, coupled with unprecedented operational demand and national staff shortages. A series of formal and informal communication and engagement activities will be implemented in 2016/17 with respect to Salford Royal's transformational vision and opportunities this brings for the organisation and its people. Executive Director drop in sessions have been established to allow staff to raise any issues of concern and a robust Workforce Strategy was approved by the Board in April 2016 which includes aims and solutions to address areas of concern.

In response to the 2015 National Staff Survey, Divisional and Trust-wide action plans are in development and actions will be diligently monitored throughout 2016/17. Salford Royal also undertakes internal bi-annual Staff Surveys to

reduce reliance on the National Staff Survey and monitor staff satisfaction across the course of the year. The National Staff Family and Friends Test will also be utilised to seek views on key issues of involvement, engagement and communication.

3.2 Improve employee well being

The management of sickness absence serves to reduce costs and maintain the quality of our services. Salford Royal acknowledges that at times, staff may become ill and managers are always expected to provide appropriate and sympathetic support to staff during such times.

It is our aim to reduce sickness absence to a target level of 3.6% by 2017. During 2015/2016, absence levels were 4.25%, compared to the previous year's level of 4.40%. Further information regarding sickness absence is included in the Staff Report section.

Staff sickness absence has remained broadly constant and whilst it has not increased in line with other organisations, we have not seen the reduction towards the target, for 2017, of 3.6%. A Health and Wellbeing Steering Group has been established to implement Salford Royal's newly established Health and Wellbeing Strategy.

Salford Royal provides access to counselling, mental health advice and to staff physiotherapy services as part of its Health and Wellbeing offering. Fast access for staff to most clinical services was introduced in 2015, along with healthy eating advice through dietetics and a telephone triage service for staff with musculoskeletal issues.

An electronic return to work form was introduced in the last quarter of 2015/16 and monitoring arrangements for compliance with the use of this are being finalised. Sickness is reviewed with managers on a regular basis and Salford Royal has a number of supportive policies to assist staff to return to work or remain in employment.

THEME 4

Improving care & services through integration & collaboration

4.1 Develop an Integrated Care Organisation with Salford Royal NHS Foundation Trust as the lead provider, responsible for delivering health and social care services for all adults within Salford.

Salford Together, our partnership with Salford Clinical Commissioning Group (CCG), Salford City Council, Greater Manchester West Mental Health NHS Foundation Trust (GMW), and working closely with General Practice, has been developing ways to deliver improved outcomes for older people through a programme of transformation and integration since 2014. As part of this programme, plans have been developed to create an Integrated Care Organisation, as part of a wider integrated care system. In addition to the Integrated Care Organisation, the Integrated Care System proposals include extending joint health and social care commissioning from older people to the wider adult population in Salford and for the creation of five General Practice Neighbourhood Provider Boards. The Integrated Care Organisation itself proposes Salford Royal as the lead provider for Salford adult community, mental and acute health and social care, directly providing community and acute health and social care assessment and subcontracting mental health services and adult social care delivery.

An Outline Business Case to establish the Integrated Care Organisation was approved by partners in November 2015. The Full Business Case for the establishment of the Salford Integrated Care Organisation was unanimously supported by the Council of Governors in March 2016 and the Board of Directors in April 2016. Subject to approval by partners and authorisation by Monitor, the recommendation to transfer adult social care from Salford City Council to Salford Royal and transfer the contract for Salford adult

and older adult mental health services to Salford Royal to subcontract with GMW is proposed to take place on 1st July 2016. This will be supported by a single health and social care contract commissioned from the extended pooled budget to Salford Royal. New system governance arrangements are also proposed to provide the integrated framework to support the new system. Salford Together will build on these proposals to continue to deliver transformational change for the wider adult population as part of the national integrated care vanguard. These plans focus on supporting people in neighbourhoods and integrated planning and delivery of services.

4.2 Create single shared services across the NW Sector for General Surgery, Emergency and Acute Medicine

In July 2015, the Greater Manchester Healthier Together Committee in Common decided on the configuration and location of Greater Manchester's four single services to treat high acuity patients:

- Salford Royal Hospital – including Salford Royal, Bolton NHS Foundation Trust, and Wrightington, Wigan and Leigh NHS Foundation Trust
- The Royal Oldham Hospital – including the Pennine Acute Hospitals footprint
- Manchester Royal Infirmary – including Central Manchester NHS Foundation Trust, Trafford Hospital and University Hospitals South Manchester
- Stepping Hill Hospital, Stockport – including Stockport NHS Foundation Trust and Tameside Hospital NHS Foundation Trust

This decision was supported by all organisations within the sector.

The Greater Manchester and North West Sector governance structures are now in place to develop and implement these changes. Furthermore, in the North West sector, an initial review has been undertaken of other services that lack resilience and would benefit from a sector wide, single shared service model. The sectors work programme includes:

- Implementation of the new models of care for General Surgery and Urgent and Acute Medicine, working with North West Ambulance Service to establish new pathfinder arrangements and developing capacity and estate plans.
- Developing new care models for services lacking resilience.



4.3 Develop plans to be the single receiving site for Major Trauma in Greater Manchester

Following the designation of Salford Royal as the lead provider for the delivery of Major Trauma services in Greater Manchester, the implementation timetable to move to a principal receiving site by April 2017, as described by the draft Outline Business Case was supported by the Board in January 2016. The Greater Manchester Major Trauma Service is a partnership with other trusts, Central Manchester, University Hospitals South Manchester and Wrightington, Wigan and Leigh NHS Foundation Trusts, who will provide support and expertise for the 'single shared services'. The single shared services are those speciality services not provided by Salford Royal, ensuring an enhanced level of care for patients with complex injuries.

Patient flows have begun to incur incrementally, from October 2015 the first tranche of 'extra' patients were received at Salford Royal, as University Hospitals South Manchester no longer receives major trauma cases after midnight.

The draft Outline Business Case requires additional capacity on site to deliver the full service and the capital solution is not yet resolved. The Outline Business Case also recognises the significant level of rehabilitation provided by Salford Royal, which has risen in recent years and requires further consideration across Greater Manchester to strengthen services and help get those patients who are able closer to home for their care.

The Full Business Case will be completed in early 2016/17 following clarity on a capital solution. Though the Full Business Case is not yet complete, the key clinical milestones in the implementation plan have been maintained, which is already helping provide better, and more comprehensive care to patients.

4.4 Determine Salford Royal's Enterprise Strategy to identify the market segment(s) and scale of operation Salford Royal wishes to target.

The first year of developing and executing an Enterprise Strategy has seen positive progress. Salford Royal has seen significant investment from strategic partners receiving regional, national and global interest in a number of its capabilities; new commercial revenue and in kind benefits direct to Salford Royal in 15/16 have totalled in excess of £1.18million. Each commercial opportunity undergoes structured due diligence and we are continuously improving this capability.

In February 2016, the Board of Directors approved arrangements for Salford Royal to host East Lancashire Financial Services (ELFS), recognising the growing demand for shared corporate service functions being driven by Greater Manchester Devolution.

Salford Royal continues to support development of its hosted commercial organisations Haelo and North West eHealth, providing both with greater autonomy and access to Trust generated opportunities and assets. Salford Royal has also forged relationships with Media City, in particular The Landing and its hosted organisations, with whom we have recently been successful in securing a place on the Crown Commercial Service Digital Outcomes and Specialists Framework, allowing us to offer digital, media, health outcomes and user experience products and services to a wider market as a partnership.

As a public benefit corporation all income and benefits made from enterprise work will directly be invested into the provision of NHS services.



THEME 5

Demonstrate compliance with Mandatory Standards

5.1 Clinical & Quality Standards and 5.4 Access Standards

National Targets and Minimum Standards	Target	Target (2015/16)	2015/16	2014/15	2013/14	2012/13
Infection Control	Number of <i>Clostridium difficile</i> cases	21	4 cases have been deemed avoidable i.e. a lapse of care identified; 1 case still to be reviewed by the CCG	19 cases where there has been some lapse of care	18	47
	Number of MRSA blood stream infection cases	0	0	0	0	3
Access to Cancer Services	% of cancer patients waiting a maximum of 31 days from diagnosis to first definitive treatment	96%	96.9%	97%	98.2%	98.9%
	% of cancer patients waiting a maximum of 31 days for subsequent treatment (anti-cancer drugs)	98%	100%	100%	100%	100%
	% of cancer patients waiting a maximum of 31 days for subsequent treatment (surgery)	94%	96.3%	96.5%	98.3%	99.4%
	% of cancer patients waiting a maximum of 31 days for subsequent treatment (radiotherapy)	94%	100%	100%	100%	100%
	% of cancer patients waiting a maximum of 2 months from urgent GP referral to treatment	85%	88.2%	86.2%	86.8%	88.7%
	% of cancer patients waiting a maximum of 2 months from the consultant screening service referral to treatment	90%	95.8%	82.6% (however, there have been < 5 applicable patients per quarter)	96.4%	85.2% (NB low numbers means this is below the minimum)
	% of cancer patients waiting a maximum of 2 weeks from urgent GP referral to date first seen	93%	94.7%	96%	97.9%	98.4%
	% of symptomatic breast patients (cancer not initially suspected) waiting a maximum of 2 weeks from urgent GP referral to date first seen	93%	88.6%	96.2%	95.6%	97.5%
Access to Treatment	18 weeks Referral to Treatment - patients on an incomplete pathway	92%	94.4%	94.27%	95.1%	96.4%
	Count of patients who waited greater than 52 weeks for treatment	0	7	20	11	N/A
Access to A&E	% of patients waiting a maximum of 4 hours in A&E from arrival to admission, transfer or discharge	95%	93.3%	95.01%	95.9%	95.46%
Access to patients with a learning disability	The Trust provides self-certification that it meets the requirements to provide access to healthcare for patients with a learning disability	N/A	Yes	Yes	Yes	Yes
Cancelled operations	% of in-patients whose operations were cancelled by the hospital for non-clinical reasons on day of or after admission to hospital	0%	0.90%	0.66%	0.56%	0.52%
Cancelled operations not treated within 28 days	% of those patients whose operations were cancelled by the hospital for non-clinical reasons on day of or after admission to hospital, and were not treated within 28 days	0%	2.62%	3.44%	0.78%	0.89%
	Count of patients who waited greater than 52 weeks for treatment	0	7	20	11	N/A

Standards of Quality and Safety

Salford Royal was rated as 'Outstanding' in the 2015 Care Quality Commission inspection; the first integrated NHS organisation and first trust in the North of England to achieve the highest overall rating. Salford Royal was highlighted for many areas of outstanding practice across all areas of Salford Royal including:

- The Nursing Assessment & Accreditation System (NAAS) was said to provide Salford Royal Board a high level of transparency in relation to clinical performance indicators and measures.
- Quality Improvement initiatives had successfully led to a reduction in the number of hospital acquired pressure ulcers.
- There was clear evidence that the emergency village with its integrated care pathway approach including medical in-reach continued to deliver improved outcomes for people.
(Care Quality Commission, 2015).

Although some areas for improvement were highlighted, actions were identified to address shortfalls, many of which were remedied immediately. During 2015/16 all actions were completed to ensure the two 'must-dos', compliance in relation to the WHO checklist and the environment being appropriately maintained and fit for purpose, were fully addressed. Further information regarding this can be found within the Quality Report.

Salford Royal assures itself in relation to the CQC standards through 10 key steps:

1. Ward/Departmental Fundamental Standards Self Assessments
2. Divisional Senior Review
3. Cross-Divisional Peer Review
4. Outcome leads identified for each standard for specialist input
5. Corporate assurance visits to measure robustness of the self-assessment process with outcome leads in attendance
6. Outcome of corporate assurance visits reported to Divisional Assurance and Risk Committees and Executive Quality and People Experience Governance Committee
7. Outcome of corporate assurance visits with divisional response reviewed via Audit Committee
8. Annual assurance reports for individual standards compiled by outcome leads and presented at the Executive Clinical Effectiveness Governance Committee or Executive Quality & People Experience Governance Committee
9. Divisional Annual Governance Reports
10. Annual CQC Fundamental Standards Assurance Report reviewed via the Executive Assurance and Risk Committee and Audit Committee.



5.2 Financial Standards

The following are the main headlines of financial performance for Salford Royal in 2015/16.

- The underlying “trading” deficit (after adjusting for impairment charges and non-operating transactions) is a deficit of £13.3 million which is £4.1 million better than planned
- The overall income and expenditure position shows a deficit of £11.0 million, but this is after accounting for a number of non-operational items into Salford Royal surplus. These are set out below
- The financial risk rating (Financial Sustainability Risk Rating - FSRR) using Monitor’s methodology (as set out in the Risk Assessment Framework) to assess the level of financial risk based on the position as at the end of March 2016 is a 2.

Salford Royal NHS Foundation Trust as a foundation trust submits its Annual Plan to Monitor at the start of the financial year which sets out detailed financial plans for the year in line with Monitor’s compliance regime. The following table summarises the performance against the plan for the Financial Sustainability Risk Rating in 2015-16.

Performance Compared to Annual Plan Targets

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Annual
Planned FSRR	2	2	2	2	2
Comprising:					
- capital service	1	1	1	1	1
- liquidity	3	3	3	2	2
- income and Expenditure margin	1	1	1	1	1
- income and Expenditure margin variance	4	4	4	4	4
Actual FSRR	2	2	2	3	2
Comprising:					
- capital service	1	1	1	3	1
- liquidity	3	3	3	3	3
- income and Expenditure margin	1	1	1	2	1
- income and Expenditure margin variance	4	4	4	4	4

Statement of Comprehensive Income Position

This statement within the Annual Accounts shows the total value of Income and Expenditure for the year ended 31st March 2016. The following table summarises the actual income and expenditure performance as at the 31st March 2016.

	Actual Results £'000's
Income	518,104
Expenditure	(507,158)
EBITDA	10,946
Exceptional Income / costs and impairment charges	(1,548)
Depreciation and amortisation	(11,634)
Total interest receivable / (payable)	(7,111)
Unwinding of discount on provisions	(28)
PDC dividends	(1,647)
Net Deficit (per Annual Accounts)	(11,022)
Normalising Adjustments	
Net impairments and accelerated depreciation of non-current assets	1,548
Hosted services non-operating income and expenditure adjustment	(3,662)
Charitable Fund transactions consolidated	(184)
Underlying Surplus	(13,280)

Normalising Adjustments

Salford Royal has an underlying deficit of £13.3 million, which has come from the delivery of operational healthcare services. Whilst the bottom line of the Annual Accounts shows a deficit of £11.0 million this is due to the charging of non-operating income and expenditure items during the year which need to be removed from the financial results ("normalised") when assessing Salford Royal's performance against the Monitor financial regime to identify the underlying trading surplus achieved by Salford Royal from operating activities i.e. the provision of healthcare.

The first non-operating income and expenditure adjustment (normalising adjustment) made to the results reported in the Statement of Comprehensive Income is to exclude the impact of impairment charges recognised in the Annual Accounts in respect of land and building assets. The Salford Royal accounting policies require that land and building assets are revalued with sufficient regularity to ensure that the carrying amounts are not materially different to those that would be determined at the end of the reporting period following a valuation. Owing to indications that market conditions have changed since the end of last financial year, the Valuation Office was commissioned to undertake a revaluation of the Salford Royal land and building assets. The outcome of the valuation was an overall reduction of £5.9 million in the value of our asset base and an exceptional net cost of £1.5 million was recorded in the Statement of Comprehensive Income. There was also an associated £4.4 million net increase in the balances recorded in the revaluation reserve.

The second non-operating income and expenditure adjustment (normalising adjustment) made is to remove from the financial results the £3.7 million surplus generated by services hosted by the Trust. Hosted services are non-legal entities who are managed by their own management boards and are entirely separate from the operational financial performance of Salford Royal and, as such, its financial results excluded from the reported underlying performance of the operational element of Salford Royal.

The third adjustment relates to excluding the impact of the financial performance of our charity from our operating financial position. The Charity's financial results are required to be consolidated into Salford Royal's Annual Accounts as it is a subsidiary of Salford Royal.



Trust Income

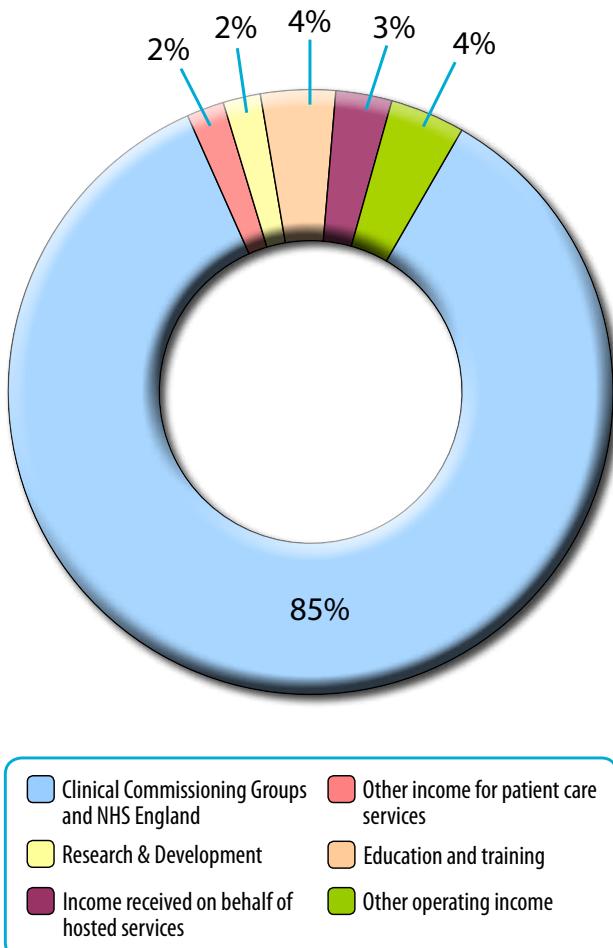
Salford Royal receives the majority of its income for the delivery of patient care (£455.6 million – 88%) from commissioners of NHS services.

In addition Salford Royal received £62.1 million for the delivery of non-patient care services, with £19.0 million (30%) coming from Health Education North West to support the costs of providing education and training to medical and other NHS staff. In the year Salford Royal also received income of £17.1 million on behalf of Hosted Services and £10.6 million in respect of Research and Development activities.

Salford Royal's income from the provision of goods and services for the purposes of the health service in 2015-16 (commissioner requested services) was £452.2 million compared to £3.4 million received for other patient care activities i.e. private patients, overseas visitor charges and compensation paid by the NHS Injury Costs Recovery Scheme to Salford Royal for treatment costs for patients who have sustained injuries and claim and receive personal injury compensation.

Income from the provision of goods and services for the health service represents over 99% of Salford Royal's total income from clinical activities. Income from non-mandatory patient care activities at under 1% of the total is reinvested in health services for Salford.

The following graph sets out the income received by Salford Royal during the financial year.

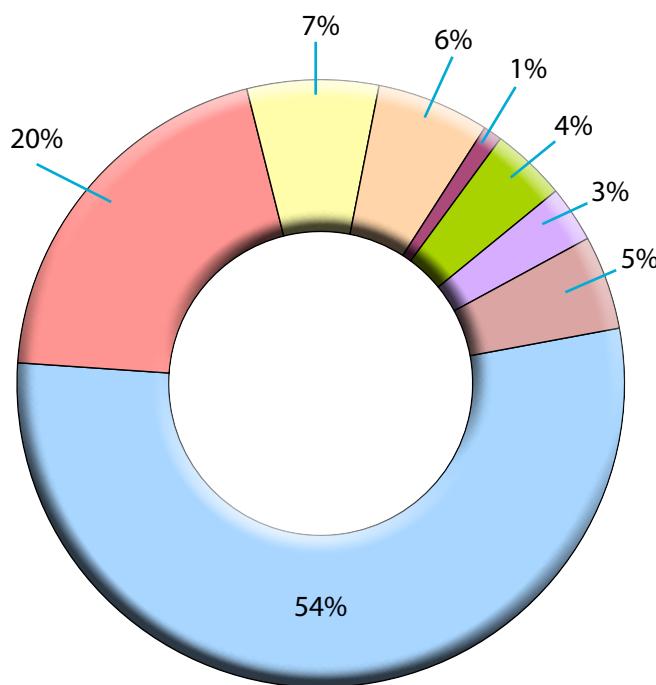


Operating Expenses

Salford Royal employs in excess of 6,000 whole-time equivalent staff and expenditure on pay costs (including directors costs) is the single largest item of expenditure for Salford Royal with £285.5 million spent during the year representing 54% of total operating expenses.

Of the non-pay related expenditure, drugs costs accounts for £104.4 million (20% of operating expenses), with expenditure on clinical supplies the next biggest item of spend at £36.6 million (7% of operating expenses).

The following graph sets out the major headings of operating expenses for Salford Royal.



	Employee costs including Research & Development staff		Supplies and services - drugs costs
	Supplies and services - clinical supplies		Other supplies and services
	Research & Development		Services from other NHS bodies including the NHSLA
	Depreciation, amortisation and impairments		Other expenses

Jointly Controlled Operations

Salford Royal is a party to two jointly controlled operations (i.e. an arrangement is established without the creation of a separate corporate entity) with the purpose to deliver NHS services. Salford Royal has a 50% interest in each jointly controlled asset and these are:-

- Sterile Services Decontamination Unit jointly controlled with Wrightington, Wigan and Leigh NHSFT that cleans and sterilises reusable medical equipment on behalf of the two foundation trusts.
- Pathology At Wigan and Salford (PAWS) jointly controlled with Wrightington, Wigan and Leigh NHSFT to provide pathology services to the two foundation trusts.

Salford Royal's share of the costs of each of these jointly controlled operations is included in the operating financial results reported in the Annual Accounts.

Salford Royal also has a 40% interest in North West e-Health. The North West E-Health development project is an intangible non-current asset originally funded by a government grant. Salford Royal includes a one-third share of the transaction in its accounts reflecting Salford Royal's proportionate share of the asset which is equally shared with NHS Salford Clinical Commissioning Group and the University of Manchester.

Capital Expenditure Investments

Salford Royal has continued to invest in its estate and equipment assets in 2015-16.

Capital expenditure totaled £7.1 million in 2015-16, and the table below summarises the main themes of capital expenditure for across Salford Royal during the year.

Heading	£m's	Description
Improving operating theatres	2.5	To refurbish theatres including replacing all end-of-life plant
Medical and IM&T equipment	2.6	Including replacing essential diagnostic and imaging equipment
Improving clinical and non-clinical environment	1.5	Including upgrading community-based premises and decanting services from our Clinical Sciences Buildings to more suitable accommodation
Backlog maintenance and site infrastructure	0.5	Investments in ensuring the site infrastructure remains in safe working order
Total	7.1	

Liquidity and Short Term Investments

Salford Royal's cash balance remains strong at £60.1 million at the financial year end, with interest receivable of £0.2 million earned. The interest received total remains low entirely due to the current economic conditions and the low rates of interest being offered by low risk investment organisations including the National Loans Fund. Salford Royal current holds the majority of its cash within the Government Banking Service (GBS).

Accounting Policies

Salford Royal reviews its accounting policies on a regular basis following the requirements of International Financial Reporting Standards and Monitor's Annual Reporting Manual. These policies are discussed and agreed by the Audit Committee and reflect the changing nature of the guidance and the external environment within which the Foundation Trust functions.

Salford Royal's key accounting policies are set out in the Annual Accounts included in this report. There were minor changes made to the accounting policies during 2015-16 and all of the changes implemented were in line with the Foundation Trust Annual Reporting Manual.

Accounting policies for pensions and other retirement benefits are set out in a note to the accounts (note 1.6) and details of senior employees' remuneration can be found in the Remuneration Report.

Post Balance Sheet Events

There are no significant post balance sheet events.

A Look Forward

The financial outlook for the NHS as whole continues to be a difficult one given the continued requirement by the Government to reduce public expenditure. A serious and widening gap over the next few years is forecast between income and expenditure. Couple this with the continuing increase in demand for NHS services and this provides a requirement to deliver significant cost savings at a time when standards of care are required to rise.

The Trust has submitted its Annual Plan to Monitor (NHS Improvement) that covers the financial year 2016-17 only. Our operational plans for 2016-17 forecast an operating surplus of £6.9m and a normalised net deficit, after costs of financing and depreciation, of £4.3m. Our financial plan for 2016-17 has been set in the context of an offer from the 'general element' of the National Sustainability and Transformation Fund of £11.4m; the conditions of which link this to delivering an income and expenditure control total of a £4.1m deficit (excluding depreciation and receipt of donated assets) and £4.3m deficit including depreciation and receipt of donated assets.

Investment will continue in the Trust's asset base with the investment of an estimated £8.6 million in 2016-17. This will predominantly be investments in replacing essential equipment assets and providing necessary maintenance and upkeep of building assets.



5.3 IM&T Standards

Cyber Security

Following the cyber security threats experienced by several public organisations in 2015/16, Salford Royal has set in place a number of cyber security initiatives. Some have been immediately applied, whilst others will be implemented during 2016/17 to address any threats which would lead to risks to Salford Royal's information and information systems.

Data Quality and Clinical Coding

The quality of the data to accurately reflect hospital activity depends on:

- Clear, accurate and timely information provided in the patient notes
- Accurate and consistent clinical coding by the clinical coding team liaising with the clinicians
- Good management processes surrounding the collection and processing of the data such as an organisation's policy and procedures plus a committed investment in training and accreditation.

Salford Royal has established a regular clinical coding internal audit to ensure a robust data quality cycle. Further information regarding Salford Royal's attainment level for the Information Governance Toolkit and clinical coding error rate is included in the Quality Report.

5.5 Workforce Standards

Salford Royal has established policies in place for the management of conduct, behaviour, attendance and performance and provides training to managers on the use of these policies. Salford Royal achieved a compliance level of 96.84%, against a target of 95% for key mandatory training and an appraisal rate just slightly below the 85% target. Medical staff have an annual whole practice Medical Appraisal which supports revalidation recommendations, whilst other staff have a review under Salford Royal's contribution framework arrangements. The Contribution Framework is used to facilitate nurse revalidation and provide the required assurances. The Contribution Framework helps ensure goals and objectives are closely linked to Salford Royal's Annual Plan for all staff, with pay progression linked to a successful contribution framework review and completion of mandatory training. Under the contribution framework all members of staff should have regular conversations with their manager about their contribution, both in relation to 'how' they are doing their job and 'what' they are achieving. Regular training sessions have been provided throughout the year in respect of the contribution framework for both Reviewers and Reviewees.

Salford Royal Values and Disciplinary Rules underpin our expectations of the behaviours of our staff, whilst we are explicit on attendance in terms of established triggers for formal intervention for absences. Salford Royal has recently introduced a formal policy, agreed with trade union partners, on the management of staff during their probationary period following appointment.

Salford Royal has an internal target of 60 working days to complete recruitment, from authorisation of a post to the confirmation offer being made to the successful candidate. Performance during 2015/16 was better than this internal standard at 47 working days.

5.6 Buildings & Facilities Standards

Throughout 2015/16 Salford Royal has implemented an electronic quality monitoring system, that details areas of compliance for environmental standards. In addition, the Estates and Facilities Teams have implemented a rolling programme of internal inspections across all Trust areas. These internal inspections incorporate scrutiny against all standards included in CQC Outcome 15; safety and suitability of premises, fire safety, Patient Led Assessments of the Care Environment and NHS Premises Assurance Model. Outcomes have informed the maintenance programme and ensured minor maintenance and repair works are submitted to the Facilities Helpdesk for attention.

Salford Royal's third Patient-Led Assessment of the Care Environment (PLACE) took place in April 2015. PLACE puts the patients views at the centre of the process, and uses information gleaned directly from Patient Assessors to report how well a hospital is performing in the areas assessed: Privacy and Dignity, Cleanliness, General Building Maintenance, Food and in 2015 for the first time, Dementia. It focuses entirely on the care environment.

The inspection team visited 10 Wards, Emergency Department, Outpatients, and external and communal areas. The groups also inspected the food service and sampled various items from the menu.

Areas Assessed	SRFT 2014 Scores	SRFT 2015 Scores	2015 National Average
Cleanliness	99.46%	99.48%	97.57%
Appearance maintenance	98.12%	98.28%	90.11%
Food	93.12%	91.02%	88.49%
Privacy and Dignity	94.20%	92.56%	86.03%
Dementia	N/A	85.86%	74.51%

The results for Cleanliness and Appearance/Maintenance both improved from 2014, against a national decline in the average score.

There was a dip in the score for Food and Privacy, Dignity and Wellbeing. The main reason for the lower score in the latter was due to environmental factors. Within some of the outpatient's areas patients, their family and carers are not able to leave the consultation/counselling rooms without having to return through the general waiting area. A resolution to this is being sought by the Capital Team and will be incorporated into the Outpatients refurbishment. Additionally, in a small number of wards additional privacy curtains were required, this was addressed immediately.



THEME 6

Implement enabling strategies

6.1 Research & Development Strategy

The amount of research taking place at Salford Royal continues to increase, with a trend towards highly complex trials. Around 175 new research studies open each year, with around 600 studies in total open at any time. More than 7,500 patients participated in research within Salford in 2015-16.

We have maintained our programme of patient and public engagement and ran a second successful Salford Research Week in September 2015.

The Human Tissue Authority inspected our research facilities and processes in November 2015 and found no shortfalls against standards and only a small number of recommendations.

A five year Research and Development Strategy has been developed with partners and stakeholders, receiving Board approval in December 2015. A restructure of the Research and Development Directorate has begun to ensure effective support for delivering the strategy while achieving sustainability.



Salford Research Week

6.2 Under & Post Graduate Education

6.2 Align designated Education Programme Activities (PAs) to Job Plan allocation and ensure these are reliably delivered

Undergraduate Education

Undergraduate Education Service Level Agreements have been developed for each Clinical Directorate, setting out explicit protected time requirements for supervisory and direct teaching duties, as annualised PAs. The intention is to agree these prospectively each year.

New student feedback reports have been implemented at the end of students' placements. These are reviewed by the Consultant Lead for Under Graduate Medical Education Quality Assurance and distributed to Placement Supervisors so that good practice and areas for improvement are identified in a timely manner.

Postgraduate Education

Salford Royal recognises that safe supervision and development of its junior medical workforce promotes patient safety and high quality training. Postgraduate education has supported Salford Royal wide consultant job planning process, quantifying the PA allocation required in each department to deliver educational supervision to junior doctors, as recommended by Health Education England. The process of scrutinising of job plans is almost complete. Whilst there are competing pressures on consultants' time, this will enable Postgraduate Education to hold Trust Specialty Training Leads and Clinical Directors accountable for the quality of education and training within their departments. Whilst the formal report is awaited, verbal feedback from a recent Health Education North West quality monitoring visit indicated that trainees reported high levels of satisfaction with regard to educational and clinical supervision.

6.3 Hospital Redevelopment/Estates Strategy

Patients and staff have benefitted from the completion of the £200m redevelopment of the site over the last ten years during 2015/16. The focus is now on addressing maintenance issues across the estate and in Salford Royal's theatres. A planned programme of refurbishment of theatres is underway with Theatre 4 now open for use. The Estates Strategy is being developed to take account of future strategic changes.

6.4 IM&T Strategy

The Electronic Patient Record (EPR) has continued to develop with new functionality to support the organisation including:

- System enhancements for the Integrated Care Programme
- Flagging of patients with an Acute Kidney Injury
- Smarter Radiology forms with improvements in autopopulating fields
- Deprivation of Liberty Safeguards (DoLS) and mental capacity documentation and flagging
- Further enhancements to electronic prescribing

A number of projects have supported innovation and digitisation through the enhanced use of apps and mobile devices for services both within the organisation and community .

A selection of these projects includes:

- Use of iPads to make records or interactions between parents, children and Allied Health Professionals, allowing pre and post therapy comparisons to be made.
- Trial of text message reminder service for Daycase Unit patients to try and reduce 'Did Not Attend' rates and address costs for empty theatre slots.
- Pilot of Trendcare; a system which calculates patient acuity and manages ward staffing levels.

6.5 Corporate Social Responsibility & Public Health Strategy

Salford Royal is committed to improving the health and wellbeing of patients and staff, ensuring it contributes positively to the lives of local people, and the environment and society in which they live.

This was well illustrated in 2015/16 with highlights including:

- The Meet & Greet Service has expanded. The network of volunteers, who can be pre-booked to assist individuals attending their outpatient appointment, have received training to support people with dementia, learning difficulties or sensory impairments. The Meet and Greet Service also provides access to an electronic scooter if required
- A pilot of clinically based volunteers to engage patients in activities such as board games, arts and crafts activities or an off ward visit has begun
- Salford Royal is continuing to support Pure Innovations and work experience for the 4th year for young people with learning difficulties
- 90 work experience opportunities for 14-19 year olds were provided to Salford schools
- Salford Royal is a member of the Social Value Alliance, and has signed up to the Social Value Charter, aligning the work of the Live Well, Work Well Strategy to the Alliance objectives
- In June 2015, the Board of Directors approved the Outline Business Case for Carbon Energy Fund Procurement. The proposal would produce energy and water savings of around £449K per annum (net) and a reduction in the site CO₂ emissions of circa 6000 tonnes per annum for a period of 15 years.

By working with new suppliers for both our clinical and domestic waste streams, Salford Royal has implemented new energy efficient innovations and industry best practice. These include:

- Use of a new sharps management system to decrease the costs of burning and reduce the amount of carbon produced.
- Decreased our carbon footprint by changing the number of waste collections we have per week with a more modern fleet.
- Implemented an onsite mixed recycling facility
- Implemented an onsite compaction and cardboard bailing to reduce the amount vehicles accessing the site
- Handled our clinical waste via a different recognised waste stream to reduce costs by over 50% and make the byproduct re-usable as alternative fuel
- Implemented a food waste strategy that utilises bio-digesters to turn food waste in to bio-fuel that generates an income stream.

6.6 Innovation Strategy

Salford Royal, together with Wrightington, Wigan and Leigh NHS Foundation Trust received £3.3 million of funding in 2015/16 for its part as an acute care collaborative 'vanguard' in a national NHS programme aimed at transforming the way health and care is delivered across England.

The funding has been provided as part of the new care models programme which is playing a key part in the delivery of the Five Year Forward View; the vision for the future of the NHS. Vanguards are leading on developing new care models that will act as blueprints for the future of the health and care system in England.

Through this collaboration our ambition is to develop and deliver innovations at pace and scale to a wider population. Our key programme areas are:

The development of a Hospital Group

We have the ambition to serve a population of over 1.5 million, spreading innovations at pace and scale. We will develop new models of delivery for corporate functions and clinical services, leveraging our combined resources to meet local challenges and also key themes set out in the Greater Manchester Devolution Strategic Plan.

Transformation of the acute hospital

We will develop innovative organisational architectures to transform into an outcomes based organisation. Resources will be deployed to remove waste and work which is of limited value. We will focus upon outcomes which matter to patients.

The development of a digital health enterprise

We will utilise proven technology to deliver care which is effective, safe, timely and efficient. This will be achieved through the use of evidence based tools to support clinical decision making, an organisational 'control centre' to provide digitised operational oversight of Salford Royals and the development of digital tools to support patients who want to be more involved in their own care.



In addition, Salford Spark is a new Trust initiative to support the development and spread of commercial and new innovations. The Technology Assisted Service Redesign programme (TASR) has been developed to search for existing technology delivering financial savings. Initial work has focused on digitisation and improving the patient experience through the development of digital communications, including a Trust wide app, digitising our nursing accreditation and assessment system, telemedicine and telehealth.

6.7 Implement the Membership and Public Engagement Strategy

Membership is a key vehicle through which Salford Royal embraces patient and public engagement.

Salford Royal's membership scheme provides opportunity for members and the public to share their experiences of Salford Royal's services to help inform and influence service improvement and redesign. Engaging with members and the public ensures the views of local people and those further afield help improve the experience for patients, visitors and staff and their views are taken into consideration when making plans for the year ahead.

Salford Royal NHS Foundation Trust membership is made up of public and staff members.

Public Members

We have nine public member constituencies. Eight of these reflect Salford City Council's neighbourhood wards, the ninth is for people who live outside of Salford. All members of the public who are 16 years of age or over, living in one of the following constituencies can become a member:

- Claremont, Weaste and Seedley
- East Salford
- Eccles
- Irlam and Cadishead
- Little Hulton and Walkden
- Ordsall and Langworthy
- Swinton
- Worsley and Boothstown
- Outside of Salford

Staff Members

We have five staff member constituencies, largely reflective of Salford Royal's Corporate and Clinical Divisional Structure.

During 2015/16, Salford Royal endeavoured to maintain its significant foundation trust membership, in addition to improving its representation of the community of Salford. At the start of the year, the Governors selected people aged 22-29 for targeted membership recruitment and identified actions to recruit more foundation trust members within this age category.

How many members do we have?

The table below highlights Salford Royal's actual and target membership figures for 31st March 2016.

Constituency	Actual 31 March 2016	Target 31 March 2016
Public - Salford residents	9,605	9,600
Public - Out of Salford	5,806	5,100
Staff	6,974	6,000
TOTALS	22,385	20,700

The following tables analyse the current and estimated membership figures for a number of indicators to highlight areas of representation.

Public Constituency Breakdown	Actual 31 March 2016
Claremont, Weaste and Seedley	1,311
East Salford	1,213
Eccles	1,843
Irlam and Cadishead	783
Little Hulton and Walkden	1,171
Ordsall and Langworthy	1,090
Swinton	1,359
Worsley and Boothstown	835
Out of Salford	5,806
TOTAL	15,411

Staff Constituency Breakdown	Actual 31 March 2016
Clinical Support Services and Tertiary Medicine	2,174
Corporate and General Services	1,029
Salford Healthcare	1,471
Neurosciences and Renal	1,656
Surgery	644
TOTAL	6,974

Public Constituency	2015/16	2016/17 (Estimated)
At year start (April 1)	15,254	15,411
New members	636	700
Members leaving	479	611
At year end (March 31)	15,411	15,500
Staff Constituency		
At year start (April 1)	6,979	6,974
New members	941	1,100
Members leaving	946	874
At year end (March 31)	6,974	7,200

Public Constituency	Number of Members 31 March 2016	Eligible Membership
Age (Years)		
0-16	9	50,787
17-21	617	16,206
22+	13,624	176,827
Unknown	1,161	0
Ethnicity		
White	12,998	210,862
Mixed	199	4,616
Asian or Asian British	911	9,249
Black or Black British	651	6,541
Other	109	1,060
Unknown	543	0
Socio-economic Grouping		
AB	3,416	13,468
C1	4,298	26,201
C2	3,373	15,230
DE	4,266	25,298
Unknown	58	0
Gender		
Male	5,892	122,526
Female	9,156	121,291
Unknown	363	0

During 2015/16, Salford Royal communicated with members, patients and the public regularly using a range of communication channels and feedback mechanisms, these included;

- Members Newsletter - The Loop
- E-communications
- Salford Royal's Website
- Medicine for Members seminars
- Patient Focus Groups
- Online Surveys
- Open Day and Annual Members Meeting 2015
- Social media – Twitter
- Partner communications including Salford CCG and Salford HealthWatch.

During 2015/16, the Governors and Membership Team utilised the following opportunities to listen to the views of members and the public:

- In September 2015, the Quality Improvement and Better Care at Lower Cost Teams came together to host an interactive engagement event. The aim of the event was to gather the thoughts of service users and members of the public about their experience at Salford Royal, identifying the good parts of their journey and what we could have done better to help inform future Quality Improvement projects. Patients were asked whether 'what matters most to them' was delivered and how they thought staff could communicate with them more effectively. The teams also collected patients' thoughts on using technology in outpatients. A work programme to launch a self-check-in service in outpatients is now underway, with roll out estimated to have been completed by April 2017.
- In October 2015, Salford Royal held its Open Day and Annual Members' Meeting, showcasing a range of Salford Royal's services, including those rated 'Outstanding' by the CQC inspection

- During November and December 2015, Salford Royal's Council of Governors gathered feedback from patients and visitors as part of the Governor-Led Engagement Plan on what Salford Royal could do better and ideas that could help Salford Royal make savings.
- In March 2016, foundation trust members and the wider public were invited to become Patient Assessors in the 2016 Patient-Led Assessment of the Care Environment (PLACE).
- During the year, the Membership Team and Governors attended Salford CCG's Citizen and Patient Panel events to listen to the views of service users and the public and feed this information back into Salford Royal.
- Five Medicine for Members seminars also took place. At these popular sessions health professionals provided information and engaged with members and the public on the following topics; mental health, research and development, organ donation and bereavement, keeping well in winter and clinical health psychology.

Each year, Salford Royal ensures members and the wider public have the opportunity to share their thoughts on the development of Salford Royal's plans for the year ahead, to ensure our priorities are aligned with these views. The 2015 Annual Membership Survey gathered views on how to improve patient experience, the Better Care at Lower Cost Programme, integrated care and Greater Manchester Devolution and collected over 500 responses. The results helped to inform the objectives of the Annual Plan 2016/17.

We also work closely with partner organisations such as Salford CCG, Salford Healthwatch and Salford City Council to ensure foundation trust members have the chance to get involved and share their views on the healthcare economy in Salford.

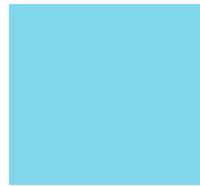
More information about becoming a member and opportunities to engage with Salford Royal can be found on our website www.srft.nhs.uk/for-members.

Members who wish to communicate with the Council of Governors can do so online at www.srft.nhs.uk/for-members/council-of-governors/contact-your-governor. Alternatively, you can get in contact via the Membership Team:

Telephone: **0161 206 3133**

Email: **foundation@srft.nhs.uk**





Looking Forward to 2016/17

This 2016/17 Annual Plan builds on the priorities identified in 'Saving Lives, Improving Lives', Salford Royal's Service Development Strategy for the period 2014-2019. It also incorporates priorities contained within the Five Year Forward View and NHS Mandate, 'Taking Charge of our Health and Social Care in Greater Manchester', Greater Manchester's Devolution Plan and Salford's Locality Plan.

The Greater Manchester Devolution Strategic Plan sets out the ambition for Greater Manchester to be financially self-sustaining as part of the Northern Powerhouse. From April 2016 Greater Manchester will be:

- Embarking on a large scale programme of whole system public service reform focused on people and place
- Responsible for the developing plans to address the predicted £2 billion funding gap by 2021
- Improving outcomes for the 2.8m population
- Developing workforce plans to address skills and capacity shortages.

Five transformation priorities have been identified:

- Radical upgrade in population health prevention
- Transforming community based care and support
- Standardising acute and specialist care
- Standardising clinical support and back office services
- Enabling better care.

The Salford Locality Plan reflects the key priorities of Salford CCG, Salford City Council and Salford Royal, including:

- Establishing the Integrated Care Organisation
- Development of North West Sector single service models
- Development of the Group Model

The Salford Locality Plan also focuses on:

- Increasing efficiency through standardisation
- Use of digital technology
- Reductions in variation
- Expanding co-production
- Personalisation and social action in communities.

Salford Royal operational plan for 2016/17 forecasts:

- An operating surplus of £6.9m
- A normalised net deficit, after costs of financing and depreciation, of £4.3m
- A deficit excluding depreciation on donated assets of £4.1m.

2016/ 2017 Annual Plan

Strategic Theme	Strategic Priority
1.1.Pursuing Quality Improvement to become the safest, highest quality health and care service	1.1 Save and improve lives through reliable and safe care 1.2 Delivering personalised care
2. Better Care @ Lower Cost	2.1 Drive efficiency & sustain financial performance, reducing costs by £20m
3. Supporting high performance and improvement	3.1. Deliver the Workforce Plan 3.2 Support & develop our people to deliver Safe, clean & personal care 3.3 Improve Engagement with and the Well Being of our People 3.4 Implement the Membership Development Strategy
4. Improving care and services through integration and collaboration	4.1 Deliver the Integrated Care Organisation providing population-based care 4.2 Work with partners to reconfigure services across the NW Sector 4.3 The Development of Healthcare Groups 4.4 Development of specialist services and partnerships with provider organisations
5. Demonstrate compliance with mandatory standards	5.1 Clinical and quality standards 5.2 Financial standards 5.3 IM&T standards 5.4 Access standards 5.5 Workforce standards 5.6 Buildings and facilities standards
6. Implement enabling strategies	6.1 Research and development strategy 6.2 Under and Postgraduate education 6.3 Hospital redevelopment / Estates strategy 6.4 IM&T and Innovation strategy 6.5 Corporate social responsibility and Public Health strategy

Signed:



Date: 26 May 2016

Sir David Dalton,
 Chief Executive & Accounting Officer
 Salford Royal NHS Foundation Trust

safe • clean • personal



Salford Royal NHS Foundation Trust
Quality Report
2015 - 2016

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If you require any further information about the 2015/16 Quality Report please contact:

The Quality Improvement Team on 0161 206 8167 or email Paul Hughes at Paul.Hughes@srftr.nhs.uk

2008 > 2009 > 2010 > 2011 > 2012 >

Over 9 years we have achieved:

Rated “Outstanding” by the Care Quality Commission (CQC)

In the best we have continued to maintain our 10% position for risk adjusted mortality nationally (HSMR)

Zero MRSA bloodstream infections over the past 3 years

95% reduction in *Clostridium difficile* infections

42% reduction in unexpected cardiac arrests

75% reduction in hospital acquired pressure ulcers

2013 > 2014 > 2015 > 2016 >

2015/16 achievements:

92% of Salford Royal Patients rate their care as excellent or very good

16% improvement in patients who are likely to recommend SRFT's outpatients department

58% reduction in Community Acquired Grade 2 Pressure Ulcers

24% reduction in the number of catheterised patients in the community

10% reduction in catheter days in hospital

38% reduction in the number of catheter associated infections

100% of patients triaged in our Emergency Department are screened for sepsis using the UK Sepsis Trust Screening Tool

114 teams participated in QI training or a QI collaborative

85% of patients admitted to the emergency assessment unit have a medicines reconciliation completed within 24 hours (M-F)

99% compliance with the WHO safer surgery checklist

1 Some 2015/16 achievements

Elaine Inglesby-Burke

Chief Nurse Elaine Inglesby-Burke has been awarded a CBE to honour her services to nursing.



Julie Flaherty

Children's nurse consultant has been awarded an MBE for services to paediatric nursing across Greater Manchester.



Dave Pike

Salford Royal's Lead Governor and firefighter has been awarded a British Empire Medal (BEM) for his work at Irlam fire station.



Cardiac Rehab Team

Salford Royal's Cardiovascular Rehabilitation team were presented with the British Heart Foundation Team of the Year Award at the British Cardiovascular Society dinner. The award recognises excellence in cardiovascular patient care.



Lead Trauma Centre Status

Salford Royal has been designated the lead provider for trauma services across Greater Manchester.



Pathology at Wigan and Salford (PAWS)

The service was crowned winner at the Health Service Journal's Value in Healthcare Awards; for the "Value and Improvement in Pathology Services" and the "Best Value for Patients and Taxpayers" awards.



Prof Pippa Tyrell

Leading stroke specialist has been given a national Life After Stroke Special Recognition Award for her pioneering work to transform the quality of stroke care in the UK.



Julia Taylor

Salford's Nurse Consultant for Urology has been awarded Nurse of the Year for both the British Association of Urological Nurses (BAUN) and Urology Foundation. Julia has also been appointed Vice President of BAUN.



Prof. Christopher Griffiths

Consultant Dermatologist at Salford Royal and Professor of Dermatology at The University of Manchester has been presented with the Sir Archibald Gray Medal in recognition for his outstanding services to dermatology.



Advancing Quality Programme Awards

Salford Royal were awarded first prize for best performing Trust in Stroke and third best performing Trust in heart failure by the Advancing Quality Alliance (AQ). These awards celebrate the success of each clinical programme.



Dr Chris Brookes

Executive Medical Director has been awarded an Honorary Doctorate from the University of Bolton to mark his outstanding contribution to health care.



Louise Tehrani

Senior Graphic Designer in Design Services, has won a bronze Institute of Medical Illustrators Award for her work on posters and fliers to promote Salford R+D's Research Week.



Melanie McDougall

Bereavement Liaison Specialist Nurse Lead, was a finalist in the Nursing Standard Awards 2015 – Patient Choice Category and was nominated for the exceptional support given to the family during their bereavement.



Padget's Association Centre of Excellence

Salford Royal is one of only ten sites to have been awarded Centre of Excellence status by the Padget's Association. The award recognises hospital and university departments which demonstrate excellence in both the treatment of Padget's disease and research into the condition.



Procurement Team Award Success

Salford Royal's procurement team were finalists in GO Awards 2016–17, which recognise excellence in public procurement. The team were shortlisted in the Procurement Innovation or Initiative of the Year Award – Health Care and the GO Procurement Team of the Year Award – Health and Social Care categories.



1 Statement on Quality from the Chief Executive



2015/16 has been a year of great success, amid significant challenges. Our journey to become the safest organisation in the NHS continues apace; we aim to get there by delivering highly reliable care whilst striving to reduce harm and avoidable mortality.

It gives me great satisfaction to say that we have sustained our low mortality rates, reduced the incidence of patient harm, and have continued to achieve a high level of patient satisfaction. I am particularly proud that Salford's Hospital Standardised Mortality Rate (HSMR) remains in the lowest 10% of NHS Organisations, and our performance on the NHS Safety Thermometer, which measures the amount of patients free from harm under our care, is above the national average.

Over the past 12 months, our collaborative approach to improvement has again yielded impressive results, with catheter associated urinary tract infections reduced by 38%, and rates of community acquired grade 2 pressure ulcers cut by 50%. You can find out more detail on these projects within the relevant sections of this document.

Our success is acknowledged externally by the Care Quality Commission who have rated Salford Royal as 'Outstanding' - one of only four Trusts in the NHS to have received this rating. We recognise that Salford Royal's ambition for quality improvement must remain affordable and we believe that better care can be delivered at a lower cost. Making explicit this link between quality improvement and cost improvement is vital to our continued success. Our Better Care at Lower Cost Programme has already saved over £30m within 15/16 and is designed to not only regain our financial position but also to safeguard our high standards of patient care.

Our patients tell us that high quality care is achieved when care is effectively organised and co-ordinated around an individual. This year a key focus has been bringing together the services of the City of Salford to create 'integrated care' which we are doing through Salford Together - a partnership between NHS Salford Clinical Commissioning Group, Salford City Council, Salford Royal and Greater Manchester West Mental Health NHS Foundation Trust. We are bringing the contributions of GPs, district nurses, social workers, mental health professionals, care homes, voluntary organisations and local hospitals into a single system to support the health and wellbeing of the people of Salford.

Our partnership working continues with neighbouring Trusts in the North West and North East sectors of Greater Manchester. We share an ambition to agree standards based on the evidence of best practice and then to organise the delivery of these reliably and at scale, to serve a wider geographic population. We hope that other organisations will wish to join us to set the 'gold standard' for quality and patient outcomes and in so doing, for this to act as a blueprint for the NHS.

I am pleased to confirm that the Board of Directors has reviewed the 2015/16 Quality Account and confirm that it is an accurate and fair reflection of our performance. We hope that this Quality Account provides you with a clear picture of how important quality improvement, patient safety and patient and carer experience are to us at Salford Royal.

As always, I'd like to thank all the staff at Salford Royal who work tirelessly every day to better the lives of patients and the community we serve. It is their contribution which makes us who we are: an outstanding trust.

Signed: 
Date: 26 May 2016

Sir David Dalton
Chief Executive
Salford Royal NHS Foundation Trust

2 Our Aims



2 Our aims

We aim to be the safest organisation in the NHS; we'll accomplish this by putting the needs of our patients, their families and carers, first. The third iteration of our Quality Improvement Strategy details how we will continue to relentlessly pursue care that is safe, clean and personal every time.

The following provides a brief summary against the aims set out in our Quality Improvement Strategy 2015-18.

No preventable deaths

The number of preventable deaths in the NHS remains uncertain with estimates for England ranging from 840 to 40,000 per year. Estimating preventable deaths is complex, however, we are certain through the mortality reviews we carry out on all patients who die whilst under our care, that not all patients receive all ideal aspects of care for their conditions in a timely manner. We use these mortality reviews to find defects in care that we can fix in service of pursuing our aim of having no preventable deaths.

In 2015/16, we have maintained our position for HSMR (risk adjusted mortality) and are in the best 10% of the NHS for this measure.

Continuously Seek out and reduce patient harm

Harm is suboptimal care which reaches the patient either because of something we shouldn't have done, or something we didn't do that we should have done. 97.9% of our patients receive harm free care, as measured by the safety thermometer.

Achieve the highest level of reliability for clinical care

At Salford Royal we use the principles of reliability science to maintain high performance, and ensure that care is reliably high quality for every patient, every time. In the pages that follow, we detail several projects worked on over the past year in the pursuit of high reliability.

Deliver what matters most: work in partnership with patients, carers and families to meet all their needs and better their lives

The views of our patients and staff are very important to us and we receive feedback through a number of methods, including surveys and patient and staff stories, all of which provide us with vital information on how to improve. In 2015/2016, 92% of Salford Royal Patients rate their care as excellent or very good.

