

**Annual Report and Accounts**  
**2017/18**





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**Hampshire Hospitals NHS Foundation Trust**  
**Annual Report for the year ended 31 March 2018**

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Annual Accounts for the year ended 31 March 2018

## Chairman's Introduction

I am pleased to lay before Parliament the Annual Report and Accounts of Hampshire Hospitals NHS Foundation Trust (HHFT) for the year ending 31 March 2018.

It has been my privilege to be Chairman of this organisation for nearly nine years. It is a role that has become increasingly challenging, as we strive to continue to provide outstanding patient care in the face of an unprecedented growth in demand for emergency care, which we are underfunded to provide. This financial year ends in the 70<sup>th</sup> anniversary year of the founding of the NHS in 1948 and it remains an institution to be celebrated, providing as it does care to all, free at the point of delivery. It is still one of the most clinically and cost-effective ways of delivering health care in the world. We need the support of the public and our politicians to address the fact that the funding has failed to take account of the growth in our total population and the growth in our frail elderly population. Quite simply there are not enough beds, doctors and nurses to provide the care that we all quite rightly expect.

Given this I pay tribute to our compassionate and dedicated staff who have continued to demonstrate a total commitment to outstanding patient care. They have coped with increasing demand for our services and the sustained pressures of many more very sick patients and an increasingly frail population. For the last three years, I have commented that we have experienced unprecedented demand for our services and that has not changed. Our population has increased, the numbers of frail elderly needing our care continues to increase and the numbers of patients that have been seen in our Emergency Departments has increased.

For example, in the areas we serve in Mid and North Hampshire public health forecasts that the population will grow by 11 percent and the over 75 year old population will grow by 37 percent. This is the group that has the most significant volume of non-elective admissions compared to other age group populations.

To help look after these people the Trust has developed systems to identify patients with specific frailty needs who present in an emergency, and to enhance the care and service that they receive at the Trust. We now identify over 300 such patients a month. Consequently, it was with considerable disappointment that the Board noted our commissioners' decision in November 2017 not to pursue our proposal for a critical treatment hospital at this time. Over six years ago, our predictions about the challenges we would face led our clinicians to the strategy to centralise our most acute services, and this remains our long-term strategy.

We understand the financial constraints and the current levels of funding, but as a system we need to address the realities of today as well as the aspirations of tomorrow. Our lead clinicians and executives continue to work closely with our commissioners towards the programme focused on transforming acute care in north and mid-Hampshire which is focused explicitly on our clinical provision programme and our strategy to deliver care locally where possible and centrally where necessary.

We will continue to explore with commissioners how acute services can be sustained given the condition of our current estate and the ever increasing number of patients accessing acute care. We have been actively involved in the emerging Local Care System (LCS) which our Chief Executive

chairs, as part of our leadership in fostering closer cooperative working between all health and social care providers.

Our staff, led by our new CEO Alex Whitfield and a strong senior team, have continued to demonstrate a total commitment to driving forward innovations to enhance our services, provide even better care to our patients and reduce cost. Alex has also brought a renewed focus on our own people, as well as ensuring that we live all our values, centred on high quality patient care.

It is an indicator of our innovative capacity that we were one of just 18 Trusts invited to join the prestigious NHS England digitisation programme and be a ‘Fast Follower’, securing £5million in funding for digital projects. We were able to demonstrate that we were digitally ready, with a proven history of successful technology transformation and performing well both financially and clinically. We are working with University Hospital Southampton NHS Foundation Trust, to drive innovation across the area.

Our services have continued to be rated highly for the care we provide, and we were delighted that the Care Quality Commission (CQC) rated our Minor Injuries Unit (MIU) at Andover War Memorial Hospital as ‘Good’ following an unannounced inspection. The review found that a high standard of care and treatment is being delivered at the unit by competent, efficient and helpful staff who treat their patients with kindness.

In our last CQC inspection we were rated as Outstanding for End of Life Care and in the autumn 2017, we unveiled exciting plans to create a new £2.5million hospice in Winchester, converting Burrell House, which is on the site of Royal Hampshire County Hospital, into a 10-bed hospice, supporting patients with life limiting illnesses and their families. We also became the first Trust in the South of England to implement the national ReSPECT (Recommended Summary Plan for Emergency Care and Treatment) process. ReSPECT allows people to have a say in the level of care that they receive in an emergency, even if they are unable to make or express choices at that time.

We were delighted to be presented with the Ministry of Defence’s prestigious Employer Recognition Scheme (ERS) Gold Award by Prince Harry for our work with the Step into Health programme and support of staff who serve as reservists.

We have continued with initiatives to help manage the flow of patients through our hospitals including our seasonal “Action” programmes, led by our Chief Operating Officer, Julie Maskery. These have improved the flow of patients through our hospitals. This not only ensures that patients are cared for in the most appropriate place but also relieves the pressure on our Emergency Departments by making sure that there are beds available when people need to be admitted. The initiatives have helped forge stronger partnerships between health and social care, which in turn help unlock issues for our patients experiencing delayed transfer of care, and reduce the number of patients waiting for social or community care to be able to leave hospital. The action weeks galvanised teams in a sustained effort between the hospital and our partners in adult and social care, working together to try to reduce the number of delayed discharges, improve our discharge processes and deliver more efficient and better care for our patients.

The flow of patients through our hospitals is a challenge in our system, and to help improve it we created a new 28-bed unit at Basingstoke and North Hampshire Hospital. Opened in December 2017, the Overton Unit provides step down care for patients who no longer require the high level of acute care provided in hospital, but are awaiting a care package that will enable them to return home. This

has been very successful in supporting people to return home with more independence and less reliant on ongoing health and care support.

We continued to value and celebrate our staff. The number of nominations for our internal staff recognition programme, the WOW! Awards, continued to rise. The trust received 3,105 WOW! nominations for staff who made a difference to a colleague, a patient or a relative by exceeding expectations and going the extra mile. This is an increase of 13% on last year, showing the ever growing appreciation of staff from their patients, their families and other colleagues. The annual winners' celebration event was attended by over 300 staff who had won awards for their dedication and compassion and for living our values. A member of staff from the Trust was also honoured at the national WOW! Awards Annual Gala 2017 in London. Physiotherapist Chris Mitchell's determination to help a patient walk again, following years of complications and setbacks, saw him win the award in the 'WOW! You changed my life' category. We were delighted that one member of staff, Dan Spacagna, in our porters's team, was awarded a national "Unsung Hero" award for saving the life of one of his colleagues. We were also delighted that one of our nurses, Sister Grace Smith, was nominated for the national Advancing Healthcare Awards Rising Star.

We achieved some pleasing results from all three patient surveys run by the CQC over the course of the year. Inpatients rated their overall experience as 8.2 out of 10 and reported that they felt well looked after and treated with dignity and respect. Patients using our emergency departments also rated us highly and reported that they felt listened to by doctors and nurses, while women using our maternity services said that they were given information in a way they can understand and that their birthing partners were involved as much as they wanted them to be. It is a testimony to our services that 78% of our staff said they would recommend our Trust to their friends and family for care.

We continue to actively engage with our community, patient and the public and in the summer around 1,000 people came for our open day at Basingstoke and North Hampshire Hospital. Visitors got the chance to try out surgical equipment in actual operating theatres and find out how effective they are at giving CPR, while injured teddy bears and dolls were patched up in the plaster room and over 200 hundred people talked to our recruitment teams about working with us.

During the year we held elections for our public and staff Governors and I record my thanks to outgoing Governors ending their term of office for their contribution to the Trust. I am pleased to extend a warm welcome to our new Governors to the Council.

I would like to conclude by thanking our Governors for their sustained support over the year, and by thanking my Board colleagues and our excellent senior leadership team. Above all, I am grateful to all our dedicated staff for their care, compassion and commitment to serving our communities in Hampshire, West Berkshire and further afield. They are simply wonderful and have made my tenure here a joy. The results recorded in this Annual Report reflect their efforts and these achievements, together with the leadership of our new Chief Executive, have I believe, put Hampshire Hospitals in a strong position to tackle the challenges of 2018/19 which are unlikely to diminish, and will help us ensure that we continue to provide high quality patient care to the people living and working in our area.

I hope you enjoy reading this report. Please contact us if you have any questions or comments. You will find our contact details at the end of this report.



Elizabeth Padmore  
Chairman

**CHAPTER 2**  
**Performance Report**

**Overview**

This section of the annual report is to provide the reader with an overview of the Trust, its purpose, the key risks we face to achieving our objectives and how we have performed during this year.

Hampshire Hospitals NHS FT is a Foundation Trust that provides hospital services to the population of Hampshire and West Berkshire. On 9 January 2012, the Foundation Trust was established by the coming together of Basingstoke and North Hampshire NHS Foundation Trust and Winchester and Eastleigh Healthcare NHS Trust.

We deliver a full range of district hospital services in a variety of locations; most acute services are provided from our two larger hospitals, Basingstoke and North Hampshire Hospital (BNHH) and the Royal Hampshire County Hospital in Winchester (RHCH). We deliver planned services, including surgery, elderly rehabilitation and maternity care in Andover War Memorial Hospital (AWMH). We also deliver outpatient services in community settings and patients' homes. We offer a small range of very specialist services to a regional and national population including surgical treatment for pseudomyxoma peritonei (a rare abdominal cancer), liver and colorectal cancer surgery, and intraoperative radiotherapy for breast cancer. We are also the network host for a regional haemophilia service that serves a wide population across Hampshire, Dorset, Sussex and Wiltshire.

Our services are organised into three clinical divisions; surgical services, medical services and family and clinical support services each led by a Medical Director who is supported by an Operations Director. The five Executive Directors, the two Medical Directors who support the Chief Medical Officer, three very senior corporate managers and these six individuals comprise the top team who run the organisation on a day-to-day basis. They are supported by the clinical and corporate service teams.

Our vision, with which our strategy is aligned, is to provide outstanding care for every patient and ensure that our services are clinically and financially sustainable into the future. Concern for the long term sustainability of our services led to the formation of HHFT and the development of the clinical model, which focus on delivering services locally where possible and centrally where necessary.

Our support services contribute greatly to the care we provide to our patients. Our domestic staff work extremely hard to make sure that our hospitals maintain a high level of cleanliness to reduce the risk of infection to our patients. Our security and portering staff help to maintain patient safety and are very important in making sure the right patient is in the right place at the right time. We are very proud of our Catering Department who support good nutrition and hydration for our patients as well as providing food for staff and visitors. We know that it is vital for our patients to receive balanced and varied meals as part of the recovery process.

To make sure that our patients are seen and treated in a timely manner we monitor our performance against several local and national targets and standards. These include the Referral To Treatment targets (RTT) covering general planned care, A&E targets to ensure that patients are seen in our Emergency Departments (ED) promptly and cancer waiting time targets to ensure patients with suspected cancer are diagnosed and treated quickly.

Hampshire Hospitals Contract Services Limited is a wholly owned subsidiary of HHFT which was established in 2013 to a) support the strategic need to develop alternative income sources beyond core-NHS District General Hospital activity funded by the Clinical Commissioning Groups and b) ensure hospital support services are delivered efficiently and cost-effectively.

HHFT also operates the Candover Clinic and Suite which is a dedicated private patients unit located at BNHH, for patients who pay for their treatment themselves or use their private health insurance.

Being located on the site of a well-respected district hospital offers patients a very high level of safety and reassurance, including access to critical care and specialist units.

The profit generated by Candover is invested in HHFT's NHS services, benefiting NHS patients. Candover also benefits the Foundation Trust's hospitals and NHS patients by freeing up beds and resources when insured or self-funding patients choose to be treated privately.

The financial statements contained within this report have been prepared on a going concern basis, on the reasonable assumption that the Foundation Trust has sufficient operational resources to continue for the foreseeable future. In a difficult year, the Trust made a deficit of £3.8 million, on a turnover of £390 million. The Trust ended the year with £7.8 million of cash, and has an agreed level of future cash support from the Independent Trust Financing Facility.

A summary of performance for the year can be found below and in chapter 7 of this report.

#### **Statement from Chief Executive on performance**

Our performance and our finances have been driven by the same factor during this year. We have seen a significant increase in emergency demand for our services, and this has impacted on our ability to provide as much planned care as we had hoped. We have seen increases in the numbers of people arriving at the emergency department, and the patients are often more poorly and need to be admitted to a hospital bed. We have been working with partners on schemes to help people avoid a hospital admission, but we have not been able to offset the increased demand.

At the same time, there are people in our hospitals who are medically fit to be discharged, but who need additional support to return to the place they normally live. We have been working with partners to accelerate the processes to get this care in place, so that individuals do not have to wait in hospital for longer than is absolutely necessary. We have seen reductions in our length of stay over the year, but, again, it has not been enough to offset the rising demand for hospital beds.

The increased demand for urgent care has created pressure on our emergency departments and consequently on the whole of our hospitals. For much of the year the Trust did not meet the emergency department 95% standard for patients to be admitted or discharged within 4 hours. We had eight 12 hour breaches during the year – a major improvement on the previous year but still not what we would want for our patients. We have been closely monitoring the quality of patient care and found no significant harm arising from these waits but we are committed to returning to delivering the 4 hour constitutional standard.

Our continuity of care programme has been addressing capacity issues across the Trust. We have expanded our ambulatory care clinics which enable patients to avoid a hospital admission and be seen rapidly in an outpatient setting, getting all the necessary diagnostics tests completed without a hospital stay. We have run seasonal Action events – Autumn Action, Winter Action and Spring

Action. During these events, the trust and our partners have focused on helping patients get home quickly, and we have seen significant improvements in our emergency department performance following these events. We opened the Overton Unit in Basingstoke in December, providing 24 additional beds to take care of people on the step down from hospital, to home. This unit provides intense rehabilitation and support to enable patients to regain independence before they leave hospital. We have transferred our 17 bedded Firs unit to Hampshire County Council, to give our patients the most focussed re-ablement treatment and optimise their discharge to the most appropriate setting – hopefully their own home.

Planned activity has been impacted throughout the year by the pressures from the emergency work. We have not provided as much planned work as we had planned, and, while we have met the 18 week target for most of the year, we have seen growth in the number of patients on our waiting lists.

Diagnostic waits and the majority of cancer standards have been met throughout most of the year. There has been particular focus on ensuring that activity in cancer care is compliant with the 62 day target which has been met for three quarters of the year.

Our financial performance was impacted by the need to employ additional staff to care for the emergency patients often at short notice. This has meant agency staff and whilst our agency bill is lower than it was last year, it is still higher than we had planned for, and higher than we would have wanted. In addition, we have not been sufficiently productive in our planned work as a result of the capacity pressures from the emergency work. As a result, we acknowledged in January 2018 that we would not meet our control total for 2017/18 and reforecast that we would deliver a £5.7m deficit. The actual year end position was £3.8m deficit which was 1% of our turnover.

### **Performance Analysis**

HHFT takes an integrated approach to performance, measuring itself against targets and benchmarks in clinical care, quality, activity and finance. We see all of these areas as key to our performance. Within each of these areas are a wide variety of measures but all are monitored and reported in the same way using an established system.

Monthly performance and financial reports are presented to the Board of Directors having been reviewed and discussed at our monthly Executive Committee meetings. The key performance elements of these reports are:

#### **Quality Framework: Quality Indicators (multiple measures in each)**

- Clinical Effectiveness
- Patient Safety
- Patient Experience

#### **Quality Framework: Performance Indicators (multiple measures in each)**

- ED 4 Hour Target;
- Referral to Treatment Time;

- Cancer Waiting Times;
- Diagnostic Waits; and
- Data Quality.

**National CQUINs:**

- Improving Staff Health and Wellbeing
- Reducing the Impact of Serious Infections
- Improving Services for People with Mental Health Needs Presenting in A&E
- Offering advice and Guidance
- NHS e-Referrals
- Supporting Proactive and Safe Discharge

**Local CQUINs:**

- STP Engagement

**NHS England Commissioning:**

- Medicine Optimisation
- Introducing Dose Banding for Anti-Cancer Therapy
- MoD Covenant awareness
- Haemophilia Patient Monitoring
- Dental Service Audit and Improvement

**Staffing**

- Employed staff versus plan across individual staff groups; and
- Use of temporary staffing.

**Activity**

- Outpatient activity against plan;
- Non-elective in-patient activity against plan; and
- Elective in-patient activity against plan.

**Financial metrics** (actual and performance against plan)

- Income;
- Major items of expenditure (including staff);
- Divisional expenditure;
- Balance sheet and cash;
- Capital expenditure; and
- Achievement of savings and productivity schemes.

The Trust does not operate any overseas services.

For an analysis of HHFT's performance against the key performance indicators, please see chapter 7 of this report.

For commentary on social, community, anti-bribery and human rights issues, see chapter 8 of this report.

### **Income and expenditure performance**

For the year overall, the Trust has reported a £3.8 million deficit, compared with a planned surplus of £7.9m. While the Trust was intent on delivering to the surplus target, the deficit (at 1% of turnover) was a reasonable financial result within the context of the demands placed on the Trust and the national state of acute provider finances.

Total Income was £390 million which was in line with our original plan. However, there was a marked change in the composition of our clinical income, with an 8% increase above plan for income from non-elective patients and a 3.5% decrease on plan for income from elective activities.

The Trust received £7.9 million Sustainability and Transformation Funding (STF) against an original potential allocation of £9.5 million. STF is allocated against quarterly performance targets, and the Trust achieved all targets in Quarters 1 and 2, and achieved the financial target in Quarter 3 (but not the target for ED performance). At the year end, the Trust, along with all other eligible trusts who had agreed a Financial Control Total with NHSI, received a further allocation of STF totalling £2.5 million.

We also benefitted from £0.8 million of donated income, which was used to fund essential capital equipment purchases.

Pay costs for the year were £260 million, £13 million higher than planned. The operational pressures described above meant that the Trust had few opportunities to reduce agency staffing, particularly in ED and our Assessment Areas. The Trust has also experienced difficulties in filing medical rotas in our Emergency Departments, and this has led to long term locum and agency arrangement for clinical staff.

Non pay cost, including financing costs, were £134 million, £3 million lower than planned. The reduction on plan was due to lower 'pass through' costs of rechargeable drugs and devices.

The table overleaf shows a summarised income and expenditure account:

### ***Income Statement***

<b>Summary Financial Performance</b>	<b>Actuals</b>	<b>Plan</b>	<b>Variance</b>
	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>
<b><i>Income</i></b>			
Clinical Income	348.6	343.1	5.5
Other Income	32.9	37.7	(4.8)
S&T Funding	7.8	9.5	(1.6)
Donated Funds Income	1.2	0.0	1.2
<b>Total Income</b>	<b>390.6</b>	<b>390.3</b>	<b>0.3</b>
<b><i>Expenditure</i></b>			
Staff Costs	260.7	249.4	11.3
Drugs	42.4	44.4	(2.0)
Clinical Supplies	36.3	34.4	1.9
Other Non Pay	44.5	41.5	3.0
Depreciation	8.5	8.4	0.0
Profit / Loss on Disposals	(0.9)	(0.8)	(0.1)
Interest Receivable / Payable	0.5	0.2	0.3
PDC Dividends	4.6	5.0	(0.3)
Net Impairment Costs	(2.1)	0.0	(2.1)
<b>Total Expenditure</b>	<b>394.4</b>	<b>382.4</b>	<b>12.0</b>
<b>Surplus / (Deficit)</b>	<b>(3.8)</b>	<b>7.9</b>	<b>(11.7)</b>

The cash balance at 31 March 2018 was £7.8 million. The Trust carefully managed cash over the year and maintained appropriate terms of trade with our suppliers. The Trust agreed a £10 million Working Capital Facility with the Department of Health via the Independent Trust Financing Facility (ITFF) in 2016, and had drawn down this facility by 31<sup>st</sup> March 2018. The Trust has agreed an extension of £15 million to this facility with the ITFF (on the same terms) which will be partially drawn down in 2018/19. The Trust makes repayments to the Working Capital Facility when it is in receipt of excess cash, typically after the payment of STF support.

### **Capital expenditure**

Due to cash constraints, the capital plan for 2017/18 was set at a figure approximating to the depreciation charge and the expected sale proceeds of a property in Winchester. The Trust invested over £10.6m this year in a range of projects that have increased our bed numbers (Overton Ward), improved our IT infrastructure and systems, made improvements to our facilities and continued our investment to replace and update our medical equipment. The Trust received additional funding of almost £1 million Public Dividend Capital to create space for GP streaming services in our Emergency Departments.

The Trust is very grateful to our many supporters and supporting charities in contributing £0.8 million towards the capital spending.

The Trust was successful in our application to join the NHS Digital Global Digital Exemplar initiative, and the direction of IT investment in the coming 3 years will be driven by our commitments and ambitions under this programme.

The table below shows capital expenditure summarised by major project:

Scheme	£'000
IM&T Programme	2,708
Backlog Maintenance	1,668
Critical Treatment Hospital	1,411
Facilities	1,419
ED GP Streaming	1,110
Medical Equipment	1,067
Donated Assets	1,246
<b>Total Capital Expenditure</b>	<b>10,629</b>

#### Financial and other principal risks

As with other NHS providers, HHFT receives STF support from NHSI if quarterly financial targets are met. If the financial target is achieved, then a secondary performance measure (ED 4 hour target) is also used to justify the final 30% of available funding. These payments are often delayed until the end of the quarter following the quarter to which they apply. The Trust was successful in all performance measures for Quarters 1 and 2 and for the financial measure in Quarter 3. As the Trust did not meet its year end Control Total, the Trust did not qualify for Quarter 4 payments or access to the STF bonus pool. STF now represents almost 3% of clinical income, and its achievement or not has a major impact on the Trust's resources.

For 2018/19, the Trust has accepted a Financial Control Total of £3.3 million surplus, including £10 million of Provider Sustainability Funding (PSF – this being the successor title for STF). If the Trust does not qualify for each Quarter's PSF this will put further pressure on the Trust's cash position, and potentially compromise our ability to fund all our capital investment ambitions.

The Trust operated national 'Payment by Results' contracts with our CCGs and was paid for the activity performed. Payments for clinical services from CCGs and other NHS bodies accounted for 87% of our income. It is acknowledged that our partner CCGs are themselves under severe financial pressure to manage increasing demands for healthcare within constrained resources. The Trust is committed to work with the CCGs and others in the local care system to make the most efficient use of our resources, which may mean that in the future, the Trust's income in some areas will reduce following the successful application of demand moderation plans. In 2017/18, the Trust agreed a risk share element in our contract with our two prime CCGS - North Hampshire CCG and West Hampshire CCG.

The Trust's spending on agency and temporary staff, while low in comparison to the national average, was substantially above our plan. We have not been able to fill all our essential staffing

vacancies. The Trust employs 405 substantive staff from within the EU, and will continue to seek to support these staff and retain their services during and after the negotiations relating to the withdrawal of the UK from the EU. We continue to be concerned about our ability to recruit and retain suitably qualified staff, and if we cannot recruit essential staff on substantive contracts and have to use agency staff, this will greatly increase our costs.

Our financial liabilities carry either a nil or low fixed rate of interest, and consequently we are not exposed to significant interest rate risk and with current low rates of interest, changes are unlikely to have material impact on the Trust's position.

We are not exposed to significant foreign currency risk because all income is invoiced and received as pounds sterling. All cash investments are held in pounds sterling. The Trust does have exposure to exchange rate movements through our purchasing of drugs and equipment, some of which will have major cost components from outside the UK.

Our credit profile is low risk - the maximum exposure is in receivables from commissioners. A maturity profile of our debtors can be found in note 14 to the accounts.

Our cash deposits are held with Lloyds Bank and the Government Banking Service (see note 15 to the accounts). We are satisfied that there is no material exposure to credit risk in respect of cash deposits

### **Future development of HHFT**

In November 2017 we were disappointed when the local Clinical Commissioning Groups decided not to progress our plans for a critical treatment hospital to public consultation, due to the current financial position and lack of available capital in the NHS. Since then, we have been reflecting on our vision and our strategic objectives, and determining how to ensure the provision of safe,sustainable and responsive clinical services for the population we serve.

Our vision is to provide outstanding care for every patient. That means ensuring that we think not only about the patients we serve today, but the ones who will need us next year and in the years to come. It also means taking responsibility for patients as they arrive at the hospital and as they leave, ensuring that our care is joined up with the care provided outside of the hospital building.

We have developed four strategic objectives and they are:

- Outstanding care for our patients
- Empowered staff
- Living within our money
- Innovating for the Future

Under each of these high level objectives we have a clear set of operational deliverables for 2018/19 and these are creating an exciting programme of activities to support our vision of providing outstanding care for every patient. Some of the developments in the year ahead include the opening of a new ambulatory care unit in Basingstoke, progress on the hospice expansion in Andover and the new hospice in Winchester, and the ongoing work with our partners to develop joined up care for our patients. We are also progressing the Cancer Treatment Centre for the people

of north and mid Hampshire.

We have a clear vision around what digital technology can do to help us provide outstanding care within our financial envelope. We are part of the national Global Digital Exemplar programme, partnered with University Hospitals Southampton, and over the next three years, the way we work will have been transformed by digital innovation and transformation.

We are continuing with the programmes which will support outstanding care, and at the same time reviewing our clinical strategy. We have a passion for providing care locally wherever possible, bringing high quality acute services to the people of Hampshire and we will always be driven to do the very best we can for the patients we serve.

Signed.....  Date..... 25/5/2018  
Alex Whitfield  
Accounting Officer

## Directors' report

This report provides an overview of the operations of HHFT in 2017/18. The Directors leading HHFT in 2017/18 were as follows:

**Elizabeth Padmore**, Chairman

**Alex Whitfield**, Chief Executive (from 3 April 2017)

**Andrew Bishop**, Chief Medical Officer (and interim Chief Executive from 1 Jan – 2 April 2017)

**Malcolm Ace**, Chief Financial Officer

**Donna Green**, Chief Nurse and Deputy Chief Executive

**Julie Maskery**, Chief Operating Officer (from 1 July 2017, previously Director of Transformation and Performance)

**John MacMahon**, Non-Executive Director<sup>1</sup>

**Jeff Wearing**, Non-Executive Director<sup>2</sup>

**Philip Whitehead**, Non-Executive Director

**Gary McRae**, Non-Executive Director<sup>3</sup>

**Jane Tabor**, Non-Executive Director

**Paul Musson**, Non-Executive Director<sup>4</sup>

A register of interests is maintained by the Company Secretary.

### Enhanced quality governance reporting

The Annual Report includes the Annual Governance Statement, which reports in detail how we deliver quality governance. More specific detail about the identified quality priorities for 2017/18 and achievements for 2017/18 are included in the Quality Report, which can be found in Chapter 11 of this report. In delivering quality governance, we have used NHSI's Quality Governance Framework as an assessment tool. This identifies compliance and improvement actions required and enables the Board to make judgments in signing off its responsibilities for quality governance. The Annual Governance Statement, in conjunction with the quality governance framework, sets out how we manage risk. This includes clinical risk, performance risk and the Board Assurance Framework (BAF). It also includes information about our systems of internal control. There is also information in the Annual Governance Report and in the Quality Report about the Trust's approach to ensuring services are well-led.

### Stakeholder Relations

As a Trust we are absolutely committed to working with our partners and stakeholders and joining things up for our patients. These partners are wide ranging, and below is a sample of some of the activity which has taken place over the last 12 months.

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<sup>1</sup> Chairman of the Risk Committee

<sup>2</sup> Senior Independent Director

<sup>3</sup> Chairman of the Audit Committee

<sup>4</sup> Chairman of the Remuneration Committee

Our Governors are a key group with whom we formulate strategy and seek feedback on our plans while also providing a vital check and balance on our operational activity. Governors are involved in the PLACE visits, support our public engagement activities and play an active role as critical friends to the Board of Directors.

We continue to work closely with the leaders and Chief Executives of the main local authorities that are co-terminus with the area we serve (Hampshire County Council, Basingstoke and Deane Borough Council, Eastleigh Borough Council, Test Valley Borough Council, Hart District Council and Winchester City Council) and also to the eight Members of Parliament who represent our population.

We have provided regular updates and submissions to the Health and Adult Social Care Select Committee (HASC) of Hampshire County Council, in response to HASC's request to scrutinise specific areas of our operation. This has included a report to HASC on the Andover Minor Injuries Unit and work on our critical treatment hospital plans.

HHFT has been an active member of the Hampshire and Isle of Wight Sustainability and Transformation Partnership and worked collaboratively with partners in the system on the formulation and delivery of the plan.

We have a local care system (LCS) in place to support the provision of joined up care for the people of north and mid Hampshire. This has created closer cooperative between all health and social care providers. HHFT is building on strong relationships within and across sectors to assist in the formulation of a future integrated care system and the work to re-shape how the primary, social and community care and secondary sector work together to deliver better care more locally where possible. Alex Whitfield is the Convenor of the LCS.

We continue to maintain strong on going communication links with local healthcare providers at all levels, for example delivering a medical professionals forum as a colloquium for hospital and primary care clinicians.

Operationally, HHFT appreciates the importance and benefits of working with our community partners and is pleased to be part of a number of significant partnerships and collaborative groups.

- We have supported the Countess of Brecknock charity in its development of the Countess of Brecknock Hospice, located on the site of the Andover War Memorial Hospital. The new development will have 10 beds and improved facilities;
- Our Haemophilia Department hosts the hub for the Southern Haemophilia Network, a clinical network that aims to deliver a consistent standard of care to patients with inherited and acquired bleeding disorders across the Wessex region. The integrated and unified approach allows services to be delivered locally where possible by the most appropriate health professional for their needs including consultants, specialist nurses, and therapists;
- We are working with West Hampshire Clinical Commissioning Group to explore the potential for a health Hub in Eastleigh to further extend Community Dermatology Service and other outpatient services to residents in South Hampshire;
- We are working with CHC and Hampshire County Council to develop a model for DST assessment outside hospital in accordance with national drivers to achieve 85% of such assessments to be achieved outside of the hospital setting;
- We have engaged in a collaborative project with Hampshire County Council, in turning The

Firs ward into an intermediate care facility managed by the Council for patients no longer in need of medical intervention and requiring therapy services to get them home;

- In partnership with University Hospitals Southampton (UHS) Isle of Wight (IOW) and Portsmouth Hospitals Trust ( PHT) and the CCGs we have developed a Local Maternity System which is coterminous with the STP footprint to deliver clear, affordable comprehensive transformation plans for Local Maternity Services across Hampshire;
- Through the successful partnership with West Berkshire CCG HHFT Midwives are now working alongside GPs in two Newbury practices to improve continuity of care for women birthing at HHFT. As a result of this success in 2018/2019 we have agreed plans to move into two further GP surgeries, one initially in April 2018;
- We have actively participated in the Local Pharmaceutical Council providing a link into secondary care for improvements with transfer of care at discharge;
- HHFT is part of the South 6 Pathology Network covering Hampshire, Dorset and parts of Wiltshire, determining the optimum and best value delivery of future pathology services;
- Representatives from the children's community nursing team have been working with colleagues from Children's services and education to improve the support for children with complex health needs as they deal with complex referral pathways and with multiple professionals involved in their care. The aim is to develop the role of a care navigator who will help parents navigate the multiple pathways;
- Our radiology department is working collaborative with primary care services to ensure the utilisation of electronic requesting via the ICE system;
- We are working in partnership with Southern Health Foundation Trust (SHFT) to change the pathway of care for older people across Hampshire. The Discharge to Assess (D2A) model in Winchester is a collaboration between the two organisations which aims to assess and discharge older patients back to their own home with a care plan and interim support package in place within 48 hours of admission;
- We have worked with local GP practices and West Hampshire Clinical Commissioning Group (WHCCG) to deliver the Community Dermatology Service to residents in South Hampshire. The service sees around 300 patients per month and provides a dermatology service closer to home and typically with a shorter wait time for patients;
- Our Child Health department is working on is the vanguard project with Health and Education in North and North East Hampshire to provide an integrated Health and social care approach to care for children with complex health needs;
- Our established partnership with University Hospitals Southampton and South Central Ambulance Service has now moved to another level in collaborative working as Portsmouth Hospitals Trust will be joining the partnership in April 2017 for a Hampshire wide Labour line service providing advice and support to 18,000 women in labour when it goes live;
- Mid Hampshire Healthcare (the GP Federation for the Winchester area) have worked with us on providing an interim GP streaming in the Emergency department at the Royal Hampshire County Hospital and North Hampshire Urgent Care GPs have provided GP streaming in the Emergency Department in Basingstoke;
- We have worked with the local physiotherapy services to set-up and develop its new spinal pathway – Hampshire Backs. This service provides patients with a range of non-operative pathways to support their recovery from back pain with specialist physiotherapy and innovative self-management programmes;
- Our interventional radiologists are working in partnership with Frimley Hospital to provide a vascular on call rota;

- Our radiology department is working collaborative with University Hospital Southampton to support a robust Nuclear Medicine imaging service;
- We are working with University Hospitals Southampton on the national Global Digital Exemplar Programme;
- We are supported in our work by a tireless army of volunteers and fund raisers, including the North Hampshire Medical Fund which supports major equipment purchases which otherwise would be unaffordable from Trust resources.

## **Patient Care**

The improvement of patient care is central to our strategy and all that we do.

In addition to new and revised services to improve patient care, HHFT has clearly defined targets and health improvement priorities. As well as nationally-set access targets, we have worked closely with our Commissioners and local partners to develop our priorities for improvement. Goals for improvement in the quality of healthcare are set out under the headings below:

### **Quality priorities for 2017/18:**

Grouped within the established CQC domains that our services should be Safe, Caring, Responsive to Patient's Needs, Effective and Well-led, these priorities are agreed with our partners and set out in detail in chapter 11. These priorities will be revisited and updated for 2018/19.

### **Commissioning for Quality and Innovation (CQUIN) Schemes:**

Following national guidance and local measures agreed with our Commissioners, HHFT measures and reports on several CQUIN schemes. Again, these schemes will be revisited in the light of emerging priorities for 2018/19.

### **Quality Framework:**

This is HHFT's internal framework of priorities that are measured and reported on. This includes the national access targets but also includes over 40 additional measures we see as key indicators of the quality of our services. These cover important areas such as complaints, incidents, length of stay, infection rates and readmissions.

Arrangements for monitoring improvements in the quality of healthcare through the above priorities are managed through the governance arrangements put in place by the Board of Directors. The status and performance against each scheme and measurement is reported on in monthly governance and performance reports. These reports, including any remedial necessary actions are discussed by our Executive Committee and then by the Board.

We constantly focus on providing the best care but accept that there are times when patients, their relatives and carers are unhappy with their visit or the services they have received. When the experience does not meet individual expectations we listen to and respond to concerns and complaints. We take our concerns and complaints handling seriously and investigate all of those raised and ensure that the patient's right to care, treatment or service is not compromised by any feedback or complaint. All complainants are signposted to the National Health Complaints Advocacy Service for help in making their complaint at the time we receive it.

Our customer care team provide a single point of contact for all concerns and complaints across our three hospitals. We aim to provide a fast and responsive service, setting ourselves the target to acknowledge all complaints within three working days and to send a written response within twenty five working days. The Chief Executive personally reviews all responses to complaints. Complaints are monitored monthly and reported to the Board of Directors as part of the monthly governance report.

We continue to participate in a national programme that recognises excellent service called the Wow! Awards. Nominations can be made by patients or staff in five categories. We also have an awards system for nursing, midwifery and therapy staff, the Director of Nursing Awards, where staff are nominated by patients.

### **Clinical Quality Review Meeting**

The Clinical Quality Review Meeting (CQRM) with commissioners provides the forum for the negotiation and agreement of quality improvement initiatives, and subsequent monitoring. Information about the quality improvements achieved in 2017/18 is included in the Quality Report, which can be found at Chapter 11 of this report.

### **Volunteers**

Volunteers at HHFT play a crucial part in ensuring that our patients have the best possible experience in our hospitals and of the care we provide. A cheery welcome, someone to show patients and visitors where to go, a bedside conversation, help with a meal and encouragement to eat, reminiscing with a patient who is living with dementia, a newspaper from a trolley, a favourite song on the radio, a visit from the chaplaincy team or a befriender- all these things make a really big difference to the experience of our patients. Our volunteers are as diverse as the patients we care for. Our volunteers are aged from 17 years upwards and share their wide range of skills and experience with us. We are proud to have the support of so many volunteers and the local volunteer and community service partners who we work with.

### **Patient Information**

The Health Information Point (HiP) is a free and confidential service located at Basingstoke and North Hampshire Hospital and provides a service for patients, carers, visitors and staff within the communities served by the Trust. The HiP responds to queries about medical conditions, tests, treatments and healthy lifestyles and provides details of local and national support groups. The HiP also promotes public health initiatives supporting national awareness campaigns throughout the year. There is a virtual readers group who receive patient information and publications to review and give their feedback to ensure our information is accessible for our patients, relatives and carers.

### **PLACE**

The Trust participates in the national PLACE assessments that take place on an annual basis across each of our hospital sites to look at the buildings and related non clinical services like catering. The PLACE assessments give us a clear picture of how their environment is seen by those using it, and how we can improve it.

The assessments look at:

- How clean the environments are;

- The condition – inside and outside – of the building(s), fixtures and fittings;
- How well the building meets the needs of those who use it, for example through signs and car parking facilities;
- The quality and availability of food and drinks; and
- How well the environment protects people's privacy and dignity.

The annual PLACE assessment is an important opportunity to review and assess the patient environment and contribute to understanding the things that make a real difference to the experience of our patients. Assessments are carried out by people who use the building who take on the role as a patient assessor and are supported by a staff assessor.

### **Patient Care Improvements**

There are many examples of how we have improved patient care during the year, due to investment and development, including the following:

- We have continued to build on our outstanding end of life care with the implementation of a Homecare Support teams based in hub both at Winchester and in Andover. Patients with rapidly deteriorating condition, are supported in their own home. In addition, we continue to fill secured nursing home beds in Basingstoke Winchester and Andover, which provide rapid access for end of life fast track patients;
- In Haemophilia, we have introduced an In-reach service for inpatients on newly prescribed anticoagulants. Visiting the patients on the wards means they get time with a specialist nurse to ask questions sooner and saves the patient having to come back to the hospital after being discharged for the anticoagulation counselling outpatient appointment;
- We have increased the capacity for treatment for pseudomyxoma and critical support on the Basingstoke site;
- We have commenced an efficiency project for our pre-assessment processes and theatre utilisation so that fewer patients have appointments cancelled or delayed;
- We have started building a new Surgery Assessment Unit on the Basingstoke site to support the faster treatment of our patients in the most appropriate setting;
- The dermatology service has rolled advice and guidance out through the eReferral system to increase the range of services available to patients and GP's;
- We have opened the Overton unit which offers 4 palliative care bed capacity in single rooms and 24 further rehab bed capacity for our patients;
- The Gynaecology department are further developing the number of ambulatory gynaecology clinics across the service to improve patient experience as clinics have a one stop approach of see and treat;
- In Maternity Services a Perinatal Mental Health Midwife has been appointed to improve the services and support we offer to women and their families throughout their pregnancy, labour and birth. The Perinatal Mental Health Midwife will be working with teams within HHFT, Mental Health and Community Trusts to support women and their families with their perinatal mental health needs;
- A patient helpline for medication queries post-discharge, run by Medicines Information has been set up. This provides patients in the community with critical support with their medicines post-discharge or after out-patient appointments;

- Child health have been able to support two members of the team to complete their advanced nurse practitioner training and they have now taken up roles working in the neonatal unit and Charlies day Unit. A third paediatric nurse will complete her training in June and will hopefully be able to take up a post in Sophie's Place paediatric assessment unit. These roles will support timely triage and assessment of children attending the assessment units and in the neonatal environment providing continuity in the management of neonates;
- CRIS communicator software has been purchased through charitable funding for the radiology department. The CRIS communicator enables rapid communication with referrers to ensure patients with critical findings are seen more quickly.

In 2018/19 we intend to:

- Develop the new hospice facilities in Andover - plans are in final stages for the development of the Countess of Brecknock Hospice at Andover. The bespoke designs will give patients and their families state of the art facilities;
- Develop hospice facilities in Winchester - fundraising has started to raise money to convert Burrell House, on the Winchester site, into a hospice facility. As well as inpatients, the hospice will house the community and homecare services;
- Open in May 2018 the enlarged facility in BNHH Emergency Department to co-locate ED, GP Streaming and Ambulatory Care.

#### **Comments, Concerns, Complaints and Compliments**

We are committed to providing the best care for patients, focusing on the quality of care in every service and working together to continuously improve the experience and outcomes for all.

A focus on listening to, acting upon and learning from feedback from those who use our services is important to us. The Trust welcomes comments, compliments, complaints and concerns as a way of ensuring good practice is shared and improvements are made. We understand that by listening to people about their experiences of our services and the care we provide we can understand what matters most to patients, their relatives and carers and can learn new ways to improve. Sharing the positive feedback we receive with staff is always encouraging but we also take time to share the feedback about the times when we do not get things right. We want the feedback we receive to make a difference.

There are many ways in which people can tell us about their experience and have their say.

The National Friends and Family question is an established way of asking “how likely are you to recommend our ward/department”. Patients who stay overnight on our wards, have day case procedures, use our emergency department, attend for outpatient appointments and women who use our maternity services respond to the question and provide their comments about their experience of our services every day. We have introduced different ways of asking the friends and family question to support everyone to have their say including children and young people.

Over 68,000 patients responded to the friends and family test question telling us if they would recommend our services or not and why during 2017/18. Response rates and % would recommend

and % would not recommend shared, monitored and reviewed. Overall 94% of patients would recommend the Trust to friends and family should they need similar care or treatment. The comments shared with staff are reviewed and examples of "You said we did" demonstrate the difference the feedback makes for patient experience.

We recognise that there are times when our actions do not meet the expectations of those who use our services. Listening and responding effectively to complaints and concerns helps us to avoid the same issues from happening again, making our services better and improving things for the people who use them as well as for the staff working in them.

It is important that people find it easy to raise their concerns with us and to feel confident that their feedback is welcomed and taken seriously. Our frontline staff are encouraged to act quickly to anticipate and resolve concerns fairly and as quickly as possible. The clinical matron role is key to ensuring that the patient voice is heard and concerns responded to at the point of care. Our customer care team provide a single point of contact for all concerns and complaints across our three hospitals, providing impartial advice and responding to letters, email, telephone and personal contact. The team make sure that concerns and complaints are raised quickly so that the necessary apologies can be given and action taken to resolve them satisfactorily.

Our approach to concerns and complaints is to listen, respond and learn. We look into all concerns and investigate all complaints that are raised with us. A patient's right to care, treatment or service is not compromised by any feedback or complaint and all complainants are signposted to the National Health Complaints Advocacy Service for help in making their complaint at the time we receive it. We want complaints to make a difference to the care we provide.

We provide training and guidance for staff in handling concerns and complaints effectively and use feedback from complainants to inform the training. This year patients, their relatives and carers, volunteers and actors representing the patient voice have helped us to provide training for our staff in communication skills and customer care so that our staff and listen and respond to concerns and complaints effectively.

Complaints and concerns are recorded and categorised to help us to identify themes and trends which are shared to improve the experience of care. The Chief Executive personally reviews all complaints received and all responses to complaints. The handling of complaints is monitored monthly and reported to each of the divisional boards and the Board of Directors as part of the monthly governance reports which also identify the lessons learned and reports on improvements that have been made.

In 2017/18 we received a total of 569 new complaints. 96% of complaints overall were acknowledged within the required timeframe of 3 working days. As a Trust we appreciate the importance of responding in as timely a manner as possible and we have set ourselves the aim to investigate and respond to complaints within 25 working days. This remains challenging and some complaints do take longer to investigate but we are working hard to agree an appropriate timeframe with each complainant and to respond within this. Overall in 2017/18 61% of complaints were responded to within our local aim of 25 working days and the average time to respond to a complaint was 29 working days. This included complaints that took longer due to the nature of the complaint and the level of investigation required. We continue to strive to improve this.

The customer care team respond to enquiries, comments and concerns and liaised with staff across the Trust to respond and resolve these quickly and satisfactorily. The customer care team received

1112 informal concerns in 2017/18. Many more comments, concerns and enquires are responded to everyday by our staff as part of their everyday interactions with patients, their relatives and carers and visitors.

Our staff work extremely hard and this is reflected in the many thank you letters and compliments we receive and the nominations for our WOW! Awards and DONA (Director of Nursing) awards.

In 2017/18 350 thank you letters and compliments were made in writing to the Chairman and the Chief Executive's offices and were formally recorded and shared with staff. Many more letters and cards are sent directly to our wards and departments thanking staff for the care they have received. Whilst these are not formally recorded they are shared with staff to recognise the excellent care they provide every day.

The WOW! Awards recognise when staff go the extra mile. On average 238 WOW! Award nominations are now received each month from patients and staff with a total of 3197 nominations received in 2017/18. 80% of the nominations were made by the public and 20% made by staff. Nominations are considered by a panel which includes Foundation Trust governors and a small number of winners are chosen who are surprised in their workplace by Chief Nurse Donna Green and presented with a certificate. WOW! Award winners are invited to a quarterly celebration lunch with their colleagues, the board of directors and Foundation Trust governors, to celebrate their work in going the extra mile in customer service, innovation or patient safety. The DONA awards publicly celebrate our nurses and midwives, and nursing and midwifery teams. Nominations are made by members of the public for an individual or a team for their care, commitment and compassion. 527 nominations were received during 2017/18 from members of the public for staff to receive a DONA award.

NHS Choices provides another valuable way for patients to provide online feedback to us about their care. The site allows patients to rate their experience at a hospital, out of five stars. The ratings are averaged over the last two years which provides an overall star rating. At the end of the year, our hospitals received the following ratings on NHS Choices:

Basingstoke and North Hampshire Hospital - 4stars based on 116 ratings

Royal Hampshire County Hospital - 4.5 stars based on 82 ratings

Andover War Memorial Hospital - 3 stars based on 31 ratings

All comments posted on the site are reviewed by the Chief Executive and are sent to the relevant staff within the divisions for their review and action. Individuals leaving comments of concern are encouraged to contact the customer care team to discuss them more fully so that we can listen, learn and respond.

We participate in the CQC national programme of patient surveys and the results are used to help us benchmark the care we provide with other Trusts across England and out Trust performance over time. Patients consistently rate their overall experience of our as 8 or more out of 10.

Our public Governors and members of our governance team do regular walk rounds. The visits increase awareness of CQC standards and provide the opportunity for Governors to meet staff and patients and help identify areas of good practice and opportunities for improvement. Members of

our patient forums help us to seek feedback from patients and undertake local surveys and support national audits and the annual patient led assessment of the care environment (PLACE).

### **Declarations**

- The Foundation Trust did not make any political donations during 2017/18, neither did the Foundation Trust make any charitable donations during the year. Hampshire Hospitals Charity is not consolidated into the trust accounts.
- The Foundation Trust engages in research and development projects funded by external resources, usually for a fixed term. No research and development is undertaken without external funding;
- The Foundation Trust has no branches or activities outside the UK;
- The 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 confirm that they have complied with all matters set out in the Code of Governance;
- The Foundation Trust has complied with the cost allocation and charging guidance issued by HM Treasury;
- Whilst the Trust is committed to dealing fairly and professionally with all of our supplier partners, by working to the Better Payment Practice Code (under which we aim to pay 95% of our invoices within the agreed terms unless there is a dispute), this has not been achievable in practice due to cash restraints within the Trust; during 2017/18 the performance of the Trust was as set out in the table below:

BPPC Paid Period	Invoice Count	Invoice Count (Passed)	% Passed	BPPC Amount	Invoice Amount (Passed)	% Amount Passed
2017/18	80145	39861	49.74%	207,304,418	153,164,762	73.88%

- The Trust did not incur any interest under the Late Payment of Commercial Debts (Interest Act) 1998.
- Each director confirms that they have taken all the requisite steps to make themselves aware of any relevant audit information and establish that the auditors are aware of that information;
- So far as the Directors are aware, there have been no post-balance sheet events which require disclosure;
- The annual report has been prepared using the Annual Reporting Manual (ARM) guidance and a direction issued by NHSI and the accounts prepared using the Group Accounting Manual;
- The Board take ultimate responsibility for the preparation of the annual accounts and have reviewed the systems of internal control;
- Accounting policies for pensions and other retirement benefits are set out in note 1 to the accounts. Details of Directors' remuneration can be found in chapter 4 of this report;
- No Director or Governor held any company directorship or had any other significant interest which might conflict with his or her responsibilities. A register of declared interests is maintained by the Corporate Secretary of the Foundation Trust;
- The Foundation Trust has met the requirement that the income from the provision of goods and services for the purposes of the health service in England is greater than the income from the provision of goods and services for any other purposes;

- Other income received by the Foundation Trust is applied towards the provision of goods and services to enhance and support the delivery of patient care;
- The Board considers that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and other stakeholders to assess the Foundation Trust's performance, business model and strategy;
- After making enquiries, the Directors have a reasonable expectation that the Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to accept the going concern basis in preparing the accounts;
- So far as each Director is aware, there is no relevant audit information of which the Trust's auditors are unaware and each Director confirms that they have taken all 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 Foundation Trust's auditor is aware of that information;
- The Directors are required under the National Health Service Act 2006 to prepare financial statements for each financial year. The Secretary of State, with the approval of the Treasury directs that these financial statements give a true and fair view of the state of affairs of the Foundation Trust and of the income and expenditure of the Foundation Trust for that period. In preparing these financial statements, the Directors are required to apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury, make judgements and estimates which are reasonable and prudent and state whether applicable accounting standards have been followed, subject any material departures disclosed and explained in the financial statements;
- The Directors confirm to the best of their knowledge and belief that they have complied with the above requirements in preparing the financial statements.

Signed.....Alex Whitfield.....  
Alex Whitfield  
Chief Executive

Date.....25/5/2018.....

**CHAPTER 4**  
**Remuneration Report**

The terms and conditions of employment for most of HHFT's employees are linked to the agreed national frameworks (for example Agenda for Change). The exceptions to this are the Executive and Non-Executive Directors, whose terms and conditions of employment and remuneration are determined by Remuneration Committees, and the other Senior Managers, whose remuneration is determined by a Senior Managers Remuneration Committee, as detailed further on in this report. The details of this are set out in this chapter of the Annual Report. Membership of, and attendance at, committee meetings is shown in Annex A and Annex B of this Annual Report. Neither committee appointed any advisors during the year.

For Executive Directors who are paid an annual salary higher than the Prime Minister, HHFT is satisfied that this remuneration is reasonable by considering the skills and experience of the individuals in those roles and by comparing the salaries with the market rate for those roles at other NHS providers.

**Annual statements on remuneration**

**Statement of the Chairman of the Council of Governors' Remuneration Committee**

Taking into account all relevant factors, most importantly the prevailing financial pressures upon the Trust and the pay decisions made with respect to Executive Directors and other staff, the Remuneration Committee decided that no increase would be awarded for the Non-Executive Directors, including the Chairman, for the current year. The decision is not a negative reflection on the performance of the Non-Executive Directors, including the Chairman.

*Tommy Geddes*

Governor for Higher and Further Education, Chairman of NED Remuneration Committee

**Statement of the Chairman of the Board of Directors' Remuneration Committee**

The Remuneration Committee met once in 2017/18 to review the salaries of the Executive Directors with the exception of the Chief Executive, who did not take up office until 3 April 2017 and the Chief Medical Officer, who is paid as a medical consultant with pay determined by the nationally agreed Pay Review Body decisions. Based upon the prevailing financial climate, the Remuneration Committee decided not to make any pay award for the current year, whilst being clear that this did not indicate a negative judgement of the performance of the Executive Directors.

*Paul Musson*

Non-Executive Director and Chairman of the Remuneration Committee for Executive Directors

## **Executive Directors**

Executive Directors are full time employees of the Trust and Board members. Membership of the Board comprises seven Non-Executive Directors, including the Chairman, and 5 Executive Directors.

The remuneration of Executive Directors is reviewed annually by the Board's Remuneration Committee and to inform the discussion and outcome a national report on benchmarking of NHS Executive Director salary levels is received from NHS Providers.

## **Other Senior Managers**

The Trust presently operates a separate pay system (Non-Agenda for Change) for its very senior managers, which has been in operation since 2012. This is the management tier below Executive Directors and comprises the Operations Directors, Associate Directors and Deputy Directors or equivalent. There are eighteen roles which fall within this category.

Membership of the senior managers' remuneration committee comprises:-

- Chief Executive
- Non-Executive Director (Chair)
- Chief Nurse
- Medical Director (annual rotation)

The purpose of this pay system is to:

- Attract the right calibre of applicants for key operational/strategic posts
- To reward and retain talented employees
- To incentivise above average performance and continued development in role
- To provide a level of accountability for performance against agreed objectives
- To support and encourage desirable leadership behaviours within HHFT senior team

## **Senior managers' remuneration policy**

Individual senior managers are currently appointed on an appropriate spot salary and receive annual pay progression at the discretion of the Senior Managers' Remuneration Committee, taking comparative benchmarking data into account.

If a new role is created, or a role is vacated and a successor is internally or externally sourced, their starting spot-salary will take into account the following factors:

- Salary of predecessor (as appropriate)
- Market rate in given role/profession/market sector and cross sector as is appropriate
- Prevailing NHS/Public Sector Guidelines (if relevant)
- Current salary (if relevant)
- Salary in equivalent roles internally to HHFT.

All other terms and conditions not otherwise specified remain the same as Agenda for Change.

In 2017/18, the Committee decided that all very senior managers within the group of eighteen would be awarded a cost of living award of 1%, in line with the award given to those staff on Agenda for Change pay terms and conditions.

All senior managers are on permanent contracts and have a notice period dependent on length of service and seniority.

### **Board of Directors' Remuneration Committee**

The Remuneration Committee's main roles are to:

- Agree with the Board of Directors a framework for remunerating Executive Directors (including the Chief Executive);
- Determine the total remuneration of each Executive Director; and
- Ensure that contractual terms on termination are fair to both the director and HHFT, that failure is not rewarded and that the duty to mitigate loss is fully recognised.

The membership of the Remuneration Committee is comprised of the seven Non-Executive Directors listed in Annex A and is chaired by Paul Musson. The Remuneration Committee works in consultation with the Chief Executive, where appropriate, and may take other professional advice as it considers appropriate or beneficial, although none has been sought during this year.

The committee met three times during the course of the year 2017/18 and all members were present.

### **Council of Governors' Remuneration Committee**

The Remuneration Committee's main role is to assess and recommend to the Council of Governors the total remuneration of each Non-Executive Director and the Chairman.

The Remuneration Committee is a sub-committee of the Council of Governors and is chaired by a Governor, Tommy Geddes. It can take external professional advice if it considers that beneficial or appropriate. It bases its decisions on sector comparability, aiming to be within the top quartile, to attract and retain the highest quality of Non-Executive Directors.

The membership is comprised of a mix of Governors and Directors. One meeting was held to discuss remuneration for the financial year 2017/18 and all members were present.

The following table lists the Non-Executive Directors as at 31 March 2018 and the date that their current term ends:

<b>Non-Executive Director</b>	<b>End of current term</b>
John MacMahon	31 March 2018 (renewed until 31 March 2021)
Philip Whitehead	31 March 2018 (extended until 30 April 2018)
Elizabeth Padmore	31 December 2018
Jeff Wearing	30 April 2020
Gary McRae	30 November 2018
Paul Musson	31 August 2019
Jane Tabor	31 August 2019

Although Non-Executive Directors' appointments terminate on the respective dates shown above, these appointments automatically terminate on the happening of certain events, such as bankruptcy, and either HHFT or the Non-Executive Director can terminate on 3 months' notice. There are no special compensation provisions for early termination.

### **Remuneration of Executive and Non-Executive Directors**

The table below shows the commencement date of the service contract of all Executive Directors as at 31 March 2018. All notice periods are three months.

Name	Start date	Unexpired term
Alex Whitfield	13 March 2017*	Open ended
Andrew Bishop	1 August 2004	Open ended
Malcolm Ace	1 May 2016	Open ended
Donna Green	1 March 2002	Open ended
Julie Maskery	1 July 2015	Open ended

\*Alex Whitfield commenced employment with the Trust on 13 March 2017 and took up office as Chief Executive on 3 April 2017.

The salary and pension entitlements of Non-Executive Directors and Executive Directors are set out in the following tables showing the current year and the previous year.

#### **Period covering 1 April 2017 to 31 March 2018**

Name and Title	Salary and fees (in bands of £5,000)	Taxable benefits (total to the nearest £100)	Annual performance related bonuses (in bands of £5,000)	Long-term performance related bonuses (in bands of £5,000)	Pension related benefits (in bands of £2,500)	Total 2016/17 (in bands of £5,000)
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Chair:</b>						
Elizabeth Padmore	50-55	-	-	-	-	50-55
<b>Non Executive Directors</b>						
John MacMahon	15-20	-	-	-	-	15-20
Philip Whitehead	15-20	-	-	-	-	15-20
Jeff Wearing	20-25	-	-	-	-	20-25
Gary McRae	15-20	-	-	-	-	15-20
Jane Tabor	15-20	-	-	-	-	15-20
Paul Mussan	15-20	-	-	-	-	15-20
<b>Executive Directors</b>						
Alex Whitfield, CEO (Joined 03/04/2017)	170-175	-	-	-	202.5-205	370-375
Donna Green, Director of Nursing/Deputy CEO	150-155	-	-	-	20-22.5	175-180
Andrew Bishop, Medical Director	255-260	-	-	-	30-32.5	285-290
Malcolm Ace, CFO	150-155	-	-	-	-	150-155
Julie Maskery, COO	145-150	-	-	-	35-37.5	180-185

**Period covering 1 April 2016 to 31 March 2017**

Name and Title	Salary and fees (in bands of £5,000)	Taxable benefits (total to the nearest £100)	Annual performance related bonuses (in bands of £5,000)	Long-term performance related bonuses (in bands of £5,000)	Pension related benefits (in bands of £2,500)	Total 2016/17 (in bands of £5,000)
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Chair:</b>						
Elizabeth Padmore	50-55	-	-	-	-	50-55
<b>Non Executive Directors</b>						
Nicola Horlick (Left 31/12/2016)	10-15	-	-	-	-	10-15
John MacMahon	15-20	-	-	-	-	15-20
Philip Whitehead	15-20	-	-	-	-	15-20
Jeff Wearing	15-20	-	-	-	-	15-20
Gary McRae	15-20	-	-	-	-	15-20
Jane Tabor (Appointed 01/09/16)	5-10	-	-	-	-	5-10
Paul Mussan (Appointed 01/09/16)	5-10	-	-	-	-	5-10
<b>Executive Directors</b>						
Mary Edwards, CEO (Left 31/12/2016)	140-145	-	-	-	0-2.5	140-145
Donna Green, Director of Nursing & COO	150-155	-	-	-	35-37.5	190-195
Andrew Bishop, Medical Director (1)	245-250	-	-	-	30-32.5	275-280
Malcolm Ace, CFO (Appointed 01/05/2016)	140-145	-	-	-	-	140-145
Julie Maskery, Director of Performance & Transformation	145-150	-	-	-	147.5-150	295-300
Myrddin Rees, Interim Medical Director (Appointed 01/01/2017) (2)	45-50	-	-	-	-	45-50
Paul James, Interim CFO (Left 30/04/2017) (3)	25-30	-	-	-	-	25-30

(1) Dr Andrew Bishop, Medical Director, was appointed Interim CEO on 01/01/17 for the period to 03/04/2017. , the total remuneration paid to the Medical Director for fulfillment of his clinical role, falls within the £180,000 to £185,000 bracket.

(2) Mr Myrddin Rees, Divisional Director of Surgery, was appointed Interim Medical Director on 01/01/17 for the period to 03/04/2017.

(3) Paul James, The fees reflect the payments made to Enterprise Value Limited to provide an interim Chief Finance Officer.

'Pension related benefits' are calculated according to the 'HMRC method' defined as ((20 x current annual pension entitlement) + current lump sum entitlement) – ((20 x prior year annual pension entitlement) + prior year lump sum entitlement), less any amounts paid by employees.

Included in the above remuneration tables are uplift fees for additional responsibilities held for the following Non-Executive positions:

Role	Fee (in bands of £5,000)
Chairman of Audit Committee	0-5
Chairman of Risk Committee and Senior Independent Director	0-5
Senior Independent Director	0-5

The table below shows individual pension benefits for each Executive Director for the last financial year:

**Period covering 1 April 2017 to 31 March 2018**

Name and Title	(a) Real increase in pension at pension age (bands of £2,500)	(b) Real increase in pension lump sum at pension age (bands of £2,500)	(c) Total accrued pension at pension age at 31 March 2017 (bands of £5,000)	(d) Lump sum at pension age related to accrued pension at 31 March 2017 (bands of £5,000)	(e) Cash Equivalent Transfer Value at 1 April 2016	(f) Real increase in Cash Equivalent Transfer Value at 1 April 2016	(g) Cash Equivalent Transfer Value at 31 March 2017	(h) Employer's contribution to stakeholder pension
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Executive Directors</b>								
Alex Whitfield, CEO	7.5 - 10.0	20 - 22.5	25 - 30	55 - 60	242	167	415	22
Donna Green, Director of Nursing & COO	0 - 2.5	0 - 2.5	70 - 75	210 - 215	1,301	80	1,416	20
Andrew Bishop, Medical Director	0 - 2.5	2.5 - 5	50 - 55	160 - 165	1,053	77	1,158	35
Malcolm Ace, CFO	-	-	-	-	-	-	-	-
Julie Maskery, Director of Performance & Transformation	0 - 2.5	-	60 - 65	-	686	57	762	19

**Period covering 1 April 2016 to 31 March 2017**

Name and Title	(a) Real increase in pension at pension age (bands of £2,500)	(b) Real increase in pension lump sum at pension age (bands of £2,500)	(c) Total accrued pension at pension age at 31 March 2017 (bands of £5,000)	(d) Lump sum at pension age related to accrued pension at 31 March 2017 (bands of £5,000)	(e) Cash Equivalent Transfer Value at 1 April 2016	(f) Real increase in Cash Equivalent Transfer Value at 1 April 2016	(g) Cash Equivalent Transfer Value at 31 March 2017	(h) Employer's contribution to stakeholder pension
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Executive Directors</b>								
Mary Edwards, CEO	0 - 2.5	0 - 2.5	80 - 85	220 - 225	1,642	0	0	24
Donna Green, Director of Nursing & COO	0 - 2.5	2.5 - 5	65 - 70	200 - 205	1,217	56	1,301	22
Andrew Bishop, Medical Director	0 - 2.5	2.5 - 5	50 - 55	155 - 160	980	51	1,053	20
Malcolm Ace	-	-	-	-	-	-	-	-
Julie Maskery, Director of Performance & Transformation	7.5 - 10.0	-	55 - 60	-	575	98	686	21
Myrddin Rees, Interim Medical Director	-	-	-	-	-	-	-	-

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:

	<b>2017-18</b>	<b>2016-17</b>
Highest paid director's total remuneration (£'000)	255-260	245-250
Median total workforce remuneration	24,546	25,321
Ratio	10.49	9.73

This calculation excludes agency staff.

The banded remuneration of the highest-paid HHFT director in the financial year 2017/18 was £255,000-£260,000 (2016/17: £245,000-250,000). This was 10.49 times (2016/17: 9.73 times) the median remuneration of the workforce, which was £24,546 (2016/17 - £25,321).

At 31 March 2018, no employee(s) (2016/2017 – no employees) received remuneration in excess of the highest-paid director. Remuneration ranged from £15,150 - £258,214 (2016/17 – £15,000-£246,333).

For the year ended 31 March 2018 expenses paid to 4 Executive Directors totalled £2,307 (2016/17 - £1,889), expenses paid to 1 Non-Executive Directors totalled £3,080 (2016/17 - £2,297) and expenses paid to 7 Governors totalled £1,178 (2016/17 - £2,077).

Three of the Non-Executive Directors held Non-Executive Director roles in other organisations. Jane Tabor is a Non-Executive Director of Vivid Housing, Gary McRae is a Non-Executive Director of SAS Group Holdings Ltd and the William Harvey Research Foundation and Jeff Wearing is a Non-Executive Director and Vice-Chairman of Age Concern Hampshire.

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. No payments were made for loss of office to any senior manager in the year 2017/18.

Signed.....Alex Whitfield  
Alex Whitfield  
Chief Executive

Date.....25/5/2018

## Corporate governance and other disclosures

### The Board of Directors

The Board of Directors is the corporate decision making body of HHFT and delegates day-to-day operational management of HHFT to the Chief Executive and Executive Directors. The Schedule of Matters Reserved to the Board and the Scheme of Delegation, which forms part of our Constitution, sets out the business to be conducted by the Board, or by one of its Committees. It also details the roles and responsibilities of the Council of Governors and how it and the Board will work together.

In 2017/18, the Board comprised a Non-Executive Chairman, a further six Non-Executive Director roles each appointed by the Council of Governors for a term of three years, and five Executive Director roles. Its members bring a wealth of experience from the NHS, not for profit and the commercial sectors. Directors' membership of Board Committees and their attendance at Board meetings and Committee meetings in 2017/18 is shown in Annex A.

The Board's main responsibilities are to:

- Provide leadership to HHFT and promote achievement of HHFT's Principal Purpose as set out in its Constitution, ensuring at all times that it operates in accordance with its Constitution and Terms of Authorisation;
- Consider guidance from NHS Improvement, in particular "The Code of Governance";
- Function as the corporate decision making body with Non-Executive Directors and Executive Directors as full and equal Board members;
- Consider the key strategic and managerial issues and risks facing HHFT in carrying out its statutory duties and other functions;
- Set the values and strategic direction of HHFT and submit them to the Council of Governors for approval and monitor their delivery throughout the year;
- Produce an annual plan, taking into account the views of the Council of Governors, and submit it to NHS Improvement to an agreed timetable;
- Ensure effective overall stewardship of HHFT through monitoring and overseeing all activities undertaken, ensuring competent and prudent management, sound planning, proper procedures for the maintenance of adequate accounting and other records and systems of internal control, and for compliance with statutory and regulatory obligations; and
- Ensure that HHFT has adequate and effective governance and risk management systems in place.

### Balance of the Board

The range of skills and experience of Executive and Non-Executive Directors ensures an appropriate balance, and the independence of Non-Executive Directors helps to create a unitary Board with the appropriate skills to fulfil its role.

### Independence of the Board

The Board has reviewed and determined that, by reason of their character and judgement, all Non-Executive Directors, including the Senior Independent Director, are independent.

In order to fulfil their duties it is necessary that the Directors are free from conflicts of interests. As part of their functions, Directors are invited to declare any interest they may have at every Board meeting and a register of Directors' interests is maintained and regularly updated by the Company Secretary. Access to the register of Directors' interests is available to members of the public on request to [company.secretary@hhft.nhs.uk](mailto:company.secretary@hhft.nhs.uk). If any item to be discussed at a Board meeting conflicts with an interest of a Board member, they exempt themselves from the discussion.

The Senior Independent Director ("SID") for the financial year 2017-18 is Jeff Wearing. In this role the SID is available to staff, members and Governors whose concerns were not resolved through the normal channels (Chairman, Chief Executive or Chief Financial Officer) or for which these channels were inappropriate.

#### **Board membership at 31 March 2018: Non-Executive Directors**

**Elizabeth Padmore**, Chairman of the Board of Directors and the Council of Governors and Chairman of the Nomination Committee

Liz Padmore read both Philosophy, Politics and Economics and Jurisprudence at Brasenose College, Oxford. She has extensive experience at the Board level in private, public and not-for-profit sectors.

She was previously a strategy partner at Accenture where she created and ran their global strategic think tank, specialising in scenario planning, strategic communications, corporate social responsibility and relationship management.

She is a regular contributor and chairman at international conferences.

Liz is a Barclay Fellow of Green Templeton College, Oxford where she chairs the Remuneration Committee; a director of Youth Business International where she also serves on the Audit Committee and chairs the Accreditation Committee; member of the F&GP Committee, Ditchley; an Emeritus Trustee of Women for Women International. She is a co-founder and a member of the Global Board of Enablis, a not-for-profit dedicated to creating a viable SME sector in Africa and South America. She was previously on the Council of Chatham House; a Director of National Australia Group Europe and Clydesdale Bank plc, on the advisory board of IMD and the Chairman of Housing Solutions.

Liz is a member and previous vice chairman of IWF UK (part of the International Women's Forum); a member of Women Corporate Directors and an elected FRSA (Fellow of the Royal Society for the Encouragement of Arts Manufacturing and Commerce).

Liz was awarded the Sunday Times public sector Non-Executive Director of the Year Award in 2013.

**Jeff Wearing**, Non-Executive Director and Senior Independent Director

Jeff Wearing has over 20 years of experience at board level, working within the Ministry of Defence and telecommunications industry with Vodafone; he has specialist skills in starting and operating new businesses, quality management, customer service, risk management and corporate governance. Jeff was previously a Non-Executive director at Winchester and Eastleigh Healthcare NHS Trust, he is also a Director and Vice Chair of Age Concern Hampshire.

**Gary McRae**, Non-Executive Director and Chairman of the Audit Committee

Gary McRae is a member of the Institute of Chartered Accountants of Scotland and brings a wealth of experience from the private sector to HHFT. Gary has specialist experience in mergers and acquisitions, corporate strategy, funding, legal and corporate governance and has significant global experience. Most recently he previously worked as the Finance Director of NSC, a privately owned business providing training, simulation and consultancy products. Prior to this, he was the Director of Corporate Development and Legal at Laird PLC and a Senior Vice President of their operating business, Laird Technologies. He has also held senior roles at British Aerospace PLC, Dowty PLC and Ernst & Young. Gary is currently a Non-executive Director of SAS Group Holdings Ltd, a leading global designer, manufacturer and installer of bespoke metal ceilings for signature buildings and a Non-Executive Director and Trustee of the William Harvey Research Foundation.

**John MacMahon**, Non-Executive Director and Chairman of the Risk Committee.

In a career spanning investment, private and commercial banking, John held senior positions in Grindlays Bank and its parent Australia and New Zealand Banking Group in London, Tokyo and New York. In 2004 he was a founding partner of Gore Browne Investment Management which provides discretionary wealth management to private clients, family trusts and charities and he continues in that role.

**Philip Whitehead**, Non-Executive Director

Philip Whitehead is Chairman of Danaher's European Board; he is a Vice President of Danaher and Corporate Officer and Managing Director of Danaher Corporate Development in Europe. He has been involved in most of the major acquisitions carried out by Danaher in Europe over the past twenty years. He also leads Danaher's M&A efforts in several high growth emerging markets and holds board appointments in many of the Corporation's subsidiary companies throughout Europe. He has been the Chair of Nobel Biocare, a Swiss public company recently acquired by Danaher, who are a market leader in dental implants. Earlier in his career, Philip worked in a variety of marketing and sales roles with major brand companies such as Proctor & Gamble, Hovis Marketing and Unilever. He has also run his own Management Consultancy and Industrial Products Distribution business, in addition to being a director of a UK PLC which floated on the London markets in the mid 80's.

**Paul Musson**, Non-Executive Director and Chairman of the Remuneration Committee

Paul Musson was Chief People Officer at Colt Technology Services, where he had a clear remit to drive the people and performance agenda 'top down' across Colt's business and service units. Paul was a key member of the strategic project team supporting the implementation of the new strategy and operating model through concept and design to execution. Paul has over 22 years' experience in Human Resources, working at a leadership level, having held corporate roles at global FTSE 100/S&P 250 companies, BAE Systems and Weatherford International. Prior to this Paul spent 20 years in the military in various leadership roles and was involved in two major reorganisations of the Army; his service also included 4 years in Special Forces as a Team Leader. Paul retired as a Captain in 1999.

### **Jane Tabor, Non-Executive Director**

Jane has over 20 years commercial experience developing and leading major UK and European technology, services and software businesses for IBM. She held many senior executive positions within IBM, leading multi-national, multi-disciplinary teams to develop and deliver growth working extensively through complex business partnerships and managing major client relationships. In addition to Hampshire Hospitals, Jane serves as a Non-Executive director of Vivid Housing, where she is the Chair of the Governance and Remuneration Committee, and on the governing council of Loughborough University, where she is on the Finance, Nominations and Remuneration Committees. She is also a Trustee of Winchester Science Centre (to July 2017) and an Audit and Assurance Committee member for England Athletics. Previously Jane was a Non-Executive director at the Isle of Wight NHS Trust and was a Board member with two not-for-profit organisations – AbilityNet and the IBM Charitable Trust.

### **Board membership at 31 March 2018: Executive Directors**

#### **Alex Whifield, Chief Executive Officer**

Alex started her career in operational management at ExxonMobil's Fawley Oil Refinery and holds an engineering degree from Cambridge University. After 13 years at Exxon, Alex moved to the NHS.

Alex held senior roles in both the former Basingstoke and Winchester organisations over a number of years. Her first NHS role was at North Hampshire Hospital in 2005 and during her time there she covered areas as diverse as project management, governance, productivity and operational management of the Emergency Division. She went on to become Chief Operating Officer at Winchester and Eastleigh Healthcare Trust.

Between 2012 and 2017 Alex was chief operating officer for Solent NHS Trust which provides community based physical and mental health services in Southampton, Portsmouth and parts of Hampshire.

#### **Dr Andrew Bishop, Chief Medical Officer**

Andrew Bishop qualified from Cambridge and St Thomas' in 1987, and joined the hospital in February 1999 as a consultant cardiologist, extensively developing the cardiology service at the hospital. Dr Bishop was the Clinical Director for medicine and elderly care services, before becoming the Foundation Trust's Medical Director in 2004.

#### **Malcolm Ace, Chief Financial Officer**

Malcolm read Modern History and Economics at Oxford and graduated in 1983. He qualified as an accountant in 1987 while working for the University of Manchester. In 1999, he was appointed Director of Finance at the University of Portsmouth and in 2004 became Director of Finance at the University of Southampton. In 2014, Malcolm left Southampton to join the NHS Executive Fasttrack programme and was based in Salisbury NHS FT during this time. Immediately before joining Hampshire Hospitals in May 2016, Malcolm was Interim Director of Finance at the University of Surrey.

**Donna Green, Chief Nurse and Deputy Chief Executive**

Donna Green joined the NHS in 1981, and trained as a registered nurse working in a variety of clinical positions to ward sister level, completing a specialist oncology qualification at Christies Hospital, Manchester. Donna then went on to work in general management positions across a range of clinical specialties, working at a number of acute trusts including the Oxford Radcliffe and Hillingdon Hospital NHS Trust. Donna has been the Nursing Director since 2000, and is the Foundation Trust's Deputy Chief Executive.

**Julie Maskery, Chief Operating Officer.**

Julie joined the Board of Directors of Hampshire Hospitals in July 2015 as Director of Transformation and Performance, moving to the role of Chief Operating Officer on 1 July 2017. Prior to this Julie held a number of senior roles across HHFT including Head of Human Resources, Education and Medical Staffing, before moving into operational management and has been the Operational Director for both the Surgical and Medical Divisions.

Julie joined the NHS in April 2008 on the National NHS Gateway to Leadership programme. Prior to joining the NHS Julie had worked for 15 years in local government in Leisure and Environmental Services.

**Board evaluation of performance**

The Board evaluates its performance internally on an annual basis and commissions an external evaluation periodically on a three yearly basis. The Trust has commissioned an external review within the current year which will deliver its outcome in quarter 1 of next year. An action plan will be put in place to address any areas identified where work is recommended. The Trust's approach to ensuring its services are well-led is detailed in the quality report.

**Board Committees**

The Board of Directors has four main sub-committees:

- (a) Audit Committee;
- (b) Risk Committee;
- (c) Nomination Committee;
- (d) Remuneration Committee.

Membership of these Committees and attendance at meetings in 2017 -18 is shown in Annex A.

**(a) Audit Committee**

The Audit Committee is a non-executive committee of the Board with delegated authority to review the establishment and maintenance of an effective system of financial, non-financial and non-clinical internal controls, which supports the achievement of HHFT's objectives. A separate non-executive committee of the Board has been established to review the establishment and maintenance of risk management controls and its meetings are reported to the Board.

The principal purpose of the committee is to assist the Board in discharging its responsibilities for monitoring the integrity of HHFT's accounts. In addition it reviews the adequacy and effectiveness of

HHFT's systems of risk management and internal controls and monitors the effectiveness, performance and objectivity of HHFT's external auditors, internal auditors and local counter fraud specialist. Within this remit, it also has responsibility for the oversight of the whistleblowing procedures within HHFT.

The members of the Audit Committee are listed in Annex A and include three independent Non-Executive Directors, the Chair of which is a qualified accountant and all members of the committee have recent and relevant financial experience. There have not been any changes to membership during the year.

#### **Effectiveness of the committee**

The committee reviews and self-assesses its effectiveness annually using criteria from best practice guidance, and ensures that any matters arising from this review are addressed.

The committee also reviews the performance of its internal and external auditors' service against best practice criteria identified from the *NHS Audit Committee Handbook*.

The committee has a secretary responsible for administrative support to its meeting. At each meeting the committee receive papers of good quality, provided in a timely fashion to allow due consideration of the content. Meetings are scheduled to allow sufficient time to enable a full and informed debate. Each meeting is minuted and reported to the Board.

The following areas were internally audited and considered by the Committee:

- Risk Management;
- Recruitment and Retention of Staff and Agency Costs;
- Business Continuity Management;
- Information Governance;
- Key Financial Systems;
- IT Audit – Asset Management;
- Information Governance;
- Productivity.

#### **External audit**

KPMG LLP (KPMG) has continued to provide their services as external auditors. KPMG has finalised their audit report for the current period, which is included in the accounts at page 177. Their audit fees and non-audit fees are set, monitored and reviewed throughout the year and are included in note 6 of the accounts.

#### **Internal audit and counter fraud services**

The Board contracts with external parties to deliver internal audit and counter-fraud services:

- PricewaterhouseCoopers LLP (PwC) has continued to provide their services as internal auditors. PwC's service covers both financial and non-financial audits determined by a risk-based plan agreed with the Audit Committee.

- The Trust contract with the NHS Hampshire and IOW Counter Fraud Service to provide a separate independent counter fraud service. The service includes carrying out reviews of areas at risk of fraud, investigating any allegations of fraud and providing fraud awareness training across the Trust.

### **Internal controls**

The Committee focussed the internal audit plan on the areas set out above. Action plans were agreed and put in place to address issues in control processes.

### **Fraud detection processes and whistle-blowing arrangements**

The Committee reviewed the levels of fraud and theft reported and detected, and the arrangements in place to prevent, minimise and detect fraud and bribery. NHS Hampshire and IOW Counter Fraud Service Awareness indicated that awareness of fraud risk and how to report fraud was high across the Trust's employees. No significant fraud was uncovered during the year. Whistleblowing arrangements are reviewed regularly, and no significant matters were brought to the Trust's attention during the year.

### **Financial reporting**

The Audit Committee reviewed the Trust's accounts and Annual Governance Statement and the consistency of these with the Annual Report as a whole. As part of this review it considered reports from management and from external and internal auditors to assist its consideration of the quality and acceptability of accounting policies, including their compliance with accounting standards. In particular the review considered:

- Key judgments made in preparation of the financial statements;
- Compliance with legal and regulatory requirements;
- Clarity of disclosures and their compliance with relevant reporting requirements; and
- Whether the Annual Report as a whole is fair, balanced and understandable and provides the information necessary to assess the Trust's performance and strategy.

The Audit Committee has reviewed the content of the Annual Report and Accounts and advised the Board that, in its view, taken as a whole:

- It is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Trust's performance, business model and strategy; and
- It is consistent with the Annual Governance Statement, feedback received from the external auditors and the Head of Internal Audit Opinion.

## **Significant financial judgments and reporting for 2017/18**

The Audit Committee considered a number of areas where significant financial judgements were taken which have influenced the financial statements.

We identified through discussion with both management and the external auditor the key risks of misstatement within the Trust's financial statements. We discussed these risks with management during the year and received a paper from management in advance of the year-end. We also discussed these with the external auditor during the year and at the conclusion of the external audit. We set out below how the Audit Committee satisfied itself that these risks of misstatement had been properly addressed.

### **Areas of accounting judgment and other issues**

The following areas were considered by the Committee:

- Fixed Assets Valuations: reports from management which explained the basis of valuation for the most significant buildings, taking into account future life, use and structural refurbishment expenditure and including a review of the rationale for any impairment were reviewed. The external auditor's views on the proper accounting treatment for these buildings was taken into account. The Committee was satisfied that the valuation of these buildings included in the financial statements was consistent with management intention, and is in line with accepted accounting standards; and
- Impairment of Asset Valuation: the Committee considered reports from management triangulated with the views of the external auditor on a specific impairment issue. The recommendation of the Audit Committee, which accorded with that of management and the external auditor, was endorsed by the Board of Directors, and consequently incorporated in the financial statements; and
- Receipt of NHS Income: the Agreement of Balances exercise across the NHS was reviewed as part of the consideration of the external auditor's report. This confirmed that the Trust had recognised income appropriately within the financial statements including its valuation of work in progress; and
- Charity Consolidation: the decision to continue not to consolidate the accounts of the Hampshire Hospitals Charity was reviewed. This continues to be disclosed in the accounts with an explanation to the reasons for non-consolidation; and
- Hampshire Hospitals Contract Services Ltd (HHCS): the required disclosures under IFRS of the subsidiary company was reviewed and will be included in the accounts due to the materiality of the company's assets.

### **(b) Risk Committee**

The committee's principal function is one of supervision, oversight and monitoring of risks. It performs its duties based on information provided by the management of HHFT.

During the year the Committee considered the risk appetite of HHFT looking at risk categories including clinical, operational, financial, strategic, reputational, commercial, cyber risk, capital and other relevant risks. It reviewed the Directors' risk register and divisional registers as prepared by executive teams and challenged the prioritisation and mitigating action plans.

The Committee received and reviewed the Board Assurance Framework and Trust Risk Register and recommended it to the Board for approval. During the year it kept the Board updated on key discussions and issues.

**(c) Nomination Committee**

The Nomination Committee reviews, and recommends to the Board, the appointment of Executive Directors and considers succession planning. The Nomination Committee met twice during the year. The first time was to agree the appointment of a Director of People as Very Senior Manager Role. The second time was to agree the appointment of a new Chief Nurse who will start during the summer of 2018/19. The committee reviewed the recruitment process, the wide engagement of stakeholders in the assessment and supported the Chief Executives recommendation on the appointment.

**(d) Remuneration Committee**

The details of this committee can be found in chapter 4 of this report.

**Council of Governors**

The specific responsibilities of the Council of Governors include:

- appointing the Chairman and other Non-Executive Directors of HHFT at a general meeting;
- agreeing the remuneration and other terms and conditions of office of the Chairman and Non-Executive Directors;
- removing the Chairman and other Non-Executive Directors if deemed necessary;
- approving the appointment of the Chief Executive Officer by the Non-Executive Directors;
- appointing or removing the external auditors;
- receiving the Annual Report and Accounts and the report of the external auditor;
- considering any proposals for non-NHS activity in the forward plan;
- approving an increase of more than 5% of non NHS activities; and
- approving significant transactions.

Opinions of the public, members and appointing bodies, including on the Trust's strategy and forward plan, are canvassed by elected and appointed governors. The Council's Membership and Community Engagement Working Group (MWG) acts as a steering and planning group to help identify ways for governors at large to be able to engage with the membership and the wider community. Governors are invited to attend all HHFT events held for members and the public.

The Governors met with the Board at a number of meetings during the year, including joint workshops where Governors gave their views on matters such as the Annual Plan and future strategy. Non-Executive Directors and Executive Directors attend meetings of the Council of

Governors. Executive Directors provide regular updates to the Council of Governors on our performance.

In all these ways, the Directors maintain their understanding of the views of the Governors and the public, members and appointing bodies whom they represent and interact with regularly.

### **Independence of Governors**

The full Council of Governors meets confidentially with the full Board of Directors three times a year and privately with the Chairman and Chief Executive Officer four times a year, during which debate and discussion can be held and any disagreements between views resolved. The Chairman also holds individual meetings with each Governor.

In order to fulfil their duties it is necessary that the Governors are independent and free from conflicts of interests. Upon appointment, Governors are required to complete a declaration of interest form and are regularly prompted to update their declarations (if appropriate). A register of Governors' interests is kept and maintained by the Company Secretary and extracts can be requested by contacting [company.secretary@hhft.nhs.uk](mailto:company.secretary@hhft.nhs.uk).

### **Membership of the Council of Governors**

#### **Council of Governors for Hampshire Hospitals NHS Foundation Trust**

From 1 April 2017 until 31 March 2018, the Council of Governors was constituted as follows:

##### **Public elected Governors – 15**

These Governors are elected from the public membership of HHFT across four constituencies:

- North Hampshire and West Berkshire (5 Governors);
- Mid and East Hampshire (5 Governors);
- West and South Hampshire (4 Governors);
- Rest of England and Wales (1 Governor).

Elections were held during the period 1 April 2017 to 31 March 2018 in respect of eight vacancies due to terms ending – three in North Hampshire and West Berkshire, three in Mid and East Hampshire and two in West and South Hampshire.

##### **Staff Governors – 5**

There is one staff Governor from each of five staff constituencies - administrative, clerical and managerial; medical and dental practitioners; support staff; allied healthcare professional; and nursing and midwifery.

There were three vacancies for staff Governors for the period 1 April 2017 to 31 March 2018, following the resignations of the representatives for Support Staff and Nursing and Midwifery and due to the term ending for the representative for Admin, Clerical and Management. The three posts were filled, two following contested elections.

## **Appointed Governors – 5 plus 1 co-opted governor**

These Governors are nominated by local voluntary and public sector organisations and are categorised as follows:

- Hampshire County Council (1 Governor);
- University of Winchester (1 Governor);
- Young people appointed by Hampshire County Council (1 Governor);
- Older people appointed by Hampshire County Council (1 Governor);
- People with a disability appointed by Hampshire County Council (1 Governor).
- Further and higher education (1 co-opted governor).

Registers of the membership of the Council of Governors is available for inspection upon request to: [company.secretary@hhft.nhs.uk](mailto:company.secretary@hhft.nhs.uk).

Information about individual Governors and their attendance at Council of Governors meetings between 1 April 2017 and 31 March 2018 is given in Annex B together with membership of its Remuneration and Nomination committees.

## **Committees of the Council of Governors**

### **(a) Remuneration Committee**

The details of this committee can be found in chapter 4 of this report.

### **(b) Nomination Committee**

The Committee reviews and recommends to the Council the appointment and re-appointment of the Chairman and other Non-executive Directors.

## **Working groups of the Council of Governors**

The Council has a number of working groups who focus on particular areas within the Trust.

The Patient Experience Group (PEG) is made up of public, stakeholder and staff governors. Meeting every two months, the group receive information about the wide-ranging patient experience activities across the Trust, together with the results of national surveys in a range of specialities. The group review findings, provide feedback and make appropriate recommendations to improve the experience of the care and services provided by the Trust. Individual members have participated in the PLACE assessments in all three hospitals.

PEG has designed and implemented a rolling programme of Governor visits. Governors and governance staff make unannounced visits to a ward or department and meet with staff and patients to hear from them about their experiences. The visit programme is designed to understand how the CQC fundamental standards are being met and to identify and share areas of good practice and opportunities for improvement. The visits have been well received and all members of the CoG

either have, or are planned to, take part in this activity. The visits are scheduled every two weeks and include visits at the weekend and at night.

The Membership Working Group which is a joint working party of the Council of Governors and members of staff of the Trust reviewed its remit in the light of the need for wider participation with the community. The purpose of the group is to maximise the contribution of the membership to the development of the Trust. The aim is to enable governors to be more visible and available to members and the public, listening to their point of view, sharing the Trust's objectives and attracting more members. The Council of Governors approved the Group changing its name to the Membership and Community Engagement Group to reflect the intention to involve members and to also raise awareness among the community. The group meets regularly and reports to the wider Council and Board every quarter.

Members of the Public and Patient Involvement Working Group continue to support the Trust's research by raising patients' awareness of the Trust's research activity, and inviting them to ask their clinical teams about research studies that may suit their needs.

### **Membership of HHFT**

As a foundation trust, we are directly accountable to our local community through our members and elected governors.

By joining our organisation, our members have chosen to show their support and their interest in how our hospitals are run. The involvement and participation of our members is very important to us.

It is a key aim of ours that our membership is a proportional reflection of the population we serve.

Public membership is divided into four constituencies:

- North Hampshire and West Berkshire;
- Mid and East Hampshire;
- West and South Hampshire; and
- Rest of England and Wales.

Staff membership is divided into five constituencies:

- Administrative, Clerical and Managerial;
- Allied Health Professionals;
- Medical and Dental Practitioners;
- Nursing and Midwifery; and
- Support Services staff.

All staff are members unless they choose to opt out.

We have five governors appointed from local voluntary and public sector organisations as set out earlier in this chapter.

We produce and distribute a regular newsletter, frequent updates on news from HHFT and invitations to events and talks.

Details of membership, including an online application form, can be found at:  
<http://www.hampshirehospitals.nhs.uk/membership>

The list of named governors and their attendance at meetings can be found in Annex B of this report. Governor profiles and details of the Council of Governors are online at:  
<http://www.hampshirehospitals.nhs.uk/governors>

A dedicated email address [governors@hhft.nhs.uk](mailto:governors@hhft.nhs.uk) is widely publicised through the newsletter and HHFT website which members and the public can use to get in contact with governors. This is in addition to the general email for queries [hampshire.hospitals@hhft.nhs.uk](mailto:hampshire.hospitals@hhft.nhs.uk), and the [future@hhft.nhs.uk](mailto:future@hhft.nhs.uk) for questions or comments on HHFT's future plans.

Our membership communications and engagement strategy outlines the population we serve and the current membership. It looks at the member communication channels we use and resources available.

### **Membership development**

The total membership for Hampshire Hospitals NHS Foundation Trust on 31 March 2018 is as shown below:

<b>Membership HHFT 31 March 2018</b>	
Public	9027
Staff	6091
Total	15,118
<b>Number of members in each constituency</b>	
North Hampshire and West Berkshire	2904
Mid and East Hampshire	2748
West and South Hampshire	2930
Rest of England and Wales	440
Out of Trust area (Scotland, NI and overseas)	5

The age profile of our membership is broadly matched to the age profile of our patient population. Below is a table showing the distribution of our membership by age profile, compared with the age profile of the population of our catchment area

<b>Age</b>	<b>No. Members</b>	<b>% membership</b>	<b>% population</b>
16 and under*	0	0	20.47
17-21	96	1.06	5.31
22-29	192	2.13	8.33
30-39	322	3.57	11.69
40-49	626	6.93	14.06
50-59	1051	11.64	14.54
60-74	2922	32.37	16.65
75+	3767	41.73	8.95
Unknown	25	0.28	0

\*Membership is only open to those aged 16 years and older, therefore the membership figure for this age group is low in comparison to the community population.

### **Engaging with our members**

We keep our members informed and create opportunities for them to meet the Board and governors. In 2017/18 we published regular members' newsletters. Our preferred method of communication is via email to increase the timeliness and reduce costs.

We also provide members with insights into our services by holding Health Focus talks which feature talks from our clinicians. All our events are open to members and the general public and we aim to hold talks in each of our constituencies. During 2017/18 we held Health Focus talks across our geography in Andover, Winchester, Alton and Eastleigh featuring talks by our clinicians on a range of topics including palliative care, ambulatory medicine, urology and the developing plans for Winchester Hospice. We held an Annual General Meeting in Basingstoke with exhibition stands and the opportunity to meet staff, governors and the Board. Our Public Board and our Council of Governor meetings are held in public and publicised through our newsletter and notice of dates released to the local press.

Following the success of open days held at Winchester and Andover in 2016, we held a similar event for members, staff and the public at Basingstoke and North Hampshire Hospital in September 2017. The event attracted significant interest from the local community, providing activities for all ages and the opportunity for members of the public to engage with staff. The open day was attended by approximately 1,000 members of the public, with 200 people registering at the recruitment fair which was held as part of the day. Some of the Trust's partners were invited to exhibit, including South Central Ambulance service and all our local partners universities exhibited as part of our 'employment zone'. In September a Heritage Open Day was held at Royal Hampshire County Hospital in Winchester, as part of a national programme, which was very well attended.