Deliver innovative and integrated care close to home which supports and improves health, wellbeing and independent living
Caring for patients, their families and carers, is just as important out of hospital as it is when they're staying with us as an inpatient. Community based teams such as district nurses, community allied health professions, and intermediate care teams provide care closer to or in patients' homes. Our 'Salford Together' programme is bringing the contributions of GPs, district nurses, social workers, mental health professionals, care homes, voluntary organisations and local hospitals into a single system to support the health and wellbeing of the people of Salford.

2 A review of Quality Improvement Projects 2015/16

Below is a list of the quality initiatives in progress and their current status. Individual project pages follow for some of the key initiatives and a summary of the data for the remaining work.

	Target Achieved / On Plan	Close to Target	Behind Plan
Pressure Ulcers in the Community			
Catheter Associated Urinary Tract Infections			
Acute Kidney Injury: Hospital Acquired			
Acute Kidney Injury: Progression prevention			
Patient Flow			
Medication safety			
Sepsis			
Theatre Improvement			
Patient, Family, and Carer Experience Collaborative			
Patient and Staff feedback			
Falls			
Sign up to safety			
Building quality improvement capability			



Pressure ulcers in the Community

58% Reduction in Community Acquired Grade 2 Pressure Ulcers

Pressure ulcers occur when an area of skin is placed under pressure and the skin and tissue breaks down. Suffering a pressure ulcer can cause great pain, discomfort and upset for patients. There are a number of things that we can do to prevent them, in the hospital and even in patients' homes, including regular changing of a patient's position and using pressure relieving devices to protect any parts of the body that are particularly vulnerable to pressure damage.

What: Reduce Community Acquired pressure ulcers in patients on the district nurse caseload

How much:

- Reduce Grade 2 Pressure Ulcers by 50%
- Zero Grade 4 Pressure Ulcers
- 50 days without a Grade 3 Pressure Ulcer

By when: April 2016

Outcome:

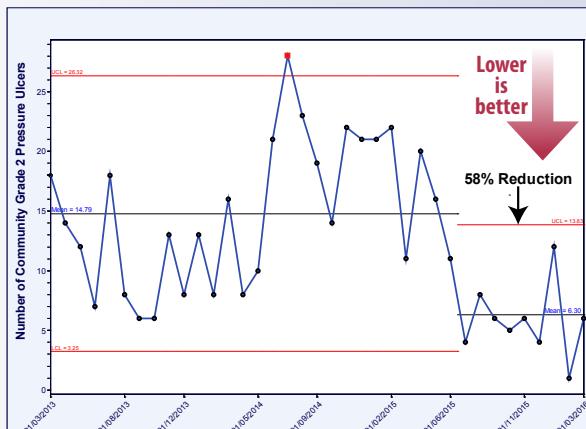
- 58% reduction in Grade 2 pressure ulcers
- Only 1 Grade 4 pressure ulcer this year
- Over 100 days without a grade 3 pressure ulcer

Progress: Close to target ➔

Further Improvements Identified

- Focus on the improvement of provision of equipment.

Chart: Community Grade 2 pressure ulcers





Catheter Associated Urinary Tract Infections (CaUTI)

38% Reduction in Catheter Urinary Tract Infections (CaUTI)

Catheter-associated urinary tract infections account for a large proportion of healthcare-associated infections, and can occur whether a person has either a short-term or a long-term catheter. There is a strong association between the length of time a patient has a catheter and the risk of infection. This risk is greatly reduced by complying with all parts of the process for safe catheter insertion, maintenance and removal as soon as it is no longer needed. This is important in terms of both infection prevention and patient comfort and experience. (NICE quality standard [QS61])

What: To reduce catheter days in hospital and catheterised patients in the community

How much:

- 10% reduction of catheter days in hospital
- 5% reduction of catheterised patients in the community

By when: April 2016

Outcome:

- 10% reduction in catheter days in hospital
- 24% reduction in the number of catheterised patients in the community
- 38% reduction in the number of CaUTI

Progress: Target achieved

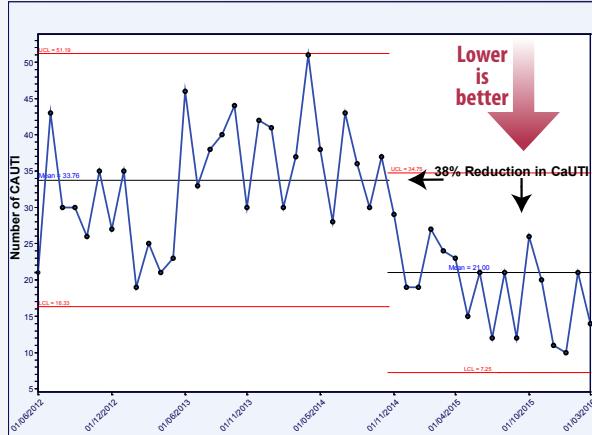
Improvements achieved

- Developed a tool to capture data on inappropriate catheters
- Intervention tool to identify and remove inappropriate catheters rolled out across one division
- Developed and tested a patient catheter consent form
- Trialled relocating and securing catheter supply in central areas on the emergency village
- Nurse led removal tool is being tested

Further Improvements Identified

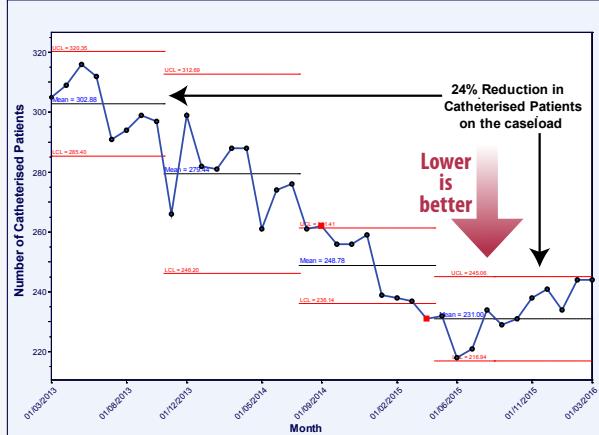
- Improve the discharge process for patients with catheters
- Spread the work of this project across the NHS

Chart: Trust Catheter Associated Urinary Tract Infections



Data from Electronic Patient Record

Chart: Community Catheterised Patients



Data from Electronic Patient Record

Chart: Trust Catheter Days



Data from Electronic Patient Record



Acute Kidney Injury

Acute Kidney Injury (AKI) means your kidneys have suddenly stopped working as well as they were. AKI normally happens as a complication of another serious illness and can happen for a variety of reasons including infection, severe dehydration or some medications. We can try to prevent this from happening by treating the causes, reviewing patient's medications, and making sure patients are appropriately hydrated.

What: To reduce the number of patients who develop Acute Kidney Injury (AKI)

How much: Aim 1: 25% reduction in "hospital acquired" Acute Kidney Injury

By when: December 2016

Outcome: In progress (15% reduction achieved to date)

Progress: On plan

Improvements achieved

- Quality Improvement Collaborative for Acute Kidney Injury launched in August 2015
- AKI Link Nurses identified in every clinical area in the Trust to support implementation of the work
- Reliable processes in place in pilot areas for recognition of patients with an AKI and instigation of the SALFORD bundle (see next page).

What: To reduce the number of patients who develop Acute Kidney Injury (AKI)

How much: Aim 2: 50% reduction in the number of early (stage 1) progressing to stage 2/3

By when: December 2016

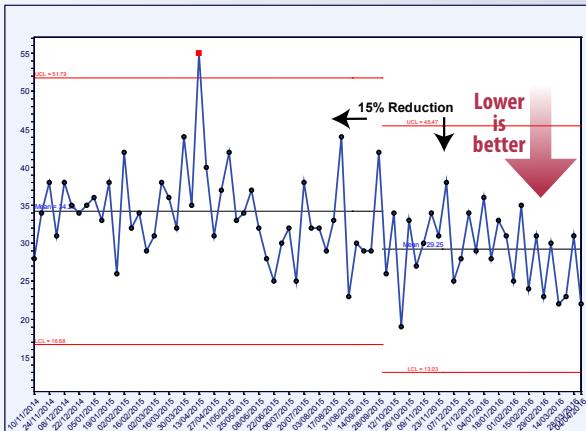
Outcome: In progress

Progress: On plan

Further Improvements Identified

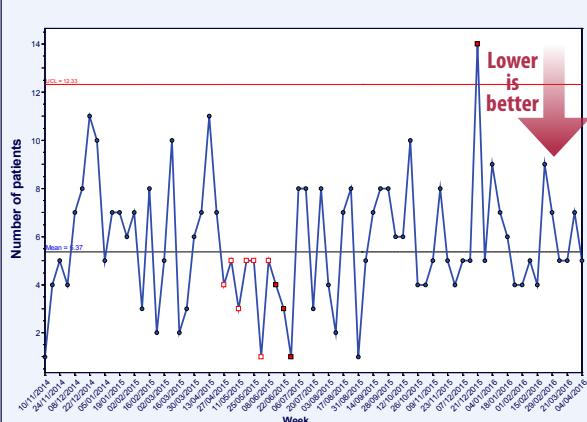
- Ongoing engagement of senior and junior medical colleagues in developing reliable systems for implementation of appropriate elements of SALFORD bundle
- Draft change package being developed in pilot areas ahead of a Trust wide spread of these changes via AKI Link Nurses after December 2016.

Chart: Hospital Acquired AKI



Data from Electronic Patient Record

Chart: AKI Progression (Patients with AKI Stage 1 going to Stage 2 or 3 whilst an inpatient)



Data from Electronic Patient Record

Think Salford

Institute AKI bundle in all patients with 26 mmol/L or 1.5 X rise in creatinine or oliguria (<0.5mls/kg/hr) for >6 hours.

Septis and other causes-treat

ACE/ARB and NSAIDS suspend/review drugs

Labs (Repeat Creatinine within 24 hours) & **L**eaflets (for patients)

Fluid assessment and response (History and examination, initiate fluid chart, measure daily weights - if hypovolaemic give bolus IV 250 mls and reassess)

Obstruction USS should be performed within 24 hours in non-resolving AKI 3 (3 X rise in serum creatinine or >354 mmol/litre) of unknown cause

Renal /critical care referral Non resolving AKI 3, possible intrinsic renal disease requiring specialist treatment, CKD 4-5, renal transplant, severe AKI complications

Dip the urine and record it

To find the Salford bundle to support best practice care for AKI patients on EPR:

- On EPR option panel go to preferences - Select acronym expansion - Select option export from another user# and find Nipah
- Tick acronym #AKI, select.

*For more information on Think Kidneys NHS campaign please visit www.thinkkidneys.nhs.uk



Patient flow

Enhancing patient experience, whilst managing increasing demand

It is recognised that a significant number of our patients remain in a hospital or intermediate care bed when they could reasonably and safely be in a more appropriate place of care. The Patient Flow Programme forms part of Salford Royal's wider Productivity and Efficiency work and looks to enhance patient experience, whilst effectively managing our increasing demand within existing resources.

What:	Liberation of 150 beds within the organisation by March 2017
How much:	150 beds
By when:	March 2017
Progress:	On plan

Key aims of the programme focus on:

- Reducing delays in the transfers of care across service providers
- Reducing length of stay
- Avoiding unnecessary admissions to hospital
- Reducing readmissions to hospital

Improvements achieved:

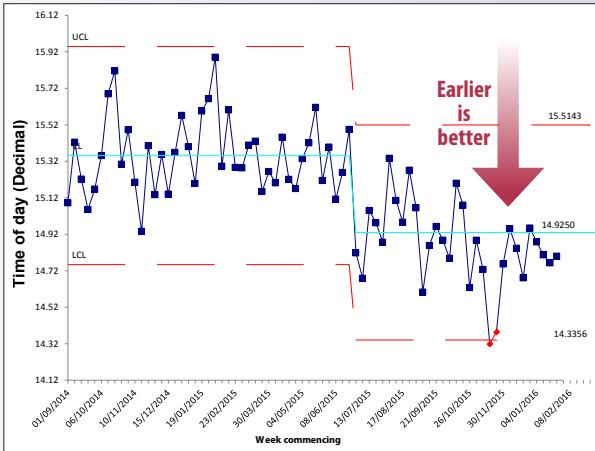
- A Patient Flow Collaborative ran from April to November 2015, to review current pathways and processes to identify opportunities for improvement with collaborative teams testing the following improvement ideas:
 - Nurse led/directed discharge – enabling patients to be discharged when medically fit.
 - Hot Clinics – providing an alternative point of contact for patients who have recently been discharged.

- Visual tracking of patients' progress towards discharge – ensuring all members of the ward MDT are aware of current progress and what needs to be actioned to ensure the patient's safe discharge.
- Trial "Pharmacist zones" – instead of Pharmacists being allocated to specific wards, Pharmacy Teams are zoned according to their location in the hospital and will work as a team to go to where the most demand is that day.
- Implementation of Clinical Utilisation Review tool – enabling wards and departments to review current status of patients across the hospital and if they are on the most appropriate ward for their needs.
- Implementation of Trendcare – software that allows wards to change their staffing skills and levels based on demand and complexity of patient needs.
- Home Intravenous (IV) Service – enabling appropriate patients who would have previously remained in hospital purely to have their medication administered by IV to now have this in their own home.
- Test GP in A&E department to see and advise patients who do not necessarily need to be seen in a hospital setting.
- Development of a "Virtual ward" within the Salford Health Care Division

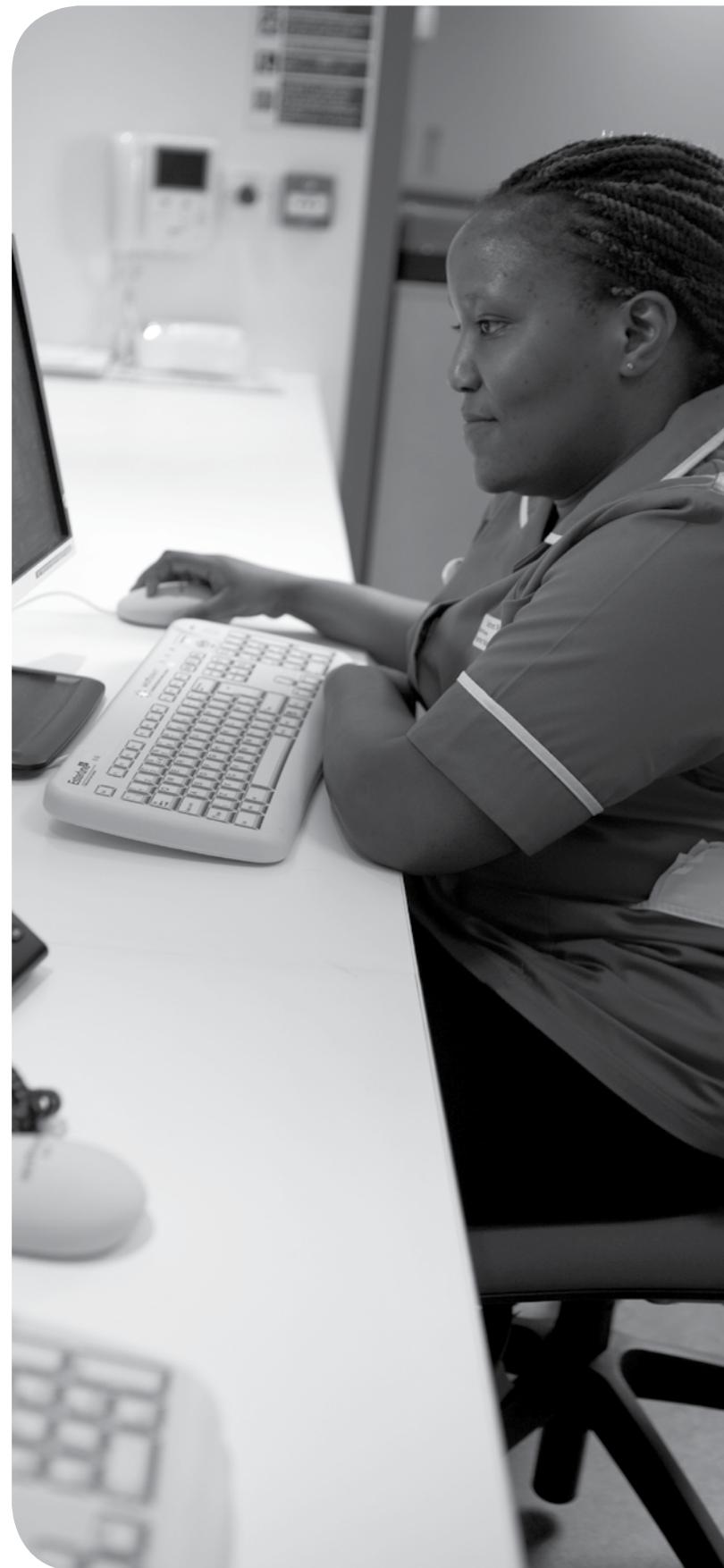
Next steps

- Reviewing alternatives to patient transport schemes
- Roll-out and embedding of Clinical Utilisation Review Tool
- Roll-out and embedding of Trendcare
- Expansion of Electronic Patient Record to community services
- Increasing the number of patients who stay as a day case (non-emergency patients who stay in hospital less than 24 hours)
- Implementation of a Patient Flow "Control Room" to provide Trust-wide overview of patient status
- Exploring use of technology to enhance patient flow

Chart: Average time of discharge by hour of day, September 2014 – January 2016



Data from Patient Flow System





Medication Safety

85% of patients admitted to EAU have a medicines reconciliation completed by a pharmacist within 24 hours of admission to hospital Monday to Friday

Medication errors at Salford Royal rarely cause harm to patients because our systems are designed to stop this from happening. However, medication errors that have the potential to cause harm do sometimes occur. We aim to design a system which removes the potential for harm and delivers a reliable medication process to patients. This is from the point of prescribing, through dispensing and finally in the administration of the medicine to the patient.

What: Reduce the number of medication errors and omissions when patients are discharged from Salford Royal back to the community

How much: 25% decrease in the number of errors regarding medication changes on discharges from Salford Royal

By when: March 2017

Outcome: In progress

Progress: On plan

Improvements achieved:

- A prescribing pharmacist has been appointed to review patients admitted to the Surgical Admissions Lounge to increase the number of patients who have their medicines prescribed correctly before going to theatre. Since their appointment there has been a reduction in the number of patients not receiving their medicines.
- The percentage of patients with an accurate list of medicines at 24 hours after admission to hospital was increased from 70% to 82% on the Emergency Assessment Unit (EAU).
- A multidisciplinary working group has been established to improve the management of anticoagulation at Salford Royal.
- Salford Royal's Medicines Safety Committee have issued guidance on high risk medicines, such as insulin.
- Salford Royal has been part of the Haelo/Greater Manchester Academic Health Science Network (GM AHSN) Medicines Safety Collaborative to improve the management of medicines in intermediate care
- An automated drug cupboard has been installed on a medical ward. This has reduced the number of drug administration errors and missed medication.

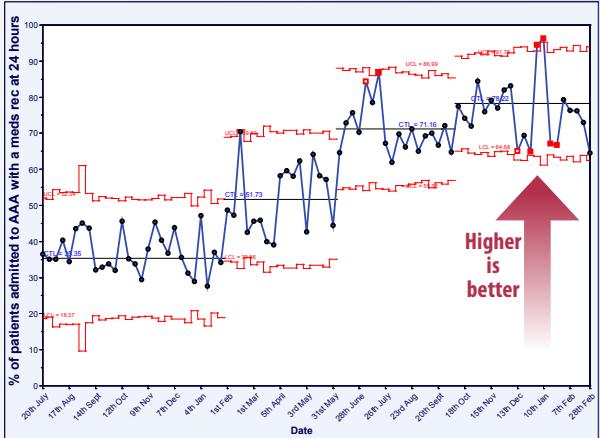
The following interventions have been implemented on our Emergency Assessment Unit (EAU):

- All pharmacists regularly use the 'on-hold' function to provide accurate information to prescribing doctors to streamline the prescribing process.
- 85% of patients admitted to EAU have a medicines reconciliation completed by a pharmacist within 24 hours of admission to hospital Monday to Friday.
- Prescribing pharmacists working with medical staff on EAU to ensure all patients are on the correct medicines
- Pharmacy staff now have a daily huddle to improve communication between the team
- EAU consultants can refer patients on complex medicines to the pharmacy team for review of medications.
- Pharmacists in-reaching to A&E to review patient's medicines earlier in the patient journey.

Further improvements identified:

- The introduction of decision support for medicines in the electronic patient record
- Salford Royal working closely with community pharmacists to ensure compliance and patient discharge is sent to the community pharmacist.

Chart: % patients admitted to the Ambulatory Assessment Area (AAA) Mon – Fri with a medicines reconciliation at 24 hours post-admission, July 2015 – February 2016





Sepsis

100% of patients triaged in our Emergency Department are screened for sepsis using the UK Sepsis Trust Screening Tool

Sepsis is the body's systemic inflammatory response to infection which can cause organ damage, shock, and sometimes death. Sepsis can be extremely difficult to identify for both professionals and the public alike; and we know that it affects a huge number of people – estimates are that last year over 123,000 people in England suffered from sepsis, and estimates suggest that there are around 37,000 deaths per year associated with it. Sepsis now claims more lives than lung cancer, and is the second biggest cause of death after cardiovascular disease.

What:	To administer antibiotics to patients with red flag or severe sepsis within 1 hour
How much:	95% of patients to receive the antibiotics within 1 hour
Outcome:	In October, November and December (2015) 51.9% of Red Flag/Severe Sepsis Patients received Antibiotics within 1 hour (although the median was 79 minutes)
Progress:	Behind plan <

While the 1 hour target remains challenging for our emergency department given the level of patient demand that England is currently experiencing, it's important to note that the median number of minutes between arriving in our A&E and receiving antibiotics (for patients with red flag/severe sepsis) is only 79 minutes.

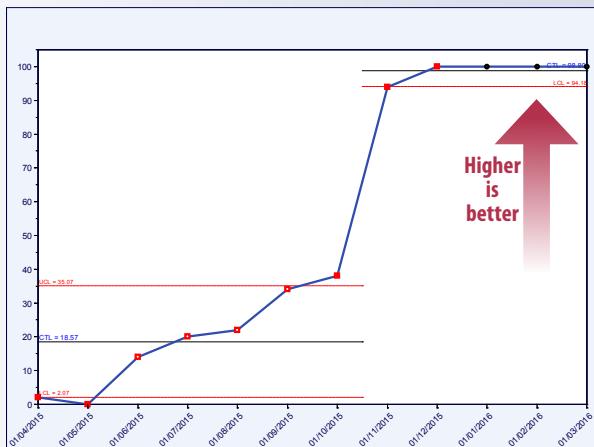
Improvements achieved:

- UK Sepsis Screening Tool embedded in A&E
- EPR development in EAU will eventually lead to all inpatients having the screening tool applied for each set of observations (note: the national guidance for sepsis is changing and we await these changes before embarking on a trust-wide rollout)
- Sepsis training package developed and being rolled out across the hospital.

Futher improvements identified:

- Training package to be developed for Junior Doctors
- Implementation of ready to use antibiotics in A&E to reduce time spent preparing medication
- Feedback mechanism to be set up in A&E to make staff aware of their level of compliance with the antibiotics being administered within 1 hour
- Data collection to be automated following the roll out of the EPR sepsis module which will mean "real time" data on the recognition and treatment of sepsis will be available.

Chart: The percentage of patients screened for sepsis that required screening



Data from Electronic Patient Record

Guidance for the new Sepsis EPR module

**SCM EPR SEPSIS Guidance
Emergency Assessment Unit**

This document discusses the recording mechanisms for the identification and clinical confirmation of sepsis within EPR by the Emergency Assessment Unit.

1.1 Sepsis Pathway identified at EAU

(Fig 1) identifies the EAU sepsis pathway from its trigger point, the MDT document completed during the patient's visit, through to clinical assessments recorded on the 'Sepsis Medical Assessment & Review' document.

1.2 Nursing Assessment - 'NEWS' and 'Sepsis Nursing Assessment'

Throughout their visit, nursing staff will regularly monitor and record the patient's 'clinical observations' via the 'NEWS' flowsheet or iNet app. Each time this document is created, its values are automatically compared against the criteria below:

- Temperature >38.5°C or <36°C
- Respiratory rate >20 per minute
- Pulse rate >90 per minute
- Acute confusion/reduced conscious level
- Bilirubin >7.7 mmol/l (unless GGT) within last 24 hours = Recorded as a 'result' within EPR

1.3 Triage Assessment - 'ED MTS'

When a patient presents at ED, they are initially seen by a triage nurse who will complete an 'ED MTS' document. As the patient's 'clinical observations' are being entered within this document, its values are automatically compared against the criteria below:

- Temperature >38.3°C or <36°C
- Respiratory rate >20 per minute
- Pulse rate >90 per minute
- Acute confusion/reduced conscious level

**SCM EPR SEPSIS Guidance –
Emergency Department**

This document discusses the recording mechanisms for the identification and clinical confirmation of 'Red Flag' sepsis within EPR by the Emergency Department.

1.1 Sepsis Pathway identified at ED

(Fig 2) identifies the sepsis pathway from its trigger point on the 'ED MTS' document completed at Triage, through to the decision taken by clinical staff recorded on one or more ED assessment documents.

1.2 Triage Assessment - 'ED MTS'

When a patient presents at ED, they are initially seen by a triage nurse who will complete an 'ED MTS' document. As the patient's 'clinical observations' are being entered within this document, its values are automatically compared against the criteria below:

- Temperature >38.3°C or <36°C
- Respiratory rate >20 per minute
- Pulse rate >90 per minute
- Acute confusion/reduced conscious level



Theatre Improvement

Theatres are a key improvement area for the Trust and we continue to work towards embedding a culture of safety and productivity with our theatres. This means we want our theatre staff to feel empowered to raise and solve any problems relating to safety and productivity that may arise. This year we widened the scope of our improvement activities to include operational issues affecting the flow within theatres and the way we organise and plan activity.

What:	Improve Safety and Efficiency in Theatres
How much:	99% compliance with the WHO safer surgery checklist*
Progress:	On plan

*Data from the most recent audit January 2016

Improvements achieved:

- Implemented our Theatre Improvement Programme with pilot teams, which is based on the NHS Institute for Innovation and Improvement's Productive Operating Theatre Programme. Key areas of focus were:
 - Theatre scheduling
 - Team working
 - Organising the physical environment
 - Visual management tool to show real time performance
 - Session start-up
 - Getting the patient ready for theatre
 - Managing the transition between patients in theatre
 - Safe handover of patients and information between healthcare professionals
 - Consumables and equipment
 - The recovery of patients

- Ran a "Theatre Perfect Day", which was a rapid improvement event held over a 36 hour period where members of service teams and senior managers were allocated to a theatre to ensure that any issues relating to the smooth running of theatres were raised and solved as they happened.
- Implemented qualitative audit of the five steps to Safer Surgery

Next Steps:

- Implement the theatre Improvement action plan based on recommendations from the "Theatre Perfect Day"
- Expand the qualitative audit of the WHO checklist through the development of the theatre quality team



Patient, Family and Carer Experience Collaborative

92% of Salford Royal Patients rate their care as excellent or very good

The Patient, Family and Carer Experience Collaborative is part of our wider Patient Experience Strategy which aims to ensure we deliver what matters most to our patients and aims to improve the experience of our patients, their families and carers whilst under our care.

Underpinning the improvement work is the delivery of the Trust 'Always Events' which patients should expect are embedded in the care we provide.

Since the collaborative started in 2013 over forty teams from across the organisation have participated in eleven learning sessions to share best practice and learn from our patients and other experts in improving patient experience.

What:

- To be in the top 20% for patient satisfaction in the NHS
- 95% of patients to rate their care as very good or excellent

Outcome:

- Top 20% for patient satisfaction – Target Achieved
- 95% of patients to rate their care as good or excellent – On Track
(We have already realised an improvement from 90% to 92%)

Progress:

On plan

Improvements achieved

Teams in the Collaborative have continued to develop and test ideas to improve experience in the following six key areas:

1. Written bedside communication

We recognise that patients do not always understand information we give to them whilst under our care. Collaborative teams have tested offering diaries to patients to capture their thoughts, reflections and any questions they would like to ask their Doctors.

2. Capturing, displaying and acting on patient feedback data

Patient feedback is important to help us continuously improve the services we offer to our patients. This change area is concerned with sharing and displaying patient feedback with both staff and patients and developing changes based directly on the formal and informal feedback we receive from our patients.

3. Enriching what matters most conversations

This includes ways to get to know our patients' preferences and priorities in more detail.

4. Creating a home from home environment

We recognise that accessing healthcare services can be a daunting experience for our patients; so this change area looks at the ward/clinic environment to make it more comfortable. For example, reducing noise at night on our wards and offering sleep aids.

5. Different ways to provide information to patients and their families

This change area focusses on improving communication and using a variety of methods to suit our patients and their families, for example patients with additional communication support needs.

6. Improved patient and family access to the staff that look after them

This change area focusses on being available when our patients and family members most need us and includes offering flexibility with visiting hours, offering appointments at weekends and testing Matron and Consultant open door hours and telephone helplines.

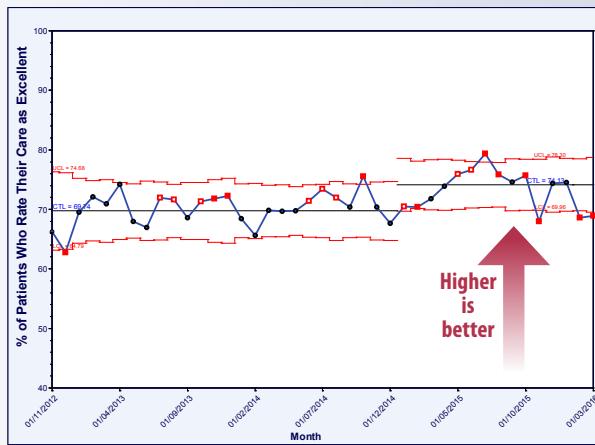
The teams have tested a number of improvement ideas over the past 12 months in our efforts to improve the patient, family and carer experience, these include:

- Telemedicine appointments for patients managing their parenteral nutrition at home. The patients had previously needed to travel long distances for their appointments which are now being trialled via video calls
- Fortnightly tea party sessions and pamper days were held on our Neuro Rehab ward
- Surgical patients provided with an educational DVD to prepare patients for what they can expect on their patient journey
- Introduction of a “Quiet Hour” on the critical care unit to promote rest for patients

Further Improvements Identified

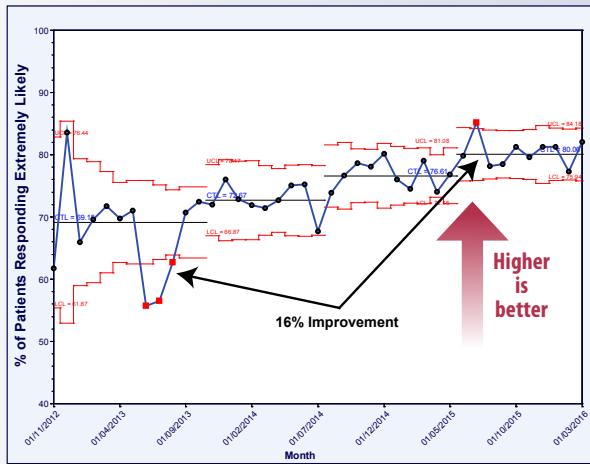
- Embed the “Always Events” throughout the organisation
- Continue to develop and refine the Change Package through testing new ways to improve our patient experience
- Focus on community and social work teams to understand how we can improve patient experience amongst different teams
- Look at different ways to provide information to our patients and engage users in our services through the use of patient experience videos
- Review patient and family feedback to continuously improve our services.

Chart: The percentage of patients rating their care as Excellent



Data from monthly Picker survey

Chart: The percentage of patients who would be extremely likely to recommend our Outpatient Department to friends and family if they needed similar care or treatment



Data from monthly Picker survey

Patient Story

‘

I am a first time mum and wasn't really sure what the role of a health visitor was. My health visitor explained that the Eccles team liked to see mums before baby was born as an initial introduction meeting. The Eccles team offered a weekend appointment and to be honest if they hadn't offered a weekend service I probably wouldn't have been able to see them. I worked full time right up to my baby being born. I also wanted my partner to be able to be there. My health visitor came at a weekend and introduced herself and the role of her team. I was more confident after the initial meeting and the health visitor made me feel more comfortable to discuss any issues or concerns.

Two weeks after having my baby my health visitor came to visit me again at home. I wasn't having a great time and if I hadn't have met my health visitor beforehand I don't think I would have agreed to see her. When she came to visit she checked on my baby but my family was there and I couldn't really talk about how I was feeling. She said she would visit again in 2 weeks time.

By the time of our next visit I felt terrible and wasn't sure why. I had lived with depression before and on reflection I think I was recognising it was happening again but didn't want to admit it to myself. I guess I was worried about being judged and people thinking I was a rubbish mum.

I didn't speak to anyone else about how I was feeling. However, because I had met my health visitor twice before I felt more comfortable speaking to her about what was going on and about personal things. She advised me to go and see my GP which I did and they gave me medication and referred me to a councillor.

The team also came in to support our Surestart group weekly. This was reassuring when my baby had a minor issue. For example, he had a funny toenail, and so they gave me advice and pointed me in the right direction of what I should do. This meant I didn't need to make an appointment about it.

In the early days I had some problems breastfeeding and if it wasn't for the health visitor's visits I don't think I would have continued. My health visitor came to see me one weekend when I was having pain. It turned out I had mastitis and she gave advice and we caught it quickly. It could have been a lot more serious if she hadn't intervened early.

It might sound dramatic to say but I don't think I could have done it without the support of my health visitor. She never passed judgement, was easy to talk to, gave good advice and worked with me to solve my problems. My baby even recognises her now.

Some services just expect new mums to have problems Monday to Friday 9-5 and I probably wouldn't have had that first appointment with the health visitors if it wasn't on a weekend. It's reassuring that there is always someone available to support me, who knows me on a personal level.



Patient and Staff Feedback

Patient Feedback

The views of our patients and staff are very important to us. We spend a lot of time collecting and responding to information we receive about our services from our patients and staff. We receive feedback through a number of methods, including surveys, patient stories and patient experience surveys taken at the point of discharge, all of which provide us with vital information on how to improve. This page details a selection of results from our Patient Experience Surveys and the National Surveys that were conducted in 2014/2015.

What:	To continually improve patient and staff satisfaction
By when:	Ongoing
Progress:	On plan

As well as our Patient, Family and Carer Experience Collaborative we spend a lot of time understanding what our patients tell us about their time in our Trust. In order to find out what our patients think, we take part in the national Picker Survey. Between September 2014 and January 2015, a questionnaire was sent to 850 recent inpatients at each trust.

Responses were received from 299 patients at Salford Royal, and below are some of the areas where we were rated as performing better than other Trusts:

- Patients being involved as much as they wanted to be in decisions about their care and treatment
- Patients not being bothered by noise at night from hospital staff or other patients
- Availability of hand-wash gels
- Patients being given enough information on their condition and treatment
- Patients feeling that they were well looked after by hospital staff

“being involved”

“well looked after”

“quiet wards”

“information about treatment”

“hand wash gels availability”



Patient and Staff Feedback

Finding out what our staff say

The 2015 NHS Staff Survey was undertaken in the 3rd quarter of 2015/16 and a representative sample of 850 staff was selected for the survey. 362 staff responded which, after exclusions, gave a response rate of 44%. Salford Royal was identified as being better than the national average in the following areas:

- Effective use of patient feedback
- Staff reporting that their role makes a difference
- Staff able to report instances of bullying
- Staff experiencing lower levels of bullying.

We know that as a Trust we can always improve how we communicate with our staff, and so we plan to revise our approach to both formal and informal communication including the following:

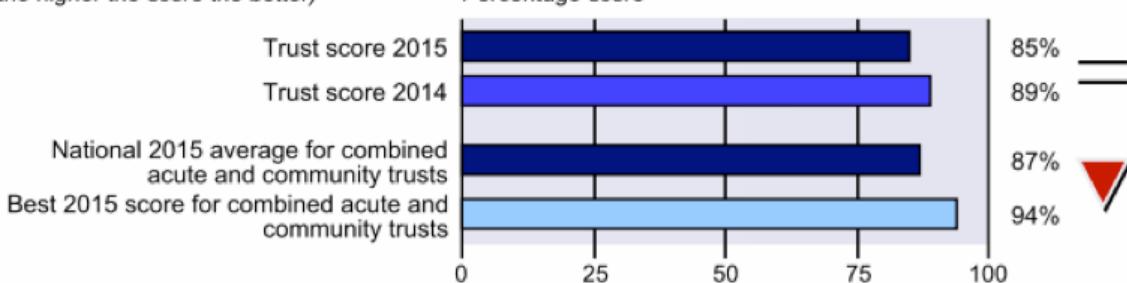
- Use of video blogs
- Drop in sessions with the Executive team
- Better use of technology – eg social networking tools such as Yammer
- New look and weekly SiREN e-newsletter
- Staff engagement to feature in all leaders' objectives in 2016/17.

**Additionally, we are required to report on the below two Key Findings as part of Quality Account guidance:
Salford Royal is in line with national averages**

KEY FINDING 21. Percentage of staff believing that the organisation provides equal opportunities for career progression or promotion

(the higher the score the better)

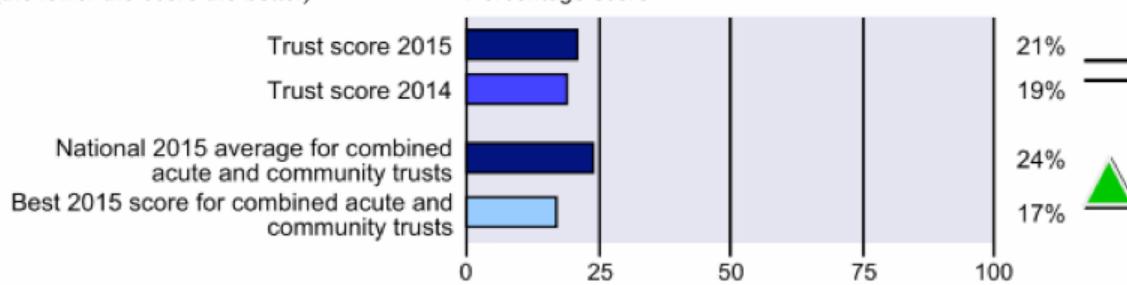
Percentage score



KEY FINDING 26. Percentage of staff experiencing harassment, bullying or abuse from staff in last 12 months

(the lower the score the better)

Percentage score





Falls

This project has recently been scoped and will report on aims next year. Falls remain the highest reported incident in our incident reporting system. In the last financial year we had 1385 reported falls in our incident reporting system and 241 (17%) of these involved actual physical harm for the patient, outside of the psychological harm that any fall brings.

In March 2016, the Trust outlined its plans for falls work going forward and they include the following key elements:

- **Falls Steering Group:** new terms of reference have been agreed for the Falls Steering Group and the group will provide oversight on all of the falls work in the Trust. CCG colleagues have been able to join us on the group and we also have the performance team, who can provide ongoing assistance with data. We also have representation from the EPR team which will greatly benefit the launch of the new falls management tool.
- **Falls Panel:** the Falls Panel is attended by the Divisional Directors of Nursing for our 3 Divisions and involves taking 4 falls randomly out of our incident reporting system from the previous month and getting a team from the ward where it occurred to investigate this before presenting their learning and an action plan to the panel. Looking at falls randomly is providing significant learning which can be fed back into the innovation element of the falls work.
- **New Falls Change Package Launch:** An initial falls change package was launched back in March 2010 and involved 5 key changes which were to be rolled out via the nursing structure to the wider organisation. The new change package will incorporate some of the previous elements as well as new elements i.e. bay tagging; patient education and transfer status magnets.

- Testing of new ideas / innovation based on National Falls Audit (Inpatient Falls) - results from the National Audit of Inpatient Falls were made available in October 2015 and were reviewed and discussed at the Falls Steering Group in January 2016. The report provided us with a number of ideas on new testing areas: reliable lying and standing blood pressure for all patients; delirium management and interaction with falls and greater interaction with pharmacy colleagues and these will be picked up outside of the falls steering group with facilitation from Quality Improvement. In addition, video specialing and the use of pressure sensors are two areas which would again benefit from testing using Quality Improvement methodology and will be supported in the same way.

Sign Up to Safety

Salford Royal is committed to the national Sign Up to Safety Campaign and has connected the campaign to our implementation of our Quality Improvement Strategy. The Campaign, in collaboration with the NHS Litigation Authority, has provided the opportunity to apply for funding to be applied specifically to working on reduction in legal claims. Our focus will be on the reduction of incidents that may lead to claims in Spinal Surgery.

Our claims are few in number and have very varied root causes. While the claims numbers are small we know that our number of defects is much higher. Some of these defects end up being complaints, some are reported incidents, and some are claims. In order to make an impact on our relatively few (but high value) claims we need to make a large impact on the overall number of defects without any related harm occurring in the spinal team. Our approach is to work on reducing today's defects so they never become tomorrow's harm events or claims. In doing so, our improvement programme will be much wider than focusing on a single harm event or pathway and seeks to address safety, quality, teamwork, and culture across the speciality.

We will build skills in leadership for improvement in clinical and non-clinical management and build a culture of safety and continuous improvement within the team that undertake spinal surgery. In order to achieve our aim a number of individual projects will need to be executed, the team have elected to start with working on improving clinical communication and handover (which is a theme noted in many of the claims and serious incidents), and deploying reliable ward rounds. The driver diagram on page 29 outlines our plan for the improvement work overall and will take place over several years.



Reduce Harm

Improve Reliability

**Improve Patient
Centredness**

Leadership and Culture

- Use the Safety Attitudes Questionnaire (SAQ) safety culture survey
- Achieve reliability to safe staffing levels
- Train all consultants in transparency and duty of candour

Person Centredness

- Focus on improving the results of the question "I was involved as much as I wanted to be in decisions about my care"
- Test Shared decision making tools and techniques
- Each doctor to have 1 Salford Real Time Coaching session
- Train staff in patient centredness
- Test follow-up contact for all patients after discharge within 48 hours
- Test readmissions clinic for patients with concerns following discharge
- Patient engagement sessions

Quality Improvement Capability and Measurement

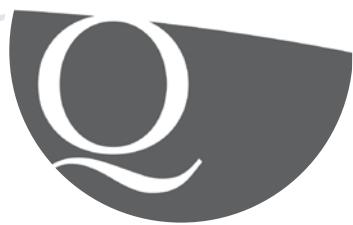
- Develop Quality and Safety Dashboard for review at divisional governance and ward meetings
- Engage trainee doctors on all improvement teams
- Consider development of bundle of care for Spines
- Train staff in Human Factors
- View data of outcomes at consultant level
- Share data with all team members

Learning Systems

- Test integrated governance, redesign incidents/claims process to optimise learning
- Coaching for local improvement: meet with QI coach regularly to execute QI plan
- Shift learning system focus to - "will care be safe in the future?" e.g. by testing the use of the FMEA (failure models and effects tool)
- High reliability of clinical standards (NAAS, NICE guidance, audit)

Projects to Support

- Clinical communication and handover
- Sepsis six implementation
- 7 day working
- Structured ward round
- Reliability to correct level surgery policy
- Urgent referral patient /repatriations to Salford - test Spinal Co-ordinator
- Referrals out - improve reliability of immediate actions required e.g. discharge summary



Building Quality Improvement (QI) Capability

20 improvement teams complete QI training, 94 teams participate in one of our QI collaboratives, and QI fellowship launched

Salford Royal aims to be the safest organisation in the NHS, with a key driver in achieving that aim being the development of our workforce. The Quality Improvement (QI) department currently deliver QI methodology in a number of programmes designed to provide teams with Quality Improvement tools while working on improvement projects important to them.

Programme:

Clinical Quality Academy

What:

The Clinical Quality Academy is the most detailed of the programmes run by the QI team

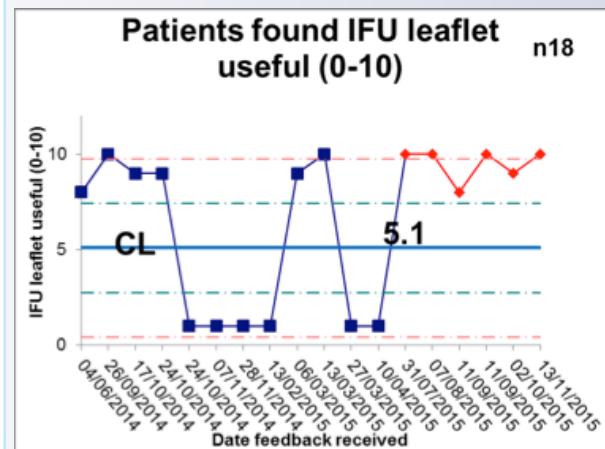
This programme is run annually, usually accepting 10 teams who spend 10 months learning improvement science whilst working on an improvement project in their area.

The last cohort included a range of teams including:

- Rheumatology Team
- Major Trauma Rehabilitation Prescription team
- IFU team
- Renal team
- Community Neuro Rehab team
- General Surgery Team
- Histopathology team.

Case Study:

The Intestinal Failure Unit (IFU) team aimed to improve patient care and experience by ensuring frequency of contact, reduced travel (carbon footprint), increased patient choice and independence. One of the key changes they made was revision of the patient information leaflet, with improvements in usefulness noted below.



Programme:**Clinical Microsystems****What:**

Provide a Quality Improvement coach to 10 teams every 6 months

Programme:**Quality Improvement Consultant Fellowship****What:**

Run a QI Fellowship for consultants annually

The programme provides teams with a QI facilitator for one hour a week over a 6 month period. The teams bring their issues and work with the facilitator to use appropriate QI tools to address them and achieve their project aim.

The previous cohort worked on a range of projects including:

- Reducing numbers of patients who did not attend their appointment in the Metabolic Medicine Team
- Improving Patient Experience in the surgical division
- Improve clinical times in the hospital podiatry team
- Develop a caseload management system for the paediatric Speech and Language team

The programme has now been completed by 37 teams in the 4 previous waves of the programme.

The 2015 Consultant Fellowship had two specific aims:

1. Deliver 5 consultants who could initiate and run trust level projects in the future
2. Enable a larger group of clinicians to be able to support the QI directorate in internal and external training and teaching of quality improvement

The 2015 programme achieved the following:

- Starting in September 2014, each of the 'fellows' have been running at least 1 major trust level QI project with support from the QI directorate as needed
- The 'fellows' have been regularly meeting with the QI directorate to report in on progress with their local projects, reading & other material they are accessing and any further learning they are applying
- Projects included: Ca-UTI, Gen Surgery structured ward rounds, intracranial pressure monitoring in ICU, qualitative audit of WHO checklist
- Consultants were asked to rate their confidence in using QI techniques before and after completion of the Fellowship. On average, confidence was increased by 46% across all domains.

Performance against Trust Selected Metrics

		2015/16	2014/15	2013/14	2012/13	2011/12	2010/11
Patient Safety Outcomes	Hospital Standardised Mortality Ratio*	77.85	82.4	82.23	79.38	77.08	81.32
	Stroke Mortality Rates (Acute Cerebral Vascular Disease)*	87.9	108.03	90.0	100.7	112.2	108.2
	Cardiac arrests outside critical care units per 1,000 admissions	0.52	0.48	0.49	0.52	0.40	0.49
	Orthopaedic Surgical Site Infections (inpatients & readmissions)**	4.1% (up to Dec 2015)	2.5% (changed from figure in 2014/15 accounts as full year data now available 2014)	3.0%	3.37%	2.6%	3.14%
	Safety Thermometer acute - % patients free from new harm	97.9%	98.2%	98.6%	98.1%	N/A	N/A
	Safety Thermometer community - % patients free from new harm	97.2%	96.6%	96.9%	97.3%	N/A	N/A
	Pressure ulcers - acute ***	48	37	85	89	172	N/A
	MRSA	0	0	0	3	5	8
	Cdiff	14	26	18	47	58	101
	28 Day Readmissions – Dr.Foster data *	Rate: 8.41% Relative Risk: 102.85	Rate: 8.49% Relative Risk: 103.77	Rate: 7.89% Relative Risk: 98.3	Rate: 8.03% Relative Risk: 98.72	Rate: 7.63% Relative Risk: 99.19	Rate: 7.47% Relative Risk: 99.5
Clinical Effectiveness	Advancing Quality Composite Quality Score for Acute Myocardial Infarction***	97.7%	98.3%	96.54%	97.95%	95%	97.42%
	Advancing Quality Appropriate Care Score for Acute Myocardial Infarction***	90.4%	92.53%	89.1%	N/A	N/A	N/A
	Advancing Quality Composite Quality Score for Hip and Knee Surgery***	99.3%	98.65%	84.86%	99.04%	98.59%	97.65%
	Advancing Quality Appropriate Care Score for Hip and Knee Surgery***	96.8%	94.62%	84.86%	N/A	N/A	N/A
	Advancing Quality Composite Quality Score for Congestive Heart Failure***	90%	94.61%	83.11%	83.22%	82.38%	85.62%
	Advancing Quality Appropriate Care Score for Congestive Heart Failure***	74.8%	85.64%	61.22%	N/A	N/A	N/A
	Advancing Quality Composite Quality Score for Pneumonia***	92%	92.11%	89.42%	90.37%	83.38%	74.42%
	Advancing Quality Appropriate Care Score for Pneumonia***	75.8%	76.74%	74.88%	N/A	N/A	N/A
	Advancing Quality Composite Quality Score for Stroke***	N/A	96.98%	91.9%	97.88%	96.02%	97.37%
	Advancing Quality Appropriate Care Score for Stroke***	N/A	86.63%	92.56%	N/A	N/A	N/A
Patient Experience	VTE risk assessment	96%	96%	96%	97%	95%	91%
	% of adult in-patients who felt they were treated with respect and dignity	85%	85%	88%	82%	85%	81%
	% of adult in-patients who had confidence in the Trust doctors treating them	87%	89%	88%	84%	84%	81%
	Count of patients who waited greater than 52 weeks for treatment	7	20	11	N/A	N/A	N/A
	GP Out of Hours– Time from case active to definitive telephone clinical assessment. Urgent calls within 20 minutes****	100%	100%	98.23%	96.38%	97.28%	N/A
	GP Out of Hours– Time from case active to definitive telephone clinical assessment. Non-urgent calls within 60 minutes****	95.06%	96.53%	98.06%	96.26%	97.14%	N/A

* Data covers the period April 2015 – December 2015 as there is a time delay in the reporting system

** For 2014/15 and earlier includes procedures Hip Replacement, Knee Replacement, Reduction of Long Bone Fracture, Repair of Neck of Femur. 2015/16 data only includes Reduction of Long Bone Fracture and Repair of Neck of Femur as Salford Royal no longer performs sufficient numbers of hip or knee replacements to produce meaningful data. Data covers the period April 2015 – December 2015 as there is a time delay in the reporting system.

*** Data covers period from April 2015 – January 2016 as there is a time delay in the reporting system

**** Data from Adastral system

3 Our Plans for the Future



The Quality Improvement Strategy 2015-2018

Our Quality Improvement Strategy (2015-18) sets the ambitious aim to be the safest organisation within the NHS. This third edition of the strategy was developed building on the successful work from the two previous strategies and took into account the recommendations of the Francis Report and Berwick Review.



Our quality priorities 2016/17

The Quality Improvement Strategy 2015 - 18 outlines a number of projects which we will be focussing on in the coming years. We would however, like to highlight the following pieces of work as key priorities for 2016/17:

Understanding and Adapting to Demand

A key goal for us is to enhance patient experience, whilst effectively managing or increasing demand within existing resources. We aim to do this by building a more sophisticated understanding of the numbers of patients accessing our services in real-time. We are in the process of designing a 'control centre' which will enable us to track 'live' patient flow within the hospital. This builds upon other information technology solutions that we have introduced during 2015/16 such as TrendCare, which is a workforce planning and workload management system that provides dynamic data for clinicians, department managers, and hospital executives.

TASR - Technology Assisted Service Redesign

During 2016/17 we will continue to develop and deploy innovative technological solutions to improve patient experience. A key example of this is the launch of a self check-in system within our Outpatients department. This will be enabled through the deployment of an IT system which is made up of four key areas:

- Patient self-check-in through terminals and kiosks or via mobile application;
- Automated systems around patient pathway and flow management;
- Electronic recording of attendance and outcomes;
- Integrated electronic room booking, scheduling and slot / template utilisation.