Governors support our public meetings and events and we support governors as speakers at local community groups and colleges to promote membership and explain the role of the governor. We

provided an induction session for new governors elected in January 2018 including a session which focused on the Governors' role in actively engaging with our members and the wider community. It also introduced and explained the role and remit of the Membership and Community Engagement working group (MCEG) of the Governors. The MCEG met four times in the year to consider member communications and events. Governors attended the Health Focus events, the open days and the AGM hosting stands at each event on the role of Governors and Membership. Governors select the monthly WOW! Award winners from the thousands of nominations received and the winners of the Director of Nursing Awards (DONA).

More information is available at <http://www.hampshirehospitals.nhs.uk/wow> and <http://www.hampshirehospitals.nhs.uk/dona>

The Trust worked jointly with CCGs to understand the public's views on hospital services (June-August 2017). This included a programme of independent research to reach a representative sample of local people, based on demographic factors, including age group, gender and socioeconomic group. The key objectives were to gather and understand the views of local people, understand any concerns the public may have about service change and engage with hard to reach and seldom heard groups within local communities.

This was carried out through on-street surveys based and six deliberative focus groups which gathered qualitative feedback around the views and concerns of local people with regards to possible changes in local health care services. The survey and focus groups were supported by an online version of the survey that was shared internally and externally by the two CCGs and HHFT and by focus groups and face to face meetings with traditionally hard to reach groups. The results of this engagement are available in the full report and in summary report and slide pack.

This built on extensive engagement activity to understand the public's views of current services and future needs undertaken by HHFT in May 2016. The results are available at <http://www.hampshirehospitals.nhs.uk/about-us/engagement.aspx>

Our membership and community engagement working group plans for 2018/19 include to:

- Continue to increase the proportion of our members with whom we can communicate via email, with a target of 40% by end of 2018/19
- Encourage increased attendance and interaction with members and the public through social media as well as face to face events;
- Further expand and develop opportunities for governors to engage with members, community groups/organisations and the wider public, including staff governors and patient champions;
- Develop plans for health focus talks for members and the public
- Hold the Trust's Annual General Meeting in Basingstoke in July 2018
- Undertake public engagement activities in support of celebrating NHS70

## Staff Report

### Our workforce

An analysis of the number of WTE staff we employ is shown below, as at 31 March 2018:

Category	Total
Medical and dental	748
Administration and estates	1436
Healthcare assistants and other support staff	1306
Nursing, midwifery and health visiting staff	1551
Scientific, therapeutic and technical staff	380
Healthcare science staff	132
<b>Total</b>	<b>5553</b>

Key workforce performance indicators for the year are shown below:

Indicator	Mar-16	Mar-17	Mar-18
Sickness absence	3.51%	3.65%	3.34%
Staff appraised (All staff rolling 12 months)	62.75%	66.72%	66.79%
Staff turnover Voluntary	11.91%	12.77%	13.45%

HHFT is committed to supporting staff, equipping them with the skills which will allow them to deliver to their full potential and also recognising and celebrating their achievements. The commitment of our staff is reflected in the many positive comments we and they receive from patients and their families.

Our values were reviewed and relaunched in 2012 and we continue to promote these to ensure they are embedded in staff's day-to-day activities. We are using our values to help to recruit the best people as well as in our induction, our appraisals and our developmental activities.

- C**ompassion, caring about our patients and our staff
- A**ccountable and responsible, always improving
- R**espect for all colleagues, patients and their families
- E**ncouraging and challenging each other to always do your best

## **Developing our staff**

2017 was a year marked by uncertainty and change for education and workforce development in the NHS. Bursaries for healthcare education were removed in 2017 and the Apprenticeship Levy became a reality in April of the same year. The Brexit decision brought many new questions to those of us responsible for educating and developing the NHS workforce and guidance on how to move forward was scattered if not scant. But change can also mean opportunity. The education and workforce team underwent some structural and personnel changes and have since regrouped stronger and more focused. The team have embraced the atmosphere of change and remain undeterred to ensure that development and training attracts the best people to join the 'HHFT Family' and of course, encourages our existing staff to stay with us doing what they do best every day; delivering excellent patient care.

Technological enhanced learning continues to be a top priority and focus as the Trust explores and embraces both clinical and non-clinical training opportunities that are both responsive to needs and supports service delivery both now and in the future. E-learning, QR codes, bespoke videos, mobile phone apps, and the use of simulation are all areas being explored and embraced. Simulation uses real life scenarios at the bedside and allows staff to learn and rehearse their skills together in a safe environment to ensure that the best outcomes for patients are achieved. The Trust is leading on the development and creation of a national Simulation Technician Apprenticeship and plans are under way to increase our simulation offer, both through the acquisition of cutting edge technologies/manikins, and also through the creation of a simulation faculty.

Health Care Support Workers (HCSW) are the cornerstone of our ward-based care service and also the potential future of our nursing workforce. As such, much scrutiny and attention has been given to their development and support for their training with several initiatives emerging as a result. The Care Certificate is now embedded into our HCSW induction programme ensuring that all support workers have the same introductory skills, knowledge and behaviours to provide compassionate, safe and high quality care to our patients. From here, Health Care Support Workers can progress onto a Foundation Degree in Health and Social Care - a two year programme of study which enables progression along a clinical career pathway into a senior healthcare support worker role (Nurse Associate) and for those who choose, can continue onto a registered practitioner status with a professional qualification.

The Trust has been involved with piloting the development of the Nursing Associate role. This is a new role that will sit alongside existing nursing care support workers and fully-qualified registered nurses to deliver hands-on care for patients. Delivered by one of our academic partners, ten of our staff have now progressed through to the second year of this 2-year academic programme. In autumn of 2017 the Trust recruited 15 new Nurse Associate Apprentices to continue to develop existing staff's skills and opportunities. Once fully introduced this genre of staff has the potential to help us transform our nursing and care workforce and assist us to attract and retain the best staff.

Focus on clinical skills continued this year with our clinical skills team introducing a cascade training model which aimed to train a group of band 7 leaders who would then pass on this knowledge and learning to the rest of the workforce. The clinical skills team provided the ward sisters with updated standards practice, the teaching resources, and any assessment tools required, enabling the delivery of training within the clinical setting; thus reducing the need for staff to be absent from the wards to

attend relevant training. Additionally, an online recording system was introduced to capture this specialist training which enables the clinical skills team to monitor and review any ward areas that are non-compliant with training. The focus of development for our clinical teams this year has been on advancing practice skills and the development and acquisition of specialist clinical skills courses such as history taking and physical examination. This on-going education and development within our nursing teams and allied health professional workforce is aimed at ensuring we have the right skills to deliver the right care at the right time.

To ensure vocational learning and the development of our valuable non-clinical support workforce, we have continued to support many of them through apprenticeships and have commissioned and offered a diverse range of vocational courses including functional skills. Our apprenticeship offer has grown and expanded as we have engaged with various local training providers and are now utilising the levy pot to fund all apprenticeship training. Starting in 2018 the Trust will make all new HCSW recruits into apprentices ensuring a stable and highly skilled ground-floor workforce. To build upon our apprenticeship provision, and to ensure quality is built into training delivery, we have applied to become a training provider aspiring to deliver HCSW Levels 2&3 and Business Administration Levels 2&3. When successful, provider status will allow us to partner with universities and other providers to expand on our educational and training delivery offer across the Wessex region.

In order to recruit and retain the best nursing and allied health professionals we have continued to engage with a variety of educational partners both locally and beyond to provide high quality learning environments and practice placements alongside mentorship and coaching support across our 3 hospital sites. Our preceptorship numbers have remained high and stable at 100-110 preceptors per year (nurses, ODPs, midwives, therapists) and our return to practice programme, this year, has increased to almost double the numbers. This approach of offering high quality programmes and support to learners has been a key enabler of our recruitment strategy helping transition many students into permanent employee positions with HHFT.

We have continued to attract and offer work experience opportunities to our local community of schools, colleges and third sector partners all aimed at interesting local talent to become our future workforce. In December 2017 our Gold Award status - a national accreditation which 'recognises those organisations offering high quality work experience opportunities to their learners, and managing risk effectively', was audited by Fair Train and we are very proud to say we continue to be recommended for the Gold Award status. This award recognises our passion to support our local communities, in particular our young unemployed groups to move into meaningful work by providing their first stepping stone into NHS careers.

Our passion for widening participation, particularly for people with learning disabilities, is evidenced by the fact we are members of both the Apprenticeship Diversity Champions Network and Pacesetters. We have become the lead trust for Hampshire and the Isle of Wight for increasing the employment of individuals with learning disabilities within our region and the wider NHS. We work with local specialist schools to offer meaningful work experiences specifically for LDD students and have recently partnered with Ways into Work to increase apprenticeship and sustainable work opportunities for people with disabilities.



We have continued our alliances with the Step into Health programme. This initiative connects employers in the NHS to people from the Armed Forces community, by offering an access route into employment and career development opportunities. The programme recognises the transferable skills and cultural values that Armed Forces personnel develop when serving and how they are compatible with those required within NHS roles. Last year our strong commitment to the Armed Forces Community was recognised when we received the prestigious MOD Employers Recognition Silver Award. We are delighted to say that this year we were awarded the Gold award. The Defence Employer Recognition scheme (ERS) is run by the Ministry of defence, and awards bronze, silver or gold to organisations that pledge, demonstrate and advocate support for the Armed Forces community.

The priorities for the coming year will focus on collaboration with the Divisions to develop career frameworks for our clinical and non-clinical workforce staff ensuring they are fit for practice in our current and evolving ways of working and provide clear pathways which aim to 'grow our own' workforce. We will ensure registered professionals have access to education, training and development in order to meet statutory, revalidation, and continuous professional development. By becoming a training provider we will ensure quality, compliance, and financial stability is built into our education programmes and exploit income generation opportunities for the Trust by actively marketing and partnering our provision more widely across the local healthcare communities. Through the development of state-of-the-art facilities and the creation of a simulation faculty we will enable multi-professional simulation education and practices ensuring a realistic and safe learning environment providing engaged, active learning for all staff. We will continue to champion and develop innovative ways of delivering training. By embracing new technologies such as e-learning, QR codes, gaming, and mobile phone apps, we will provide learning opportunities that are more accessible, timely, and anticipate and acknowledge the complexities of balancing service delivery with training needs.

Developing our managers and leaders to provide them with the skills and knowledge to lead their teams in delivering excellent patient care is vital to the continued success of the Trust. Over the last year we have been able to combine some excellent in-house training with external opportunities in order to do this. We launched a redesigned appraisal course and Ready to Lead programme in-house for those new to leadership, in addition to staff accessing external opportunities including management and leadership apprenticeships and programmes run by the NHS Leadership Academy. Further to this we have a network of both internal and external coaches who have supported staff at all levels including managers and leaders by providing work-based coaching opportunities designed to help individual staff to reach their potential.

As well as developing individual staff it is also imperative that we develop teams as the work of Michael West has shown that successful team-based working leads to a range of positive outcomes for both staff and patients. As such we have, this year, trained 14 staff as Aston OD coaches who are working with team leaders and managers through a programme designed to help teams develop

clear roles and objectives and improve how they work together and with other teams in the organisation. In addition to this we have worked with numerous teams to provide team development sessions to improve team effectiveness.

### Engaging our staff

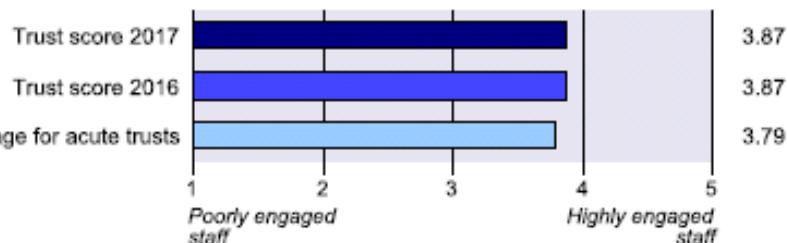
Creating an environment where we are in continuous dialogue with our staff is vital to ensure they feel valued, supported and listened to on an ongoing basis. Creating this engagement amongst our workforce is a key part of a culture of openness and improvement where staff are empowered to improve our processes and systems on an ongoing basis to ensure they provide the best possible care to our patients. One of the ways in which we seek to measure the engagement of our staff is through our annual staff survey.

A number of questions from the survey results are collated to form an overall staff engagement score. One of these questions related to staff feeling able to contribute towards improvements at work, for which our results were in the top 20% of NHS hospital Trusts nationally. The overall staff engagement score is on a scale of one to five, with one indicating poorly engaged staff and five indicating highly engaged staff. The most recent survey resulted in a score of 3.87 which was above average when compared with other NHS trusts of a similar type and was a maintenance of the positive score from the previous year as per the figure below:

#### OVERALL STAFF ENGAGEMENT

(the higher the score the better)

Scale summary score



Change since 2016 survey      Ranking, compared with all acute trusts

#### OVERALL STAFF ENGAGEMENT

• No change

✓ Above (better than) average

#### KF1. Staff recommendation of the trust as a place to work or receive treatment

(the extent to which staff think care of patients/service users is the trust's top priority, would recommend their trust to others as a place to work, and would be happy with the standard of care provided by the trust if a friend or relative needed treatment.)

• No change

✓ Above (better than) average

#### KF4. Staff motivation at work

(the extent to which they look forward to going to work, and are enthusiastic about and absorbed in their jobs.)

• No change

✓ Above (better than) average

#### KF7. Staff ability to contribute towards improvements at work

(the extent to which staff are able to make suggestions to improve the work of their team, have frequent opportunities to show initiative in their role, and are able to make improvements at work.)

• No change

✓ Highest (best) 20%

## **National staff survey results**

Our annual national staff survey runs between October and December and is open to all staff employed at the time to complete. In addition to providing an insight into how engaged staff are, the national staff survey gives us access to a significant amount of information about all aspects of working life and staff experience at Hampshire Hospitals. In order that the survey results are an accurate reflection of the views of our staff it is imperative that our completion rate for the survey is as high as possible. For our most recent survey 5908 staff were given the opportunity to complete the survey, with our final completion rate being 43.3% - 2556 staff (the national average for hospital Trusts was 44%).

### **Comparison of National Staff Survey Response Rates between 2016 and 2017**

	<b>2016 Survey</b>	<b>2017 Survey</b>	<b>Change from 2016 to 2017</b>
<b>Trust</b>	47.2% 2618 employees	43.3% 2556 employees	<b>-3.9%</b>
<b>National Average</b>	43%	44%	<b>+1%</b>

There are a number of ways in which we can review the results of the survey, one of which is to look at our top five and bottom five scores summarised below. Our results were in the top 20% of all hospitals Trusts for all five of our highest scores, and in addition we were also in the top 20% for:

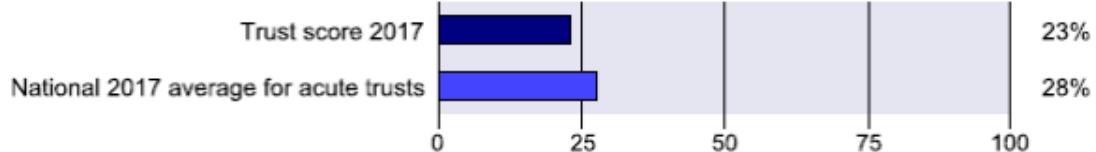
- KF31 – Staff confidence and security in reporting unsafe clinical practice.
- KF15 - % of staff satisfied with the opportunities for flexible working patterns.

## TOP FIVE RANKING SCORES

- ✓ KF25. Percentage of staff experiencing harassment, bullying or abuse from patients, relatives or the public in last 12 months

(the lower the score the better)

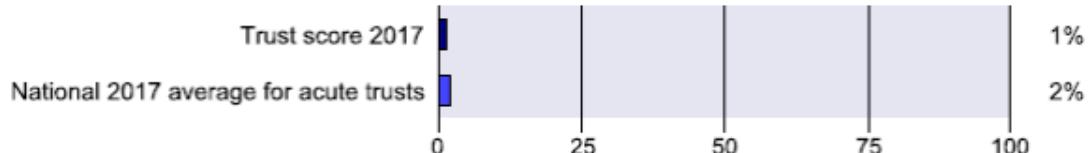
Percentage score



- ✓ KF23. Percentage of staff experiencing physical violence from staff in last 12 months

(the lower the score the better)

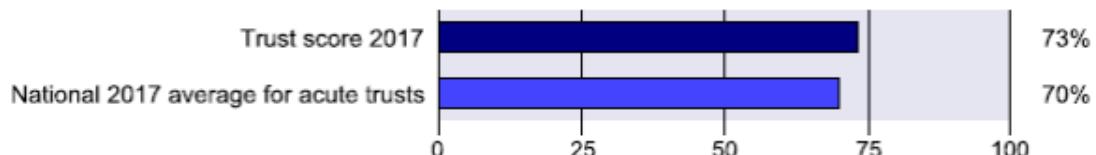
Percentage score



- ✓ KF7. Percentage of staff able to contribute towards improvements at work

(the higher the score the better)

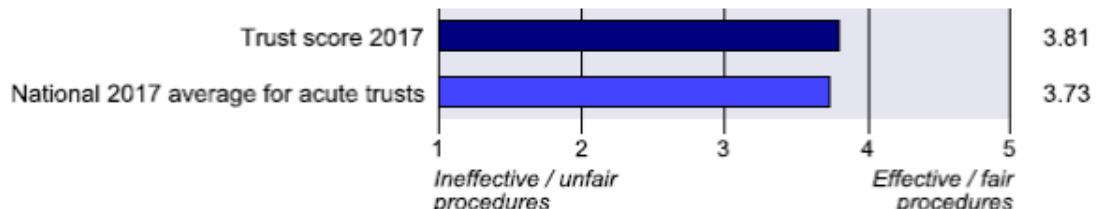
Percentage score



- ✓ KF30. Fairness and effectiveness of procedures for reporting errors, near misses and incidents

(the higher the score the better)

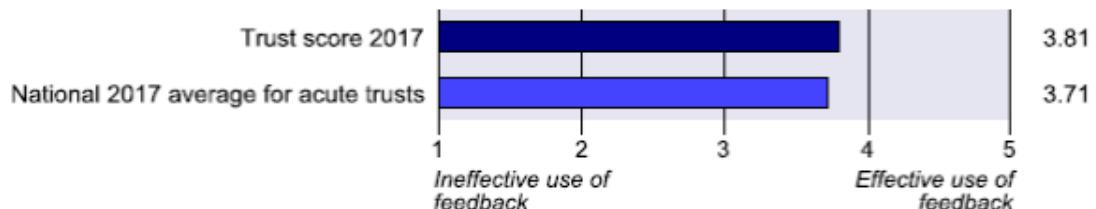
Scale summary score



- ✓ KF32. Effective use of patient / service user feedback

(the higher the score the better)

Scale summary score



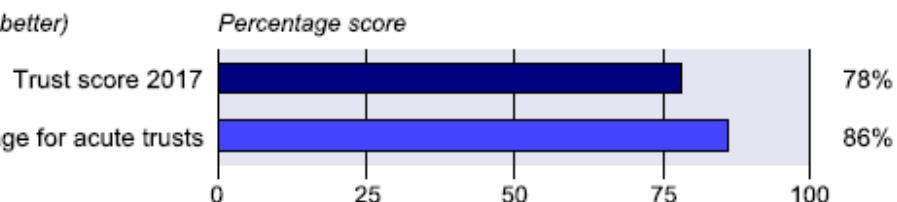
Our bottom five scores indicate which areas we should continue to focus on; staff appraisals- both the quality of the appraisal itself as well as the number completed, reminding our staff of the importance of reporting both episodes of violent behaviour experienced and also errors, near misses and incidents, continuing to engage with and value our staff as part of our approach to retention as well as continuing to develop our recruitment strategies with a view to ensuring staff do not feel they need to work additional hours and ensuring our staff training and development is continually

reviewed and developed to ensure it remains fit for purpose. Of these five bottom scores the Trust was in the worst 20% of hospital Trusts for four of them.

## BOTTOM FIVE RANKING SCORES

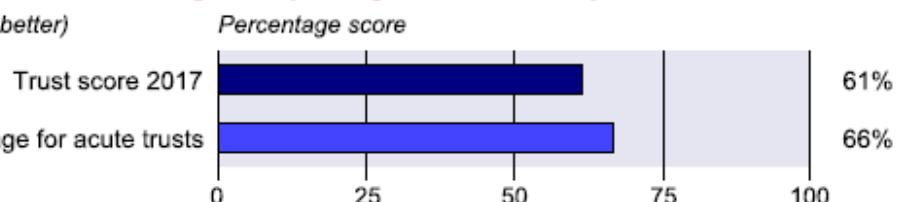
#### KF11. Percentage of staff appraised in last 12 months

*'the higher the score the better')*



**KF24. Percentage of staff / colleagues reporting most recent experience of violence**

*'the higher the score the better')*



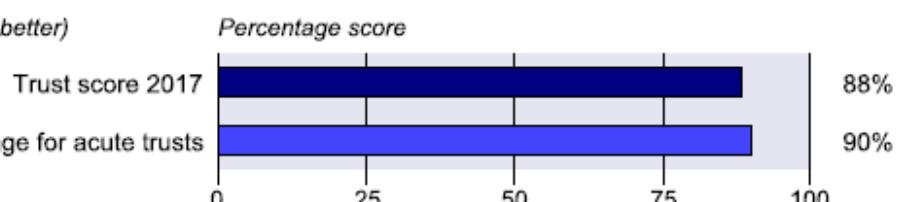
#### KF16. Percentage of staff working extra hours

*'the lower the score the better')*



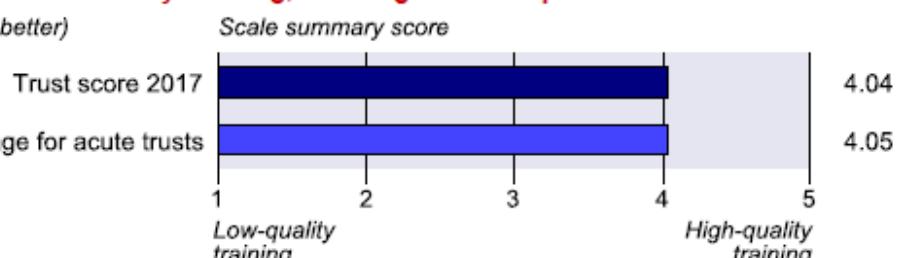
**KF29. Percentage of staff reporting errors, near misses or incidents witnessed in the last month**

*'the higher the score the better')*



#### **KE13. Quality of non-mandatory training, learning or development**

*'the higher the score the better')*



As well as reviewing our top and bottom scores we have also drawn comparisons with the results from the previous year as this can provide useful insights and areas of focus. Our results which have both significantly improved and deteriorated compared with the previous year are summarised below:

#### WHERE STAFF EXPERIENCE HAS IMPROVED

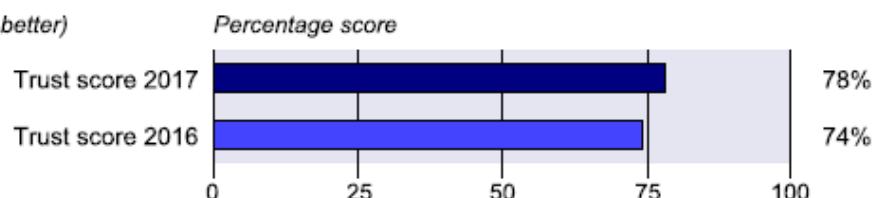
**✓ KF22. Percentage of staff experiencing physical violence from patients, relatives or the public in last 12 months**

(the lower the score the better)



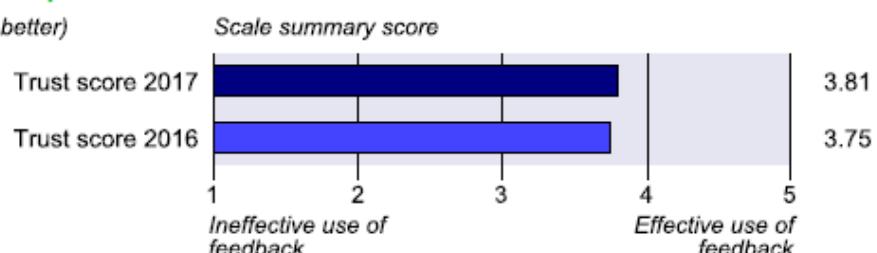
**✓ KF11. Percentage of staff appraised in last 12 months**

(the higher the score the better)



**✓ KF32. Effective use of patient / service user feedback**

(the higher the score the better)



## **Staff survey action plan**

In 2017, following the 2016 staff survey feedback, we have implemented a number of initiatives to help drive improvements in the following areas identified as needing attention in the 2016 survey:

**\* Pressures of work / Stress.** The Trust is committed to promoting physical and mental health and wellbeing amongst our staff and as such our Health4Work team have undertaken a number of initiatives in this area over the past year which are summarised in the health and wellbeing section of this report. This year we have sought to combine our numerous health and wellbeing activities under a campaign which have called Zest- Positive Action on Staff Health and Wellbeing at HHFT to enable us to better promote the range of support, guidance and activities available to staff. This resulted in an increase in staff agreeing that their organisation definitely takes positive action on health and well-being from 36% to 38%- above the acute Trust average of 32%.However there was a reduction in staff agreeing that my immediate manager takes a positive interest in my health and wellbeing, and as such it is vital that we ensure managers understand the vital role they play in the health and wellbeing of their teams.

**\*Bullying and Harassment** Our Trust values outline our commitment to treating our colleagues with compassion and respect at all times. However in recognition that there can be tensions between colleagues we have run a well attended course over the last year for managers to support them in managing any instances or accusations of bullying and conflict within their teams. In addition to this we have undertaken team development with a number of teams within the organisation to support positive team working, and managing of different opinions in a constructive way. However the most recent survey saw a small percentage of staff saying they had experienced an episode of bullying or harassment and as such this remains an area of focus for the coming year.

**Appraisals and recognition for good work-** In 2017 we redesigned our appraisal training to provide managers with the skills to conduct a good quality appraisals such as listening and giving feedback. In addition to this we undertook a targeted focus month on appraisals increasing the training and information available. The percentage of staff saying they have had an appraisal increased to 78% in 2017 (from 74% in 2016) however there is a need to continue to focus on training more managers in appraisal skills as there was a reduction in the number of staff saying their appraisal helped them improve how they did their job and agree clear objectives when compared with 2016.

**\* Staffing / extra hours / flexible working** As a caring and responsible employer, who is concerned with the health and wellbeing of our staff we are keen to promote a work-life balance for our staff and we have sought to actively enable staff to work flexibly wherever possible to enable this. As such it is extremely positive that our most recent survey result was that 54% of our staff were satisfied with the opportunities for flexible working, which was in the top 20% of acute Trusts nationally. However, despite a continued and sustained focus on recruitment to vacant posts within the organisation we have 75% of staff saying that they work additional hours. We are committed to utilising technology to support our staff, and this will include a renewed focus on the use of the electronic rostering system to support us to have the right staff in the right place at the right time. In addition we will continue our focus on both the recruitment and retention of staff, as well as managing pressure and building resilience, and maintaining a work-life balance in order that our dedicated and hard working staff look after themselves as well as our patients.

**\*Patient Feedback** The Trust is committed to gaining feedback from our patients through surveys such as the Friends and Family test. This is so that we can ensure we continually provide the best possible care to our patients and environment for their friends and family. As such we have worked

with staff to ensure that patients are given every opportunity to provide their feedback through a range of mechanisms. As well as gaining feedback it is vital that this is utilised to ensure we replicate positive experiences and make any changes necessary where appropriate to improve the patient experience further. The most recent staff survey saw an increase in staff saying the organisation used patient feedback effectively, with the result being in the top 20% of all acute Trusts.

In addition to the National Staff Survey we undertake the Staff Friends and Family Test three times a year, which asks our staff whether they would recommend us as a place to work and as a place to receive treatment/ care. The table below shows the Trust's most recent response to both the WORK and CARE question alongside the local and national view for comparison. HHFT's percentage recommended rates are above the local and national averages for both questions.

Organisation Name	Total Responses	HSCIC Workforce Headcount	Percentage Recommended (Work)	Percentage Recommended (Care)
England	137,225	1,149,300	63%	80%
Dorset County Hospital NHS Foundation Trust	146	2,646	47%	43%
Dorset Healthcare University NHS Foundation Trust	389	5,518	71%	87%
<b>Hampshire Hospitals NHS Foundation Trust</b>	<b>1,300</b>	<b>5,981</b>	<b>70%</b>	<b>89%</b>
Isle of Wight NHS Trust	317	2,999	43%	58%
Poole Hospital NHS Foundation Trust	269	3,836	80%	93%
Portsmouth Hospitals NHS Trust	39	7,069	51%	77%
Solent NHS Trust	1,239	3,316	64%	82%
Southern Health NHS Foundation Trust	678	5,834	48%	70%
The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust	273	4,471	75%	86%
University Hospital Southampton NHS Foundation Trust	2,810	10,068	76%	93%

Source: NHS England February 2018

## **Health and wellbeing report**

The promotion of physical and mental health and wellbeing amongst our staff is a key component of our approach to supporting our workforce and maintaining a positive and healthy work environment for them. This is not only of benefit to our staff as there is substantial evidence of the link between staff health and wellbeing and positive patient outcomes.

Our in-house health and wellbeing team- Health4Work- have had a successful year supporting our staff in their physical and mental health and wellbeing. A significant focus during the year has been the 2017 staff influenza campaign which commenced in September, as protecting our patients, colleagues and families from influenza is a high priority due to the devastating impact it can have. The team were at the centre of this Trust-wide campaign which included training 50 peer vaccinators who were able to deliver the vaccine within their department. This was supported by the Health4Work team undertaking walkarounds in all three hospitals at various times of the day across seven days a week visiting departments to offer the vaccine to staff. This resulted in 73.7% of frontline staff having a flu vaccination which is testament to a co-ordinated campaign supported by the Trust's senior leaders- as per the picture below which shows our Chief Executive Alex Whitfield receiving the influenza vaccination.



In addition to the Influenza vaccination campaign, the Health4Work team have been central to a number of activities designed to promote positive mental and physical health amongst our staff:

- We are only too aware of the inherently pressured nature of working in a busy acute hospital

Trust and as such we have continued to focus on initiatives to support staff to develop their resilience and manage pressure with the aim of preventing this developing into stress. Our self-care at work and mental health first aid courses have continued to provide guidance on managing individual's own health, and recognizing mental health distress in others. Specific training focusing on building resilience and managing stress has been introduced during the last year and has been accessed by a range of staff across the organization. Our training to support managers in dealing with instances or allegations of bullying and harassment has also been fully introduced with high attendance, with participants working through scenarios to help manage conflict between colleagues. In addition to this our Schwartz Rounds remain a key part of our organization, providing a forum within which staff can discuss the challenges associated with working in a healthcare environment.

- Our annual health and wellbeing event was again popular this year with a range of activities happening in all three of our hospitals including lunchtime walks, mindfulness and stress management sessions, holistic therapies and massage treatments, all designed to not only improve health and wellbeing but as part of a range of measures to thank staff for their ongoing dedication and hard work.
- In addition to the yearly health and wellbeing event the Health4Work team co-ordinated a range of ongoing activities within the Trust which staff can access including discounted holistic therapies and exercise classes in addition to specific events which included a staff activity pledge week.
- Underpinning all of these activities are the core service provided by the Health4Work team which provides ongoing support and advice to both staff and managers regarding health in the workplace and sickness absence. As part of this the team are able to utilize a staff physiotherapy referral scheme to enable staff to access support as soon as possible, and a counselling service which can provide both telephone and face to face counselling for staff who need this additional support. Staff are also able to access a range of self-help advice via the Trusts internal intranet site about all aspects of health and wellbeing including healthy eating, physical activity and mental health.

### **Equality report**

We respect and value the diversity of our patients, their relatives and carers and our staff, and are committed to delivering high quality care and meeting the needs of the diverse communities we serve. We do this by fulfilling the Public Sector Equality Duty (PSED) and its requirements to identify appropriate objectives to further its three aims - eliminate unlawful discrimination, advance equality of opportunity and foster good relations between different groups.

The NHS Equality assessment tool (EDS2 Equality Delivery System) is used to help us identify and monitor the impact of our objectives in improving the services we deliver to the local community and in providing a better working environment for our staff.

A Board member of the Trust is accountable for the Trust's equality agenda, and is supported by the Trust's Inclusivity, Health and Wellbeing Committee that provides input and monitors progress.

The Trust takes positive action in considering applications for roles from disabled persons, such that an interview is always offered to any applicant declaring a disability who fulfils the minimum criteria for the role. Reasonable adjustments are made for employees who are disabled or who become disabled during the course of their employment. Training is provided in multiple modes to meet the needs of individuals. Employees are appraised and developed based on their individual achievements and capabilities.

### **Patients, their families and carers**

In 2017/18 we continued to focus on improving access to services and experiences for patients, their families and carers'.

We also worked closely with partners to share good practice and information to meet the needs of our local communities and engaged with the local community, local community and voluntary services, members of the Trust patient forums, volunteers and public and stakeholder Governors.

Examples of initiatives and support we have delivered include:

The Trust is working in partnership with DisabledGo to provide detailed access information for patients and visitors so they can make an informed judgement about the suitability of access for them. The programme of work also provides the Trust with information to understand the reality of the access provided across the Trust and identify areas for improvement. DisabledGo use a survey method that over 800 groups of disabled people have fed into and provide a standardised service with trained surveyors who use the same survey templates to ensure all their guides are accurate, reliable and presented in a user-friendly format. DisabledGo surveyors have visited and surveyed each of our sites in person and have provided access guides for the range of areas including for example parking facilities, toilet facilities, wards and departments, clinic rooms, restaurant facilities, stairs and lifts. The access guides are currently being approved and made available via the Trust webpages.

After the successful Open days at the Royal Hampshire County Hospital and the Andover War Memorial Hospital last year, the Trust held an open Day at Basingstoke and North Hampshire Hospital on 30 September 2017. The Open Day was attended by over 800 visitors who enjoyed a range of interactive activities and a rare chance to take a look behind the scenes and learn more about the services we provide from our staff.

The dementia team provide 7am to 7pm support 7 days a week enabling us to provide earlier hands on specialist care to patients suffering from dementia, delirium or both. This has been well received, enabling the dementia team to meet patients, their relatives and carers together into the early evening. It also ensures that the dementia team are able to provide specialist support, advice and training for staff and earlier intervention leading to safer and better care.

Dementia awareness training is now mandatory for all Trust employees and is part of the Trust volunteer induction programme. The dementia team continue to support the National Dementia Friends initiative and build connections within our local communities.

Carers Cafés are now running monthly on each of our hospital sites. These are supported and attended by other organisations such as The Alzheimer's Society; Dementia Advisory Service, Princess Royal Trust for Carers and the Memory Box. These are well attended by carers and the feedback we have received has been positive. Many attendees have been successful signposted to support in the community and also help with their loved ones whilst they are patients in our care.

A continued commitment to John's campaign to provide support for carers' to stay with the patient during their hospital stay and to have open visiting hours, so they can continue to care for their loved one should they wish. Rachel Hayden, dementia nurse specialist is now the Ambassador for John's Campaign for the South of England and is currently supporting two other hospitals in being able to roll the campaign out across their trusts.

The Chaplaincy Team is part of a multi-disciplinary group of professionals providing holistic care within the three hospitals of our Trust. Our chaplains and chaplaincy volunteers offer a compassionate presence supporting patients, families, visitors and staff during times of emotional or spiritual crisis. The team are available to offer spiritual, religious and emotional support to all patients, visitors and staff, regardless of faith.

The Trust continues to work in partnership with the Wessex Heritage Trust to deliver a four year lottery funded project called "The Memory Box". The Memory Box is currently working with the Dementia Team to design a quiet sensory room on F Floor at Basingstoke and North Hampshire Hospital. This will provide patients and their carers/loved ones a safe area to go to either relax or stimulate their senses depending on the individual needs of the individual with dementia. The room will include gentle lighting, music, welcoming seating area, tactile objects and the overall aim is to enhance the individual feeling of wellbeing. The memory box continues to run regular groups within the Trust which are well attended by patients and carers.

The development of our patient information resources to support the requirements of the Accessible Information Standard, increasing our access to a range of easy read and accessible publications to support individuals who have communication support needs. Members of staff from across the Trust successfully completed a British Sign Language Level Two course and are available to provide assistance to patients who are deaf or hard of hearing.

Customer care and communication skills training programmes have been provided to some groups of health care assistants and administration teams using a new approach that involves simulators (actors / role players) in the roles of patients, their families or other staff members. This approach to training has brought customer care and communication skills training to life and provided the opportunity for staff to learn by experience through simulation scenarios relevant to their roles.

The Trust has introduced a new patient appointment reminder service for outpatient and inpatient appointments. Unless a patient opts-out of this service, they will receive an automated voice reminder seven days before the appointment, followed by a text message three days prior to their appointment date. It is hoped this will help reduce the number of appointments that are not attended and help make our services more efficient.

The Trust supported Dying Matters week and this year's theme 'What can you do' to help people talk more openly about dying, death and bereavement, and to make plans for the end of life with various activities. Dr Lara Alloway, consultant in palliative medicine spoke about our approach to End of Life Care and also discussed the planned expansion of the Countess of Brecknock Hospice with Dame Mary Fagan, Chairman of the Countess of Brecknock Hospice Trust. A carers forum for

family carers supporting adults with life limiting illnesses held at the Apollo Hotel, Basingstoke including attendance from National Council for Palliative Care. The programme included a session 'Looking after yourself' from Kerry Hearsey, MBE, Chief Executive, Princess Royal Trust for Carers and workshops including Massage Therapy, Nutrition, Manual Handling and 'What to say when'. There were also information stands supported by the Trust and local voluntary and community organisations. As a Trust continue to hold regular bereavement evening sessions for families and carers of patients who have died in hospital and provide an opportunity for families and carers to tell us about their experience of end of life care through a bereavement survey.

This year the Trust together with our local delivery system partners became the first area in the Wessex region to implement ReSPECT. ReSPECT is a process that creates and records personalised recommendations for a person's clinical care at a future time, when they may be unable to make or express choices. It provides health care professionals caring for these people with a summary of recommendations to help them to make immediate decisions about a person's care and treatment. ReSPECT is a plan created through conversations between the person and their clinicians. It is recorded in brief on a ReSPECT form and includes their personal priorities for care, agreed clinical recommendations about care and treatment that could help achieve the outcome that they would want, that would not help, or that they would not want. The ReSPECT process helps to reduce unnecessary or unwanted interventions for the person and can be complementary to wider advance care planning. In the future, this information will be shared electronically within and between organisations. The conversations taking place as part of the ReSPECT process are already happening, but they are currently recorded in many different places. ReSPECT formalises recording in one place, which is easily identifiable by professionals in an emergency situation.

The Butterfly Suite at the Royal Hampshire County Hospital has been refurbished thanks to the fundraising efforts of two bereaved families. The money donated allowed staff to completely overhaul the Butterfly Suite, a bereavement suite for parents who have tragically lost their babies. The suite is a sanctuary for families going through the most difficult time and the refurbishment will help so much in making their stay more comfortable.

We held a workshop for staff involved in complaint and incident investigations with 'Making Families Count' who are a unique group of families who have suffered complex bereavement having lost family members after a mental health homicide or suicide; or lost adult children with a disability. Their work is facilitated by NHS England South Central nursing team and attempts to make a real and sustainable difference to the way families are supported when a family member dies in the care of the NHS (or NHS funded care). They also aim to improve the way families are included and become central to the investigation process. Many of the families were carers for the family members they had lost and this was a powerful workshop that reminded everyone of the important role of carers and the impact of bereavement upon them and the support they deserve and need.

Child Health has established a youth forum with young people between the ages of 11 and 16 yrs who have all been service users in the past. They are supported by Child Health medical, nursing and play staff. The aim of the group is to involve young people in local and Trust wide service improvement. Current project include looking at the children's menus, taking part in department interviews and looking at how to manage noise levels on paediatric wards at night.

A red bag initiative introduced in the community by Southern Health NHS Foundation Trust is being rolled out in Hampshire care homes and patients are starting to bring them into our hospitals. The scheme provides care home residents with a red bag, which holds important information about their

health and is easily accessible to ambulance and hospital staff. This can include information and relevant forms, such as ReSPECT forms, helping practitioners make quick decisions on the care they will give the patient, improving turnaround times in our emergency departments and reducing length of stay. The bags can also contain personal items such as clothes, hearing aids, dentures and glasses, preventing them from being misplaced or lost whilst in hospital.

The Trust recognises the important contribution made by the many volunteers who give of their time to carry out various roles across our hospitals, giving that little bit extra that makes a big difference and improves the experience of care. We recruit volunteers to a range of roles and benefit from partnerships with local volunteer organisations that improve the quality of compassionate care we provide. Volunteers help to strengthen our links and engagement with our local communities and increase our opportunity to CARE.

New frailty units have opened at the Royal Hampshire County Hospital and Basingstoke and North Hampshire Hospital. The Frailty Unit will be run by geriatricians daily, with support from the multi-disciplinary team including colleagues from Southern Health NHS Foundation Trust. The integrated frailty teams provide comprehensive geriatric assessment to frail adults attending the hospital as an emergency. The service has improved the quality of care we provide to frail older people through better identification and awareness of people living with frailty, as well as early proactive assessment and management. The frailty unit will help to reduce unnecessary hospital admissions by thoroughly assessing whether hospital admission is needed. Those patients who would not benefit from hospital admission are provided alternative community support to live well at home.

Participation in a range of health promotion and awareness raising campaigns to support the health and wellbeing of our patients, their relatives and carers. Including for example dementia awareness week, Dying matters, carers week, learning disability week and Basingstoke and District disability awareness days.

### **Workforce**

Work in 2017/18 focused upon aiming to ensure that when at work our staff are free from abuse, harassment, bullying and violence from any source and improving the appraisal rate Trust-wide.

The table overleaf shows the diversity of our workforce:

Age Band	Staff						Local Population #	
	2015/16*		2016/17**		2017/18**			
	Headcount	%	Headcount	%	Headcount	%		
Under 16	0	0.00%	0	0.00%	0	0.00%	19.15%	
16 - 44	4,274	58.63%	4,276	57.68%	4,592	57.97%	34.75%	
45 - 54	1,668	22.88%	1,752	23.63%	1,847	23.32%	27.54%	
55 - 64	1,159	15.90%	1,175	15.85%	1,253	15.82%		
65 and over	189	2.59%	210	2.83%	229	2.89%	18.55%	
Total	7,290	100.00%	7,413	100.00%	7,921	100.00%	100.00%	
<b>Ethnic Group</b>								
White	5,043	69.16%	5,085	68.60%	5,229	66.01%	94.77%	
Asian/Asian British	613	8.36%	668	9.01%	745	9.41%	2.69%	
Black/African /Caribbean /Black British	189	2.48%	200	2.70%	223	2.82%	0.60%	
Mixed/Multiple Ethnic Groups	46	0.60%	53	0.71%	71	0.90%	1.43%	
Other Ethnic Group	89	1.21%	108	1.46%	118	1.49%	0.51%	
Unspecified	1,310	18.19%	1,299	17.52%	1,535	19.38%	N/A	
Total	7,290	100.00%	7,413	100.00%	7,921	100.00%	100.00%	
<b>Gender</b>								
Female	5,678	77.51%	5,794	78.16%	6,150	77.64%		
Male	1,612	22.49%	1,619	21.84%	1,771	22.36%		
Total	7,290	100.00%	7,413	100.00%	7,921	100.00%		
<b>Disabled</b>								
No	2,422	32.44%	2,933	39.57%	3,242	40.93%		
Not Declared	4,782	66.47%	4,400	59.36%	4,581	57.83%		
Yes	86	1.09%	80	1.08%	98	1.24%		
Total	7,290	100.00%	7,413	100.00%	7,921	100.00%		
<b>Executive and Non-Executive Director</b>								
Female	5	45.45%	5	41.67%	6	46.15%		
Male	6	54.55%	7	58.33%	7	53.85%		

\* As at January 2016

\*\* As at 31 March

# Covers Basingstoke and East Deane, Winchester, Test Valley, East Hampshire, Hart and Eastleigh districts

## **Staff Costs**

The table below shows the staffing costs broken down by staffing groups:

<b>Category</b>	<b>Total £m</b>
Medical and dental	81
Administration and estates	44
Healthcare assistants and other support staff	36
Nursing, midwifery and health visiting staff	75
Scientific, therapeutic and technical staff	20
Healthcare science staff	6
<b>Total</b>	<b>261</b>

## **Consultancy Expenditure**

The Trust's total spend on consultancy in 2017/18 was £1,047,562 (2016/17 - £1,648,570). The majority of this expenditure relates to the final year of the agreement with Unipart Expert Practitioners, which related to a number of efficiencies programmes, including theatre and outpatient productivity.

## **Off-payroll arrangements**

The Trust had no off payroll engagements in place during 2017/18 as the Trust policy is not to engage with individuals on this basis.

## **Exit payments**

The tables below shows exit payments made in 2017/18. Staff who are eligible for redundancy payments are paid in accordance with Agenda for Change NHS Terms and Conditions.

Exit package cost band (including any special payment element)	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages	Number of departures where special payments have been made	Cost of special payment element included in exit packages
	Number	£000	Number	£000	Number	£000	Number	£000
<£10,000			7	21	7	21		
£10,000 - £25,000	1	22	2	32	3	54		
£25,001 - 50,000	2	69			2	69		
£50,001 - £100,000			1	50	1	50		
£100,001 - £150,000					0	0		
£150,001 - £200,000					0	0		
≥£200,000					0	0		
<b>Total</b>	<b>3</b>	<b>91</b>	<b>10</b>	<b>103</b>	<b>13</b>	<b>194</b>	<b>0</b>	<b>0</b>

Exit packages: other (non-compulsory) departure payment	Payments agreed		Total value of agreements £000
	Number	£000	
Voluntary redundancies including early retirement contractual costs			
Mutually agreed resignations (MARS) contractual costs			
Early retirements in the efficiency of the service contractual costs			
Contractual payments in lieu of notice	9	98	
Exit payments following employment tribunals or court orders	1	5	
Non-contractual payments requiring HMT approval (special severance payments)			
<b>Total</b>	<b>10</b>	<b>103</b>	

## Regulatory Ratings – The Single Oversight Framework

### NHS Improvement assessment of Foundation Trusts

NHS Improvement (“NHSI”), the independent regulator of NHS Foundation Trusts, stipulates certain conditions that each Foundation Trust must meet to remain in compliance with their Provider Licence. The key conditions which must be met relate to financial sustainability and organisational governance. NHSI assesses the Trust against these requirements on the basis of financial and performance submissions.

#### a) Single Oversight Framework

NHSI monitors the performance of NHS providers using the Single Oversight Framework.

The table below shows the performance in 2017/18 against the Use of Resources rating under the Single Oversight Framework.

		2017/18			
		Q1	Q2	Q3	Q4
Use of Resources Rating	Plan	3	3	2	1
	Actual	3	3	2	3

Use of Resources Rating 1-4 = Good to Bad

The Trust was in NHSI Segment 2 (1-4 = Good to Bad) for its overall standing under the Single Oversight Framework throughout the year at the year end.

## Total Year: 2017/18

Indicator	Threshold	NHSI Quality of Care Indicator	2017/18
<b>Operational Performance Metrics for NHSI</b>			
Cancer 62 Day Waits for first treatment inc rare cancers (from urgent GP referral)	>85%	NO	85.0
Referral to treatment time, 18 weeks in aggregate, incomplete pathways	>92%	NO	92.5
A&E Clinical Quality - Total Time in A&E under 4 hrs	>95%	NO	87.0
Diagnostics waiting over 6 weeks (% of total)	<1%	NO	0.94
<b>Other Metrics</b>			
Clostridium Difficile - meeting the Clostridium difficile objective	34	YES	30
MRSA	0	YES	0
Cancer 31 day wait for second or subsequent treatment - surgery	>94%	NO	97.7
Cancer 31 day wait for second or subsequent treatment - drug treatments	>98%	NO	100.0
Cancer 31 day wait for second or subsequent treatment - radiotherapy	>94%	NO	87.3
Cancer 62 Day Waits for first treatment (from consultant led screening service referral)	>90%	NO	98.9
Cancer 31 day wait from diagnosis to first treatment	>96%	NO	99.2
Cancer 2 week (all cancers)	>93%	NO	96.5
Cancer 2 week (breast symptoms)	>93%	NO	95.6

**Notes:**

1. Cancer performance the sum of all 4 quarters reported on the Open Exeter National Cancer reporting system

### Referral to treatment waiting times

Part of the Trust's objective to put patients at the centre of everything we do involves making sure that patients are diagnosed and start treatment as soon as possible. Across the entire year the Trust achieved an average monthly performance of 92.5% across the period. We achieved the Referral to Treatment incomplete pathways target (the % of

patients who are waiting less than 18 weeks) for the first 8 months of the year within 2017/18. Over the winter period performance was impacted by the severe pressure on non-elective activity faced by the Trust and the wider NHS in general.

The Trust has worked hard throughout the year to match capacity with demand to ensure that the target was achieved.

### **Cancer waiting times**

HHFT met all the national targets overall for 2017/18. It has been a challenging year in delivering cancer performance, with Trusts across England struggling to meet the '62-Day (Urgent GP Referral To Treatment) Wait For First Treatment: All Cancers' target. The Trust achieved the target in Q1, Q2 and Q4 but not in Q3. However over the year performance was delivered at a total level.

### **Diagnostic Waits**

HHFT achieved the national target patients waiting for diagnostic tests for the year. Across the entire year the Trust achieved an average monthly performance of 99.06% across the period.

### **Emergency waiting times**

Across the year we did not achieve the national waiting time target for seeing and treating 95% of patients arriving at the Emergency Department (ED) within 4 hours. We have continued to see an increasing number of patients arriving in EDs in Basingstoke and Winchester, or referred directly by primary care, who have required admission to our hospitals. In addition, a large number of patients in our hospitals who are medically fit cannot be discharged quickly because they need significant support either in their own home or in a nursing/residential home. However significant progress in the Trust was made throughout the year through improving discharges, maintaining flow through our admissions units, reducing our non-elective length of stay and reducing the level of patients in our beds who could be cared for elsewhere. Across the year the Trust saw a 5% growth in non-elective activity, and 12.5% in our Medicine beds.

Going forward, we continue with actions to sustain and embed this improved performance internally, and to work with our partners to reduce demand and to improve the availability of community health and social care. This will allow us to ensure our patients are discharged more promptly and providing us with the capacity to deal with the pressures the department faces.

### **Clostridium Difficile infection**

This target was achieved in 2017/18. The number of hospital-acquired cases for the year was 30 versus a target of 34.

## Sustainability Report

Sustainable development, understood as development that improves environmental, social and economic outcomes, must form a central part of all organisations' agenda. The NHS is no exception. The Trust recognises that by implementing principles of sustainable development, we contribute to the long term health and prosperity of people and the rest of the natural world in our local region and beyond.

Sustainable development starts with clear strategic planning. Our *Sustainable Development Management Plan (SDMP) 2015-2020* states:

*HHFT believes that sustainability and corporate social responsibility is essential to the business of providing an efficient, effective and good value health service for the future.*

SDMP includes Climate Change Adaptation section and is supported by the *Carbon Management Plan 2015-2020*. In 2018, we will look at the possibilities of proposing a Healthy Transport Plan and Sustainable Procurement Policy. We will also dedicate greater attention to sustainability factors in business cases and suppliers' impacts.

HHFT's Board Level lead for Sustainability is Donna Green, Chief Operating Officer/Chief Nurse/Deputy CEO. The principle person responsible for implementing sustainable development is Gillian Brown, the Trust's Sustainability Manager.

In the past year we have implemented several staff sustainability engagement initiatives and next year we would like to expand this area through regular trust-wide communication via the intranet, as well as holding engagement events, e.g. HHFT Sustainability Week. Our sustainability research student will also explore the possibility of implementing behaviour and practice change interventions with the aim to reduce resource use by the staff and visitors. At the moment we are reviewing the resource 'hotspots' by conducting observations around the Trust.

In terms our current employment practices, we are committed to providing the highest quality clinical and working environment where all staff, patients, visitors and contractors can be employed, cared for, welcomed, respected and treated in a consistent and non-discriminatory manner. Equality Delivery System 2, Workforce Race Equality Standard, Gender Pay Gap reports and further statements are available on: <https://www.hampshirehospitals.nhs.uk/about-us/equality-and-diversity/reporting-and-monitoring.aspx>.

The Trust believes that flexible working can benefit both the Trust and its employees. The Trust has therefore developed flexible working arrangements to enable all employees to balance work responsibilities with other aspects of their life throughout their career including supporting the transition from work to retirement. The option include, 'job sharing', 'flexi-time', 'home (tele) working', 'wind down', among others. Further information and results of the staff survey in relation to flexible working can be found in the Staff Report within this document.

We published Slavery and Human Trafficking Statement, which was approved by our board of directors on 26 May 2017. In the statement we show a zero-tolerance approach towards any form of modern slavery and human trafficking and we expect our suppliers to subscribe to the same principles. Further details and progress on this issue can be found on our website:

<https://www.hampshirehospitals.nhs.uk/about-us/publications/slavery-and-human-trafficking-statement.aspx>.

Patient and public involvement is central to planning changes to services and driving improvements within the Trust. We encourage participation through:

- developing good communications with the local community;
- providing patients and public with information to make informed choices about their care;
- working in partnership with patients and the broader community to make decisions about service improvement.

The interests of patients are also reflected within the Patient and Public Involvement Group (PPIG), which meet regularly with the Trust. In addition, we welcome adolescents between 11 and 16 years old to join the Basingstoke Hospital Youth Forum, whose feedback will help us shape children's services at Basingstoke.

The Trust is partnering with the Centre for Environment and Sustainability at the University of Surrey and is currently hosting a Practitioner Doctorate student. The project title is 'Maximising opportunities at Hampshire Hospitals to support a sustainable health and care system', which runs from September 2017 until September 2020.

We also work with the Climate Change team at Basingstoke and Deane Borough Council on establishing a Central District Heating System, which will incorporate more sustainable and resilient energy technologies, bringing social, environmental and economic benefits. The proposal is currently going through a viability assessment, results of which will be published in summer 2018. The preliminary assessment was very positive and the Trust is hopeful that the funds will be approved for the project to go ahead.

The Trust is a Member of Hampshire Public Sector Sustainable Development Group (PSSDG). The group comprises of representatives from various public sector bodies and meets twice a year for progress updates, knowledge sharing and projects discussions. The latest meeting took place on 14 February 2018, where waste, energy and transport related projects undertaken by individual members were presented.

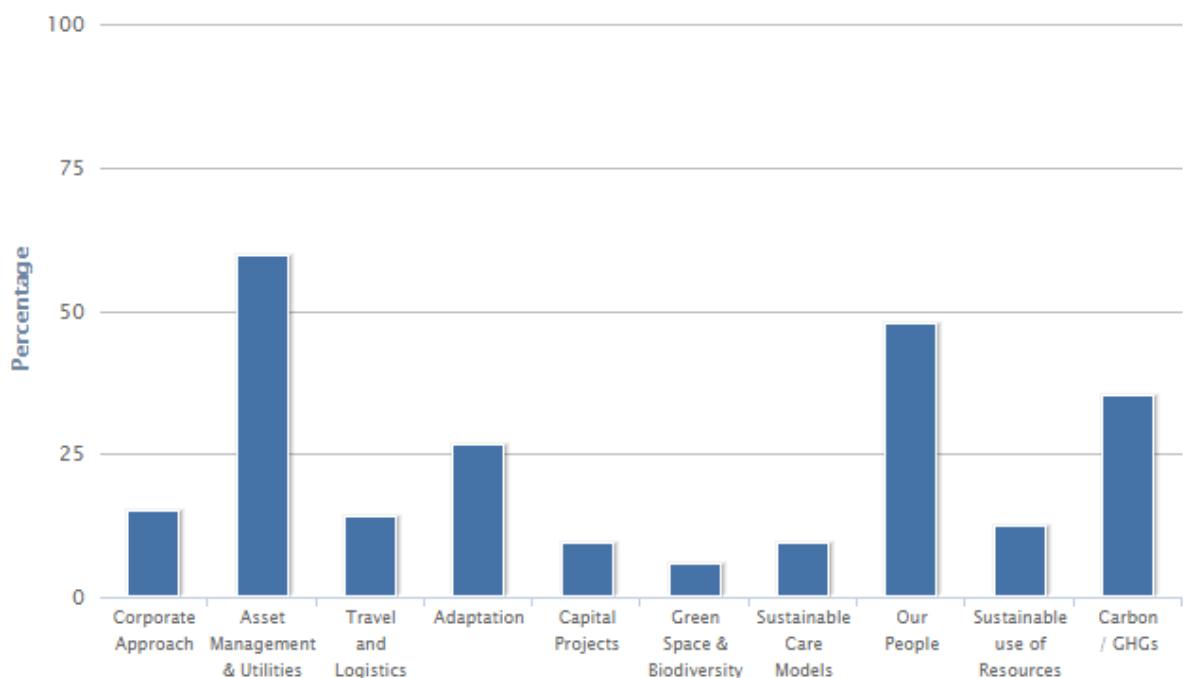
In January 2018 we joined the newly formed Winchester Sustainable Food Partnership. Its aim is to promote healthy, seasonal and sustainable food choices among people in Winchester. Among its members are representatives of charities, local businesses and the University of Winchester. Since the group is at its launching stage no initiatives have been implemented yet.

We would also like to extend our community support and engagement in the area of sustainable development. In the future we would like to initiate a joint sustainability community project and will consider the options in 2018.

### **Good Corporate Citizenship**

We participated in the new Sustainable Development Assessment Tool (SDAT) in January 2018 and achieved the overall score of 24%. The detailed scores can be seen in Figure 1 below.

*Figure 1 – SDAT module breakdown, January 2018*



*Source: SDU Health, SDAT*

Our previous Good Corporate Citizenship scores were 34% in 2016 and 30% in 2017. Although, since the change of the tool at the end of 2017, the scores are no longer comparable directly, they show that the Trust requires a systematic improvement across all modules. Plan of action addressing the modules and corresponding Sustainable Development Goals will be created in 2018.

### Sustainability performance

Waste		2014/15	2015/16	2016/17	2017/18
Recycling	(tonnes)	244.00	244.00	416.00	413.00
	tCO <sub>2</sub> e	5.12	4.88	8.74	8.99
Other recovery	(tonnes)	1193.00	1193.00	1534.00	1855.00
	tCO <sub>2</sub> e	25.05	23.86	32.21	40.36
High Temp disposal	(tonnes)	238.00	238.00	0.00	0.00
	tCO <sub>2</sub> e	52.36	52.12	0.00	0.00
Landfill	(tonnes)	246.00	246.00	115.00	0.00
	tCO <sub>2</sub> e	60.13	60.13	35.65	0.00
Total Waste (tonnes)		1921.00	1921.00	2065.00	2268.00
% Recycled or Re-used		13%	13%	20%	18%
Total Waste tCO <sub>2</sub> e		142.66	140.99	76.60	49.35

## Energy

The Trust is actively participating in energy efficiency and reduction initiatives. In the past year we have:

- Approved instalment of LED lights across all three hospitals, completion planned for June 2018;
- Approved plans to introduce an Energy Management System, which will allow the Trust to measure consumption more accurately;
- Encouraged proposal for BNHH District Heating System (see section ‘Partnerships’)
- Hold monthly HHFT Energy Group to discuss progress and new projects;
- Reviewed the best value and utility proposal to install solar panels on the roofs across the Trust;
- Surveyed to insulate plantroom pipework at our Basingstoke site to reduce heat loss.

## Water

	2014/15	2015/16	2016/17	2017/18
m <sup>3</sup>	198,355	198,838	201,777	201,890
tCO <sub>2</sub> e	181	181	184	184
	£ 372,974	£ 336,271	£ 328,152	£ 291,263

Our water consumption has been going up marginally which corresponds with the increase in hospital activity. We are monitoring our water consumption, however, we do not undertake water-related projects, as it forms a very small part (less than 1%) of our overall carbon emissions.

## Business travel

Category of travel	Mode	2014/15	2015/16	2016/17	2017/18
Patient and visitor own travel	miles	27,849,591	28,577,590	29,641,507	30,246,526
	tCO <sub>2</sub> e	10,232.76	10,334.68	10,712.75	10,777.59
Staff commute	miles	4,881,858	4,906,834	5,052,938	5,222,878
	tCO <sub>2</sub> e	1,793.74	1,774.49	1,826.18	1,861.04
Business travel and fleet	miles	2,161,063	2,011,610	1,878,959	1,614,903
	tCO <sub>2</sub> e	795.19	728.86	679.46	574.00
Active & public transport	miles	241,164	269,092	235,645	218,183
	tCO <sub>2</sub> e	25.79	27.56	25.77	22.83

## **Sustainable Development Management Plan (SDMP)**

The Trust has a Board approved SDMP, which ensures that our organisation fulfills its commitment to conducting all aspects of its activities with due consideration to sustainability, whilst providing high quality patient care.

We considered both the potential need to adapt the organisation's activities and its building and estates as a result of climate change. Adaptation to climate change will pose a challenge to both service delivery and infrastructure in the future. It was therefore appropriate that we consider it when planning how we will best serve patients in the future.

Sustainability issues are included in our analysis of risks facing our organisation. NHS organisations have a statutory duty to assess the risks posed by climate change. Risk assessment, including the quantification and prioritisation of risk, is an important part of managing complex organisations.

In addition to our focus on carbon, we are also committed to reducing wider environmental and social impacts associated with the procurement of goods and services. This is set out in HHFT's policies on sustainable procurement.

## **Travel Plan**

The Trust is reviewing its Travel Plan to promote sustainable modes of transport.

As part of our new Healthy Travel Plan (coming Spring 2018) we are aiming to reduce car travel during staff commute and encourage public transport use and cycling. Emissions from business travel (own and grey fleet) have been falling steadily, which can partly be due to the introduction of the staff minibus service between two of our sites. We are also improving the estates fleet by introducing electric vehicles (cars / vans / transits) and electric charging points in the next financial year.

## **Procurement**

The Procurement team considers environmental and social impacts of products and services on a case by case basis. Where a concern over a particularly high impact occurs, the Trust's Sustainability manager is consulted before final decision is made. The suppliers' adherence to the legislation is checked during the quarterly review meetings or through a request for the management information data. All procurement contracts follow the standard NHS terms and conditions, including Modern Slavery Act 2015 and Public Services (Social Value) Act 2012. Individual monitoring of supplier's practices is not carried out.

The Trust aims to foster social and environmental value in the local community, e.g. when procuring food. Our vegetables come from an independent family company, owned and operated by its founders. Their produce is sourced daily from New Covent Garden Market in London from local growers when available. The meat is sourced from the local butchers based in Hook, Hampshire. In the future we aim to expand this agenda into procurement of non-clinical goods, where possible. For example, in 2018 the Trust will introduce Warpli, an online platform that will encourage reuse and trading of used items, which will reduce procurement spending, waste and transport associated with them.

## CHAPTER 9

### Statement of Accounting Officer's Responsibilities

#### Statement of the Chief Executive's responsibilities as the Accounting Officer of Hampshire Hospitals NHS Foundation Trust

The NHS Act 2006 (the "Act") 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's Memorandum issued by NHS Improvement.

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

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

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

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

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

Signed.....Alex Whitfield..... Date.....25/5/2018.....

Alex Whitfield - Chief Executive

## CHAPTER 10

### 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 Hampshire Hospitals 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 Hampshire Hospitals NHS Foundation Trust for the year ended 31 March 2018 and up to the date of approval of the annual report and accounts.

#### Capacity to handle risk

##### Leadership of risk management

The Board of Directors has overall accountability for the Foundation Trust's risk management strategy. The Foundation Trust's Chief Medical Officer is the executive lead for risk management, and is supported by a risk management team within the governance function. The Chief Operating Officer is accountable for the development, implementation and testing of the Foundation Trust's business continuity plan. The Foundation Trust operates a unified approach to clinical and non-clinical risks, which are recorded on a computerised risk register. The Board of Directors has established an Audit Committee and a Risk Committee to monitor arrangements for audit and governance. The Board has divided Governance responsibility as follows:

- Risk Committee to review and assess our risk management processes and highlight key risks to the Board;
- Clinical Quality and Safety Committee to review in detail clinical safety and effectiveness and initiate learning and feedback;
- Audit Committee to assess internal controls and financial rigour

The Board itself is responsible for the Annual Governance Statement and for the co-ordination of the activities of the three Committees.

## **Staff and risk management**

We are committed to enabling good practice to be developed and disseminated throughout the organisation through:

- individual appraisal and personal development planning for all staff;
- risk management training, including bespoke training for departments and teams based on local needs;
- policies that encourage reporting and investigation of adverse incidents and near misses;
- root cause analysis of problems and incidents, and creating a culture which avoids 'scapegoating';
- policies and procedures which help managers identify and remedy problems at an early stage;
- mechanisms which encourage and enable staff to address issues and concerns about their performance in non-threatening ways, e.g. appraisal, substance abuse policies, counselling and occupational health (Health for Work) services;
- clinical and non-clinical audit;
- feedback on learning and good practice via a monthly governance newsletter;
- learning is also shared across the divisions through the divisional governance leads and their participation in the monthly governance forum
- the cascade of SERG learning points i.e. learning points and their application, from Serious Incidents reviewed at the Trust Serious Event Review Group (SERG)
- sharing learning and quality improvements through the Trust Patient Safety, Experience and Effectiveness Group (PSEEG)

All staff are given information about risk management and training as part of their induction, and kept up to date through staff briefings and the Governance Team pages on our intranet.

## **The risk and control framework**

### **Risk management strategy**

The Trust's risk management structure and approach to managing its risks is set out within a single document, the Risk Management Framework, comprising staff responsibilities for risk management, risk assessment and scoring, use of the risk register, and strategy implementation.

The Risk Committee is a sub-committee of the Board of Directors and reviews risk management processes and carries out functions of supervision, oversight and monitoring of risks faced. The Committee considers the risk appetite of the Foundation Trust, looking at risk categories including clinical, operational, financial, strategic, reputational, commercial and other relevant risks.

The Risk Committee reviews the individual Divisional risk registers and the overall Trust Directors' risk register as prepared by the executive team. The Divisional Medical Director and Operational Director for each division attend the Risk Committee once a year to present their Risk Register and the mitigating action plans.

The Risk Committee also looks forward to identify future potential risks and necessary mitigating actions. The Risk Committee reviews the annual Board Assurance Framework which focuses on the main risks to the organisation's annual business plan being achieved, and challenges the prioritisation and mitigating action plans.

The Risk Management Framework provides the mechanism through which risks and control measures are reported within the organisation, through the Risk Committee to the Board of Directors. It also identifies the internal and external processes in place to assure the Board that the control measures are working effectively. These assurances, plus other internal and external evidence, inform the annual statement of internal control.

The Risk Management processes are managed and facilitated by the Governance function with responsibility devolved to individual divisions and departments for their active participation in the processes.

### **Risk Appetite**

The risk appetite is discussed and reviewed by the Risk Committee. The Trust will continue to be risk averse in all matters relating to clinical safety and regulatory and legal requirements. In all other matters we will take prudent, well considered risks with a view to securing our objectives.

### **Risk Strategy**

#### **Risk Management**

Risk management is an integral function of the organisation, from risk management in divisions through to the Risk Committee, Audit Committee, Executive Committee and Board of Directors.

The Risk Management Framework is integrated alongside other strategies, e.g. our Equality and Diversity Strategy. Equality Impact Assessments ensure that policies and processes are assessed to identify the real or potential risk of detrimental impact on individuals or groups.

The Trust's governance team have prepared a guide to risk registers to bridge the gap between the Framework and more detailed standard operating procedures, setting out how risk owners and divisional governance leads should update the Datix risk management system, which provides common reporting and analysis of risks and a consolidation of management information.

Each divisional risk register is presented to the Risk Committee on a rotational basis, with each register reviewed once per year by the Committee. In addition, business unit risks are reviewed by divisional management at monthly performance meetings, and divisional health and safety risks are scrutinised at the Trust Health and Safety Committee.

The Trust's risks registers and Board Assurance Framework (BAF) include gross (initial) risks ratings, as well as net (current) ratings that take into account the controls in place that mitigate the risks. In each meeting the Risk Committee reviews these registers and progress on mitigating actions.

Risk management is also embedded in the Foundation Trust through our use of an online incident reporting system which supports the timely, easy reporting of incidents. Incidents are reviewed and acted upon at divisional level and our Serious Event Review Group (SERG) has a role in ensuring consistent reporting and monitoring of actions following serious incidents. Monthly data quality audits carried out by the governance team also supports improving the quality of information. The learning from incidents is shared from SERG through a "Learning Points" bulletin which is circulated through the Trust in the Midweek Message and governance newsletter "Quality Matters". They are also shared by the Chief Executive at the monthly "In Touch" sessions for all staff. Health and Safety

risks are reviewed at the Trust Health, Safety, and Risk Committee which is attended by the Chief Medical Officer and reported to the Risk Committee.

We promote learning and support an open culture in relation to incident reporting and learning and the efficacy of this is monitored through regular patient safety walkarounds by executive and non-executive directors. A bespoke piece of work was carried out in 2017/18 with a cohort of NHS Graduate Scheme trainees and alumni who engaged with frontline staff to test their knowledge of incident reporting and gather feedback about the process and identify improvements. The findings reported were that staff were aware of how to report incidents, were not afraid to do so and they received feedback when they had reported them. The Chief Executive also included information about incident reporting in the “In Touch” sessions during 2017/18.

### **Quality Governance**

Quality governance is delivered across the organisation through an integrated approach. The quality governance arrangements for the Foundation Trust that were originally developed using the Monitor Quality Governance Framework are now reviewed against the Well Led Framework and 8 key lines of enquiry. An independent review has been commissioned and is underway using this framework.

The central governance function is led operationally by the Associate Director of Governance who is accountable to the Chief Medical Officer and is supported by three Associate Medical Directors, each a clinician, with an interest in patient safety, clinical effectiveness, patient experience and delivering high quality care. The clinical divisions have a monthly divisional governance meeting and clinical governance is reviewed corporately at the Clinical Quality and Safety Committee which reports to the Executive Committee and includes Executive and Non-Executive Directors in its membership. The quality lead for the North Hampshire Clinical Commissioning Group also attends the Clinical Quality and Safety Committee.

In 2017/18 the Patient Safety, Experience and Effectiveness Group (PSEEG) has been introduced to ensure that there is a robust forum for driving quality improvements in terms of patient safety; sharing learning from effective clinical outcomes and monitoring compliance. It is also the main forum to focus on learning and improvements in relation to patients experiences. The PSEEG is chaired by an Associate Medical Director for Governance. Learning from deaths identified through the mortality surveillance group is also shared through this group.

The Directors receive a monthly governance report which includes a quality scorecard and reviews of key elements – patient safety, clinical effectiveness and patient experience. The governance report also includes information to demonstrate compliance with the CQC registration requirements. Clinical governance and data quality are a key part of the monthly divisional performance review at Executive Committee.

The Well Led Governance Framework has been used to assess overall quality governance within the Foundation Trust. The elements of the framework are reviewed at the Trust Clinical Quality and Safety Committee.

Risks to data security are identified through the established risk management processes at departmental and divisional level as well as Trust wide through the roles of Caldicott Guardian and the Information Governance Manager. The Caldicott Guardian is a Consultant Haematologist who is also the Chief Clinical Information Officer and is supported by the Information Governance Manager.

Incidents and near misses in relation to data security are reviewed by the Information Governance Manager and Serious Incidents Requiring Investigation (SIRIs) are reviewed at the Trust Serious Event Review Group (SERG). They are also reported to the Board of Directors and the Executive Committee in the Governance paper.

### **Management of major risks, in-year risks and future risks**

For 2017/18 the most significant risks in year were identified in the Board Assurance Framework as:

- if we do not maintain an appropriate skilled and engaged workforce, operating under one unified organisation-wide culture then this may lead to a failure to deliver our vision of a single service across multiple sites, poor care for our patients and dissatisfaction amongst staff
- if we do not deliver our strategic plan then this may result in an inability to maintain organisational stability
- If we do not meet our regulatory and contractual responsibilities then this will impact on the quality of our services, our reputation and financial stability
- If we do not maintain and develop our major capital assets (estate, medical and non-medical equipment) then there may be unacceptable clinical, regulatory and financial consequences
- If we do not achieve our cost improvement and productivity plans then we will be unable to meet our financial challenges
- if we do not meet quarterly financial control total targets then the Trust will lose sustainability and transformation funds (STF)
- if there is a disruption to Trust core services due to a cyber-attack, major incident, fire or other untoward event then the Trust will be unable to provide safe and effective care

### **Management of information risks**

We have a comprehensive structure and process in place to identify and manage information risks. The Chief Executive Officer has Board responsibility for information risk and is supported by the Caldicott guardian. The Information Governance Manager supports the Chief Executive with the co-ordination and monitoring of progress against the Information Governance Toolkit and the action plan. The Information Governance Manager is a member of the Finance and IT department, and is accountable to the Chief Finance Officer and SIRO.

Annual surveys are used to identify risks to information systems and business continuity; this process links to our risk register. During the year a new risk was introduced following the national cyber security attack. There was no change to the target risk exposure of the risk related to accelerating the adoption of technological transformation, and the Trust was successful in becoming a fast follower in the IT Digital programme with partners Southampton University Hospitals NHS Foundation Trust.

Hampshire Hospitals NHS Foundation Trust Information Governance Assessment Report overall score for 2017/18 was 71 per cent and was graded 'Satisfactory'.

Each year, Hampshire Hospitals NHS Foundation Trust must report our Information Governance compliance by completing the IG Toolkit hosted by the Health and Social Care Information Centre

(HSCIC). This report assesses the Trusts annual performance against national standards which includes; Information Governance Management, Confidentiality and Data Protection Assurance, Information Security Assurance, Clinical Information Assurance, Secondary Use Assurance and Corporate Information Assurance.

The Information Governance Training Strategy has been refreshed for 2017/18 to incorporate the success of the IT based approach to the delivery of Information Governance training, supported by bespoke face to face training. Despite a period of time without a permanent Information Governance Manager the governance team have continued to provide training to ensure that the achievements made are maintained and sustained for 2017/18. The overall monitoring of training compliance is through the Divisional Performance Reviews and the Executive Committee structures.

### **Patient and public involvement in risk management**

The Patients' Voice Forum meets regularly with key members of our staff to exchange information and discuss concerns.

The Patient Voice Forum members undertake patient satisfaction surveys and visits to wards and departments and carry out assessments of the care environment. They gather valuable feedback about patient experience as well as identifying concerns and potential risks.

The forum members use their experience and feedback when they participate in our value based recruitment process and when reviewing access across the Trust hospitals sites.

We liaise closely with the Council of Governors over matters of risk and strategy. Three joint meetings a year between the Board of Directors and Council of Governors discuss issues such as the annual plan and longer-term strategy. All of these discussions include reference to risks and how they are being managed.

Governors' working groups for specific subjects, such as patient experience and membership, discuss relevant risk issues, as do individual Governors on their visits to wards and departments.

### **Other risk issues**

The Foundation Trust is not fully compliant with the registration requirements of the Care Quality Commission.

A number of compliance actions identified by the CQC when they carried out a planned Hospital Inspection in July 2015. Immediate action was taken to achieve compliance and at the Quality Summit in December 2015 help and support was promised by stakeholders, to achieve the improvements required that were outside of the direct control of the Trust. The Trust has not achieved compliance with the 4 hour Emergency Department target and continues to work with partners to improve patient flow and prevent hospital admissions.

In response to the decision not to proceed with the development of a Critical Treatment Hospital risks have been identified and they include risk to the ability to attract and retain excellent clinical staff. There are also risks to governance with the potential reduction of organisational size and critical mass for clinical expertise and the risk to achieving a reduction in demand.

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 effectiveness of governance structures**

We have an integrated approach to governance and consider the three elements of quality governance (patient experience, patient safety and clinical effectiveness) performance and finance together. There are structures within the three clinical divisions for integrated governance and these flow through to the Executive Committee and the Board of Directors.

Reporting within the monthly governance paper to the Board of Directors and the Executive Committee includes quality and performance measures.

The Associate Director of Governance chairs the monthly forum with divisional governance leads to support integrated governance and the Chief Medical Officer has appointed Associate Medical Directors with links to governance, specifically patient safety, clinical effectiveness and patient experience, to provide clinical leadership replicated across the divisional structure.

The trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

### **Review of economy, efficiency and effectiveness of the use of resources**

We have control processes in place to ensure the economic, efficient and effective use of resources:

- Expenditure budgets are prepared as part of annual business planning, and are reviewed and challenged by the Executive Committee and Board of Directors;
- Headcount and pay budgets are reviewed against national benchmarks, and challenged through peer review and by the Executive Committee;
- Recruitment (including replacement) of consultants requires a business case which is reviewed and approved by the Executive Committee;
- Pay and non-pay expenditure is rigorously and regularly reviewed against budgets and forecasts. Significant variances are explored to understand the causes and address any underlying issues;
- Purchase orders are required for all non-pay expenditure;
- All spending requires sign-off by increasingly senior management as the transaction value increases. Sums up to £50,000 require associate director approval; up to £250,000 require Executive Director approval; up to £500,000 require CEO approval and those above £500,000 require review and approval by the Board of Directors;
- A service line reporting tool tracks and reports upon the profitability of clinical specialties.

A programme of internal audit activities reviewed the underlying systems and controls and reached the overall conclusion that Significant Assurance can be given that there is a generally sound system of internal control on key financial and management processes.

### **Information Governance**

HHFT reported 2 incidents to the Information Commissioner's Office (ICO) in 2017/18. No further action was required.

HHFT received 1 ICO notification for breach of the Data Protection Act as it failed to satisfy a subject access request submitted on the 27 June 2017. HHFT responded to ICO with the actions taken on 24 January 2018.

### **Annual Quality Report**

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

We have taken steps to ensure the Quality Report provides a balanced view and that there are appropriate controls in place to ensure the accuracy of data. We have achieved this through governance and leadership, policies, systems and processes, people and skills, data and reporting as described below.

#### **Governance and leadership**

The Quality Report was developed as part of the Annual Reporting process, led by the Chief Executive Officer. The production of the Quality Report was led by the Chief Medical Officer (CMO), the executive lead for governance. The CMO sponsors the monthly Governance Report to the Board of Directors and Executive Committee.

Throughout the year the Governance Report includes the quality scorecard which incorporates patient safety, clinical effectiveness and patient experience measures. Each measure reported is also assessed for the level of data quality. The quality scorecard is provided monthly and is reviewed by the Executive Committee as well as the Board of Directors and includes data that is shared with commissioners as part of the contract reporting process. The quality scorecard is reviewed annually and refreshed to ensure that it reflects the priorities identified for the year.

Planning for the Quality Report has taken place throughout the year to ensure that the Quality Report includes quality initiatives taking place within the year. Learning from the production of the Quality Report from previous years was used to support engagement and data quality improvement. A joint Board of Directors and Council of Governors workshop was held to discuss the quality priorities for 2018 and beyond building on the workshop the previous year where priorities were identified for a 2 year period. At the workshop it was also agreed which quality indicator would form part of the auditors testing for the quality report assurance. Information and feedback from incidents, complaints and surveys as well as contract requirements and national quality initiatives were also used in this process. The Board of Directors received regular feedback on the progress of the quality priorities.

The monthly Governance Report to the Board of Directors also includes feedback from the Patients' Voice Forum and the Patient Experience Group which also informed the quality indicators. Results from audits have also contributed to the provision of data for this report.

### **Policies**

The Policy Approval Group is chaired by an Associate Medical Director of Governance and supported by the governance team. The policy approval process ensures that there is consistency of approach across the Foundation Trust and the process requires engagement from a wide range of staff. This involvement supports the successful implementation of the policies and raising awareness across the Foundation Trust to ensure the delivery of high quality care.

There are a number of work streams in relation to the Patient Safety Strategy and the Risk Management Strategy which have also contributed to the quality of care delivered and reporting in the Quality Report.

These policies and plans from the work streams provide a framework to support the delivery of high quality care.

### **Systems and processes**

The Associate Director of Governance has taken the lead in developing the Quality Report with input from the Associate Medical Directors for Governance. The report has been developed through internal review of the data and documents and gathering comments from the executive lead and executive team. There has been an external review of two indicators. The Trust has identified discrepancies in the recording of data for the indicators reviewed as part of its external audit. The testing of the A&E maximum waiting time indicator identified issues of inconsistency relating to the recording of ambulance handover time for patients attending Accident and Emergency at the Royal Hampshire County Hospital. Also identified were issues relating to the accurate recording of the entry into treatment time for patients on the 18 week referral to treatment pathway.

As a result of these issues, it was concluded that the external auditors were unable to test sufficiently the percentage of incomplete pathways within 18 weeks and four hour accident and emergency waiting time indicators for the year ended 31 March 2018. Once the inconsistency in data was discovered immediate actions were taken to correct the process to prevent a reoccurrence such as this. The efficacy of the changes will be monitored and audited.

### **People and skills**

The internal review of the Quality Report has been carried out by members of the governance and performance teams who have the appropriate skills to analyse and review the data provided. These individuals include the Associate Director of Contracting, the Risk and Compliance Manager and the Patient Experience and Volunteer Services Manager.

### **Data use and reporting**

Data from a variety of sources is used in the monthly Governance Report to the Board of Directors and is incorporated in the quality metrics. The data and the methods of collection are subject to

internal review and validation by members of the Governance team and others with specialist knowledge as required, e.g. Consultants and Clinical Leads. The data used includes data and reports used in contract reporting to the Clinical Commissioning Groups and Specialist Commissioners.

The utilisation of the most appropriate, skilled personnel in the process of data collection, analysis and reporting ensure that not only is there a consistent approach to data handling but the findings and implications are investigated appropriately, actions taken and results shared.

### **Review of effectiveness of internal control**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the Quality Report attached to this Annual Report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee, by the Risk Committee and by the Clinical Quality and Safety Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Board of Directors reviewed organisational risks quarterly via the Board Assurance Framework. A monthly governance report to the Board of Directors presented qualitative and quantitative data on patient safety, clinical effectiveness and patient experience. The Risk Committee also reviewed high level operational risks and risk management.

The Internal Audit Programme was developed by the Executive Directors in conjunction with the internal auditors, PwC, who performed a risk based assessment to inform the areas to be reviewed. The Internal Audit Programme was subsequently reviewed by the Audit Committee and the Board.

During the year, reviews were performed in the following areas:

- Risk Management;
- Recruitment and Retention of Staff and Agency Costs;
- Business Continuity Management;
- Information Governance;
- Key Financial Systems;
- IT Audit – Asset Management;
- Information Governance;
- Productivity.

Recommendations arising from these reviews were agreed with management and follow-up actions were monitored by the Audit Committee.

The Committee considered the financial control environment including financial budget and control processes and authorisation procedures, and concluded that in its opinion they are effective and appropriate for our organisational scale and they key risks faced by the Foundation Trust.

Other review and assurance mechanisms included monthly contract meetings with our main commissioners and a monthly meeting at which the quality components of contracts were discussed and actions agreed. These meetings provided an opportunity to review performance and share information about service improvements.

The Executive Committee performed detailed reviews of financial and clinical activity performance. During the year, a major action plan was undertaken to support improvement in A&E waiting times, and the Executive Committee was also aware of actions to maintain the other core clinical standards.

A Serious Event Review Group met monthly to monitor the progress of actions from serious incident reviews and ensure that learning is shared across the organisation.

We also received statements from our external auditor on their audits of the Financial Statements and the Quality Report. As noted in the Statement of Quality within the Quality Report, inconsistencies were identified with regard to the recording of ambulance handover times at one of the Trust's sites and some inaccuracies in the entry into treatment times for the 18 week Referral To Treatment indicator. Immediate actions were taken on discovery of these issues to ensure that the consistent procedures are applied to reporting on the Winchester site as it is in Basingstoke and there will be auditing and monitoring. This will be reported on to the board of directors.

### **Head of Internal Audit Opinion**

The Trust's internal auditors, PwC, have issued their opinion that the adequacy and effectiveness of governance, risk management and control is generally satisfactory with some improvements required, following a number of internal audits conducted during the year. The opinion given recognised that the Trust has acknowledged the issues identified and has plans to address them.

### **Conclusion**

Although the internal controls are generally satisfactory, the Trust recognises that performance against ED targets needs to be improved sustainably.

Signed.....

25/5/2018

Chief Executive

Date:

## CHAPTER 11

### Quality Report

#### Part 1: Chief executive's statement

This is the 2017/18 Quality Report for Hampshire Hospitals NHS Foundation Trust. We provide hospital services across multiple sites including Andover War Memorial Hospital, Basingstoke and North Hampshire Hospital and Royal Hampshire County Hospital in Winchester.

This Quality Report for 2017/18 provides an overview of our achievements in relation to improving patient safety and clinical outcomes and how we have responded to feedback about the experiences of our patients.

This Quality Report also reports our progress on the quality priorities identified last year and sets out the focus for improvement in the coming year.

Along with much of the NHS, we have experienced an extremely busy year and I am enormously proud of our staff at HHFT and the care and compassion they have demonstrated to patients, their families, carers and to each other. This has been evident through the many WOW Award nominations individuals and teams have received from members of the public. These nominations often site the kindness, compassion and support which our staff provide at times of crisis. They are heart-warming to read. Staff support for one another is also very evident, and was most dramatically demonstrated in March 2018 during the snow storms, when colleagues demonstrated our Trust values in supporting one another with lifts to and from work and with accommodation and meals.

As part of our work to improve patient safety we have been using simulation training to improve medication safety in critical care. The in-situ, scenario based training focuses on all aspects of medication safety and includes drug and fluid prescription, preparation as well as administration. This was introduced in response to an increase in the number of datix incident reports containing details of drug errors on both intensive care units of our Trust and has been a significant factor in our improvement in medication management.

Our Hyper-Acute Stroke Unit received an A rating in the most recent Stroke Sentinel National Audit Programme (SSNAP) audit which measures the quality of stroke care for patients, demonstrating the teams commitment to clinical effectiveness.

In order to ensure that our services are responsive to patients needs the Non-Elective Transformation Team within the trust worked with staff to develop the Exemplar Ward Project, as part of the Consistency of Care Programme. The collaborative working between staff included the introduction of the SAFER patient care bundle which focuses on the patient receiving early senior clinical reviews to plan and progress their care, on having clear clinical criteria for discharge, and clarity around when a patient should expect to go home from hospital. This has resulted in a reduction in our length of stay and in the number of long stay patients in hospital.

Staff in the gynaecology and obstetrics department at RHCH were recognised for their leadership when they were recognised as one of the top Trusts in the country for Gynaecological surgery training. The team were presented with a certificate from the Royal College of Obstetrics and Gynaecology (RCOG), who collected results from a nationwide survey asking junior doctors about the quality of training they received while on placement.

In June 2017 we have celebrated the positive impact our loyal volunteers have on the experience of patients at our hospitals with tea parties on all 3 of our hospital sites.

There are still a number of things that we can improve. We are working with partners to improve our performance for patients waiting in the emergency departments, and we need to improve our data quality around the emergency department waiting times and our referral to treatment times. Our new Director of People is working with our staff to ensure we are as engaged with them as we can be and are recognising and utilising the talents we have. We are also refocusing the work we are doing with patients about their experiences at our trust.

There are things that we can improve and in addition to working with partners to improve our performance for patients waiting in the emergency departments, our new Director of People is working with our staff to ensure we are as engaged with them as we can be and are recognising and utilising the talents we have. We are also refocusing the work we are doing with patients about their experiences at our trust.

As we look forward to 2018/19 reflecting on the many achievements of 2017/18 I am reminded of the impact our staff have every day on the patients we serve. I receive wonderful letters of thanks from people whose lives have been changed by our compassionate and caring colleagues. One of the quotes from a mum was to say that their son had been treated as a "precious human being". I feel privileged to work alongside such amazing colleagues and I hope you enjoy reading about all the things we have done to improve quality of care, and all our plans to improve things still further.

A handwritten signature in blue ink that reads "Alex Whitfield". The signature is fluid and cursive, with "Alex" on the first line and "Whitfield" on the second line.

Alex Whitfield  
Chief Executive

## **Part 2: Priorities for Improvement and statements of assurance from the Board**

### **2.1 Priorities for Improvement**

#### **2.1.1 Performance against 2017-2018 quality improvement priorities**

##### **Priority 1**

**We said we will participate in programmes to improve the care of frail elderly patients across HHFT**

(Patient Experience / Caring)

We said that we would achieve this by continuing to develop the **frail elderly pathway** and identify specific improvement measures for the second year. In year one, we said that we would reduce multiple patient falls in one episode of care.

We have achieved this quality priority.

The Trust has made significant progress against the frailty agenda for patients admitted to the two acute hospital sites in Basingstoke and Winchester. We now have Integrated Frailty Intervention Teams (IFIT) led by frailty matrons based on both of these sites and have seen improvements against identified metrics such as a reduction in the length of stay for frail older patients and an increase in discharges within 72 hour

##### **Reason for choice:**

This was identified as an important piece of work for the trust and linked with the strategic objective to improve patient flow and patient experience and achieve the 4 hour target, through providing a tailored frail elderly care pathway.

70% of our inpatient hospital admissions are patients over the age of 75 who are at risk of being or becoming frail. The evidence suggests that if interventions are started earlier in the patient's pathway and a comprehensive geriatric assessment started within the first 2 hours of arrival at hospital, patient outcomes are improved and the risk of the patient deconditioning is significantly reduced. The IFIT have embedded themselves at the front door of both hospitals assessing patients on arrival into the emergency department (ED) and ensuring an appropriate plan of care is put in place at the beginning of the patient's journey.

##### **Monitoring, measuring and reporting:**

The performance against this quality priority has been reported on monthly at the departmental performance review meetings, where the measures below have been monitored and actions required discussed and agreed.

#### **Metrics used to measure success:**

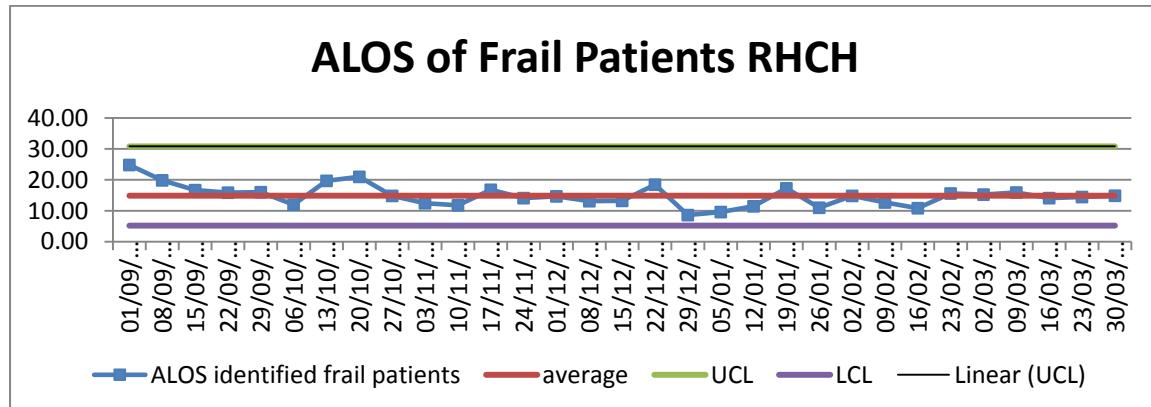
- Reduction in length of stay for frail older patients
- Increase in discharges within 72 hours
- Reduction in stranded patients
- Increase in comprehensive geriatric assessments completed and patients screened for frailty
- Multiple falls metric

The development of the pathway has been supported by local commissioners and progress has also been reviewed at the Frailty Steering Board.