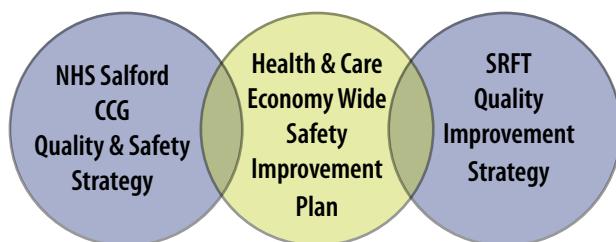
Safety Projects

Of the projects we undertake to reduce harm to patients, we will be focussing particularly on the following during 2016/17:

Project	Project Stage
Sepsis	Building the case for change & developing best practice
Acute Kidney Injury	Building the case for change and developing best practice
Catheter Associated Urinary Tract Infections	Spreading best practice
Pressure Ulcers (Community)	Spreading best practice
Prevention of Venous Thromboembolisms and quality in anti-coagulation therapy	Project scoping and launch

Making Safety Visible

In 2015/16, the Trust Board of Directors, along with Governing Body members from NHS Salford CCG, undertook a development programme called Making Safety Visible. This programme aimed to improve the Board's and the Governing Body's understanding and capability for measuring and monitoring safety using the Charles Vincent Patient Safety measurement framework. As a result of the programme, SRFT and Salford CCG agreed to work more closely on patient safety and develop joint projects to address patient safety issues together in the health and care economy.



SRFT and Salford CCG are working on detailed workplans, but have already decided on the initial topics they will jointly address:

- Medication Safety
- Clinical Communications/Handover
- Building Capability for Quality Improvement
- Safety Culture Survey



Statements of assurance from the Board

Review of services

During 2015/16, Salford Royal NHS Foundation Trust provided and/ or sub-contracted the following relevant health services:

- acute care services
- community care services
- a range of contractual arrangements for the provision of Intermediate Care services.
- use of healthcare at home companies including the Fresenius dialysis unit and Baxter home care service.
- use of NHS and private hospitals to support the delivery of activity and access targets. These included Orthopaedic surgery, Endoscopy and Radiology in year

The Trust has reviewed all the data available to them on the quality of care in all of these relevant health services.

The income generated by the relevant health services reviewed in 2015/16 represents 100% of the total income generated from the provision of relevant health services by Salford Royal NHS Foundation Trust for 2015/16. All arrangements are subject to quality assurance as part of the Trust assurance framework and are routinely reviewed.

Participation in clinical audit

National clinical audit

During 2015/16, 35 national clinical audits and 2 national confidential enquiries covered NHS services that Salford Royal NHS Foundation Trust provides.

During that period Salford Royal NHS Foundation Trust participated in 33 [94%] national clinical audits and 2 [100%] national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.

National Clinical Audit

The table below shows:

- The national clinical audits and national confidential enquiries that Salford Royal NHS Foundation Trust was eligible to participate in during 2015/16.
- The national clinical audits and national confidential enquiries that Salford Royal NHS Foundation Trust participated in during 2015/16.
- The national clinical audits and national confidential enquiries that Salford Royal NHS Foundation Trust participated in, and for which data collection was completed during 2015/16, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

Title	Eligible	Participated	% Submitted
Acute Myocardial Infarction (MINAP)	Yes	Yes	100%
National Bowel Cancer Audit (NBOCAP)	Yes	Yes	100%
National Cardiac Rhythm Management Audit (CRM)	Yes	Yes	100%
Intensive Care National Audit & Research Centre - Case Mix Programme (ICNARC)	Yes	Yes	On-going
National Diabetes Paediatrics (NPDA)	Yes	Yes	On-going
National PROMS	Yes	Yes	On-going
Emergency Use of Oxygen	Yes	Yes	100%
National Fracture Liaison Service Database	Yes	Yes	On-going
National Audit of Inpatient Falls	Yes	Yes	100%
National Hip Fracture Database	Yes	Yes	100%
Inflammatory Bowel Disease (IBD) Programme – Biologics Audit	Yes	No	N/A
UK Trauma Audit and Research Network (UKTARN)	Yes	Yes	100%
National Audit of Intermediate Care	Yes	Yes	>90%
National Cardiac Arrest Audit	Yes	No	N/A
National COPD Pulmonary Rehabilitation Audit	Yes	Yes	100%
National Comparative Audit of Blood Transfusion Programme Use of Blood in Haematology	Yes	Yes	100%
National Comparative Audit of Blood Transfusion Programme Patient Blood Management in Scheduled Surgery	Yes	Yes	100% of applicable cases
National Diabetes Foot Care Audit	Yes	Yes	Ongoing
National Inpatient Diabetes Audit	Yes	Yes	Not yet available
National Pregnancy in Diabetes Audit	Yes	Yes	100%
National Diabetes Core Audit	Yes	Yes	On-going
National Emergency Laparotomy Audit (NELA)	Yes	Yes	100%
National Heart Failure Audit	Yes	Yes	100%
National Joint Registry (NJR)	Yes	Yes	On-going
National Lung Cancer Audit	Yes	Yes	On-going
National Prostate Cancer Audit (NPCA)	Yes	Yes	On-going
National Oesophageal Cancer Audit (NOGCA)	Yes	Yes	On-going
Paediatric Asthma	Yes	Yes	On-going
National CEM Audit of Procedural Sedation in Emergency Departments	Yes	Yes	100%
National Renal Registry	Yes	Yes	On-going
National Rheumatoid and Early Inflammatory Arthritis Audit	Yes	Yes	UTD
National Stroke Audit Programme (SSNAP)	Yes	Yes	On-going
UK Parkinson's Audit	Yes	Yes	Not yet available
National CEM Vital Signs in Children in Emergency Departments	Yes	Yes	100%
National CEM Audit of VTE in Patients with Lower Limb Immobilisation in Emergency Departments	Yes	Yes	100%

Note: For information on non-participation please see the Trust's Clinical Audit Annual Report

NCEPOD Confidential Enquiries

Title	Eligible	Participated	% Submitted
NCEPOD - Acute Pancreatitis	Yes	Yes	78%
NCEPOD - Physical and mental health care of mental health patients in acute hospitals	Yes	Yes	On-going

The reports of 22 national clinical audits were reviewed by the provider in 2015/16 and Salford Royal NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided [Please see Appendix A].

Local clinical audit

The reports of 97 local clinical audits were reviewed by the provider in 2015/16 and Salford Royal NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided. See Appendix B

The table in Appendix B includes examples of local audits reported in 2015/16. Further actions planned and undertaken in response to the audit findings will be detailed in the Trust's 2015/16 Clinical Audit Annual Report.

Participation in clinical research

The number of patients receiving relevant health services provided or sub-contracted by Salford Royal NHS Foundation Trust in 2015/16 that were recruited during that period to participate in research approved by a research ethics committee was 6481.

Goals agreed with commissioners: use of the CQUIN payment framework

A proportion of Salford Royal NHS Foundation Trust income in 2015/16 was conditional on achieving quality improvement and innovation goals agreed between Salford Royal NHS Foundation Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation payment framework (CQUIN). For 2015/16 the baseline value of the CQUIN was again 2.5% of the contract value (£7.7m). If the agreed milestones were not achieved during the year or the outturn contract value was lower than the baseline contract, then a proportion of CQUIN monies would be withheld.

For 2015/16, Salford Royal has received sign-off to date that the milestones relating to quarters 1-3 of 2015/16 have been fully delivered. The quarter 4 performance will be shared with commissioners at the end of April but confirmation is not expected from commissioners until the end of May / beginning of June.

Further details of the agreed goals for 2015/16 and for the following 12 month period are available on request via joanne.entwistle@srftr.nhs.uk.

For 2014/15 the baseline value of the CQUIN was £7.2m. The Trust achieved 98.3% of its CQUIN goals but as there was an over performance against the activity / income targets, the value of the CQUIN was approximately the same as the planned level.

Data quality: relevance of data quality and action to improve data quality

It is well known that good quality information underpins the effective delivery of improvements to the quality of patient care.

Improving data quality will therefore improve patient care and improve value for money. High quality information means better patient care and patient safety.

High quality information is:

- ✓ Accurate
- ✓ Up to date
- ✓ Complete
- ✓ Relevant for purpose
- ✓ Accessible
- ✓ Free from duplication (for example, where two or more different records exist for the same patient)

Salford Royal NHS Foundation Trust will be taking the following actions to improve data quality:

- Daily validation to improve ethnicity recording for acute and community activity
- Daily validation of new registrations to reduce the number of duplicate registrations
- Weekly submissions to demographic batch service to trace records against the National Spine portal to ensure accurate data
- Daily monitoring of day case activity and regular attenders to improve live ADT
- Ward audits and monitoring of 11pm to 6am discharges to improve ADT
- Auditing of all returned patient related correspondence to the Trust to ensure correct demographic data is held
- Daily review of outpatient activity to ensure attendance outcome is recorded timely and to ensure patients who did not attend have correct postal addresses in comparison to National Spine portal
- Daily review of outpatient activity to ensure attendance outcome is recorded in a timely manner
- Review of outpatients who did not attend their appointments to validate correct demographics (e.g.. postal address) in comparison to NHS Personal Demographics Service (batch tracing is used to speed up this process, with members of the data quality team checking a proportion of the records that are not verified automatically)
- Monitoring of undelivered and 'invalid address' correspondence reported by the Trust mail handler
- Daily review of rejected GP correspondence sent via electronic document transfer (to ensure correct GP registration in comparison to NHS Personal Demographics Service)
- Daily review of any inpatient, outpatient and A&E activity that has not undergone automatic contract allocation
- Weekly enhanced death reports from National Spine portal to ensure out of hospital deaths are recorded on the Trust's Patient Administration System (PAS)
- Monitoring responses to email and telephone queries to support the delivery of an efficient service
- Correction of discrepancies occurring across connected Trust information systems.

NHS number of General Medical Practice code validity

Salford Royal NHS Foundation Trust submitted records during 2015/16 to the Secondary Uses service for inclusion in the Hospital Episode Statistics which are included in the latest published data. The percentage of records in the published data:

Which included the patient's valid NHS number was:

99.8% for admitted patient care;

99.9% for outpatient care; and

98.8% for Accident and Emergency care

Which included the patient's valid General Medical Practice Code was:

99.7% for admitted patient care;

99.6% for outpatient care; and

99.7% for Accident and Emergency care

Information governance toolkit attainment level

The IG Toolkit is an online system which allows NHS organisations and partners to assess themselves against Department of Health Information Governance policies and standards. It is fundamental to access to the NHS N3 network and to promote safe data sharing. It also allows members of the public to view participating organisations' IG Toolkit assessments.

Salford Royal NHS Foundation Trust Information Governance Assessment Report score overall for 2015/16 was 90% and was graded Green.

Clinical coding error rate

Salford Royal NHS Foundation Trust was subject to the Payment by Results clinical coding audit during 2015/16 by the Audit Commission. The error rates were:

● Primary Diagnosis Incorrect	4.5%
● Secondary Diagnosis Incorrect	5.9%
● Primary Procedures Incorrect	5.9%
● Secondary Procedures Incorrect	17.4%

The two areas audited were the HRG's HC Spinal Surgery and LA Renal procedures and disorders.

The Clinical Coding results should not be extrapolated further than the actual sample size audited.

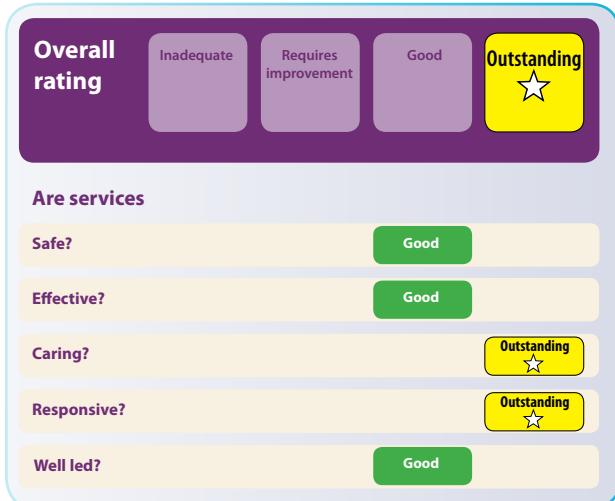
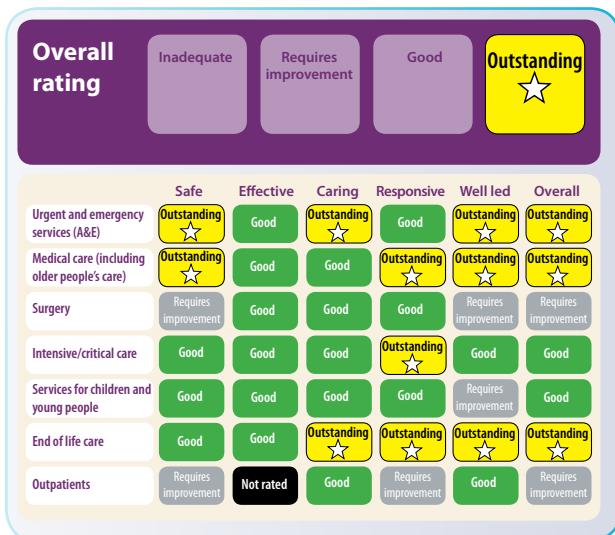
What others and the Care Quality Commission say about Salford Royal NHS Foundation Trust

Salford Royal NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is "Registered without conditions".

Salford Royal NHS Foundation Trust has the following conditions on registration "none".

The Care Quality Commission has not taken enforcement action against Salford Royal NHS Foundation Trust during 2015/16.

Salford Royal NHS Foundation Trust has not participated in any special reviews or investigations by the CQC during the reporting period.



In the areas that were rated as 'requires improvement' we have taken the following actions:

Surgery, Safe:

WHO checklist – assurance provided by the Division of Surgery and Neurosciences that audits are now undertaken across all theatres to monitor compliance and a final checking process has been introduced in theatre recovery whereby patients are not transferred unless the checklist has been fully completed.

Theatre Equipment Checks – assurance given that a checklist is now in place which the co-ordinator is responsible for checking daily and any shortfalls addressed as they occur. Any areas of concern are escalated to the ADNS immediately. The checklist is monitored by the Team Leader and Lead Nurse weekly.

Surgery, Well Led:

Theatre Culture and Morale – assurance given that there are now Exec-led steering group meetings, work stream meetings and communications via emails, newsletters and governance mornings to ensure that the programme of Quality Improvement remains embedded.

Surgical procedure cancellations – The Division now hold weekly combined theatre scheduling meetings with representation from each speciality, patient flow, Day Surgery Unit, Theatre Lead Managers, Anaesthetics and wherever possible Consultants to minimise the risk of cancellation of surgical procedures. From March 2015 there has also been the implementation of a theatre scheduling protocol which has structured scheduling across the organisation.

Services for children and young people required improvement in one area:**Well led:**

The Division immediately redesigned its assurance system for paediatrics and a Childrens board was formed chaired by the Trust's Medical Director (Standards and Performance) which reports into the Salford Health Care Assurance and Risk Committee.

Outpatients required improvement in two areas:**Safe:**

Assurance was provided that an escalation process is in place for areas affected by a leaking roof, this escalation process was completed with the guidance of the infection control team to manage, monitor and report any further sewage leaks. Any incidents are monitored through the Surgery and CSS Divisional Assurance Committees as a standing agenda and are also reported through the Health & Safety Committee monthly.

Responsive:

Assurance given that a staffing review has been undertaken and additional staff recruited to address the concerns raised.

The process for orthopaedic patients has now changed, patients now book in at the orthopaedic department directly.



4 Review of Quality Performance



Performance against national targets and regulatory requirements 2015/16

Salford Royal aims to meet all national targets and priorities. We have provided an overview of the national targets and minimum standards including those set out within Monitor's Compliance Framework below. Further indicators of performance can be found in section 4 of the Quality Accounts.

National Targets and Minimum Standards	Target	Target (2015/16)	2015/16	2014/15	2013/14	2012/13
Infection Control	Number of <i>clostridium difficile</i> cases	21	4	19 cases have been deemed avoidable ie a lapse of care identified; 1 case still to be reviewed by the CCG	18	47
	Number of MRSA blood stream infection cases	0	0	0	0	3
Access to Cancer Services	% of cancer patients waiting a maximum of 31 days from diagnosis to first definitive treatment	96%	96.9%	97%	98.2%	98.9%
	% of cancer patients waiting a maximum of 31 days for subsequent treatment (anti-cancer drugs)	98%	100%	100%	100%	100%
	% of cancer patients waiting a maximum of 31 days for subsequent treatment (surgery)	94%	96.3%	96.5%	98.3%	99.4%
	% of cancer patients waiting a maximum of 31 days for subsequent treatment (radiotherapy)	94%	100%	100%	100%	100%
	% of cancer patients waiting a maximum of 2 months from urgent GP referral to treatment	85%	88.2%	86.2%	86.8%	88.7%
	% of cancer patients waiting a maximum of 2 months from the consultant screening service referral to treatment	90%	95.8%	82.6% (however, there have been less than 5 applicable patients per quarter)	96.4%	85.2% (NB low numbers means this is below the deminimis)
	% of cancer patients waiting a maximum of 2 weeks from urgent GP referral to date first seen	93%	94.7%	96%	97.9%	98.4%
	% of symptomatic breast patients (cancer not initially suspected) waiting a maximum of 2 weeks from urgent GP referral to date first seen	93%	88.6%	96.2%	95.6%	97.5%
Access to Treatment	18 weeks Referral to Treatment - admitted patients	90%	No longer measured	86.99%	93%	94.5%
	18 weeks Referral to Treatment - non-admitted patients	95%	No longer measured	92.8%	96.2%	96.79%
	18 weeks Referral to Treatment - patients on an incomplete pathway	92%	94.4%	94.27%	95.1%	96.4%
Access to A&E	% of patients waiting a maximum of 4 hours in A&E from arrival to admission, transfer or discharge	95%	93.3%	95.01%	95.9%	95.46%
Access to patients with a learning disability	The Trust provides self-certification that it meets the requirements to provide access to healthcare for patients with a learning disability	N/A	Yes	Yes	Yes	Yes
Cancelled operations	% of in-patients whose operations were cancelled by the hospital for non-clinical reasons on day of or after admission to hospital	0%	0.9%	0.66%	0.56%	0.52%
Cancelled operations not treated within 28 days	% of those patients whose operations were cancelled by the hospital for non-clinical reasons on day of or after admission to hospital, and were not treated within 28 days	0%	2.62%	3.44%	0.78%	0.89%

The NHS Outcomes Framework 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. It is important to note that whilst these indicators must be included in the Quality Accounts the most recent national data available for the reporting period is not always for the most recent financial year. Where this is the case the time period used is noted underneath the indicator description. It is not always possible to provide the national average and best and worst performers for some indicators due to the way data is provided.

Domain	Indicator	2015/16	National Average	Where Applicable - Best Performer	Where Applicable - Worst Performer	Trust Statement	2014/15	2013/14	2012/13
Preventing people from dying prematurely Enhancing quality of life for people with long-term conditions	SHMI value and banding (October 2014 – September 2015)	SHMI value = 0.93 As expected	1.0	0.73 (Imperial College) Better than expected	1.14 (East Sussex) Worse than expected	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. Mortality reduction has been a constant focus for the Trust over the course of successive Quality Improvement Strategies The Salford Royal NHS Foundation Trust has taken the following actions to improve this rate, and so the quality of its services, by the implementation of wide ranging Quality Improvement Strategies which have aimed to improve mortality and harm by focussing on a series of interventions including: Trust wide harm reduction Quality Improvement Collaboratives (as can be seen through the content of this Quality Account).	0.98 As expected	0.91 As expected	0.86 Better than expected
	% patients deaths with palliative care coded (October 2014 – September 2015)	45%	27%	N/A	N/A	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. The Trust has a very well established Palliative Care Team, who provide in reach to all areas of the hospital. The Salford Royal NHS Foundation Trust continues to take the actions highlighted in this Quality Account to improve this percentage and so the quality of its services, by continuing to place the upmost importance on high quality palliative care for our patients.	47%	40%	38%
Helping people recover from episodes of ill health or following injury	Patient reported outcome scores for groin hernia surgery (April 15 – September 2015 – most recent data release)	*data not nationally published due to low numbers	0.088	N/A	N/A	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. The Trust has undertaken a significant amount of work in the area of Theatres Improvement. The Salford Royal NHS Foundation Trust continues to take the following actions to improve this outcome and so the quality of its services, by implementation of our Quality Improvement strategy.	0.049	0.026	0.083
	Patient reported outcome scores for varicose vein surgery (April 13 – March 2014 – most recent full year of data available)	N/A	N/A	N/A	N/A	This procedure is not carried out at the Trust.	N/A	N/A	N/A
	Patient reported outcome scores for hip replacement surgery (April 2015 – December 2015 – most recent data release)	0.523	0.454	N/A	N/A	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. The Trust has undertaken a significant amount of work in the area of Theatres Improvement. The Salford Royal NHS Foundation Trust continues to take the following actions to improve this outcome and so the quality of its services, by implementation of our Quality Improvement strategy.	0.452	0.513	0.388
	Patient reported outcome scores for knee replacement surgery (April 2015 – December 2015 – most recent data release)	0.293	0.334	N/A	N/A	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. The Trust has undertaken a significant amount of work in the area of Theatres Improvement. The Salford Royal NHS Foundation Trust continues to take the following actions to improve this outcome and so the quality of its services, by implementation of our Quality Improvement strategy.	0.290	0.214 (15 sample size)	0.316 (92 sample size) (Note: this figure has been updated since last year's Quality Accounts)

The NHS Outcomes Framework indicators *continued*

Domain	Indicator	2015/16	National Average	Where Applicable - Best Performer	Where Applicable - Worst Performer	Trust Statement	2014/15	2013/14	2012/13
Helping people recover from episodes of ill health or following injury <i>continued</i>	28 day readmission rate for patients aged 0-15					The Information Centre hasn't updated this metric since 2012, therefore we have included our own data on readmissions on the Trust Selected Metrics page.			
	28 day readmission rate for patients aged 16 or over					The Information Centre hasn't updated this metric since 2012, therefore we have included our own data on readmissions on the Trust Selected Metrics page.			
Ensuring that people have a positive experience of care	Responsiveness to inpatients' personal needs: CQC national inpatient survey score (13/14 data cited, this is the most recent data release)	74.9%	68.9%	N/A	N/A	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. The Trust has undertaken a Patient Family and Carer Experience Collaborative which was started in January 2013 and aims to improve all elements of experience. The Salford Royal NHS Foundation Trust continues to take the following actions to improve this outcome and so the quality of its services, by continuing to deliver a Patient, Family and Carer Experience Collaborative and other work streams aimed at delivering what matters most to our patients.	74.9%	74.5%	70.6%
	Percentage of staff who would recommend the provider to friends or family needing care 2015 Staff Survey	82%	68%	93% (Papworth Hospital NHS Foundation Trust)	37% (Isle of Wight NHS Trust (mental health sector))	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. The Trust has undertaken a Patient Family and Carer Experience Collaborative which was started in January 2013 and aims to improve all elements of experience. The Salford Royal NHS Foundation Trust continues to take the following actions to improve this outcome and so the quality of its services, by continuing to deliver a Patient, Family and Carer Experience Collaborative and other work streams aimed at delivering what matters most to our patients.	87%	88.5%	85%
Treating and caring for people in a safe environment and protecting them from avoidable harm	% of admitted patients risk-assessed for Venous Thromboembolism (April – December 2015)	96%	96%	100% (multiple trusts – Q3))	81% (Cambridge University Hospitals NHS Foundation Trust – Q3)	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. The Trust reviews all cases of hospital acquired Venous Thromboembolism to ensure that all elements of best practice are adhered to. The Salford Royal NHS Foundation Trust continues to take the following actions to improve this outcome and so the quality of its services, by developing systems to ensure that patients receive risk assessments for venous thromboembolism. Monthly Safety Thermometer walk rounds highlight the importance of timely risk assessments in the prevention of blood clots.	96%	96%	97%
	Rate of <i>C.Difficile</i> per 100,000 bed days (2014/2015, most recent year reported by information centre, please see Trust reported data pages for more current data)	11 (26 Trust appointed cases)	15.1	0 (several Trusts)	62.2 (The Royal Marsden)	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. Infection control remains one of the Trust's highest priorities with all cases of Hospital Acquired <i>C.Difficile</i> reviewed and opportunities for learning are shared. The Salford Royal NHS Foundation Trust continues to take the following actions to improve this outcome and so the quality of its services, by placing infection control as the highest priorities and ensuring that all staff are fully compliant with mandatory training for antiseptic non-touch technique.	11 26 Trust apportioned cases	8 18 Trust apportioned cases	21.6 47 Trust apportioned cases

The NHS Outcomes Framework indicators *continued*

Domain	Indicator	2015/16	National Average	Where Applicable - Best Performer	Where Applicable - Worst Performer	Trust Statement	2014/15	2013/14	2012/13
Treating and caring for people in a safe environment and protecting them from avoidable harm <i>continued</i>	Rate of patient safety incidents per 1000 bed days Prior to 2015/15 rate was based on 100 admissions	42.5 (count of incidents = 4,970) (October 2014-March 2015)	Not given	N/A	N/A	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. The Trust continues to promote a culture of open and honest reporting and endorsing a fair blame culture. The Salford Royal NHS Foundation Trust continues to take the following actions to improve this outcome and so the quality of its services, by encouraging a culture of voluntary reporting and endorsing a fair blame culture.	42.5 (Count of incidents = 4,970) (October 2014-March 2015)	9.9 Count of incidents = 3,685 (October 2013-March 2014)	9.4 Count of incidents = 3,874 (October 2012-March 2013)
	Rate of patient safety incidents that resulted in severe harm or death per 1000 bed Prior to 2014/15 rate was based on 100 admissions	0.09 (count of incidents = 10) (October 2014-March 2015)	Not given	N/A	N/A	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. The Trust continues to promote a culture of open and honest reporting and endorsing a fair blame culture. The Salford Royal NHS Foundation Trust continues to take the following actions to improve this outcome and so the quality of its services, by encouraging a culture of voluntary reporting and endorsing a fair blame culture.	0.09 (count of incidents = 10) (October 2014-March 2015)	0.5 Count of incidents = 17 (October 2014-March 2015)	0.4 Count of incidents = 15 (October 2014-March 2015)
Ensuring that people have a positive experience of care	Inpatient Friends and Family Test	90% (January 2016)	96% (January 2016)	100% (Several Trusts)	73% (Sheffield Children's NHS Foundation Trust)	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. The Trust continues to promote a culture of open and honest reporting and endorsing a fair blame culture. The Salford Royal NHS Foundation Trust continues to take the following actions to improve this outcome and so the quality of its services, by continuing to deliver a Patient, Family and Carer Experience Collaborative and other work streams aimed at delivering what matters most to our patients.	94% (February 2015)	72	N/A
	Accident and Emergency Friends and Family Test	91% (January 2016)	86% (January 2016)	100% (Liverpool Women's NHS Foundation Trust)	52% (North Middlesex University Hospital NHS Trust)	The Salford Royal NHS Foundation Trust considers that this data is as described for the following reasons. The Trust has undertaken a Patient Family and Carer Experience Collaborative which was started in January 2013 and aims to improve all elements of experience. The Salford Royal NHS Foundation Trust continues to take the following actions to improve this outcome and so the quality of its services, by continuing to deliver a Patient, Family and Carer Experience Collaborative and other work streams aimed at delivering what matters most to our patients.	91% (February 2015)	58	N/A

Domain: preventing people from dying prematurely

The Standardised Hospital Level Mortality Indicator (SHMI) is a measure of mortality developed by the Department of Health, which compares our actual number of deaths with our predicted number of deaths. Each hospital is placed into a band based upon their SHMI; Salford Royal is in band 2 which is 'as expected'.

Domain: helping people to recover from episodes of ill health or following injury

Patient reported outcome scores

A patient reported outcome measure is a series of questions that patients are asked in order to gauge their views on their own health. In the examples of groin hernia, knee replacement, hip replacement and varicose vein surgery, patients are asked to score their health before and after surgery. We are then able to understand whether patients see a 'health gain' following surgery.

The data provided gives the average difference between the first score (pre-surgery) and second score (post-surgery) that patients give themselves. In all procedures where data is available there are improvements in the average score. However, it is important to note that the sample size for all patient reported outcome scores is very small which may impact upon the meaningfulness of the data, this is rectified when the full year data is provided.

Domain: ensuring that people have a positive experience of care

Responsiveness to inpatients' personal needs

This indicator provides a measure of quality, based on the Care Quality Commission's National Inpatient Survey. The score is calculated by averaging the answers to five questions in the inpatient survey. The highest score achievable is 100%.

Salford Royal launched a Patient Experience Strategy in January 2013, which provides a structure for all work streams fitting under this heading.

Salford Royal is proud that the number of staff members who would recommend us to friends and family needing treatments is higher than the national average.

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

Risk assessing inpatients for venous thromboembolism (VTE)

Risk assessing inpatients for venous thromboembolism (VTE) is important in reducing hospital acquired VTE. Salford Royal has worked hard to ensure that not only are our patients risk assessed promptly but that any prophylaxis is given reliably.

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

Patient safety incidents are reported to NHS England. The rate of patient safety incidents per 1000 bed days reported by Salford Royal is 42.5. Organisations that report more incidents usually have a better and more effective safety culture. We believe you cannot learn and improve if you do not know what the problems are. Salford Royal will continue to encourage a culture of open reporting in order to learn and improve.

NHS England Safety Alert Compliance 2015/16

Through the analysis of reports of safety incidents, and safety information from other sources, NHS England develops advice for the NHS that can help to ensure the safety of patients, visitors and staff. As advice becomes available, NHS England issues alerts on potential and identified risks to safety. At Salford Royal, these alerts are coordinated and monitored by the governance team who work with clinicians and managers in the appropriate areas to confirm compliance or to form an action plan to monitor compliance against it. Salford Royal is fully compliant with all alerts for which compliance deadlines have passed. The following table shows those alerts issued by NHS England during 2015/16, and progress against them.

Reference	Alert Title	Issue Date	Response	Deadline
NHS/PSA/W/2015/005	Risk of death or severe harm due to inadvertent injection of skin preparation solution	26/05/15	Alert disseminated to all clinical divisions and confirmation received the information has been reviewed and assurance of compliance provided by relevant teams.	07/07/15
NHS/PSA/W/2015/006	Harm from delayed updates to ambulance dispatch and satellite navigation systems	09/07/15	Alert disseminated to Facilities (Transport) and to Community Services. Confirmation received the information has been reviewed and assurance of compliance provided by relevant teams.	20/08/15
NHS/PSA/Re/2015/007	Addressing antimicrobial resistance through implementation of an antimicrobial stewardship programme	18/08/15	Alert disseminated to Infection Control. The Trust has an active antimicrobial stewardship program, overseen by the trust Antibiotic Steering Group (ASG). The ASG activities satisfy the recommendations.	31/03/16
NHS/PSA/RE/2015/008	Supporting the Introduction of the National Safety Standards for Invasive Procedures	14/09/15	Alert disseminated to Surgical services. Assurance committee as sub-group of Clinical Effectiveness Committee set up to progress.	14/06/16
NHS/PSA/Re/2015/009	Support to minimise the risk of distress and death from inappropriate doses of naloxone	26/10/15	Alert disseminated to Pharmacy. Progressed through Medicines Safety Group.	26/04/16
NHS/PSA/W/2015/010	Risk of death and serious harm by falling from hoists	28/10/15	Alert disseminated to all clinical divisions and to Trust Back Care Advisor. Confirmation received the information has been reviewed and assurance of compliance provided by relevant teams.	09/12/15
NHS/PSA/W/2015/011	The importance of vital signs during and after restrictive interventions/manual restraint	03/12/15	Alert disseminated to Trust Leads for Safeguarding, Dementia and Specialist Paediatrics. Confirmation received the information has been reviewed and assurance of compliance provided by relevant teams.	21/01/16
NHS/PSA/W/2015/012	Risk of using different airway humidification devices simultaneously	15/12/15	Alert disseminated to all clinical divisions. Confirmation received the information has been reviewed and assurance of compliance provided by relevant teams.	02/02/16
NHS/PSA/W/2016/001	Risk of severe harm or death when desmopressin is omitted or delayed in patients with cranial diabetes insipidus	08/02/15	Alert disseminated to Pharmacy. Being progressed through Medicines Safety Group.	21/03/16

Never Events

Never Events are serious, largely preventable patient safety incidents that should not occur if the available preventative measures have been implemented.

Each Never Event type has the potential to cause serious patient harm or death. However, serious harm or death is not required to have happened as a result of a specific incident occurrence for that incident to be categorised as a Never Event.

Never Events include incidents such as:

- Wrong site surgery
- Retained instrument post operation
- Wrong route administration of chemotherapy

Nationally between April 2015 and February 2016 there were 276 Never Events, in the same period Salford Royal had 6 Never Events. The details of the Salford Royal Never Events are in the table below together with the key findings from the review of the events and the actions taken to prevent future recurrence (where available).

Never Event	Description	Key Findings from Root Cause Analysis	Actions to Prevent Recurrence
Wrong Site Surgery	Laminectomy completed at correct level. Post operatively it was identified that instrumentation had been fixed at the wrong level.	1) Distraction during identification of correct level. 2) Post-operative x-rays showed incorrect level operated on. This was not identified when the x-rays were reviewed.	1) Could more permanent marker be used (Methylene Blue), to ensure marker cannot be lost. Methylene Blue as marker. 2) When check x-rays are undertaken the medical staff must count levels of the spine on check x-ray and not just look that metal work is secure. 3) Updated national guidelines are expected from the Society of British Neurological Surgeons later this year. Review impact on practice at SRFT.
Wrong Site Surgery	Dental patient received a filling to the wrong tooth.	1) Consent policy not followed. 2) Referral letters imperfections. 3) R4 software system visibility of information.	1) standardised consent process introduced across the dental service. 2) change in practice to clinic preparation. 3) electronic patient record system review.
Wrong Site Surgery	A patient, consented and listed for left L5 nerve root decompression, had Right L5 nerve root decompression.	1) WHO Checklist performance. 2) Surgical site marking could not clearly be seen once the patient had been prepped and draped.	1) Undertake further actions to improve the quality of the WHO check list within Theatres. 2) Compulsory "pause" during the TIME OUT stage of WHO surgical check-list 3) further promotion of culture to 'speak out' if staff members wish to question any decision making 4) Ensure that orange topped skin marker pens are available for surgeons to mark skin in SAL 1 and 3.
Wrong Site Surgery	Extraction of the wrong tooth		Still under investigation at the time of this report
Retained instrument post operation	Gall Stone Removal Bag left in patient post op		Still under investigation at the time of this report
Wrong Site Surgery	Wrong skin biopsy taken from a patient		Still under investigation at the time of this report

Duty of Candour

The Duty of Candour is being implemented across the Trust. In support of this a revised policy was produced and a 'quick reference guide' to help those undertaking the Duty of Candour to quickly and simply identify what they are expected to do.

The initial roll out of the regulatory requirements focused on Serious Untoward Incidents to ensure there are robust systems in place to support and monitor the undertaking. These systems are now in place and performing well.

The roll out of this is now being undertaken for those incidents the Trust call 'SIARC incidents' i.e. those resulting in moderate harm. Whilst the general compliance is good, current monitoring is now looking at the quality of the communications and written confirmation of the conversations with patients or their relevant person.

Compliance at all levels is monitored on a weekly basis, and reported six monthly to Executive Assurance.

Currently the Trust is maintaining 100% compliance for Serious Untoward Incidents, with the roll out of the regulatory requirements for incidents rated as 'moderate'.

How we keep everyone informed

There are a number of communications channels used at Salford Royal to ensure colleagues based at the hospital and out in the community are kept up to date on all the latest news and developments.

The methods of reaching our staff include the weekly e-bulletin SiREN, the intranet and screensavers, which are particularly useful for alerting staff to new initiatives or patient safety messages.

We engage with members of the public and other organisations via our @SalfordRoyalNHS Twitter feed and share news of our successes and achievements to our 10,000+ followers.

Our weekly page in the Manchester Weekly News is another way we share our news with members of the public and is a useful channel to advertise up and coming membership events, such as the regular seminars held at the Trust.

Our Foundation Trust members receive a bi-annual magazine called The Loop, which includes details about events and meetings they can get involved in along with informative articles on the latest Trust news. Our annual open day is always a huge success with staff from across the organisation hosting stalls to showcase our outstanding services to members of the public.



Statements from Clinical Commissioning Group, Healthwatch and Overview and Health and Adults Scrutiny Panel

CCG Statement for 2015/16 Quality Accounts

NHS Salford Clinical Commissioning Group (CCG) welcomes the opportunity to comment on the 2015/16 Quality Accounts for Salford Royal NHS Foundation Trust.

We work closely with the Trust during the year reviewing a range of indicators in relation to quality, safety and performance; gaining assurance of the delivery of safe and effective services. We are pleased to confirm that the material presented within the Quality Accounts is consistent with information supplied to the commissioners throughout the year.

Review of regulatory inspections form part of our quality assurance processes and we commend the Trust on achieving their CQC rating of "outstanding." The importance of this independent view on the quality of service provision is helpful in providing additional assurance to our direct discussions and observations

Members of the CCG Governing Body have undertaken commissioner-led walk arounds during the year and the feedback from the CQC resonates with our own observations in terms of effective leadership, the values and behaviour of staff and their commitment to patient safety.

The emphasis placed upon patient safety through harm reduction programmes is very evident throughout the document and it is helpful to see the measurable improvements in these key areas. We welcome the information provided on reducing harm within community services; of particular note is the reduction in pressure ulcers and catheter acquired urinary tract infections.

Reference is included within the report to our plans to work collaboratively on the measurement and monitoring of safety following our attendance on the Making Safety Visible programme. It is pleasing to see a continued commitment to improving medication safety outlined within the plans for 16/17 as this is entirely in line with our aspirations.

It is notable that a number of the quality improvement achievements outlined relate to CQUIN's that we agreed with the Trust at the beginning of the year. This emphasizes the role that commissioners can play in driving quality improvement in partnership with provider colleagues.

We welcome the continued focus on listening to the feedback from people using services to improve patient experience. We commend the Trust on the measurable improvements in this area and are keen to ensure that this work continues across all services during 2016/17. It would be helpful to see some examples of initiatives to improve patient experience within community services included in next year's report.

We acknowledge the increased emphasis on quality improvement initiatives within community services and the evidence provided on their achievements during 2015/16. This was something that we had asked to be included as part of our feedback last year and welcome the opportunity to receive information on the full range of services provided by the organisation.

continued next page

CCG Statement for 2015/16 Quality Accounts

continued

We would hope to see the Quality Accounts for 2016/17 demonstrating the impact that integration between health and social care has on improvements in quality and safety.

The document includes a range of areas where NHS Salford CCG has been working in conjunction with the Trust to support quality improvement. It reflects our joint commitment to collaboration on this important aspect of patient care. We are pleased to endorse these Quality Accounts for 2015/16 and look forward to continued partnership working on driving improvements in safety and quality for the benefit of our population

Anthony Hassall
Chief Accountable Officer
NHS Salford Clinical Commissioning Group

Healthwatch Salford

Healthwatch Salford is a consumer champion for health and social care. We listen to the views and experiences of local people and use this information to influence health and social care services. We aim to work as a critical friend, offering constructive feedback to services based on the voices of local people.

Over the past year, Healthwatch Salford has continued to maintain its good relationships with Salford Royal Foundation Trust in order to maintain a stronger approach to joint working on engagement and service quality.

Healthwatch Salford would like to congratulate Salford Royal on its rating of 'Outstanding' in the recent CQC inspection. This is truly a great achievement and reflects a great deal of hard work and dedication.

We understand that delivering safe, clean, personal care can be a difficult task, and we would like to recognise the positive outcomes achieved by Salford Royal in 2015-16. Healthwatch Salford looks forward to continued partnership working with Salford Royal, highlighting challenges and ensuring that local people's voices influence improvements in service delivery.

Delana Lawson
Chief Officer
Healthwatch Salford

Councillor Margaret Morris
Chair of the Health and Adults Scrutiny Panel
Salford City Council

Health and Adults Scrutiny Panel

Once again Salford Royal NHS Foundation Trust delivers on its promise of Safe Clean and Personal. To maintain the standards year after year shows a clear commitment to patients and staff.

The coming year brings many challenges to the Trust with the devolution programme for the NHS in Greater Manchester and the newly formed Integrated Care Programme.

The focus will mean even greater partnership working between the City Council, and NHS partners.

The Health and Adults Scrutiny Panel offers congratulations to all the staff working at the Trust, without their commitment these results would not be possible.

Statement of Directors' responsibilities in respect of the Quality Report

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

Monitor has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that NHS foundation trust boards should put in place to support the data quality for the preparation of the quality report.

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

- the content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2015/16 and supporting guidance
- the content of the Quality Report is not inconsistent with internal and external sources of information including:
 - board minutes and papers for the period April 2015 to May 2016
 - papers relating to Quality reported to the board over the period April 2015 to May 2016
 - feedback from commissioners dated May 2016
 - feedback from governors dated May 2016
 - feedback from local Healthwatch organisations dated May 2016
 - feedback from Overview and Scrutiny Committee dated May 2016
 - the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated May 2016
 - the 2015 national patient survey
 - the 2015 national staff survey
 - the Head of Internal Audit's annual opinion over the trust's control environment dated May 2016
 - CQC Intelligent Monitoring Report dated May 2015
- the Quality Report presents a balanced picture of the NHS foundation trust's performance over the period covered
- the performance information reported in the Quality Report is reliable and accurate
- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice
- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review and
- the Quality Report has been prepared in accordance with Monitor's annual reporting manual and supporting guidance (which incorporates the Quality Accounts regulations) as well as the standards to support data quality for the preparation of the Quality Report.

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

By order of the board

Date: 26 May 2016



Chairman

Date: 26 May 2016



Chief Executive

Independent Practitioner's Limited Assurance Report to the Council of Governors of Salford Royal NHS Foundation Trust on the Quality Report

We have been engaged by the Council of Governors of Salford Royal NHS Foundation Trust to perform an independent limited assurance engagement in respect of Salford Royal NHS Foundation Trust's Quality Report for the year ended 31 March 2016 (the 'Quality Report') and certain performance indicators contained therein against the criteria set out in Annex 2 to Chapter 7 of the 'NHS Foundation Trust Annual Reporting Manual 2015/16' (the 'Criteria').

Scope and subject matter

The indicators for the year ended 31 March 2016 subject to the limited assurance engagement consist of those national priority indicators as mandated by Monitor:

- Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period;
- Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge

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

Respective responsibilities of the Council of Governors and Practitioner

The Council of Governors are responsible for the content and the preparation of the Quality Report covering the relevant indicators and in accordance with the criteria set out in the 'NHS Foundation Trust Annual Reporting Manual 2015/16' issued by Monitor and 'Detailed guidance for external assurance on quality reports 2015/16'.

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;
- the Quality Report is not consistent in all material respects with the sources specified in Monitor's 'Detailed guidance for external assurance on quality reports 2015/16'; 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 2015/16' and supporting guidance and the six dimensions of data quality set out in the 'Detailed guidance for external assurance on quality reports 2015/16'.

We read the Quality Report and consider whether it addresses the content requirements of the NHS Foundation Trust Annual Reporting Manual 2015/16, and consider the implications for our report if we become aware of any material omissions.

Continued next page

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

- Board minutes for the period 1 April 2015 to 26 May 2016;
- Papers relating to quality reported to the Board over the period 1 April 2015 to 26 May 2016;
- Feedback from Commissioners;
- Feedback from Governors;
- Feedback from local Healthwatch organisations dated 28 April 2016;
- Feedback from Overview and Scrutiny Committee dated 29 April 2016;
- The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 5 May 2016;
- The national patient survey dated February 2016;
- The national staff survey dated 2015; and
- The Head of Internal Audit's annual opinion over the Trust's control environment dated March 2016.

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.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. 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 Salford Royal NHS Foundation Trust as a body, to assist the Council of Governors in reporting Salford Royal 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 2016, 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 Salford Royal NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

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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;
- Analytical procedures;
- Limited testing, on a selective basis, of the data used to calculate the indicators back to supporting documentation;
- Comparing the content requirements of the ‘NHS Foundation Trust Annual Reporting Manual 2015/16’ to the categories reported in the Quality Report; and
- Reading the documents.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Limitations

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

The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement

techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision 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 2015/16’.

The scope of our limited assurance work has not included governance over quality or non-mandated indicators which have been determined locally by Salford Royal NHS Foundation Trust.

Our audit work on the financial statements of Salford Royal NHS Foundation Trust is carried out in accordance with our statutory obligations and is subject to separate terms and conditions. This engagement will not be treated as having any effect on our separate duties and responsibilities as Salford Royal NHS Foundation Trust’s external auditors. Our audit reports on the financial statements are made solely to Salford Royal NHS Foundation Trust’s members, as a body, in accordance with paragraph 24(5) of Schedule 7 of the National Health Service Act 2006. Our audit work is undertaken so that we might state to Salford Royal NHS Foundation Trust’s members those matters we are required to state to them in an auditor’s report and for no other purpose. Our audits of Salford Royal NHS Foundation Trust’s financial statements are not planned or conducted to address or reflect matters in which anyone other than such members as a body may be interested for such purpose. In these circumstances, to the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than Salford Royal NHS Foundation Trust and Salford Royal NHS Foundation Trust’s members as a body, for our audit work, for our audit reports, or for the opinions we have formed in respect of those audits.

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Conclusion

Based on the work described in this report, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2016:

- The Quality Report is not prepared in all material respects in line with the Criteria
- The Quality Report is not consistent in all material respects with the sources specified in Monitor's 'Detailed guidance for external assurance on quality reports 2015/16'
- 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 2015/16' and supporting guidance and the six dimensions of data quality set out in the 'Detailed guidance for external assurance on quality reports 2015/16'.

Grant Thornton UK LLP
Chartered Accountants
Manchester

Date: 26 May 2016

5 Appendices



Appendix A

National Clinical Audit: actions to improve quality

Title	Outcome
National CEM Initial management of the fitting child	<p>The national report was received by the Trust in May 2015. The results of the audit have been reviewed locally and the following actions have been agreed:</p> <p>Blood glucose check and documentation - Every child admitted with seizure, to have blood sugar field completed on EPR - Reminder sent to all clinical staff. In the longer term will be made into a mandatory field in EPR.</p> <p>Written safety instructions - Every child admitted should have written safety instructions provided prior to discharge - Development of patient information leaflet is in progress.</p>
National CEM Mental Health in the ED	<p>The national report was received by the Trust in May 2015. The audit focuses on:</p> <ul style="list-style-type: none"> • The initial assessment by ED staff. • The assessment by mental health staff. • The facilities where the patient was seen. <p>The results of the audit have been reviewed locally and overall SRFT ED compared above national average against all but one standard. This is a reflection of the improvements introduced in 2013 with relevance to mental health triage which include referral of self harm patients directly to the MHLT for a comprehensive MH assessment in parallel with the medical assessment.</p> <p>In addition, in 2014, a mental health triage assessment tool was introduced. This is used at triage to guide the need for psychosocial and psychiatric assessment and the patients willingness to stay and accept treatment. This process is embedded within the Emergency Department.</p> <p>The results of the audit did identify areas for further improvement and the actions that have been agreed/implemented by the team include:</p> <ul style="list-style-type: none"> • SRFT has developed proforma's for: <ul style="list-style-type: none"> Initial Risk Assessment (MH-TAF) Mental health assessment (ED Clerking Proforma – Intoxication & Self Harm) to help clinical staff structure and document assessments, and record times. • Our 1 hour response time is regularly audited by the MHLT. • The next national audit will be completed jointly with MHLT who have access to ISIS which will give additional information regarding the patient episode.

Appendix A

National Clinical Audit: actions to improve quality *continued*

Title	Outcome
National CEM Assessing for Cognitive Impairment in Older People	<p>The national report was received by the Trust in May 2015. The results of the audit have been reviewed locally and SRFT's results are equal to or better than the national average for all of the 6 standards measured against.</p> <p>However, there are areas identified for further improvement and the actions that have been agreed/implemented by the team include:</p> <p>Raising awareness of the CEM standards and local adherence by:</p> <ul style="list-style-type: none"> • Presenting at Clinical Board Meeting. • Dissemination of results to clinical & nursing staff. • Sharing results with EAU/Acute Medicine COTE lead, as well as the dementia and Delirium Steering Group. <p>In order to improve the rate of screening for cognitive impairment in those aged > 75 presenting to the ED (after liaising with colleagues and COTE) a request has been submitted to EPR to make changes to the screening tool. This will be updated during the next review of the EPR ED Assessment Clinical document.</p>
National Emergency Laparotomy Audit 14/15 (NELA)	<p>The national report was received by the Trust in June 2015. The results of the audit have been reviewed locally and the audit leads are looking to work with the Quality Improvement Team to progress improvement work in this area.</p>
National CEM Audit of Management of Moderate or Severe Asthma in Children in EDs	<p>The national report was received by the Trust in June 2015.</p> <p>The audit lead has identified that a key area for improvement is the documentation of observations (including respiratory rate) – It is to be taken forward as a Quality Improvement project.</p>
National BTS Pleural Procedures	<p>The national report was received by the Trust in August 2015. The results of the audit have been reviewed locally and the following actions have been agreed:</p> <p><i>To amend chest drain insertion document to include:</i></p> <ul style="list-style-type: none"> • Flag for pre and post procedure observations. • Prompt reminder to consider therapeutic pleural aspiration as an alternative. • Documentation of nursing assistance. • Prompt regarding safe fluid volume to be drained post drain insertion. <p><i>Carry out chest drain insertion in a dedicated procedure room:</i></p> <ul style="list-style-type: none"> • Identify suitable procedure room. • Promote use of the dedicated room with the junior doctors and nursing staff. <p><i>Ensure written consent obtained in all cases (unless not applicable due to clinical urgency):</i></p> <ul style="list-style-type: none"> • Ensure pre-printed consent forms and patient information leaflets are easily available in relevant clinical areas. • Discuss with clinical leads in relevant areas in order to remind trainees to gain written consent wherever possible. <p><i>Update chest drain policy. Include information relating to:</i></p> <ul style="list-style-type: none"> • Timing of observations around procedures. • Consideration of therapeutic pleural aspiration as an alternative. • Guidance on who can carry out therapeutic pleural aspiration. • Update out of hours information.