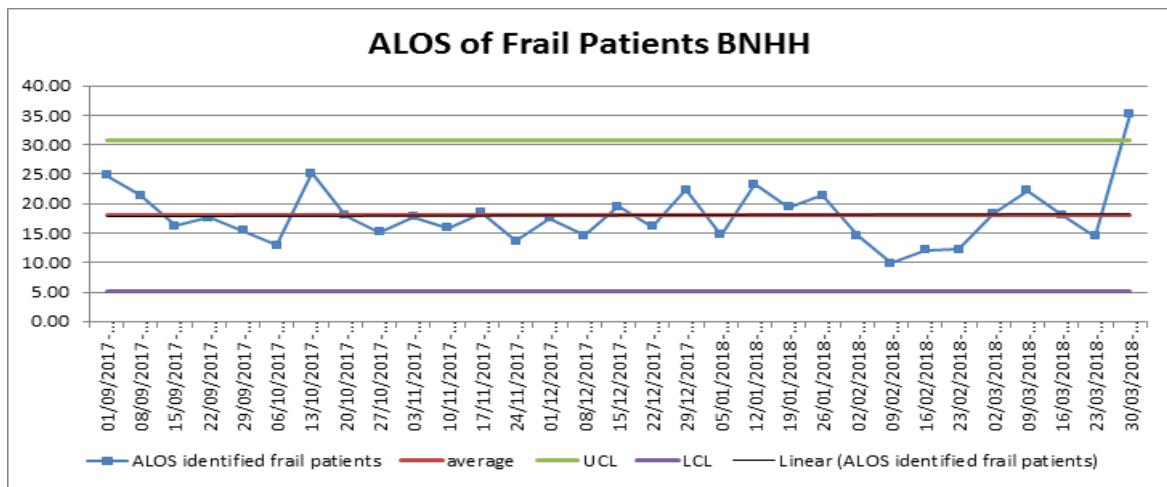
#### **Achievements:**

- Reduction in the length of stay (LOS) for frail elderly patients

Of the two main hospital sites the RHCH average LOS has reduced from 10.1 days in March 2017 to 9.1 days December 2017. The average length of stay in January and February 2018 returned to 10.1 days due to winter pressures. However the graph demonstrates the potential to be realised is 9.1 days which is in line with national average. This is the mean average for all patients over 75. The median average for frail patients is 5 days (range 0:137).



The average LOS of frail patients in Basingstoke is shown in the graph below. We have seen a reduction in LOS during 2017/18. The average LOS (mean) is 14 days and median is 7 days range 0-146. One of the reasons for a higher Average LOS is the increased number of bed moves on the BNHH site. The spike in March is due to 9 patients being discharged who all had a LOS of over 20 days.



- Increase in discharges within 72 hours

There has been an increase in the number of patients who have been discharged between 0-3 days and 40% of frail patients are discharged within 72 hours.

- Stranded patients over the age of 75 years

The number of stranded patients reduced during the summer as a result of early screening. However, the number of patients stranded aged over the age of 75 years increased during the winter slightly and we are working to reduce this.

Overall the number of stranded patients aged over 75 years on the BNHH site reduced from 131 in April 2017 to 119 in February 2018.

- Screening patients for frailty, Comprehensive Geriatric Assessment (CGA), readmissions and falls

Since August 2017 a total of 1,186 patients have been screened on the RHCH site using the Rockwood tool. Before this date no patients were screened for frailty and no CGA's were completed on any patients. Out of those 1186 patients 977 have been identified as having a positive frailty score, 961 have had a CGA started within 1 hour.

BNHH recorded 500 patients being screened for frailty between Sept 16 and March 17. Since March 17 we have screened 2228 using Rockwood tool. Out of those 2228 patients 1200 have screened positive for frailty and 571 CGA's were commenced within 1 hour.

Trust Readmission rates for frail patients have reduced from 3.55 per month in 2016 to 3 per month in 2018.

The number of falls has remained static for elderly care patients for 2017/2018, although there is a downward trend in numbers of patients who are falling multiple times. And the percentage of falls which are part of multiple falls groups is also reducing.

## **Priority 2**

(Patient Safety / Safe)

### **We will reduce unnecessary bed moves for non-clinical reasons**

We said that we would reduce unnecessary bed moves for non-clinical reasons and we would reduce **unnecessary bed moves for non-clinical reasons** and the number of patients cared for as outliers over a 2 year period by focusing on key groups in year one:

- Dementia sufferers
- Patients with a learning difficulty
- Patients with a mental health problems

We did not achieve this quality priority during 2017/18.

The project aim to reduce bed moves overnight is a two year project. While it is disappointing that in year 1 there has been no discernible reduction in the number of moves that occur, it is possible to see an improvement during the latter part of, and immediately after the 'Action' weeks. In both October and January, performance was markedly improved during the events and maintained improvement for some days afterwards. This reduction in pressure can be seen in the decrease in bed moves during that month, and the following month. This shows that it is possible to reduce bed moves, but more work needs to be undertaken to tackle the root causes.

As part of the work to achieve this quality priority audits were carried out in July 2017 and January 2018. These demonstrated the key challenges faced by the organisation in reducing out of hours (OOH) bed moves, and helped to identify actions required to make the necessary improvements.

We know that on average there are 2-3 patient moves each night on the two main hospital sites. The audit carried out in January 2018 showed that no patients from the key groups above were moved from ward to ward out of hours, and 8% (of the 50 moves audited) of patients with some indication of being in one of the key groups were moved from an assessment area to ward.

#### **Reason for choice:**

This quality priority was identified by the Board of Directors as an important area of improvement, for patient safety and patient experience. It also relates to quality improvement indicators identified in partnership with commissioners when discussing the quality element of the contract. An additional benefit of the quality priority is an anticipated reduction in falls.

This quality priority also links to the strategic work programme to improve patient flow within the emergency departments and the rest of the hospitals.

### **Monitoring, measuring and reporting:**

In June and July 2017, the Trust undertook an audit to monitor the number, type and impact of bed moves overnight. The audit was part of the quality priority project to reduce out of hours (OOH) bed moves across the Trust, the aim being that the only moves that should occur between 22.00 and 07.00 should be for good, clinical reasons. The audit took place at the RHCH between the 22 -28 June 2017 and BNHH during 28 June - 4 July 2017.

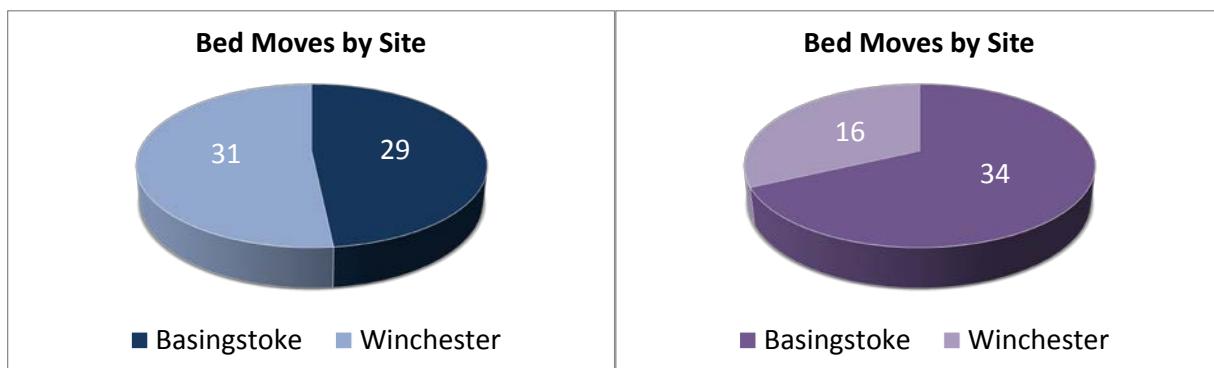
The audit results were compiled in a report and discussed at the project board meeting, and with the wider operational teams, resulting in an action plan. There were a number of actions but the key challenge was to increase the number of staff available from 16.00 onwards to move patients from the acute assessment areas to the wards, which should prevent the need to do so after the 22.00 deadline. A pilot was approved to support the site team with Healthcare Assistants to work within the team to expedite transfers. Unfortunately despite trying to deliver this service with bank staff, it was not possible to attract bank staff on either site to deliver this requirement or resource this in alternative ways.

The second audit took place to determine whether any change in volume had occurred since the previous audit, and determine if the patients in the highlighted groups identified as not for moving overnight, were being moved. The project team chose to re-audit during an 'Action Week'. During one of these designated weeks the Trust invests additional resources and energy into as many discharges, as early in the day, as possible, in conjunction with partner organisations. From the 10 - 15 January 2018 HHFT ran 'Winter Action' across both the Winchester and Basingstoke sites, and the site practitioners on duty overnight recorded the out of hours bed moves. The audit detailed the time the decision was made to move the patient, the time the move happened, if they were appropriate to move.

The results of both audits are included here:

There were **60** bed moves in July 2017 over a 7 day period on both sites

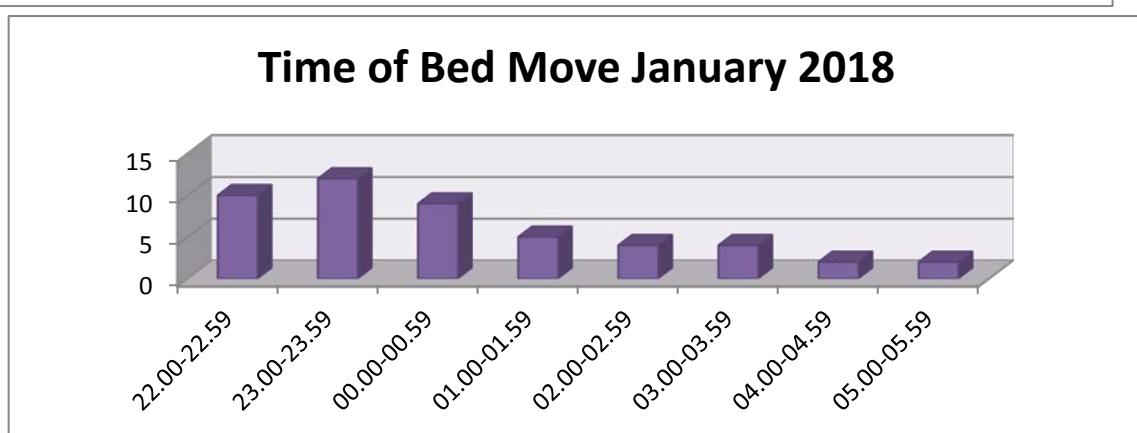
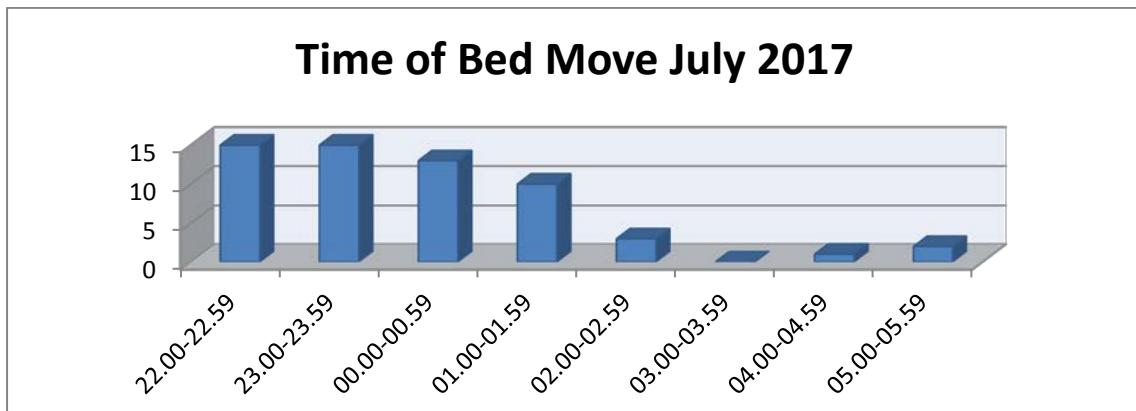
There were **50** bed moves in January 2018 over a 5 day period on both sites



Of those patients of whom the gender was noted, **73%** were female in July, **44%** were female in January.

In July, **78%** of the patients moved out of hours were moved from a medical or surgical assessment area to a ward, the remaining **22%** were moved ward to ward. In January **82%** were moved from a medical or surgical assessment unit, the remaining **18%** were transferred from ward to ward.

In July the decision to move a patient, and a bed allocated, was made before 22.00 **53%** of the time, in January **62%** of patients were allocated a bed before the 22.00 deadline.



In July, the shortest wait time, from allocation of bed, to the patient being moved was **0 minutes**, the longest wait was **7 hours**. The average amount of time a patient waited to be moved was between **2-3 hours**.

In January, the shortest wait time, from allocation of bed, to the patient being moved was **0 minutes**, the longest wait was **9 hours**. The average amount of time a patient waited to be moved was also between **2-3 hours**.

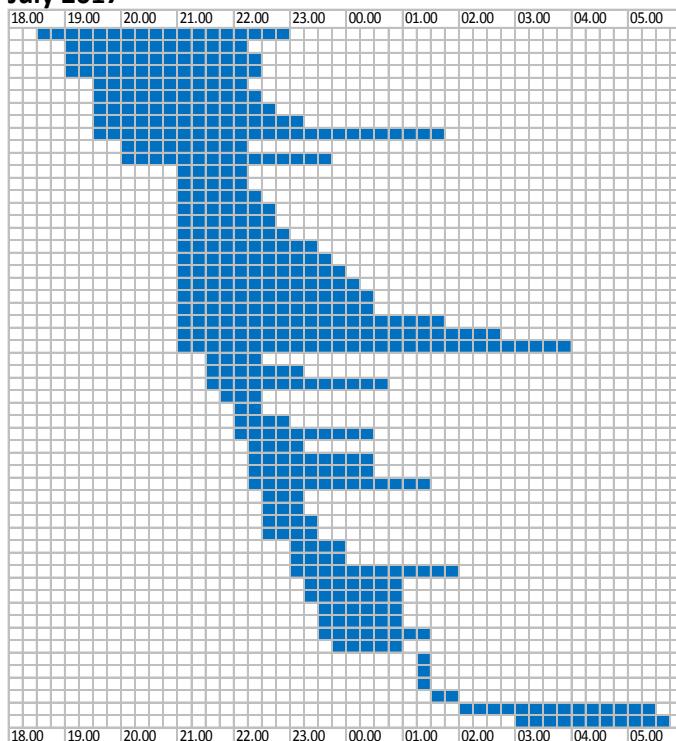
The two graphs below show - in order of the earlier moves first, then the least time taken - the time the decision was made, and the length of time it took to move the patient. During both audits it took longer to move the patient if the decision was made in the earlier part of the evening. Anecdotal evidence collected after the first audit, and re-enforced by the second audit was that this was due to a number of challenges, for example, evening mealtimes on most wards are at 18.30, visiting hours start mid-afternoon and run to 20.00, the drug rounds occur at the same time at the evening meal and wards 'handover' to the next shift at 19.30 or 20.00. These disruptions on the ward prevent patients being packed up, moved and handed over to the new ward, until later in the evening.

It was also noted that with impact of winter pressure on both sites meant that there was an increase of emergency patients into the ED and assessment units. This was compounded by late discharges that occur on both sites, i.e. most patients are discharged and exit their bed space after midday, often much later in the day.

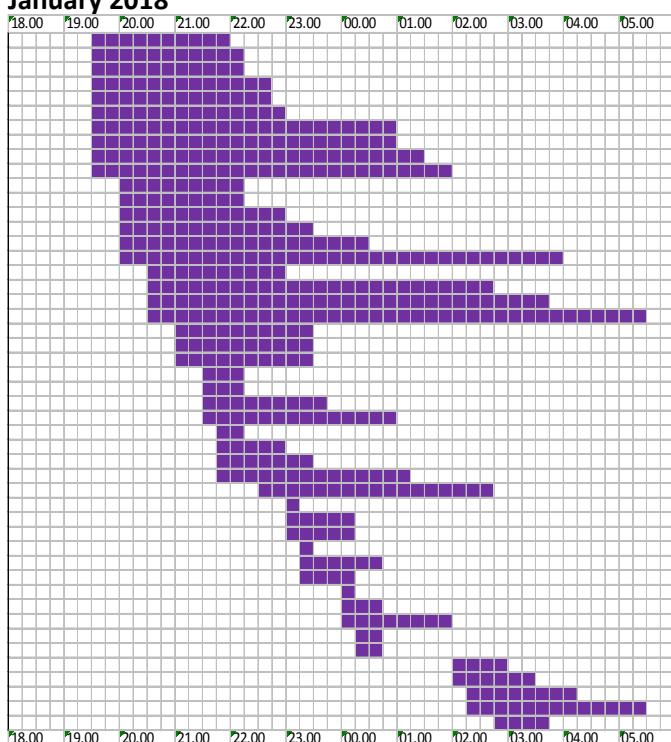
The surge of patients into the emergency departments starts at midday and within the next four hour window, those patients with a decision to be admitted stay in ED waiting for a bed to become available. By 16:00hrs the emergency flow has bottle-necked in the emergency department (ED) and the acute assessment units (AAU).

The increase of patients in these areas then makes it very challenging for the staff to pack up, move and handover the patients when the beds do become available, hence the longer delays if patients are allocated a bed late afternoon or early evening.

### July 2017



### January 2018



The very long periods of time between allocation and the movement of the patient are often attributable to exceptional circumstances. Reasons quoted on the audit form included the need to deep clean bed spaces before patients could be moved in to them, managing the death of a patient and not being able to make the bed space available, and not having the correct clerking procedure performed on the patient so they could not be transferred. If these circumstances are avoidable they are often recorded as an incident on Datix and raised as issues the following day to be resolved, some circumstances are unavoidable and demonstrate the reliance on just 1 or 2 beds to become available in order to move patients off trolleys in ED or the Acute Assessment Unit's (AAU) overnight.

The audits included information about patients deemed unsuitable to be moved overnight. In July there were **11** patients - **18%**, identified as those that should not have been moved overnight, all 11 of the patients were noted as having confusion, memory problems or dementia. There were **0** patients moved that had learning disabilities/autism or were on the End of Life pathway.

In January there were **4** patients moved – **8%**, that were identified as high risk if moved overnight, 1 patient had confirmed dementia, 2 showed signs of confusion, and 1 had suffered a fall prior to the move. There were **0** patients moved that had learning disabilities/autism or were on the End of Life pathway.

#### Achievement:

- Work completed throughout Year 1

There has been a rolling action plan throughout the year to tackle the root causes for moving patients late at night. The action to introduce additional support staff to transfer patients was not fulfilled but will stay on the action plan as it has been shown to make a huge difference when resource is available to move patients at times of extreme pressure, the project team will re-assess how this action can be completed under current restrictions.

The introduction of a checklist for moving patients was superseded by the work of the clinical team on C3 to utilise the Patient transfer SBAR tool from the Transfer Policy. This has been met with some success on both C floor, and F floor. The form asks a series of questions of the transferring ward in order to ensure a full and complete handover to the receiving ward. The clinical staff on C3 have noted the improvements with handover as a results. However, during times of extreme pressure, the handover tool is not always completed. The next step with this action is to liaise with the Clinical Matrons to ensure its use across the organisation and put measures in place to prevent it failing when staff / teams / wards become very busy and under pressure to move patients without a thorough handover.

Discussions have taken place with the portering team to ensure patient transfers are prioritised before the 22.00 deadline and they are willing to support the earlier bed moves. The success of this requires joint working to ensure that patients are ready to be moved at busy times.

There are, on average 3500 patient moves noted on the system each month, of these (on average) around 130 are after 22.00. When taking into account the number of days in a month, and the two sites, this equates to 2-3 moves per night, per site. It is important that all patients are able to sleep in a familiar environment from 22.00 to 07.00 to avoid distress, disorientation and unfamiliar staff. If the organisation can increase the bed capacity available in the acute assessment units after 22.00, the tolerance for bed moves overnight can be reduced to zero.

There are a number of pieces of work taking place with the aim to improve performance and reduce pressures on both the Winchester and Basingstoke sites, which will in turn reduce the bed moves overnight. These include (but are not limited to):

- Changes to the way the DoDs and site team work during the day.
- Mandatory collection of the Predicted Date of Discharge for all inpatients, careful monitoring and alert of any delays to discharge.
- Joint working with key partner organisations to facilitate discharges.
- Adding Clinical Criteria for Discharge to EPR to enable smooth discharge of patients by nurse or medical colleagues, so patients don't have to wait for a specific Consultant review to be discharged.
- Review and management of length of stay in some specialties.
- Increased medical presence in the emergency and assessment areas to ensure only those patients that need to be admitted, are.
- Focus on keeping the trolley bays in all assessment areas clear, and moving patients within 6 hours into beds.
- Action weeks each quarter, these focus the organisation on planned discharge of as many patients as possible, with a particular focus on discharges taking place as early in the day as possible.
- Provision of discharge lounges on both sites with a 'pull' model in place, the discharge lounge team will collect patients from the wards to free the bed up earlier in the day.
- Increase in the footprint of the Surgical Assessment Unit at BNHH to relieve pressure on the ED and manage surgical emergency patients.

### **Priority 3**

(Clinical Effectiveness / Effective)

#### **We will implement the national maternity programme for safer maternity care**

We said that we will implement the national maternity programme for safer maternity care and we have achieved that quality priority for 2017/18.

##### **Reason for choice:**

This quality priority was selected because of the opportunity to actively participate in the national programme and implement learning and improvements to improve outcomes for families. Maternity services are an important area of service provision at the Trust and this quality priority also builds on previous improvements. The delivery of this quality priority also supports improved outcomes through its links with the national CQUIN (Commissioning for Quality and Innovation) to reduce risky behaviours and so improve maternal safety.

##### **Monitoring, measuring and reporting:**

The progress of HHFTs implementation of these targets has been monitored at a variety of fora in the division including the Women's Health Governance meetings, at departmental performance reviews and through participation in the quarterly learning event with NHS Improvement.

The national maternity ambition is to have a 20% reduction by 2020 and a 50% reduction by 2030 of stillbirths, neonatal deaths, brain injuries that occur during or soon after birth and maternal deaths. The local metrics which will measure the impact for the Trust are

- Person centred quality Indicator - 20% increase in the numbers of mothers and term babies staying together by 2020
- Clinical excellence - 95% of women will have carbon monoxide testing during pregnancy and early postnatal period with resultant impact of 20% increase in smoke free pregnancies by 2020
- Systems and processes - 20% reduction in number of babies born with Apgars of 7 or less at 5 mins by 2020
- Human dimensions - 90% of feedback from staff learning has a positive impact with a resultant reduction in harm events by 20% by 2020

#### Achievements:

In October 2016 the government then published an action plan setting out the vision for making NHS maternity services some of the safest in the world by achieving the national ambition Safer Maternity Care; next steps towards the national maternity ambition (DoH).

This structured plan had five key drivers for delivering safer maternity which have formed the benchmark of measurement for the delivery of the quality priority for Hampshire Hospitals. This is a two tier programme with year one (2017/18) being the planning phase and year two (2018/19) the implementation phase with the resultant impact to achieve the outcomes set out by the national maternity ambition.

The Five Key drivers and our achievements are:

- **Leadership:** create strong leadership for maternity systems at every level

An exercise to benchmark and action plan for Safer Maternity Care and the next steps towards the national maternity ambition shows our achievements to date. We have achieved strong leadership for maternity systems at every level, through the appointment of a Board level Maternity Champion (CN), one obstetrician and one midwife jointly responsible for championing maternity safety in their organisation, quality improvement leads and a maternity safety champion.

- **Learning and best practice:** identify and share best practice, and learn from investigations

We share learning and best practice and learn from investigations through multidisciplinary Women's Health Governance Forum and learning is achieved at HHFT through a number of bespoke means, including:

- Saving Babies Lives Care Bundle
- Perinatal Mental Health ( National and Regional benchmark)
- MBBRACE
- Each Baby Counts (RCOG)
- National Perinatal Mortality Review Tool ( launched February 2018)
- MDT (HHFT) review of all stillbirths and neonatal deaths reported to Trust Mortality Surveillance Group

- **Teams:** prioritise and invest in the capability and skills of the maternity workforce and promote effective multi-professional team working

We have achieved this and have a learning and development plan in place for entire multidisciplinary team. A regional Maternity Academy established to facilitate postgraduate education and training across multidisciplinary teams within the regional collaborative with funding from the Maternity Safety Training Fund. The maternity team has attended maternity safety training, with funding from the Maternity Safety Training Fund for a wide range of maternity safety training for example, fetal monitoring, childbirth emergencies in the community, human factors and Bond Solon serious incident investigation.

- **Data:** improve data collection and linkages between maternity and other clinical data sets, to enable benchmarking and drive a continuous focus on prevention and quality

The Trust has achieved this and the maternity team is using national indicators dashboard to track their outcomes over time and benchmark against other organisations in their local maternity system and across the region.

- **Innovation:** create space for accelerated improvement and innovation at local level

This has been achieved and the maternity team were in wave one of new national Maternal and Neonatal Health Quality Improvement Programme. The programme is a three year programme of quality improvement designed. The team have completed the planning phase of the Quality Improvement plan developed to reduce rate of stillbirths, neonatal death and brain injury from four chosen areas.

In addition to the above the following actions have been taken to reduce harm.

- The learning system to reduce harm events – the new package of learning is being implemented with a rolling evaluation programme to ensure fitness for purpose to achieve ambition.
- In relation to designing and implementing a highly reliable and effective pathway of care for fetal monitoring to reduce the number of babies born with Apgar Score of less than 7 at 5minutes by 20% by 2020 the Trust has developed a standardised fetal risk assessment tool, is reviewing the ‘fresh eyes’ tools for continuous fetal monitoring and intermittent auscultation, is reviewing the guideline benchmarked against national guidance and developing e-learning and e-assessments.
- To improve the proportion of smoke free pregnancies by 20% by 2020 an action plan has been developed to improve carbon monoxide monitoring testing during pregnancy with opt out approach for women as well as making referrals to quit smoking services for women with raised carbon monoxide levels. A new pathway for fetal surveillance throughout pregnancy for fetal growth restriction has been developed and there will be an annual stillbirth, symphysis fundal height and Small for Gestational Age audit. The KICKS COUNT pathway for reduced fetal movements has also been introduced.
- In order to work with mothers and families to increase the number of women and babies staying together by 20% increase by 2020 an action plan has been developed to address national Avoiding Term Admissions into Neonatal Service (ATAIN) Programme. As part of the Health Education Wessex funded Quality Improvement Project a newborn risk assessment tool has been created to assess risk at birth and beyond for ‘the golden hour’.

## **Priority 4**

(Patient Experience / Responsive to Patient's Needs)

### **We will improve responsiveness to patient experience**

We will achieve this through improving the quality of communication with patients according to individual need around the scheduling of outpatient appointments and surgery and avoiding short notice cancellations of outpatient appointments and surgery where possible.

We achieved the cancellation target, within 20% threshold all year and the short notice cancellations except during January and February 2018. The reason for this was the impact of adverse weather and the corporate directive to limit elective activity in January 2018 due to the pressures across all of the hospital sites. During this time outpatient staff were reallocated to other areas of the Trust to provide additional support where there was the highest demand.

#### **Reason for choice:**

This will build on the work started in 2016/17 to reduce the number of outpatient appointments cancelled at short notice and will incorporate the work carried out to improve the efficiency to benefit patient's experience.

This quality priority was identified from reviewing complaints received because it is an improvement measure that is important for patients.

In discussions with local commissioners regarding the quality element of the contract, it was agreed that making these improvements would also improve the patient experience for those with a known mental health or learning disability condition that are being cared for in the Trust.

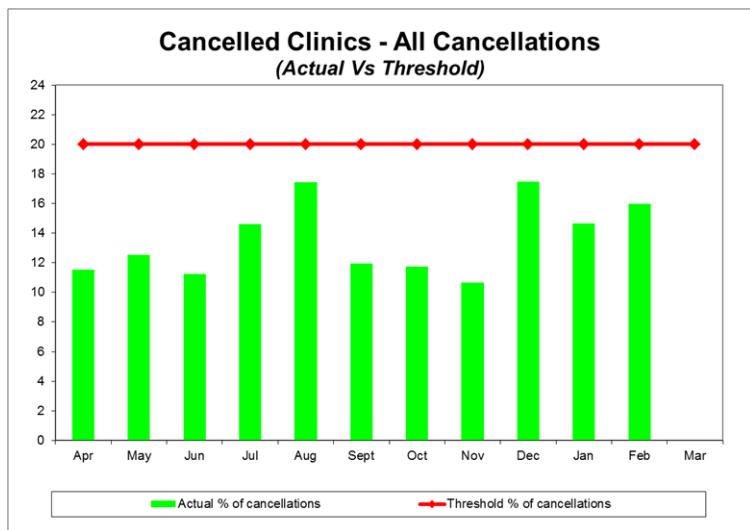
#### **Monitoring, measuring and reporting:**

- Total number of cancelled clinics (<20% target)
- Number of clinics cancelled with less than 6 weeks' notice (<4% target)
- Surgical cancellations
- Patient experience metric

#### **Achievement:**

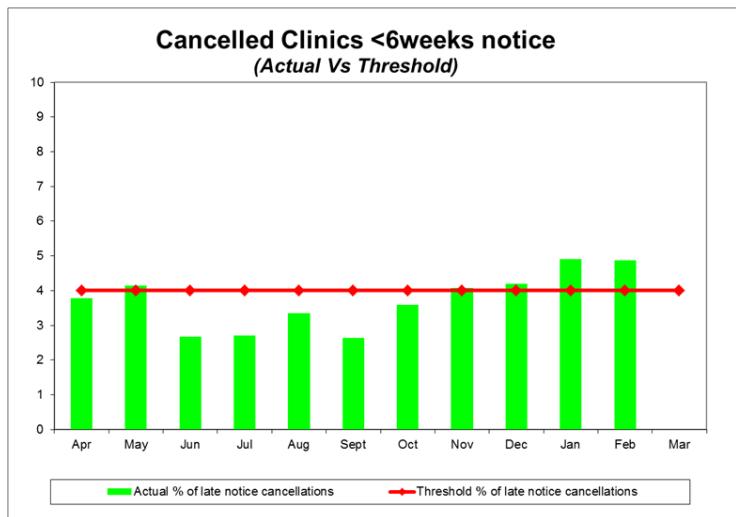
- **Total number of cancelled clinics (<20% target)**

We have achieved this element of the quality priority and continue to monitor short notice cancellations in main outpatients department and share the results weekly with the appropriate specialties. The chart below shows the performance across the year, with all cancellations staying within the 20% threshold.



- Number of clinics cancelled with less than 6 weeks' notice (<4% target)

Clinics cancelled with less than 6 weeks' notice were over the threshold in January and February 2018. The primary reasons for this were the adverse weather conditions in February 2018 and a corporate directive to limit elective activity in January 2018 due to the pressures across all of the hospital sites. During this time outpatient staff were reallocated to other areas of the Trust to provide additional support where there was the highest demand e.g. the emergency departments, wards and the phlebotomy services.

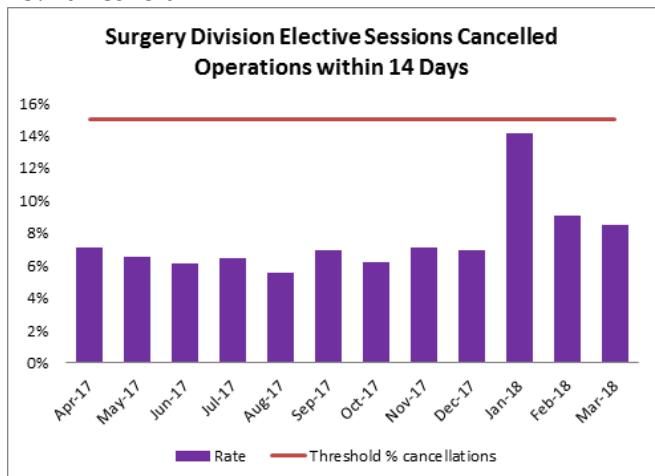


- Surgical cancellations

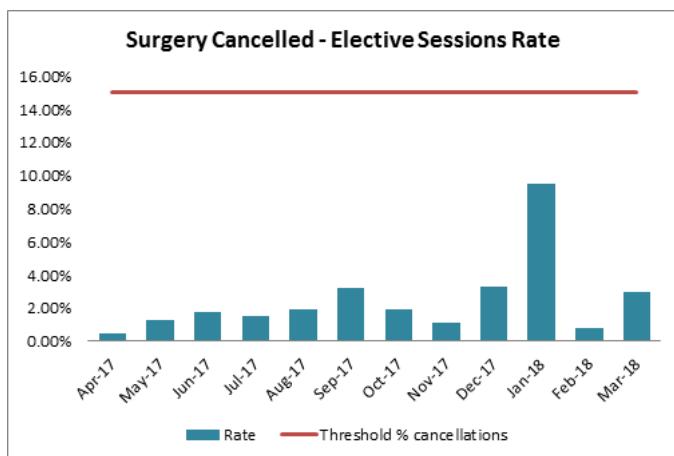
For this element of the quality priority we monitored the total number of theatre sessions cancelled by the Trust with less than 2 weeks' notice, the targeted theatre utilisation rate is 85% so the threshold for cancellations is no more than 15% of sessions. It should be noted that some of these sessions would have had no patients booked in, so this is only an indicator of patient care and not a direct measure.

We have achieved this element of the quality priority and continue to monitor short notice cancellations in theatres department and share the results weekly with the appropriate specialties.

The chart below shows the performance across the year, with all cancellations staying within the 15% threshold.



In January 2018 the Trust was asked to cancel all non-essential surgery, by NHS England, due to the extreme winter pressures across the country. The charts do not show the patients/ lists cancelled with more than two weeks' notice.



The surgery division has taken the following steps to reduce the number of HHFT initiated cancellations within the two weeks prior to operation date:

- Weekly surgery division com cell – sharing data showing operating list utilisation with operational managers for theatres, orthopaedics and surgery, run by the operational director for the division
- The introduction of a text reminder service for pre assessment and operation dates
- A review and ongoing transformation of the pre assessment service
- Reviewed and standardised letters to patients, increasing information about the preparation required, the procedure and after effects
- Calls to those patients that Do Not Attend to investigate the reason for non-attendance
- Weekly theatre meetings to assess the utilisation of lists and ensure appropriate equipment is available
- A review of the booking process to ensure operating lists have the appropriate surgical and anaesthetic cover more than 6 weeks before the date

- A review of consultant annual leave bookings and a specialty review of lists that are cancelled less than 6 weeks before the date

- **Patient experience metric**

A new appointment reminder service went live on 29 January 2018. The new service offers both a text and voicemail service, with clearer details of appointment site / location / date and time and direct links back into the Booking Office's to rearrange appointments if needed. The feedback from patients about this has been positive.

## **Priority 5**

(Patient Safety / Safe)

**We will improve the quality and timeliness of discharge through:**

- Planning for discharge from admission
- Prioritising daily review for discharge
- Ensuring discharge summaries are completed in real time and contain quality information to ensure that patients receive the right care and treatment once they have been discharged from hospital

We have achieved this quality priority and work is on-going to ensure that we continue to learn and improve patient safety and experience through embedding the feedback from the “Action Week” events as business as usual.

### **Reason for choice:**

This is a quality priority because of the benefits of ensuring that patients are cared for in the most appropriate setting and the importance of facilitating a timely discharge to maintain individual's independence. When considering the development of this quality priority discussions with commissioners highlighted the links with the quality indicator around the “improving patient”. The ongoing work to improving discharge summaries for patients and their GPs also helps with continuity of care and future care planning.

### **Monitoring, measuring and reporting:**

This quality priority is sponsored by the chief operating officer and a consistency of care board was introduced and meets monthly. It is chaired by a divisional medical and its aims are to support:

- the improvement of patient experience
- operational transformation across the divisions in the Trust in relation to discharge planning
- the eradication of medical outliers
- clinical staff to deliver a consistency of care

Success will be determined by the reduction of the amount of time people spend in hospital through streamlining pathways into the community and increasing the proportion of older people living independently at home following discharge from hospital.

Measures have been developed to support the monitoring of the programme of work and enable a review of the implementation of the SAFER patient flow bundle which is a NHS Improvement mandated approach for acute hospitals.

The measures are:

- ED performance
- Average medical Non-Elective length of stay
- Stranded Patients (i.e. patients with a length of stay (LOS) who are under and over 75 years of age) in all divisions
- Delayed Transfer Of Care % rate
- Readmission rate: medical patients
- Medical outliers numbers
- % discharged patients left the ward by 12:00

The implementation and use at ward level of a new dashboard which incorporates quality and performance metrics and shows marked improvement.

#### **Achievements:**

In July and August 2017, the following progress has been made:

- A frequent attenders case note audit was completed with recommendations identified to streamline clinical care
- The exemplar ward approach (incorporating Home First, SAFER, red/green days) commenced on five wards
- Planning for the Home First (discharge to assess) pathway was established with joint planning sessions between HHFT, Commissioners and Southern Health NHS FT
- Work is underway with care homes to improve patient transfer processes
- A working group is piloting the refreshed delirium pathway

The Trust undertook “Autumn Action” from 18 to 20 October 2017. This work is relevant to the implementation of Trust quality priorities in relation to frailty, patient moves and improving the quality and timeliness of discharge.

The event focused on removing unnecessary delays for patients and led to the discharge of 79 more non elective patients than were admitted through emergency departments. Other key results included:

- Emergency department performance against the national target of admitting or discharging patients within four hours improved from 82.7% on the Tuesday before the event began, to 97.57% on the Friday at the end of the event

- Bed occupancy rates reduced by 7% (from 93.01% on Tuesday to 84.67% on Friday)
- The number of patients with a predicted date of discharge more than doubled compared to the corresponding week last year, from 302 in 2016 to 653

Progress continues with work to understand and reduce internal delays and to streamline discharge pathways in collaboration with external partners, reducing unnecessary length of stay and improving the experience of our patients. These achievements include:

- The ‘Stranded Patient’ reviews reveal a valuable insight into the difficulties encountered by the wards and we have been able to ‘deep dive’ into particular issues to resolve them, e.g. the reporting of equipment delays where they have an impact on a package of care, a clear escalation process is now in place.
- We have undertaken a pilot for assessing Continuing Healthcare (CHC) status of patients outside of hospital, striving to reach the government target that 85% of assessments across the CCG are undertaken outside the acute hospital setting. So far 4 patients requiring nursing home care have been through this pathway, and the plan is to extend this reducing the length of time people are kept in hospital awaiting CHC processes to be completed. This has involved collaborative working between the complex discharge teams, social care and the CHC team.
- We have continued to pursue early safe discharge through joint working with Southern Health NHS FT and the Enhanced Recovery and Support at Home (ERSH) team, encouraging early referrals from the wards, particularly for patients with a length of stay between 3 - 7 days. This supports evidence that reducing length of stay optimises the opportunity for people to return to their previous quality of life.
- We are have a number of therapists and nurses trained to work alongside social services to restart simple packages of care, demonstrating an integrated working approach and streamlining the discharge of patients from the wards.
- Between June 2017 and December 2017 over 2000 people over the age of 65 were discharged to their usual place of residence before they had been in hospital for a week in recognition of the importance of maintaining a good quality of life at home and reducing the risk of hospital acquired complications.
- We have worked with Adult Social Care to maximise referrals to the Firs, an innovative social services enterprise which gives light touch rehabilitation to patients who are medically fit and who require limited support to regain confidence prior to going home. The success of this unit is being closely monitored by the CQC.
- We opened the Overton Unit on the BNHH site in December 2018. This facility takes patients who no longer require acute care but who will benefit from further therapy or nursing care. The unit also cares for patients who require a more peaceful setting, who may be at the end of their life, in 4 side rooms, and relatives have given a very positive feedback on this facility. The average length of stay on the unit has been 28 days, and 153 patients had been cared for in the unit by 31 March 2018.

- We are monitoring the number of patients who leave the ward by midday to reflect SAFER principles. Around 8 wards over the 2 main sites achieve 25% of patients leaving the ward by midday, and there are also patients who may leave later than that to meet care packages at home which are planned to start later in the day.
- We have extended the opening hours of the Discharge Lounge on the BNHH site from 8am until 8pm to give patients a peaceful and calm experience on their day of discharge as they wait for transport or for medications. This also creates capacity within the main hospital allowing for more speedy allocation to the wards for patients coming in through ED.

## **HHFT Quality Priorities 2018/19**

### **Background**

The planning process for quality priorities started in 2016/17 and was different to previous years, incorporating plans for two years rather than just one, as previously. Therefore, as the quality priorities were developed consideration was given to plans that would benefit from a longer time period to deliver them and what might be achieved in year one and year two.

The quality priorities for 2017-2019 were based on programmes of work that were starting to gain traction, have benefitted from being a quality priority and were still important and relevant to the patients of HHFT. We also sought to incorporate the commissioning intentions of local commissioners from North and West Hampshire CCGs. Throughout the whole planning process feedback received by the Trust from patients, relatives and staff been considered and incorporated; as well as incidents that have been reported and feedback from external visits such as the Care Quality Commission (CQC) visit. Also incorporated in this process has been the wider system wide work to improve patient safety and experience through improving performance particularly through the emergency department.

### **HHFT Quality Priorities 2018/19**

The table below incorporates the extended quality priorities that were identified and agreed at Clinical Quality and Safety Committee and the rationale for choice. These were shared with the Council of Governors and the Board of Directors during a workshop in January 2018.

The reporting of progress against these quality priorities will be locally within the divisional performance reviews, in local system meetings where they exist and are appropriate, at the Clinical Quality and Safety Committee and the monthly governance report to the Board of Directors.

<b>Quality Priority</b>	<b>Plan for 2018/19</b>	<b>Rationale for choice</b>
To continue to develop the <b>frail elderly pathway</b>	To continue to develop the frail elderly pathway  Comprehensive reporting on indicators identified having completed baseline work and	The plans for 2018/19 have been identified because of the following achievements:  ✓ Recruitment to the frail elderly team

Quality Priority	Plan for 2018/19	Rationale for choice
	<p>development of team:</p> <ul style="list-style-type: none"> <li>• Reduction in length of stay for frail older patients</li> <li>• Increase in discharges within 72 hours</li> <li>• Reduction in stranded patients</li> <li>• Increase in comprehensive geriatric assessments completed and patients screened for frailty</li> <li>• Reduction in re-admissions for &gt;75's</li> </ul>	<ul style="list-style-type: none"> <li>✓ Moved assessments of frail elderly closer to the front door – to in-reach in ED when patients arrive</li> <li>✓ Increased number of comprehensive geriatric assessments completed and carried out earlier</li> <li>✓ Reduction in multiple patient falls on long term condition wards through the introduction of hot-debriefs combined with patient safety huddles</li> </ul>
<p><b>Reduce unnecessary bed moves for non-clinical reasons</b> and the number of patients cared for as outliers over a 2 year period by focusing on key groups:</p> <ul style="list-style-type: none"> <li>• People living with dementia</li> <li>• Patients with a learning difficulty</li> <li>• Patients with a mental health problems</li> </ul> <p>Through improving the quality of information shared between clinical staff and departments</p>	<p>To learn from the initiatives employed and the experiences gained through Winter Action to maintain patient flow</p> <p>Implement supportive actions to help facilitate moves in a timely way e.g. dedicated porter/HCA</p> <p>Implement actions to understand more about patient moves and creating capacity earlier in the day</p> <p>Repeat the original audit</p>	<p>The plans for 2018/19 have been identified because of the following achievements:</p> <ul style="list-style-type: none"> <li>✓ Agreement regarding the prioritisation of porters to support timely moves</li> <li>✓ Implementation of a bed moves checklist – for review in Jan 2018</li> <li>✓ Revising the transfer policy following the changes identified</li> <li>✓ Audit in July 2017 is being repeated January 2018 – results showed 11 patients (18%) patients moved during the audit period should not have been moved – they had confusion, memory problems or dementia</li> <li>✓ During the audit period (one week on both sites) no patients were moved with LD/autism or at the end of their life</li> </ul>
<p><b>Implement the national maternity programme for safer maternity care</b></p>	<p>New learning system to reduce harm events by 20% by 2020</p> <p>Development of fetal risk assessment tool and roll out with associated training</p> <p>Implement pathway for fetal surveillance through pregnancy to improve proportion of smoke free pregnancies</p>	<p>The plans for 2018/19 have been identified because of the following achievements:</p> <ul style="list-style-type: none"> <li>✓ Participation in the national maternal and neonatal health quality improvement programme</li> <li>✓ Visible leadership from board to ward</li> <li>✓ Established maternity regional academy to facilitate</li> </ul>

Quality Priority	Plan for 2018/19	Rationale for choice
	Implementation of new born risk assessment tool to increase number of women and babies staying together	postgraduate education and training across multidisciplinary teams
<p>Improve responsiveness to patient experience through:</p> <ul style="list-style-type: none"> <li>• Improving the quality of communication with patients according to individual need around the scheduling of outpatient appointments and surgery</li> <li>• Avoiding short notice cancellations of outpatient appointments and surgery where possible</li> </ul>	<p>To sustain and further improve achievements to date through:</p> <p>Roll out of automated outpatient clinic utilisation report and where not already in place, implementation of outpatient reviews for booking/administration teams across specialties</p> <p>Continued focus on adherence to short notice cancellation policy ensuring any cancellations requested within 6 weeks of activity are for exceptional circumstances only</p> <p>Development of automated outpatient clinic utilisation reporting tool to facilitate better understanding of appointment availability and plans to book 80% of clinic appointments at least 6 weeks out</p> <p>Continued roll-out of Netcall functionality throughout the Trust with monitoring of responsiveness of call handling</p>	The plans for 2018/19 have been identified because the reduction of cancelled clinics was better than the target. Therefore, the focus has moved to sustainability of performance and improving the responsiveness of call handling
Improving the quality and timeliness of discharge	<p>Continue with the joint work being carried out with partners, supporting patients discharge home and discharge to assess</p> <p>Utilise volunteers to support patient experience through discharge – engage with the work of HelpForce</p>	<p>The plans for 2018/19 have been identified because of the following achievements:</p> <ul style="list-style-type: none"> <li>✓ Stranded patient reviews and deep dives</li> <li>✓ Continuing health care assessments outside hospital</li> <li>✓ Early safe discharge – early referrals</li> <li>✓ Therapists and nurses trained to work with adult services to restart care packages</li> <li>✓ 40 patients so far have benefited from treatment on the Overton Unit</li> <li>✓ Implementation and</li> </ul>

Quality Priority	Plan for 2018/19	Rationale for choice
		monitoring of the SAFER principles – discharge before midday ✓ Discharge lounge extended opening hours

## 2.1.2 Other Quality and Safety Initiatives

### Quality Improvement Programme

In 2017 the Trust launched its new Quality Improvement (QI) Programme, with its stated vision '*Everyone is an improver*'.

The QI programme at HHFT seeks to promote the systematic use of improvement methodologies to support sustainable change, in order to achieve superior patient outcomes.

The aim of the QI programme is to build a culture of continuous improvements in patient outcomes and care. A number of key drivers have been identified that will influence the ability to achieve the aim:

- Building the ambition
- Increasing the improvement capability
- Alignment of infrastructure and systems
- Undertaking QI initiatives

There is an active programme to raise the awareness of QI initiatives to share, celebrate and learn from improvement work that is being carried out. This culminates in the annual quality improvement conference.

To support the delivery of this initiative the QI Academy has been launched to increase quality improvement capability amongst staff through a three tier development programme. The support is delivered through the development of HHFT QI coaches working alongside their HHFT colleagues, supporting and delivering future programmes.

Essentially the Trust QI programme has been aligned to support organisational, performance and governance quality priorities. A number of key messages have been identified that underpin the QI philosophy at HHFT and these are:

- ✓ Improvement is a part of everybody's job - it's the way we do things here
- ✓ It is driven by improving patient outcomes not cost saving
- ✓ Small scale marginal gains matter
- ✓ Don't wait for permission; flatten the hierarchy
- ✓ Celebrating and sharing are essential
- ✓ Use an improvement methodology.

## **Patient Safety, Effectiveness and Experience Group (PSEEG)**

In 2017 the Trust Patient Safety, Effectiveness and Experience Group (PSEEG) was established as a sub-group of the Trust Clinical Quality and Safety Committee (CQSC). Its purpose is to support continuous improvement and learning in relation to patient safety, clinical effectiveness and patient experience. This includes:

- a forum to agree Trust-wide patient safety, clinical effectiveness and patient experience priorities
- provide assurances that the mechanisms for delivering and monitoring patient safety, clinical effectiveness and patient experience are working effectively and
- share best practice in the areas of patient safety, clinical effectiveness and patient experience across the Trust

The core topic for the meeting each month rotates so that once a quarter the focus is patient safety, clinical effectiveness and patient experience. Learning from deaths and feedback from the mortality surveillance group is a standing monthly agenda item.

In January 2018 the focus of the meeting was patient safety and improvement actions were identified following a presentation from a consultant haematologist in relation to blood transfusion safety.

At the meeting in February 2018 the group reviewed NICE (National Institute for Care and Excellence) guidance and compliance, including the 14 quality statements from the NICE guideline for patient experience.

## **Sign Up to Safety (SU2S) Campaign**

The Trust continues to support the NHS England Sign up to Safety campaign which aims to strengthen patient safety in the NHS and make it the safest healthcare system in the world. HHFT remains committed to the five patient safety improvement pledges:

### **1. Put safety first**

Committed to reduce avoidable harm in the NHS by half through taking a systematic approach to safety and making public your locally developed goals, plans and progress

Instilling a preoccupation with failure so that systems are designed to prevent error and avoidable harm

### **2. Continually learn**

Make our organisation more resilient to risks, by acting on the feedback from patients and by constantly measuring and monitoring how safe our services are

### **3. Honesty**

Be transparent with people about our progress to tackle patient safety issues and support staff to be candid with patients and their families if something goes wrong

#### **4. Collaborate**

Take a leading role in supporting local collaborative learning, so that improvements are made across all of the local services that patients use

#### **5. Support**

Help people understand why things go wrong and how to put them right. Give staff the time and support to improve and celebrate the progress

As part of our pledge to “Put Safety First” we identified five specific areas for patient safety improvement in 2017/18. Our progress against these is summarised below:

Improvement area	Targets	Achievements
<b>Improving the management of sepsis</b>	<p>Timely identification of patients with sepsis in emergency departments and acute inpatient settings (including paediatrics) (&gt;90% of eligible patients screened for sepsis)</p> <p>Timely treatment of sepsis in emergency departments and acute inpatient settings (including paediatrics) (&gt;90% of eligible patients treated within 1 hour)</p>	<p>Sepsis screening is 100% for inpatients and ED</p> <p>The percentage of patients who present with severe sepsis in ED and were administered IV antibiotics within 1 hour = 77%</p> <p>The percentage of inpatients who are diagnosed with severe sepsis and were administered IV antibiotics within 1 hour = 80.2%</p> <p>An action plan is in place to deliver improvements</p>
<b>Learning from medication errors</b>	<p>Taking a view of medication errors occurring across the Trust through the Medication Error Review Group who will identify trends and share learning to improve the quality and safety of medicines management</p> <p>Work to reduce missed doses through the Trust Missed Doses Group</p> <p>Undertake regular audits of medication practice and national patient safety medication alerts</p>	<p>The divisions receive trend reports and share learning through their local departmental performance reviews and governance boards. The themes that have been identified include:</p> <ul style="list-style-type: none"> <li>• Management of controlled drugs</li> <li>• Missed doses of medication</li> <li>• Wrong dose mediation administered</li> </ul> <p>Medication incidents and themes are discussed at the Medication Event Review Group (MERG) and actions supported by the group include:</p> <ul style="list-style-type: none"> <li>• Medicines Safety Bulletins - circulated regularly</li> <li>• Controlled drug management training</li> </ul>

		<ul style="list-style-type: none"> <li>• A prescribing tools for IV Gentamycin</li> <li>• The establishment of 'Missed doses working group'</li> <li>• Competency review for Band 4 medication administration</li> </ul>
<b>Falls prevention</b>	<p>The use of hot debriefs to identify preventative measures and learning in a timely way after a fall</p> <p>The provision of falls information of patients, families and carers on discharge</p>	<p>Nov 2017 the HHFT falls rate was 6.53 per 1,000 bed days (national average 6.65)</p> <p>The number of falls resulting in moderate and severe harm was 2%</p> <p>There has been a total reduction in falls of 19% since 2012 and a 75% reduction in falls with harm</p> <p>HHFT participated in the National In-Patient Falls Audit in 2015 and 2017 and in 2017 we were functioning above national average in:</p> <ul style="list-style-type: none"> <li>• assessment of continence</li> <li>• assessment of vision</li> <li>• access to mobility aids</li> </ul> <p>In addition to hot debriefs and the provision of falls information we have</p> <ul style="list-style-type: none"> <li>• Developed a falls risk assessment and care plan documentation</li> <li>• Expanded the falls education programme and provision of appropriate falls equipment</li> <li>• Provided regular falls update information to the wards and development of the post falls pathway and learning from falls incidents</li> </ul>
<b>Pressure ulcer prevention</b>	To prevent the development of hospital acquired pressure ulcers (HAPU) achieving a 50% reduction in grades 2, 3 and 4 hospital acquired pressure ulcers (against 2016/17 numbers)	<p>Overall the data shows that whilst the number of total HAPUs has not decreased, there has been a decrease in the severity</p> <p>There has been an increase in the size of the Tissue Viability team and a resultant raised awareness amongst staff as they meet with staff to educate and provide support to identify pressure damage earlier</p>

		<p>There is also less confusion in the Trust between what is moisture damage and what is pressure damage and plans are in place to educate and reduce moisture damage</p>
<b>Learning from deaths</b>	<p>Compliance with 'real time' mortality screening for inpatient deaths</p> <p>Implementation of a structured mortality review process, in line with national guidance, including for deaths of patients who have a learning disability or mental health condition</p> <p>Implementation of learning from mortality reviews</p>	<p>Compliance with real-time screening of patient deaths is 71%* (target 100%)</p> <p>*data 01 Aug 2017 – 31 Mar 2018</p> <p>The Trust mortality review process was implemented in August 2017 and is now fully electronic. The mortality screening form and the structured judgement review (SJR) form is on EPR</p> <p>Learning from deaths is shared at the monthly mortality surveillance group and across the Trust through the divisional links at this group.</p> <p>In 2017/18 NHS Improvement led a critical friend review of the mortality review process at HHFT from which there was positive feedback.</p>

## Clinical Standards for Seven Day Hospital Services

Our Trust is committed to implementing the four priority standards for seven day working within the prescribed time frame and is pleased to have been identified as a "second wave compliant site" by NHS England, which recognises the progress we have made in this area.

We have improved our performance in relation to Standard 2 in the last 12 months from 64% in March 2017 to 95% in September 2017.

### **Standard 2:**

*All emergency admissions must be seen and have a thorough clinical assessment by a suitable consultant as soon as possible but at the latest within 14 hours from the time of admission to hospital.*

To achieve this we have invested in a new Surgical Assessment Unit on the Basingstoke site and refined the Medical Consultant on-call rota with increased use of Acute Physicians to cover extended daytime hours on the Acute Assessment Unit. We are well advanced in our plans to produce protocol based care pathways for common low-acuity patients in Trauma and Orthopaedics, Obstetrics and Gynaecology and General Surgery. We have improved our electronic patient record to automatically record the time of consultant review.

For the last two years, participation in the national self-assessment survey has shown full compliance with access to diagnostics and interventions standards 5 and 6.

**Standard 5:**

*Hospital inpatients must have scheduled seven-day access to diagnostic services, typically ultrasound, computerised tomography (CT), magnetic resonance imaging (MRI), echocardiography, endoscopy, and microbiology.*

*Consultant-directed diagnostic tests and completed reporting will be available seven days a week:*

- *Within 1 hour for critical patients*
- *Within 12 hours for urgent patients*
- *Within 24 hours for non-urgent patients*

**Standard 6:**

*Hospital inpatients must have timely 24 hour access, seven days a week, to key consultant-directed interventions that meet the relevant specialty guidelines, either on-site or through formally agreed networked arrangements with clear written protocols.*

*These interventions would typically be:*

- *Critical care*
- *Interventional radiology*
- *Interventional endoscopy*
- *Emergency general surgery*
- *Emergency renal replacement therapy*
- *Urgent radiotherapy*
- *Stroke thrombolysis*
- *Percutaneous Coronary Intervention*
- *Cardiac pacing (either temporary via internal wire or permanent)*

The trust has invested in additional medical manpower in diagnostic radiology and supports a regional network for interventional radiology and acute radiotherapy. We have made improvements in acute imaging pathways for inpatient ultrasound.

**Standard 8:**

*All patients with high dependency needs should be seen and reviewed by a consultant TWICE DAILY (including all acutely ill patients directly transferred and others who deteriorate). Once a clear pathway of care has been established, patients should be reviewed by a consultant at least ONCE EVERY 24 HOURS, seven days a week, unless it has been determined that this would not affect the patient's care pathway.*

We achieved 100% compliance for twice daily review at weekends for critical care patients and 82% compliance for daily review for all other patients. Standard 8 was not included in the last national survey in September 2017, but since the March 2017 survey, we have made substantial improvements to our electronic patient record, which better enables us to identify those patients

who need to have daily consultant review. We now have a system of “second on-call” medical consultants, who do ward rounds of existing inpatients at the weekends in order to support the acute admitting team and ensure patients receive the appropriate level of clinical review and treatment.

## **Duty of Candour**

The Trust has a Duty of Candour policy which outlines its approach to implementing the Duty of Candour. The policy identifies the steps staff should take in identifying and reporting notifiable patient safety incidents as well as the steps to be followed to deliver the Duty of Candour.

An Associate Medical Director for Governance provides clinical leadership in this area and delivers training for staff. There are also resources available for staff on the Trust intranet site. The Trust Serious Event Review Group (SERG), whose membership consists of senior clinical and operational leaders, has a monitoring role to ensure the Duty is complied with. This includes a monthly review of all incidents that may be notifiable. Reports are also made to the Trust Clinical Quality and Safety Committee and to the Board of Directors via the monthly governance report.

The changes made to the Trust incident reporting system in 2017 have enabled improved data collection of Duty of Candour information. A specific Duty of Candour section has been introduced which allows leads to fully document the steps taken and upload documents. As this information is now captured electronically regular audits can be easily undertaken to confirm compliance and this is used to monitor performance at SERG

## **2.2 Statements of assurance from the Board**

### **Review of services**

During 2017/18 Hampshire Hospitals NHS Foundation Trust provided and/or sub-contracted 45 relevant health services.

Hampshire Hospitals NHS Foundation Trust has reviewed all the data available to it on the quality of care in all 45 of these relevant health services.

The income generated by the relevant health services reviewed in 2017/18 represents 100 per cent of the total income generated from the provision of relevant health services by the Hampshire Hospitals NHS Foundation Trust for 2017/18.

When reviewing the quality of service delivery, Hampshire Hospitals NHS Foundation Trust uses the model which incorporates patient safety, clinical effectiveness and patient experience. This is applied consistently to all services provided and is monitored through the FT’s governance arrangements. This includes reporting to the Board of Directors through the use of a quality scorecard incorporating the model thus reporting on all three elements of patient safety, clinical

effectiveness and patient experience. This model is also used for reporting at divisional level and at the Clinical Quality and Safety Committee.

The domains of patient safety, clinical effectiveness and patient experience are also reviewed by Commissioners through contract quality reporting meetings.

The amount of data available for review has not impeded this objective. For more information relating to data quality please refer to page 135 of this report.

### National Clinical Audits

During 2017/18, 42 national clinical audits and 7 national confidential enquiries covered relevant health services that Hampshire Hospitals NHS Foundation Trust provides.

During that period Hampshire Hospitals NHS Foundation Trust participated in 100 per cent of national clinical audits and 100 per cent of national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.

The national clinical audits and national confidential enquiries that Hampshire Hospitals NHS Foundation Trust was eligible to participate in during 2017/18 are shown as follows in the table below.

The national clinical audits and national confidential enquiries that Hampshire Hospitals NHS Foundation Trust participated in, and for which data collection was completed during 2017/18, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

The reports of 28 national clinical audits and 2 national confidential enquiry reports were reviewed by the provider in 2017/18 and Hampshire Hospitals NHS Foundation Trust intends to take forward actions to improve the quality of healthcare provided, as identified in the table below.

National audit	Is HHFT eligible to participate	Is BNHH participating	Is RHCH participating	% submission of no. of registered cases required	External audit reports published in 2017/18 and reviewed	Outcome or actions taken as a result of audit
<b>Acute Care</b>						
Adult critical care (ICNARC CMPD)	Yes	Yes	Yes	100%	Only available to view online	Report reviewed and is not identified as an outlier for any of the domains. No actions required by HHFT.
National Emergency Laparotomy Audit	Yes	Yes	Yes	100%	1	Report has been reviewed. The Trust has not been identified as an outlier for any of the key standards.

National audit	Is HHFT eligible to participate	Is BNHH participating	Is RHCH participating	% submission of no. of registered cases required	External audit reports published in 2017/18 and reviewed	Outcome or actions taken as a result of audit
National Joint Registry (NJR)	Yes	Yes	Yes	100%	1	Report has been reviewed. The Trust has not been identified as an outlier for any hip or knee revisions from 2012.
Major Trauma Audit	Yes	Yes	Yes	100%	n/a	n/a
Fractured Neck of Femur (care in emergency departments)	Yes	Yes	Yes	100%	n/a	n/a
Procedural Sedation in Adults (care in emergency departments)	Yes	Yes	Yes	100%	n/a	n/a
Pain in Children (care in emergency departments)	Yes	Yes	Yes	100%	n/a	n/a
Radical Prostatectomy Audit	No	n/a	n/a	n/a	n/a	n/a
<b>Blood and Transplant</b>						
Audit red cell and platelet transfusion in adult haematology patients.	Yes	Yes	Yes	100%	1	The report has been reviewed. No further action is required.
Patient Blood Management in Scheduled Surgery	Yes	Yes	Yes	100%	1	The report has been reviewed. No further action is required.
Use of blood in Lower GI bleeding	Yes	Yes	Yes	n/a	n/a	n/a
Serious Hazards of Transfusion (SHOT)	Yes	Yes	Yes	100%	1	The report has been reviewed and action plan in place to comply with the national recommendations.
<b>Cancer</b>						
Bowel Cancer (National Bowel Cancer Audit Programme)	Yes	Yes	Yes	100%	1	The report has been reviewed. BNHH & RHCH above the national average for many of the standards.
Lung Cancer (National Lung Cancer Audit)	Yes	Yes	Yes	100%	1	The report has been reviewed. HHFT outcomes were overall good and often above the national average.
Oesopho-gastric Cancer (National O-G Cancer Audit)	Yes	Yes	Yes	100%	1	The report has been reviewed. No further action is required.
Head and Neck Cancer Audit	No	n/a	n/a	n/a	n/a	n/a
Prostate Cancer	Yes	Yes	Yes	100%	1	The report has been reviewed. No further action is required.
<b>Heart</b>						
Acute Myocardial Infarction &	Yes	Yes	Yes	100%	1	The report has been reviewed.

National audit	Is HHFT eligible to participate	Is BNHH participating	Is RHCH participating	% submission of no. of registered cases required	External audit reports published in 2017/18 and reviewed	Outcome or actions taken as a result of audit
other ACS (MINAP)						Current performance demonstrates an improvement from the audit results of 2015/16
Cardiac Rhythm Management (CRM)	Yes	Yes	n/a	100%	n/a	n/a
Congenital Heart Disease, Children & Adults	No	n/a	n/a	n/a	n/a	n/a
National Audit of Percutaneous Coronary Interventions (PCI) (Coronary Angioplasty)	Yes	Yes	n/a	100%	1	Report has been reviewed. As recommended the use of radial access for patients undergoing angioplasty is being increased at HHFT.
National Adult Cardiac Surgery Audit	No	n/a	n/a	n/a	n/a	n/a
National Adult Cardiac Arrest Audit	Yes	Yes	Yes	25%	n/a	n/a
National Heart Failure Audit	Yes	Yes	Yes	100%	1	HHFT is above the national average for many of the standards.
National Vascular Registry	Yes	Yes	Yes	100%	1	The report has been reviewed. No further action is required.
Pulmonary Hypertension	No	n/a	n/a	n/a	n/a	n/a
<b>Long Term Conditions</b>						
Adult Diabetes (National Adult Diabetes Audit)	No	n/a	n/a	n/a	n/a	n/a
National Diabetes Footcare Audit	Yes	Yes	Yes	100%	1	The report has been reviewed. No further action is required
National Pregnancy in Diabetes Audit	Yes	Yes	Yes	100%	1	The report is has been reviewed with HHFT above the national average with many of the key measures.
National Diabetes Inpatient Audit	Yes	Yes	Yes	100%	1	The report has been reviewed. No further action is required
Inflammatory Bowel Disease (IBD)	Yes	Yes	Yes	100%	n/a	n/a
National Chronic Obstructive Pulmonary Disease (COPD) Audit Programme Pulmonary rehabilitation	Yes	Yes	Yes	100%	n/a	n/a
National Chronic Obstructive	Yes	Yes	Yes	100%	n/a	n/a

National audit	Is HHFT eligible to participate	Is BNHH participating	Is RHCH participating	% submission of no. of registered cases required	External audit reports published in 2017/18 and reviewed	Outcome or actions taken as a result of audit
Pulmonary Disease (COPD) Audit programme Secondary Care						
National Chronic Obstructive Pulmonary Disease (COPD) Directory	No	n/a	n/a	n/a	n/a	n/a
Renal Replacement Therapy (Renal Registry)	No	n/a	n/a	n/a	n/a	n/a
Rheumatoid and early inflammatory arthritis	Yes	n/a	n/a	n/a	n/a	n/a
National Audit of Dementia	Yes	Yes	Yes	100%	1	Report has been reviewed, and although the Trust at the time of the audit was in the lower quartile for nutritional assessment, recent local audit has now shown improvement in line with the national average.
UK Parkinson's Audit	Yes	Yes	Yes	100%	n/a	n/a
<b>Mental Health</b>						
Mental health clinical outcome review programme	No	n/a	n/a	n/a	n/a	n/a
Prescribing Observatory for Mental Health (POMH)	No	n/a	n/a	n/a	n/a	n/a
Learning Disability Mortality Review Programme	Yes	Yes	Yes	100%	n/a	n/a
National Audit of Anxiety and Depression	No	n/a	n/a	n/a	n/a	n/a
National Clinical Audit of Psychosis	No	n/a	n/a	n/a	n/a	n/a
<b>Older People</b>						
Falls and Fragility Fractures Audit Programme (FFFAP)	Yes	Yes	Yes	100%	1	Report has been reviewed and for many of the standards both Trust sites were above national average.
National Hip Fracture Database						
Falls and Fragility Fractures Audit Programme (FFFAP)	Yes	Yes	Yes	100%	1	Report has been reviewed and an action plan will be approved at next patient safety group.
Inpatient Falls						
Sentinel Stroke National Audit Programme (SSNAP)	Yes	Yes	Yes	100%	1	Report has been reviewed. The Trust is now receiving the highest level of ranking (A rating)
<b>Other</b>						
Elective Surgery (National PROMs Programme)	Yes	Yes	Yes	82%	n/a	n/a
Ophthalmology	Yes	Yes	Yes	100%	1	Report has been reviewed. No actions required by HHFT.

National audit	Is HHFT eligible to participate	Is BNHH participating	Is RHCH participating	% submission of no. of registered cases required	External audit reports published in 2017/18 and reviewed	Outcome or actions taken as a result of audit
Endocrine and Thyroid National Audit	No	n/a	n/a	n/a	n/a	n/a
Neurosurgical National Audit	No	n/a	n/a	n/a	n/a	n/a
Nephrectomy Audit	No	n/a	n/a	n/a	n/a	n/a
Percutaneous Nephrolithotomy (PCNL)	No	n/a	n/a	n/a	n/a	n/a
National Audit of Intermediate Care	No	n/a	n/a	n/a	n/a	n/a
National Bariatric Surgery Registry	No	n/a	n/a	n/a	n/a	n/a
National Audit of Care at the End of Life	Yes	Yes	Yes	n/a	n/a	n/a
<b>Women's and Children's Health</b>						
Maternal, Infant and Newborn Programme (MBRRACE-UK)	Yes	Yes	Yes	100%	3	Report shows neonatal mortality rates for HHFT 10% lower than the UK average.
Neonatal Intensive and Special Care (NNAP)	Yes	Yes	Yes	100%	1	Report has been reviewed All parameters are above or in line with the national average.
Paediatric Diabetes	Yes	Yes	Yes	100%	1	Report has been reviewed BNNH was identified as a positive outlier (above three standard deviations of the national average) for the four key performance standards and RHCH was in-line with the national average.
Paediatric Intensive Care (PICANet)	No	n/a	n/a	n/a	n/a	n/a
National Maternity and Perinatal Audit	Yes	Yes	Yes	100%	1	Report has been reviewed and progress has already been made with the actions for perineal tears and a comprehensive action plan is in place for obstetric haemorrhage.
Seizures & epilepsies in Children & Young Peoples	Yes	Yes	Yes	n/a	n/a	n/a
<b>Medical and Surgical Clinical Outcome Review (NCEPOD)</b>						
Acute Non-Invasive Ventilation	Yes	Yes	Yes	100%	1	Report reviewed & a quality improvement programme developed to ensure compliance with all recommendations is achieved.
Acute heart failure	Yes	Yes	Yes	100%	n/a	n/a
Diabetes – perioperative care	Yes	Yes	Yes	100%	n/a	n/a
Pulmonary Embolism	Yes	Yes	Yes	n/a	n/a	n/a
<b>Child health clinical outcome review programme (NCEPOD Children)</b>						

National audit	Is HHFT eligible to participate	Is BNHH participating	Is RHCH participating	% submission of no. of registered cases required	External audit reports published in 2017/18 and reviewed	Outcome or actions taken as a result of audit
Cancer in children & young people	Yes	Yes	Yes	100%	n/a	n/a
Cerebral palsy	Yes	Yes	Yes	100%	1	Self-assessment is currently being undertaken against the recent recommendations.
Young Peoples Mental Health	Yes	Yes	Yes	100%	n/a	n/a

**Note:** n/a – is not applicable, it has been used in the above table to report for the following:

- When an audit report has not yet been published;
- When HHFT or site is not eligible to participate;
- When the report has not been published and data for the audit is still being collected, analyzed or not yet started, so % submission of number of registered cases cannot be provided;
- When a published report does not contain hospital level data.

### Local clinical audits

The reports of 71 local clinical audits were reviewed by the provider in 2017/18. The table below illustrates the key findings and actions from some of these audits. These actions are intended to improve the quality and outcome of care for patients and family of the Trust.

Audit Details	Key findings	Actions taken/ Outcomes
Blood Transfusions on surgical wards  Surgery  BNHH  June 2017	This audit and re-audit were undertaken to assess documentation of clinical practice on surgical wards with NICE blood transfusion guidelines. The audit focused on the documentation of blood transfusion in patient records.  The results from the initial audit (sample size 34) showed: <ul style="list-style-type: none"> <li>• 88% of patients had indication for a transfusion documented</li> <li>• 91% of patients had haemoglobin level before transfusion documented</li> <li>• 44% of patients had haemoglobin level after transfusion documented</li> <li>• 0% of patients had blood transfusion</li> </ul>	Following the initial audit a new blood transfusion sticker was introduced to be used as a checklist to encourage accurate documentation.  The re-audit demonstrated that the implementation of the sticker checklist led to an improvement in documentation.  Further work to promote the use of the checklist is being undertaken to improve documentation and there is a plan to re-audit.

Audit Details	Key findings	Actions taken/ Outcomes
	<p>consent documented</p> <ul style="list-style-type: none"> <li>• 0% of patients had 'information was provided' documented</li> <li>• 0% of patients had 'informed they cannot donate blood following transfusion' documented</li> </ul> <p>The re-audit demonstrated the following improvements (sample size 27)</p> <ul style="list-style-type: none"> <li>• 100% of patients had indication for a transfusion documented</li> <li>• 100% of patients had haemoglobin level before transfusion documented</li> <li>• 65% of patients had haemoglobin level after transfusion documented</li> <li>• 65% of patients had blood transfusion consent documented</li> <li>• 46% of patients had 'information was provided' documented</li> <li>• 31% of patients had 'informed they cannot donate blood following transfusion' documented</li> </ul>	
<p>Management of Non-ST elevation myocardial infarction (NSTEMI)</p> <p>BNHH</p> <p>August 2017</p>	<p>A local audit was completed to review the medications of NSTEMI patients. NICE guidelines recommend that all patients should be started on ACE inhibitor, B-blocker, platelet therapy and a statin.</p> <p>The results from the initial audit (sample size 31) showed:</p> <ul style="list-style-type: none"> <li>• 51.6% patients given ACE inhibitor</li> <li>• 74.2% patients given B-blocker</li> <li>• 96.8% patients given platelet therapy</li> <li>• 74.2% patients given statin</li> </ul> <p>The re-audit has demonstrated the following improvements (sample size 34):</p> <ul style="list-style-type: none"> <li>• 82.4% patients given ACE inhibitor</li> <li>• 94.1% patients given B-blocker</li> <li>• 100% patients given platelet therapy</li> <li>• 85.3% patients given statin</li> </ul>	<p>Teaching sessions were provided by the Senior Registrar to improve the prescribing of the recommended medication.</p> <p>The re-audit has demonstrated further improvements.</p>
<p>Safeguarding Audit: Documentation of the Child Assessment Medical</p> <p>Trust-wide</p> <p>August 2017</p>	<p>This local audit was undertaken to assess the clinical practice of the assessments of child protection medical reports. The standards are from the Royal College of Paediatrics.</p> <p>The results from the audit over a 3 month period (sample size 28) showed:</p> <ul style="list-style-type: none"> <li>• 100% of assessments were completed by a paediatrician</li> <li>• 100% children with a physical injury were assessed within 24 hours</li> <li>• 85% of assessments had verbal consent obtained from parents,</li> </ul>	<p>The audit results show good compliance with the standards. Work to improve the timeliness of sharing written reports is required and work is on-going to improve this.</p>

Audit Details	Key findings	Actions taken/ Outcomes
	<ul style="list-style-type: none"> <li>• 15% of assessments had assumed consent as parents were present at the assessment</li> <li>• 100% of assessments had verbal information provided to social care services</li> <li>• 29% formal written reports were provided to social care services within 3 days</li> </ul>	
Re-audit Management of ankle fractures  Medical Services  Emergency Department,  September 2017	<p>This local re-audit was completed to review the care and documentation of the management of patients attending the Emergency Department with ankle fractures. Performance was audited against national standards.</p> <p>The results from the initial audit (sample size 19 patients) showed:</p> <ul style="list-style-type: none"> <li>• 63% had neuro-vascular status documented</li> <li>• 42% had skin integrity documented</li> <li>• 94% had adequate imaging</li> <li>• 89% had co-morbidities documented</li> </ul> <p>Re-audit (sample size 21 patients) has shown an improvement in the audit results:</p> <ul style="list-style-type: none"> <li>• 76% had neuro-vascular status documented</li> <li>• 52% had skin integrity documented</li> <li>• 100% had adequate imaging</li> <li>• 86% has co-morbidities documented</li> </ul>	<p>Following the initial audit, teaching sessions were provided to staff in the Emergency Department and posters were used to raise awareness of the standards. Results were also discussed with the Orthopaedic Team.</p> <p>A subsequent re-audit has shown an improvement in the audit results.</p> <p>Further teaching sessions are planned to continue this improvement journey.</p>
Pain after paediatric adeno-tonsillectomy  ENT, RHCH  November 2017	<p>This re-audit was completed to ensure codeine was no longer being prescribed for moderate to severe pain. Oral morphine should be made available to these children to help reduce pain following their surgery.</p> <p>53 parents responded to a questionnaire.</p> <p>The audit confirmed that in line with the guidance no children were prescribed codeine.</p> <p>Of the children that were prescribed oral morphine, 83% of parents said it helped their child's pain.</p> <p>All the parents said they knew who to contact in an emergency and were given adequate advice on managing their child's pain.</p>	<p>The audit demonstrates that we are appropriately managing children's pain following discharge for adeno-tonsillectomy.</p>

Audit Details	Key findings	Actions taken/ Outcomes
Completeness of excision of basal cell carcinoma  ENT  January 2018	<p>An annual audit is recommended by the British Association of Dermatology to ensure the completeness of excision margins of basal cell carcinomas.</p> <p>87 primary excisions were included in the audit. 52 of these were identified as basal cell carcinomas. The results showed that 98% of these excisions had margins that were clear, which is line with the national benchmark.</p>	<p>The audit demonstrates that there are no concerns with completeness of excision rates at HHFT.</p> <p>A re-audit will be planned for 2019</p>
Patient identity band Audit  Trustwide  February 2018	<p>This audit was undertaken to provide assurance that the wards were following the patient identity band policy.</p> <p>Concerns were raised following two incidents in which in-patients did not have the correct identification on.</p> <p>56 patients, across 7 wards which covered all clinical divisions were spoken to and their wristbands reviewed in the audit.</p> <p>The audit demonstrated that 96% of the patients were wearing patient identification wristbands which were clearly written or printed.</p> <p>The majority of patients were aware of what action to take in the event of an issue with their wristband.</p>	<p>Where there was non-compliance during the audit immediate action was taken.</p> <p>All clinical matrons were contacted to confirm that they had reviewed the patient identity policy and that it had been shared with staff on their wards.</p> <p>A re-audit is planned in 2 months.</p>

## Research

The number of patients receiving relevant health services provided or sub-contracted by Hampshire Hospitals NHS Foundation Trust in 2017/18 that were recruited during that period to participate in research approved by a research ethics committee was 1995.

The Trust supports clinical research as a means of improving patient care, and contributing to wider health improvement. The Trust is a partner organisation of National Institute for Health Research (NIHR) Clinical Research Network: Wessex.

A total of 63 clinical staff (including students' investigators) led 129 clinical research studies successfully recruiting patients at Hampshire Hospitals NHS Foundation Trust since 01 April 2017. Of the 1995 participants recruited into studies, currently 1650 were recruited into National Institute for Health Research portfolio studies. The target recruitment for the NIHR portfolio studies is 1344. For the first time in 2017/18, HHFT was also set a complexity weighted recruitment target of 7937, which we have also achieved. Current complexity weighted recruitment at HHFT is 8313.

Recruitment to NIHR studies at HHFT has been steadily increasing year-on-year with research activity in 2016/17 the highest achieved by HHFT, with 1927 patients recruited. It is anticipated that once all data is uploaded to NIHR reporting systems, 2017/18 recruitment will be on par with this.

A summary of recruitment and number of studies by NIHR managing specialty can be seen in the table below and the study categories are:

- Commercial – Commercially sponsored and fully funded research studies
- Large scale – Non-commercial observational studies with sample size =>10,000
- Observational- Non-commercial observational research
- Interventional – Non-commercial interventional research including CTIMPs

		2017/18	
NIHR Study Specialty	Study Category	Patient Recruitment	No. of Studies
Anaesthesia, Perioperative Medicine and Pain Management	Interventional	5	1
	Large Scale	37	1
	Observational	6	1
<b>Anaesthesia, Perioperative Medicine and Pain Management Total</b>		<b>48</b>	<b>3</b>
Cancer	Interventional	152	19
	Large Scale	15	2
	Observational	167	10
<b>Cancer Total</b>		<b>334</b>	<b>31</b>
Cardiovascular Disease	Commercial	53	6
	Interventional	14	3
	Observational	3	1
<b>Cardiovascular Disease Total</b>		<b>70</b>	<b>10</b>
Critical Care	Interventional	68	2
	Observational	118	1
<b>Critical Care Total</b>		<b>186</b>	<b>3</b>
Dementias and Neurodegeneration	Observational	69	4
<b>Dementias and Neurodegeneration Total</b>		<b>69</b>	<b>4</b>
Diabetes	Interventional	4	1
	Large Scale	20	1
	Observational	2	1
<b>Diabetes Total</b>		<b>26</b>	<b>3</b>
Gastroenterology	Commercial	10	2
	Interventional	13	2
	Large Scale	4	1
	Observational	33	3
<b>Gastroenterology Total</b>		<b>60</b>	<b>8</b>
Genetics	Observational	65	2
<b>Genetics Total</b>		<b>65</b>	<b>2</b>
Haematology	Commercial	26	4
	Observational	121	5
<b>Haematology Total</b>		<b>147</b>	<b>9</b>

Health Services Research	Large Scale Observational	96 16	1 2
<b>Health Services Research Total</b>		<b>112</b>	<b>3</b>
Hepatology	Commercial Interventional Large Scale Observational	1 2 4 4	1 1 1 3
<b>Hepatology Total</b>		<b>11</b>	<b>6</b>
Infection	Commercial Interventional	2 31	1 1
<b>Infection Total</b>		<b>33</b>	<b>2</b>
Injuries and Emergencies	Interventional Observational	25 32	2 2
<b>Injuries and Emergencies Total</b>		<b>57</b>	<b>4</b>
Mental Health	Interventional	3	1
<b>Mental Health Total</b>		<b>3</b>	<b>1</b>
Musculoskeletal Disorders	Commercial Interventional Large Scale Observational	3 18 30 40	2 2 1 4
<b>Musculoskeletal Disorders Total</b>		<b>91</b>	<b>9</b>
Neurological Disorders	Observational	25	1
<b>Neurological Disorders Total</b>		<b>25</b>	<b>1</b>
Primary Care	Large Scale Observational	10 5	1 1
<b>Primary Care Total</b>		<b>15</b>	<b>2</b>
Reproductive Health	Interventional	4	2
<b>Reproductive Health Total</b>		<b>4</b>	<b>2</b>
Respiratory Disorders	Observational	3	1
<b>Respiratory Disorders Total</b>		<b>3</b>	<b>1</b>
Stroke	Interventional Observational	2 117	2 3
<b>Stroke Total</b>		<b>119</b>	<b>5</b>
Surgery	Commercial Interventional Observational	31 128 13	1 3 2
<b>Surgery Total</b>		<b>172</b>	<b>6</b>
<b>Grand Total</b>		<b>1650</b>	<b>115</b>

Achievements from 2017/18 include:

- Improvements to Research Governance

A full review of departmental SOPs has been undertaken with significant work by senior staff to update and produce new SOPs as required and roll out the new SOPs. The research pages on the trust intranet have been updated to ensure staff have access to the information they require.

A review of the trust sponsorship application process and risk assessment has also been undertaken and as a result the process has been revised to ensure appropriate Trust staff are involved.

Improvements have been made to the monitoring programme for trust sponsored studies with plans in place to increase staff training in 18/19 regarding compliance and maintaining high organisational standards.

- Clinical Developments

The clinical staffing structure has been reviewed within the team and a new band 4 Clinical Trials Assistant post has been introduced to provide clinical and administrative support to our research nurses.

Band 5 developmental research nursing posts have been introduced where there is professional support to mentor them at this level.

Our stroke research team are the top recruiting team in the Wessex region to the Determinants of Prognosis in Stroke (SIGNUM) study (114 patients in 17/18) and they received recognition at NIHR CRN Annual Wessex Combined Stroke Strategy and Research Forum. HHFT has recruited more than 26% of the total number of participants in this study in the Wessex region, 8 organisations in Wessex are currently recruiting.

Research within the surgery managing specialty has increased significantly in 2017/18, with HHFT now the second highest recruiting organisation in Wessex behind University Hospitals Southampton NHS Foundation Trust. 172 participants have been recruited to 6 studies.

Research across the cancer specialty continues to contribute approximately a quarter of all activity within the organisation. A full-time senior research practitioner has been appointed this year to provide enhanced leadership to the cancer research team.

- Professional Developments

Successful collaboration with University Hospitals Southampton NHS Foundation Trust has led to the opening of the FluPoc (Molecular point-of-care 'test and treat' for influenza v1.0) study at HHFT. The study aims to evaluate the impact of routine point of care testing on reduction in inappropriate antibiotic use, reduction of isolation use and length of hospital stay.

A lunchtime Research Fora has been introduced by the clinical director for Research, for clinical staff to increase trust wide engagement in research and highlight key achievements. These take place quarterly on alternative sites.

The R&D manager and lead research nurse have implemented Training and Development Days for research staff as a forum to share key updates, provide training opportunities and share best practice. These take place quarterly on alternative sites.

During 2018/19 the HHFT Research and Development team will:

- Support research into the evaluation of the ReSPECT (Recommended Summary Plan for Emergency Care and Treatment) process. HHFT is one of only 6 acute organisations in the UK selected to take part. The project plans to study how, when and why these emergency treatment plans are made and the effects they have on patient care and will inform the future use of emergency plans throughout the NHS.
- Improve PPI engagement in research. The department will work with the Volunteer Coordinators in the trust to assess the feasibility of recruiting a volunteer Patient Research Ambassador role. We will also develop PPI groups to contribute to protocol development for HHFT sponsored studies.
- Continue to develop and support collaborative work between HHFT and the University of Winchester, particularly with the Health and Wellbeing Research Group, Department of Sports and Exercise Science and Department of Psychology.
- Continue plans to develop a Clinical Trials laboratory at HHFT

### **Commissioning for Quality and Innovation**

A proportion of Hampshire Hospitals NHS Foundation Trust income in 2017/18 was conditional on achieving quality improvement and innovation goals agreed between Hampshire Hospitals 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.

Further details of the agreed goals for 2017/18 and for the following 12-month period are available electronically at <https://www.england.nhs.uk/nhs-standard-contract/cquin/>

The monetary total income for 2017/18 conditional on achieving quality improvement and innovation goals was £ 7,032,385 and for 2016/17 the monetary total for the associated payment was £5,839,685.

The Trust is currently assuming 100% for Specialist Commissioning and public health/dental contracts and 80% for all other commissioners pending confirmation of CQUIN outcomes after Q4 data submission in May 2018.

### **Care Quality Commission**

Hampshire Hospitals NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is licensed. Hampshire Hospitals NHS Foundation Trust has no conditions on registration.

The Care Quality Commission has not taken enforcement action against Hampshire Hospitals NHS Foundation Trust during 2017/18.

Hampshire Hospitals NHS Foundation Trust participated in an investigation by the Care Quality Commission relating to the following area during 2017/18.

In December 2017 the CQC visited Andover War Memorial Hospital and carried out an unannounced inspection at the Minor Injuries Unit (MIU). As a result the MIU was rated 'GOOD' for all five of the key areas inspected by the CQC - safe, effective, caring, responsive and well led.

The review found that a high standard of care and treatment is being delivered at the unit by competent, efficient and helpful staff who treat their patients with kindness. The report also looked at what it is like as a place to work, and found that staff working in the unit have access to specialist training and staffing levels are sufficient to meet the demand on the service.

### **Information on data quality**

Hampshire Hospitals NHS Foundation Trust submitted records 2017/18 to the Secondary Uses Service for inclusion in the Hospital Episode Statistics which are included in the latest published data. This is for the period 01 April 2017 – 28 February 2018.

The percentage of records in the published data which included the patient's valid NHS Number was:

- 99.6 per cent for admitted patient care
- 99.9 per cent for outpatient care and
- 98.0 per cent for accident and emergency care

The percentage of records in the published data which included the patient's valid General Medical Practice Code was:

- 99.9 per cent for admitted patient care
- 99.9 per cent for outpatient care and
- 99.8 per cent for accident and emergency care

Hampshire Hospitals NHS Foundation Trust Information Governance Assessment Report overall score for 2017/18 was 71 per cent and was graded 'Satisfactory'.

Each year, Hampshire Hospitals NHS Foundation Trust must report our Information Governance compliance by completing the IG Toolkit hosted by the Health and Social Care Information Centre (HSCIC). This report assesses the Trusts annual performance against national standards which includes; Information Governance Management, Confidentiality and Data Protection Assurance, Information Security Assurance, Clinical Information Assurance, Secondary Use Assurance and Corporate Information Assurance.

HHFT reported 2 incidents to the Information Commissioner's Office (ICO) in 2017/18. No further action was required.

HHFT received 1 ICO notification for breach of the Data Protection Act as it failed to satisfy a subject access request submitted on the 27 June 2017. HHFT responded to ICO with the actions taken on 24 January 2018.

Hampshire Hospitals NHS Foundation Trust was subject to the Payment by Results clinical coding audit during the reporting period by the Audit Commission and the error rates reported in the latest published audit for that period for diagnoses and treatment coding (clinical coding) were:

- 92.5 per cent for primary diagnosis coded correctly
- 94 per cent for secondary diagnosis coded correctly
- 95.5 per cent for primary procedure coded correctly
- 96.3 per cent for secondary procedure coded correctly.

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

The audit reviewed the clinical coding accuracy of 200 Finished Consultant Episodes (FCEs) of activity undertaken across Hampshire Hospitals NHS Foundation Trust. The audit sample was selected randomly from period July – September 2017. This was a cross specialty audit. The specialties reviewed included:

- General Medicine
- Ophthalmology
- Trauma & Orthopaedics
- ENT
- Anaesthetics
- Gastroenterology

Hampshire Hospitals NHS Foundation Trust will be taking the following actions to improve data quality:

1. Provide guidance to coders on information from case notes to use when coding a patient based on review of referral letters and pre-assessment documentation
2. Operation note coding and exercises to be carried out with coders to assist with extracting all information from operation notes
3. Share the audit findings with the team, specifically raise awareness of indexing conditions when other conditions are present, the new standards regarding coding for sepsis, tympanoplasty procedures, knee arthroscopy and pain relief procedures

### **Learning from Deaths**

During 2017/18 1,729 of Hampshire Hospitals NHS Foundation Trust patients died. This comprised the following number of deaths which occurred in each quarter of that reporting period:

- 387 in the first quarter
- 368 in the second quarter
- 469 in the third quarter
- 506 in the fourth quarter

By 31 March 2018 877 case record reviews and 263 investigations have been carried out in relation to 1,729 of the deaths.

In 257 cases a death was subjected to both a case review and an investigation. The number of deaths in each quarter for which a case record review or an investigation was carried out was:

- 164 in the first quarter
- 293 in the second quarter
- 400 in the third quarter
- 283 in the fourth quarter

3 representing 0.17% of the patient deaths during the reporting period are judged to be more likely than not to have been due to problems in the care provided to the patient.

In relation to each quarter, this consisted of:

2 representing 0.52% for the first quarter;

1 representing 0.27% for the second quarter;

0 representing 0% for the third quarter;

0 representing 0% for the fourth quarter

These numbers have been estimated using the national guidance on learning from deaths and the definitions:

- (i) **Case record review:** The application of a case record/note review to determine whether there were any problems in the care provided to the patient who died in order to learn from what happened.

HHFT has developed a mortality screening tool which is used by clinical staff, trained to screen, to determine any potential problems in care or potential avoidability or just to identify potential learning.

- (ii) **Investigation:** The act or process of investigating; a systematic analysis of what happened, how it happened and why. This draws on evidence, including physical evidence, witness accounts, policies, procedures, guidance, good practice and observation - in order to identify the problems in care or service delivery that preceded an incident to understand how and why it occurred. The process aims to identify what may need to change in service provision in order to reduce the risk of future occurrence of similar events.

At HHFT the investigation is carried out using the Structure Judgement Review process by the Royal College of Physicians and/or the Trust SIRI investigation process. The investigation is presented at the Mortality Surveillance Group (MSG) where there is scrutiny of the review, the findings and recommendation, and learning is identified.

- (iii) **Death due to a problem in care:** A death that has been clinically assessed using a recognised methodology of case record/note review and determined more likely than not to have resulted from problems in healthcare and therefore to have been potentially avoidable.

This definition is used in the determination of the Likert score at the mortality surveillance group meetings and reporting. Consistency in judgement case reviews is achieved through the use of a standardised two stage process with robust scrutiny and challenge at the MSG.