Appendix A

National Clinical Audit: actions to improve quality *continued*

Title	Outcome
National Chronic Obstructive Pulmonary Disease (COPD) Audit Programme: Clinical audit of COPD exacerbations admitted to acute units 2014	<p>The national report was received by the Trust in February 2015. From the results of the audit the Speciality Team identified that they needed to increase the proportion of patients offered pulmonary rehabilitation on discharge. To support improvement in this area the Team agreed a CQUIN with the CCG to address this issue along with other points related to discharge for COPD admissions (COPD discharge bundle).</p> <p>The bundle has now been implemented. This is currently tracked monthly for COPD admissions.</p>
National Hip Fracture Database	<p>The national report was received by the Trust in September 2015. The results of the audit have been reviewed locally and the actions agreed/implemented to improve local practice include:</p> <ul style="list-style-type: none"> • Mobilisation after surgery - A new process was introduced in January 2015 in which patients had point of care haemoglobin testing in recovery to identify those requiring transfusion and commence transfusion immediately postoperatively. The Specialty Team are confident that the data in 2015 will show an improvement in this measure. • Intertrochanteric fractures treated with SHS - Following the NHFD results the Specialty undertook a local audit to review why patients with intertrochanteric fractures did not receive SHS. Action to improve this situation will be to ensure that the Consultants are comfortable and competent to follow best practice in this area and continued monitoring of compliance to standard. • Subtrochanteric fractures treated with an IM nail – A local audit of last 12 months subtrochanteric fractures has been undertaken and results were discussed internally. Action taken to improve compliance is to ensure appropriate fixation is used in ALL suitable cases and clear documentation of the reasoning when this does not happen. • Return to original residence within 30 days - The orthogeriatric team entered into discussion with intermediate care services to look at extending the Early Supported Discharge pathway (used only for Hartley Green transfers) to other Salford intermediate care units. After consultation and demonstration of the pathway all units in Salford agreed to use the pathway which we believe will support faster transfer to intermediate care. We believe this will lead to an improvement in 30 day discharge to home for NOF patients.
National Diabetes Paediatric Audit (Covering 13/14 patient's data)	<p>The national report was received by the Trust in October 2015. The results of the audit have been reviewed locally and the actions agreed/ implemented to improve local practice include:</p> <p>Services for younger people to receive continued focussed development including greater deployment of pumps and continued focus on reducing the number of patients with Haemoglobin A1c >80mmol/mol.</p>

Appendix A

National Clinical Audit: actions to improve quality *continued*

Title	Outcome
National In-patient Falls Audit	<p>The national report was received by the Trust in October 2015. The results of the audit have been reviewed and in response to the findings, Salford Royal has relaunched its Falls Steering Group.</p> <p>The Trust has also introduced a monthly Falls Panel. The Panel will identify 4 falls randomly from the incident reporting system and an MDT from the area where the fall occurred will investigate and feedback their learning.</p> <p>In addition, April 2016 will see the launch of a new EPR document which will assist staff in assessing falls risk and provide clearly defined actions based on this risk. We will also be rolling out a falls change package which will include 6 changes which will be communicated to all clinical areas and their implementation monitored via established governance structures.</p> <p>Finally, there will be an innovation element to the falls work going forward which will include testing of new technologies in falls prevention and management and systems for reliable implementation of some of the elements highlighted in the National Audit of Inpatient Falls.</p>
National Heart Failure Audit	<p>The national report was received by the Trust in October 2015. The report includes findings based on the analysis of April 2013 to March 2014 data.</p> <p>An Integrated Heart Failure(HF) Service serves Salford Royal Hospital & Salford Community, including; In patient service, rapid access HF clinics, nurse-led out-patient clinics (in hospital & the community), telephone clinics & home visits.</p> <p>The majority of HF patients are admitted to the Cardiology ward or Ageing & Complex Medicine (ACM) ward.</p> <p>The HF team are pro-active in identifying patients admitted with HF. They receive automatic e-mail alerts for patients admitted with a known diagnosis of HF, known to HF service, with a Health Issue of HF put on EPR or an echo demonstrating LVSD. They also visit EAU 5 days a week. Specialist HF nurses will see patients irrespective of admitting ward.</p> <p>The hospital operates an active 'out-reach' service to ensure that patients are seen by appropriate health professionals and ensures that patients with multiple co-morbidities receive the best care (often ACM).</p> <p>Heart failure patients who are not on a cardiology ward will be seen by a Cardiologist if:</p> <ul style="list-style-type: none"> • Referred by responsible Consultant. • Identified by HF nurse as requiring specialist input. <p>Data from the audit demonstrated that 83% of patients received Specialist input and as a result more than 93% of patients were discharged on ACE inhibitors/ ARB and beta-blockers (compared to National average of 85%). The majority of patients not seen by a Specialist were short stay patients (< 48hours).</p> <p>Echocardiograms are requested on patients who have not had a previous abnormal echo and should be performed as an in-patient. 77% of patients had either had an echo 6 months prior to admission or during their stay (National average 91%). Recent AQ data suggests that performance in this indicator has fallen due to increased demands on the echo service. As a result, the echo templates have been significantly revised with a 3 fold increase in in-patient echo provision (from February) and this is currently being monitored.</p>

Appendix A

National Clinical Audit: actions to improve quality *continued*

Title	Outcome
National Intermediate Care Audit	<p>The national report was received by the Trust in November 2015. The results of the audit have been reviewed locally and the actions agreed/ implemented to improve local practice include:</p> <ul style="list-style-type: none"> • Intermediate care review with commissioners - Review of our current IMC services with a view to developing more home based services and decreasing our reliance on bed based IMC. • 90 day innovation cycle with Haelo looking at 4 areas; workforce planning, maximising rehab potential, environment, discharge planning - Ongoing tests of change looking at reducing variation and standardising practices across intermediate care. • Clinical microsystems work at Barton Brook Intermediate Care Unit - Weekly microsystems work to look at improving care to patients in IMC units, ongoing. Currently looking at evolving morning handover into a multidisciplinary board round. • New model of medical cover has been developed including increased consultant presence in units (achieved) and new embedded advanced nurse practitioners in units (1/3 currently in post, out to recruitment at present). • Plan to develop a patient pack to be given on discharge of other services that are available.
National Diabetes Audit (Adults) - (Covering 13/14 and 14/15 patient's data)	<p>The national clinical audit report was received by the Trust in January 2016. The audit results are reviewed by a multidisciplinary, cross organisational (SRFT, NHS Salford CCG) patient and professional group (Salford Diabetes Care). Priorities for action were agreed and will be implemented throughout 2016/17 with bi-monthly reviews by SDC. The service development priorities for 2016 for SRFT roll over from 2015 and include:</p> <ul style="list-style-type: none"> • Focused improvements on smoking assessment and Blood Pressure management. • Work to be done on comparing glucose control targets by age and deprivation in comparison to other specialist services. • Record of attendance for education and completion of education. • Possible collaboration with other CCG's in respect of education for specific unusual groups e.g. those with other languages. • Development work on how best to change to individualised targets as recommended in new NICE guidance.

Appendix A

National Clinical Audit: actions to improve quality *continued*

Title	Outcome
National Diabetes in Pregnancy Audit	<p>The national clinical audit report was received by the Trust in November 2015. The audit results are reviewed by a multidisciplinary, cross organisational (SRFT, NHS Salford CCG) patient and professional group (Salford Diabetes Care). Results showed improving first trimester HbA1c and folic acid use. There is however still scope for improvement and initiatives with community midwives and with practice awareness were recommended. There will also be a continued focus on systems to increase effective pre-pregnancy planning and reducing neonatal admissions.</p>
National Prostate Cancer Audit (NPCA)	<p>The national report was received by the Trust in December 2015, the clinical team are in the process of reviewing the audit results and will then develop an action plan to address any areas requiring improvement.</p>
National Lung Cancer Audit	<p>The national report was received by the Trust in December 2015. The results were reviewed in the Sector MDT's annual General Meeting in January 2016. It was agreed that the data were robust and reflected by and large our practice. No changes made to practice at present or planned as a result of this audit. However, efforts will now be geared towards creating a much shorter pathway and LUCADA does not measure against this at present. We are also collecting our own data on outcomes including 1,2,3,5 year survival. So, the AGM action plan reflects our ambitions to improve the service but not as a result of the LUCADA data.</p>
National Bowel Cancer Audit	<p>The national report was received by the Trust in December 2015. The report includes findings based on the analysis of April 2013 to March 2014 data. The clinical team are in the process of reviewing the audit results and will then develop an action plan to address any areas requiring improvement.</p>
National Oesophageal Cancer Audit (NOGCA)	<p>The national report was received by the Trust in Dec 2015. The report focuses on patients diagnosed with 0-G cancer between the 1st Apr 12 and 31st Mar 14. The results of the audit have been reviewed locally and the actions agreed/ implemented to improve local practice include:</p> <ul style="list-style-type: none"> • Review of the local MDT operational policy to ensure all patients diagnosed with HGD are discussed at SMDT meeting. • Evaluation of the process for referral of HGD patients from the Pathology Department to local MDT to ensure the capture of all cases. • Regular local review of complications via Clinical Governance meetings. • Local review of the numbers of cases with SCC and curative treatment plans and the proportion of patients referred for palliative chemotherapy or best supportive care +/- stent placement and review age of all patients. • Review of data capture process with Radiology Department to ensure all cases are recorded.

Appendix A

National Clinical Audit: actions to improve quality *continued*

Title	Outcome
National Stroke Audit Programme (SSNAP)	<p>The results are regularly reviewed by the SSNAP Action Group and an on-going Action Plan is in place. This currently includes:</p> <ul style="list-style-type: none"> • Improving Case Ascertainment - New band 4 appointed to improve case ascertainment and timeliness of data collection. • Improving focus across the wider Stroke Group in relation to SSNAP outcomes and the identification of improvement opportunities. <p>Introduction of a 'SSNAP Performance Board' in relevant areas to raise awareness.</p> <p>Introduction of a monthly newsletter for the entire Stroke team to provide a range of updates linked to the SSNAP performance board but inclusive of a wider scope (Therapy/nursing & medical teams).</p> <p>Identifying a SSNAP lead nurse from all 3 wards to update boards.</p> <ul style="list-style-type: none"> • SSNAP lead confirmed with specific roles, responsibilities. • Development of a sub group to analyse current door to needle performance and identify solutions for implementation. – Group has started to introduce tests of change. • Swallow Screening - ASU have introduced an identified nurse to support the A+E nurse with Swallow Assessments.
UK Trauma Audit and Research Network (UKTARN)	<p>The Trust has performed above the national average in 9 of the 12 TARN indicators. Two of the clinical measures that were below the national average are based on a small number denominator, namely 'patients meeting NICE head injury guidelines that receive a CT scan within 60 minutes of arrival' and 'definitive coverage of open fractures within BOAST 4 guidelines'. All the misses have been clinically reviewed to determine the cause.</p> <p>The results have been discussed at the Major Trauma Operational meetings and recommendations and action plans are in place so that practice can be improved where required.</p>
NCEPOD Sepsis Study	<p>The results of the NCEPOD Study have been reviewed by the Trust alongside the Annual Review of the All Party Parliamentary Group on Sepsis. Actions recommended/ implemented to improve local practice include:</p> <ul style="list-style-type: none"> • Sepsis screening and sepsis modules have been developed within EPR and are being trialled in EAU. • Medical coordinator role to oversee red flags. • A separate integrated screening tool is used to assess all ED patients at triage for the presence of severe sepsis/ septic shock, highlighting these patients to the coordinator, to assist in early delivery of antibiotics. • A sepsis steering group has been established in conjunction with the QI team, reporting to the EQSC. • Development and implementation of training on sepsis for all staff groups.
NCEPOD Severe GI Haemorrhage	<p>The national report was received by the Trust, the clinical team are in the process of reviewing the audit results and will then develop an action plan to address any areas requiring improvement.</p>

Appendix B

Local Clinical Audit: actions to improve quality

Audit title	Actions planned/undertaken
Trust wide consent audit	<p>The findings of the Trust-wide Consent Audit were reviewed at all Divisional Governance meetings.</p> <p>Action plans have been developed by each of the Divisions identifying how areas of poor compliance will be addressed.</p> <p>The methodology for the Consent Re-audit will be reviewed and data collection will take into account the whole documentation around consent rather than just the Consent Form.</p>
Safe Storage of Medicines at Ward Level	<p>The findings of the audit are broken down to ward level in order to identify specific areas requiring action. The data allows us to identify any issues that exist regarding ward infrastructure, e.g. broken locks that may be preventing compliance with the required standards and these can be acted upon in real time.</p>
Trust-wide Record keeping Audit	<p>As a result of the Trust-wide Record Keeping Audit the following actions were planned/taken:</p> <ul style="list-style-type: none"> • Identification of interventions required to improve documentation and production of divisional level action plan • Bi – Monthly review of compliance and action plan progress at Matrons meeting. • Audit Results to be core agenda item on local governance and nursing group agendas, twice yearly. • Audit results to be circulated widely across clinical groups via governance managers, ADNS's, Lead Nurses and Matrons. • Rollout plan to be developed for other nursing groups outside of wards in 2015 i.e. specialist nurses • All adapted questionnaires will be approved via CCRB / CIB. • Review of national and local guidelines/standards to ensure all essential record keeping standards are being measured against • Records Audit Group to work with IM&T representative in order to develop audit tool within EPR

Appendix B

Local Clinical Audit: actions to improve quality *continued*

Audit title	Actions planned/undertaken
An Audit into the implementation of HAT assessment and VTE prophylaxis on wards B1 and B2	<p>The audit reviewed current practice against the following:</p> <ul style="list-style-type: none"> • Patients should have a HAT (hospital acquired thrombosis) filled in within 24 hours of admission. • Patients at high risk should be prescribed both pharmacological and mechanical prophylaxis unless contraindicated. <p>As a result of the audit the following actions are planned/undertaken:</p> <ul style="list-style-type: none"> • Findings presented at monthly surgical meeting and information given to consultants re stocking prescription. • Powerpoint and information sheet created for new starters – explaining how to order HAT, stockings and tinzaparin. Powerpoint presentation given by Consultant Lead at induction. Information sheet given out. • Nursing staff on B1 and B2 implementing test of change for stockings.
Transient Ischaemic Attack (TIA) Audit	<p>The audit aimed to review compliance with RCP guidelines (2012) and local CQUINS regarding inpatient TIA management at Salford Royal NHS Foundation Trust.</p> <p>As a result of the audit the following actions are planned/undertaken:</p> <ul style="list-style-type: none"> • Review of inpatient USS imaging usage to allow for recognition of delays to outpatient access caused by inpatient use. • Business case development for increase in imaging availability to be developed. • Review the structure of TIA outpatient appointments and access to imaging slots across the day. • Meet with radiology on completion of business case to develop structure to imaging slots available to increase access across the day as opposed to current afternoon slots only. • Review proposed audit results and ensure repeat audit following implementation of change to ensure CQUIN compliance is maintained for inpatients and achieved for outpatients
Infection Control Ward Audits	<p>The Infection Control Team undertakes a rolling programme of ward and community area infection control audits. Wards/areas are audited annually and individual reports are returned to the ward manager / lead manager for action. Reports highlight areas of concern which require improvement. Wards/areas are required to produce an action plan to address any issues of concern and submit these to the IC Team.</p> <p>Wards/areas are RAG Rated as Green, Amber or Red. Any areas receiving a Red Rating is followed up within one week, any area receiving an Amber Rating with 6 months to ensure improvements have been made.</p>

Appendix B

Local Clinical Audit: actions to improve quality *continued*

Audit title	Actions planned/undertaken
Carers adherence to Moving and Handling at Heartly Green	<p>As a result of the audit the following actions are planned/undertaken:</p> <ul style="list-style-type: none"> Therapists take a more supervisory role on the units re carers moving and handling and continue to provide ad hoc/on the spot demonstration of moving and handling equipment. CIC management have now had carers moving and handling training updated. SRFT providing Moving and Handling specific equipment education on monthly basis. CIC and SRFT staff to work together to improve carers documentation. This will be managed by 2 strategies. Firstly via SRFT staff providing demonstrations and advice to carers and monitoring by audit. Secondly via CIC carers having update training on documentation - Therapy staff on the unit will continue to spot check carers documentation as part of supervisory role re moving and handling.
Correct Level Spinal Surgery	The audit findings were presented at the Neurosurgery Governance meeting and the Spinal Surgery Directorate Meeting in order to continue to raise awareness. The audit results provide assurance that Trust policy is being adhered to.
Real Time US –Guided Ventricular Catheterisation: A Single Centre Retrospective Audit	<p>As a result of the audit the following actions are planned/undertaken:</p> <ul style="list-style-type: none"> Organize further training sessions on US imaging intraoperatively. Ensure real time US is used appropriately as directed by the department guide by regular auditing. Request further funds for a second US machine - Funds for a new US machine have been discussed and confirmed.
Infection Control – Blood Cultures Audit (monthly on-going)	<p>The aim of the audit is to measure compliance with the local Trust policy; Blood Culture Sampling in Adults. The audit focus is on whether:</p> <ul style="list-style-type: none"> The name of the member of staff on the pathology form is the same name as the member of staff taking the blood. The blood culture sticker is attached to the form with questions completed and signed by the same person taking the blood. The person taking the blood has current status on to the Blood Culture Sampling Competency Register. <p>All non-adherence to the above is followed up by the Infection Control Team.</p>

Appendix C

Goals agreed with commissioners: commissioning for Quality and Innovation Payment Framework (CQUIN)

	Indicator Number	Indicator Name	Summary of CQUIN	Total
NATIONAL CQUINS	1	Acute Kidney Injury	This CQUIN focuses on AKI diagnosis and treatment in hospital and the plan of care to monitor kidney function after discharge, measured through the percentage of patients with AKI treated in an acute hospital whose discharge summary includes four key items.	£528,999
	2	Sepsis	This CQUIN focuses on patients arriving in the hospital via the Emergency Department or by direct emergency admission to any other unit (e.g. Medical Assessment Unit) or acute ward. It seeks to incentivise providers to screen for sepsis all those patients for whom sepsis screening is appropriate, and to rapidly initiate intravenous antibiotics, within 1 hour of presentation, for those patients who have suspected severe sepsis, Red Flag Sepsis or septic shock.	£529,003
	3	Dementia and Delirium	Dementia FAIRI - The proportion of those identified as potentially having dementia or delirium who are appropriately assessed. Staff Training - To ensure that appropriate dementia training is available to all staff. Carers - Ensure carers of people with dementia and delirium feel adequately supported.	£529,002
	4a	Greater Manchester Partnership	Developing partnership working between Mental Health Trusts, Acute and Community Trusts, GMP, NWAS and the Fire Service to deliver improved outcomes for patients and support more effective use of the public service and communities resources.	£719,463
	4b	Development of out of hospital offer/pathways for the under 65's that get admitted after presenting at A&E with unscheduled care needs	To test a methodology that enables us to understand how we can develop our out of hospital offer/pathways for the under 65's that get admitted after presenting at A&E with unscheduled care needs.	£264,502
Greater Manchester CQUIN	5	IM&T CQUIN	Two schemes were chosen to be developed: Community Digitalisation - The purpose of the project is to introduce digitalised working into community areas. All SRFT community staff will move to using SCM EPR as a primary health record. The development will also include the introduction of digital dictation. WiFi in patient areas - The purpose of this CQUIN is to introduce free access to the Internet for patients via their personal device within designated areas.	£448,497

Appendix C

Goals agreed with commissioners: commissioning for Quality and Innovation Payment Framework (CQUIN) *continued*

	Indicator Number	Indicator Name	Summary of CQUIN	Total
LOCAL CQUINS	6	Learning Disability	Implement the 'Better Health Support LD Action Plan' - that was developed as part of the 2014/15 Greater Manchester LD CQUIN. The action plan aims to improve access and reduce inequalities for people with learning disabilities.	£128,142
	7	7 Day Working - A&E	Ensure that patient's admitted to the Emergency Assessment Unit under an Acute Medicine or A&E Specialty would be measured in line with seven day working standards. Patients to have Consultant review within 4 hours between 8.00 a.m. and 8.00 p.m. and within 12 hours between 8.00 p.m. and 8.00 a.m. Patients admitted with a high risk of mortality must be seen by a consultant within 1 hour of admission 8am to 8pm and by a middle grade within 1 hour of admission 8pm to 8am.	£128,142
	8	7 Day Working - General Surgery	1. No. of surgical emergency patients referred by EM Clinician seen by appropriately qualified Dr within 30 mins of referral in case of life or limb threatening emergency 2. No. of surgical emergency patients referred by EM Clinician as a routine emergency & seen by appropriately qualified Dr within 60 mins.	£128,142
	9	End of Life - Acute	Selected medical and nursing staff to be trained and have the skills and confidence to use EPaCS within Salford Royal. This will include 14 medical staff and 14 nursing staff (total of 7 wards and 28 staff).	£128,142
	10	End of Life - Community	The 'Palliative Care Meeting Checklist' must be used at all meetings by District Nurses.	£128,142
	11	Paediatric Pathway Management - Epilepsy	Design and implement a pathway for Epilepsy, with clear guidelines for care. Monitor compliance with pathway.	£128,142
	12	COPD Care Checklist	Develop a COPD Integrated Care Bundle. The bundle is for patients admitted with a primary diagnosis of an acute COPD exacerbation (ICD10 J44.1) initially on wards H2 and L6 & followed-up by the COPD Assessment and Support Team (CAST).	£128,142
	13	Safety Thermometer - UTI	Reduction of catheter associated urinary tract infections.	£128,142
	14	Medicine Safety Thermometer	A snapshot on one day each month to understand medication error, harm from medication and engage frontline teams for 10 wards in SRFT.	£128,142
	15	Medicines Reconciliation at Discharge	Increase the number of patients who had the medicines stopped/started during admission section completed on the electronic discharges from EAU/AAA and B6.	£128,142
	16	New - Cancer Communications	Provision of treatment summaries for patients and GPs at the end of cancer treatment in Colorectal and Haematology.	£128,142

Appendix C

Goals agreed with commissioners: commissioning for Quality and Innovation Payment Framework (CQUIN) *continued*

	Indicator Number	Indicator Name	Summary of CQUIN	Total
LOCAL CQUINS	17	New Intermediate Care	Completion of Therapy Outcome Measure (TOMs) during period of rehab in community therapy services.	£128,142
	18	POPS (Elderly persons elective surgery)	Develop a pathway which streamlines the patient journey for frail elderly patients requiring elective surgical procedure in order to achieve the best outcome for the patient.	£128,142
	19	Clinical Communications	The aim of this CQUIN is to continue to work on improving communications between clinicians ensuring patients receive quality care that is not compromised by poor communication or ambiguity.	£128,142
SPECIAL CQUINS	20	Clinical Utilisation Review Tool	The first part of this CQUIN focuses on establishing and evidencing a project team with relevant stakeholders to manage CUR installation and implementation. The second part focuses on the reduction of bed usage throughout the period of CUR operation where patients do not meet clinical criteria for admission or continued stay.	£888,471
	21a	Increase Effectiveness of Rehabilitation after Critical Illness by completion of rehabilitation assessment 24 hrs after admission	Completion of an assessment of patient's rehabilitation needs 24hrs after admission to Critical Care.	£296,157
	21b	Increase Effectiveness of Rehabilitation on discharge from Critical Care	Assessment of rehabilitation needs for all patients on discharge from Critical Care.	£296,157
	22	Avoidable admissions for neurological conditions	All patients with a long term neurological condition should have a documented emergency care plan agreed with their consultant and retained by the patient. This may include telephone access for the patient to the specialist centre during times of worsening health.	£296,157
	23a	Clinical outcome collaborative audit workshop - IF	Each HSS must arrange a clinical audit meeting between April 2015 and January 2016 for intestinal failure and submit a single report covering notes of the meeting. The CQUIN requirement is designed to encourage collaborative learning and is based on long standing precedent in the highly specialised services (HSS).	£148,078
	23b	Clinical outcome collaborative audit workshop - LSD	Each HSS must arrange a clinical audit meeting between April 2015 and January 2016 for LSD and submit a single report covering notes of the meeting. The CQUIN requirement is designed to encourage collaborative learning and is based on long standing precedent in the highly specialised services (HSS).	£148,078
	24	Renal - increasing home dialysis	Achieve an increase in the percentage of dialysis patients who receive their dialysis at home, either by peritoneal dialysis or home haemodialysis.	£296,157
	25	HIV- reducing unnecessary CD4	Embed evidence based approach to monitoring CD4 counts for management of HIV treatment, in line with international guidelines (2014 DHHS antiretroviral guidelines).	£296,157

Appendix C

Goals agreed with commissioners: commissioning for Quality and Innovation Payment Framework (CQUIN) *continued*

	Indicator Number	Indicator Name	Summary of CQUIN	Total
NHS England (Public Health and Dental)	26	Diabetic retinopathy - health inequalities	Agree with the commissioner specific actions and milestones. This indicator rewards the provider for delivering those actions and milestones that are intended to be achieved by the end of March 2016.	£8,849
	27	Dental - consistent coding	The introduction of the single operating model for the allocation of codes for oral surgery was shared and implemented with Providers during the 2014/15 CQUIN discussions with Providers. This indicator builds on the ground work of the implementation of consistent coding.	£11,738
	28	Dental - managed clinical networks	Provider to Identify Lead Specialists who will be willing to commit 1 session per month in addition to identifying admin support to work with PHE and NHSE and Local Dental Networks. The areas identified are: Orthodontics, Oral Surgery, Special Care Dentistry and Restorative Surgery. Develop a communication plan for both internal and external communications, develop and finalise plans with commissioners to develop terms of reference and development plans for the Managed Clinical Networks.	£11,738
NHS England/Local Authority from September (Health Visiting)	29	Health Visitors - Health inequalities	Agree with the commissioner specific actions and milestones. This indicator rewards the provider for delivering those actions and milestones that are intended to be achieved by the end of March 2016.	£59,416
	30	Health Visitors - Integrated working Maternity and Child Health	SRFT will work with maternity providers to develop and pilot the implementation of a shared communication tool to ensure that all antenatal notifications are received by either the HV or FNP service as appropriate. This will indicate any special circumstances or additional need that this family may have (eg interpreter, DV).	£59,416
Local Authority	31	Sexual Health - No talk testing / HIV coverage	Fully implement the Test and Go service at the 3 clinics at the Lance Burn Health Centre. Followed by fully implementing the Test and Go service at a further two clinics offering this service. 1 at Walkden on Monday evening and 1 at Eccles on Thursday evening.	£28,417
	32	School Nursing	Fully implement the Test and Go service at the 3 clinics at the Lance Burn Health Centre. Followed by fully implementing the Test and Go service at a further two clinics offering this service. 1 at Walkden on Monday evening and 1 at Eccles on Thursday evening.	£28,418
TOTAL				£7,236,800

Appendix D

Glossary of definitions

Term	Explanation
AAA	Ambulatory Assessment Area.
Administering	The act of giving the medicine to the patient, usually by a nurse.
Advance Care Plan	A written statement of wishes or preferences relating to their patient care at the end of life.
ADNS	Assistant Director of Nursing Services. A job role in the hospital relating to nursing management.
Always Events	What patients should always receive when they use our services.
Arthroplasty	Arthroplasty is a surgical procedure to restore the integrity and function of a joint. A joint can be restored by resurfacing the bones.
Aseptic	If something is aseptic it is sterile, sanitized, or otherwise clean of infectious organisms.
Bacteraemia	The presence of bacteria in the blood.
Berwick Report	Review of the Francis Report to give recommendations on how the NHS should improve patient safety continually and forever reduce patient harm by embracing wholeheartedly an ethic of learning.
Cardiovascular care	Relates to the heart and blood vessels.
Care bundle	A group of interventions which are proven to treat a particular condition.
Care partner	A patient's relative, carer or friend who knows them well, who works with health care professionals to help us deliver the best care to our patients.
Care provider	An organisation that cares for patients. There are many examples some of which are a hospital, doctors surgery or care home.
Catheter	Catheters are medical devices that can be inserted in the body to treat diseases or perform a surgical procedure. Catheters are used for many reasons, for example, draining urine and in the process of haemodialysis.
Catheter associated urinary tract infection	An infection which it is believed has been caused by a urinary catheter.
CCG	Clinical Commissioning Responsible for most healthcare services available within a specific geographical area.
CfH	NHS Connecting for Health (NHS CfH) is part of the Department of Health Informatics Directorate.
Change Package	A group of changes or interventions developed to help tackle a particular problem.
Clinical	Relating to the care environment.
Clinical Microsystems Coaching	The Clinical Microsystems approach was developed at the Dartmouth Hitchcock Medical Centre in the US. The Clinical Microsystems approach involves supporting teams to lead and manage their improvement work by focusing on the needs of their [patients] and strengthening their organisational links to enhance their competencies in meeting these. Teams are supported in identifying and addressing areas for improvement through the use of a framework [for data collection] and a set of specific [improvement] tools and techniques (Nelson et al 2007).
<i>Clostridium difficile</i>	A type of infection.
Collaborative	Working together towards a shared purpose.
Collated	Gathered together.
COMFE	Comfortable, Observe, Move & Mobilise, Food and Fluids, Elimination. This is a form of intentional rounding in the community.
Condition	An illness or disease which a patient is suffering from.
Continuing Healthcare	NHS continuing healthcare is the name given to a package of care that is arranged and funded by the NHS for individuals who are not in hospital but have complex ongoing healthcare needs.

Appendix D

Glossary of definitions (*continued*)

Term	Explanation
Control Charts	Control charts, also known as Shewhart charts or process control charts (SPC Charts), are graphs used to determine whether or not a process is stable. This is helpful in monitoring performance and monitoring improvement work. If there is an active improvement effort going on, these tools can also be used to determine if an improvement has indeed been made.
COPD	Chronic obstructive pulmonary disease. The name for a collection of lung diseases including chronic bronchitis, emphysema and chronic obstructive airways disease.
Core Values	A group of ideals which the Trust believes all staff should exhibit.
CQC	Care Quality Commission - The independent regulator of all health and social care services in England.
CQUIN	Commissioning for Quality and Innovation. This is a system introduced in 2009 to make a proportion of healthcare providers' income conditional on demonstrating improvements in quality and innovation in specified areas of care.
Deep vein thrombosis	A blood clot occurring in the deep veins of the leg.
CURB-65	CURB-65 is a clinical prediction rule that has been validated for predicting mortality in community-acquired pneumonia [1] and infection of any site.[2] The CURB-65 is based on the earlier CURB score [3] and is recommended by the British Thoracic Society for the assessment of severity of pneumonia.[4]
Dispensing	The provision of medications by the pharmacy.
EAU	Emergency admissions unit.
Electronic patient record	A software program which is used to enter information about a patient which is accessible by members of staff at the Trust.
Embed	Put in place.
Emergency village	A ward of the hospital which receives different types of patients into the hospital for example from the emergency department.
Episodes	An interval of healthcare provided.
Executive Safety Walk Rounds	A visit to wards and departments by members of the Executive Team where members of staff can discuss concerns relating to patient safety.
Executive Team	The most senior managers in the Trust consisting of the Chief Executive, The Deputy Chief Executive, The Executive Medical Director, The Executive Nurse, Executive Director of Organisational Development & Corporate Affairs and The Executive Director of Strategy and Development.
FCE = finished consultant episode	The total time a patient spends under the care of an individual consultant.
Francis Report	Report led by Robert Francis QC, of the Mid Staffordshire NHS Foundation Trust Public Inquiry. The report was highlight areas of concerns relating to patient safety to aid organisational learning.
Geriatricians	Doctors who specialise in working with older people.
Grand Round	A teaching session which forms part of the medical education of junior doctors.
Haemodialysis	A process where blood taken from the body to be cleaned in a filter known as a dialyser.
Haemodialysis catheter-related bacteraemia	A blood stream infection caused by catheters inserted into the body which are required for patients requiring haemodialysis.
Haemoglobin	A part of red blood cells. Its function is to carry the oxygen from your lungs to your tissues.
Harm	An unwanted outcome of care intended to treat a patient.
HELP	Hospital Empowering Loved-ones and Patient's.

Appendix D

Glossary of definitions (*continued*)

Term	Explanation
Hippocratic Oath	The Hippocratic oath is a long-standing tradition in medicine. Named after the Greek physician Hippocrates, the written oath was intended to act as a guideline for those entering the medical profession.
HSMR	Hospital Standardised Mortality Ratio. A system which compares expected mortality of patients to actual.
Huddle	A brief meeting often at the start and finish of shifts in care areas.
IHI	The Institute for Healthcare Improvement. The mission of IHI is to improve healthcare.
Information intensive consultations	Appointments that include a large amount of information for patients often from different sources such as the internet and electronic patient records.
Intervention	A treatment which is intended to improve a patient's condition.
Intentional rounding	A structured process where nursing staff carry out regular checks with individual patients at set intervals, typically hourly.
Intermediate care units	Units which patients go to when they no longer require the acute care of the hospital but are not yet ready to go home.
IV	Intravenous. Means within a vein but often seen in the context of giving medications which means administered directly into the vein.
IV diuretic treatment	Diuretics, also called water-pills, are a class of medications used to treat high blood pressure, heart failure and other diseases that cause fluid build-up in the body. IV diuretics are given intravenously.
Just culture	A culture which understands that poorly designed systems are most commonly the cause of adverse events rather than individuals.
Lean Methodology	Lean methodology is an approach to improve flow and eliminate waste that was developed by Toyota. Lean is about getting the right things to the right place, at the right time, in the right quantities, while minimising waste and being flexible and open to change.
Liverpool Care Pathway	The Liverpool Care Pathway for the Dying Patient (LCP) is a UK care pathway covering palliative care options for patients in the final days or hours of life.
Locum	A temporary member of staff who fills in when Trust staff aren't available, usually a doctor (locum doctor) or nurse (locum nurse).
Lumbar puncture	A procedure that takes fluid from the spine in the lower back through a hollow needle, usually done for diagnostic purposes.
Managed Booking	Outpatient appointment booking system where follow-up appointments are booked no more than six weeks in advance.
Medicines reconciliations	A process to ensure medicines prescribed on admission correspond to those taking before admission.
Model for Improvement	The Model for Improvement is a quality improvement tool which asks three questions. 1) What are we trying to accomplish. 2) How will we know that a change is an improvement? 3) What changes can we make that will result in improvement? These three questions, coupled with the Plan, Do, Study, Act method of testing change from the Model for Improvement. Source: Associates for Process Improvement.
Monitor	Monitor was established in 2004 and authorises and regulates NHS Foundation Trusts. Monitor works to ensure that Foundation Trusts comply with the conditions they signed up to and that they are well led and financially robust.
Morbidity	Morbidity comes from the word morbid, which means "of or relating to disease".
Mortality	Mortality relates to death. In health care mortality rates means death rate.
MRSA blood stream infection	Methicillin-resistant <i>Staphylococcus aureus</i> (MRSA) is a type of infection.

Appendix D

Glossary of definitions (*continued*)

Term	Explanation
Multidisciplinary	Consisting of members of staff from different professional groups, for example doctors, nurses, physiotherapists and pharmacists.
Never Event	Never Events are patient safety incidents that are preventable and should not occur because: <ul style="list-style-type: none"> • there is guidance that explains what the care or treatment should be; • there is guidance to explain how risks and harm can be prevented; • There has been adequate notice and support to put systems in place to prevent them from happening.
NHS Quest	NHS QUEST is a network for Foundation Trusts who wish to focus relentlessly on improving quality and safety.
NICE	National Institute of Clinical Excellence. An independent organisation that provides national guidance and standards on the promotion of good health and the prevention and treatment of ill health.
Non-statutory	Not required by law.
Nursing Assessment and Accreditation System (NAAS)	The Nursing Assessment and Accreditation System is quality and performance assessment framework used to monitor nursing standards throughout the organisation.
Open (flexible) visiting hours	Visiting hours extended beyond traditional set times to allow carer and relatives to visit patients at more convenient times.
Patient Experience Trackers	Hand held device that is used to record patients feedback.
Patient portals	Patient Portals are healthcare-related online applications that allow patients to interact and communicate with their healthcare providers.
P-D-S-A	Plan, Do, Study, Act. A test of change methodology within quality improvement which is used to try something out for a short period of time. Tests of change help us to understand whether the things that we think will make something better will work in practice.
Peritoneal dialysis	Peritoneal dialysis is one of the two types of dialysis (removal of waste and excess water from the blood) that is used to treat people with kidney failure. In PD, the process of dialysis takes place inside the body. The abdomen has a lining called the peritoneal membrane, which can be used as a filter to remove excess waste and water.
Peritonitis	Peritonitis is an inflammation of the peritoneum, the thin tissue that lines the inner wall of the abdomen and covers most of the abdominal organs.
Phosphate	Phosphate is a mineral in the body, and together with calcium makes up most of our bones.
Pilot ward/ area	A ward/ area involved in the initial testing period of a project.
Piloting/Piloted	Testing/Tested.
Prescriber	Someone who writes prescriptions for medicines for patients.
Prescribing	The act of deciding which medicines a patient needs, usually by a doctor.
Prophylaxis	Preventative medicine or care.
Psychological safety	The perception of being able to speak up without fear of reprisal from others.
Pulmonary embolism (PE)	A blood clot which has become lodged in the lungs.
Quality Improvement Strategy	A document which outlines the aims and objectives of the Trust relating to patients safety and improving quality.

Appendix D

Glossary of definitions (*continued*)

Term	Explanation
Readmission	Where a patient is admitted to the hospital after an initial period of treatment.
Readmission – Relative Risk	This data focusses on the probability of a readmission occurring and how it is comparable to the national average. NHS average is an relative risk outcome of 100.
Readmission – PBR Readmission Rate	Measures readmissions in another way, excluding certain groups of patients who are more likely to readmit due to their long-term condition e.g. cancer patients and renal dialysis patients. Financial penalties are not attributable to the Trust if these patients are readmitted to hospital. Therefore the PBR readmission rate excludes these groups of patients.
Relationship based care	A patient centred model of communication that encourages patient involvement and two-way communication.
Reliability science	The science relating to ensuring that all processes and procedures perform their intended function.
Root Cause Analysis (RCA)	A method of problem solving that tries to identify the root causes of issues and why they are happening.
Run Charts	Run charts are graphs used to display data for quality improvement purposes. Run charts are easier for teams to work with than control charts, although they may be less statistically sensitive. Run charts helpful in monitoring performance and monitoring improvement work. If there is an active improvement effort going on, these tools can also be used to determine if an improvement has indeed been made.
Safety Thermometer	A point of care survey which is used to record the occurrence of four types of harm (pressure ulcers, falls, catheter associated urinary tract infection and venous thromboembolism).
Salford Together Partnership	The Salford Together Partnership – an alliance formed by NHS Salford Clinical Commissioning Group, Salford City Council, Salford Royal NHS Foundation Trust and Greater Manchester West Mental Health NHS Foundation Trust. The Partnership aims to bring together home care, mental health and community nursing, hospital and out-of-hospital services together, ushering in a new era of joined-up care.
SCAPE	Safe, Clean and Personal Every time.
Scoping phase	The scoping phase of a project relates to introductory work which is required in order to make the project a success in the future. This may include collection and review of data, research of best practice and world class performance, building a team to direct the project, early work with pilot teams.
Self-testing	Tests which patients are able to perform for themselves, for example taking blood sugar readings.
shared decision making	A method of actively involving patients decisions about their treatment.
Shear	Shear is a cause of pressure ulcers and is caused by bones moving against soft tissue.
SHMI	Standardised Hospital Mortality Index. A system which compares expected mortality of patients to actual mortality (similar to HSMR).
Specialing	Certain patients may require one on one nursing care within the ward setting. This may be due to the patient being a high risk of falls, due to confusion or for some other reason. When this one on one care is required it is known as specialing.
SSI	Surgical Site Infection.
Steering group	A group of people who are involved in the management of a piece of work or a project.
Step-down	The transition from one level of care from one ward to another ward. For example, from critical care to regular inpatient ward.
Teach-back	This is a technique that helps us to understand how well we have delivered important information to our patients about their condition or medications.
Telehealth	The delivery of health-related services and information via telecommunications technologies.
Telehealth kit	The equipment needed to deliver of health-related services and information via telecommunications technologies.

Appendix D

Glossary of definitions (*continued*)

Term	Explanation
Telemedicine	The application of clinical medicine where medical information is transferred through the phone or the Internet and sometimes other networks for the purpose of consulting, and sometimes remote medical procedures or examinations.
Test of Change	A small test used in quality improvement which is used to try something out for a short period of time. Tests of change help us to understand whether the things that we think will make something better will work in practice.
The Picker Institute	The Picker Institute is a not-for-profit organisation that works to improve patient care. The Picker Institute organise surveys throughout healthcare including in the Department of Health, NHS Trusts and Boards, hospitals and voluntary organisations.
The Trust	Salford Royal NHS Foundation Trust. A Foundation Trust is part of the National Health Service in England and has to meet national targets and standards. NHS Foundation Trust status also gives us greater freedom from central Government control and new financial flexibility.
Thrombolysis	This is the breakdown of blood clots by the injection of specific medicine.
TICKLE	Trainees Improving Care through Leadership and Education (TICKLE).
Two Week Wait	Two week maximum wait from urgent GP referral to first outpatient appointment for all urgent suspected cancers .
Urea reduction ratio	Reduction in urea (waste product in urine) as a result of dialysis.
Urinary catheter	A device which is placed into a patient's bladder for the purpose of draining urine.
Vanguard	A Vanguard is an entity who is leading/pioneering the way in a certain field. For example, the Salford Together Partnership is a 'vanguard' for leading improvements and pioneering developments that will bring home care, mental health and community nursing, hospital and out-of-hospital services together, ushering in a new era of joined-up care.
Venous Thromboembolism (VTE)	A blood clot forming within a vein.
Vertically integrated	The integration of areas of work that have one common user. In the case of Salford the acute hospital and community services have been integrated in order to improve the care given to patients.
Virtual Ward	The Virtual Ward is similar to a ward in a hospital in that it has a structure of both clinical and administrative staff that coordinates and provides direct care to patients. The main difference is that the actual ward does not physically exist to house all the patients in one location, the care is provided in the individual patient's own home.



University Teaching Trust

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2 Accountability Report





Directors Report

Salford Royal is headed by a Board of Directors with responsibility for the exercise of the powers and the performance of the NHS Foundation Trust.

Chairman

Mr James Potter

Chief Executive

Sir David Dalton

Executive Directors

Mrs Elaine Inglesby-Burke CBE

Executive Nurse Director and Deputy Chief Executive

Mr Chris Brookes

Executive Medical Director

Mrs Janelle Holmes

Director of Productivity and Efficiency/Interim

Director of Performance and Improvement

Advisory, non-voting member of the Board of Directors

Mr Raj Jain

Executive Director of Corporate Strategy and Business Development

Mr Ian Moston

Executive Director of Finance

Mr Paul Renshaw

Executive Director of Organisational Development and Corporate Affairs

Mr Jack Sharp

Executive Director of Service Strategy and Development

Dr Peter Turkington

Medical Director Standards and Performance

Advisory, non-voting member of the Board of Directors

Non-Executive Directors

Dr Joanna Bibby

Non-Executive Director

Mrs Diane Brown

Senior Independent Director

Mrs Rowena Burns

Non-Executive Director

Dr Chris Reilly

Non-Executive Director

Mrs Anne Williams CBE

Non-Executive Director

Mr John Willis CBE

Vice-Chairman/Chairman of the Audit Committee

Declaration of Interests of the Board of Directors

The Board of Directors undertakes an annual review of its Register of Declared Interests. At each meeting of the Board of Directors a standing agenda item also requires all Executive and Non-Executive Directors to make known any interest in relation to the agenda, and any changes to their declared interests.

The Register of Declared Interests is made available to the public via the Boards' Meeting Minutes on Salford Royal's website and available for inspection via Salford Royal Secretary's Office. Members of the public can gain access by contacting the Foundation Trust Secretary:

Mrs Jane Burns
Associate Director of Corporate Affairs/
Foundation Trust Secretary
Trust Executive Offices
3rd Floor, Mayo Building,
Salford Royal NHS Foundation Trust
Stott Lane
Salford
M6 8HD.

Tel: **0161 206 5185**

Email: **jane.burns@srft.nhs.uk**

Statutory statements required within the Directors Report

Salford Royal has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance.

A statement describing adoption of the Better Practice Payment Code is included within the Annual Accounts.

Income disclosures as required by Section 43 2(A) of the NHS Act 2006 are included within the Financial Performance section of the Performance Report.

Directors of Salford Royal have undertaken to abide by the provisions of the Code of Conduct for the Board of Directors at Salford Royal NHS Foundation Trust, this includes ensuring that each Director at the time that this Annual Report is approved:

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

The provisions of the Code of Conduct also confirm, and directors have undertaken to have taken all the steps that they ought to have taken as a director in order to do the things mentioned above and:

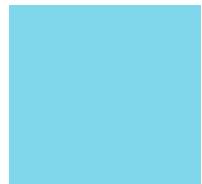
- Made such enquiries of his/her fellow directors and of the company's auditors for that purpose
- Taken such steps (if any) for that purpose, as are required by his/her duty as a director of the company to exercise reasonable care, skill and diligence.

Quality Governance

Salford Royal has, in previous years, conducted annual self-assessments against Monitor's Quality Governance Framework. During 2014/15 and 2015/16, self-assessment took place against Monitor's Well-led Governance Framework, which fully incorporates, and builds on, the Quality Governance Framework. These self-assessments are reviewed via the Executive Assurance and Risk Committee and reported to the Board of Directors and Salford Royal's Audit Committee, and support continuous improvement. Additionally, during 2015/16, the Executive Assurance and Risk Committee and Audit Committee determined that Salford Royal's Internal Auditor should review Salford Royal's evidence of compliance with the Well-led Governance Framework. Review was undertaken and concluded that the self-assessment had been completed thoroughly, presenting a compelling and positive picture of Salford Royal; the evidence supplied was appropriate and ensured compliance with all domains.

Also, as part of Salford Royals' Better Care at Lower Cost Programme a quality and safety assessment process is a key component. The assessment evaluates the impact of a reducing costs initiative at operational level, against appropriate quality and safety indicators. Salford Royals' Productivity Improvement Board holds responsibilities for ensuring schemes do not impact adversely on the quality and safety of services. The Quality Report, within this Annual Report and Accounts, describe quality improvements and quality governance in more detail.





Remuneration Report

Annual statement from the Chairman of Salford Royal's Remuneration Committees

I am pleased to present the Directors' Remuneration Report for the financial year 2015/16 on behalf of Salford Royal's two remuneration committees. The Nominations, Remuneration and Terms of Service (NRTS) Committee is established by the Board of Directors, with primary regard to Executive Directors, and the Nominations, Remuneration and Terms of Office (NRTO) Committee is established by the Council of Governors, with regard to Non-Executive Directors.

In accordance with the requirements of the FReM and Monitor, we have divided this Remuneration Report into the following parts:

- The Directors' Remuneration Policy sets out Salford Royal's senior managers' remuneration policy, and
- The Annual Report on Remuneration includes details about the Directors' service contracts and sets out governance matters, such as the committee membership, attendance and the business undertaken.

Major decisions on remuneration

During 2015, the NRTS Committee continued to apply a pay freeze to the basic salaries of Executive Directors and Senior Leaders for 2015/16, and no bonus payments were awarded. The Council of Governors also accepted recommendation from the NRTO Committee to continue to apply a pay freeze to the remuneration paid to Non-Executive Directors.

Salford Royal's remuneration committees aim to ensure that Non-Executive and Executive Directors' remuneration is set appropriately, taking in to account relevant market conditions, and Executive Directors and Senior Managers are appropriately rewarded for their performance against goals and objectives linked directly to Salford Royal's principal objectives. The Committees fulfil their responsibilities and report directly either to the Board of Directors or Council of Governors.

Signed: 

Date: 26 May 2016

Mr James Potter

Trust Chairman and Chairman of Salford Royal's Remuneration Committees

Senior Managers' Remuneration Report

Salford Royal has a stated intention for pay to be in the upper quartile of equivalent NHS organisations and that improvements to individual remuneration should consider Trust performance as a leading provider, achievement of annual plan, affordability and consideration of national issues as well as personal performance.

Principles for wider Executive and senior manager reward incentives are that they should be designed to reward sustained high performance at a team and individual level.

Future policy table

Element of Pay	Purpose and Link to Company's Strategy	How operated in practice	Maximum Opportunity	Description of performance metrics	Changes to 2015/16 remuneration policy from the previous year
Base salary	To help promote the long term success of Salford Royal and to attract and retain high-calibre Executive Directors to implement Salford Royal's strategy. To provide a competitive salary relative to comparable healthcare organisations in terms of size and complexity.	<p>As determined by salary bands.</p> <p>Increments reviewed annually and approval based upon successful performance. The highest point of bands are only reached for sustained high performance and pay at this level can cease in light of poor personal performance</p> <p>The Committee considers:</p> <ul style="list-style-type: none"> • individual responsibilities, skills, experience and performance; • salary levels for similar positions in other foundation trusts; • the level of pay increases awarded across Salford Royal (with the exception of promotions); • economic and market conditions; and • the performance of Salford Royal <p>The Committee retains the right to approve a higher increase in exceptional cases, such as major changes to the Executive Director's role/duties or internal promotions to the position of Director. In these circumstances a full explanation of the increases awarded will be provided in the Annual Report on Remuneration.</p> <p>Salaries are paid monthly in arrears.</p>	<p>There is no prescribed maximum annual increase.</p> <p>The Committee on occasions may need to recognise changes in the role and/or duties of a Director; movement in comparator salaries; and salary progression for newly appointed directors.</p>	N/A	No change
Benefits (taxable)	To help promote the long term success of Salford Royal and to attract and retain high-calibre Executive Directors and to remain competitive in the market place.	<p>Benefits for Executive Directors include:</p> <ul style="list-style-type: none"> • lease car or personal car allowance. • Pension related benefits - annual increase in NHS pension entitlement <p>Non-Executive Directors do not receive benefits.</p>	There is no formal maximum.	N/A	No change

Future policy table *continued*

Element of Pay	Purpose and Link to Company's Strategy	How operated in practice	Maximum Opportunity	Description of performance metrics	Changes to 2015/16 remuneration policy from the previous year
Pension	To help promote the long term success of Salford Royal and the NHS. To attract and retain high-calibre Executive Directors and to remain competitive in the market place.	Salford Royal operates the standard NHS pension scheme without any exceptions.	As per standard NHS pension scheme.	N/A	No change
Annual bonus	To motivate and reward Executive Directors for the achievement of demanding financial objectives and key strategic measures over the financial year. The performance targets set are stretching whilst having regard to the nature and risk profile of Salford Royal. Variable remuneration allows Salford Royal to manage its cost base by giving it the flexibility to react to changes in the health economy and any unforeseen events.	The Committee reviews individual performance as measured at the end of the financial year and the level of bonus payable is calculated at that point. Bonus payments remain between 0-10% of base salary, dependent upon organisational and individual performance and paid in cash. Annual bonus is not pensionable.	Maximum earning potential of up to 10% of base salary	As defined by Salford Royal's Contribution Framework	No change
Non-Executive Directors' fees (including the Chairman)	To attract and retain high quality and experienced Non-Executive Directors (including the Chairman).	The remuneration of the Non-Executive Directors, including the Chairman, is set by the Council of Governors on the recommendation of a NRTD Committee having regard to the time commitment and responsibilities associated with the role. The remuneration of the Chairman and the Non-Executive Directors is reviewed annually taking into account the fees paid by other foundation trusts. Non-Executive Director fees are paid in cash. The Non-Executive Directors do not participate in any performance related schemes (e.g. annual bonus or incentive schemes) nor do they receive any pension or private medical insurance or taxable benefits. No additional fees are payable for membership of Board Committees however, additional fees are paid to the Chairman of the Audit, Committee and the Senior Independent Director.	Non-Executive Director fees take into account fees paid by other foundation trusts.	N/A	No change

Bonus scheme

Salford Royal has operated a non-recurrent annual reward scheme since 2009. This has been in operation to reward sustained high performance at a team and individual level and for short and long term organisational performance.

The scheme has been designed to make payments of between 0% and 10% of base salary and considers organisational performance in the following areas: patient safety against national standards; financial performance; and contractual obligations, along with Monitor's Compliance Framework performance measures.

A revised annual reward scheme was introduced in 2015/16, which formally describes a structure for determining overall Trust performance across a number of measures aligned to the Annual Plan. It was acknowledged by the Board that achievement of 'On Target' for financial performance for 2015/16 would result in a significant deficit and would therefore mean that the formal bonus scheme would not run for this year, irrespective of performance in the other domains.

Senior managers are only eligible for a payment under this scheme if they achieve at least a 'successful' rating and will not receive any payment if they leave Salford Royal (other than for retirement at normal retirement age) before the completion of the financial year in question.

No new components have been introduced to senior manager remuneration packages.

Our general policy for employee remuneration is to follow nationally set terms and conditions and salary bands. Salford Royal senior managers are employed on local Trust terms and conditions, which seek to ensure we remain within the upper quartile of equivalent NHS trusts. In addition to base salaries, we also offer a car allowance and annual reward schemes that have been previously described.



The following tables and the fair pay multiple, which are subject to external audit, shows Directors remuneration for the year. Taxable benefits in column B were for lease car or personal car allowances.

The following table includes performance related bonuses. These are awarded non-recurrently and are excluded from pension calculations. Non-Executive Directors are not eligible to join the pension scheme.

Remuneration for the year to 31 March 2016

Executive Directors	Salary Bands of £5000 £000	Taxable Benefits (lease car or car allowance) rounded to nearest £100 £000	Annual Performance-related bonuses bands of £5000 £000	Long-term performance-related bonuses £000	Pension related benefits - annual increase in NHS pension entitlement bands of £2500 £000	Other salary paid as a clinician and not as Executive Medical Director in bands of £5,000 £000	Total Salary bands of £5000 £000
Sir D. Dalton Chief Executive	210-215	11.4	0	0	75-77.5	0	295-300
E. Inglesby-Burke Deputy Chief Executive and Executive Nurse Director	140-145	5.6	0	0	70-72.5	0	220-225
C. Brookes Executive Medical Director	130-135	0	0	0	27.5-30	50-55	210-215
J Holmes Director of Productivity and Efficiency/Interim Director of Performance and Improvement	110-115	0	0	0	37.5-40	0	145-150
R. Jain Director of Corporate Strategy and Business Development	165-170	4.4	0	0	55-57.5	0	225-230
I. Moston Director of Finance	130-135	5.6	0	0	25-27.5	0	160-165
P. Renshaw Director of Organisational Development and Corporate Affairs	115-120	5.6	0	0	40-42.5	0	160-165
J. Sharp Director of Service Strategy and Development	115-120	5.6	0	0	30-32.5	0	150-155
P. Turkington Medical Director (Standards and Performance)	120-125	0	0	0	30-32.5	65-70	215-220
Chair and Non-Executive Directors							
J. Potter Chair	45-50	0	0	0	N/A	0	45-50
J. Bibby Non-Executive Member	10-15	0	0	0	N/A	0	10-15
D. Brown Non-Executive Member	10-15	0	0	0	N/A	0	10-15
R. Burns Non-Executive Member	10-15	0	0	0	N/A	0	10-15
C. Reilly Non-Executive Member	10-15	0	0	0	N/A	0	10-15
A. Williams Non-Executive Member	10-15	0	0	0	N/A	0	10-15
J. Willis Non-Executive Member	15-20	0	0	0	N/A	0	15-20

1. The Chief Executives salary at 31st March 2016 remains at the same level as 31st March 2015, £210k. The banding reported for 2014/15 is lower than that for 2015/16 as the salary increased from October 2015 and therefore only a part year level was recorded in that year.
2. The posts of Medical Director (Standards and Performance) and Director of Productivity and Efficiency/ Interim Director of Performance and Improvement existed during both 2014/15 and 2015/16. Following a review of those posts classified as executive directors these positions are included within the remuneration report from 1st April 2015.

Remuneration for the year to 31 March 2015

Executive Directors	Note	Salary Bands of £5000 £000	Taxable Benefits (lease car or car allowance) rounded to nearest £100 £000	Annual Performance-related bonuses bands of £5000 £000	Long-term performance-related bonuses £000	Pension related benefits - annual increase in NHS pension entitlement bands of £2500 £000	Other salary paid as a clinician and not as Executive Medical Director in bands of £5,000 £000	Total Salary bands of £5000 £000
Sir D. Dalton Chief Executive		205-210	2.7	15-20	0	42.5-45	0	270-275
E. Inglesby-Burke Deputy Chief Executive and Executive Nurse Director	3	140-145	6.3	10-15	0	177.5-180	0	335-340
C. Brookes Executive Medical Director	7	80-85	0	0	0	*	30-35	115-120
R. Jain Director of Corporate Strategy and Business Development	1,6	40-45	0	0	0	*	0	40-45
S. Kennedy Acting Director of Finance	8,9	5-10	0	0	0	Left during 2014-15	0	5-10
I. Moston Director of Finance	1,2	115-120	5.3	0	0	*	0	120-125
S. Neville Director of Strategy and Development	8,10	10-15	0	0	0	Left during 2014-15	0	10-15
P. Renshaw Executive Director of Organisational Development and Corporate Affairs	4,5	115-120	5.3	5-10	0	35-37.5	0	165-170
J. Sharp Director of Service Strategy and Development	1,2	105-110	0	0	0	*	0	110-115
P. Turkington Acting Executive Medical Director	8,11	30-35	0	0-5	0	Left during 2014-15	25-30	65-70
Chair and Non-Executive Directors								
J. Potter Chair		45-50	0	0	0	N/A	0	45-50
J. Bibby Non-Executive Member	13	10-15	0	0	0	N/A	0	10-15
D. Brown Non-Executive Member		10-15	0	0	0	N/A	0	10-15
R. Burns Non-Executive Member	13	10-15	0	0	0	N/A	0	10-15
H. Forster Non-Executive Member	14	5-10	0	0	0	N/A	0	5-10
C. Reilly Non-Executive Member	12	5-10	0	0	0	N/A	0	5-10
A. Williams Non-Executive Member		10-15	0	0	0	N/A	0	10-15
J. Willis Non-Executive Member		15-20	0	0	0	N/A	0	15-20

Notes

- 1 Not in role at the beginning of the year, therefore comparators for pensionable benefits and in-year increases are not applicable.
 - 2 Commenced in role 1st May 2014.
 - 3 Became Deputy Chief Executive on 20th January 2014 in addition to role as Executive Nurse.
 - 4 Commenced as Executive Director of Organisational Development and Corporate Affairs on 8th April 2013.
 - 5 Pension scheme does not provide a lump sum.
 - 6 Commenced in role 5th January 2015.
 - 7 Stepped down from the Board whilst on secondment from 1st September 2013, returning to Board duties 1st September 2014.
 - 8 No longer a Trust Board member at the end of the year and therefore pension increase not applicable.
 - 9 Acting Director of Finance between 20th January 2014 and 28th April 2014.
 - 10 Ceased to be a Board member 28th April 2014.
 - 11 Interim Medical Director between 1st September 2013 and 31st August 2014.
 - 12 Commenced in role 1st October 2014.
 - 13 Joined Salford Royal as Non-Executive Director 1st July 2013.
 - 14 Ceased to be a Non Executive Director 30th September 2014.
 - 15 Ceased to be an Executive Director on 19th January 2014.
- * Rises in pensions for these Executive directors are not reported as they partially relate to pension accrued in another role or in a different organisation

Pension benefits for the year to 31 March 2016

Name and Title	Real increase in pension at pension age Bands of £2500) £000	Real increase in pension lump sum at pension age (Bands of £2500) £000	Total Accrued Pension at Age 60 at 31 March 2016 (Bands of £5000) £000	Lump Sum at Age 60 Related to Accrued Pension as at 31 March 2016 (Bands of £5000) £000	Cash Equivalent Transfer Value at 31 March 2016 £000	Cash Equivalent Transfer Value at 31 March 2015 £000	Real Increase in Cash Equivalent Transfer Value £000
Sir D. Dalton Chief Executive	2.5-5	7.5-10	95-100	285-290	1,945	1,841	82
E. Inglesby-Burke Executive Nurse	2.5-5	7.5-10	65-70	205-210	1,444	1,347	82
C. Brookes Medical Director	0-2.5	2.5-5	50-55	160-165	1,133	1,085	35
J Holmes Director of Productivity and Efficiency/Interim Director of Performance and Improvement	0-2.5	2.5-5	25-30	85-90	475	439	31
R.Jain Director of Corporate Strategy and Business Development	0-2.5	5-7.5	40-45	135-140	893	830	54
I. Moston Director of Finance	0-2.5	-2.5-5	40-45	115-120	679	659	12
P. Renshaw Executive Director of Organisational Development and Corporate Affairs	0-2.5	-	5-10	-	59	39	20
J. Sharp Director of Service Strategy and Development	0-2.5	0-2.5	25-30	65-70	333	317	12
P. Turkington Medical Director (Standards and Performance)	0-2.5	0-2.5	35-40	100-105	538	517	15

Footnote to Remuneration Tables

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

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

As Non-Executive members do not receive pensionable remuneration, there are no entries in respect of pensions for Non-Executive members.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed 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 other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real Increase in CETV - This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Pension benefits for the year to 31 March 2015

Name and Title	Real increase in pension at pension age Bands of £2500) £000	Real increase in pension lump sum at pension age (Bands of £2500) £000	Total Accrued Pension at Age 60 at 31 March 2015 (Bands of £5000) £000	Lump Sum at Age 60 Related to Accrued Pension as at 31 March 2015 (Bands of £5000) £000	Cash Equivalent Transfer Value at 31 March 2015 £000	Cash Equivalent Transfer Value at 31 March 2014 £000	Real Increase in Cash Equivalent Transfer Value £000
Sir D. Dalton Chief Executive	0-2.5	5-7.5	90-95	270-275	1,841	1,706	89
E. Inglesby-Burke Executive Nurse	7.5-10	22.5-25	65-70	195-200	1,347	1,121	195
C. Brookes Medical Director	0-2.5	2.5-5	50-55	155-160	1,085	979	47
R. Jain Director of Corporate Strategy and Business Development	*	*	40-45	130-135	830	*	*
I. Moston Director of Finance	*	*	35-40	115-120	659	*	*
P. Renshaw Executive Director of Organisational Development and Corporate Affairs	0-2.5	0	0-5	0	39	19	20
J. Sharp Director of Service Strategy and Development	*	*	20-25	65-70	317	*	*
P. Turkington Acting Executive Medical Director	0-2.5	0-2.5	30-35	100-105	517	481	10
Also served as a Board member during 2014/15 but not in post at year end:							
S. Kennedy Acting Director of Finance							
S. Neville Director of Strategy and Development							

Notes

* Not in post at 1st April 2014, therefore pensionable benefits accrued in previous roles (and therefore in-year increases) are not applicable to role as SRFT Board role.

The remuneration report confirms that where Salford Royal has released an Executive Director, for example to serve as a Non-Executive Director elsewhere, and payment is provided to Salford Royal, such earnings are either retained by the Trust and the Executive Director does not receive these earnings or any earnings are offset by a corresponding adjustment to pay and/or conditions.

Fair Pay Multiples

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

The mid-point banded remuneration of the highest paid director in Salford Royal in the financial year 2015-16 was £222.5k (2014-15, £227.5k). This was 8.5 times (2014-15, 8.3) the median remuneration of the workforce, which was £26k (2014-15, £27k).

In 2015-16, no employees received remuneration in excess of the highest-paid director although Salford Royal paid a higher rate on a full time equivalent basis to a number of locum medical staff during the year. Remuneration paid to employees ranged from £15k to £221k (2014-15 £15k-£227k)

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

The calculation is based on full-time equivalent staff employed as at 31st March paid via Salford Royal's own payroll and also includes costs of staff recharged from other NHS or university organisations and the costs of bank and agency nursing staff and locum medical staff as at 31st March 2016 multiplied by 12 to estimate an annualised total pay cost per full-time equivalent.

Salford Royal has robust processes in place to ensure remuneration paid to senior managers is reasonable. Salford Royal has a Nominations, Remuneration and Terms of Service (NRTS) Committee, as described within the Annual Report on Remuneration, comprised wholly of Non-Executive Directors that assesses remuneration for Executive Directors and Senior Leaders and ensures they are set commensurate to roles and responsibilities.

Expenses

During the year, Executive and Non-Executive Directors were reimbursed expenses incurred on travel and other costs associated with their work for Salford Royal. The total amounts paid are summarised below.

	Total Eligible	Total Received	2015/16 Expenses rounded to the nearest £100 £000	2014/15 Expenses rounded to the nearest £101 £000
Total expenses paid to Executive Directors who served during the financial year	7	6	3.2	1.6
Total expenses paid to Non-Executive Directors who served during the financial year	7	4	2.4	0.6
Total	14	10	5.6	2.2

During the year, Governors were reimbursed expenses incurred on travel and hospitality. The total amounts paid are summarised below.

	Total Eligible	Total Received	2015/16 Expenses rounded to the nearest £100 £000	2014/15 Expenses rounded to the nearest £101 £000
Total expenses paid to Governors who served during the financial year	21	5	0.7	0.6

Service contract obligations

The contracts of employment for all senior managers are substantive (permanent), continuation of which is subject to regular and rigorous review of performance. All such contracts contain a notice period of six months.

Policy on payment for loss of office

All senior manager contracts contain a notice period of six months. In relation to loss of office: if this is on the grounds of redundancy, then this would be calculated in line with agenda for change methodology. Loss of office on the grounds of gross misconduct will result in a dismissal without payment of notice. Loss of office on the grounds of personal capability will result in dismissal with notice.

Statement of consideration of employment conditions elsewhere in the Foundation Trust

The remuneration policy for senior managers has been set to ensure Salford Royal is in the upper quartile of comparative trusts to ensure we can attract and retain high calibre leaders.

Salford Royal has not consulted with employees when preparing the senior manager remuneration policy, however a benchmarking exercise comparing Salford Royal remuneration packages to comparative NHS foundation trusts was carried out in 2013 using published data and was used by the NRTS to set senior manager salary bandings.



Annual Report on Remuneration

Service contracts

As described above, all senior manager contracts contain a notice period of six months. Open-ended (permanent) contracts are issued to senior managers. Non-Executive Directors serve terms of three years, up until six years have been served. The Council of Governors will consider and set terms of office for Non-Executive Directors beyond that point that meet the needs of the organisation, taking into account Monitor's guidance that terms beyond that point should be set on an annual basis. Further details about the terms of office of each individual Non-Executive Director can be found in the Directors' Report within this Annual Report and Accounts.

Further information about the Remuneration Committees

Nominations, Remuneration and Terms of Service (NRTS) Committee

The Board of Directors has established a Nominations, Remuneration and Terms of Service Committee. Its responsibilities include consideration of matters pertinent to the nomination, remuneration and associated terms of service for Executive Directors (including the Chief Executive), matters associated with the nomination of Non-Executive Directors and remuneration of senior managers/clinical leaders.

The Committee comprises Salford Royal's Chairman and all Non-Executive Directors of Salford Royal. Attendance during 2015/16 was as follows:

Mr James Potter	3/3
Dr Joanna Bibby	2/3
Mrs Diane Brown	2/3
Mrs Rowena Burns	3/3
Dr Chris Reilly	2/3
Mrs Anne Williams CBE	3/3
Mr John Willis CBE	3/3

The Chief Executive attends the Committee in relation to discussions about Board composition, succession planning, remuneration and performance of Executive Directors. The Chief Executive is not present during discussions relating to his own performance, remuneration and terms of service. The Executive Director of Organisational Development and Corporate Affairs provides employment advice and guidance, and withdraws from the meeting when discussions about his/her own performance, remuneration and terms of service are held. Salford Royal's Trust Secretary is the committee Secretary.

The committee meets its responsibilities, as set out in its terms of reference, by:

- Monitoring and evaluating the performance of the Chief Executive and Executive Directors
- Determining appropriate remuneration, relative to individual and Trust performance
- Evaluating the balance of skills, knowledge and experience on the Board and approving descriptions of roles, and appointment processes, for the appointment of Executive Directors
- Implementing and keeping under review local remuneration and performance-related pay/bonus arrangements for the most senior managers (sub-Executive Director level) within Salford Royal.

Nominations, Remuneration and Terms of Office Committee

The committee comprises Salford Royal Chairman (or the Vice-Chairman, when matters associated with the Chair's nomination are being considered), the Lead Governor, one other elected Governor and one appointed Governor. All elected governors, both public and staff, are invited to express an interest in taking one place on the committee. All appointed governors are invited to express an interest in taking one further place on the committee. In the event of more than one elected, or more than one appointed governor expressing an interest, the Council of Governors has directed that the Lead Governor decide which elected governor and/or which appointed governor will attend. Governors are only eligible for membership if they have successfully completed Salford Royal's recruitment training.

When the Chairman's performance of remuneration is being considered the Chairman withdraws from the meeting and the Lead Governor chairs the Committee. When the Chair's nomination is being considered the Vice-Chairman chairs the committee.

Only members of the committee are entitled to attend committee meetings. However, the committee can invite members of the Board of Directors to attend, in particular the Chief Executive and Director of Organisational Development (OD) and Corporate Affairs. Salford Royal's Trust Secretary, acting as Committee Secretary, will normally be in attendance.

The Senior Independent Director will attend when matters associated with the Chairman's performance are being discussed. The committee may invite others to attend for the purpose of receiving specialist and/or independent advice on any matter, relevant to its scope and function.

During 2015/16, the Council of Governors, through the Nominations, Remuneration and Terms of Office Committee ensured appropriate oversight and decision relating to:

- The Chairman's 2014/15 performance appraisal
- The 2014/15 performance appraisals for Non-Executive Directors
- The remuneration levels for all Non-Executive Directors, including the Chairman
- The reappointment of Dr Joanna Bibby for a period of 2 years and Mr John Willis, Mrs Anne Williams and Mrs Rowena Burns for a period of 1 year based on all Directors being 'business critical' for the continuing success of Salford Royal.

Attendance during 2015/16 was as follows:

Date	Items	Attendees
21st May 2015	Reappointment of Non-Executive Directors: Anne Williams and John Willis.	Chairman Lead Governor Elected Governor (Carole Darke) Appointed Governor (Jackie Leigh) Deputy Trust Secretary Deputy Director of Human Resources
12th November 2015	Performance Appraisal of the Chairman Performance Appraisal of Non-Executive Directors Remuneration of Non-Executive Directors, including the Chairman	Chairman Lead Governor Elected Governor (Albert Rooms) Appointed Governor (Jackie Leigh) Deputy Trust Secretary Senior Independent Director
25th February 2016	Reappointment of Non-Executive Directors: Joanna Bibby, Rowena Burns Appointment of new Non-Executive Director	Chairman Lead Governor Elected Governor (Nicola Kent) Appointed Governor (Councillor Ronnie Wilson) Deputy Trust Secretary

Signed:

Date: 26 May 2016

Sir David Dalton, Chief Executive



Staff Report

At the end of 2015/16 Salford Royal NHS Foundation Trust employed 6,974 people. Details of our workforce are provided below. This table has been audited.

	2015/16			2014/15		
	Total Number	Permanently Employed Number	Other Number	Total Number	Permanently Employed Number	Other Number
Medical and dental	722	722	0	689	688	1
Administration and estates	1,406	1,406	0	1,396	1,374	22
Healthcare assistants and other support staff	1,234	1,234	0	1,241	1,188	53
Nursing, midwifery and health visiting staff	1,843	1,843	0	1,884	1,873	12
Scientific, therapeutic and technical staff	981	981	0	996	983	13
Bank staff	159	0	159	239	0	239
Agency staff	129	0	129	126	0	126
Other	33	33	0	0	0	0
Total	6,508	6,219	289	6,572	6,107	465

The Trust's staff had a headcount of 6,974 at 31st March 2016. The above table provides the average whole time equivalent (taking account of part time posts) over the twelve month period.

Inclusion and Equality

Age Band	2014/15		2015/16	
	Headcount	%	Headcount	%
16-19	19	0.28%	20	0.29%
20-29	1,189	17.75%	1,206	17.29%
30-59	5,094	76.03%	5,270	75.57%
60-74	398	5.94%	475	6.81%
TOTAL	6,700	100%	6,974	100%
Ethnic Group				
White - British & Irish	5573	83.18%	5,726	82.1%
Asian	533	7.96%	571	8.19%
White - Other	191	2.85%	225	3.23%
Black	174	2.60%	191	2.74%
Any other Ethnic Group	76	1.13%	101	1.45%
Mixed	76	1.13%	91	1.3%
Not Specified	48	0.72%	39	0.56%
Chinese	29	0.43%	30	0.43%
TOTAL	6,700	100%	6,974	100%
Gender				
Female	5,248	78.33%	5,374	77.06%
Male	1,452	21.67%	1,600	22.94%
TOTAL	6,700	100%	6,974	100%
Disabled				
No	4,176	62.33%	4,911	70.42%
Not Declared	2,283	34.04%	1,801	25.82%
Yes	241	3.60%	262	3.76%
TOTAL	6,700	100%	6,974	100%
		Male	Female	
Executive and Non-Executive Directors		9	5	
Trust Senior Leaders (exc hosted services)		27	23	
Other staff		1,564	5,346	
TOTAL		1,600	5,374	

Salford Royal's Executive lead for Inclusion & Equality is the Director of Organisational Development and Corporate Affairs. However, Salford Royal's approach to inclusion and equality is that all staff and managers are expected to take responsibility and deliver on this agenda throughout their working lives.

The Board of Directors recognises delivering on inclusion and equality can be a key driver to achieving Salford Royal's ambition to be the safest organisation in the NHS. It gives us a real opportunity to place people at the centre of the work we undertake, recognising how actively involving individuals from diverse groups enables us to prioritise and address health inequalities.

We continue to engage and involve our staff to ensure that they are: fully informed on this agenda; have the necessary skills and confidence to support the needs of patients and colleagues; understand the inequalities that impact on protected groups; and support us in identifying where we can deliver improved outcomes for the workforce. To support Salford Royal's commitment to this agenda, inclusion and equality is part of the mandatory training programme for all staff across Salford Royal. Salford Royal's compliance rate in 2015 has been consistently over 99%.

Salford Royal is fully committed to meeting its requirements of the Equality Act 2010 and is compliant with the Public Sector Equality Duty;

By working with the Department of Health's toolkit, the Equality Delivery System (EDS), Salford Royal held consultation events over the last two years with key stakeholders, which included both staff and local community groups. This has enabled Salford Royal to publish locally agreed scores against the EDS standards and agree joint action plans.

Salford Royal's Annual Equality Reports, monitoring data/statistics and other relevant information can also be viewed on Salford Royal website at Diversity and Equality. This information enables Salford Royal to review and monitor outcomes for both its workforce and service user's data by protected groups. It also includes Salford Royal's first report and action plan on the Workforce Race Equality Standard (WRES), Salford Royal is working with a designated Staff Governor to support the work plans. Through the annual reports Salford Royal is able to identify areas of good practice and improvement.

Salford Royal has policies on employing individuals with disabilities, long term health conditions and those on ill health and disability redeployment, along with permanent adjustments in order to help maintain the employment of staff with disabilities or long term conditions. Salford Royal has a Single Equality Scheme and action plan and ensures that as a "positive about disabled people" employer those applicants with a disability who apply for a post with Salford Royal and meet the essential criteria are shortlisted. Through Salford Royal's annual Contribution Framework, consideration of any reasonable adjustments in relation to training and development opportunities for people with a disability or long term health condition is reviewed.

Salford Royal's Single Equality Scheme, is also published on the website and outlines and promotes Salford Royal's commitment to this agenda, ensuring that the organisation clearly defines its assurance, governance and engagement strategy.



Sickness Absence

As described within the Performance Report (Section 3.2) it is our aim to reduce sickness to a target level of 3.6% by 2017. During 2015/2016 absence levels were 4.25% compared to the previous year's level of 4.40%. Within this figure, short term absence accounts for 41.41% whilst long term absence accounts for 58.59%. In total, almost 30% of our staff recorded no sickness absence. The below tables provide further information regarding sickness absence.

Figures Converted by Department of Health to Best Estimates of Required Data Items		Statistics Produced by HSCIC from ESR Data Warehouse		
Average FTE 2015	Adjusted FTE days lost to Cabinet Office definitions	FTE - Days Available	FTE-Days Lost to Sickness Absence	Average Sick Days per FTE
6,119	58,727	2,333,400	95,268	9.6

Footnote:

Source: HSCIC - Sickness Absence and Workforce Publications - based on data from the ESR Data Warehouse. Period covered: January to December 2015

Data items: ESR does not hold details of the planned working/non-working days for employees so days lost and days available are reported based upon a 365-day year. For the Annual Report and Accounts the following figures are used:

The number of FTE-days available has been taken directly from ESR. This has been converted to FTE years in the first column by dividing by 365.

The number of FTE-days lost to sickness absence has been taken directly from ESR. The adjusted FTE days lost has been calculated by multiplying by 225/365 to give the Cabinet Office measure.

The average number of sick days per FTE has been estimated by dividing the FTE Days by the FTE days lost and multiplying by 225/365 to give the Cabinet Office measure. This figure is replicated on returns by dividing the adjusted FTE days lost by Average FTE.

Staff Sickness Absence	2015/16	2014/15	2013/14
Days lost - long term	79,630	81,986	69,901
Days lost - short term	30,450	31,898	27,859
Total days lost	110,080	113,884	97,760
Total staff years	6,943	6,885	6,474
Average working days lost	15.9	16.5	51.1
Total staff employed in period (headcount)	6,974	6,994	6,704
Total staff employed in period with no absence (headcount)	2,091	2,827	2,938
Percentage staff with no sick leave	29.98%	40.42%	43.8%

	2015/16	2014/15	2013/14	2012/13
01 April	4.27%	4.35%	3.83%	3.87%
02 May	3.89%	3.94%	3.73%	3.89%
03 June	3.85%	4.06%	3.85%	3.73%
04 July	3.88%	4.22%	4.01%	3.98%
05 August	4.13%	4.07%	3.68%	3.91%
06 September	4.31%	4.26%	4.02%	3.92%
07 October	4.38%	4.46%	4.16%	3.98%
08 November	4.55%	4.83%	4.28%	4.24%
09 December	4.59%	5.28%	4.31%	4.46%
10 January	4.76%	4.98%	4.64%	4.50%
11 February	4.39%	4.32%	4.26%	4.13%
12 March	4.03%	4.53%	4.09%	3.96%
Overall Percentage	4.25%	4.40%	4.07%	4.05%

Systems are in place to allow for a timely and professional review of long term sickness leave from Salford Royal, with timely referral to the Staff Health and Wellbeing Service (Occupational Health). Managers are expected to make reasonable adjustments for staff to facilitate an early return to duty from long term sickness or to enable an employee who has acquired a disability to continue in work. Salford Royal recognises its duty to provide care to patients in an effective and economic manner and, where there is no reasonable prospect of a return to work, it may be appropriate to retire or dismiss employees who remain absent from work on an extended basis.

Engaging with our People

Salford Royal systematically provides employees with information on matters of concern to them as employees:

- Leaders are invited to attend the monthly Leaders Forum receiving a briefing on key issues, key messages and information are then cascaded out to their teams
- SiREN, Salford Royals' e-newsletter is provided to all staff on a weekly basis
- Regular and relevant information is posted for staff on Salford Royals' intranet, including a Performance Section
- A Medical Senate has been established to communicate with Consultant colleagues
- Executive regularly spend time with colleagues on the frontline, providing the Executive Team with the opportunity to find out more about the issues that matter most to our people.

Salford Royal has agreed an Organisational Change Policy with trade union colleagues to set a framework in which to consult on and manage organisational change within Salford Royal and formal consultations have taken place on a number of service changes in the past year including a nursing leadership staffing review, medical secretary staffing review, and interim arrangements for the provision of breast services.

Salford Royal's formal consultation processes include managers meeting on a regular basis with trade union representatives. There are regular meetings of the Staff Partnership Forum, Joint Local Negotiating Committee, a Better Care at Lower Cost forum with trade unions and the Health and Safety Committee.



During 2015 Salford Royal's Strategy Advisory Group met to consider strategic development issues, drawing together senior managers and key clinical staff. During the early part of 2016 the Strategy Advisory Group has been re-established as the Leaders Conference that will bring together senior managers and clinical leaders from across the organisation to ensure the views of Trust staff are taken into account in the development of Salford Royal's strategic direction.

Contribution Framework

Salford Royal's Contribution Framework ensures our people's goals and objectives are aligned to Salford Royals Annual Plan, thus encouraging the involvement of all employees in Salford Royals performance. Pay progression is linked to a successful Contribution Framework review. Under the Contribution Framework all members of staff are encouraged to have regular conversations with their manager, both in relation to 'how' they are doing their job and 'what' they are achieving.

Helping our people stay healthy and safe

Salford Royal has an established in-house Health and Wellbeing (Occupational Health) Service for its entire people. This service offers: rapid access physiotherapy services, staff counselling services, easy access to mental health wellbeing support, rapid access to clinical services across Salford Royal. Weight management and podiatry services are also provided.

As described within the Performance Report, Salford Royal established a Health and Wellbeing Strategy in 2015 to further support its people. A steering group oversees the implementation and ongoing development of the Health and Wellbeing Strategy. Salford Royal also provides similar services to Salford City Council, Salford CCG and a number of other clients.

Salford Royals' Health and Safety Committee and Security Committee meet regularly to provide a forum for managers and trade unions to work together to promote health and safety, improve the working environment and support Salford Royal's Executive Quality and People Experience Governance Committees in reducing the number of serious incidents per year.

The below table describes Health and Safety incidents reported during 2015/16

Category	Total
Contact with extreme temperature (liquid, equipment, electricity, surfaces and machinery)	1
Moving & Handling	9
Slip, Trip, Fall	4
Struck by moving vehicle, falling object etc	1
Exposure to harmful agent e.g. radiation, biological agent	1
Hit against stationary object e.g. furniture, fixtures	2
Assault without capacity	3
Total	21

Countering Fraud

Salford Royal has an established Anti-Fraud Service provided by Mersey Internal Audit Agency (MIAA), with a dedicated Anti-Fraud Specialist (AFS). In line with the standards for providers for Fraud, Bribery and Corruption issued by NHS protect, Salford Royal is absolutely committed in embedding an anti-crime culture throughout the organisation and this is supported in full by the Board of Directors and monitored on a regular basis by Salford Royal's Audit Committee. Salford Royal's commitment to protecting valuable public funds from the risks of fraud, bribery and corruption is unwavering and we continue to invest significantly in our efforts to proactively counter criminal activity.

A number of key tasks were undertaken this year to combat fraud, bribery and corruption in accordance with the Standards for Providers for Fraud, Bribery and Corruption:

Inform and Involve

Salford Royal has agreed with the AFS a Communications Strategy and its own Anti-Fraud page on the Intranet to publicise a variety of fraud related articles. Anti-Fraud, Bribery and Corruption presentations are delivered to staff via e-learning packages as well as presented personally by the AFS at organised training events to raise awareness of fraud, bribery and corruption as well as to continue creating and embedding an anti-crime culture across the organisation.

Anti-crime awareness campaigns have been undertaken in partnership with Salford Royal's Human Resources (HR) Department, Information Governance, and representation from Greater Manchester Police to raise awareness around criminal activities, raise the profile of the AFS, promote whistleblowing and to inform people on the variety of safe and secure routes available to report all types of concerns.

Prevent and Deter

The AFS issues guidance and preventative material to Salford Royal and publicises outcomes of recent fraud investigations which aims to inform of the consequences of committing fraud to deter people.

The AFS reviews a variety of policies and procedures to ensure these are robust and help to minimise the opportunities for crime to occur.

Salford Royal has participated in the National Fraud Initiative exercise which is a government initiative aimed at cross-referencing data to identify fraudulent activities. The AFS has also conducted proactive exercises aimed at detecting potential or apparent fraud in relation to all types of leave and NHS Professionals working whilst sick. The AFS has a follow up process in place to ensure that recommendations are actioned as per the management responses received in respect of proactive and investigation reports.

Hold to Account

The AFS ensures that all reports of suspected fraud, bribery and corruption are recorded on the Fraud Information Reporting System Toolkit (FIRST), investigated and redress sought

whenever possible so that money misappropriated through fraud and error can be recovered and put back into patient care. A key part of Salford Royal's vision and values is accountability and that is why we assure you that we will do everything in our power to protect the public funds with which we have been entrusted.

Staff Survey

Salford Royal's approach to staff engagement is described throughout the Annual Report. Specific mechanisms are in place to monitor and learn from staff feedback which includes participation in the national NHS Staff Survey. The 2015 staff survey was undertaken between October and December 2015 with the results being published by NHS England on 23rd February 2016.

Salford Royal used the mixed mode method providing most staff with the opportunity to complete the survey online with paper surveys provided where access to emails was limited. There were 821 eligible staff invited to participate in the survey and Salford Royal achieved a response rate of 44%

There were significant changes to the survey this year which meant that only 15 of the 32 Key Findings were directly comparable to the Key Findings from 2014.

	2014/15		2015/16		Trust Improvement / Deterioration
	Trust	National Average (Medical)	Trust	National Average (Medical)	
Response Rate	56%	43%	44%	41%	-12%

Top Ranking Scores	2014/15		2015/16		Trust Improvement / Deterioration
	Trust	National Average	Trust	National Average	
KF27 Percentage of staff / colleagues reporting most recent experience of harassment, bullying or abuse	36%	N/A	46%	38%	+12%
KF32 Effective use of patient / service user feedback	N/A	N/A	3.83	3.65	N/A
KF25 Percentage of staff experiencing harassment, bullying or abuse from patients, relatives or the public in last 12 months	24%	29%	22%	27%	+2%
KF3 Percentage of staff agreeing that their role makes a difference to patients / service users	92%	91%	93%	91%	+1%

Bottom Ranking Scores	2014/15		2015/16		Trust Improvement / Deterioration
	Trust	National Average	Trust	National Average	
KF8 KF8. Staff satisfaction with level of responsibility and involvement	4	N/A	3.78	3.93	-0.22
KF12 Quality of appraisals	N/A	N/A	2.9	3.03	N/A
KF6 Percentage of staff reporting good communication between senior management and staff	40%	30%	26%	30%	-14%
KF24 Percentage of staff / colleagues reporting most recent experience of violence	54%	N/A	49%	52%	-5%

Salford Royal has recently implemented a number of initiatives to support better communication between senior managers and staff. These include a revised approach to formal and informal communication such as the use of video blogs, drop in sessions with the Executive team and better use of technology.

Divisions have been tasked with action planning following focus groups within their division to discuss the results at a local level. Formal actions plans will be reported to the Board of Directors in June 2016. Salford Royal will also be tracking performance in year through its application of the national Staff Friends and Family Test, in which additional questions have been added covering areas in which performance has deteriorated. This will be monitored by the Executive Quality and People Experience Committee and via the Board of Directors' Integrated Performance Dashboard.

Expenditure on consultancy

Expenditure on consultancy during 2015/16 was £4.577m. This related to development of Vanguard proposals and consultancy to develop the Electronic Patient Record (EPR). Consultancy costs incurred by Salford Royal's hosted services were £3.586m.

Off-payroll engagements

Salford Royal limits the use of off-payroll arrangements for highly paid staff. Executive Director approval is required. In all cases, except where the appointment of medical staff is to be made on a locum basis, in these circumstances approval is required from the relevant Divisional Managing Director or Divisional Chair.

For all off-payroll engagements as of 31 March 2016, for more than £220 per day and that last for longer than six months.

No. of existing engagements as of 31 March 2016	14 of which 12 are locum medical staff
No. that have existed for less than one year at time of reporting.	12 of which 10 are locum medical staff
No. that have existed for between one and two years at time of reporting	2 of which 2 are locum medical staff

All new off-payroll engagements, or those that reached six months in duration, between 1 April 2015 and 31 March 2016, for more than £220 per day and that last for longer than six months.

No. of new engagements, or those that reached six months in duration, between 1 April 2015 and 31 March 2016	19
No. of the above which include contractual clauses giving Salford Royal the right to request assurance in relation to income tax and national insurance obligations	19
No. for whom assurance has not been received	19

Off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2015 and 31 March 2016.

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	0
Number of individuals that have been deemed 'board members and/or senior officials with significant financial responsibility' during the financial year. This figure must include both off-payroll and on-payroll engagements	9 Including executive and other directors all of whom are included in the Remuneration Report

Exit Packages

During 2015/16, Salford Royal agreed an exit package with 1 member of staff through a mutually agreed resignation scheme at a cost of £46k plus £5k pay in lieu of notice (in 2014/15 an exit package was agreed with 1 member of staff at a cost of £2k). This package was agreed on behalf of ELFS Shared Services (hosted by Salford Royal), following the TUPE of staff in respect of the award of a new contract. These costs have been recharged in full to the contracting Trust.

These tables have been audited.

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
< £10,000	0	(2014/15 - 1)	(2014/15 - 1)
£50,001- £100,000	0	1	1

	Agreements Number	Total Value of Agreements £000
Voluntary redundancies including early retirement contractual costs	1 (2014/15 – 0)	46
Contractual payments in lieu of notice	1 (2014/15 – 1)	5 (2014/15 – 2)
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	0 (2014/15 – 0)	0 (2014/15 – 0)





Compliance with NHS Foundation Trust Code of Governance

Salford Royal NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

The Board of Directors has established governance policies that reflect the principles of the NHS Foundation Trust Code of Governance, these include:

- Corporate Governance Framework Manual – incorporating the Standing Orders of the Board of Directors, Standing Orders of the Council of Governors, Scheme of Reservation and Delegation of Powers, and Standing Financial Instructions
- Established role of Senior Independent Director
- Regular private meeting between the Chair and the Non-Executive Directors
- Performance Appraisal Process for all Non-Executive Directors, including the Chairman, developed and approved by the Council of Governors
- Formal induction programme for Non-Executive and Executive Directors
- Attendance records for Directors and Governors at key meetings
- Comprehensive Induction Programme and continuing Training and Development Programme for Governors
- Publicly available Register of Interests for Directors, Governors and Senior Staff
- Council of Governors Policy for Raising Serious Concerns and Resolving Disagreements between the Council of Governors and Board of Directors
- Established roles of Lead and Deputy-Lead Governor
- Monthly private meeting between the Chair and Governors to review matters reviewed at the Board of Directors' meetings
- Comprehensive Assurance Briefing Report developed by the Council of Governors and provided to all meetings of the Council of Governors
- Effective Council of Governors' sub-committee structure
- Council of Governors' Agenda-setting process involving Chairman, Lead and Deputy Lead Governor, Vice-Chairman and Senior Independent Director
- Collective regular Performance Evaluation mechanism for the Council of Governors
- Membership and Public Engagement Strategy, Implementation Plan and Key Performance Indicators;
- Nominations, Remuneration and Terms of Service Committee of the Board of Directors;
- Nominations, Remuneration and Terms of Office Committee of the Council of Governors;
- Agreed recruitment process for Non-Executive Directors
- High quality reports to the Board of Directors and Council of Governors
- Board evaluation and development plan
- Self-assessment against the Well-Led Framework for Governance and cyclical triennial governance review programme
- Council of Governors' presentation of performance and achievement at Annual Members Meeting

- Annual Fit and Proper Persons Declarations and Checks Proforma to ensure compliance with Fit and Proper Persons Requirement for Directors
- Code of Conduct for Board of Directors
- Code of Conduct for Council of Governors
- Going Concern Report
- Robust Audit Committee arrangements
- Governor-led appointment process for External Auditor
- Whistle-blowing Policy and Counter Fraud Policy and Plan.

The Board of Directors conducts an annual review of the Code of Governance to monitor compliance and identify areas for further development.

The Board has confirmed that, with the exception of the following provisions Salford Royal complies with the provisions of the NHS Foundation Trust Code of Governance issued by Monitor and updated in July 2014

Salford Royal departed from the following provisions of the Code during 2015/16:

- B.1.2 – At least half the BoD, excluding chairperson, should comprise independent NEDs

In 2014/15 the Board approved the establishment of an additional Executive Director, and in doing so confirmed that creating additional Executive Director capacity, which would enable Salford Royal to explore and actively pursue opportunities for Salford Royal's growth and development, was an appropriate development for the composition of the Board of Directors.

At the time, the Board confirmed that this was constitutionally permissible in that: beyond the statutory positions (CEO, Finance, Nurse and Medical Practitioner) Salford Royal NHS Foundation Trust's Board of Directors can comprise of up to three other Executive Directors; and that the number of Executive Directors will not exceed the number of established Non-Executive Directors.

The Board recognised, however, that this presented a departure from B.1.2, and with this in mind, and wishing to take account of best practice within the Code of Governance, the Board considered the creation of additional Non-Executive Director capacity, noting this would require amendment to Salford Royal's Constitution. The size of the Board was taken into account, in particular to ensure and prevent unwieldiness. It was agreed that this development would not be pursued and the size of the Board would stand at 7 Executive Directors and 7 Non-Executive Directors, including the Chairman.

The Board is aware that the reasons for deviation from a particular provision should be explained, with an aim to illustrate how its actual practices are consistent with the principle to which the provision relates, in this case the principle is:

B.1.a The board of directors and its committees should have the appropriate balance of skills, experience, independence and knowledge of the NHS foundation trust to enable them to discharge their respective duties and responsibilities effectively.

With all Non-Executive Directors, including the Chairman determined as independent the Board believes appropriate balance of independence is sustained with a Board composition, comprising 7 Executive Directors and 7 Non-Executive Directors including the Chairman. Voting by the Board of Directors would consist of:

- 1 vote from each of the Executive Director = 7
- 1 vote from each of the Non-Executive Directors, including the Chairman = 7 votes; and
- 1 casting vote from the Chairman if required.



Monitor has verified that the right behaviours and approach are in place, confirmed that there are no governance concerns in relation to these matters and that the arrangements described are acceptable.

- B.7.1 – In exceptional circumstances, NEDs may serve longer than six years (two three-year terms following authorisation of the FT) but subject to annual reappointment.

The Chairman was re-appointed by the Council of Governors in December 2014. His term of office was set to expire at the end of the Annual Members Meeting 2017, at which point he will have served 11 years as Non-Executive Director/Chairman. The Council of Governors' decision in this regard was based on the Chairman's outstanding contribution and performance, and as the Board of Directors has seen refresh of both Executive and Non-Executive Directors over recent years, the reappointment of the Chairman beyond one year would provide vital stability and leadership during a period of significant challenge and expected change.

Two Non-Executive Directors were reappointed beyond 6 years during 2014/15 for a period of 1 year and 2 years respectively. The reappointment for a 2 year term of office was made in order to stagger future reappointments. In addition, two Non-Executive Directors were reappointed beyond 6 years during 2015/16, however this was for a period of 1 year only, and included the NED reappointed for a 1 year period in 2014/15.

Governance and Organisational Arrangements

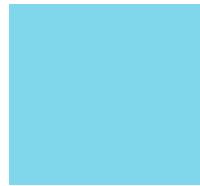
The basic governance structure of all NHS foundation trusts includes:

- Public and staff membership
- A council of governors
- A board of directors.

This structure is well developed at Salford Royal, and is set out in Salford Royal's Constitution that is published at www.srft.nhs.uk and in the in the NHS foundation trust directory on

Monitor's website: <https://www.gov.uk/government/publications/nhs-foundation-trust-directory>. Detailed information regarding Salford Royal's membership can be found in the Performance Report.





Council of Governors

Governors are the direct representatives of staff, stakeholders, members and the public interests and form an integral part of the governance structure that exists in all NHS foundation trusts.

The overriding role of the Council of Governors is to appoint the Non-Executive Directors to the Foundation Trusts Board of Directors. Additionally, the Council of Governors is to hold the Non-Executive Directors individually and collectively to account for the performance of the Board of Directors and to represent the interests of NHS foundation trust members and of the public.

Other statutory aspects of the Council of Governors' role include:

- Approving the appointment of the Chief Executive
- Appointing and removing the Chairman and other Non-Executive Directors
- Deciding the remuneration of the Chairman and Non-Executive Directors
- Appointing and removing the NHS Foundation Trust's External Auditor
- Contributing to the forward plans of the organisation
- Receiving the NHS Foundation Trust's Annual Accounts, Auditors Report and Annual Report
- Reviewing the Foundation Trust Membership and Public Engagement Strategy
- When appropriate, making recommendations and/or approving revision of the foundation trust Constitution.

Salford Royal's Governors listen to the views of patients and public within the local community, those members and patients living further afield, staff and partner organisations, particularly in relation to the strategic direction of Salford Royal.

Salford Royal's Council of Governors comprises 21 Governors:

- Eight governors each represent the neighbourhood wards of Salford
- Four governors represent people living outside of Salford
- Five governors represent staff
- Four governors are appointed and represent the views from partner organisations.



The following tables provide details of Salford Royal's Council of Governors throughout 2015/16.

The composition of the Council of Governors from 1st April 2015 to 31st March 2016 was as follows:

Name	Constituency / Organisation	Term of Office (End of the Annual Members Meeting)
Public Elected Governors		
Mr James Collins	Claremont, Weaste & Seedley	3 years (2016)
Mrs Ann-Marie Pickup	East Salford	3 years (2016)
Mrs Michelle Watson	Eccles	3 years (2016)
Mr David Pike	Irlam & Cadishead	3 years (2017)
Mr Neil Black*	Little Hulton & Walkden	3 years (2017)
Mr Peter Halliwell	Ordsall & Langworthy	3 years (2017)
Dr Albert Rooms	Swinton	3 years (2017)
Dr Martin Seely	Worsley & Boothstown	3 years (2017)
Mrs Janet Booth	Out of Salford	3 years (2017)
Mrs Sandra Breen	Out of Salford	3 years (2017)
Dr Angela Railton	Out of Salford	3 years (2017)
Mr David Trenbath	Out of Salford	3 years (2016)
Staff Elected Governors		
Mr David Hill**	Clinical Support & Tertiary Services	3 years (2017)
Mrs Nicola Kent	Corporate & General Services	3 years (2016)
Mrs Agnes Leopold-James	Salford Healthcare	3 years (2016)
Mrs Joanne Hubert	Surgery	3 years (2017)
Dr Sheila Tose	Neurosciences & Renal	3 years (2017)
Appointed Governors		
Councillor Ronnie Wilson	Salford City Council	3 years (2016)
Dr Deji Adeyeye	General Medical Practitioner	3 years (2016)
Professor Nick Grey	University of Manchester	3 years (2016)
Dr Jackie Leigh	University of Salford	3 years (2016)

* Mr Neil Black resigned March 2016.

** Mrs Carol Darke resigned in December 2015, Mr David Hill began the remaining term in December 2015.

The composition of the Council of Governors remained stable during 2015/16. No elections were held between 1st April 2015 – 31st March 2016.

Council of Governors Meetings

Since the start of the year the Council of Governors have met on four occasions:

- Thursday, 25 June 2015
- Wednesday, 30 September 2015
- Wednesday, 16 December 2015
- Wednesday, 30 March 2016



The following table summarises Governor attendance at Council of Governor meetings during 2015/16:

Name	Title	Attendance
Mr James Collins	Public Governor - Claremont, Weaste and Seedley	4/4
Mrs Anne-Marie Pickup	Public Governor - East Salford	2/4
Mrs Michelle Watson	Public Governor - Eccles	4/4
Mr David Pike	Public Governor - Irlam & Cadishead	4/4
Mr Neil Black	Public Governor - Little Hulton & Walkden	1/3
Mr Peter Halliwell	Public Governor - Ordsall & Langworthy	4/4
Dr Albert Rooms	Public Governor - Swinton	4/4
Dr Martin Seely	Public Governor - Worsley and Boothstown	4/4
Mrs Janet Booth	Public Governor - Out of Salford	4/4
Mrs Sandra Breen	Public Governor - Out of Salford	4/4
Dr Angela Railton	Public Governor - Out of Salford	4/4
Mr David Trenbath	Public Governor - Out of Salford	4/4
Mrs Agnes Leopold-James	Staff Governor - Salford Healthcare	3/4
Mrs Carol Darke	Staff Governor - Clinical Support & Tertiary Medicine	2/3
Mr David Hill	Staff Governor - Surgery	4/4
Mrs Joanne Hubert	Staff Governor - Surgery	4/4
Mrs Nicola Kent	Staff Governor - Corporate & General Services	4/4
Dr Sheila Basu	Staff Governor - Neurosciences & Renal Services	4/4
Councillor Ronnie Wilson	Appointed Governor - General Medical Practitioner	4/4
Dr Deji Adeyeye	Appointed Governor - General Medical Practitioner	1/4
Professor Nick Grey	Appointed Governor - University of Manchester	2/4
Dr Jackie Leigh	Appointed Governor - University of Salford	3/4

Mr David Trenbath was nominated as the Deputy Lead Governor at the Council of Governors meeting in June 2015 for a period of two years, ending in June 2017.

Mr David Pike continued his term as Lead Governor during 2015/16, his term of office expires in June 2016. At the Council of Governors meeting in March 2016, the appointment process for the Lead Governor was approved, including a proposed timetable.

Council of Governors' Register of Interests

All Governors are required to comply with the Council of Governors Code of Conduct and declare any interests that may result in a potential conflict of interest in their role as Governor of Salford Royal. The register of interests is available to the public via the Council of Governors' Meeting Minutes on Salford Royal's website. In addition, the register can be obtained via Salford Royal's Secretary at the following address:

Trust Headquarters

Salford Royal NHS Foundation Trust

Stott Lane

Salford

M6 8HD

Tel: **0161 206 5185**

Email: **jane.burns@srft.nhs.uk**



Council of Governors Subgroups

The Council of Governors have established a Nominations, Remuneration and Terms of Office (NRTO) Committee that meets to discuss the formal aspects of the Non-Executive Directors' role, this includes pay, period of employment and their annual performance evaluation.

Membership comprises two elected and one appointed governors, as well as the Chairman and advisory Trust Officers. More information on the work of the committee is described within the Remuneration Report.

The Council of Governors' has established three other subgroups covering Engagement, Quality and Strategic Direction. These subgroups enable Governors to carry out both their statutory and non-statutory duties, as well as receiving information on key work projects.

The Engagement Subgroup is responsible for monitoring the progress of Salford Royal's Membership and Public Engagement Strategy. The subgroup does this by creating an action plan with key performance indicators each year. This includes making sure the Foundation Trust's membership is representative of the local population of Salford and ensuring members and the public have opportunities to share their experiences.

During 2015/16, the Engagement Subgroup helped with the design of the Annual Membership Survey 2015; a survey created to gather the views of members and the public to help inform Salford Royal's plans for the year ahead. The subgroup explored and suggested ideas to recruit more young people to become a member, resulting in a recruitment campaign in partnership with University of Salford, and reviewed and approved the Membership and Public Engagement Strategy 2016-19.

The Council of Governor's Patient and Public Experience Register is used to record all experiences and comments gathered from and by Governors. This includes feedback received from family, friends and members of the public, personal feedback and feedback gathered from patient forums and surveys to name but a few. The Quality Subgroup is responsible for reviewing these experiences and identifying themes, followed by seeking assurance from Service Managers that key matters are being addressed. Identifying themes in this way ensures the views of members and public are heard and acted upon. As an example of this work, Governors received feedback that patients were waiting a long time for discharge medication and as a result Governors received detailed information on a number of improvement projects underway in Pharmacy to reduce the delays, these included; completing more discharge medication prescriptions on the wards with the help of mobile dispensing trolleys to dispense urgent medication, a dedicated Pharmacist and Technician Team on each ward, Pharmacy computer system and labellers on wards across Salford Royal and Pharmacy messengers to bring urgent items to the wards. Due to the improvement projects the Pharmacy Team were able to reduce the time taken to complete discharge prescriptions in the Pharmacy from 71 minutes to 62 minutes and on the ward from 15 minutes to 11.6 minutes (figures as of July 2015). This is an example of how Governors seek assurance on issues they hear about from members and the public.

Governors also received information and assurance on:

- Car parking capacity
- Outpatients appointment booking system
- Hospital at Night service
- CQC Inspection outcomes.

The Strategic Direction Subgroup is responsible for making sure the views of members and the public are considered in Salford Royal's plans for the year ahead, as well as receiving assurance on key strategic programmes. Each year the Subgroup reviews the development of Salford Royal's Annual Plan, and following approval, selects three priority areas to receive information and further assurance on. During 2015/16 Governors selected Healthier Together, Greater Manchester Devolution and the Integrated Care Organisation, receiving comprehensive progress updates describing staff engagement, proposed timelines and operational detail.

The Strategic Direction Subgroup focussed in detail on the development of the Integrated Care Organisation, receiving comprehensive report at all four Strategic Direction Subgroup meetings within the year. In addition to this, two extraordinary meetings were arranged in November 2015 and March 2016 to provide Governors with details of the Outline Business Case and Full Business Case. All Governors were encouraged to attend these meetings. In January 2016, Governors were advised that the establishment of the Integrated Care Organisation (ICO) had been classified as a 'significant transaction' by Monitor, which in line with the regulatory requirement required more than half of the full Council of Governors of Salford Royal voting to approve Salford Royal entering into this significant transaction. Following further assurance regarding the key risks and mitigations, and comprehensive review of the intended benefits to the adult population of Salford, a vote took place at the Council of Governors' meeting in March 2016. The Council of Governors unanimously supported the full business case for the establishment of the Salford Integrated Care Organisation.

Governor-led Engagement Programme

During 2015/16, Governors led engagement with members, patients and the public as part of their Governor-led Engagement Programme. The Governors chose to support Salford Royal's Better Care at Lower Cost programme by gathering ideas on how Salford Royal could make savings and to identify where anything could be done better. The overall aim of the programme was to provide meaningful feedback to the Board of Directors.

To gather the feedback Governors were out and about on-site in November and visited a number of waiting areas, they occupied a stand in Salford Royal's Hope Building and gathered information at a member event on 'Keeping Well in Winter'. Information about the programme was also communicated to members, patients and the public via local neighbourhood Community Committees, emails to members and online via Salford Royal's website and Twitter during November and December. The questions were also included in the Annual Membership Survey 2015 which was sent to partner organisations, such as Salford CCG and HealthWatch for dissemination to their networks, including seldom heard groups.

Both the Governor-led Engagement Programme 2015/16 and Annual Membership Survey 2015 received an extremely positive response and a large amount of qualitative data was collected, from this information a number of key themes were identified. Key themes for what we could have been done better consisted of: communication of care; parking; outpatient waiting times; and increasing the number of staff on the ground. Through the Membership Team, Governors worked with the Better Care at Lower Cost team to review the results and create an action plan to help improve patient experience and explore ideas provided by the respondents.

The progress of the action plan is being monitored by the Quality Subgroup. More information about the outcomes of this project is available on Salford Royal's website www.srft.nhs.uk/for-members/your-opinion-counts/

Training and development for Governors

During 2015/16, Salford Royal provided Governors with access to a range of training and development opportunities to further support them in their role. Governors are given access to externally provided training and development sessions, in addition to joint training with other NHS foundation trusts and bespoke training provided in-house.

A full list of training and development opportunities is provided below:

Event	Date	Full Day/ Half Day
Governor Focus Conference	08.04.15	Full
Holding to account and effective questioning	18.05.15	Full
MIAA Learning Event - Learning from Investigations - The Role of the Foundation Trust Governor	16.10.15	Half
North West Governor Conference	19.01.16	Full
Patient and Public Experience Register Training	29.01.16	Half
Transgender Awareness Training	17.02.16	Half

There are a number of easy ways for members and the public to communicate with the Council of Governors

Email: **foundation@srft.nhs.uk**
 Tel: **0161 206 3133**
 Website: **www.srft.nhs.uk/for-members/council-of-governors/contact-your-governor**

Write to your Governor at:

Membership Department
 Trust Executive
 Salford Royal NHS Foundation Trust
 Stott Lane
 Salford
 M6 8HD

The Board of Directors' relationship with the Council of Governors and members

The Board of Directors and Council of Governors work together closely throughout the year. They seek to work together effectively in their respective roles and avoid unconstructive adversarial interaction. To this effect the Board of Directors and Council of Governors have established a clear policy detailing how disagreements between the Council of Governors and Board of Directors will be resolved. The types of decisions taken by each are set out within Salford Royal's schemes of reservation and delegation of powers which form part of the Corporate Governance Framework Manual, available on Salford Royal's website. Salford Royal's Chairman is also the Chairman of the Council of Governors.

During the year, the Chairman and Trust Secretary work closely with the Lead Governor to review all relevant issues and prior to each Council of Governors meeting, they meet with the Senior Independent Director, Vice Chairman and Deputy Lead Governor to produce the agenda for the upcoming Council of Governors meeting. The Executive and Non-Executive Directors attend each meeting of the Council of Governors as observers and take part when further information is required. Salford Royal's Chief Executive provides director support to the Council of Governors and the Executive Team attends all meetings.