In August 2018 HHFT adopted the ambition to screen (case review) 100% patient deaths to identify those deaths which required a further investigation, an SJR (structured judgmental review). Prior to August 2017 a mortality matrix review was carried out; however, this did not cover 100% of patient deaths.

### **What we have learnt from the case reviews and investigations at HHFT**

The process of learning from deaths has been welcomed in the organisation by all clinicians, with good engagement and commitment. In relation to all of the mortality reviews undertaken, the mortality surveillance group identified learning regarding the need to ensure clinical observations are undertaken consistently and that escalation processes are effective.

The mortality surveillance group identified good practice within the mortality reviews, for example:

- excellent communication with families;
- excellent end of life care;
- excellent clinical care and good documentation of decision making
- evidence of appropriate discussions with family members regarding organ donation
- evidence that patients wishes were achieved and they were able to die at their place of choice

In relation to all of the mortality reviews undertaken to date the mortality surveillance group identified that a review of the patients who have died from Hospital Acquired Pneumonia would be beneficial to determine if there is further learning in relation to these deaths and this will commence in Q1 2018/19.

### **Actions taken in relation to the learning from deaths and the impact of these**

A new clinically-led working group is being established to support the learning regarding the need to ensure clinical observations are undertaken consistently and that escalation processes are effective. This is led by the Associate Medical Director for Governance.

The mortality review process highlighted training requirements, for example, the requirement for training in order to recognise acute illness in young people when neurological diagnosis impacts on the clinical assessment. The Trust has recruited a Learning Disability Nurse to provide training and support to staff so that they are able to recognise how a neurological diagnosis impacts on clinical assessments.

The mortality review process itself is developing and the screening and reviews are now linked with the electronic patient record. As the process has developed there are improved links with partners e.g. prisons and private hospitals, as part of the review process.

Training is provided for reviewers and some group screening sessions have been carried out to share learning through the reviewer's experience. Feedback from medical staff involved in these sessions has included the benefits of participating in a process that reminds them of the work of the wider organisation and enables them to remain connected to colleagues, where they work in specialist areas.

Through the mortality review process there were occasions where the reviewers identified that the timeliness of communications between clinical staff was not as efficient as it should be. The introduction of the Hospital at Night scheme has improved communications between medical staff at all levels and received excellent feedback. Communications have also been improved by sharing the across the Trust the work and availability of the outreach team to support the care of patients whose condition is deteriorating.

The next development in the mortality review process is the introduction of new methods of feeding back to clinical staff and teams, using established and recognised "sharing learning" tools and posters.

0 case record reviews and 156 investigations completed after 1 April 2017 which related to deaths which took place before the start of the reporting period.

0 representing 0% of the patient deaths before the reporting period are judged to be more likely than not to have been due to problems in the care provided to the patient.

## 2.3 Reporting against core indicators

The tables below provide an overview of Hampshire Hospitals NHS Foundation Trust performance in 2017/18 against the key national priorities. Where possible this data is presented with comparisons with the national average and other hospitals.

The data is presented for the last two reporting periods and the table includes notes on definitions, data quality, improvement actions that have been taken or are planned and notes on data sources. Reference is also made to the NHS Outcomes Framework Domains that are relevant to each indicator.

Indicator	Jan 16 - Dec 16	Apr 16 - Mar 17	Jul 16 – Jun 17	Oct 16 – Sep 17	National Average Oct 16 – Sep 17	Best Figure Oct 16 – Sep 17	Worst Figure Oct 16 – Sep 17	NHS Outcomes Framework Domain
SHMI - value	1.04	1.05	1.03	1.01	1.01	0.73	1.25	1. Preventing people from dying prematurely
SHMI banding	- 2	2	2	2	2	1	3	

SHMI – % deaths with palliative care coding	25.2	26.9	29.4	32.2	31.4	59.5	11.5	2. Enhancing quality of life for people with long term conditions
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#### Definition

SHMI – Summary Hospital-level Mortality Indicator

SHMI measures deaths that happen both in an NHS hospital and that occur within 30 days of discharge from a hospital stay. It is the ratio between the actual number of patients who die following a treatment at the trust and the number that would be expected to die on the basis of average England figures, given the characteristics of the patients treated there.

The data used to produce the SHMI is generated from data the trusts submit to the Secondary Uses Services (SUS) linked with data from the Office for National Statistics (ONS) death registrations to enable capturing of deaths which occur outside of hospitals.

SHMI gives an indication for each hospital trust in England whether the observed number of deaths within 30 days of discharge from hospital was higher than expected, lower than expected or as expected when compared to the national baseline. Banding 2, means "As Expected"

The Hampshire Hospitals NHS Foundation Trust considers that this data is as described for the following reasons - it is within the statistical control limits.

The Hampshire Hospitals NHS Foundation Trust intends to take the following actions to improve this indicator and so the quality of its services by continuing the prospective approach to reviewing deaths and the work of the "preventing harm from deterioration" work stream.

#### Notes on data sources

Data source – NHS Digital

The palliative care indicator is a contextual indicator

The best and worst figures are for all hospitals not medium sized acute trusts

The data shown here is for the period January 2016 – June 2017. Data after June 2017 is not available

The Summary Hospital-level Mortality Indicator (SHMI) data is for a rolling one year period, and is in arrears

Indicator	2014/2015	2015/2016	Apr 16 – Mar 17	National Average Apr 16 – Mar 17	Best Figure Apr 16 – Mar 17	Worst Figure Apr 16 – Mar 17	NHS Outcomes Framework Domain
PROMS Score – Groin Hernia Surgery	0.098	0.102	0.103	0.087	0.163	0.042	3. Helping people to recover from episodes of ill health or following injury
PROMS Score – Varicose Veins Surgery	*	*	*	0.093	0.158	0.000	
PROMS Score – Hip Replacement Surgery – primary	0.442	0.446	0.447	0.442	0.538	0.345	
PROMS Score – Knee Replacement Surgery – primary	0.312	0.319	0.308	0.325	0.413	0.235	

#### Definition

PROMS – Patient Reported Outcome Measures are a means of collecting information on the effectiveness of care delivered to NHS patients as perceived by the patients themselves. It is reported at Trust level and the value for each procedure is the "case-mix adjusted average health gain" as determined by the EQ-5D Index.

The Hampshire Hospitals NHS Foundation Trust considers that this data is as described for the following reasons – the PROMs questionnaires and programme is handled by a provider on behalf of the Trust.

The Hampshire Hospitals NHS Foundation Trust intends to take the following action to improve this indicator and so the quality of its services by continuing to provide the outcome data that is available at specialty level within the Trust. It is important that all specialties are able to view the impact of the clinical services they provide at HHFT.

#### **Notes on data sources**

Data source – NHS Digital

The best and worst figures are for all providers not medium sized acute trusts

Data is not available for Apr 17 onwards from NHS Digital

This is provisional data for Apr 16 – Mar 17

Data for 2015/16 has been refreshed

\*Insufficient data: due to reasons of confidentiality, small figures have been suppressed

Indicator	BNHFT 2011/12	HHFT 2014/15	HHFT 2015/16	HHFT 2016/17	HHFT 2017/18	National Average 2017/18	Best Figure	Worst Figure	NHS Outcomes Framework Domain
% of patients aged 0-15 readmitted within 28 days of discharge	11.43	Data not available	Data not available	Data not available	3. Helping people to recover from episodes of ill health or following injury				
% of patients aged 16 or over readmitted within 28 days of discharge	9.59	Data not available	Data not available	Data not available					

#### **Definition**

Readmission Rate - the percentage of patients readmitted to a hospital which forms part of the trust within 28 days of being discharged from a hospital which forms part of the trust during the reporting period; aged: 0-15 and 16 or over.

The Hampshire Hospitals NHS Foundation Trust considers that this data is as described for the following reasons – the data is not available

The Hampshire Hospitals NHS Foundation Trust intends to take the following action to improve this indicator and so the quality of its services by reviewing local data sources and working with commissioners to identify specific areas for development by partners in primary care to help prevent readmissions.

#### **Notes on data sources**

Data source – NHS Digital

The best and worst figures are for all providers not medium sized acute trusts

Data is not available for beyond 2011/12 from NHS Digital

Indicator	2014/15	2015/16	2016/17	National Average 2016/17	Best Figure 2016/17	Worst Figure 2016/17	NHS Outcomes Framework Domain
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Responsiveness to personal needs of patient	70.1	71.1	70.2	68.1	85.2	60.0	4. Ensuring that people have a positive experience of care
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#### Definition

This is the Trust's score with regard to its responsiveness to the personal needs of its patients during the reporting period. It is the average weighted score of 5 questions relating to responsiveness to inpatients' personal needs (score out of 100).

The Hampshire Hospitals NHS Foundation Trust considers that this data is as described for the following reasons – it is taken from the annual national Inpatient Survey in 2014/15, 2015/16 and 2016/17.

The Hampshire Hospitals NHS Foundation Trust has taken the following action to improve this indicator and so the quality of its services by continuing to review patient feedback on their experiences in real time working with the Patient Voice Forum (PVF) as well as the various walkabouts.

#### Notes on data sources

Data source – NHS Digital

The best and worst figures are for all providers not medium sized acute trusts

Data is not available for 2017/18 from NHS Digital

Indicator	2015	2016	2017	National Average 2017	Best Figure 2017	Worst Figure 2017	NHS Outcomes Framework Domain
% of staff employed who would recommend the trust as a provider of care to their family or friends	74	78	77	70	86	47	4. Ensuring that people have a positive experience of care

#### Definition

This is the percentage of staff employed by, or under contract to, the trust during the reporting period who would recommend the trust as a provider of care to their family or friends. The question was: If a friend or relative needed treatment I would be happy with the standard of care provided by this organisation.

The Hampshire Hospitals NHS Foundation Trust considers that this data is as described for the following reasons – it is taken from the annual staff survey.

The Hampshire Hospitals NHS Foundation Trust intends to take the following action to improve this indicator and so the quality of its services by identifying all the actions required from the findings of the staff survey and gathering and responding to staff focus groups feedback.

#### Notes on data sources

Data source – NHSStaffSurveys.com

The best and worse figures are for all acute trusts

The data is from the results of the staff surveys 2015, 2016 and 2017

This data is unweighted

Indicator		Apr 2017	May 2017	Jun 2017	Jul 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	NHS Outcomes Framework Domain	
A&E Friends and Family Test Score	% Would Recommend	92%	91%	88%	90%	88%	89%	90%	87%	87%	89%	89%	4. Ensuring that people have a positive experience of care	
	% Would not Recommend	5%	6%	6%	5%	7%	6%	5%	7%	7%	6%	6%		
National average	% Would Recommend	87%	87%	88%	86%	87%	87%	87%	87%	85%	85%	85%		
	% Would not Recommend	7%	7%	7%	8%	7%	7%	7%	7%	8%	8%	8%		
Inpatient Friends and Family Test Score	% Would Recommend	96%	97%	96%	96%	96%	96%	96%	96%	96%	96%	95%		
	% Would not Recommend	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%		
National average	% Would Recommend	96%	96%	96%	96%	96%	96%	96%	96%	95%	95%	96%		
	% Would not Recommend	1%	1%	1%	2%	2%	2%	2%	2%	2%	2%	2%		
Maternity Birth Friends and Family Test Score	% Would Recommend	99%	99%	98%	99%	98%	97%	98%	N/A	98%	98%	98%		
	% Would not Recommend	0%	0%	0%	0%	0%	1%	1%	N/A	0%	1%	0%		
National average	% Would Recommend	96%	97%	97%	96%	96%	96%	96%	N/A	97%	97%	97%		
	% Would not Recommend	1%	1%	1%	1%	2%	2%	2%	N/A	1%	1%	1%		
Outpatients Friends and Family Test Score	% Would Recommend	94%	92%	94%	93%	94%	93%	95%	95%	95%	94%	95%		
	% Would not Recommend	2%	3%	2%	3%	2%	2%	2%	1%	2%	2%	2%		
National average	% Would Recommend	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%		
	% Would not Recommend	3%	3%	3%	3%	2%	3%	2%	3%	3%	2%	3%		
<b>Definition</b>														
The Trust's Friends and Family Test score from a single question survey which asks patients whether they would recommend the NHS service they have received to friends and family who need similar treatment or care.														
The Hampshire Hospitals NHS Foundation Trust considers that this data is as described for the following reason - the trust monitors this data on a monthly basis.														
The Hampshire Hospitals NHS Foundation Trust intends to take the following actions to improve this indicator and so the quality of its services by sharing the results of this survey with wards to enable them to take local actions for improvement.														
<b>Notes on data sources</b>														
Data source – NHS England														
Inpatient data excludes independent sector providers														
Data is not available from Jan 18 from NHS England														

Indicator	2015/16	2016/17	Apr 17 – Sep 17	National Average Apr 17 – Sep 17	Best Figure Apr 17 – Sep 17	Worst Figure Apr 17 – Sep 17	NHS Outcomes Framework Domain
% of patients admitted and were risk assessed for venous thromboembolism	95.83	96.41	97.03	95.22	100	64.49	5. Treating and caring for people in a safe environment and protecting them from avoidable harm
<b>Definition</b>							
The percentage of patients who were admitted to hospital and who were risk assessed for venous thromboembolism (VTE) during the reporting period.							
The Hampshire Hospitals NHS Foundation Trust considers that this data is as described for the following reasons – the trust continues to undertake robust data validation.							
The Hampshire Hospitals NHS Foundation Trust has taken the following actions to improve this indicator and so the quality of its services by implementing a unified data collection system and implementing the findings of the RCA (root cause analysis) carried out on VTE events.							
<b>Notes on data sources</b>							
Data source – NHS Digital							
The best and worst figures are for all hospitals not medium sized acute trusts							
Data is not available for Q3 onwards 2017/18 from NHS Digital							

Indicator	2014/15	2015/16	2016/17	National Average 2016/17	Best Figure 2016/17	Worst Figure 2016/17	NHS Outcomes Framework Domain
Rate per 100,000 bed days of cases of C Difficile	12.5	14.3	10.3	13.2	0	82.7	5. Treating and caring for people in a safe environment and protecting them from avoidable harm
<b>Definition</b>							
The rate per 100,000 bed days of cases of C Difficile infection that have occurred within the trust amongst patients aged 2 or over during the reporting period.							
The Hampshire Hospitals NHS Foundation Trust considers that this data is as described for the following reasons – the Trust continues to monitor this data on a monthly basis.							
The Hampshire Hospitals NHS Foundation Trust intends to take the following actions to improve this indicator and so the quality of its services by continuing to work with wards and departments to promote excellent infection control and prevention.							
<b>Notes on data sources</b>							
Data source – Gov.UK website							
The best and worst figures are for all hospitals not medium sized acute trusts							
Data for 2014/15 has been refreshed							

Data is not available for 2017/18 from the Gov.UK

Indicator	Apr 15 – Sep 15	Oct 15 – Mar 16	Apr 16 – Sep 16	Oct 16 – Mar 17	National Average Oct 16 – Mar 17	Best Figure Oct 16 – Mar 17	Worst Figure Oct 16 – Mar 17	NHS Outcomes Framework Domain
Number of patient safety incidents	4060	4569	4219	4009	5122	3300	3219	5. Treating and caring for people in a safe environment and protecting them from avoidable harm
Rate of patient safety incidents	31.4	33.7	31.1	30.2	41.1	69.0	23.1	
Number of patient safety incidents that resulted in severe harm or deaths	36	22	19	20	19	1	62	
% of patient safety incidents that resulted in severe harm or deaths	0.28	0.16	0.14	0.15	0.16	0.01	0.53	

**Definition**  
The number and where available, rate of patient safety incidents that occurred within the trust during the reporting period, and the percentage of such patient safety incidents that resulted in severe harm or death.

Following advice from the NRLS any pressure ulcers that occurred outside the organisation should no longer be included in the data submitted. Internal data shows that the overall incident reporting rate has remained static with a decreasing rate of moderate, severe harm and death incidents.

The Hampshire Hospitals NHS Foundation Trust considers that this data is as described for the following reason - the trust encourages a reporting culture and this demonstrates a positive patient safety culture.

The Hampshire Hospitals NHS Foundation Trust intends to take the following actions to improve this indicator and so the quality of its services by continuing to encourage reporting and continuing to review incidents and ensuring that lessons are learnt and shared across the Trust.

**Notes on data sources**  
Data source – NHS Digital  
From April 2014 the national average, highest and lowest figures are for acute non specialist trusts  
Data is not available for 2017/18 from NHS Digital  
Rate is per 1000 bed days

### NHS Improvement Quality Indicators

The table below illustrates Hampshire Hospitals NHS Foundation Trust performance against the NHS Improvement quality indicators for 2017/18.

## Total Year: 2017/18

Indicator	Threshold	NHSI Quality of Care Indicator	2017/18
<b>Operational Performance Metrics for NHSI</b>			
Cancer 62 Day Waits for first treatment inc rare cancers (from urgent GP referral)	>85%	NO	85.0
Cancer 62 Day Waits for first treatment (from consultant led screening service referral)	>90%	NO	98.9
A&E Clinical Quality - Total Time in A&E under 4 hrs	>95%	NO	87.0
Diagnostics waiting over 6 weeks (% of total)	<1%	NO	0.94
Clostridium Difficile - meeting the Clostridium difficile objective	34	YES	30

tes

Cancer performance the sum of all 4 quarters reported on Open Exter National Cancer reporting system.

### **Data Quality Definitions**

The following information includes the definitions of the quality indicators which were subject to the external assurance process:

#### **Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways**

##### *Detailed descriptor*

The percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the period

##### *Numerator*

The number of patients on an incomplete pathway at the end of the reporting period who have been waiting no more than 18 weeks

##### *Denominator*

The total number of patients on an incomplete pathway at the end of the reporting period

##### *Indicator format*

Reported as a percentage

In the process of auditing the quality account the auditors have identified the following – there was some variation in RTT recording resulting in delays in capturing entry into treatment. Action has been taken to resolve this.

**Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge**

*Numerator*

The total number of patients who have a total time in A&E of four hours or less from arrival to admission, transfer or discharge. Calculated as:

(Total number of unplanned A&E attendances) – (Total number of patients who have a total time in A&E over 4 hours from arrival to admission, transfer or discharge)

*Denominator*

The total number of unplanned A&E attendances

*Indicator format*

Reported as a percentage

In the process of auditing the quality account the auditors have identified the following – there was inconsistency in recording the capture of ambulance handover times where ambulances wait longer than 15 mins prior to handover in A&E. Action has been taken to ensure consistency in reporting across the Trust.

## **Other information**

The Trust has chosen a range of indicators reflecting patient safety, clinical effectiveness and patient experience for inclusion in this section. The indicators were initially chosen after consultation with a range of stakeholders including patient groups, governors and Foundation Trust members. The Associate Medical Directors (AMDs) of Governance have reviewed the indicators and confirm to the Board of Directors that they best reflect the quality of the services we deliver.

The indicators reflect clinical effectiveness, patient safety and patient experience work carried out at HHFT. Where available the indicators are presented with historical and benchmarked data and comments or explanatory notes are included.

## **Hampshire Hospitals NHS Foundation Trust additional indicators**

### **Patient Safety**

Hampshire Hospitals NHS Foundation Trust continues to perform well on a range of patient safety indicators. The indicators for 2017/18 are presented below.

<b>Indicator</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
No. of serious incidents requiring investigation (excluding Never Events)	67	101	38	40	52
Data source: staff incident reporting					
No. of Never Events	1	0	6	3	2
Data source: staff incident reporting					
Medication errors per 1000 bed days  (low numbers indicate better performance)	3.71	3.11	3.43	3.49	4.44
Data source: staff incident reporting					
Patient falls resulting in injury per 1000 bed days  (low numbers indicate better performance)	2.78	1.72	2.13	1.76	1.82
Data source: staff incident reporting					
Hospital acquired pressure ulcers per 1000 bed days  (low numbers indicates better performance)	1.15	1.28	0.99	0.75	0.85
Data source: staff incident reporting					
No. of patient safety walkrounds™  (high numbers indicate better performance)	76	64	68	68	38
Data source: patient safety programme					

The programme of executive director patient safety Walkrounds™ continues across all hospital sites, in conjunction with a range of other executive director visits. The following table includes examples where improvements have been made in 2016/17 in response to these Walkrounds™.

Theme	Walkrounds™ finding	Actions taken
<b>Equipment</b>	<b>Clifton Ward RHCH:</b> The staff said there are not enough footstools for patients	The team have purchased more footstools for patients
	<b>C2 BNHH:</b> A patient said that the tea trolley makes a very loud rattling noise	Estates have reviewed the tea trolley and mended it so that it doesn't rattle
	<b>Clarke ward RHCH:</b> One member of staff said that the patients who struggle to stand would benefit from a Rotunda turning aid	The ward team have purchased Rotunda turning aids for the ward
<b>Medication</b>	<b>AAU BNHH:</b> The medications dispensed by pharmacy for patients do not always go to the ward with the patient on transfer; meaning that there is the potential that patients will miss doses of their medications as well as potential expensive waste	To prevent this happening changes have been made to staff induction information and it has been added to the discharge checklist
<b>Patient experience</b>	<b>McGill RHCH:</b> A patient was very complimentary about a pharmacist who visited him – he told the executive director that the Pharmacist made him feel very confident about his care	An email was sent to the Chief Pharmacist informing them of the patient's comments so that this could be shared and celebrated with the pharmacist
	<b>Cardiology BNHH:</b> FFT feedback shows that the response rate to the Friends and Family Test (FFT) feedback is poor in Cardiology which means that the team aren't receiving the feedback they could	The Governance Project Support Officer supported the Cardiology ward to improve their response rate by improving the process they use to distribute the FFT cards
<b>Staffing</b>	<b>Kemp Welch:</b> the staffing numbers board was not up to date	The staffing board was updated at the time of the walkround and an improved process for updating the staffing board was introduced
<b>Communication</b>	<b>St Cross ward RHCH:</b> The staff on St Cross told the executive director that the discharge lounge service was very good. They praised the efficiency of the staff on the discharge lounge –now named the Colebrook Unit	The Clinical matron and the staff on duty in the (newly opened) discharge lounge were informed about the compliment that the St Cross staff paid them

## Clinical effectiveness

Clinical effectiveness and outcome measures are continuously monitored and remain stable or improved for the majority of measures. Mortality rates continue to be monitored with a programme of peer reviews for deaths in place.

<b>Indicator</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18 *</b>
Stroke – in hospital mortality rate (%)  (low % indicates better performance)  Data source: Healthcare Evaluation Data	18.36	18.03	17.34	17.71	12.65 (Apr-Sep)
Hip fracture – in hospital mortality rate (%)  (low % indicates better performance)  Data source: Healthcare Evaluation Data	7.55	4.77	4.68	5.5	9.77 (Apr – Sep)
Acute myocardial infarction – in hospital mortality rate (%)  (low % indicates better performance)  Data source: Healthcare Evaluation Data	6.87	9.74	8.93	9.07	8.43 (Apr – Sep)
Average Length of Stay for in-patients (excluding day cases)  (low figure indicates better performance)  Data source: Business Intelligence	4.41	4.84	5.16	4.79	4.58 (Apr 17 – Mar 18)
Day case rate (% for all elective procedures)  (high % indicates better performance)  Data source: Business Intelligence	82.39	84.09	84.74	87.49	88.59 (Apr 17 – Mar 18)
Emergency readmission rate (% within 30 days)  (low % indicates better performance)  Data source: Healthcare Evaluation Data	6.85	6.50	6.10	7.42	7.61 (April 17 – Dec 17)

<b>Indicator</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
Weekday admission – hospital	104.14	111.06	116.99	115.77	96.31 (Apr 17 – Jan 18)

<b>Indicator</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
standardised mortality rate  (low figure indicates better performance)  Data source: Healthcare Evaluation Data					
Weekend admission – hospital standardised mortality rate  (low figure indicates better performance)  Data source: Healthcare Evaluation Data	111.60	115.33	114.12	116.45	112.97 (Apr 17 – Jan 18)

## Patient Experience

The data presented here relates to the 2016 National Inpatient Survey.

In response to the 2016 survey the results show that improvements have been made in the overall indicators relating to overall experience, being treated with dignity and respect and being told who to contact if worried after leaving hospital. Work to improve the information provision on discharge continues and information about medication side effects continues.

The data from this annual national survey differs from the information received from patients in real time which is referred to in Part 2 of this report. Work continues to ensure that all patients receive the information and support they require to improve the patient experience. The Patient Experience and Volunteer Services Manager will continue to work with patients, staff, and volunteers to improve the overall patient experience.

<b>Indicator (% of patients)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Overall rated experience less than 7/10  (low % indicates better performance)	18	17	14	13
Not treated with respect or dignity  (low % indicates better performance)	22	20	15	13
Room or ward not very or not at all clean  (low % indicates better performance)	2	3	1	2
Did not always have confidence and trust in doctors and nurses  (low % indicates better performance)	20	21	18	18
Wanted to be more involved in decisions  (low % indicates better performance)	43	43	36	43

Indicator (% of patients)	2013	2014	2015	2016
Could not always find staff member to discuss concerns with  (low % indicates better performance)	60	64	58	59
Not always enough privacy when discussing condition/treatment  (low % indicates better performance)	27	25	23	23
Not fully told side-effects of medication upon discharge  (low % indicates better performance)	65	62	58	64
Not told who to contact if worried after leaving hospital  (low % indicates better performance)	21	15	19	16
Did not always get enough help from staff to eat meals  (low % indicates better performance)	38	45	35	37

Indicator (staff score)	2013/14	2014/15	2015/16	2016/17	2017/18
Would recommend hospital (to work or receive treatment) (staff survey results – scores out of 5, not %)  (scores closest to 5 better)	3.74	3.74	3.85	3.88	3.87

Indicator	2013/14	2014/15	2015/16	2016/17	2017/18
Number of formal complaints	606	608	676	555	569
Number of formal complaints responded to within 25 working days	54%	51%	38%	54%	61%
Number of formal complaints referred to the PHSO	9	5	7	7	5
Number of formal complaints upheld by the PHSO	1 (partly upheld)	1 (upheld) 2 (partly upheld)	3 (1 fully upheld) 2 (partly upheld)	0	2 (partially upheld)

#### Notes on data sources

Data sources – 2016 Inpatient Survey (Picker Institute Europe) and 2017 National NHS Staff Survey

The complaints indicator data source is the electronic risk management system Datix where all formal complaints logged with the customer care team are recorded.

The response within 25 working days is an internal trust target. There are no national targets set for this. Where complaints are complex and require an extended period of time to investigate, this is negotiated and agreed with the complainant.

Complainants who are dissatisfied with the response from the Trust are entitled to refer their complaint to the Parliamentary Health Service Ombudsman (PHSO). Following their independent review of the evidence and response made by the Trust the PHSO may uphold the complaint in part or in full or not uphold the complaint.

## Healthwatch Hampshire Feedback on the Quality Report Process



### Healthwatch Hampshire response to Hampshire Hospitals NHS Foundation Trust Quality Account

As the independent voice for patients, Healthwatch Hampshire is committed to ensuring local people are involved in the improvement and development of health and social care services.

Each year, we are asked to comment on seven Quality Accounts from NHS Trusts. In the past, we have allocated scarce time to read drafts and give guidance on how they could be improved to make them meaningful for the public.

We recognise that this process is imposed on Trusts. However, as the format has largely continued to remain inaccessible to the public, we have concluded that it is not a process that benefits patients or family and friend carers unless the format is changed. So we will no longer comment on Quality Accounts individually.

This will release time for us to use our resources to challenge the system with integrity, so we can create more opportunities for local people and communities to co-producing service change. For example, this year, we are again running our '[Community Cash Fund](#)' to offer local organisation and charities the opportunity to carry out projects that help people to stay well both now and in the future. We are currently accepting applications until the end of May.

If you have not already done so, we would ask you to look at the guidance on involvement from Wessex Voices ([www.wessexvoices.org.uk](http://www.wessexvoices.org.uk)) which aims to make sure local people are involved in designing and commissioning health services. Five Local Healthwatch alongside NHS England (Wessex) have produced a Wessex Voices toolkit to support patient and public involvement in commissioning. You can use this to ensure that your quality processes are in line with patients' views, and with the guidance from NICE ([www.nice.org.uk/guidance/ng44](http://www.nice.org.uk/guidance/ng44)) and Healthwatch England. ([www.healthwatch.co.uk/reports/5-things-communities-should-expect-getting-involved](http://www.healthwatch.co.uk/reports/5-things-communities-should-expect-getting-involved))

If we can help you in planning co-design and participation in future activities, we'd be pleased to hear from you. We will continue to provide feedback to the Trust through a variety of channels to improve the quality, experience and safety of its patients.

Thank you for inviting us to comment.

Healthwatch Hampshire  
Westgate Chambers  
Staple Gardens  
Winchester  
SO23 8SR  
Tel: 01962 440262  
Web: [www.healthwatchhampshire.co.uk](http://www.healthwatchhampshire.co.uk)

## Commissioners' Feedback on the Quality Report Process



### West Hampshire Clinical Commissioning Group North Hampshire Clinical Commissioning Group

9 May 2018

Headquarters  
Omega House  
112 Southampton Road  
Eastleigh  
Hampshire  
SO50 5PB

Alex Whitfield  
Chief Executive  
Hampshire Hospitals NHS Foundation Trust

Tel: 023 8062 7444

Email sent to: [alex.whitfield@hhft.nhs.uk](mailto:alex.whitfield@hhft.nhs.uk)

Dear Alex

#### Quality Report

Please find below, the formal response to your Quality Report for 2017/18 from West Hampshire Clinical Commissioning Group and North Hampshire Clinical Commissioning Group:

West Hampshire Clinical Commissioning Group and North Hampshire Clinical Commissioning Group are pleased to be able to comment on Hampshire Hospitals NHS Foundation Trust's Quality Report for 2017/18. Both Clinical Commissioning Groups have continued to work with the Trust over the year in monitoring the quality of care provided to the local population and identifying areas for quality improvement.

We are satisfied with the overall content of the Quality Report and believe that it meets the required mandated elements.

#### 2017/18 Quality Review

We fully supported the Hampshire Hospitals NHS Foundation Trust's 2017/18 quality improvement priorities which covered five key areas and would like to congratulate the Trust on the full achievement of three of these, specifically:

- developing the Integrated Frailty Intervention Teams (IFIT) led by frailty matrons on both the Basingstoke and North Hampshire Hospital and the Royal Hampshire County Hospital sites (priority one)
- reducing the length of stay for frail older patients (priority one)
- increasing the number of patients who have been discharged between zero to three days (priority one)

- introducing frailty screening at the Royal Hampshire County Hospital (priority one)
- implementing the National Maternity Programme for Safer Maternity Care (priority three)
- being part of wave one of the new national Maternal and Neonatal Health Quality Improvement three-year programme (priority three)
- introducing the KICKS COUNT pathway for reduced fetal movements (priority three)
- working with care homes to improve patient transfer processes (priority five)
- opening the Overton Unit on the Basingstoke and North Hampshire Hospital site for patients who no longer require acute care but who would benefit from additional nursing or therapy intervention (priority five)
- discharging over 2000 people over the age of 65 years to their usual place of residence before they had been in hospital for more than a week (priority five).

We recognise, whilst not fully achieving two of their key priorities, Hampshire Hospitals NHS Foundation Trust made some considerable improvements in these areas, including:

- undertaking out-of-hours bed move audits to inform the two-year action plan which supports the reduction of unnecessary bed moves (priority two)
- introducing a Patient Transfer SBAR (Situation, Background, Assessment, Recommendation) tool when transferring patients to another ward to ensure a full and complete handover (priority two)
- ensuring the percentage of cancelled clinics remained below 20% and surgical cancellations with less than two weeks' notice remained below 15% (priority two)
- implementing an appointment reminder service at the end of January 2018 (priority two)

We are encouraged by Hampshire Hospitals NHS Foundation Trust's continuous commitment to quality improvement as demonstrated through the launch of their Quality Improvement (QI) Programme and QI Academy. We fully support the programme vision that "everyone is an improver".

We note that along with the key quality priorities Hampshire Hospitals NHS Foundation Trust undertook a number of other quality improvement activities during the year which have resulted in:

- full compliance with sepsis screening for patients in the emergency department and inpatient settings
- a total reduction in falls of 19% since 2012 and a 75% reduction in falls with harm
- an improvement in emergency admission being seen and having a thorough assessment by a suitable consultant as soon as possible, but at the latest within 14 hours, from the time of admission to hospital from 64% in March 2017 to 95% in September 2017.

We are pleased to note that Hampshire Hospitals NHS Foundation Trust participated in all relevant national confidential enquiries and all national clinical audits in which

they were eligible to participate. It is also noted that 71 local clinical audits were reviewed during 2017/18 a number included re-audits and highlighted further improvements in practice, for example, with regards, blood transfusion documentation and medication management on Non-ST elevation myocardial infarction patients.

Over the year, Hampshire Hospitals NHS Foundation Trust have found it challenging to meet the constitutional standard regarding patients waiting longer in the Emergency Department than would have been expected. It is recognised that long waits can have a negative impact on the quality of care delivered to patients. However, Hampshire Hospitals NHS Foundation Trust staff have demonstrated a commitment to ensure that quality care is delivered during these difficult times, including:

- continuing to review all reported incidents, on a monthly basis, for patients who have waited longer than four hours in the Emergency Department to see if the wait has had an impact on patient outcomes
- piloting a Emergency Care Supportive Quality Review Tool developed by the Clinical Commissioning Groups to gain assurance as to the quality of care being delivered in the Emergency Departments. This tool has now been used in other hospitals to gain assurances and promote quality improvement
- collaboratively agreeing and developing a process to learn from those cases where mental health patients, who do not have a physical health issue, have presented in the Emergency Department and have experienced long waits.

The Clinical Commissioning Groups would like to thank Hampshire Hospitals NHS Foundation Trust for supporting the Clinical Commissioning Groups through:

- being an active and respected member of the Falls Leads Forum which is led by West Hampshire Clinical Commissioning Group
- jointly organising a Wessex-wide Surgical Never Event Conference which will take place on 14 June 2018 with the aim of reducing the occurrence of surgical Never Events across the system
- inviting the Senior Quality Manager to undertake unannounced quality assurance visits and to participate in regular quality walkrounds with the Chief Nurse

We are supportive of Hampshire Hospitals NHS Foundation Trust extending the 2017/18 quality priorities into 2018/19, a number of which are supported through the quality elements of our 2017/18 – 2018/19 contract with Hampshire Hospitals NHS Foundation Trust.

We appreciate the way in which the Trusts' Governance Team has led the Local Care System Quality Forum as part of the local care system initiatives and look forward to developing this work further.

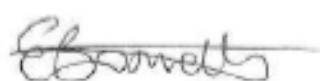
Finally, we congratulate Andover War Memorial Hospital on being rated as 'Good' for all the five key areas inspected by the Care Quality Commission following their unannounced visit in December 2017.

Overall, West Hampshire Clinical Commissioning Group and North Hampshire Clinical Commissioning Group are pleased to endorse the Quality Report for 2017/18 and look forward to continuing to work closely with Hampshire Hospitals NHS Foundation Trust during 2018/19 in further improving the quality of care delivered to our populations.

Yours sincerely



Heather Hauschild (Mrs)  
Chief Officer



Emma Boswell (née Holden)  
Director of Quality and Nursing, on behalf  
of the Hampshire Partnership CCGs

**Health and Adult Social Services, Hampshire County Council, Overview and Scrutiny Committee's (HASC)  
Feedback on the Quality Report Process**



30 April 2018

Sandra McArdle  
Associate Director of Governance  
Hampshire Hospitals NHS Foundation Trust  
(by email)

*Room 114, Elizabeth II Court  
Hampshire County Council  
The Castle, Winchester  
Hampshire, SO23 8UJ*  
*Tel: 01962 845018  
E-mail: [members.services@hants.gov.uk](mailto:members.services@hants.gov.uk)*

Dear Sandra,

**Hampshire Health and Adult Social Care Select Committee contribution to  
Quality Accounts process**

Thank you for sharing with the Hampshire Health and Adult Social Care Select Committee (HASC) the draft 2017/18 Quality Accounts for Hampshire Hospitals NHS Foundation Trust.

I have circulated these priorities to Members of the HASC for their comments, and have received general feedback which suggests that the Committee are supportive of the approach taken. Members noted that the priorities for 2018/19 continue from the previous year, building on the success of 2017/18.

We note that most of the priorities for 2017/18 were achieved, with the exception of reducing unnecessary bed moves for non-clinical reasons. We note that this is a two-year priority, and look forward to monitoring this issue through our programme of scrutiny in 2018/19.

We therefore do not wish to recommend any additions to these priorities. We do however request and look forward to receiving the action plan that will be drafted following the publication of your Quality Accounts, in order to ensure that the priorities raised can be monitored, and progress against them can be reviewed.

Please do not hesitate to contact me should you require any additional information on my comments above.

Yours sincerely

A handwritten signature in black ink that appears to read "Roger Huxstep".

Cllr Roger Huxstep  
Chairman, Health and Adult Social Care Select Committee

## **Governors Feedback on the Quality Report Process**

The Governors Patient Experience Group (PEG) reviewed the Quality Report and provided the feedback below.

In relation to Patient Experience the PEG members recognise that the Trust has met the objectives mostly with flying colours, highlighting patient care in frailty and end of life care. The priorities for the current period are comprehensive and the members of PEG believe that they are achievable with our remarkable staff going the extra mile as usual.

It is pleasing to see that both the Hyper Acute Stroke Unit and the RHCH Obstetrics and Gynaecology Unit have won high national awards.

The audit looking for reduced night bed moves for vulnerable patients is also showing good results.

HHFT have participated in 100% of National Clinical Audits, 42 in total plus 7 National Confidential Enquiries which are wide ranging and shows the Trust response to these challenges.

As ever winter pressures have taken their toll and necessary admissions have highlighted the problems with unavailability of beds due to lack of onwards social care packages and placements. It must be noted that the "Autumn Action" initiative, involving close collaboration with HHFT partners resulted in impressive movement and freeing up of available beds.

The achievement of the implementation of the national maternity programme for safer maternity care is also highlighted. The selection of the maternity team for wave 1 of the new National Maternal and Neonatal Health Quality Improvement Programme is excellent.

Much improvement has been shown regarding both the surgical and outpatient appointment systems.

The Quality Improvement Programme for supporting sustainable change involving all staff will hopefully show Trust wide improvement for patients and the meeting of directives.

The sepsis screening management is to be commended together with the purchase of the new screening equipment.

The learning from medication errors and deaths will result in better care outcomes and the reduction in patient falls is commendable.

Whilst the number of Hospital Acquired Pressure Ulcers has not fallen it is pleasing to see that the severity of these has. The increase of Tissues Viability Staff can only be a good thing with the Trust receiving older and sicker patients together with the normal intake of patients.

There has been improvement in the Clinical Standards for Seven Day Hospital services.

The HHFT Research and Development Team are involved in many studies including the RESPECT Emergency Care and Treatment and is one of only 6 teams selected nationally. The findings of this study will have an important impact on future NHS care.

Plans are continuing for the development of a Clinical Trials laboratory at HHFT and partnerships have been set up with the University of Winchester. Another interesting development is the proposal of the feasibility of a volunteer Patient Research Ambassador.

On looking at the indicator re staff who would recommend the Trust as a provider of care to family or friends the worst 2017 figure of 47% against the best at 86% needs further investigation.

It is pleasing to see that the patient safety Walkrounds have had positive outcomes.

## **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.

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

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

- the content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2017/18 and supporting guidance;
- the content of the Quality Report is not inconsistent with internal and external sources of information including:
  - Board minutes and papers for the period April 2017 to May 2018;
  - Papers relating to Quality reported to the board over the period April 2017 to May 2018;
  - Feedback from Commissioners, West Hampshire Clinical Commissioning Group and North Hampshire Clinical Commissioning Group dated 9 May 2018;
  - Feedback from governors dated April 2018;
  - Feedback from local Healthwatch organisations dated May 2018;
  - Feedback from the Hampshire Health and Social Care Select Committee dated May 2018;
  - The trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 2017/18;
  - The national patient survey dated March 2018;
  - The national staff survey dated March 2018;
  - The Head of Internal Audit's annual opinion over the trust's control environment dated 17 May 2018;
- the Quality Report presents a balanced picture of the NHS foundation trust's performance over the period covered;
- the performance information reported in the Quality Report is materially 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;
- Other than those matters referred to on page 147 and 148 relating to the audit of the mandated indicators 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 NHSI's annual reporting 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

25th May 2018 Date Elizabeth Padmore Chairman: Elizabeth Padmore

25/5/2018 Date Alex Whitfield Chief Executive: Alex Whitfield

## INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF HAMPSHIRE HOSPITALS NHS FOUNDATION TRUST ON THE QUALITY REPORT

We have been engaged by the Council of Governors of Hampshire Hospitals NHS Foundation Trust to perform an independent assurance engagement in respect of Hampshire Hospitals NHS Foundation Trust's Quality Report for the year ended 31 March 2018 (the 'Quality Report') and certain performance indicators contained therein.

### Scope and subject matter

The indicators for the year ended 31 March 2018 subject to limited assurance consist of the following two national priority indicators (the indicators):

- percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period; and
- A&E: maximum waiting time of four hours from arrival to admission, transfer or discharge.

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

### Respective responsibilities of the directors and auditors

The directors are responsible for the content and the preparation of the Quality Report in accordance with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* issued by NHS Improvement.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in the *Detailed requirements for quality reports for foundation trusts 2017/18* ('the Guidance'); and
- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the *Detailed Requirements for external assurance for quality reports for foundation trusts 2017/18*.

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

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

- Board minutes and papers for the period April 2017 to May 2018;
- papers relating to quality reported to the board over the period April 2017 to May 2018;
- feedback from commissioners, dated 9 May 2018;
- feedback from governors, dated April 2018;
- feedback from local Healthwatch organisations, dated May 2018;
- feedback from Overview and Scrutiny Committee, dated 30 April 2018;
- the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009;

- the latest national patient survey, dated March 2018;
- the latest national staff survey, dated March 2018;
- Care Quality Commission Inspection, dated 12 November 2015;
- the 2017/18 Head of Internal Audit's annual opinion over the trust's control environment, dated 17 May 2018; and
- any other information included in our review.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively, the 'documents'). Our responsibilities do not extend to any other information.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

This report, including the conclusion, has been prepared solely for the Council of Governors of Hampshire Hospitals NHS Foundation Trust as a body, to assist the Council of Governors in reporting the NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2018, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicator. 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 Hampshire Hospitals NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

### **Assurance work performed**

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicator;
- making enquiries of management;
- testing key management controls;
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- comparing the content requirements of the NHS Foundation Trust Annual Reporting Manual to the categories reported in the Quality Report; and
- reading the documents.

A limited assurance engagement is smaller in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

### **Limitations**

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

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and

can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* and supporting guidance.

The scope of our assurance work has not included governance over quality or the non-mandated indicator, which was determined locally by Hampshire Hospitals NHS Foundation Trust.

### **Basis for qualified conclusion**

As set out in the Statement on Quality from the Chief Executive of the Foundation Trust on pages 94 to 95 of the Trust's Quality Report, the Trust currently has concerns with accuracy of data relating to maximum waiting time in A&E of four hours from arrival to admission, transfer or discharge and the percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period.

Our testing of the A&E maximum waiting time indicator identified issues relating to the recording of ambulance handover time for patients attending Accident and Emergency at the Royal Hampshire County Hospital where ambulances had waited for more than 15 minutes. We also identified that the mechanism for recording ambulance handover times had been inconsistent during the year, with a change in the recording of the handover time agreed in January 2018.

We also identified issues relating to the accurate recording of the entry into treatment time for patients on the 18 week referral to treatment pathway leading to delays in the recording of patients entering into treatment.

As a result of these issues, we have concluded that we are unable to test sufficiently the 18 week incomplete pathway and accident and emergency four hour wait indicators for the year ended 31 March 2018.

### **Conclusion**

Based on the results of our procedures, except for the effects of the matters described in the 'Basis for qualified conclusion' section above, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2018:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual;
- the Quality Report is not consistent in all material respects with the sources specified in the Guidance; and
- the indicators in the Quality Report subject to limited assurance have not been reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the Guidance.