In addition to Council of Governors meetings, Governors have the opportunity to meet with the Board of Directors twice a year. On 29 June 2015, the Council of Governors met with the Board to discuss the progress of the Better Care at Lower Cost programme and plans for improving care and services through integration and collaboration. On 30 November 2015, at a further joint meeting, update was reviewed with respect to the Better Care at Lower Cost Programme and Salford Royal's financial recovery plan.

Governors and Board members interact at the Council of Governors subgroup meetings where relevant Non-Executive, Executive Directors and, and their deputies, are members.

The following table summarises Board of Director's attendance at Council of Governors' meetings:

Name	Title	Attendance
Mr James Potter	Chairman	4/4
Sir David Dalton	Chief Executive	3/4
Mrs Elaine Inglesby-Burke	Executive Nurse Director	4/4
Dr Jo Bibby	Non-Executive Director	3/4
Dr Chris Brookes	Executive Medical Director	2/4
Mrs Diane Brown	Senior Independent Director	4/4
Mrs Rowena Burns	Non-Executive Director	0/4
Mrs Janelle Holmes	Director of Productivity and Efficiency/Interim Director of Performance and Improvement	0/4
Mr Raj Jain	Executive Director of Corporate Strategy and Business Development	3/4
Mr Ian Moston	Executive Director of Finance	3/4
Dr Chris Reilly	Non-Executive Director	4/4
Mr Paul Renshaw	Executive Director of Organisational Development and Corporate Affairs	4/4
Mr Jack Sharp	Executive Director of Service Strategy and Development	4/4
Mr Peter Turkington	Medical Director Standards and Performance	0/4
Mrs Anne Williams	Non-Executive Director	3/4
Mr John Willis	Vice Chairman	4/4

In addition to Council of Governors meetings and subgroups, Salford Royal's Governors are also encouraged to attend the public Board of Directors meetings to gain a broader understanding of the reviews taking place at Board level and observation of the decision making processes and challenge from Non-Executive Directors.

The Chairman also provides full Board feedback for all Governors with detailed description of items and decisions made in both public and private session of the Board meetings. Within this forum the Chairman interacts with Governors and responds to any questions or concerns they may have.





Board of Directors

The Board of Directors operates according to the highest corporate governance standards. It is a unitary Board with collective responsibility for all aspects of the performance of Salford Royal, including financial performance, clinical and service quality, management and governance. The Board is legally accountable for the services provided by Salford Royal and key responsibilities include:

- Setting the strategic direction (having taken into account the Council of Governors' views)
- Ensuring that adequate systems and processes are maintained to deliver Salford Royal's Annual Plan
- Ensuring that its services provide safe, clean, personal care for patients
- Ensuring robust governance arrangements are in place supported by an effective assurance framework that support sound systems of internal control
- Ensuring rigorous performance management which ensures that Salford Royal continues to achieve all local and national targets
- Seeking continuous improvement and innovation
- Measuring and monitor Salford Royal's effectiveness and efficiency
- Ensuring that Salford Royal, at all times, is compliant with its Licence, as issued by the sector regulator Monitor
- Exercising the powers of Salford Royal established under statute, as described within Salford Royal's Constitution available at **www.srft.nhs.uk**.

The Board of Directors is also responsible for establishing the values and standards of conduct for Salford Royal and its staff in accordance with NHS values and accepted standards of behaviour in public life including selflessness, integrity, objectivity, accountability, openness, honesty and leadership (The Nolan Principles).

This is clearly set out at Salford Royal within the Corporate Governance Framework Manual that is published at www.srft.nhs.uk. Our values and behaviours form the basis of Salford Royal's Contribution Framework.

The Board has resolved that certain powers and decisions may only be exercised or made by the Board in formal session. These powers and decisions, and those of Salford Royal's Council of Governors, are set out in the Reservation of Powers to the Board and Scheme of Delegation within Salford Royal's Corporate Governance Framework Manual available at www.srft.nhs.uk.

The Board met in formal session on eleven occasions during 2015/16. The March 2016 meeting actually took place on the 4th April 2016 due to the Easter bank holidays. These sessions were held in public apart from where the Board resolved to meet in private session, due to the confidential nature of business. The Board of Directors has established a rolling programme of visits as part of the Board of Directors meetings. The visits provide opportunity for members of the Board to visit three services or wards from each of the clinical divisions. Visits took place following the Board meetings across Salford Healthcare (November 15), Clinical Support services and Tertiary Medicine (February 16) and Surgery and Neurosciences (April 4).

The Board is of sufficient size and the balance of skills and experience is appropriate for the requirements of the business and the future direction of Salford Royal. Arrangements are in place to enable appropriate review of the Board's balance, completeness and appropriateness to

the requirements of Salford Royal. The Board undertook such review in February 2016, which concluded that a new position titled Executive Director of Performance and Improvement should be established as a formal member of the Board of Directors. In view of this, the review determined that revisions to the composition of the Board of Directors and in particular the Executive Directors would be required to ensure compliance with Salford Royal's Constitution. It was agreed that from the commencement of the new Executive Director of Performance and Improvement, the Executive members of the Board of Directors should be:

- Chief Executive
- Executive Nurse/Deputy Chief Executive
- Executive Medical Director
- Executive Director of Finance
- Executive Director of Service Strategy and Development
- Executive Director of Corporate Strategy and Business Development
- Executive Director of Performance and Improvement.

The Executive Director of Organisational Development and Corporate Affairs will from the commencement of the new Executive Director of Performance and Improvement, continue as Director of Organisational Development and Corporate Affairs and become an advisory non-voting member of the Board.

A robust search and recruitment process began in March 2016 for a new Executive Director of Performance and Improvement; following successful appointment the aforementioned arrangements will become effective. Robust interim arrangements are in place in the meantime.

All Executive and Non-Executive Directors undergo annual performance evaluation and appraisal. The outcomes of the Executive Director appraisals are provided to Non-Executive Directors at a meeting of the Nominations, Remuneration and Terms of Service Committee. The outcomes of Non-Executive Director appraisals are provided to the Council of Governors' Nominations, Remuneration and Terms of Office Committee in detail, and in summary to the general meeting of the Council of Governors. Board performance is evaluated further through focussed discussions at Board Away Days, Strategic Meetings and on-going, in-year review of the Board Assurance Framework.

The performance of Board committees is evaluated and reported annually to the Board.

The Board's Assurance Framework, associated Executive committee arrangements and service review programme enables continuous and comprehensive review of the performance of Salford Royal, against the agreed plans and objectives.



The Board's Profile

Non-Executive Directors



Mr James Potter - Chairman

Jim Potter was born and raised in the Greater Manchester area, educated at Ambrose Barlow School and subsequently Salford Technical College and Moston College of Further Education.

He has spent most of his working life in electrical engineering, initially as an engineer then later moving into management, relocating to the West Midlands in 1969 and then to the Middle East in 1980 where he lived and worked until 1988. Jim moved back to the UK in 1988 to join a packaging company based on Salford Quays working as Export Sales Director and in 1990 he was made Managing Director, the position he still holds today. In addition to the UK operation Jim also has responsibility for the company's French, US and China-based operations.



Dr Joanna Bibby - Non-Executive Director

Jo joined the Health Foundation in November 2007. She has worked in healthcare at national and local level for the last 17 years, with a focus on quality improvement and performance. Jo has a PhD in Medical Biophysics.

At the Health Foundation, Jo is responsible for providing direction and leadership to ensure the organisation maximises its impact on improving quality across the UK.

Before joining the Health Foundation, Jo was most recently the Director for the Calderdale and Kirklees Integrated Service Strategy where she led a major service reconfiguration programme to deliver improvements in quality, safety and patient experience.

Jo's career has included 10 years at the Department of Health working in public spending, work force planning and health technology assessment. As Head of NHS Performance, she oversaw the implementation of the policy agenda set out in the NHS Plan.

At the NHS Modernisation Agency, Jo led an international quality improvement initiative - Pursuing Perfection - and at the NHS Institute for Innovation and Improvement she worked in an associate role to develop models to support mass participation in quality improvement.

Jo was appointed as Non-Executive Director in July 2013 for three years and was reappointed by the Council of Governors in March 2016, for a further two year period, ending on 30th June 2018.

Non-Executive Directors - *continued*



Mrs Diane Brown - Senior Independent Director

Diane has over 30 years' experience as HR Director, Talent Director and Global Business Partner. She has worked with Senior Global Leaders in FTSE 100 companies such as AstraZeneca Pharmaceuticals, M&S Money & Marks & Spencer PLC. Diane has developed a commercial understanding of both business & people related issues as a key member of executive teams working across the UK, Europe and North America. She has played a significant role in introducing Talent & Performance Management frameworks across continents as well as driving transformational change and continuous improvement.

Diane is Fellow of the Chartered Institute of Personnel & Development. She mentors leaders in the Arts, NHS and small businesses.

Diane was appointed as Non-Executive Director for a four year term in January 2009, for a further three year term until 31 December 2014, and then an additional term of two years until 31 December 2016. Diane is the Board of Directors' Senior Independent Director, as appointed by the Board in conjunction with the Council of Governors.



Mrs Rowena Burns - Non-Executive Director

Rowena took up the role of Chief Executive at Manchester Science Parks in summer 2012, and remains a Non-Executive Director at Bruntwood, and Chairman of Cityco.

Educated at the University of Wales and at University College London, and having trained in nursing, Rowena's early career was spent with the Greater Manchester Passenger Transport Authority and Manchester City Council, working in a variety of transport and economic development roles, including the first phase of Manchester's Metrolink light rail system. Over ten years she moved through a number of roles with the Manchester Airport Group, including latterly that of Group Commercial Director, where her brief included airport acquisitions, economic regulation and overall business strategy, as well as responsibility for revenue generation.

Rowena returned to the city in March 2008, as COO in commercial property company Bruntwood, a role which takes her into every part of the business, with a strong focus on service improvement and organisation development. She took up the reins at MSP after Bruntwood acquired a 51% stake in the company earlier this year. She describes the role as perfect, a public/private sector partnership focused on driving growth and opportunity in the most vibrant and innovative sectors of the economy. Rowena's professional feet are very firmly planted in city life, where she is active in several boards and initiatives, including the role of Chairman of CityCo, Manchester's city centre management organisation.

Away from work, she has a passion for all things rural, and is rarely found indoors other than round a dining table with family or friends.

Rowena was appointed as Non-Executive Director in July 2013 for three years and is the Chairman of the Shared Services Board for the sterile services and pathology services joint venture between Salford Royal and the Wrightington, Wigan and Leigh NHS Foundation Trust. In March 2016, the Council of Governors reappointed Rowena for a further period of one year, ending on 30th June 2017.

Non-Executive Directors - *continued*



Dr Chris Reilly - Non-Executive Director

Chris is a scientist and business leader with over 30 years' experience in medical research, life science consultancy and venture capital in the UK, USA and Sweden. He began his career as a research scientist and retired in 2011 as Global Vice President, Discovery Strategy, Performance and Project Evaluation at AstraZeneca, a large international pharmaceutical company. In this role, Chris was responsible for developing AstraZeneca's research strategy, business plan and performance improvement activities. He has considerable experience in managing and leading large complex organisations.

Chris also spent two years with a venture capital firm in Boston that invested in new life science companies. He currently provides a consultancy service focused on 'translational medicine' for medical charities, academic institutions, biotechnology companies and life science orientated government agencies. He has a Ph.D. in Biochemistry from the University of Georgia and performed his postdoctoral work at the Massachusetts Institute of Technology. He moved from the USA to Cheshire in 1993 and is married with three children.

Chris was appointed as Non-Executive Director in October 2014 for 3 years and is a member of the Joint Management Board (Salford Royal and Central Manchester NHS Foundation Trusts).



Mrs Anne Williams CBE - Non-Executive Director

Anne has over 30 years of experience in social care working in the NHS, voluntary sector and Local Authorities. From 1999 to 2005 she was Director of Community and Social Services at Salford City Council managing Neighbourhood Services and Children's and Adult Social Care. Between September 2005 and September 2008, as Strategic Director, she managed Neighbourhood Services, Adult Social Care and Culture and Leisure Services. She has an Honorary Doctorate from the University of Salford.

Anne was an active member firstly of the Association of Directors of Social Services and then of the Association of Directors of Adult Social Services (ADASS), both locally and nationally. She became Vice President of ADSS from October 2006 and was the first President of ADASS from its launch on 26 March 2007. During her presidential year she was closely involved in work with the Department of Health on a number of fundamental initiatives across adult social care and health, such as Putting People First, the Darzi Review and World Class Commissioning.

Anne was awarded a CBE in June 2009 for services to Local Government. Between 2008 and June 2011 Anne was the National Director for Learning Disabilities at the Department of Health. She was extensively involved with the development of the national policy 'Valuing People Now' and its implementation. From November 2011, she was a Non-Executive Director of HC-ONE, a new company providing care homes for older people and those with disabilities.

Anne was appointed as Non-Executive Director in October 2009 and her current term of office comes to an end in September 2016. Anne is the Chairman of Salford Royal's Research and Development Joint Steering Board.

Non-Executive Directors - *continued*



Mr John Willis CBE - Vice-Chairman/Chairman of Audit Committee

John is a qualified accountant and was Chief Executive of Salford City Council from 1993 until his retirement in 2006. John led the team that secured funding for the Lowry, and oversaw much of the regeneration of Salford. In 2006, he was appointed a Commander of the British Empire for services to local government in Salford.

John has considerable experience of managing large, complex public sector organisations with substantial revenue and capital budgets. John was originally appointed for four years as Non-Executive Director, in January 2008. The Board of Directors elected John to be Salford Royal's Vice-Chairman in July 2008 and Chairman of Audit Committee. The Council of Governors reappointed John for a further period of two years from 1 January 2012. Further to this, his appointment was renewed by the Council of Governor for a one year period, in three consecutive years, ending on 31st December 2014, the 31st December 2015, and a current term ending on 31st December 2016.

Independence of Non-Executive Directors

The Board of Directors undertakes an annual review of the independence of its Non-Executive Directors. The Board determines whether each director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the director's judgement. At its meeting in April 2016 the Board of Directors confirmed that it considers all Non-Executive Directors to be independent, namely:

- Mr James J Potter
- Dr Joanna Bibby
- Mrs Diane Brown
- Mrs Rowena Burns
- Dr Chris Reilly
- Mrs Anne Williams CBE
- Mr John Willis CBE

Executive Directors



Sir David Dalton - Chief Executive

Sir David Dalton has been a Chief Executive for 20 years, 13 of these at Salford Royal. He has a strong profile, both locally within Greater Manchester, and also nationally in the areas of quality improvement and patient safety.

Under Sir David's leadership, Salford Royal set out its clear ambition to be the safest organisation in the NHS and has adopted a disciplined approach of applied 'improvement science' coupled with deep staff involvement.

Sir David's other interest is in sustaining an organisational culture which delivers high reliability of clinical standards, this has included supporting clinical leaders and creating a new framework for aligning an individual's contribution to the goals and values of the organisation.

Sir David is Governor of the Health Foundation and Vice-Chair of the Greater Manchester Academic Health Science Network, which aims to improve health through better adoption of evidence of best practice.

Sir David received his knighthood in the New Year's Honours List 2014 for his services to the NHS.



Mrs Elaine Inglesby-Burke CBE - Executive Nurse Director and Deputy Chief Executive

Elaine joined the Salford Royal NHS Foundation Trust in April 2004.

Elaine has held Executive Nurse Director positions since 1996 in both specialist and large acute trust's. She qualified as a Registered nurse in 1980 at Warrington District General Hospital and specialised in critical care and general medicine. She has held various clinical positions at ward level and nurse specialist.

Educated to postgraduate degree level Elaine maintains her professional/clinical development by regular clinical shifts and Executive safety shifts with frontline staff. She is a Florence Nightingale leadership Scholar and took the opportunity to undertake a women's leadership programme for global executives at Harvard University as well as the Executive Quality Academy at the Institute of Healthcare Improvement, Boston. She has a strong track record in professional nursing and operational management.

Elaine is the Executive Lead for Nursing, Governance, Patient Safety and Quality Improvement, and the Division of Salford Healthcare.

Elaine was appointed Deputy Chief Executive in January 2014.



Mr Chris Brookes - Executive Medical Director

Chris commenced as Executive Medical Director at Salford Royal on 1 May 2010. Chris has continued to focus his efforts on infection control and through the contribution of all staff members in Salford Royal there has been significant progress made in ensuring that our patients receive care which is safe and does not expose them to Hospital Acquired Infections (HAI). Chris continues to practice as a Senior Consultant in Salford Royal's Accident & Emergency. Chris led Salford Royal's successful submission to be the Greater Manchester Major Trauma Unit.

Away from the hospital, Chris is married with three children and provides medical care to the Wigan Warriors and England Rugby League Teams.

Executive Directors - *continued*



Janelle Holmes - Director of Productivity and Efficiency/Interim Director of Performance and Improvement (Advisory, non-voting member of the Board of Directors)

Janelle has worked in the NHS since qualifying as a Registered General Nurse in 1991. During her nursing career she has worked in a variety of medical specialties and also as Salford Royal Resuscitation Training Officer, finally settling in the Emergency Assessment Unit as Ward Manager in 1999. In 2001 she set up a Medical High Dependency Unit, introducing Non Invasive Ventilation to Salford Royal.

Prior to taking up the role as Director of Operations for Medicine in March 2008, and latterly the Managing Director for Salford Healthcare, Janelle was Senior Manager for Emergency Medicine including Cardiology, Respiratory, Diabetes & Endocrinology.

Janelle was appointed as the Director of Productivity and Efficiency in March 2015.

Janelle left Salford Royal at the end of March 2016, to take up the position as Chief Operating Officer at Wirral University Teaching Hospital NHS Foundation Trust.



Mr Raj Jain - Executive Director of Corporate Strategy and Business Development

Raj leads the development of a ten-year corporate strategy for Salford Royal. Previous to this role, Raj was Managing Director of Greater Manchester Academic Health Science Network (AHSN). This organisation was created to support citizens, health organisations, companies and higher education to improve health and economic wealth through the spread of innovation at pace and scale; he was a Chief Executive of an NHS FT that achieved Hospital of the Year in 2012 and has held senior roles in teaching and district general hospitals. He spent the early part of his career in the oil and gas industry. He is an economist by training and a human resources and organisational development professional. Raj has been a director of two research organisations and has held regional and national leadership positions in health development and planning.



Mr Ian Moston - Executive Director of Finance

Ian joined Salford Royal Board of Directors in May 2014 from the NHS Trust Development Authority where he was the Business Finance Director for London.

Ian started his NHS career in 1991 as a Regional Financial Management Trainee and has held Finance Director positions in Primary Care, Acute and Intermediate Tier Organisations since 2005. During this time he has worked on a number of large scale transactions including the development of a new national service for cancer treatment, organisational merger and acquisition and the development of a joint venture company to deliver commercial benefits to the NHS.

Ian brings a range of other experiences from both the private and charitable sectors and is a Non-Executive Board Member of Weaver Vale Housing Trust. He is also a keen advocate of finance staff development and is chair of the Towards Excellence Programme which accredits NHS North West Finance functions.

Ian is the Executive Lead for Finance, Information, Procurement, Contracting and Commissioning.

Executive Directors - *continued*



Mr Paul Renshaw - Executive Director of Organisational Development and Corporate Affairs

Paul is a senior HR leader with more than 20 years' experience of HR strategy development and service delivery, including leading significant change management initiatives. He joined Salford Royal in April 2013 from the leadership team at the National Nuclear Laboratory, the leading nuclear technology services provider in the UK.

Paul started his career with Marks and Spencer in 1988 and has also worked for Matalan, BUPA and David McLean Ltd and Serco.

Throughout 2015/16, Paul was the Executive Director with responsibility for workforce, learning and development, communications and organisational development.



Mr Jack Sharp - Executive Director of Service Strategy and Development

Jack joined Salford Royal NHS Foundation Trust in May 2008 and was appointed to the Board of Directors in May 2014.

Originally from Newcastle upon Tyne, Jack moved to the North West to complete a Master's degree. He started his career in the NHS as graduate management trainee and has held a wide range of general management posts. Jack has worked in Salford since 2003, having previously been employed by NHS Salford Primary Care Trust. He has led the development of a number of large scale change programmes, including the transfer and integration of community services within Salford Royal and the development of Salford's strategy to integrate health and social care services for older people.

Throughout 2015/16 Jack was the Executive Lead for Strategic and Operational Planning, Integrated Care and Estates and Facilities.



Dr Peter Turkington - Medical Director Standards and Performance (Advisory, non-voting member of the Board of Directors)

Originally from Northern Ireland, Pete completed his medical training in Yorkshire before moving to Salford Royal in 2003 to take up his Consultant Post in Respiratory Medicine.

His main subspecialty interests are Obstructive Sleep Apnoea, Ventilatory Failure and Non-Invasive Ventilation (NIV). He has set up a Sleep Clinic in Salford for patients with all forms of sleep disorder and has published several papers in peer reviewed journals on Sleep Apnoea. Pete was Clinical Director of Respiratory Medicine between 2007 and 2010 and Chair of the Division of Salford Healthcare between 2010 and 2013 during which time he led the development of the Emergency Village and seven day working for acute medicine.

He has led a number of initiatives within Salford Royal including a collaborative project to improve the management of acutely unwell patients which won a BUPA Foundation Award in 2009 and a HSJ Award for Quality and Productivity in 2010.

Peter is the Executive Lead for the Division of Clinical Support Services and Tertiary Medicine.

Executive Directors and Advisory Board Members

Name	Responsibilities	Appointment Date		Board Attendance
		From	To	
Sir David Dalton	Chief Executive	2001	Present	11/11
Mrs Elaine Inglesby-Burke CBE	Executive Nurse Director	2004	Present	11/11
Mr Chris Brookes	Executive Medical Director	2010	Present	10/11
Mrs Janelle Holmes	Director of Productivity and Efficiency/Interim Director of Performance and Improvement	2015	31 March 2016	7/10
Mr Raj Jain	Executive Director of Corporate Strategy and Business Development	2015	Present	11/11
Mr Ian Moston	Executive Director of Finance	2014	Present	11/11
Mr Paul Renshaw	Executive Director of Organisational Development and Corporate Affairs	2013	Present	10/11
Mr Jack Sharp	Executive Director of Service Strategy and Development	2014	Present	11/11
Dr Peter Turkington	Medical Director Standards and Performance	2014	Present	8/11

Non-Executive Directors

Name	Responsibilities	Appointment	Board Attendance
Mr James J. Potter	Chairman	In post as Vice-Chairman when Salford Royal became a Foundation Trust in August 2006. Appointed as Chairman on 1.7.08. Re-appointed from 1.7.12 until 30.6.15. Re-appointed from 1.7.15 until 2017 AMM. Jim is now in his 10th year with Salford Royal.	11/11
Dr Joanna Bibby	Non-Executive Director	Appointed 1.7.13 until 30.6.16. Reappointed 1.7.16 to 30.6.18. Jo is in her 3rd year with Salford Royal.	10/11
Mrs Diane Brown	Non-Executive Director / Senior Independent Director	Appointed 1.1.09. Re-appointed 1.1.12 until 31.12.14. Re-appointed 1.1.15 to 31.12.16. Diane is now in her 8th year with Salford Royal.	10/11
Mrs Rowena Burns	Non-Executive Director	Appointed 1.7.13 until 30.6.16. Reappointed 1.7.16 to 30.6.17. Rowena is in her 3rd year with Salford Royal.	9/11
Dr Chris Reilly	Non-Executive Director	Appointed 1.10.14 to 30.9.17. Chris is in his 2nd year with Salford Royal	11/11
Mrs Anne Williams CBE	Non-Executive Director	Appointed 1.10.09. Re-appointed 1.10.12 until 30.9.15 Anne is now in her 7th year with Salford Royal.	11/11
Mr John Willis CBE	Vice Chairman / Chairman of Audit and Charitable Funds Committees	Appointed 1.1.08 to 31.12.11. Re-appointed 1.1.12 to 31.12.13. Reappointed 1.1.14 to 31.12.14. Reappointed 1.1.15 to 31.12.15. Reappointed 1.1.16 to 31.12.16. John is now in his 9th year with Salford Royal.	10/11

Committees of the Board of Directors

The Board of Directors has established the following committees:

- Audit Committee
- Nominations, Remuneration and Terms of Service (NRTS) Committee
- Charitable Funds Committee
- Executive Assurance and Risk Committee
- Productivity Improvement Board
- Strategy and Investment Committee.

And other key committees, including:

- Shared Services Board (Salford Royal NHS Foundation Trust and Wrightington, Wigan and Leigh NHS Foundation Trust's joint ventures to provide sterile services and pathology services)
- Joint Research and Development Steering Group
- Alliance Board for Integrated Care
- Joint Management Board (Salford Royal NHS Foundation Trust and Central Manchester NHS Foundation Trust).

Audit Committee

Audit Committee provides an independent and objective review of the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical), that support the achievement of the organisation's objectives. It plays a pivotal role in supporting the governing body.

Salford Royal's Non-Executive Directors (with the exception of the Chairman) are members of the Audit Committee. Attendance during 2015/16 was as follows:

Dr Joanna Bibby	3/5
Mrs Diane Brown	4/5
Mrs Rowena Burns	0/5
Dr Chris Reilly	4/5
Mr John Willis	5/5
Mrs Anne Williams	5/5

In November 14, Audit Committee took part in an externally facilitated development session to evaluate its own performance and impact, its challenges in the future and how those challenges might be addressed. The outcome of the review resulted in the inclusion of 'deep dives' on selected risks from the Board Assurance Framework during 2015/16. The deep-dives probed how specific risks had been identified, the effectiveness of controls and level of assurance available to confirm those controls were working effectively.

An annual review of the effectiveness of Audit Committee during 2015/16 has been conducted and will be reported to the Board of Directors at its meeting on 23rd May 2016. The Board will receive confirmation that all aspects of Audit Committees terms of reference have been fulfilled and that the review has informed the Audit Committee work programme for 2016/17. The terms of reference were reviewed in 2015/16 in conjunction with the Council of Governors, and will be approved in May 2016 by the Board of Directors.

The Audit Committee met its responsibilities during 2015/16 by:

- Reviewing all risk and control related disclosure statements (in particular the Annual Governance Statement), together with the accompanying Head of Internal Audit statement and External Audit Opinion
- Reviewing the 2015/16 Board Assurance Framework/Corporate Risk Register and conducting a 'deep dive' on selected risks including achievement of the 14 day cancer standard and achievement of the open pathway referral to treatment standard
- Reviewing the Corporate Governance Framework Manual
- Reviewing the Accounting Policies for 2014/15 Annual Accounts and the Annual Accounts
- Reviewing the assessment that had been undertaken of Salford Royal as a 'going concern' to support the production of the Annual Accounts for 2014/15
- Reviewing the 2014/15 Annual Report and Financial Statements before submission to the Board
- Reviewing the External Auditors Audit Findings Report, and management response to it, prior to presentation at Board
- Developing and approving the Policy for Engagement of the External Auditor for Non-Audit Work
- Reviewing the adequacy 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 and Security Management Service
- Reviewing the outcome of the NHS Protect visit and assessment of performance against two areas of activity in the fraud, bribery and corruption standards
- Utilising the work of Internal Audit, External Audit and Executive Governance Committees, seeking further assurances from Executive Directors and Senior Manager managers as appropriate with focus on the implementation of agreed recommendations and actions
- Reviewing the work and findings of the Internal Auditor
- Reviewing Salford Royal's CQC Compliance Framework and the 2015/16 Corporate CQC Assurance Reviews
- Reviewing the Annual Fire Safety Report
- Reviewing key finance related matters, including losses and special payments reports and reviewing and approving write-off of non-NHS debtors
- Monitoring procurement and the management of non-pay spend, specifically having oversight of the Procurement Work Plan.
- Reviewing arrangements by which staff can raise issues
- Reviewing the Register of Interests for Senior Staff and Gifts and Hospitality Registers to ensure compliance with Salford Royal's Standards of Business Conduct
- Reviewing the Clinical Audit Annual Programme with respect to national and regional audits and local divisional audits, exploring how services have changed practice as a result of local audit.

Audit Committee has remained observant of the key financial, operational and strategic risks facing Salford Royal. The committee has responded to significant issues and sought greater assurance in a number of areas during 2015/16.

Between 1st February and 30th June 2015, Non-Executive Directors took part in a series of visits to gain a broader understanding of the scope of community and outpatients services. Non-Executive Directors had opportunity to meet with frontline staff from the Rapid Response Team, Tissue Viability Service, Bladder and Bowel Service, Heartly Green Bedded Unit, Intermediate Care Rehabilitation and Adult District Nursing. Via the Internal Audit Work Plan and CQC Corporate Assurance Reviews, Audit Committee continued to focus their attention on the attainment of the same high standards of care in community and outpatients' areas, requesting immediate management response and implementation of recommended actions relating to Heartly Green Intermediate Care Unit, Main Outpatients Department and Anti-Coagulation Service.

Audit Committee has paid significant attention to the development of a comprehensive and contemporaneous register of external agency visits, inspections and accreditations. During 2015-16 Audit Committee have continued to review actions to further strengthen and centralise governance arrangements; and expedite a comprehensive database identifying statutory and other key external inspections/assessments that Salford Royal's services, departments and facilities may be subject to in the future, alongside details of previous inspections and their outcomes. Audit Committee reviewed a comprehensive action plan to ensure all external agency visits, inspections and accreditations would be embedded within Salford Royal's Risk Management Software system, enabling monitoring of completion of actions. Completion of the action plan will be monitored during 2016/17.

A further matter considered in depth by the Audit Committee concerned the standardisation of workforce procedures following an Internal Audit Report of Non-Contracted Staffing. Audit Committee requested immediate management response and received confirmation that centralised administrative arrangements for all temporary staffing and medical staffing responsibilities had been transferred into the Human Resources Department. This team will ensure compliance with the existing standardised framework and will undertake regular auditing and reporting of compliance.

The Audit Plan for Salford Royal NHS Foundation Trust was presented to the Audit Committee in December 2015, confirming the audit would be conducted with an understanding of the key challenges and opportunities Salford Royal is facing. The Audit Committee received assurance that the audit would consider the impact of key developments in the sector and take account of national audit requirements as set out in Monitor's Audit Code and associated guidance. Additionally, the audit will ensure compliance with International Standards on Auditing (ISAs).

It is the responsibility of the Audit Committee to make recommendation to the Council of Governors about the reappointment of Salford Royal's external auditor. Audit Committee presented a report to the Council of Governors in March 2015 confirming the high standard and value of the work of the external auditor, the timeliness of reporting and that fees remained reasonable. In light of the above, Audit Committee recommended the extension of Grant Thornton as Salford Royals' external auditor for a further period of two years, concluding immediately following the Annual Members Meeting in 2017. This recommendation was unanimously approved by the Council of Governors. Grant Thornton proposed no further increase to the pricing schedule to conduct the 2015/16 and 2016/17 audit. The annual cost to Salford Royal would be £52,750 (net of VAT).

Salford Royal has a robust policy in place for the engagement of the External Auditor for Non-Audit Work. Audit Committee is aware that Salford Royal's External Auditor provides non-audit services to one of Salford Royal's hosted services. In December 2015, Audit Committee were informed that the Advancing Quality Alliance (AQuA) appointed Grant Thornton to provide external assurance services on performance data for the first two quarters of 2015/16. This was at a fee of £60,000. This would be paid by AQuA. From the third quarter of 2015/16 AQuA will be conducting their own internal data assurance and Grant Thornton will no longer be involved. Audit Committee were assured that adequate safeguards were in place to identify any potential conflicts of interest and robust procedures were followed to ensure the AQuA assurance work would have no impact on their independence of Salford Royal.



Role of Internal Audit

Salford Royal has an internal audit function. Internal Audit reviews, appraises and reports upon: the extent of compliance with, and the financial effect of, relevant established policies, plans and procedures; the adequacy and application of financial and other related management controls; the suitability of financial and other related management data; the extent to which Salford Royal's assets and interests are accounted for and safeguarded from loss of any kind, arising from fraud, bribery, corruption and other offences; waste, extravagance, inefficient administration and poor value for money or other causes.

Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores, or other property or any suspected irregularity in the exercise of any function of a pecuniary nature, the Director of Finance is notified immediately. The Head of Internal Audit attend Audit Committee meetings and has a right of access to all Audit Committee members, the Chairman and Chief Executive of Salford Royal. The Head of Internal Audit is accountable to the Director of Finance and the reporting system for internal audit is agreed between the Director of Finance, the Audit Committee and the Head of Internal Audit. The agreement is in writing and complies with the guidance on reporting contained in the NHS Internal Audit Manual. The Head of Internal Audit and the Chairman of the Audit Committee have direct the right of access to each other if a matter of concern involves the Director of Finance.

Further information regarding the committees of the Board is provided in the Corporate Governance Framework Manual available on the website: **www.srft.nhs.uk**



Regulatory Ratings Report

Monitor, as part of NHS Improvement, is the foundation trust regulator for health services in England with the job of protecting and promoting the interests of patients by ensuring that the whole sector works for their benefit.

As part of its responsibilities, Monitor makes sure foundation hospitals, ambulance trusts and mental health and community care organisations are well led and are run efficiently, so they can continue delivering good quality services for patients in the future.

Up until the first quarter of 2015/16, Monitor published two ratings:

- Continuity of Services Risk Rating (rated 1-4, where 1 represents the highest risk and 4 the lowest)
- Governance Rating (trusts are rated green if no issues are identified and red where enforcement action is being taken).

Revisions to the risk assessment framework were made in August 2015 to reflect the challenging financial context in which foundation trusts were operating and support improvements in financial efficiency across the sector. From the second quarter of 2015/16 Monitor publishes two ratings for each NHS foundation trust, as set out in the revised Risk Assessment Framework (August 2015) assessed in the main, on a quarterly basis:

- Financial Sustainability Risk Rating: Monitor's view of the level of financial risk a foundation trust faces and its overall financial efficiency. A rating of 1 indicates the most serious risk and 4 the least risk
- Governance rating: Monitor indicates if no evident concerns are identified, enforcement action has begun, or that the foundation trust's rating is 'under review', meaning Monitor have identified a concern but not yet taken action.

Monitor measures and assesses the actual performance of each NHS foundation trust, against each foundation trust's annual plan (as approved by Monitor).

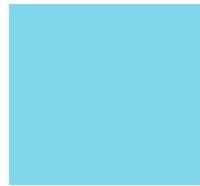
A summary of rating performance throughout the year and comparison to prior year is as follows:

2014/15	Annual plan	Q1	Q2	Q3	Q4
Continuity of Services Risk Rating	3	3	3	3	2
Governance Risk Rating	Green	Green	Green	Green	Under review
2015/16					
Annual plan	Q1	Q2	Q3	Q4	
Under the Risk Assessment Framework April – July 2015					
Continuity of Services Risk Rating	2	2	-	-	-
Governance Rating	-	Under review	-	-	-
Under the Risk Assessment Framework Revised August 2015					
Financial Sustainability Risk Rating	-	-	2	2	TBC
Governance Rating	-	-	Under review	Under review	TBC

Signed:

Date: 26 May 2016

Sir David Dalton
Chief Executive & Accounting Officer
Salford Royal NHS Foundation Trust



Statement of the Chief Executive's Responsibilities as the Accounting Officer of Salford Royal 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 Salford Royal NHS Foundation 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 Salford Royal 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
- prepare the financial statements on a going concern basis.

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

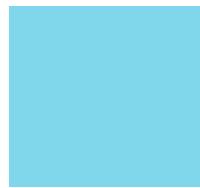
To the best of my knowledge and belief, I have properly discharged the responsibilities set out in Monitor's NHS Foundation Trust Accounting Officer Memorandum.

Signed:

Date: 26 May 2016

Sir David Dalton,

Chief Executive



Annual Governance Statement

Scope of responsibility

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Salford Royal NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Salford Royal NHS Foundation Trust for the year ended 31 March 2016 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

I am responsible for risk management across all organisational, financial and clinical activities. I am the Chairman of the Executive Assurance and Risk Committee that reviews and sets the Risk Management Strategy for Salford Royal. The Risk Management Strategy provides a framework for managing risks across the organisation which is consistent with best practice and Department of Health guidance. The Strategy provides a clear, systematic approach to the management of risks to ensure that risk assessment is an integral part of clinical, managerial and financial processes across the organisation. The Strategy sets out the role of the Board and its Standing Committees together with the individual responsibilities of the Chief Executive, Executive Directors, other Senior Leaders and all staff in managing risk. In particular, the Executive Assurance and Risk Committee, through its Executive Governance Committees of Quality and People Experience; Clinical Effectiveness; Finance, Information and Capital; Operations and Performance; and Education and Research, provides the mechanism for managing and monitoring risk throughout Salford Royal and reporting through to the Board. Established Divisional governance arrangements maintain effective risk management arrangements across all Directorates, maintain Divisional Assurance Frameworks and Risk Registers and report directly to the Executive Assurance and Risk Committee via quarterly, Director-led Divisional Assurance and Risk Committees. The Audit Committee, comprising all Non-Executive Directors other than the Chairman, oversees the systems of internal control and overall assurance process associated with managing risk.

The Board of Directors routinely receives the summary minutes of all Standing Committees. The Board receives assurances from the Executive Assurance and Risk Committee relating to the management of all serious untoward incidents, including Never Events, as well as receiving integrated reports on complaints, claims and incidents, which it receives twice a year.

Salford Royal has mechanisms to receive and act upon alerts and recommendations made by all relevant central bodies.

Risk management training is provided through the induction programme for new staff. In addition, tailored training for individual roles is identified by managers and agreed with staff through personal development plans.

The corporate induction programme ensures that all new staff are provided with details of Salford Royal's risk management systems and processes and is augmented by local induction organised by line managers. This includes the comprehensive induction of all junior doctors with regard to key policies, standards and practice prior to commencement in clinical areas. Mandatory training, reflects essential training needs, and includes risk management processes such as fire safety, health and safety, manual handling, resuscitation, infection control, safeguarding patients, blood transfusion and information governance. Each of these processes is included within an e-learning programme available to staff.

Root Cause Analysis training is provided to staff members who have direct responsibility for risk management within their area of work. Lessons learned when things go wrong are shared via Corporate and Divisional governance systems.

The risk and control framework

Risk management requires participation, commitment and collaboration from all staff. The process starts with the systematic identification of risks via structured risk assessments. Identified risks are documented on risk registers. These risks are then analysed in order to determine their relative importance using a risk scoring matrix.

Low scoring risks are managed by the area in which they are found whilst higher scoring risks are managed at progressively higher levels within the organisation. Achieving control of the higher scoring risks is given priority over lower scoring risks. Risk control measures are identified and implemented to reduce the potential for harm. The potential severity (consequence) and the likelihood of the risk occurring are scored along with the existing control measures. It is the sum of these scores which determine the level in the organisation at which the risk is reported and the monitoring of further actions to mitigate against the risk is performed.

Incident Reporting is openly encouraged through staff training and further embedded by Salford Royal's adoption and promotion of a fair blame culture. Risks identified from serious incidents that impact upon public stakeholders are managed by involving the relevant patient and/or their family and ensuring that they are satisfied that all lessons have been learned.

Salford Royal has a Board Assurance Framework, which is based on six key elements:

- Clearly defined principal objectives agreed with stakeholders together with clear lines of responsibility and accountability
- Clearly defined principal risks to the achievement of these objectives together with assessment of their potential impact and likelihood
- Key controls by which these risks can be managed, this includes involvement of stakeholders in agreeing controls where risks impact on them
- Management and independent assurances that risks are being managed effectively
- Board reports identifying that risks are being reasonably managed and objectives being met together with gaps in assurances and gaps in risk control
- Board action plans which ensure the delivery of objectives, control of risk and improvements in assurances.

Quality Improvement drives Salford Royal's strategy and annual plan and, via the processes described above, the Board of Directors are aware of potential risks to quality. Salford Royal has strong quality governance arrangements in place, which include a quality improvement strategy with ambitious Trust-wide quality goals, designed, approved and monitored by the Board of Directors; an Executive Quality and People Experience Governance Committee which reports directly to the Executive Assurance and Risk Committee; Quality Dashboards at all levels throughout the organisation that track performance against key quality indicators; standardised risk assessment (Quality and Safety Impact Assessment) of all productivity improvement workstreams, as part of Salford Royal's Better Care at Lower Cost Programme; and robust arrangements for staff, patients and members of the public to raise concerns with respect to the quality of care.

Salford Royal has appointed a Freedom to Speak Up (FTSU) Guardian to act in a genuinely independent and impartial capacity to support staff who raise concerns and will have access to the Chief Executive and Salford Royal's nominated non-executive director for 'Freedom to Speak Up'. The Board has nominated the Senior Independent Director (SID) as Salford Royal's nominated non-executive director. Salford Royal is currently testing an initiative to install local guardians across the organisation and the associated mechanisms to ensure effective flow of information and feedback, thus providing easy access to practical support. A quarterly report of all concerns raised and themes will be produced for the Executive Quality and People Experience (EQPE) Governance Committee from July 2016 onwards, and summary information will be provided for the Executive Assurance and Risk Committee and the Board of Directors. Salford Royal FTSU Guardian will attend the EQPE Governance Committee meeting to discuss all concerns raised and will also meet with the nominated non-executive director on a quarterly basis.

Salford Royal has, in previous years, conducted annual self-assessments against Monitor's Quality Governance Framework. During 2014/15 and 2015/16, self-assessment took place against Monitor's Well-led Governance Framework, which fully incorporates, and builds on, the Quality Governance Framework. These self-assessments are reviewed via the Executive Assurance and Risk Committee and reported to the Board of Directors and Salford Royal's Audit Committee, and support continuous improvement. Additionally, during 2015/16, the Executive Assurance and Risk Committee and Audit Committee determined that Salford Royal's Internal Auditor should review Salford Royal's evidence of compliance with the Well-led Governance Framework. Review was undertaken and concluded that the self-assessment had been completed thoroughly, presenting a compelling and positive picture of Salford Royal; the evidence supplied was appropriate and ensured compliance with all domains. The Quality Report, within this Annual Report and Accounts, describe quality improvements and quality governance in more detail.

Salford Royal is registered with the Care Quality Commission and systems exist to ensure compliance with the registration requirements. A process of self-assessment is in place and undertaken annually by each service following the prompts within the CQC's Judgement Framework, from 1 April 2015 the Fundamental Standards of Quality and Safety. The outcomes of each assessment are discussed through the Service Review process twice yearly and via the Executive Assurance and Risk Committee. Any areas of concern are risk assessed and applied where necessary to the local and corporate risk registers. All of the CQC Fundamental Standards of Quality and Safety have an identified lead within the organisation and it is their responsibility to provide compliance evidence and evaluation to relevant Executive Governance Committee on an annual basis. An internal CQC mock assessment programme is in operation whereby unannounced visits take place across each of the Divisions. In addition, further assurance is

provided by Audit Committee, which monitors the outcome of the mock assessment programme in-year and commissions specific reviews by Salford Royal's internal auditors. A summary report that collates assurance from each of these controls is presented to the Executive Assurance and Risk Committee at the end of each financial year. Significant assurance was obtained following the successful outcome of the CQC inspection in January 2015, where Salford Royal was assigned an 'outstanding' rating. Actions required and recommended by the CQC were promptly managed and monitored by Executive Assurance and Risk Committee and reported directly to the Board.

Data quality and data security risks are managed and controlled via the risk management system. Risks to data quality and data security are continuously assessed and added to the IM&T risk register, which is reviewed periodically by the Executive Assurance and Risk Committee. In addition, independent assurance is provided by the Audit Commission's PbR (Payment by Results) Data Assurance Framework review and the Information Governance Toolkit self-assessment review by internal audit.

During 2015/16, the Board ensured on-going assessment of in-year and future risks. Major risks related to:

- Delivery of Salford Royal's Better Care at Lower Cost programme
- Effectiveness of financial control systems
- Maintaining trust wide clinical staffing
- Provision of 24/7 interventional radiology services
- Provision of non-vascular intervention
- Solution for breast surgery services
- Ongoing compliance with national A&E standard
- Potential cyber security threat
- Capital solutions for major strategic programmes
- Estates solution: Clinical Sciences Building
- Adequacy of rehabilitation pathways.

The Board oversees the management of all major risks, which are actively addressed by the Executive Assurance and Risk Committee. Key controls and assurances, and any identified gaps are continually reviewed and action plans developed and progressed accordingly. Outcomes are confirmed via this process and reported routinely to the Board, via the Board's Integrated Performance Dashboard. Audit Committee reviews the Board Assurance Framework/Corporate Risk Register and commissions additional reviews where appropriate in order to provide necessary assurance to the Board.

Significantly, Salford Royal has developed a Productivity Improvement Programme titled 'Better Care at Lower Cost' with robust project management arrangements via a central project management office (PMO) and oversight via the Productivity Improvement Board, an established standing committee of the Board that is chaired by the Executive Director of Finance. Executive-led workstreams, with formally established projects, form the basis of the programme that is reported each month in detail to the Board of Directors. This programme is fully aligned to the objectives of Salford Royal's financial and operational plan.

Salford Royal has assessed compliance with the NHS foundation trust condition 4 (FT governance). Audit Committee reviewed the assessment in detail at its meeting on 25th May 2016 and confirmed that no material risks had been identified. Salford Royal believes that effective systems and processes are in place to maintain and monitor the following conditions:

- The effectiveness of governance structures
- The responsibilities of Directors and subcommittees
- Reporting lines and accountabilities between the board, its subcommittees and the executive team
- The submission of timely and accurate information to assess risks to compliance with Salford Royal's licence
- The degree and rigour of oversight the board has over Salford Royal's performance.

These conditions are detailed within the Corporate Governance Statement, the validity of which is assured via the Board of Directors' Audit Committee.

Risk management is embedded in the activity of the organisation. The risk management systems are fully incorporated within Salford Royal's Assurance Framework. Salford Royal's corporate risk register is integrated with the Board Assurance Framework thereby ensuring that risks are not only managed and communicated efficiently, but that the management of them is embedded in Salford Royal's practice. When things do go wrong Salford Royal encourages its staff to report incidents whether there was any consequence resulting from the incident or not. Anonymous reporting is accepted to mitigate against any concerns the reporter of an incident may have. However, if the reporter of an incident does include who they are, then they receive automated feedback for every incident they report. This is to help demonstrate the value of reporting and that things have changed as a result, with the intent on encouraging staff to report more incidents.

Public stakeholders are involved in managing risks which impact on them. When serious incidents are investigated, members of Salford Royal speak and if possible meet with those who were affected. Relevant feedback from these discussions would be considered during the investigation and a copy of the final report is shared. This gives the opportunity for comment on the report to be considered and if appropriate included.

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

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions

and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

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

The Foundation Trust has undertaken risk assessments and 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.

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

The financial plan is approved by the Board of Directors and submitted to Monitor. The plan, including forward projections, is monitored in detail on a monthly basis by the Executive Finance, Information and Capital Governance Committee with key performance indicators and financial sustainability metrics also reviewed monthly by the Board. Our financial plan for 2015/16 required in year cost savings of £20m, with £30 million full year effect. To enable delivery, Salford Royal established two new senior posts of Medical Director of Standards and Performance and the Director of Productivity and Efficiency, created a new Executive Committee of the Board initially chaired by the Chief Executive, now chaired by the Executive Director of Finance, to monitor productivity improvement and implemented a project management office to support our 'Better Care Lower Cost' programme.

Salford Royal's resources are managed within the framework set by the Corporate Governance Framework Manual, which includes Standing Financial Instructions. Financial governance

arrangements are supported by internal and external audit to ensure economic, efficient and effective use of resources and monitored through Audit Committee.

Clinical Divisions and Corporate Departments are responsible for the delivery of financial and other performance targets via a performance management framework incorporating service reviews with the Executive Team.

Information Governance

Information governance risks are managed as part of the processes described above and assessed using the Information Governance Tool kit. The risk register is updated with the currently identified information risks. There were no serious incidents relating to information governance during 2015/16, including data loss or confidentiality breach, classified as Level 2 in the Information Governance Toolkit.

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 Annual Quality Report 2015/16 has been developed in line with relevant national guidance and is supported internally through the Board Assurance Framework. Salford Royal has a dedicated Executive Quality and People Experience Governance Committee. All data and information within the Quality Report is reviewed through this committee and is supported through a comprehensive documented three year Quality Improvement Strategy. The Board of Directors regularly review the Quality Improvement Dashboard and progress against identified projects.

Salford Royal has an identified Quality Improvement Department with relevantly skilled individuals to support the execution of the Quality Improvement Strategy across the organisation. Capability building in Quality Improvement techniques and skills has been and remains a key objective of the organisation. Staff at all levels are exposed to either collaborative working, clinical micro-systems or specific quality improvement educational programmes both internally and externally to ensure skills are developed and maintained. In addition, some members of the Board have completed the 'Board on Boards' training programme in Quality Improvement awareness and skills.

The Quality Report has been reviewed through both internal and external audit processes and comments have been provided by local stakeholders including commissioners, patients and the local authority.

Salford Royal assures the quality and accuracy of elective waiting time data, and the risks to the quality and accuracy of this data. The quality of performance information is continually assessed. Each Division operates a weekly Access & Performance meeting where Patient Tracking Lists are scrutinised in detail by the service team and the Divisional Managing Director. The Patient Tracking Lists include all patients currently part of a Referral To Treatment (RTT) pathway. The Divisions have processes that validate patient pathways prior to any monthly performance information being produced and/or submitted externally. This validation is reviewed and signed off by a Divisional Managing Director and subsequently by a member of the Executive Team. Any issues that are highlighted within the data are reported by the Service team through to the Data Quality team for investigation and are acted on appropriately.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the Quality Report attached to this Annual Report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board and the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Salford Royal's Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. Internal Audit provides me with an opinion about the effectiveness of the assurance framework and the internal controls reviewed as part of the internal audit plan. Work undertaken by internal audit is reviewed by the Assurance Framework's Committees and the Audit Committee. The Board Assurance Framework/ Corporate Risk Register is presented to the Executive Assurance and Risk Committee on a quarterly basis and all significant risks are detailed within the monthly Integrated Performance Dashboard presented to the Board by the Chief Executive. This provides me and the Board with evidence of the effectiveness of controls in place to manage risks to achieve the organisations principal objectives. The Council of Governors plays an integral part in the governance structure within Salford Royal, ensuring through regular interaction with the Board of Directors, the interests of Salford Royal's members, and the

public, are at the fore when reviewing the risks to, and performance with respect to the principal objectives.

My review is also informed by External Audit opinion, inspections carried out by the Care Quality Commission and other external inspections, accreditations and reviews.

The processes outlined below are well established and ensure the effectiveness of the systems of internal control through:

- Executive Assurance and Risk Committee review of the Board Assurance Framework, including risk registers and action plans
- Board oversight of all significant risks
- Audit Committee scrutiny of controls in place
- Review of serious untoward incidents and learning by the Assurance Framework committees, including those for risk management and clinical effectiveness
- Review of progress in meeting the Care Quality Commission's Fundamental Standards by the Executive Governance Committees
- Internal audits of effectiveness of systems of internal control.

Conclusion

The Board has extensive and effective governance assurance systems in operation. These systems enable the identification and control of risks reported through the Board Assurance Framework and Corporate Risk Register. Internal and external reviews, audits and inspections provide sufficient evidence to state that no significant internal control issues have been identified during 2015/16, and that these control systems are fit for purpose.

Signed:

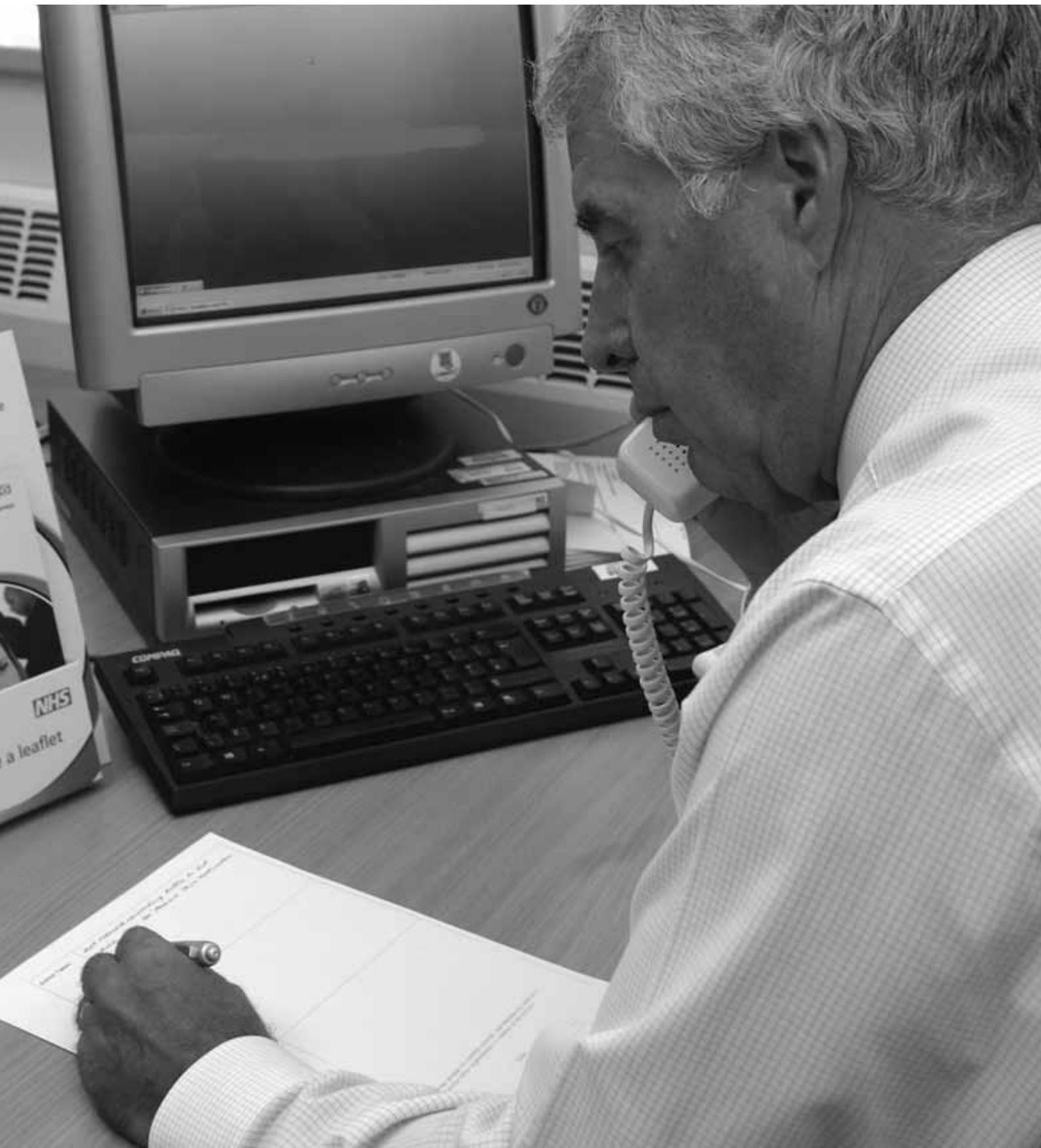


Date : 26 May 2016

Sir David Dalton

Chief Executive

3 Independent Auditor's Report



Independent Auditor's Report to the Council of Governors of Salford Royal NHS Foundation Trust

Our opinion on the financial statements is unmodified

In our opinion the financial statements of the group and Salford Royal NHS Foundation Trust (the 'Trust'):

- Give a true and fair view of the state of the financial position of the group's and the Trust's affairs as at 31 March 2016 and of the group's and Trust's expenditure and income for the year then ended
- Our opinion on the financial statements is unmodified and has been prepared properly in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, as interpreted and adapted by the 2015/16 FReM as contained in the NHS Foundation Trust Annual Reporting Manual and the Directions under paragraph 25(2) of Schedule 7 of the National Health Service Act 2006.

Who we are reporting to

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with paragraph 24(5) of Schedule 7 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Trust's Council of Governors 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 Trust and the Trust's Council of Governors as a body, for our audit work, for this report, or for the opinions we have formed.

What we have audited

We have audited the financial statements of Salford Royal NHS Foundation Trust for the year ended 31 March 2016 which comprise the group and Trust statement of comprehensive income, the group and Trust statement of financial position, the group and Trust statement of changes in taxpayers' equity, the group and Trust statement of cash flows and the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union, and as interpreted and adapted by the 2015/16 Government Financial Reporting Manual (the 2015/16 FReM) as contained in the NHS Foundation Trust Annual Reporting Manual (ARM) and the Directions under paragraph 25(2) of Schedule 7 of the National Health Service Act 2006 issued by Monitor, the Independent Regulator of NHS Foundation Trusts.

Overview of our audit approach

- Overall group materiality: £7,500,000 which represents 1.5% of the group's gross operating expenses excluding impairments and accelerated depreciation;
- We performed a full-scope audit of Salford Royal NHS Foundation Trust and analytical procedures at Salford Royal NHS Foundation Trust General Charitable Fund;
- Key audit risks were identified as:
 - Valuation of property, plant and equipment
 - Occurrence of healthcare income and the existence of associated receivable balances
 - Occurrence of non-healthcare income and the existence of associated receivable balances
 - Completeness of non-pay operating expenditure

Our assessment of risk

In arriving at our opinions set out in this report, we highlight the following risks that, in our judgement, had the greatest effect on our audit:

Audit risk	How we responded to the risk
<p>Valuation of property, plant and equipment</p> <p>The valuation of land and buildings within property, plant and equipment involves estimates that require significant judgements and in total represents over 60% of the total asset value on the group's statement of financial position. This is a newly identified risk this year following the adoption of the alternative site valuation methodology for valuing some assets as part of the group's valuation as at 31 March 2016. This change in assumption led to a material movement in the valuation of property in the accounts.</p> <p>We therefore identified the valuation of property, plant and equipment as a significant risk requiring special audit consideration.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> ● reviewing the competence, objectivity and expertise of management's valuer, including using the work of an auditor's expert to assess whether we could place reliance on their work; ● reviewing the instructions issued to the valuer and the scope of their work, including the completeness of the data provided to the valuer; ● obtaining management's assessment of the valuation of property, plant and equipment and understanding the valuation process including the design of key controls and significant assumptions; ● challenging and obtaining corroborative evidence of the assumptions made by management in relation to: <ul style="list-style-type: none"> ● the valuation of property, plant and equipment, including the appropriateness of the adoption of an alternative site valuation methodology where applied; and ● the useful economic lives of property, plant and equipment and the resulting amount of depreciation charged in the year; and ● agreeing valuation adjustments made to the fixed asset register against the valuations provided by management's valuer. <p>The group's accounting policy for valuation of property is shown in note 1.8 with further disclosure on the estimation uncertainty in note 1.4. Related disclosures are included in note 16.1 and 16.5.</p>

Audit risk	How we responded to the risk
<p>Occurrence of healthcare income and the existence of associated receivable balances</p> <p>The Group receives 87% of its revenue from commissioners of healthcare services. The Trust invoices its commissioners throughout the year for services provided, and at the year-end accrues for activity not yet invoiced. Given the scale of this income stream to the Trust we considered this to be an area of heightened risk of material misstatement in the financial statements.</p> <p>We therefore identified occurrence of income from patient care activities, and the existence of the associated receivable balances, as a significant risk requiring special audit consideration.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> ● evaluating the group's accounting policy for revenue recognition of healthcare income for appropriateness and consistency with the prior year; ● gaining an understanding of the group's system for accounting for healthcare income and evaluating the design of the associated controls; ● agreeing, on a sample basis, amounts recognised as healthcare income in the financial statements to signed contracts; ● agreeing, on a sample basis, additional healthcare income to contract variations or supporting documentation; and ● using a summary of expenditure with the Trust accounted for by other NHS bodies, provided by the Department of Health, to identify any significant differences in income and any associated receivable balances with contracting bodies. <p>The group's accounting policy for income, including its recognition is shown in note 1.5 to the financial statements and related disclosures for healthcare income are included in note 3. Disclosures related to healthcare receivables are included in note 21.</p>
<p>Occurrence of non healthcare income and the existence of associated receivable balances</p> <p>The Group receives 14% of its revenue from the provision of non-patient care services.</p> <p>Income is recognised when the service has been performed. At the year-end income is accrued for services that have been performed but not yet invoiced. We therefore identified occurrence of non-healthcare income, and the existence of the associated receivable balances, as a significant risk requiring special audit consideration.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> ● evaluating the group's accounting policy for revenue recognition of non healthcare income for appropriateness and consistency with the prior year; ● gaining an understanding of the group's system for accounting for non healthcare income and evaluating the design of the associated controls; ● agreeing, on a sample basis, amounts recognised as non healthcare income in the financial statements to supporting documentation; and ● agreeing, on a sample basis, year-end receivables to, supporting documentation and evidence of receipt of payment. <p>The group's accounting policy for income, including its recognition is shown in note 1.5 to the financial statements and related disclosures for non healthcare income are included in notes 4 and 5. Disclosures related to non healthcare receivables are included in note 21.</p>

Audit risk	How we responded to the risk
<p>Completeness of operating expenditure on goods and services.</p> <p>Expenditure on goods and services represents 42% of the group's total expenditure.</p> <p>The Trust is facing significant financial pressures and has high profile strategic plans, including the Vanguard programme.</p> <p>Management uses judgement to estimate accruals of expenditure for amounts that have not been invoiced at the year end.</p> <p>We therefore identified completeness of operating expenditure on goods and services as a significant risk requiring special audit consideration.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> ● gaining an understanding of the systems used to recognise expenditure on goods and services and year-end accruals, and evaluating the design of the associated controls; ● testing, on a sample basis, payments made after the year end to confirm the completeness of year-end payables and accruals; ● reviewing the year-end reconciliation of the subsidiary system interface and general ledger control accounts to ensure that all transactions from the subsidiary system are reflected in the financial statements; and ● considering the completeness of reported accruals and provisions by review of Trust Board and Committee minutes and papers for events subsequent to the year end. <p>The group's accounting policy for expenditure on goods and services is shown in note 1.7 to the financial statements and related disclosures are included in note 5.</p>

Our application of materiality and an overview of the scope of our audit

Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our audit work and in evaluating the results of that work.

We determined materiality for the audit of the group financial statements as a whole to be £7,500,000 which is 1.5% of the group's gross operating expenses excluding impairments and accelerated depreciation. This benchmark is considered the most appropriate because we consider users of the group's financial statements to be most interested in the costs it has incurred and how it has expended its revenue and other funding.

Materiality for the current year is lower than the level that we determined for the year ended 31 March 2015 to reflect our view that users of the accounts with a lower view of materiality are expected this year because of the group's involvement in the Vanguard programme and the increased deficit incurred by the group in the current year.

We use a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 70% of financial statement materiality for the audit of the group financial statements.

We also determined a lower level of specific materiality for certain areas such as senior manager remuneration disclosed in the Remuneration Report and the disclosure of the audit fee.

We determined the threshold at which we would communicate misstatements to the Audit Committee to be £250,000. In addition we communicated misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

Overview of the scope of our audit

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 group's and Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Chief Executive as 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.

We conducted our audit in accordance with ISAs (UK and Ireland) having regard to the Financial Reporting Council's Practice Note 10 'Audit of Financial Statements of Public Bodies in the UK (Revised)'. Our responsibilities under the Code of Audit Practice published by the National Audit Office on behalf of the Comptroller and Auditor General (the Code) and those standards are further described in the 'Responsibilities for the financial statements and the audit' section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the group in accordance with the Auditing Practices Board's Ethical Standards for Auditors, and we have fulfilled our other ethical responsibilities in accordance with those Ethical Standards.

Our audit approach was based on a thorough understanding of the group's business and is risk based, and in particular included:

- evaluation by the group audit team of the identified component to assess the significance of that component and to determine the planned audit response based on a measure of materiality;
- an interim visit to evaluate the group's internal control environment including its IT systems and controls over key financial systems;
- analytical procedures on the financial statements of the Salford Royal NHS Foundation Trust General Charitable Fund.

Overview of the scope of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria issued by the Comptroller and Auditor General in November 2015, as to whether the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined these criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2016 and to report by exception where we are not satisfied.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Trust had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Other reporting required by regulations

Our opinion on other matters required by the Code is unmodified

In our opinion:

- the parts of the Remuneration Report and Staff Report subject to audit have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2015/16 FReM as contained in the NHS Foundation Trust Annual Reporting Manual; and
- the other information published together with the audited financial statements in the annual report is consistent with the audited financial statements.

Matters on which we are required to report by exception

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the group acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to report to you if:

- we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the annual report is fair, balanced and understandable; or
- the annual report does not appropriately disclose those matters that were communicated to the Audit Committee which we consider should have been disclosed.

Under the Code of Audit Practice we are required to report to you if, in our opinion:

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust ARM or is misleading or inconsistent with the information of which we are aware from our audit; or
- we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We have nothing to report in respect of the above matters.

Responsibilities for the financial statements and the audit

What the Chief Executive, as Accounting Officer, is responsible for:

As explained more fully in the Statement of the Chief Executive's Responsibilities as the Accounting Officer of Salford Royal NHS Foundation Trust, the Chief Executive, as Accounting Officer, is responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Direction issued by Monitor and for being satisfied that they give a true and fair view. The Accounting Officer is also responsible for the arrangements to secure economy, efficiency and effectiveness in the use of the Trust's resources.

What we are responsible for:

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law, the Code of Audit Practice and ISAs (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

We are also required under Section 1 of Schedule 10 of the National Health Service Act 2006 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency

and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Certificate

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

Sarah Howard
Partner
for and on behalf of Grant Thornton UK LLP
Manchester

26 May 2016

4 Annual Accounts



Foreword to the Accounts

Salford Royal NHS Foundation Trust

The annual accounts of Salford Royal NHS Foundation Trust for the year ended 31 March 2016.

Prepared in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006.



Sir David Dalton
Chief Executive

Date: 26 May 2016

Statement of comprehensive income for the year ended 31 March 2016 for Salford Royal NHS Fundation Trust and Salford Royal NHS Foundation Trust General Charitable Fund

	Note	2015/16		2014/15	
		Trust - pre-consolidation £000	Consolidated £000	Trust - pre-consolidation £000	Consolidated £000
Operating income from patient care activities	3	455,966	455,966	413,502	413,502
Other operating income	4	61,767	62,139	62,392	62,663
Operating expenses - excluding impairments and accelerated depreciation	7	(518,497)	(518,793)	(469,457)	(469,814)
Reversal of downward valuation of building assets previously charged to SOCI		3,934	3,934	3,407	3,407
Impairments and accelerated depreciation charged to the Statement of Comprehensive Income		(5,482)	(5,482)	(10,215)	(10,215)
Operating surplus/(deficit)		(2,312)	(2,236)	(371)	(458)
Finance costs:					
Finance income	13	195	303	160	272
Finance expense - financial liabilities	14	(7,414)	(7,414)	(7,365)	(7,365)
Finance expense - unwinding discount on provisions	28	(28)	(28)	(28)	(28)
Public dividend capital dividends payable	33	(1,647)	(1,647)	(2,231)	(2,231)
Net finance costs		(8,893)	(8,785)	(9,464)	(9,352)
Surplus/(Deficit) for the year		(11,206)	(11,022)	(9,835)	(9,810)
Other comprehensive income					
Gain/(loss) from transfer by modified absorption from demising bodies		0	0	0	0
Impairments charged to the Revaluation Reserve		(6,690)	(6,690)	(2,159)	(2,159)
Revaluations charged to the Revaluation Reserve		2,349	2,349	6,083	6,083
Other reserve movements		0	0	0	0
Sub-total other comprehensive income		(4,341)	(4,341)	3,924	3,924
Fair value gain / (loss) on available for sale financial investments held by the Charitable Funds		0	(230)	0	300
Total other comprehensive income / (expense) for the period		(4,341)	(4,571)	3,924	4,224
Total comprehensive expense for the year		(15,546)	(15,593)	(5,911)	(5,586)

The Trust (excluding the financial results of the Charitable Fund) has an underlying trading deficit of £-13280k in 2015/16 (deficit of £-4197k in 2014/15) as follows:

	2015/16 £000	2014/15 £000
Trust surplus / (deficit) for the year	(11,206)	(9,835)
Less Reversal of downward valuation of building assets previously charged to SOCI	(3,934)	(3,407)
Plus impairments of non-current assets charged to the Statement of Comprehensive Income	5,482	10,215
Deduct surpluses reported by hosted organisations	(3,622)	(1,170)
Underlying surplus / (deficit) for the year	(13,280)	(4,197)

The group results including the Trust and Charitable Fund are from continuing operations and the results are wholly attributable to the parent organisation, Salford Royal NHS Foundation Trust.

The Trust is corporate trustee of the Salford Royal NHS Charitable Fund and has control over and benefits from the Charity which makes the Charitable Fund a subsidiary of the Trust. As such, the financial results for the Charity for the year ended 31 March 2016 have been consolidated into the Trust's financial statements for the same period. A summary statement of the Charity's statement of financial activities and statement of financial position are provided on page 196 to 197.

The notes on pages 198 to 253 form part of these accounts. The totals in the notes show the detail of the consolidated group position including both the Foundation Trust and the Charity financial results.

Statement of financial position as at 31 March 2016

	Note	2015/16		2014/15	
		Trust - pre-consolidation £000	Consolidated £000	Trust - pre-consolidation £000	Consolidated £000
Non-current assets					
Intangible assets	15	5,289	5,289	5,931	5,931
Property, plant and equipment	16	216,357	216,357	226,137	226,137
Other investments	18a	0	3,713	0	4,443
Trade and other receivables	21	1,733	1,733	1,620	1,620
Total non-current assets		233,380	227,092	233,688	238,131
Current assets					
Inventories	19	3,635	3,635	3,818	3,818
Trade and other receivables	21	27,144	26,697	33,869	33,729
Cash and cash equivalents	22	60,089	61,184	38,183	38,360
Total current assets		90,868	91,515	75,869	75,906
Current liabilities					
Trade and other payables	23	(68,369)	(68,376)	(48,241)	(48,286)
Borrowings	24	(3,665)	(3,665)	(3,609)	(3,609)
Provisions	28	(4,503)	(4,503)	(4,055)	(4,055)
Tax and Social Security	23	(5,292)	(5,292)	(5,204)	(5,204)
Other liabilities	25	(9,661)	(9,661)	(7,027)	(7,027)
Total current liabilities		(91,491)	(91,497)	(68,136)	(68,181)
Total assets less current liabilities		222,756	227,110	241,421	245,856
Non-current liabilities					
Trade and other payables	23	(1,459)	(1,459)	(699)	(699)
Borrowings	24	(113,574)	(113,574)	(117,251)	(117,251)
Provisions	28	(4,610)	(4,610)	(4,447)	(4,447)
Other liabilities	25	0	0	0	0
Total non-current liabilities		(119,643)	(119,643)	(122,397)	(122,397)
Total assets employed		103,114	107,467	119,024	123,459
Financed by taxpayers' equity:					
Public dividend capital		116,102	116,102	116,502	116,502
Revaluation reserve	29	25,759	25,759	30,100	30,100
Income and expenditure reserve		(38,748)	(38,748)	(27,578)	(27,578)
Sub-total Taxpayers' Equity		103,113	103,113	119,025	119,025
Charitable Funds		0	4,354	0	4,435
Total Taxpayers' Equity and Charitable Funds		103,113	107,467	119,025	123,460

The accounting policies and financial statements on pages 193 to 253 were approved by the Audit Committee with delegated authority from the Board of Directors on 26th May 2016 and signed on behalf of the Board of Directors by:



Sir David Dalton
Chief Executive

Date: 26 May 2016

Statement of changes in taxpayers' equity

	Public Dividend Capital (PDC) £000	Income & Expenditure Reserve £000	Revaluation Reserve £000	NHS Charitable Fund Reserve £000	Total £000
Taxpayers' equity at 1 April 2015	116,502	(27,578)	30,100	4,435	123,460
Surplus / (deficit) for the year	0	(11,206)	0	184	(11,022)
Public Dividend Capital received	0	0	0	0	0
Public Dividend Capital repaid	(400)	0	0	0	(400)
Impairments	0	0	(6,690)	0	(6,690)
Revaluations	0	0	2,349	0	2,349
Asset disposals	0	0	0	0	0
Fair values gain / (loss) on available for sale financial investment	0	0	0	(230)	(230)
Other reserve movements	0	0	0	0	0
Charitable Funds consolidation adjustment	0	35	0	(35)	0
Balance at 31 March 2016	116,102	(38,748)	25,759	4,354	107,467

The Public Dividend Capital Reserve represents the value of the government's shareholding in the Foundation Trust for which it receives an annual dividend payment. PDC of £400k was repaid during the year as the capital element of an agreed capital to revenue transfer of funding. Income of £400k has been included in the Statement of Comprehensive Income to recognise the revenue element of this transaction.

The Income and Expenditure Reserve records the annual surplus or deficit of the Foundation Trust on a cumulative basis.

The Revaluation Reserve records increases in current value of non-current assets owned by the Foundation Trust. Gains from increases in values of non-current assets are recorded in reserves and not recognised as a source of income through the Statement of Comprehensive Income. If an asset that has previously experienced a revaluation gain is subsequently subject to a downward valuation, then that downward valuation is charged to the Revaluation Reserve to the extent that there is a balance in the Reserve for that particular asset. Any further reductions in value are then charged to the Statement of Comprehensive Income as an impairment charge. The impact of the Valuation Office's assessment of the value of the Trust's land and building assets, as at 31st March 2016, is provided in note 16.5.

Statement of changes in taxpayers' equity

	Public Dividend Capital (PDC) £000	Income & Expenditure Reserve £000	Revaluation Reserve £000	NHS Charitable Fund Reserve £000	Total £000
Taxpayers' equity at 1 April 2014	115,045	(17,767)	26,200	4,110	127,589
Surplus / (deficit) for the year	0	(9,905)	0	95	(9,810)
Transfers by modified absorption - between reserves	0	0	0	0	0
Public Dividend Capital received	1,457	0	0	0	1,457
Impairments	0	0	(2,159)	0	(2,159)
Revaluations	0	0	6,083	300	6,383
Asset disposals	0	0	0	0	0
Fair values gain / (loss) on available for sale financial investment	0	0	0	0	0
Other reserve movements	0	24	(24)	0	0
Charitable Funds consolidation adjustment	0	70	0	(70)	0
Balance at 31 March 2015	116,502	(27,578)	30,100	4,435	123,460

Statement of cash flows for the year ended 31 March 2016

	Note	2015/16		2014/15	
		Trust - pre-consolidation £000	Consolidated £000	Trust - pre-consolidation £000	Consolidated £000
Cash flows from operating activities					
Operating surplus / (deficit) from continuing operations		(2,312)	(2,236)	(371)	(458)
Non cash and income expense					
Depreciation and amortisation	7	11,635	11,635	11,201	11,201
Impairments	7	5,482	5,482	10,215	10,215
Reversals of impairments		(3,934)	(3,934)	(3,407)	(3,407)
Gain / (loss) on disposal of assets		0	0	37	37
(Increase)/decrease in trade and other receivables		6,674	6,676	(2,300)	(2,299)
(Increase)/decrease in inventories		183	183	(289)	(289)
Increase/(decrease) in trade and other payables		23,210	23,172	(3,279)	(3,565)
Increase/(decrease) in other liabilities		2,634	2,634	(2,131)	(2,131)
Increase/(decrease) in provisions		583	583	195	195
NHS charitable Funds net adjustments for working capital movements, non-cash transactions and non-operating cashflows		0	(35)	0	24
Other movements in operating cashflow		0	0	0	0
Net cash generated from operating activities		44,154	44,158	9,871	9,524
Cash flows from investing activities					
Interest received		196	196	160	160
Purchase of intangible assets		(29)	(29)	(1,134)	(1,134)
Purchase of property, plant and equipment		(9,268)	(9,268)	(14,421)	(14,421)
Charitable Funds net cash flows from investments		0	607	0	132
Net cash (used in) investing activities		(9,101)	(8,494)	(15,395)	(15,263)
Cash flows from financing activities					
Public dividend capital received		0	0	1,457	1,457
Public dividend capital repaid		(400)	(400)		
Loans repaid to the Department of Health		(512)	(512)	(512)	(512)
Capital element of PFI obligations		(3,109)	(3,109)	(3,125)	(3,125)
Interest paid on loans received from the Department of Health		(144)	(144)	(144)	(144)
Interest element of PFI obligations		(7,270)	(7,270)	(7,221)	(7,221)
PDC dividend paid		(1,406)	(1,406)	(2,729)	(2,729)
Net cash (used in) financing activities		(12,841)	(12,841)	(12,275)	(12,275)
Net increase/(decrease) in cash and cash equivalents		22,212	22,824	(17,799)	(18,014)
Cash and cash equivalents at the 1 April		38,182	38,360	55,981	56,374
Cash and cash equivalents at the 31 March	22	60,395	61,184	38,182	38,360

Consolidation of NHS Charitable Funds

Provided below is the Charitable Fund's statement of financial activities and statement of financial position before consolidation.

A reconciliation of the amounts included in the Charity's financial statements to those disclosed in these consolidated accounts is also provided below.

Salford Royal NHS Foundation Trust charitable fund statement of financial activities for the year ended 31 March 2016

	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds 2015/16 £000	Total Funds 2014/15 £000
Incoming resources						
Incoming resources from generated funds:						
Voluntary income: Donations		288	0	0	288	163
Legacies		68	0	0	68	164
Total voluntary income		356	0	0	356	327
Investment income		108	0	0	108	112
Other incoming resources		16	0	0	16	14
Total incoming resources		480	0	0	480	453
Resources expended						
Costs of generated funds: Investment management costs		(24)	0	0	(24)	(25)
Charitable activities: Research		(45)	0	0	(45)	(119)
Staff education and welfare		(141)	0	0	(141)	(178)
Patient education and welfare		(103)	0	0	(103)	(63)
Direct charitable expenditure		(289)	0	0	(289)	(360)
Governance costs:		(42)	0	0	(42)	(43)
Total resources expended		(355)	0	0	(355)	(428)
Net expenditure for the year before transfers		125	0	0	125	25
Net (outgoing) resources before recognised gains and losses		125	0	0	125	25
Realised and unrealised gains (losses) on investment assets		(206)	0	0	(206)	300
Net movement in funds		(81)	0	0	(81)	325
Reconciliation of funds						
Funds brought forward		4,402	22	11	4,435	4,110
Total funds carried forward		4,321	22	11	4,354	4,435

Consolidation of NHS Charitable Funds

Salford Royal NHS Foundation Trust Charitable Fund statement of financial position for the year ended 31 March 2016

	Notes	Unrestricted Funds 2015/16 £000	Restricted Funds 2015/16 £000	Endowment Funds 2015/16 £000	Total Funds 2015/16 £000	Total Funds 2014/15 £000
Fixed assets						
Investments		3,702	0	11	3,713	4,443
Total fixed assets		3,702	0	11	3,713	4,443
Current assets						
Debtors		32	0	0	32	33
Cash at bank and in hand		1,073	22	0	1,095	177
Total current assets		1,104	22	0	1,126	210
Current liabilities						
Creditors: Amounts falling due within one year		(486)	0	0	(486)	(218)
Provisions		0	0	0	0	0
Net current assets		619	22	0	641	(8)
Total assets less current liabilities		4,321	22	11	4,354	4,435
Net assets		4,321	22	11	4,354	4,435
The funds of the charity						
Endowment funds		0	0	11	11	11
Restricted		0	22	0	22	22
Unrestricted		4,321	0	0	4,321	4,402
Total funds		4,321	22	11	4,354	4,435

Reconciliation of the charitable fund financial statements to the amounts consolidated

Statement of Financial Activities	31 March 2016 £000	31 March 2015 £000
Total resources expended	(355)	(428)
Expended with Salford Royal NHS Foundation Trust	35	70
Disclosed in consolidated accounts	(320)	(358)

Statement of Financial Position	31 March 2016 £000	31 March 2015 £000
Creditors: amounts falling due within one year	(486)	(218)
Due to Salford Royal NHS Foundation Trust	479	173
Disclosed in consolidated accounts	(7)	(45)

Notes to the accounts - 1. Accounting Policies

1.1 Accounting Policies

These accounts are prepared on a going concern basis.

Monitor has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the FT Annual Reporting Manual (FT ARM) which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the FT ARM 2015/16 issued by Monitor. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual (FReM) to the extent that they are meaningful and appropriate to NHS foundation trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

1.2 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.

1.3 Transfers of functions from other NHS bodies

For functions that have been transferred to the Foundation Trust from another NHS organisation, the assets and liabilities transferred are recognised in the accounts as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition. The net gain or loss corresponding to the net assets or liabilities transferred is recognised within the Statement of Comprehensive Income but not within operating activities.

For property plant and equipment assets and intangible assets, the cost and accumulated

depreciation or amortisation balances from the transferring entity's accounts are preserved on recognition in the Foundation Trust's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, the trust makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

1.4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Foundation Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

Estimates and judgements have to be made in preparing the Foundation Trust's annual accounts. These are continually evaluated and updated as required, although actual results may differ from these estimates.

Key judgements

Going concern

Our operational plans for 2016/17 forecast a surplus from operations of £6.9m and a normalised net deficit, after costs of financing and depreciation, of £4.3m. This position includes £10m unallocated resource to manage risk and provide resources to support delivery of our Better Care @ Lower Cost Programme.

Our cash projections indicate we have sufficient cash to fund operating costs in 2016/17. In the event that we experience worse than plan performance, we will review our use of uncommitted budgets and our capital programme.

IAS1 requires management to assess as part of the accounts preparation process the Foundation Trust's ability to continue as a going concern. The foundation trust management confirms that these accounts are prepared on a going concern basis.

Private Finance Initiative (PFI)

PFI and similar contracts are agreements to receive services where the responsibility for making available the property, plant and equipment needed to provide the services passes to the contractor. As the Foundation Trust is deemed to control the services that are provided under the contract and as ownership of the property, plant and equipment will pass to the Foundation Trust at the end of the contract for no additional charge, the Foundation Trust holds the property, plant and equipment used under the contracts on its Balance Sheet.

Other

Other key judgements made in preparing these accounts include the application of the accounting policies set out on pages 198 to 213 of these accounts in the recognition of transactions, assets and liabilities for the purposes of preparing these accounts.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Valuation of property, plant and equipment

As at 31st March 2016, the Valuation Office Agency provided a valuation of the Foundation Trust's land and building assets (estimated financial value and estimated remaining useful life) applying a modern equivalent asset method of valuation. The methodology employed to provide the valuation for 2015/16 has been amended to provide a valuation on an alternative site basis i.e. a valuation based on a modern equivalent asset provided on a suitable alternative site built to accommodate existing services. This valuation, based on estimates provided by a qualified professional, led to a reduction in the reported value of the foundation trust's land and building asset values. As a result, the carrying value of the Foundation Trust's building assets has been amended with a net overall reduction of £5,889k. Future revaluations of the Foundation Trust's asset base may result in further material changes to the carrying value of non-current assets.

The Trust's PFI assets have been valued using the modern equivalent asset method at depreciated replacement cost excluding VAT. By excluding VAT the Trust is accurately reflecting the depreciated replacement cost as a replacement asset would also be funded by PFI and, by the nature of the contract, recover VAT.

Equipment assets are carried at current value, with depreciated historic cost used as a proxy for current value.

Valuation of Intangible assets

Our accounting policy (see note 1.9) is to carry intangible assets at current value in existing use. The values reported for intangible assets in the financial statements use amortised historic cost as a reasonable proxy as these assets have short expected lives and as a result this basis of measurement is not expected to be materially different to depreciated replacement cost for a similar asset.

Financial value of provisions for liabilities and charges

The Foundation Trust makes financial provision for obligations of uncertain timing or amount at the reporting date. These are based on estimates using as much relevant information as is available at the time the accounts are prepared. They are reviewed to confirm that the values included in the financial statements best reflect the current relevant information. Where this is not the case, the value of the provision is amended. The current provisions are set out in note 28 on page 244 of these accounts.

Partially completed spells at the reporting date
Income relating to in-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. This is based on estimated length of stay data that applies to the types of clinical activity being undertaken on an in-patient basis as at the reporting date and totals £1,257k as at 31st March 2016 (£1,210k as at 31st March 2015). The estimated length of stay and the type of in-patient clinical activity may vary materially from one balance sheet date to another.

Actuarial assumptions for costs relating to the NHS pension scheme

The Foundation Trust reports, as operating expenditure, employer contributions to staff pensions. This employer contribution is based on an annual actuarial estimate of the required contribution to meet the scheme's liabilities. It is an expense that is subject to change. The current employer contribution is 14.3% of pensionable pay as set out in note 10 on page 223.

Accruals for income and expenditure not invoiced at the reporting date

At the end of the financial year, the Foundation Trust may have received goods and services which have not been invoiced at the balance sheet date. In these circumstances, an estimated value of the cost is included in the Foundation Trust's reported financial results. In some cases the estimated value is based on the quoted value provided by the supplier when the goods were ordered; in other cases, the charge may be estimated based on methods such as the number of hours of service provided or the last price paid for the same goods or service.

Accrual for annual leave not taken by staff at the reporting date

The Trust has a financial liability for any annual leave earned by staff but not taken by 31 March to the extent that staff are able to carry forward untaken leave into the next financial year. The estimated cost of untaken annual leave at 31st March 2016 including annual leave entitlement for staff on maternity leave is £1,008k (£909k at 31st March 2015).

1.5 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable. The main source of income for the Foundation Trust is from commissioners for healthcare services. Income 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 year, that income is deferred.

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

Income earned by new commercially funded clinical trials for the Foundation Trust will be recognised as operating income during the year.

The Foundation 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 Foundation Trust recognises the income when it receives notification from the Department of Work and Pensions 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.

1.6 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 leave earned but not taken at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave.

Pension costs - NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable an NHS body to identify its share of the underlying scheme 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.

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 operating expenses at the time the foundation trust commits itself to the retirement, regardless of the method of payment.

Pension costs - National Employment Savings Trust (NEST)

The Pension Act 2008 requiring that from 2012 all eligible workers, who are not already in a workplace scheme, must be automatically enrolled into a qualifying workplace pension scheme.

The NHS Pensions Scheme is a qualifying pension scheme and is the default Scheme for all NHS employees and they are automatically enrolled into it. However, not all staff are eligible to join the NHS Pension Scheme. Those staff are automatically enrolled to the NEST Scheme where employers pension cost contributions are charged to operating expenses as and when they become due.

1.7 Expenditure on other goods and services

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

1.8 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised if:

- 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 Foundation Trust
- It is expected to be used for more than one financial year
- The cost of the item can be measured reliably
- The item has cost of at least £5,000 or
- Collectively, a number of items have a cost of at least £5,000 and individually have 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, the components are grouped into categories and the groups 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 valuation. An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the

requirements of IAS 40 (Investment Property) or IFRS 5 (Non Current Assets Held for Sale and Discontinued Operations).

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

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – present value of the asset's remaining service potential assessed using depreciated replacement cost based on a modern equivalent asset valuation.

The Foundation Trust's land and building assets have been revalued using a modern equivalent asset valuation as at 31st March 2016. This valuation was provided by Mrs. S. Hall, MRICS, of the Valuation Office Agency using an alternative site valuation methodology in March 2016 to provide a valuation as at 31st March 2016. The value of buildings has changed to such an extent that revised values have been included in these accounts.

This valuation was prepared in accordance with the terms of the Royal Institution of Chartered Surveyors' Valuation Standards insofar as these terms are consistent with the agreed requirements of the NHS, the Department of Health and HM Treasury.

Equipment assets are carried at current value, with depreciated historical cost used as a proxy for current value. Equipment asset lives are estimated by staff with experience of operating the particular type of equipment. The ranges of useful lives used in the Foundation Trust's accounts are set out in note 16.3 on page 232.

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the Foundation Trust and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised where it can be reliably determined. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use.

Revaluation gains and losses

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

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

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

Impairments

In accordance with the 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 (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment arising from a 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 whilst the asset remains in use. The asset is categorised as surplus when it is no longer in use. The asset is de-recognised when scrapping or demolition occurs.

1.9 Intangible assets

Recognition

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

Internally generated intangible assets

Internally generated assets such as 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
- The Trust can measure reliably the expenses attributable to the asset during development.

Software

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

Measurement

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

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

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

Amortisation

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

1.10 Donated and government grant funded assets

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

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

1.11 Leases

Finance leases

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

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

The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

Operating leases

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

Leases of land and buildings

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

1.12 Private Finance Initiative (PFI) transactions

HM Treasury has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12. The foundation trust therefore recognises the PFI asset as an item of property, plant and equipment together with an equivalent finance lease liability to pay for it. The services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- payment for the fair value of services received
- payment for the PFI asset, including finance costs and, if applicable, prepayments for assets not yet in operational use
- payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses' in the Statement of Comprehensive Income.

PFI Asset

The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17. Subsequently, the assets are measured at current value, which is kept up to date in accordance with the foundation trust's approach for each relevant class of asset in accordance with the principles of IAS 16 adapted for the NHS as described in notes 1.8 and 1.9 of these accounts.

PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'finance costs' within the Statement of Comprehensive Income.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease in accordance with IAS 17. This amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the Statement of Comprehensive Income.

Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the Foundation Trust's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value and subsequently revalued to current value. However, at this time, as the hospital redevelopment scheme is newly constructed, lifecycle replacement costs are low.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

1.13 Assets contributed by the Trust to the operator

Assets contributed (e.g. cash payments, surplus property) by the Foundation Trust to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to the Foundation Trust, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

1.14 Inventories

Inventories are valued at the lower of cost and net realisable value other than pharmacy stocks which are valued at average cost. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

1.15 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.

1.16 Contingencies

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Foundation Trust. A contingent asset is disclosed where an inflow of economic benefits is probable.

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

Contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed in note 30, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- a) 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 Foundation Trust's control; or
- b) present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

1.17 Provisions

The NHS Foundation Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury.

The NHS Litigation Authority (NHS LA) operates a risk pooling scheme under which the Foundation Trust pays an annual contribution to the NHS LA, which, in return, settles all clinical negligence claims. From time to time, it may be necessary for the NHS LA to increase the Foundation Trust's annual contribution to recognise the cost to the NHS LA of the Foundation Trust's historic clinical negligence claims. In these cases, the Foundation Trust makes an accrual for these backdated charges at the point it is notified of the increased cost. This year a £2.6m accrual has been included in these accounts equating to the notified increase to contributions for 2016-17. Although the NHS LA is administratively responsible for all clinical negligence cases, the legal liability remains with the Foundation Trust. The total value of clinical negligence provisions carried by the NHS LA on behalf of the Foundation Trust is disclosed at note 28 on page 244 but is not recognised in the Foundation Trust's accounts.

Non-clinical risk pooling

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

For buildings and contents, the Foundation Trust also has "top-up" insurance provided through a commercial insurer that insures from the NHSLA limit of cover of £1m to total reinstatement value (as assessed by the Valuation Office). The annual premium is charged to operating expenses when the liability arises.

Other commercial insurance held by the Foundation Trust includes building contract works, motor vehicle, personal accident, group travel (for clinical staff required to work off-site and overseas travel) and professional indemnity and public liability for services provided not covered by the NHSLA. The annual premiums and any excesses payable are charged to operating expenses when the liability arises.

1.18 Financial instruments

Financial assets

Financial assets are recognised when the Foundation Trust becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or been cancelled or the Foundation Trust has transferred substantially all of the risks and rewards of ownership.

Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described in section 1.11 above.

Financial assets are classified into the following categories: available for sale financial assets, and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

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 or, where such a provision for impairment has

been made in previous accounting periods and already charged to the Statement of Comprehensive Income, through the use of a "bad debt" provision.

Loans and receivables

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

The Foundation Trust's loans and receivables comprise: charitable fund financial assets, cash and cash equivalents, NHS receivables, accrued income and other receivables. It excludes prepayments and any PDC dividend overpayment receivable and receivables from the Compensation Recovery Unit.

Loans and receivables are recognised initially at fair value, net of transaction 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.

These financial assets and financial liabilities are recognised initially at fair value, with transaction costs expensed in the Statement of Comprehensive Income. Subsequent movements in the fair value are recognised as gains or losses in the Statement of Comprehensive Income.

Financial assets held as available for sale

The Charitable Funds has an investment portfolio managed by Investec. The investment manager is able to buy and sell assets on behalf of the Charity although there are certain restrictions set by the Trustees of the Charitable Funds such as limits on the maximum percentage value of assets in a particular category to be held to minimise risk of losses to the Charity and not permitting investment in certain markets e.g. tobacco products, alcohol or armaments. As the investment manager can buy and sell charitable assets, they are considered to be 'assets available for sale' and, as such, their market value is reported in the Statement of Financial Position with in-year gains and losses reported as 'other comprehensive income' on the Statement of Comprehensive Income.

Financial liabilities

Financial liabilities are recognised on the Statement of Financial Position when the Foundation Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

Other financial liabilities

After initial recognition at fair value net of transaction costs, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

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 non-current 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.

1.19 Value Added Tax

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

1.20 Foreign exchange

The Foundation Trust's functional currency and presentational currency is sterling. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March. Resulting exchange gains and losses for either of these are recognised in the Foundation Trust's Statement of Comprehensive Income in the period in which they arise.

1.21 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Foundation Trust has no beneficial interest in them. However, details of third party assets are given in Note 35 to the accounts in accordance with the requirements of HM Treasury's Financial Reporting Manual.

1.22 Public Dividend Capital (PDC) and PDC dividend

Public Dividend Capital represents taxpayers' equity in the Foundation Trust. PDC is recorded at the value received. As PDC is issued under legislation rather than under contract, it is not treated as an equity financial instrument within the meaning of IAS32.

An annual charge, reflecting the cost of capital utilised by the Foundation Trust, is payable to the Department of Health as Public Dividend Capital dividend. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average carrying amount of all assets less liabilities, except for donated assets, average daily cash balances with the Government Banking Services (GBS) and the National Loans Fund (NLF) excluding cash balances held in GBS that relate to a short term working capital facility and any PDC dividend balance receivable or payable. The average carrying amount of assets is calculated as a simple average of opening and closing relevant net assets. In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average net relevant assets as set out in the 'pre-audited' version of the Foundation Trust's accounts. The dividend calculated this way is not revised even if adjustments are made to the net assets as a result of the audit of the Foundation Trust's accounts.

1.23 Losses and Special Payments

Losses and Special Payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled.

Losses and Special Payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have

been made good through insurance cover had the Foundation Trust not been bearing its own risk (with insurance premiums then being included as normal revenue expenditure). However, the note on losses and special payments is compiled directly from the losses and compensations register which reports amounts on a cash basis with the exception of provisions for future losses.

1.24 Consolidation - Charitable Fund

The Foundation Trust is the corporate trustee to Salford Royal NHS Charitable Fund. The Foundation Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the Foundation Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The Charitable Funds' statutory accounts are prepared to 31st March in accordance with the UK's Charities Statement of Recommended Practice (SORP) which is based UK Financial Reporting Standard (FRS) 102. On consolidation, necessary adjustments are made to the Charity's assets, liabilities and transactions to recognise and measure them in accordance with the Foundation Trust's accounting policies and eliminate intra-group transactions, balances, gains and losses.

1.25 Joint operations

Joint operations are activities undertaken by the Foundation Trust in conjunction with one or more other parties but which are not performed through a separate entity. The Foundation Trust records in its financial statements its share of the income and expenditure; assets and liabilities and cash flows.

For projects and services hosted by the Foundation Trust, where the arrangement involves other NHS organisations e.g. where

the main source of income or cost for the joint arrangement or hosted services is from the NHS then transactions are accounted on a gross basis. This is consistent with accounting treatment used in prior years and is an approach agreed by all parties in arrangements / services that existed pre-2015/16. Paragraph 4.3 of the Foundation Trust Annual Reporting Manual supports this approach and notes that generally, income and expenditure should be recorded gross and not netted off.

Where the arrangement does not involve other NHS organisations and Salford Royal is acting solely as an agent then transactions are accounted for on a net basis.

1.26 Corporation Tax

Under s519A Income and Corporation Taxes Act 1988 the Foundation Trust is regarded as a Health Service body and is, therefore, exempt from taxation on its income and capital gains. Section 148 of the 2004 Finance Act provided the Treasury with powers to disapply this exemption. Accordingly, the Foundation Trust is potentially within the scope of corporation tax in respect of activities which are not related to, or ancillary to, the provision of healthcare and where the profits exceed £50,000 pa. Activities such as staff and patient car parking are considered to be ancillary to the core healthcare objectives of the Foundation Trust (and not entrepreneurial) and therefore not subject to corporation tax. Any tax liability will be accounted for within the relevant tax year.

1.27 Accounting standards that have been issued but have not yet been adopted

The Treasury FReM does not require the following Standards and Interpretations to be applied in 2015/16. The application of the Standards as revised would not be expected to have a material impact on the accounts for 2015/16, were they applied in that year:

Standard not yet adopted	Expected implementation date
IFRS 11 (amendment) – acquisition of an interest in a joint operation	2016-17
IAS 16 (amendment) and IAS 38 (amendment) – depreciation and amortisation	2016-17
IAS 16 (amendment) and IAS 41 (amendment) – bearer plants	2016-17
IAS 27 (amendment) – equity method in separate financial statements	2016-17
IFRS 10 (amendment) and IAS 28 (amendment) – sale or contribution of assets	2016-17
IFRS 10 (amendment) and IAS 28 (amendment) – investment entities applying the consolidation exception	2016-17
IAS 1 (amendment) – disclosure initiative	2016-17
IFRS 15 Revenue from contracts with customers	2017-18
Annual improvements to IFRS: 2012-15 cycle	2017-18
IFRS 9 Financial Instruments	2018-19

1.28 Accounting standards issued that have been adopted early

No accounting standards in issue have been adopted early.

2 Operating segments

The Foundation Trust reports its core financial results under the heading of a single segment - 'healthcare'. Whilst the Foundation Trust has a divisional structure in place the services that are provided are essentially the same (patient care) and the majority of risks faced by each division are fundamentally the same. The clinical divisions are substantially similar working under a common governance structure reporting to Executive Assurance Committees of the Board of Directors and to the Board of Directors. There are a number of hosted budgets for services administered by Salford Royal Foundation Trust on behalf of other NHS bodies but where the Trust has no influence over the operations of those services. These include:

- AQUA
- Workforce Development
- Safety Team
- Service Transformation
- Clinical Leadership Network
- Manchester Academic Health Science Centre

The financial performance of these 'hosted services' is reported separately to the Trust's management.

Notes 3 to 6 show the breakdown of income received by the Foundation Trust during the financial year by customer type and by activity.

All income received in the Trust was in relation to healthcare. Income received into the Charitable Funds was predominantly from donations and legacies.

	2015/16			
	Healthcare £000	Hosted Services £000	Charitable Funds £000	Consolidated £000
Operating Income excluding reversal of impairments ¹	500,430	17,303	372	518,105
Surplus / (deficit)	(11,206)	3,622	184	(11,022)
Net assets: segment net assets	103,113		4,354	107,467

	2014/15			
	Healthcare £000	Hosted Services £000	Charitable Funds £000	Consolidated £000
Operating Income excluding reversal of impairments ¹	463,918	11,976	341	476,165
Surplus / (deficit)	(9,835)	1,170	95	(9,810)
Net assets: segment net assets	119,025		4,435	123,460

1: £35k of income reported by the Foundation Trust in 2015/16 (£70k in 2014/15) came from the Charitable Fund, therefore £35k (2014/15 - £70k) is eliminated from the consolidated total for income.

3 Income from patient care activities

3.1 Income from patient care activities - by source

	2015/16 £000	2014/15 £000
CCGs and NHS England	441,228	401,608
Local authorities	5,176	2,925
NHS other*	5,753	5,724
Non NHS:		
Private patients	1,238	1,100
Overseas patients (non-reciprocal)	267	175
NHS injury costs recovery scheme	1,893	1,961
Non-NHS Other	11	10
Additional income for delivery of healthcare services (capital to revenue transfer)	400	0
Total income from activities	455,966	413,502

The NHS Injury cost recovery income is subject to a provision for impairment of receivables of 21.99% to reflect expected rates of collection. This rate is based on guidance issued by the Department of Health.

*'NHS other' includes income received from non-English health bodies in the UK.

There is no income in the Charitable Fund relating to income from patient care activities.

3.2 Income from patient care activities - by point of delivery

	2015/16 £000	2014/15 £000
Elective in-patient and day case income	61,357	63,981
Non-elective in-patient income	76,316	73,491
Out-patient income	68,401	64,478
A&E income	14,592	11,851
Other clinical activity income		
Charges for enzyme replacement therapy drugs and infrastructure	45,894	42,809
Drugs and medical devices charged to commissioners on a cost-per-case basis	49,954	26,600
Intensive care and high dependency services	16,887	16,711
Renal dialysis services	12,121	13,129
Intestinal failure services	8,280	8,647
Commissioning for Quality and Innovation (CQUIN)	7,030	6,725
Rehabilitation and continuing care services	7,248	6,545
Direct access to diagnostic services to GPs	5,199	4,975
Other clinical activity*	31,730	27,644
Community services activity	47,148	42,669
Additional income for delivery of healthcare services (capital to revenue transfer)	400	0
Private patient income	1,505	1,100
Overseas visitors (non-reciprocal)	267	175
Other non-protected Non-NHS clinical income	1,902	1,971
TOTAL	456,232	413,501

* 'Other clinical activity' is income earned under contracts with NHS commissioners. The most significant individual transactions are listed above. The balance described as 'Other clinical activity' contains a number of smaller sums of income for services such as pain management, diagnostic imaging, multi-disciplinary team activity, palliative care and sleep apnoea. 2015/16 also includes 'Vanguard' funding where the Trust received monies to support the development of an Integrated Care Organisation (£1.8m) and developing an acute care collaborative to develop a model through which a group of organisations can deliver sustainable high quality healthcare (£3.3m).

Other non-protected non-NHS clinical income includes income from the NHS injury costs recovery scheme (£1,893k) and income from prescription charges (£9k).

3.2a Overseas visitors (relating to patients charged directly by the Foundation Trust)

	2015/16 £000	2014/15 £000
Income recognised this year	267	175
Cash payments received in-year (relating to invoices raised in current and previous years)	123	62
Amounts added to provision for impairment of receivables (relating to invoices raised in current and prior years)	99	170
Amounts written off in-year (relating to invoices raised in current and previous years)	0	0

3.3 Income from patient care activities - Commissioner requested services and other income from activities

	2015/16 £000	2014/15 £000
Income from Commissioner requested services activities	452,558	410,256
Private patient income	1,505	1,100
Overseas visitors (non-reciprocal)	267	175
Other non-protected Non-NHS clinical income	1,902	1,971
TOTAL	456,232	413,501

Commissioners may designate patient care activities as 'Commissioner Requested Services'. This means that the provider of these services must hold an NHS provider licence issued by NHS Improvement (Monitor) which imposes conditions on providers of NHS services to ensure that the health sector works for the benefits of patients.

The Trust has an NHS Provider Licence issued by NHS Improvement (Monitor) and, as at 31st March 2016, all patient care services provided by the Trust, other than Private Patients, overseas visitors and non-protected Non-NHS clinical income, are designated as Commissioner Requested Services.

4 Other operating income

	2015/16			2014/15		
	Trust £000	Charitable Funds £000	Consolidated £000	Trust £000	Charitable Funds £000	Consolidated £000
Research and development	10,240	0	10,240	12,221	0	12,221
Education and training	19,115	0	19,115	19,053	0	19,053
Donations, legacies and other charitable income	0	372	372	0	341	341
Non-patient care services to other bodies	6,955	0	6,955	6,854	0	6,854
Other income (see note 5 for detail)	25,064	0	25,064	23,835	0	23,835
Income from Salford Royal NHS Charitable Funds - eliminated on consolidation	(35)	0	(35)	(70)	0	(70)
Reversal of downward valuation of building assets previously charged to SOCI*	3,934	0	3,934	3,407	0	3,407
Rental revenue from operating leases - minimum lease receipts	428	0	428	428	0	428
Rental revenue from operating leases - contingent rent	0	0	0	0	0	0
Total other operating income	65,701	372	66,073	65,729	341	66,070

* During the year the Foundation Trust commissioned the Valuation Office to provide up-to-date assessments of the value of the Trust's land and building assets with an effective date of 31st March 2016. The impact of this is summarised in note 16.5.

Non patient care services to other bodies largely comprises income from other NHS bodies for clinical diagnostic and other services with £4,522k of the total received from other NHS organisations. Income associated with support to other NHS organisations for various services includes £320k The Christie FT for Stereotactic Radio Surgery (SRS), £598k Bolton NHS FT for Neurology and other support services, £533k Wrightington, Wigan & Leigh NHS FT for transport and finance support, £1,439k Central Manchester NHS FT for Paediatric Neurosciences and £1,112k Greater Manchester West Mental Health Services. Charges to other organisations for students supported by the Trust's undergraduate department amounts to £397k.

"Other income" includes £17,093k earned on behalf of hosted services, including Advancing Quality Alliance (AQuA) of £7,015k, the Academic Health Science Network (AHSN) of £5,046k and HAELO of £2,930k. AQuA is an NHS service that aims to drive quality improvements in NHS services in the North West. The AHSN is one of 15 Academic Health Science Networks across England established to spread innovation, improve health and to generate economic growth. Whilst both AQuA and the AHSN manage their own income and expenditure they are not a legal entities and, as the host organisation, the Foundation Trust acts as a legal entity able to issue or accept contracts such as contracts of employment or contracts for service on their behalf. This is a typical arrangement in the NHS and the Trust hosts a number of other services in a similar way.

5 Other operating income: analysis of other income

	2015/16 £000	2014/15 £000
Car parking	1,092	1,060
Estates services provided to external customers	859	1,134
IT recharges	502	462
Pharmacy sales	149	185
Staff contributions to employee benefit schemes	819	811
Clinical tests	18	11
Clinical excellence awards	1,305	1,599
Catering	0	0
Property rental	232	264
Income received on behalf of hosted services	17,093	11,976
PFI transitional support funding	900	3,670
From Salford Royal NHS Charitable Funds	35	70
Other	2,062	2,594
TOTAL	25,064	23,835

Income from Hosted Services has significantly increased in 2015/16 due to taking on additional services including ODN network £250k, ELFS £840k and AHSN £5,045k.

During 2014/15 the Foundation Trust received £1,580k funding from NHS England (2013/14 £2,351k from NHS North West) and released £2,090k of deferred income (£1,159k in 2013/14) to support the transitional costs associated with the PFI development. This was reduced to £900k in 2015/16.

6 Operating lease income

	2015/16 £000	2014/15 £000
Operating lease income		
Rental revenue from operating leases - minimum lease receipts	428	428
Contingent rents recognised as income during the period	0	0
Total	428	428
Future minimum lease payments due: buildings expiring		
- not later than one year	428	196
- later than one year and not later than five years	1,712	786
- later than five years	1,284	589
Sub-total buildings	3,424	1,571
Future minimum lease payments due: other leases expiring		
- not later than one year	0	0
- later than one year and not later than five years	0	0
Sub-total otherleases	0	0
GRAND TOTAL	3,424	1,571

Future minimum lease receipts are based on an expectation that the Trust will continue to provide accommodation in the Clinical Sciences Building to the University of Manchester.

7 Operating expenses

	2015/16		2014/15	
	Trust £000	Consolidated £000	Trust £000	Consolidated £000
Services from NHS foundation trusts	9,767	9,767	5,438	5,438
Services from NHS trusts	1,821	1,821	1,801	1,801
Services from CCGs and NHS England	176	176	78	78
Services from other NHS bodies	223	223	401	401
Purchase of healthcare from non NHS bodies	5,365	5,365	4,312	4,312
Employee expenses - Executive Directors' costs	1,306	1,306	1,067	1,067
Employee expenses - Non-Executive Directors' costs	141	141	134	134
Employee expenses - Staff costs	271,302	271,302	268,628	268,628
Employee expenses - Staff costs for hosted services	6,886	6,886	4,792	4,792
Employee expenses - Research and Development	5,862	5,862	6,514	6,514
Supplies and services - clinical (excluding drugs costs)	36,599	36,599	35,485	35,485
Supplies and services - general	4,592	4,592	4,395	4,395
Establishment	3,883	3,883	4,786	4,786
Research and development (non-salary costs incurred by the R&D department)	6,080	6,080	5,141	5,141
Transport	670	670	958	958
Premises	21,159	21,159	18,557	18,557
Increase in provision for impairment of receivables	0	0	1,045	1,045
Change in provisions discount rate	33	33	143	143
Inventories written down	100	100	74	74
Inventories consumed - supplies and services - drugs and medical gases	104,418	104,418	75,608	75,608
Rentals under operating leases - minimum lease payments	4,755	4,755	5,082	5,082
Rentals under operating leases - sublease income	(298)	(298)	(278)	(278)
Depreciation on property, plant and equipment	10,292	10,292	10,022	10,022
Amortisation on intangible assets	1,343	1,343	1,180	1,180
Impairments of property, plant and equipment	5,482	5,482	10,215	10,215
Audit fees - audit services - statutory audit including quality accounts	56	56	56	56
Other auditor's remuneration - other data assurance services provided to AQuA	72	72	133	133
Audit fees payable to external audit of the Charitable Fund	0	7	0	7
Clinical negligence	6,777	6,777	5,531	5,531
Loss on disposal of tangible assets	0	0	37	37
Legal fees	249	249	387	387
Consultancy costs	4,577	4,577	508	508
Consultancy costs incurred by hosted services	3,586	3,586	2,995	2,995
Internal audit costs	191	191	153	153
Training, courses and conferences	1,528	1,528	1,915	1,915
Patient travel	78	78	118	118
Car parking and security (non-salary costs not charged as part of the PFI unitary charge)	171	171	189	189
Redundancy (not included in employees expenses)	46	46	0	0
Insurance	167	167	164	164
Other services including external payroll services	307	307	516	516
Losses, ex gratia and special payments (not included in employee expenses)	144	144	198	198
Other	4,074	4,074	1,196	1,196
Sub-total before Charitable Funds consolidation	523,979	523,986	479,672	479,679
Charitable Fund: Other resources expended with Salford Royal NHS FT - eliminated on consolidation	0	(35)	0	(70)
Charitable Fund: Other resources expended	0	324	0	421
Total including Charitable Funds expenditure	523,979	524,275	479,672	480,030

Services from NHS Trusts include the full year impact of relocating planned orthopaedic activity to Trafford Hospital (£2.6m) and providing dermatology services at Stockport NHS Foundation Trust (£0.9m).

Drug costs include agreed 2015/16 contractual growth for PbR exclusions and a new contract with NHSE for homecare drugs (£20m).

£3.6m of Salford Royal consultancy costs relate to expenditure to implement nationally funded Vanguard projects for development of the Integrated Care Organisation and the acute hospitals collaborative. A further £0.4m of IM&T consultancy costs were incurred in the development of our Electronic Patient Record.

7 Operating expenses *continued*

Consolidated expenses

The consolidated figures include both the Trust's figures and the consolidated figures for the Charity amounting to £296k (including £7k External Audit fee) in 2015/16, £358k (including £7k External Audit fee) in 2014/15.

Depreciation and Impairments of property, plant and equipment

During the year, the Foundation Trust commissioned the Valuation Office to provide up-to-date assessments of the value of the

Trust's land and building assets with an effective date of 31st March 2016. The impact of this is summarised in note 16.5.

The Valuation Office uses the existing use valuation methodology where possible to assess the value of the Trust's land and buildings which is based on market value. Where a building asset is specialised to the extent that no reliable market value can be estimated, a depreciated replacement cost based on a modern equivalent asset value has been used. As at 31 March 2016, following a valuation methodology based on alternative site net reduction to the value of Trust assets was £5,889k of which £5,482k has been reported as expenditure; £3,934k reported as reversal of past impairments and the balance of £4,341k reported against the revaluation reserve.

Audit fees - data assurance services provided to AQuA

Salford Royal (SRFT) hosts the Advancing Quality Alliance (AQuA), which is run as a separate entity from SRFT with its own directors. AQuA is not a statutory body, cannot contract services in its own right and does not produce statutory accounts. Expenditure incurred by AQuA is controlled by these directors but included in SRFT's accounts as expenditure under the hosting agreement. The 'other data assurance services provided to AQuA' shown above is a payment to Grant Thornton UK LLP for provision of clinical data assurance services to the Alliance. The procurement of these audit services was carried out by AQuA and relates to services provided exclusively to the AQuA not to SRFT.

Grant Thornton UK LLP are also the external auditors of Salford Royal NHS Foundation Trust, and are paid to carry out the statutory financial statement audit and the audit of the quality accounts, per the table above. The directors of Salford Royal NHS Foundation Trust do not influence AQuA's procurement of their external advisors.

8 Operating leases

8.1 As lessee

	2015/16 £000	2014/15 £000
Payments recognised as an expense		
Minimum lease payments	4,755	5,082
Contingent rents	0	0
Less sub-lease payments received	(298)	(278)
TOTAL	4,457	4,804

	2015/16 Total £000	2015/16 Land £000	2015/16 Buildings £000	2015/16 Plant & Machinery £000	2015/16 Other £000	2014/15 Total £000
Total future minimum lease payments						
Payable: Not later than one year	4,607	272	3,507	466	362	5,010
Between one and five years	1,797	108	929	388	373	4,603
Later than 5 years	0	0	0	0	0	0
TOTAL	6,404	380	4,435	854	735	9,613
Total of future minimum sub-lease payments to be received at the balance sheet date	(403)	0	(61)	0	(342)	(2,397)

The Trust has operating leases for a number of buildings used to provide community-based patient care services and administrative accommodation. The plant and machinery leases are for clinical and non-clinical equipment and a number of leased vehicles including those used by the Foundation Trust's Transport Department and staff providing community clinical activity services which individually have annual lease values of less than £100k.

9 Employee expenses and numbers

9.1 Employee expenses

	2015/16 Total £000	2015/16 Permanently Employed £000	2015/16 Other £000	2014/15 Total £000	2014/15 Permanently Employed £000	2014/15 Other £000
Salaries and wages	225,682	225,682	0	217,683	217,683	0
Social security costs	13,283	13,283	0	17,215	17,215	0
Employer contributions to NHS Pension scheme	24,864	24,864	0	23,934	23,934	0
Termination benefits	0	0	0	2	2	0
Agency / contract staff	21,526	0	21,526	22,169	0	22,169
Total staff costs (excluding Non-Executive Directors but including staff charged to capital projects)	285,355	263,829	21,526	281,003	258,834	22,169

9.2 Average number of people employed

	2015/16 Total £000	2015/16 Permanently Employed £000	2015/16 Other £000	2014/15 Total £000	2014/15 Permanently Employed £000	2014/15 Other £000
Medical and dental	722	722	0	689	688	1
Administration and estates	1,406	1,406	0	1,396	1,374	22
Healthcare assistants and other support staff	1,234	1,234	0	1,241	1,188	53
Nursing, midwifery and health visiting staff	1,843	1,843	0	1,884	1,873	12
Scientific, therapeutic and technical staff	981	981	0	996	983	13
Bank staff	159	0	159	239	0	239
Agency staff	129	0	129	126	0	126
Other	33	33	0	0	0	0
TOTAL	6,508	6,219	289	6,572	6,107	465

The numbers shown above are average full time equivalent values. The Charitable Fund does not employ any staff.

10. NHS Pensions 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.nhsbsa.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 HM Treasury 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. Actuarial assessments are undertaken in intervening years between formal valuations using updated membership data and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2016, is based on the valuation data as 31 March 2015, updated to 31 March 2016 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.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012.

The Scheme Regulations 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.

c) Scheme provisions

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

The 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".

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) will be used to replace the Retail Prices Index (RPI).

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

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

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

d) Estimated contributions in 2016/17

The estimated employers pension contributions in 2016/17 is £26m with total contributions including employee contributions estimated at £44m.

10.1 Retirements due to ill-health

During 2015/16 there were 10 (2014/15: 7) early retirements from the Foundation Trust agreed on the grounds of ill-health.

The estimated additional pension liabilities of these ill-health retirements will be £480k (2014/15: £358k). The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

11 Directors' remuneration

11.1 Directors' remuneration

Key management compensation

During the year, key management received the following payments from the Foundation Trust.

	2015/16 £000	2014/15 £000
Remuneration and short term benefits including employers national insurance contribution for Executive and Non-Executive Directors	1,309	1,009
Employers contribution to pension in relation to executive directors	138	105
TOTAL	1,447	1,114

In total, during the year, 7 individuals had benefits accruing under a defined benefits scheme, the costs of which are included in the 'employers contribution to pension' above. These are the Executive Directors of the Foundation Trust for the year to 31 March 2016.

Key management is defined as the Executive and Non-Executive Directors of the Foundation Trust. Further details of their remuneration can be found in the 2015/16 remuneration report published as part of the Foundation Trust's Annual Report.

11.2 Ratio of median remuneration of all staff compared to Chief Executive's remuneration

There is a requirement to disclose the median remuneration of the Trust's staff and the ratio between this and the mid-point of the banded remuneration of the highest paid director who is the Chief Executive including salary and benefits in kind.

The calculation is based on full-time equivalent staff employed as at 31st March paid via the Trust's own payroll and also includes costs of staff recharged from other NHS or university organisations and the costs of bank and agency nursing staff and locum medical staff as at 31st March 2016 multiplied by 12 to estimate an annualised total pay cost per full-time equivalent.

	2015/16 £000	2014/15 £000
Median remuneration of staff	26	27
Chief Executive's mid-point banded remuneration plus benefits in kind	222.5	227.5
Ratio	8.5 : 1	8.3 : 1

11.3 Staff exit packages

During 2015/16, the Foundation Trust agreed an exit package with 1 member of staff through a mutually agreed resignation scheme at a cost of £46k plus £5k pay in lieu of notice (in 2014/15 exit packages were agreed with 1 member of staff at a cost of £2k). This package was agreed on behalf of ELFS Shared Services (hosted by SRFT), following the TUPE of staff in respect of the award of a new contract. These costs have been recharged to the contracting Trust

Exit Package Cost	2015/16 Number of compulsory redundancies £000	2015/16 Cost of compulsory redundancies £000	2015/16 Number of other departures £000	2015/16 Cost of other departures £000	2014/15 Number of all Departures £000	2014/15 Cost of all Departures £000
<£10,000	0	0	0	0	1	2
£50,001 - £100,000	0	0	1	51	0	0
TOTAL	0	0	1	51	1	2

Departure costs have been paid in accordance with the provisions of the NHS Scheme. Exit costs in this note are accounted for in full in the year of departure.

11.4 Exit packages: other (non-compulsory) departure payments

	2015/16 Payments agreed Number	2015/16 Total value of agreements £000	2014/15 Payments agreed Number	2014/15 Total value of agreements £000
Voluntary redundancies including early retirement contractual costs	1	46	0	0
Contractual payments in lieu of notice		5	1	2
TOTAL	1	51	1	2
of which: non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	0	0	0	0

12 Better payment practice code

12.1 Better payment practice code - measure of compliance

	2015/16		2014/15	
	Number	£000	Number	£000
Total non-NHS trade invoices paid in the year	94,405	247,453	83,092	212,049
Total non-NHS trade invoices paid within target	81,874	208,015	78,957	201,568
Percentage of non-NHS trade invoices paid within target	87%	84%	95%	95%
Total NHS invoices paid in the year	6,677	67,780	7,431	66,143
Total NHS invoices paid within target	5,793	58,618	6,442	59,719
Percentage of NHS trade invoices paid within target	87%	86%	87%	90%

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

12.2 The late payment of Commercial Debts (Interest) Act 1998

The Trust incurred costs of less than £1k in respect of late payment of commercial debts.

13 Finance income - interest income

	2015/16			2014/15		
	Trust £000	Charitable Funds £000	Total £000	Trust £000	Charitable Funds £000	Total £000
Interest income: On loans and receivables	195	108	303	160	112	272
TOTAL	195	108	303	160	112	272

Interest income was earned on surplus operating cash held in the Trust's Government Banking Service account, National Loans Funds and by the Charitable Funds from interest on investments.

14 Finance costs - interest expense

	2015/16 £000	2014/15 £000
Loan interest due to the Department of Health for £10m capital loan received in 2013-14	144	144
Interest on obligations under PFI contracts:		
Main finance cost	5,215	5,370
Contingent finance cost	2,055	1,851
TOTAL	7,414	7,365

15 Intangible assets

15.1 Intangible assets

2015/16:	Computer Software Purchased £000	Licenses and Trademarks £000	Development Expenditure (Internally Generated) £000	Intangible Assets Under Construction £000	Total £000
Gross cost at 1 April 2015	10,247	4	1,458	201	11,910
Additions	29	0	0	0	29
Reclassifications	837	0	0	(201)	671
Gross cost at 31 March 2016	11,149	4	1,458	0	12,611
Amortisation at 1 April 2015	4,823	0	1,156	0	5,979
Charged during the year	1,081	0	262	0	1,343
Amortisation at 31 March 2016	5,904	0	1,418	0	7,321
Net book value					
Purchased as at 31 March 2015	5,424	4	302	201	5,931
Donated as at 31 March 2015	0	0	0	0	0
Total at 1 April 2015	5,424	4	302	201	5,931
Net book value					
Purchased at 31 March 2016	5,244	4	41	0	5,289
Donated as at 31 March 2016	0	0	0	0	0
Total at 31 March 2016	5,244	4	41	0	5,289

15.2 Intangible assets - prior year

2014/15:	Computer Software Purchased £000	Licenses and Trademarks £000	Development Expenditure (Internally Generated) £000	Intangible Assets Under Construction £000	Total £000
Gross cost at 1 April 2015	7,933	4	1,458	688	10,083
Movements in year	2,314	0	0	(487)	1,827
Gross cost at 31 March 2015	10,247	4	1,458	201	11,910
Amortisation at 1 April 2014	3,924	0	875	0	4,799
Charged during the year	899	0	281	0	1,180
Amortisation at 31 March 2015	4,823	0	1,156	0	5,979
Net book value					
Purchased as at 31 March 2014	4,009	4	583	688	5,284
Donated as at 31 March 2014	0	0	0	0	0
Total at 1 April 2014	4,009	4	583	688	5,284
Net book value					
Purchased at 31 March 2015	5,424	4	302	201	5,931
Donated as at 31 March 2015	0	0	0	0	0
Total at 31 March 2015	5,424	4	302	201	5,931

15.3 Intangible assets: asset lives and government grant funded carrying value

None of the Foundation Trust's intangible assets have been revalued or impaired during the year.

	Minimum Life Years	Maximum Life Years
Intangible assets internally generated		
Development expenditure	1	5
Intangible assets purchased		
Software	1	10

	2015/16 £000	2014/15 £000
Intangible assets acquired by government grant		
Initial fair value	303	583
Carrying amount at 1 April 2015	303	583
Carrying amount at 31 March 2016	41	303

Intangible assets acquired by government grant relates to the North West E-Health Project, which was funded by a grant from the North West Development Agency, amounting to £4.4m over a four-year period (which ended 31 December 2011). The North West e-Health Project is a collaboration between the Foundation Trust, Salford CCG and the University of Manchester which aims to deploy the Project developed analytical tools to enable clinical research and to support optimal delivery of patient care. As this project is a collaboration, the Foundation Trust reports its 'fair share' of the North West E-Health asset in the annual accounts which, in 2015/16, remains a one-third share for this original development.

The North West E-Health asset is currently valued at amortised historic cost. The asset is subject to amortisation on a straight line basis over its estimated useful life of five years.

15.4 Revaluation reserve balance for intangible assets

The Foundation Trust does not have a balance in the revaluation reserve that is attributable to intangible assets.

16 Property, plant and equipment

16.1 Property, plant and equipment

2015/16:	Land £000	Buildings Excluding Dwellings £000	Dwellings £000	Assets Under Construction & Payments on Account £000	Plant and Machinery £000	Transport Equipment £000	Inform- ation Technology £000	Furniture and Fittings £000	Total £000
Cost or valuation at 1 April 2015	12,000	185,957	1,276	5,718	44,685	59	13,573	2,432	265,701
Transfers by absorption - modified	0	0	0	0	0	0	0	0	0
Additions purchased	0	4,496	0	59	1,477	0	1,022	19	7,073
Additions donated	0	0	0	0	0	0	0	0	0
Impairments charged to revaluation reserve	(5,550)	(1,140)	0	0	0	0	0	0	(6,690)
Reclassifications	0	3,699	0	(5,563)	0	0	867	325	(671)
Revaluations	0	(5,214)	25	0	0	0	0	0	(5,189)
Transferred to disposal group as asset held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
Cost or valuation at 31 March 2016	6,450	187,798	1,302	214	46,162	59	15,462	2,776	260,223
Accumulated depreciation as at 1 April 2015	0	0	0	0	31,343	59	6,900	1,261	39,564
Transfers by absorption - modified	0	0	0	0	0	0	0	0	0
Provided during the year	0	5,959	31	0	2,604	0	1,389	309	10,292
Impairments recognised in operating expenses	0	5,482	0	0	0	0	0	0	5,482
Revaluations	0	(3,934)	0	0	0	0	0	0	(3,934)
Cumulative depreciation adjustment following revaluation	0	(7,508)	(31)	0	0	0	0	0	(7,539)
Disposals	0	0	0	0	0	0	0	0	0
Depreciation at 31 March 2016	0	0	0	0	33,947	59	8,289	1,569	43,866
Net book value									
Owned at 1 April 2015	12,000	98,825	0	5,718	13,186	0	6,672	1,166	137,567
PFI at 1 April 2015	0	80,887	1,276	0	0	0	0	0	82,163
Donated at 1 April 2015	0	6,245	0	0	156	0	0	6	6,407
Total at 1 April 2015	12,000	185,957	1,276	5,718	13,341	0	6,672	1,172	226,137
Net book value									
Owned at 31 March 2016	6,450	99,263	0	214	12,101	0	7,173	1,203	126,404
PFI at 31 March 2016	0	82,172	1,301	0	0	0	0	0	83,473
Donated at 31 March 2016	0	6,362	0	0	113	0	0	4	6,480
Total at 31 March 2016	6,450	187,798	1,301	214	12,215	0	7,173	1,207	216,357

As at 31st March 2016 the Foundation Trust had no land, buildings or dwellings valued at open market values.

Key additions during the year include ongoing works to modernise operating theatres £2.5m and £2.6m invested in replacing medical, IT and other essential equipment.

16.2 Property, plant and equipment - prior year

2014/15:	Land £000	Buildings Excluding Dwellings £000	Dwellings £000	Assets Under Construction & Payments on Account £000	Plant and Machinery £000	Transport Equipment £000	Inform- ation Technology £000	Furniture and Fittings £000	Total £000
Cost or valuation at 1 April 2014	12,850	184,534	1,402	4,142	40,923	59	12,130	2,281	258,322
Prior period adjustments	0	0	0	0	0	0	0	0	0
Cost or valuation at 1 April 2014- restated	12,850	184,534	1,402	4,142	40,923	59	12,130	2,281	258,322
Transfers by absorption - modified	0	0	0	0	0	0	0	0	0
Additions purchased	0	6,862	3	5,470	3,793	0	718	151	16,994
Additions donated	0	0	0	0	0	0	0	0	0
Impairments charged to revaluation reserve	(850)	(1,217)	(92)	0	0	0	0	0	(2,159)
Reclassifications	0	2,462	0	(3,894)	0	0	725	0	(692)
Revaluations	0	6,083	0	0	14	0	0	0	6,083
Transferred to disposal group as asset	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(46)	0	0	0	(46)
Revaluation	0	(12,767)	(34)	0	0	0	0	0	(12,800)
Cost or valuation at 31 March 2015	12,000	185,957	1,276	5,718	44,685	59	13,573	2,432	265,701
Accumulated depreciation as at 1 April 2014	0	0	0	0	28,802	57	5,721	964	35,544
Transfers by absorption - modified	0	0	0	0	0	0	0	0	0
Provided during the year (including accelerated depreciation)	0	5,959	34	0	2,550	3	1,180	296	10,022
Impairments recognised in operating expenses	0	10,215	0	0	0	0	0	0	10,215
Reversal of impairments credited to operating income	0	(3,407)	0	0	0	0	0	0	(3,407)
Cumulative depreciation adjustment following revaluation	0	(12,767)	(34)	0	0	0	0	0	(12,800)
Disposals	0	0	0	0	(9)	0	0	0	(9)
Depreciation at 31 March 2015	0	0	0	0	31,343	59	6,900	1,261	39,564
Net book value									
Owned at 1 April 2014	12,850	89,917	0	4,142	11,923	3	6,409	1,308	126,452
PFI at 1 April 2014	0	88,906	1,402	0	0	0	0	0	90,308
Donated at 1 April 2014	0	5,811	0	0	199	0	0	8	6,017
Total at 1 April 2014	12,850	184,534	1,402	4,142	12,121	3	6,409	1,316	222,778
Net book value									
Owned at 31 March 2015	12,000	98,825	0	5,718	13,186	0	6,672	1,166	137,567
PFI at 31 March 2015	0	80,887	1,276	0	0	0	0	0	82,163
Donated at 31 March 2015	0	6,245	0	0	156	0	0	6	6,407
Total at 31 March 2015	12,000	185,957	1,276	5,718	13,341	0	6,672	1,172	226,137

As at 31st March 2015 the Foundation Trust had no land, buildings or dwellings valued at open market values.

16.3 Property, plant and equipment: asset lives

The range of asset lives for all classes of property, plant and equipment assets held are shown below.

	Minimum Life Years	Maximum Life Years
Land	No minimum	Indefinite
Buildings (excluding dwellings)	1	60
Dwellings	1	41
Plant and machinery	1	15
Transport equipment	1	10
Information technology	1	10
Furniture and fittings	1	7

The Valuation Office provides the Foundation Trust with information on asset lives.

16.4 Impairment, revaluation and accelerated depreciation of non-current assets

	2015/16 £000	2014/15 £000
Changes in market price - downward valuation of non-current assets charged to SoCI	5,482	10,215
Changes in market price - downward valuation of non-current assets charged to Revaluation Reserve	6,690	2,159
Changes in market price - upward valuation of non-current assets (reversals of past impairments) credited to SoCI	(3,934)	(3,407)
Changes in market price - upward valuation of non-current assets credited to revaluation reserve	(2,349)	(6,083)
Total impairments, revaluations and accelerated depreciation	5,889	2,884

17 Assets held under PFI contracts

17.1 Assets held under PFI contracts

2015/16:	Buildings - Hospital Redevelopment (Mayo & Hope Buildings) £000	Dwellings - The Maples £000	Total £000
Cost or valuation at 1 April 2015	80,887	1,276	82,163
Additions purchased	116	0	116
Reversal of previous impairments charged to operating expenses	3,511		3,511
Revaluation surpluses		56	56
Impairments	(256)		(256)
Cumulative depreciation adjustment	(2,087)	(31)	(2,118)
At 31 March 2016	82,171	1,302	83,473
Accumulated depreciation as at 1 April 2015	0	0	0
Provided during the year	2,087	31	2,118
Cumulative depreciation adjustment	(2,087)	(31)	(2,118)
Depreciation at 31 March 2016	0	0	0
Net book value PFI at 1 April 2015	80,887	1,276	82,163
Net book value PFI at 31 March 2016	82,171	1,302	83,473

17.2 Assets held under PFI contracts - prior year

2014/15:	Buildings - Hospital Redevelopment (Mayo & Hope Buildings) £000	Dwellings - The Maples £000	Total £000
Cost or valuation at 1 April 2014	88,906	1,402	90,308
Additions purchased	224		224
Reversal of previous impairments charged to operating expenses			0
Revaluation surpluses			0
Impairments	(5,902)	(92)	(5,994)
Cumulative depreciation adjustment	(2,341)	(34)	(2,375)
At 31 March 2015	80,887	1,276	82,163
Accumulated depreciation as at 1 April 2014	0	0	0
Provided during the year	2,341	34	2,375
Cumulative depreciation adjustment	(2,341)	(34)	(2,375)
Depreciation at 31 March 2015	0	0	0
Net book value PFI at 1 April 2014	88,906	1,402	90,308
Net book value PFI at 31 March 2015	80,887	1,276	82,163

18 Capital commitments

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

	31 March 2016 £000	31 March 2015 £000
Property, plant and equipment	0	2,888
TOTAL	0	2,888

18.1 Investments

The Charitable Fund holds investments managed by investment managers on a discretionary basis with an objective to provide a balance between capital growth and income whilst maintaining a medium level of risk. The Charitable Funds Committee receives regular updates from the investment advisors including formal quarterly reports and uses this information to review and confirm the policy on managing the portfolio.

	Trust 2015/16 £000	Consolidated 2015/16 £000	Trust 2014/15 £000	Consolidated 2014/15 £000
Total investment	0	3,713	0	4,443

19 Inventories

19.1 Inventory movements 2015/16

	Total £000	Drugs £000	Consumables £000	Energy £000
Carrying value at 1 April	3,818	1,397	2,246	175
Additions	55,397	24,062	31,382	(48)
Inventories recognised in expenses	(55,479)	(24,007)	(31,454)	(18)
Write-down of inventories recognised as an expense	(100)	(100)	0	0
Carrying value at 31 March 2016	3,635	1,351	2,174	109

19.2 Inventories movements 2014/15

	Total £000	Drugs £000	Consumables £000	Energy £000
Carrying value at 1 April	3,529	1,214	2,106	209
Additions	51,565	21,446	30,119	0
Inventories recognised in expenses	(51,203)	(21,190)	(29,979)	(34)
Write-down of inventories recognised as an expense	(74)	(74)	0	0
Carrying value at 31 March 2015	3,818	1,397	2,246	175

20 Disclosures of aggregate amounts for assets and liabilities of jointly controlled operations

The following table sets out the gross amounts associated with jointly controlled operations. These transactions and balances are not included in the financial results of the Foundation Trust. The values included in the financial statements are shown in note 20.1.

	31 March 2016 £000	31 March 2015 £000
Current assets	0	0
Non-current assets	2,512	4,093
Total assets	2,512	4,093
Income and expenditure reserve	0	0
Operating income	80	85
Operating expenses	0	0
Total of assets, liabilities, reserves and charges to SoCI	80	85

The Foundation Trust has three projects that it classes as jointly controlled operations. These are the North West E-Health development project, the Sterile Services Decontamination Unit (SSDU) and Pathology At Wigan and Salford (PAWS).

The North West E-Health development project is an intangible non-current asset originally funded by a government grant. The Foundation Trust includes a one-third share of the transaction in its accounts reflecting the Foundation Trust's proportionate share of the original asset which is equally shared with Salford Clinical Commissioning Group and the University of Manchester. However, the Trust's current voting share of North West e-Health has been increased to 40%, with the University also holding 40% and Salford CCG holding the remaining 20%.

The SSDU and PAWS projects are jointly controlled with Wrightington, Wigan and Leigh NHS Foundation Trust providing essential clinical and support services to both foundation trusts.

The following note - 20.1 - provides further details of the fair values of the Foundation Trust's investment in each operation. These transactions are included in the financial statements of the Trust.

20.1 Fair value of investments in jointly controlled operations

	Assets £000	Liabilities £000	Profit / (Loss) £000	Interest Held %
North West E-Health	41	200	80	40
Decontamination Unit	1,363	0	0	50
Pathology At Wigan & Salford	666	0	0	50
As at 31 March 2016	2,070	200	80	
North West E-Health	303	200	85	33
Decontamination Unit	1,645	0	0	50
Pathology At Wigan & Salford	666	0	0	50
As at 31 March 2015	2,614	200	85	

21 Trade and other receivables

21.1 Trade and other receivables

	Current		Non-current	
	2015/16 £000	2014/15 £000	2015/16 £000	2014/15 £000
NHS receivables - revenue - commissioners	8,962	16,257	0	0
NHS receivables - revenue - foundation trusts and NHS trusts	6,343	5,012	0	0
NHS receivables - revenue - other	0	0	0	0
Other receivables from local authorities	394	506	0	0
Provision for the impairment of receivables	(1,771)	(1,753)	(479)	(563)
Receivable from Salford Royal NHS Charity	479	173	0	0
Prepayments	2,454	2,735	0	0
PFI prepayments - Life-cycle replacements	1,006	369	0	0
Accrued income	0	0	0	0
Operating lease receivables	0	0	0	0
PDC receivables	594	835	0	0
VAT receivable	740	735	0	0
Other receivables	7,944	8,999	2,212	2,183
TOTAL	27,144	33,869	1,733	1,620
Charitable Funds receivables	32	33	0	0
Receivable from Salford Royal NHS Charity - value eliminated on consolidation	(479)	(173)	0	0
TOTAL	26,697	33,729	1,733	1,620

Other receivables includes £3.3m income due from the NHS Injury Cost Recovery Scheme.

A review of all receivables has been undertaken and a provision for impairment made where the debtor's ability to pay is such that the Foundation Trust may not receive payment.

21.2 Provision for impairment of receivables (current and non-current)

	2015/16 £000
At 1 April	2,315
Increase in provision	0
Amounts utilised / reversed unused	(65)
At 31 March	2,250

The provision for impairment of receivables is only applied to receivables owed to the Trust (and not to the Charitable Fund) estimated based on three key factors:

- a) For NHS receivables, a provision is made where another NHS body registers a dispute against the value invoiced by the Foundation Trust where, in the opinion of Trust management, it is possible that following investigation, all or part of the charge will be reversed.
- b) For receivables expected from claims made via the NHS Injury Recovery scheme, a provision for impairment is made based on the Foundation Trust's last 12-months experience of the proportion of claims that are rejected.
- c) For receivables due from non-NHS customers, a provision for impairment is made based on an estimate of the value of outstanding debt that may not be recoverable even in those cases where legal judgement is given in favour of the Foundation Trust.

21.3 Analysis of impaired receivables

	31 March 2016 £000
Ageing of impaired receivables	
0 - 30 days	41
30 - 60 days	51
60 - 90 days	105
90 - 180 days	250
Over 180 days	1,804
TOTAL	2,250
Ageing of non-impaired receivables past their due date	
0 - 30 days	10,424
30 - 60 days	2,335
60 - 90 days	703
90 - 180 days	603
Over 180 days	4,111
TOTAL	18,174

22 Cash and cash equivalents

	2015/16			2014/15		
	Trust £000	Charitable Funds £000	Consolidated £000	Trust £000	Charitable Funds £000	Consolidated £000
Balance at 1 April	38,183	177	38,360	55,981	393	56,374
Net change in year	21,906	918	22,824	(17,798)	(216)	(18,014)
Balance at 31 March	60,089	1,095	61,184	38,183	177	38,360
Made up of						
Commercial banks and cash in hand	183	1,020	1,203	143	154	297
Cash with the Government Banking Service	59,906	75	59,981	38,040	23	38,063
Cash and cash equivalents as in statement of financial position	60,089	1,095	61,184	38,183	177	38,360
Cash and cash equivalents as in statement of cash flows	60,089	1,095	61,184	38,183	177	38,360

Salford Royal Foundation Trust acts as the 'host' NHS body for a number of services which are outside of the Trust's core business. These services are for specific areas of development both locally and nationally and cover fields such as research, quality and leadership . Although these services are administered by the Trust it has no control over their activities. The cash balance of these hosted services, including that generated in previous years, totalled £12.6m as at 31st March 2016 and is contained within the Trust's £61.2m consolidated cash balance.

23 Trade and other payables

	Current		Non-current	
	2015/16 £000	2014/15 £000	2015/16 £000	2014/15 £000
Receipts in advance	32	33	0	0
NHS payables	6,642	10,187	0	0
Amounts due to other related parties - revenue	3,611	313	1,215	455
Other trade payables - capital	951	3,147	0	0
Social Security costs	2,552	2,505	0	0
Other taxes payable	2,741	2,699	244	244
Other payables	22,957	11,507	0	0
Accruals	34,176	23,054	0	0
PDC dividend payable	0	0		
Sub-total Trust trade and other payables	73,662	53,444	1,459	699
Charitable Funds Payables	486	218	0	0
Charitable Funds Payables to Salford Royal NHS Foundation Trust eliminated on consolidation	(479)	(173)	0	0
Total trade and other payables	73,669	53,489	1,459	699

Amounts due to other related parties - revenue - include:

£3,611k (2014/15 £3,477k) outstanding pensions contributions at 31 March 2016.

Accruals are amounts owed to suppliers of goods and services where the goods / services have been received but the associated invoice(s) have not been received by the Foundation Trust by 31 March 2016.

24 Borrowings

	Current		Non-current	
	2015/16 £000	2014/15 £000	2015/16 £000	2014/15 £000
Loans from the Department of Health (£10m capital loan)	512	512	8,464	8,976
PFI liabilities: Main liability	3,153	3,097	105,110	108,275
Total Trust borrowings	3,665	3,609	113,574	117,251

The Foundation Trust's PFI borrowings relate to its two on-Statement of Financial Position privately financed assets - The Maples and the main hospital redevelopment scheme (see note 27). The Maples concession period ends in 2025. The hospital redevelopment concession ends in 2042.

The Foundation Trust borrowed £10 million in 2013/14 to be repaid in equal instalments bi-annually over a 20-year period at a rate of interest of 2.8% to the Department of Health to finance part of its capital expenditure plans during that year.

All borrowings relate to the Trust. The Charitable Fund did not have any borrowings in either the year ending 31 March 2016 nor the previous year.

25 Other liabilities

	Current		Non-current	
	31 March 2016 £000	31 March 2015 £000	31 March 2016 £000	31 March 2015 £000
Deferred income	9,661	7,027	0	0
Total Trust other liabilities	9,661	7,027	0	0

All other liabilities relate to the Trust. The Charitable Fund did not have any other liabilities in the year ending 31 March 2016 nor the previous year.

26 Finance lease obligations

Other than the two private finance initiative funded building schemes (hospital redevelopment and the Maples), the Foundation Trust does not have any finance lease obligations.

27 Private Finance Initiative contracts

27.1 PFI schemes on-statement of financial position

The Maples PFI Scheme

The Maples scheme is for the provision of long-term clinical accommodation and hotel services for patients with acute neuro rehabilitation requirements. There are no guarantees, obligations or other rights associated with the scheme.

There are no deferred assets or residual interests associated with the Maples PFI transaction.

The Maples scheme commenced in March 2000 with a 25 year concession period. At the end of the agreement, the Foundation Trust has a right to purchase the asset at open market value.

The unitary payment for the Maples is subject to annual increase which is based on a formula that uses movements in the value of the retail price index calculated annually from February to February.

The Hospital Redevelopment PFI Scheme

The hospital redevelopment scheme is for the provision of clinical and non-clinical accommodation through an agreement with Consort, the PFI partner. This has been achieved by the construction of two new buildings and the development of link corridors to join existing Foundation Trust owned buildings to the PFI buildings.

The agreement also includes the provision of a number of services to the Foundation Trust by Consort including building maintenance and lifecycle services, grounds and gardens maintenance, security services, pest control, utilities and a helpdesk facility.

The hospital redevelopment scheme commenced in 2007 with a 35 year concession period which ends in 2042. At the end of the agreement, the assets will pass to the Foundation Trust for nil consideration.

The full annual unitary payment is subject to annual increase in line with changes in the retail price index, calculated annually from February to February. Each 1% rise in the RPI index increases the unitary payment made by the Trust by c. £160k. RPI for 2016/17 applied to the PFI scheme will be 1.4%

During 2013/14, the operator recalculated the financial model that sets the value of the unitary payment. The full impact of this recalculation is included in these financial results.

A limited number of the services provided within the agreement may be subject to market testing every five years beginning in 2011 as required by the Foundation Trust. These eligible services include security services and pest control services. No market testing was undertaken in 2015/16.

Under the terms of the Project Agreement, the Foundation Trust has the right to use the assets built by Consort that are included as part of the scheme to deliver services to the public.

The agreement includes sections relating to termination of the contract. Termination may be implemented in the event of significant failures on the part of the PFI project company to deliver the specified level of quality and services, including completing construction of the assets by the agreed 'long-stop' dates. Other actions leading to a right to terminate include the project company becoming insolvent, undertaking a change in control outside of the scope allowed in the agreement, having a serious breach of health and safety law or a failure to pay the Foundation Trust material sums due on time.

The project agreement does not include renewal clauses. At the end of the concession period, all assets revert to the Foundation Trust.

During the concession period, the building assets are required to be maintained at a specified level of condition and service. The PFI project company manages and maintains a lifecycle plan to ensure that the assets remain in the specified condition.

During the concession period it is likely that major works such as lift replacements and window replacements will be necessary. These will be the responsibility of the PFI project company.

Having considered the content included in International Financial Reporting Standards in respect of service concession arrangements, in particular International Financial Reporting Interpretations Committee (IFRIC) publication 12, the hospital redevelopment project has been classed as a service concession arrangement for the provision of infrastructure.

Under International Financial Reporting

Interpretation Committee guidance 12 (IFRIC 12), both the Maples and the hospital redevelopment assets are treated as assets of the Foundation Trust. The substance of the contracts are that the Foundation Trust has a finance lease and the payment streams comprise two elements – imputed finance lease charges and service charges.

27.2 Total obligations for on-statement of financial position PFI contracts:

	31 March 2016 Total £000	31 March 2015 Total £000
Gross PFI liabilities	183,992	192,331
Of which liabilities are due:		
Not later than one year	8,286	8,315
Later than one year, not later than five years	32,665	32,611
Later than five years	143,041	151,405
Less finance charges allocated to future periods	(75,729)	(80,959)
Net PFI liabilities	108,263	111,372
Of which liabilities are due:		
Not later than one year	3,153	3,097
Later than one year, not later than five years	13,951	13,282
Later than five years	91,159	94,993
Net PFI liabilities	108,263	111,372

27.3 Total commitments for on-statement of financial position PFI contracts

The Foundation Trust is committed to making the following payments in respect of its on-SoFP PFI service payments:

Commitments	31 March 2016 Total £000	31 March 2015 Total £000
Not later than one year	16,540	15,647
Later than one year, not later than five years	70,398	68,681
Later than five years	503,711	521,967
TOTAL	590,648	606,295

27.3 Analysis of amounts payable to service concession operator

	31 March 2016 Total £000	31 March 2015 Total £000
Interest charge	5,215	5,370
Repayment of finance lease liability	3,101	3,126
Service element	4,640	4,707
Capital lifestyle maintenance	637	242
Revenue lifecycle maintenance	0	0
Contingent rent	2,055	1,851
TOTAL	15,647	15,296

28 Provisions

	Current		Non-current	
	31 March 2016 £000	31 March 2015 £000	31 March 2016 £000	31 March 2015 £000
Pensions relating to former directors	0	0	0	0
Other legal claims	332	292	0	0
Injury benefit and non-clinical claims	4,171	3,763	4,610	4,447
TOTAL	4,503	4,055	4,610	4,447
Charitable Funds provisions	0	0	0	0
Total provisions	4,503	4,055	4,610	4,447

	Legal Claims £000	Restructuring Costs £000	Other Provisions £000	Total £000
As at 1 April 2015	292	1,349	6,861	8,502
As at 1 April 2015 restated	292	1,349	6,861	8,502
Change in the discount rate	0	50	(17)	33
Arising during the year	202	455	3,122	3,778
Used during the year - accruals	0	0	(35)	(35)
Used during the year - cash	(161)	(138)	(1,019)	(1,318)
Reversed unused	0	(88)	(1,787)	(1,876)
Unwinding of discount	0	0	28	28
At 31 March 2016	332	1,628	7,152	9,113
Expected timing of cash flows:				
Not later than 1 year	332	268	3,903	4,503
Later than 1 year and not later than 5 years	0	1,038	1,544	2,582
Later than 5 years	0	324	1,704	2,028
TOTAL	332	1,629	7,151	9,113

Provisions are liabilities that are of uncertain timing or amounts which the Foundation Trust expects to be settled by a transfer of economic benefits.

Provisions for legal claims are based on information supplied by the NHS Litigation Authority. The amount shown is based on the maximum sum the Foundation Trust would be required to fund on the event of a successful claim adjusted by a 'probability of settlement' factor.

The Foundation Trust has made a provision for other liabilities and claims based on information provided by professional advisers. These include provisions for future pension payments for former staff claiming permanent injury benefit based on information supplied by NHS Pensions Agency and provisions for NHS employment costs.

£153,184k (2014/15 - £76,764k) is included in the provisions of the NHS Litigation Authority at 31st March 2016 in respect of clinical negligence liabilities on behalf of the Foundation Trust.

The PES (Public Expenditure System) letter dated December 2015 notified changes to the real discount rates for general provisions as per the table below. This has resulted in increasing the value of NHS LA provisions for known claims.

	Pre Dec 15	Post Dec 15
Real discount rate (0-5yrs):	-1.50%	-1.55%
Real discount rate (5-10yrs):	-1.05%	-1.00%
Real discount rate (over 10yrs):	2.20%	-0.80%

29 Revaluation reserve

	Revaluation Reserve - Property, Plant and Equipment £000
Reserves at 1 April 2015	30,100
Impairment losses on property, plant and equipment	(6,690)
Revaluation gains / (losses) on property, plant and equipment	2,349
Reserves at 31 March 2016	25,759
Reserves at 1 April 2014	26,200
Impairment losses on property, plant and equipment	(2,159)
Revaluation gains / (losses) on property, plant and equipment	6,083
Transfers of the excess of current cost depreciation over historical cost depreciation (to income and expenditure reserve)	(24)
Reserves at 31 March 2015	30,100

The Foundation Trust does not hold any revaluation reserve balances for intangible assets or charitable assets.

30 Contingencies

30.1 Contingent assets and contingent liabilities

The Trust has neither contingent assets nor contingent liabilities as at 31 March 2016.

31 Financial instruments

31.1 Financial assets by category

	Loans and Receivables £000	Available for Sale Assets £000	Total £000
Trade and other receivables not including non-financial assets	19,314	0	19,314
Cash and cash equivalents	60,089	0	60,089
Charitable Fund financial assets	1,126	3,713	4,839
Total at 31 March 2016	80,530	3,713	84,243
NHS trade and other receivables not including non-financial assets	29,756	0	29,756
Cash and cash equivalents	38,183	0	38,183
NHS Charitable Funds financial assets	210	4,443	4,653
Total at 31 March 2015	68,149	4,443	72,592

Items not included above are:

	2015/16 £000	2014/15 £000
Prepayments	2,454	2,735
PFI prepayments - lifecycle	1,006	369
PDC receivables	594	835
Current receivables*	3,297	
Non-current receivables*	1,733	1,620
	9,084	5,560

* Items excluded from receivables relate to amounts due from the Compensation Recovery Unit.

31.2 Financial liabilities by category

	31 March 2016 £000	31 March 2015 £000
Loans from the Department of Health (£10m capital)	8,976	9,488
Obligations under PFI contracts	108,263	111,372
NHS trade and other payables not including non-financial liabilities	6,642	10,187
Non-NHS trade and other payables not including non-financial liabilities	25,123	15,108
Other financial liabilities	37,786	23,367
Provisions under contract	8,587	8,016
Charitable Fund financial liabilities	7	45
Total at 31 March 2016	195,386	177,583

The book value of the PFI loan is shown as a proxy for fair value.

Items included on the Statement of Financial Position not included in note 31.2 above are:

	31 March 2016 £000	31 March 2015 £000
Receipts in advance	32	33
Social Security and other taxes payable	5,536	5,448
Deferred income	9,661	7,027
Provisions not under contract	525	486
	15,755	12,994

31.3 Maturity of financial liabilities

	31 March 2016 £000	31 March 2015 £000
In one year or less	77,474	55,431
In more than one year but not more than two years	4,435	4,680
In more than two years but not more than five years	14,659	12,676
In more than five years	98,819	104,796
TOTAL	195,386	177,583

31.4 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 service provider relationship that the Foundation Trust has with clinical commissioning groups, NHS England and local authorities and the way those commissioners of healthcare are financed, the 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 Foundation Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Foundation Trust in undertaking its activities.

The Foundation Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the policy agreed by the board of directors. The Foundation Trust's 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. The Foundation Trust has no overseas operations. The Foundation Trust therefore has low exposure to currency rate fluctuations.

Interest rate risk

The Foundation Trust is permitted to borrow to fund capital expenditure, subject to affordability as confirmed by Monitor, the Independent Regulator of Foundation Trusts. In 2014, the Foundation Trust borrowed £10 million from the Department of Health at a fixed rate of interest of 2.80%. £9.0m of this loan remained outstanding at 31st March 2016 and therefore the Foundation Trust has a low exposure to interest rate risk.

Credit risk

Because the majority of the Foundation Trust's income comes from contracts with other public sector bodies, the Foundation Trust has low exposure to credit risk. The maximum exposures as at 31 March 2016 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk

The Foundation Trust's operating costs are incurred under contracts with CCGs, NHS England and local authorities, which are financed from resources voted annually by Parliament. The Foundation Trust funds its capital expenditure from internally generated resources plus a fixed interest loan from the Department of Health. The Foundation Trust is not, therefore, considered to be exposed to significant liquidity risks.

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Charitable Fund investment

The Charity's investments are managed by the investment managers, Investec, on a discretionary basis with an objective to provide a balance between capital growth and income whilst maintaining a medium level of risk. The Charitable Funds Committee receives regular updates from the investment advisers including full quarterly reports and uses this information to review and confirm the policy on managing the portfolio. The value of the investment portfolio at 31 March 2016 is £3,712k (2014/15 - £4,443k) and generated income of £108k (2014/15 - £112k). During the year, £500k of the portfolio balance was converted to cash to create a development fund to be spent on projects at Salford Royal following review and approval of bids by the Charitable Funds Committee. The Charitable Funds Committee Chairman and the Executive Director of Finance are notified if the portfolio value falls by a material sum and advice on required actions to minimise risk is taken from the investment managers.

For current financial instruments (less than one year), fair values are assumed to be equal to book values. The notes below therefore include only non-current financial assets and financial liabilities.

Fair Value

The fair value of all assets and liabilities is reported as being equal to their book value which the Trust considers to be materially the same as the fair value.

32 Events after the reporting period

There are no material events after the reporting date.

33 Public Dividend Capital dividends paid

The calculation of the value of the PDC dividend reported in the Statement of Comprehensive Income is shown below.

Average net relevant assets	31 March 2016 £000	31 March 2015 £000	Average £000
Total Public Dividend Capital and Reserves of the Trust prior to consolidation of the Charitable Funds	103,114	119,024	111,069
Less : net book value of donated assets	(6,480)	(6,407)	(6,443)
Less / add: PDC receivable / payable	(594)	(835)	(715)
Total Net Relevant assets before deduction of average daily cash balance	96,040	111,783	103,911
Less average cash balance			(56,841)
Net Relevant Assets after deduction of average daily cash balance			47,070
3.5% dividend on average net relevant assets after deducting average daily cash balance			1,647

34 Related party transactions

Salford Royal NHS Foundation Trust is a public interest body authorised by Monitor - the Independent Regulator for NHS Foundation Trusts.

Certain members of the Board of Directors, key members of staff (or parties related to them) and members of the Council of Governors have connections with organisations which also have transactions with the Foundation Trust. These organisations are listed below.

To 31 March 2016	Income From Related Party £000	Expenditure to Related Party £000	Amounts Due From Related Party £000	Amounts Owed to Related Party £000
Value of transactions / balances with board members 2015/16 (expenditure is salary cost)	0	1,306	0	0
Value of transactions / balances with other related parties				
Department of Health including PDC dividend repayment	7,369	0	594	9
Other NHS bodies	483,079	25,971	14,557	9,426
Provision for impairment of receivables - NHS	0	0	0	0
Charitable Funds	372	296	0	0
Loan from Department of Health (£10m capital)	0	0	0	8,976
NHS Shared Business Services	0	0	0	0
Other	11,975	55,855	1,881	9,147
TOTAL	502,795	83,428	17,032	27,559

Other related parties include local authorities, HM Revenue and Customs and the NHS Pensions Agency.

The Department of Health is regarded as a related party and the parent organisation of the Trust. During the year Salford Royal NHS Foundation Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is also regarded as the parent Department. These entities include:

- NHS England
- Clinical Commissioning Groups
- NHS Foundation Trusts and Trusts
- NHS Litigation Authority
- NHS Business Services Authority

The Foundation Trust has also received revenue and capital income from Salford Royal NHS Foundation Trust Charitable Fund, of which it is Corporate Trustee.

To 31 March 2015	Income From Related Party £000	Expenditure to Related Party £000	Amounts Due From Related Party £000	Amounts Owed to Related Party £000
Value of transactions / balances with board members 2014/15 (expenditure is salary cost)	0	1,067	0	0
Value of transactions / balances with other related parties				
Department of Health including PDC dividend repayment	5,102	15	880	0
Other NHS bodies	444,720	18,713	20,211	7,022
Provision for impairment of receivables - NHS			0	0
Charitable Funds	341	358	0	0
Loan from Independent Trust Financing Facility	0	0	0	9,488
NHS Shared Business Services	0	215	0	9
Other	9,013	58,264	2,254	9,786
TOTAL	459,175	78,631	23,346	26,305

35 Third party assets

The Foundation Trust held £41k of cash and cash equivalents at 31st March 2016 (£41k - at 31st March 2015) which relates to monies held by the Foundation Trust on behalf of patients. The Foundation Trust also held £284k on behalf of the North West e-Health project (£144k - 2014/15). Both of these amounts have been excluded from the cash and cash equivalents figure reported in the accounts. In addition, the consolidated financial position includes £1,095k of cash held by the Charitable Funds which is not available to the Trust to spend.

36 Losses and special payments

There were 123 cases of losses and special payments (2014/15: 125 cases) totalling £317k (2014/15: £378k) incurred during 2015/16. Losses and special payments are reported on an accruals basis but exclude any provision for future losses.

Details of losses reported in 2015/16 are provided below:

Losses	Number	Value £000
Bad debts and claims abandoned (excluding cases with other NHS bodies)	71	9
Stores losses including damage to buildings and other property as a result of theft, criminal damage and neglect	1	100
Overpayment of salaries	22	17
Total losses	94	125
Special Payments	Number	Value £000
Extra contractual payments	0	0
Loss of personal effects	11	10
Extra-statutory and extra-regulatory payments	0	0
Compensation payments	17	132
Other employment payments	1	51
Other	0	0
Total special payments	29	192
Total losses and special payments	123	317
Employment payment loss funded by Hosted Service's client		(51)
Net total losses and special payment		266

37 Auditor's liability

There is a specified limitation in the Foundation Trust's contract with its external auditors, Grant Thornton, that provides for a £2m limitation of the auditor's liability.



University Teaching Trust

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