KPMG LLP

KPMG LLP  
Chartered Accountants  
15 Canada Square, Canary Wharf, London, E14 5GL

25 May 2018

## **Annex A**

### **Membership of board committees and attendance of committee meetings of HHFT from 1 April 2017 to 31 March 2018**

#### **Audit Committee**

Gary McRae (Chairman)

Jeff Wearing

Jane Tabor

#### **Risk Committee**

John MacMahon (Chairman)

Elizabeth Padmore

Andrew Bishop

Alex Whitfield

Chairman of the Audit Committee in attendance

#### **Remuneration Committee (\*)**

Paul Musson (Chairman)

Elizabeth Padmore

Jeff Wearing

Philip Whitehead

Jane Tabor

Gary McRae

John MacMahon

Alex Whitfield in attendance by invitation

#### **Nomination Committee (\*\*)**

Elizabeth Padmore (Chairman)

Alex Whitfield

John MacMahon

Jeff Wearing

Jane Tabor

Paul Musson

Philip Whitehead

Gary McRae

\* agrees the remuneration of Executive Directors

\*\* agrees the appointment of Executive Directors

## Meeting attendance for HHFT for the period 1 April 2017 to 31 March 2018

	Board	Audit	Risk	Remuneration	Nomination
<b>Number of meetings in total for the period</b>	9*	4	4	2	2
Elizabeth Padmore	9	1**	3	2	2
Alex Whitfield	9	4	4	2	2
Andrew Bishop	8	n/a	3	n/a	n/a
Malcolm Ace	9	4	4	n/a	n/a
Donna Green	9	1**	n/a	n/a	n/a
Julie Maskery	8	n/a	n/a	n/a	n/a
John MacMahon	8	2**	4	2	2
Philip Whitehead	9	n/a	n/a	2	2
Gary McRae	9	4	3**	2	2
Jeff Wearing	9	4	n/a	2	2
Paul Musson	9	n/a	n/a	2	2
Jane Tabor	9	4	n/a	2	2

\*10 meetings were scheduled for 2017/18, with one unavoidably cancelled due to inclement weather

\*\*as invited attendee

### Annex B

#### **Membership of council of and attendance at meetings for HHFT for the period 1 April 2017 -31 March 2018**

<b>Governor name</b>	<b>Elected/appointed</b>	<b>Term of office</b>	<b>Public meeting attendance</b>
Maurice Alston	Elected – Public Governor, representing Rest of England & Wales  <b>Nominated – Lead Governor</b>	9 January 2012 – 8 January 2020	4/4
Clare Barlow	Elected – Staff Governor, representing other healthcare professionals	30 October 2015 – 8 January 2020	3/4
John Bird	Elected – Public Governor, representing Mid and East Hampshire	8 January 2017 – 7 January 2020	3/4
Anthony Bravo	Elected – public governor, representing North Hampshire & West Berkshire, thereafter co-opted stakeholder governor representing Further & Higher Education	28 June 2013 – 8 January 2018  Co-opted from 9 January 2018 – 31 March 2019	2/4
Keith Bunker	Elected – public governor, representing North Hampshire & West Berkshire	8 January 2018 – 7 January 2021	1/1
Marie Chandler	Elected – Public Governor, representing North Hampshire & West Berkshire	9 January 2015 – 7 July 2017	0/1
Brian Collin	Elected – Public Governor, representing Mid & East Hampshire	9 January 2015 – 8 January 2021	4/4
Kevin Conn	Elected – Staff Governor, representing Medical and Dental	9 January 2012 – 8 January 2020	4/4
Joy Deadman	Elected – Public Governor, representing North Hampshire & West Berkshire	9 January 2012 – 8 January 2021	4/4
Eugene Edwards	Elected – Staff Governor, Support Staff	9 January 2018 – 8 January 2019	1/1
Tommy Geddes	Appointed – Stakeholder Governor representing, Winchester University	1 April 2013 – 31 March 2019	4/4

<b>Governor name</b>	<b>Elected/appointed</b>	<b>Term of office</b>	<b>Public meeting attendance</b>
Ruth Gower- Smith	Elected – Public Governor, representing West & South Hampshire	8 January 2018 – 7 January 2021	0/1
Rosemary Hamilton	Elected – Public Governor, representing West & South Hampshire	9 January 2012 – 8 January 2020	3/4
Erand James-Bailey	Appointed – Stakeholder Governor representing younger people	23 March 2018 -31 August 2019	0/0
Ann Jones	Elected – Public Governor, representing Mid & East Hampshire	9 January 2012 – 8 January 2021	2/4
David Leeks	Appointed – Stakeholder Governor, representing disabled people	1 April 2013 – 31 March 2019	4/4
Gilda McIntosh	Elected – Public Governor, representing North Hampshire & West Berkshire	8 January 2017 – 7 January 2020	3/4
Gerald Merritt	Appointed – Stakeholder Governor, representing older people	19 September 2012 – 18 September 2018	3/4
Beverley Morgan	Elected – Public Governor, representing Mid & East Hampshire	8 January 2017 – 7 January 2021	1/1
Helen O'Horan	Elected – Staff Governor, Nursing and Midwifery	11 March 2016 – 29 June 2017	1/1
Trevor Parkinson	Elected – Public Governor, representing West & South Hampshire	9 January 2012 – 8 January 2018	3/4
Douglas Ralph	Elected – Public Governor, representing North Hampshire and West Berkshire	8 January 2017 – 7 January 2020	4/4
Jennifer Ramsay	Elected – Public Governor, representing Mid & East Hampshire	9 January 2014 – 8 January 2020	1/4
Stephen Reid	Appointed – Stakeholder Governor representing Hampshire County Council	20 September 2013 – 04 May 2021	4/4
Brian Richardson	Elected – Public Governor, representing West & South Hampshire	9 January 2012 – 8 January 2020	4/4
Joanna Sutcliffe	Elected – Public Governor, representing Mid & East Hampshire	9 January 2012 – 8 January 2018	1/3

<b>Governor name</b>	<b>Elected/appointed</b>	<b>Term of office</b>	<b>Public meeting attendance</b>
Daughne Taylor	Elected – Public Governor, representing North Hampshire & West Berkshire	8 January 2018 – 7 January 2021	1/1
Robert Walker	Elected – Staff Governor, Support Staff	9 January 2017 – 24 August 2017	1/2
Haydn Watkins	Elected – Public Governor, representing West & South Hampshire	9 January 2012 – 8 January 2018	2/4
Keith Wiggins	Elected – Public Governor, representing West & South Hampshire	8 January 2018 – 7 January 2021	1/1
Mark Wilks	Elected – Staff Governor, Administration, Clerical and Managerial Staff	7 February 2017 – 8 January 2021	4/4
Theo Youds	Elected – Stakeholder Governor representing younger people	5 February 2016 – 31 August 2017	1/2

**Remuneration Committee\***

Tommy Geddes (Chairman)  
Chairman/Senior Independent Director  
Chief Executive  
Kevin Conn  
Brian Richardson

The Remuneration Committee met once to discuss and make a recommendation to the Council of Governors for a suitable remuneration package for the Chairman and Non-executive Directors of HHFT for 2017/18. Further information can be found in Chapter 4.

**Nomination Committee\*\***

Chairman/Senior Independent Director  
Chief Executive  
Maurice Alston  
Rosemary Hamilton  
Clare Barlow

The Nomination committee met once during the year to discuss and make a recommendation to the Council of Governors with regards to the expiry of the terms of two Non-executive Directors.

\* agrees the remuneration of Non-executive Directors

\*\* reviews the appointment of Non-executive Directors to the Board of Directors

## **Annex C**

### **Glossary of Terms:**

AHSN – Academic Health Science Network

AWMH – Andover War Memorial Hospital

BAF – Board Assurance Framework

BNHH – Basingstoke and North Hampshire Hospital

CCG – Care Commissioning Group

CTC – Cancer Treatment Centre

CTH – Critical Treatment Hospital

CQC – Care Quality Commissioners

CQUIN – Commissioning for Quality and Innovation Schemes

ED – Emergency Department

FT – Foundation Trust

FYFV – Five Year Forward View

HCC – Hampshire County Council

HHFT – Hampshire Hospitals Foundation Trust

H4W – Health For Work

MWG – Membership and Community Engagement Working Group

NHCCG – North Hampshire Care Commissioning Group

RHCH – Royal Hampshire County Hospital

RTT – Referral to Treatment Time

SHFT – Southern Health Foundation Trust

WHCCG – West Hampshire Care Commissioning Group

# **Hampshire Hospitals NHS Foundation Trust**

## **Consolidated Financial Statements for the year ended**

### **31 March 2018**

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## **Foreword to the Accounts**

The consolidated accounts of Hampshire Hospitals NHS Foundation Trust are prepared in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006.

Hampshire Hospitals NHS Foundation Trust's Annual Report and Accounts are presented to Parliament pursuant to Schedule 7, paragraph 25(4)(a) of the National Health Service Act 2006.

A handwritten signature in blue ink that reads "Alex Whitfield". The signature is fluid and cursive, with "Alex" on top and "Whitfield" below it, slightly overlapping.

**Alex Whitfield**  
**Chief Executive**

**25 May 2018**

# Independent auditor's report

## to the Council of Governors of Hampshire Hospitals NHS Foundation Trust

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### 1. Our opinion is unmodified

We have audited the financial statements of Hampshire Hospitals NHS Foundation Trust ("the Trust") for the year ended 31 March 2018 which comprise the consolidated Statement of Comprehensive Income, Group and Trust Statement of Financial Position, Group and Trust Statement of Changes in Taxpayers Equity and Group and Trust Statement of Cash Flows and the related notes, including the accounting policies in note 1.

In our opinion:

- the financial statements give a true and fair view of the state of the Group and the Trust's affairs as at 31 March 2018 and of the Group and Trust's income and expenditure for the year then ended; and
- the Group and the Trust's financial statements have been properly prepared in accordance with the Accounts Direction issued under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006, the NHS Foundation Trust Annual Reporting Manual 2017-18 and the Department of Health Group Accounting Manual 2017-18.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

#### Overview

<b>Materiality:</b> Group financial statements as a whole	£7.5m (2016-17: £7.0m) 1.9% (2016-17: 1.8%) of operating income
<b>Coverage</b>	100% (2016-17: 100%) of Group income
<b>Risks of material misstatement</b>	<b>vs 2016-17</b>
<b>Recurring risks</b>	Valuation of land and buildings ▲ Recognition of NHS and non-NHS income □

## 2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below, the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above together with our key audit procedures to address those matters and our findings from those procedures in order that the Trust's governors as a body may better understand the process by which we arrived at our audit opinion. These matters were addressed, and our findings are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

All of these key audit matters relate to the Group and the parent Trust.

The risk	Our response
<p><b>Property, plant and equipment</b>            (£188.5 million; 2016-17: £181.2 million)</p> <p><i>Refer to page 45 (Audit Committee Report), page 190 (accounting policy) and page 205 (financial disclosures)</i></p>	<p><b>Subjective valuation - land and buildings:</b></p> <p>Land and buildings are required to be held at fair value. As hospital buildings are specialised assets and there is not an active market for them they are usually valued on the basis of the cost to replace them with an equivalent asset.</p> <p>When considering the cost to build a replacement asset the Group may consider whether the asset would be realistically built to the same specification or in the same location.</p> <p>The Trust engaged a professional valuer to carry out valuations in 2017/18. The valuation figures included in the Group accounts are estimates.</p> <p>The Trust has been developing a business case for the construction of a Critical Treatment Hospital. During 2016-17 an impairment of £8.1m was recorded to the value of the assets acquired relating to design and business case for the hospital. During 2017-18 local Clinical Commissioning Groups announced that they would not support the business case at this time.</p> <p>Our procedures included:</p> <ul style="list-style-type: none"> <li>— <b>Assessing the valuer's credentials:</b> we assessed the scope, qualifications and experience of the Trust's valuer to verify that they were appropriately experienced and qualified to undertake the valuation;</li> <li>— <b>Valuation methodology choice:</b> We inspected the instructions sent to the valuers to confirm that they were compliant with the requirements of the Group Accounting Manual to generate an appropriate valuation;</li> <li>— <b>Tests of detail:</b> We agreed the accuracy of the estate data provided to the valuer to complete the desktop valuation by reconciling it to accounting records and re-performing measurements of a sample of assets;</li> <li>— <b>Our valuation expertise:</b> We used our own valuers to critically assess the assumptions made by the Trust's valuer and the methodology adopted in preparing the valuation to confirm they were consistent with the requirements of the RICS Red Book;</li> <li>— <b>Comparing valuations:</b> We determined whether changes had been made between the initial draft and final valuation as a result of management's review. Where changes were made we critically assessed the appropriateness of the change;</li> <li>— <b>Tests of detail:</b> We confirmed that accounting for valuation changes had been completed correctly in line with the requirements of the Group Accounting Manual; and</li> <li>— <b>Methodology choice:</b> We critically assessed management's judgment relating to the benefit to be obtained from investment in the design and business case for the Critical Treatment Hospital and the value applied to the work completed.</li> </ul> <p><b>Our findings</b></p> <p>In determining the valuation of land and buildings there is room for judgement, and we found that within that, the Trust's judgement was optimistic (2016/17 finding: balanced).</p>

The risk	Our response
<p><b>NHS and non-NHS income</b> (£389.8 million; 2016-17: £385.4 million)</p> <p><i>Refer to page 45 (Audit Committee Report), page 188 (accounting policy) and page 198 (financial disclosures).</i></p> <p>Of the Group's reported total income, £336.8 million (2016-17: £334.2m) came from commissioners (Clinical Commissioning Groups (CCG) and NHS England). Two CCGs and NHS England make up 78% of the Group's income. Income is contracted based on expected levels of activity and standard tariff prices for procedures, however the actual income for the year is based on the actual levels of activity completed during the year. Other performance based income is received from NHS Improvement (via local CCGs). This results in estimates being required at the year end.</p> <p>Income from NHS England and CCGs is captured through the Agreement of Balances exercises performed at months 6, 9 and 12 to confirm amounts received and owed. Mismatches in income and expenditure, and receivables and payables are recognised by the Trust and its counterparties to be resolved. Where mismatches cannot be resolved they can be reclassified as formal disputes.</p> <p>The Group reported total income of £41.1m (2016-17: £35.8 million) from other activities. Much of this income is contracted from NHS and non-NHS bodies under contracts that indicate when income will be received; on delivery, milestones, or periodically.</p>	<p>Our procedures included:</p> <p><b>Tests of details:</b> We undertook the following tests of detail:</p> <ul style="list-style-type: none"> <li>— For the three largest commissioners of the Trust's activity we agreed signed contracts were in place covering the financial year;</li> <li>— We agreed that invoices had been issued in line with the contracts signed with the three largest commissioners;</li> <li>— We inspected the agreements reached between the Trust and the three largest commissioners at the end of the year of actual activity and agreed that income had been recorded in line with the agreements reached;</li> <li>— We inspected the outcome of the agreement of balances exercise with CCGs and other NHS bodies. Where there were mismatches over £300,000 we critically assessed management's assessment of the level of income they were entitled to and the receipts that could be collected;</li> <li>— We agreed the levels of over and under performance of contract activity reported agreed to the records held on the Trust's activity system;</li> <li>— We obtained external confirmation that the income recorded relating to Sustainability and Transformation Funding agreed to the amount that the Trust had been notified by NHS Improvement that it was entitled to at the end of the financial year.</li> </ul> <p><b>Our findings</b></p> <p>We found some errors which were corrected in the Group and Trust's calculation of revenue (2016-17 finding: some errors which were corrected).</p> <p>In determining the valuation of receivables there is room for judgement, and we found that within that, the Trust's judgement was balanced (2016/17 finding: balanced).</p>

### **3. Our application of materiality and an overview of the scope of our audit**

Materiality for the Group financial statements as a whole was set at £7.5 million (2016/17: £7.0 million), determined with reference to a benchmark of operating income (of which it represents approximately 1.9%). We consider operating income to be more stable than a surplus- or deficit-related benchmark.

Materiality for the parent Trust's financial statements as a whole was set at £7.5 million (2016/17: £7.0 million), determined with reference to a benchmark of operating income (of which it represents approximately 1.9%).

We agreed to report to the Audit Committee any uncorrected identified misstatements exceeding £0.25 million (2016/17: £0.25 million), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the group's two (2016-17: two) reporting components, we subjected two (2016-17: two) to full scope audits for group purposes.

The work on all components (2016-17: all components), including the audit of the parent Trust, was performed by the Group team.

### **4. We have nothing to report on going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

### **5. We have nothing to report on the other information in the Annual Report**

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

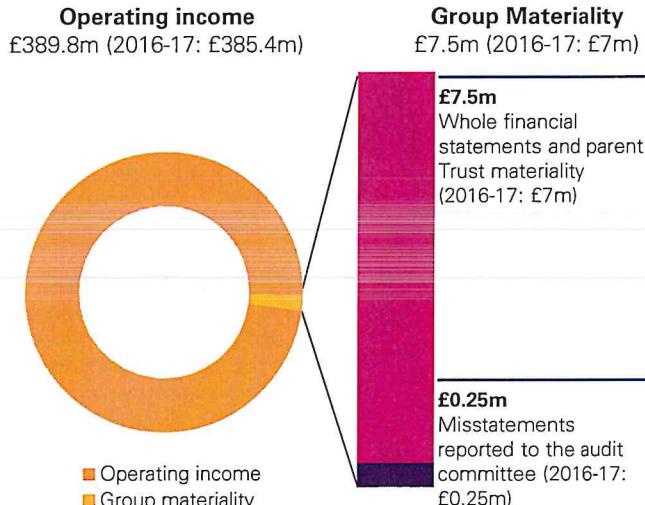
In our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements.

#### **Remuneration report**

In our opinion the part of the remuneration report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2017-18.

#### **Corporate governance disclosures**

We are required to report to you if:



- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Group's position and performance, business model and strategy; or
- the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or
- the Annual Governance Statement does not reflect the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2017-18, is misleading or is not consistent with our knowledge of the Group and other information of which we are aware from our audit of the financial statements.

We have nothing to report in these respects.

### **6. Respective responsibilities**

#### **Accounting Officer's responsibilities**

As explained more fully in the statement set out on page 82, the Accounting Officer is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Group and parent Trust without the transfer of its services to another public sector entity.

## Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at  
[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)

## REPORT ON OTHER LEGAL AND REGULATORY MATTERS

### We have nothing to report on the statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice issued by the Comptroller and Auditor General ('the Code of Audit Practice') to report to you if:

- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006.
- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit.

We have nothing to report in these respects.

### We have nothing to report in respect of our work on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

Under the Code of Audit Practice we are required to report to you if the Trust has not made proper arrangement for securing economy, efficiency and effectiveness in the use of resources.

We have nothing to report in this respect.

Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

The Trust is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources.

Under Section 62(1) and Schedule 10 paragraph 1(d), of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in the 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 the use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the specified criterion issued by the Comptroller and Auditor General (C&AG) in November 2017, 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. We planned our work in accordance with the Code of Audit Practice and related guidance. Based on our risk assessment, we undertook such work as we considered necessary.

Report on our review of the adequacy of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required by guidance issued by the C&AG under Paragraph 9 of Schedule 6 to the Local Audit and Accountability Act 2014 to report on how our work addressed any identified significant risks to our conclusion on the adequacy of the Trust's arrangements to secure economy, efficiency and effectiveness in the use of resources. The 'risk' in this case is the risk that we could come to an incorrect conclusion in respect of the Trust's arrangements, rather than the risk of the arrangements themselves being inadequate.

We carry out a risk assessment to determine the nature and extent of further work that may be required. Our risk assessment includes consideration of the significance of business and operational risks facing the Trust, insofar as they relate to 'proper arrangements'. This includes sector and organisation level risks and draws on relevant cost and performance information as appropriate, as well as the results of reviews by inspectorates, review agencies and other relevant bodies.

The significant risks identified during our risk assessment are set out below together with the findings from the work we carried out on each area.

Significant Risk	Description	Work carried out and judgements
<b>Financial sustainability</b>	<p>The Trust agreed a control total for the year of a £7.9m surplus, included in which was £9.5m of Sustainability and Transformation Funding. The actual financial performance for 2017-18 was a £3.8m deficit.</p> <p>The revision in forecast was driven by income in the final quarter of the year not being in line with expectations and not achieving Sustainability and Transformation Funding for the quarter as a result of not achieving the control total.</p> <p>During the year the Trust has drawn down borrowings to support its working capital position as well as its capital programme. At 31 March 2018 the Trust had total outstanding borrowings of £22.9m.</p>	<p>Our work included:</p> <ul style="list-style-type: none"> <li>— <b>2017-18 budgeting:</b> We critically assessed the assumptions made in setting the 2017-18 financial plan to determine whether realistic plans were set;</li> <li>— <b>Financial monitoring:</b> We assessed the processes for monitoring financial performance during the year to confirm there were appropriate mechanisms in place to manage performance against budget and mitigate risks;</li> <li>— <b>Cash flow monitoring:</b> We critically assessed the cash flow monitoring information made available to identify needs for liquidity support during the year;</li> <li>— <b>Savings programme:</b> We critically assessed the mechanisms for developing and monitoring the 2017-18 savings programme to determine whether achievable plans were set to achieve the Trust's efficiency target and monitored to ensure they were implemented as planned;</li> <li>— <b>2018-19 financial planning:</b> We critically assessed the assumptions on which the 2018-19 financial plan had been set to consider whether they were achievable and their sensitivity to changes. We assessed the likelihood of requiring further borrowings to support the Trust's working capital during 2018-19.</li> </ul> <p><b>Our findings on this risk area:</b></p> <ul style="list-style-type: none"> <li>— We did not find any indication that the Trust has not had regard to its responsibilities to secure economy, efficiency and effectiveness in its use of its resources</li> </ul>

#### THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

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

#### CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of Hampshire Hospitals NHS Foundation Trust in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice issued by the National Audit Office.

**Neil Thomas**  
for and on behalf of KPMG LLP (Statutory Auditor)

*Chartered Accountants*

15 Canada Square, Canary Wharf, London, E14 5GL  
25 May 2018

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31 March 2018**

		<b>Group</b>	
	<b>Note</b>	<b>2017/18</b> £000	<b>2016/17</b> £000
Revenue from patient care activities	2	348,687	348,397
Other operating revenue	3	41,090	37,047
Operating expenses	5	(389,513)	(375,697)
<b>Net operating surplus/deficit</b>		<b>264</b>	<b>9,747</b>
Finance income	9	32	22
Finance expenses	9	(382)	(362)
PDC dividends payable		(4,637)	(4,708)
<b>Net finance costs</b>		<b>(4,987)</b>	<b>(5,048)</b>
Other gains / (losses)		879	9
<b>Surplus / (deficit) for the year from continuing operations</b>		<b>(3,844)</b>	<b>4,708</b>
<b>Other comprehensive income</b>			
<b>Will not be reclassified to income and expenditure:</b>			
Impairments and reversals taken to revaluation reserve	7	(97)	(621)
Gain on revaluations		4,299	3,090
Other recognised gains and losses		(114)	-
<b>Total comprehensive income for the period</b>		<b>244</b>	<b>7,177</b>

The notes on pages 188 to 223 form part of these financial statements.

**STATEMENTS OF FINANCIAL POSITION**  
**As at 31 March 2018**

	Note	Group		Trust	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
		£000	£000	£000	£000
<b>Non-current assets</b>					
Intangible assets	10	1,522	600	1,475	546
Property, plant and equipment	11	188,508	181,209	178,621	171,358
Investments in associates (and joint ventures)	12	-	-	10,890	10,890
<b>Total non-current assets</b>		<b>190,030</b>	<b>181,809</b>	<b>190,986</b>	<b>182,794</b>
<b>Current assets</b>					
Inventories	13	5,626	5,583	4,951	5,076
Trade and other receivables	14	23,983	23,466	24,087	24,157
Cash and cash equivalents	15	7,783	11,015	7,569	10,934
<b>Total current assets</b>		<b>37,392</b>	<b>40,064</b>	<b>36,607</b>	<b>40,167</b>
<b>Current liabilities</b>					
Trade and other payables	16	(32,486)	(30,805)	(34,688)	(32,974)
Borrowings	17	(2,012)	(2,393)	(2,012)	(2,192)
Other financial liabilities		(148)	(34)	-	-
Provisions	18	(321)	(304)	(321)	(304)
Other liabilities	16	(1,588)	(1,503)	(1,588)	(1,503)
<b>Total current liabilities</b>		<b>(36,555)</b>	<b>(35,039)</b>	<b>(38,609)</b>	<b>(36,973)</b>
<b>Total assets less current liabilities</b>		<b>190,867</b>	<b>186,834</b>	<b>188,984</b>	<b>185,988</b>
<b>Non-current liabilities</b>					
Borrowings	17	(21,551)	(18,862)	(21,551)	(18,862)
Provisions	18	(2,390)	(2,731)	(2,390)	(2,731)
Other liabilities	16	(7,831)	(8,169)	(7,831)	(8,169)
<b>Total non-current liabilities</b>		<b>(31,772)</b>	<b>(29,762)</b>	<b>(31,772)</b>	<b>(29,762)</b>
<b>Total assets employed</b>		<b>159,095</b>	<b>157,072</b>	<b>157,212</b>	<b>156,226</b>
<b>Financed by</b>					
Public dividend capital		124,645	122,866	124,645	122,866
Revaluation reserve		39,639	35,482	38,855	34,802
Other reserves		6,366	6,366	6,366	6,366
Income and expenditure reserve		(11,555)	(7,642)	(12,654)	(7,808)
<b>Total taxpayers' equity</b>		<b>159,095</b>	<b>157,072</b>	<b>157,212</b>	<b>156,226</b>

The notes on pages 188 to 223 form part of these accounts.

Alex Whitfield  
Chief Executive

25 May 2018

## STATEMENTS OF CHANGES IN TAXPAYERS EQUITY

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

Group	Public dividend capital	Revaluation reserve	Other reserves	Income and expenditure reserve	Total £000
	£000	£000	£000	£000	
Taxpayers' and others' equity at 1 April 2017 - brought forward	122,866	35,482	6,366	(7,642)	157,072
Surplus/(deficit) for the year	-	-	-	(3,844)	(3,844)
Revaluations	-	4,202	-	-	4,202
Transfer to retained earnings on disposal of assets	-	(45)	-	45	-
Other recognised gains and losses	-	-	-	(114)	(114)
Public dividend capital received	1,779	-	-	-	1,779
Taxpayers' and others' equity at 31 March 2018	<b>124,645</b>	<b>39,639</b>	<b>6,366</b>	<b>(11,555)</b>	<b>159,095</b>

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

Group	Public dividend capital	Revaluation reserve	Other reserves	Income and expenditure reserve	Total £000
	£000	£000	£000	£000	
Taxpayers' and others' equity at 1 April 2016 - brought forward	122,866	33,013	6,366	(12,350)	149,895
Surplus/(deficit) for the year	-	-	-	4,708	4,708
Impairments	-	(621)	-	-	(621)
Revaluations	-	3,090	-	-	3,090
Taxpayers' and others' equity at 31 March 2017	<b>122,866</b>	<b>35,482</b>	<b>6,366</b>	<b>(7,642)</b>	<b>157,072</b>

## **STATEMENTS OF CHANGES IN TAXPAYERS' EQUITY**

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

Trust	Public	Income and			Total
	dividend capital £000	Revaluation reserve £000	Other reserves £000	expenditure reserve £000	
Taxpayers' and others' equity at 1 April 2017 - brought forward	122,866	34,802	6,366	(7,808)	156,226
Surplus/(deficit) for the year	-	-	-	(4,893)	(4,893)
Revaluations	-	4,100	-	-	4,100
Transfer to retained earnings on disposal of assets	-	(47)	-	47	-
Public dividend capital received	1,779	-	-	-	1,779
Taxpayers' and others' equity at 31 March 2018	<b>124,645</b>	<b>38,855</b>	<b>6,366</b>	<b>(12,654)</b>	<b>157,212</b>

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

Trust	Public	Income and			Total
	dividend capital £000	Revaluation reserve £000	Other reserves £000	expenditure reserve £000	
forward	122,866	32,404	6,366	(11,152)	150,484
Surplus/(deficit) for the year	-	-	-	3,344	3,344
Revaluations	-	2,398	-	-	2,398
Taxpayers' and others' equity at 31 March 2017	<b>122,866</b>	<b>34,802</b>	<b>6,366</b>	<b>(7,808)</b>	<b>156,226</b>

**STATEMENTS OF CASH FLOWS**  
**Year ended 31 March 2018**

	Note	Group		Trust	
		2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
<b>Cash flows from operating activities</b>					
Operating surplus / (deficit)		264	9,747	(786)	8,990
<b>Non-cash income and expense:</b>					
Depreciation and amortisation	5	8,477	8,251	7,915	7,724
Net impairments	7	(2,133)	5,043	(1,644)	5,131
Income recognised in respect of capital donations	4	(1,247)	(1,120)	(1,247)	(1,120)
Amortisation of PFI deferred credit		(285)	(285)	(285)	(285)
(Increase)/decrease in receivables and other assets		(504)	(8,048)	(70)	(8,644)
(Increase)/decrease in inventories		(43)	(557)	125	(50)
Increase/(decrease) in payables and other liabilities		1,001	(818)	1,034	(25)
Increase/(decrease) in provisions		(364)	(59)	(364)	(59)
<b>Net cash flows from / (used in) operating activities</b>		<b>5,166</b>	<b>12,154</b>	<b>4,678</b>	<b>11,662</b>
<b>Cash flows from investing activities</b>					
Interest received		32	22	31	22
Purchase of intangible assets		(1,115)	(375)	(1,115)	(370)
Purchase of PPE		(8,684)	(7,870)	(8,684)	(7,580)
Sales of PPE		1,144	18	1,144	19
Receipt of cash donations to purchase assets		1,247	1,120	1,247	1,120
<b>Net cash flows from / (used in) investing activities</b>		<b>(7,376)</b>	<b>(7,085)</b>	<b>(7,377)</b>	<b>(6,789)</b>
<b>Cash flows from financing activities</b>					
Public dividend capital received		1,779	-	1,779	-
Movement on loans from DHSC		2,788	3,388	2,788	3,388
Other capital receipts		-	-	-	(99)
Capital element of finance lease rental payments		(282)	(366)	(82)	(160)
Capital element of PFI, LIFT and other service concession payments		(180)	(160)	-	-
Interest paid on finance lease liabilities		(18)	(36)	(14)	(20)
Interest paid on PFI, LIFT and other service concession obligations		-	(12)	-	(12)
Other interest paid		(351)	(273)	(379)	(273)
PDC dividend (paid) / refunded		(4,758)	(5,057)	(4,758)	(5,057)
<b>Net cash flows from / (used in) financing activities</b>		<b>(1,022)</b>	<b>(2,516)</b>	<b>(666)</b>	<b>(2,233)</b>
<b>Increase / (decrease) in cash and cash equivalents</b>		<b>(3,232)</b>	<b>2,553</b>	<b>(3,365)</b>	<b>2,640</b>
<b>Cash and cash equivalents at 1 April</b>		<b>11,015</b>	<b>8,462</b>	<b>10,934</b>	<b>8,294</b>
<b>Cash and cash equivalents at 31 March</b>	15	<b>7,783</b>	<b>11,015</b>	<b>7,569</b>	<b>10,934</b>

## **Statement of accounting policies**

### **1. Accounting policies and other information**

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

#### **1.1 Basis of preparation**

##### **Accounting convention**

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment at their value to the business by reference to their current cost or modern equivalent cost.

##### **Going concern**

These accounts have been prepared on a going concern basis, following the submission of the operating plan for 2018/19 to NHSI projecting an income and expenditure surplus of £2.8m and cash holding of £7.8m at 31 March 2018.

#### **1.2 Consolidation**

##### **Charity**

Following Treasury's agreement to apply IAS 27 to NHS Charities from, 1 April 2013, the Trust has established that as it is the corporate trustee of the Hampshire Hospitals Charity, it effectively has the power to exercise control so as to obtain economic benefits. However, the transactions are immaterial (<5% of the net assets) in the context of the group and transactions have not been consolidated. Details of the transactions with the charity are included in note 12.

##### **Subsidiaries**

Subsidiary entities are those over which the Trust has the power to exercise control or a dominant influence so as to gain economic or other benefits. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines.

Where the subsidiary's accounting policies are not aligned with those of the Trust (including where they report under UK FRS102) then amounts are adjusted during consolidation where the differences are material. Inter-entity balances, transactions and gains or losses are eliminated in full on consolidation.

The Group refers to the consolidation of Hampshire Hospitals NHS Foundation Trust and its' subsidiary company Hampshire Hospitals Contract Services Limited. Unless otherwise stated the notes to the accounts refer to the Group and not the Trust, as the Trust's balances are not materially different. The Group have taken advantage of the exemption under s408 of the Companies Act to omit the statement of comprehensive income for the Trust. The Trust's deficit for the period was £4.777m (2016/17 surplus £3.344m).

#### **1.3 Income recognition**

The main source of income for the group is from contracts with commissioners in respect of healthcare services. Income is recognised in the period in which services are provided and includes an adjustment at year end for uncompleted inpatient activity. Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

Revenue from patient care spells that are partially completed at year end are apportioned across financial years on the basis of the anticipated revenue which will be derived from patients in beds at the end of the year, net of reductions in tariff to reflect excess bed days.

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

## **1.4 Expenditure on employee benefits**

### **Short-term Employee Benefits**

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

### **Pension Scheme**

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

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

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

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

#### **a) Accounting valuation**

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2018, is based on valuation data as 31 March 2016, updated to 31 March 2018 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

#### **b) Full actuarial (funding) valuation**

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account their recent demographic experience), and to recommend contribution rates payable by employees and employers.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012. The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

The next actuarial valuation is to be carried out as at 31 March 2016. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

## **1.5 Expenditure on other goods and services**

Expenditure on goods and services is recognised when those goods and services are received and is accounted for applying the accruals convention. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment. Expenditure is measured at the fair value of the goods and services received.

## **1.6 Property, plant and equipment**

### **Capitalisation**

Property, plant and equipment is capitalised where:

- it is expected to be used for more than one financial year;
- it is held for use in delivering services or for administration purposes and it is probable that future economic benefits will flow to, or service potential be provided to, the group;
- the cost of the item can be measured reliably, and either
- individual items have a cost of at least £5,000; or
- costs represent a group of assets which individually have a cost of more than £250, collectively have a cost of at least £5,000, 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
- costs represent part of the initial setting-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost and comprise 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.

### **Valuation**

Property, plant and equipment is stated at fair value. On initial recognition they are measured at cost (for leased assets, fair value) including any costs, such as installation, directly attributable to bringing them into working condition. The costs arising from financing the construction of non-current assets are not capitalised but are charged to the Statement of Comprehensive Income in the year to which they relate. Assets, including those held for their service potential, are carried at current value in existing use. For non-specialised assets current value in existing use is interpreted as market value for existing use.

Land and buildings are revalued using professional valuations in accordance with IAS 16. The group has adopted a policy of revaluations every five years, with a three year interim revaluation. More frequent desk-top valuations will be performed, as required by market conditions, to ensure that the carrying value of assets is not materially different to their fair value.

Valuations are carried out by professionally qualified valuers, Cushman & Wakefield LLP in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. A desktop revaluation exercise was undertaken at 31st March 2018 using the indexation tables published in March 2018 by RICS to reflect current market conditions.

Assets in the course of construction are held at cost and are valued by professional valuers when they are brought into use.

The 2017/18 valuation for operational specialised property and land was on a modern equivalent asset (MEA) basis; an alternative method of calculating depreciated replacement cost for which alternative sites were considered. Operational equipment is valued at the lower of replacement cost or recoverable amount. Equipment surplus to requirements is valued at net recoverable amount. Where assets have a short life or low value, depreciated historic cost is taken as a proxy for fair value.

### **Subsequent expenditure**

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and charged to operating expenses.

### **Depreciation and Impairments**

Freehold land and assets under construction or development are not depreciated/amortised.

Items of property, plant and equipment are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. Useful lives and residual values are reassessed each year.

Assets in the course of construction and residual interests in Off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use.

Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset as assessed by the group's professional valuers. Leaseholds are depreciated over the primary lease term. In the 2017/18 valuation the group's buildings were allocated lives of between 10 and 99 years. Additional work and refurbishments to existing buildings are allocated the same life as the building to which they relate.

Equipment and intangible assets are depreciated on current cost evenly over the estimated life of the asset as follows:

Plant and Machinery:	5 to 20 years;
Furniture and Fittings:	5 to 15 years;
Transport Equipment:	7 to 10 years; and
Information Technology:	5 to 10 years;

#### ***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***

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

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

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

#### ***Derecognition***

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 is 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 and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

Assets which are not held for their service potential and do not qualify for recognition as 'Held for Sale' are surplus assets held at current value in existence under adapted IAS 16, IAS40 or IFRS13 as appropriate

#### **1.7 Intangible assets**

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the group'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 group and where the cost of the asset can be measured reliably.

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. In addition software which is not integral to the operation of hardware e.g. application software, is capitalised as an intangible asset. In both cases the cost has to be at least £5,000.

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 fair value. Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in operating expenses, in which case they are recognised in operating income. Decreases in asset values and impairments are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses. Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Any amortisation charged is included within other operating expenses within the Statement of Comprehensive Income.

Intangible assets that are no longer in use are de-recognised and shown as a disposal in-year.

Useful economic lives reflect the total life of an asset and not the remaining life of an asset. Intangible assets are depreciated evenly over the estimated useful economic life of the asset based on the current cost.

Intangible assets are depreciated on current cost evenly over the estimated life of the asset. An example of the estimated life of intangible assets as follows:

Software Licences	5 years
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#### **1.8 Donated assets**

Donated assets are capitalised at their current value on receipt and this value is credited to the statement of comprehensive income. Donated assets are valued and depreciated as described above for purchased assets. Gains and losses on revaluations are taken to the revaluation reserve.

On disposal of a donated asset, the profit or loss on disposal is calculated as the difference between the carrying amount and net sale proceeds, and credited or charged to the SoCI.

#### **1.9 Private Finance Initiative (PFI) transactions**

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the group. The underlying assets are recognised as Property, plant and equipment at their fair value.

For schemes where there is a unitary payment:

- An equivalent financial liability is recognised in accordance with IAS 17. It is applicable under IFRIC 12 to capitalise the assets.
- The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for services. The finance cost is calculated using the implicit interest rate for the scheme.
- The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

For schemes where there is no unitary payment:

- An equivalent financial liability is recognised on inception representing the future service potential of the asset. On the first external valuation of the asset, the liability is re-measured in order to reflect the actual future service potential made available to the group.
- Subsequently the liability is released evenly over the lifetime of the arrangement with a credit recognised in other operating income.

#### **1.10 Inventories**

Inventories are valued at the lower of cost or net realisable value. The cost of inventories is measured using the weighted average cost method.

#### **1.11 Cash, bank and overdrafts**

Cash and bank balances are recorded at the current values of these balances in the group's cash book. These balances exclude monies held in the group's bank account belonging to patients (see "third party assets" below). Account balances are only set off where a formal agreement has been made with the bank to do so. Interest earned on bank accounts is recorded as "financial income" in the period to which it relates. Bank charges are recorded as operating expenditure in the periods to which they relate. The group's cash balance does not include any cash equivalents

#### **1.13 Provisions**

The group provides for legal or constructive obligations that are of uncertain timing or amount at the 31 March date on the basis of the best estimate of the expenditure required to settle the obligation assuming that it is probable there will be a future outflow of cash or other resources and a reliable estimate can be made of the amount. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates which range from 1.9% to 2.2% in real terms, except for early retirement provisions and injury benefit provisions which both use HM Treasury's pension discount rate of 0.1% in real terms. Details of provisions can be found in note 18.

#### **1.14 Contingencies**

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 25 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 25, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

#### **1.15 Clinical negligence costs**

The NHS Litigation Authority (NHS LA) operates a risk pooling scheme under which the group pays an annual contribution to the NHS LA, which, in return, settles all clinical negligence claims. Although the NHS LA is administratively responsible for all clinical negligence cases, the legal liability remains with the group. The total value of clinical negligence provisions carried by the NHS LA on behalf of the group is disclosed at note 18. These are not provided for by the group as they would be matched by income due from the NHS LA.

### **1.15 Non-clinical risk pooling**

The group participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the group pays an annual contribution to the NHS Litigation Authority and in return receives assistance with the costs of claims arising. This is accounted for on a net basis. The annual membership contributions, and any 'excesses' payable in respect of particular claims are charged to operating expenses when the liability arises.

### **1.17 Value Added Tax (VAT)**

Most of the activities of the group 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.

### **1.18 Corporation tax**

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

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

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

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by IAS12.

### **1.19 Foreign exchange**

The Group's functional currency and presentational currency is pounds sterling, and transactions that are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. Resulting exchange gains and losses are taken to the statement of comprehensive income.

### **1.20 Third party assets**

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

### **1.21 Leases**

#### **Finance leases**

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

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

#### **Operating leases**

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

### **Leases of land and buildings**

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately. Leased land is treated as an operating lease.

### **1.22 Public dividend capital**

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the original NHS Trust.

A charge, reflecting the cost of capital utilised by the group, is paid over as public dividend capital dividend. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the group. Relevant net assets are calculated as the value of net assets, less donated assets and average daily cash balances held with the Government Banking Service. Average relevant net assets are calculated as a simple mean of opening and closing relevant net assets. This information comes from the audited prior year accounts and pre-audit current year accounts.

HM Treasury has concluded, with the agreement of FRAB, that PDC is not a financial instrument within the scope of IAS 32, and as such should continue to be presented within 'taxpayers' equity' in the Statement of Financial Position.

### **1.23 Financial instruments and financial liabilities**

#### **Recognition**

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

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

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

#### **De-recognition**

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

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

#### **Classification and Measurement**

Financial assets are categorised as 'fair value through the statement of comprehensive income', loans and receivables or 'available-for-sale financial assets'.

Financial liabilities are classified as 'fair value through the statement of comprehensive income' or as 'other financial liabilities'.

#### **Loans and receivables**

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

The group's loans and receivables comprise: current investments, cash at bank and in hand, NHS debtors, accrued income and 'other debtors'.

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.

### **Financial liabilities**

All financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability. They are included in current liabilities except for amounts payable more than 12 months after the 31 March, 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.

### **Determination of fair value**

For financial assets and financial liabilities carried at fair value, the carrying amounts are determined from the most appropriate valuation method (e.g. quoted market prices/independent appraisals/discounted cash flow analysis/other) to that particular asset or liability.

### **Impairment of financial assets**

At the Statement of Financial Position date, the group assesses whether any financial assets other than those held at 'fair value through the Statement of Comprehensive Income' 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 through the use of an allowance account/bad debt provision.

We provide against 100% of non-NHS debtors over 6 months old, and write debts off only when all reasonable means of recovery have been exhausted.

### **1.24 Judgemental areas and estimation techniques**

The valuation of property, the calculation of provisions and the allocation of asset lives for equipment, within these accounts, are subject to judgement or estimation techniques. There are no other areas where judgement is used to estimate material balances in these accounts. The group relies on the judgements of appropriately qualified external professional advisors who provide the property valuations. £165,024,000 of land and buildings are valued at fair value, and £23,484,000 of plant and equipment are valued at cost.

Provision for non-payment is made against all receivables that are greater than 180 days old unless recoverability is certain. The provision against receivables at 31 March 2018 was £1,041,000 (see note 14).

## **1.25 Accounting Standards that have been issued but have not yet been adopted**

The DH GAM does not require the following Standards and Interpretations to be applied in 2016/17. These standards are still subject to HM Treasury FReM adoption, with IFRS 9 and IFRS 15 being for implementation in 2018/19, and the government implementation date for IFRS 16 still subject to HM Treasury consideration.

- IFRS 9 Financial Instruments – Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted. The Group does not expect there to be a material impact as a result of the adoption of this standard.
- IFRS 15 Revenue from Contracts with Customers — Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted. The Group does not expect there to be a material impact as a result of the adoption of this standard
- IFRS 16 Leases – Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted. Work will be done to establish the impact of the adoption of this standard on the Group accounts.
- IFRIC 22 Foreign Currency Transactions and Advance Consideration – Application required for accounting periods beginning on or after 1 January 2018. The Group does not expect there to be a material impact as a result of the adoption of this standard

## **1.26 Segmental reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee, which makes strategic decisions.

## **1.27 Carbon Reduction Commitment**

The CRC scheme is a mandatory cap and trade scheme for non-transport CO<sub>2</sub> emissions. Where NHS foundation trusts are registered with the CRC scheme, they are required to surrender to the government an allowance for every tonne of CO<sub>2</sub> they emit during the financial year. Therefore, registered NHS foundation trusts should recognise a liability (and related expense) in respect of this obligation as CO<sub>2</sub> emissions are made.

## **1.28 Losses and Special Payments**

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

However the losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

## 2. Income

2.1 Revenue from patient care activities (by nature)	2017/18 £000	2016/17 £000
<b>Acute services</b>		
Elective income	72,808	72,084
Non elective income	101,302	92,238
First outpatient income	28,433	26,780
Follow up outpatient income	30,287	34,222
A & E income	16,173	14,120
High cost drugs income from commissioners (excluding pass-through costs)	34,226	34,685
Other NHS clinical income	54,932	60,433
Private patient income	6,849	5,852
Other clinical income	3,677	7,983
<b>Total income from activities</b>	<b>348,687</b>	<b>348,397</b>

The breakdown of the comparative figures for 2016/17 has been restated as per the revised GAM requirements for 2017/18.

## 2.2 Revenue from patient care activities (by source)

2017/18 £000	2016/17 £000	
<b>Patient care income from DH/NHS bodies (analysed by sector)</b>		
NHS England	53,645	60,135
Clinical commissioning groups	283,010	274,107
Other NHS providers	548	5,536
NHS other	165	199
Local authorities	877	368
Non-NHS: private patients	6,849	5,852
Non-NHS: overseas patients (chargeable to patient)	211	182
NHS injury cost recovery	1,327	763
Other non-NHS patient care income	2,055	1,255
<b>Total income from activities</b>	<b>348,687</b>	<b>348,397</b>

NHS injury cost recovery scheme income is subject to a provision for doubtful debts of 22.84% (2016/17 21.99%) to reflect the national NHS expected rate of collection.

## 2.3 Overseas visitors (relating to patients charged directly by the provider)

Group	2017/18 £000	2016/17 £000
Income recognised this year	211	182
Cash payments received in-year	116	131
Amounts added to provision for impairment of receivables	36	15
Amounts written off in-year	-	60

3.1 Other operating revenue	Group	
	2017/18 £000	2016/17 £000
Research	1,849	2,017
Education and training	16,196	13,805
Receipt of grants and donations for capital expenditure	1,247	1,120
Charitable and other contributions to expenditure	606	289
Non-patient care services to other bodies	-	1
Sustainability and transformation fund income	7,822	12,445
Rental revenue from operating leases	260	242
Other income	13,110	7,128
<b>Total other operating income</b>	<b>41,090</b>	<b>37,047</b>

The income generated from non healthcare services, provides an invaluable contribution and it used by the Trust to fund essential training, research and investment into healthcare service. Other income is primarily from staff and services recharged to other NHS providers.

### 3.2 Income from activities arising from commissioner requested services

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

	Group	
	2017/18 £000	2016/17 £000
Income from services designated as commissioner requested services	336,655	334,242
Income from services not designated as commissioner requested services	12,032	14,155
<b>Total</b>	<b>348,687</b>	<b>348,397</b>

### 3.3 Profits and losses on disposal of property, plant and equipment

During the year ended 31 March 2018 the Trust disposed of a property at the Royal County Hospital site in Winchester. The net book value of the land and buildings was £265,000 and the sale proceeds were £1,144,000. The property had been previously rented to an NHS body but had been vacant for a number of years prior to sale as the Trust evaluated whether it could be put back into use.

#### 4 Segmental reporting

The group has determined the Executive Committee to be the chief operating decision maker. The Executive Committee is a sub-committee of the Trust Board and is attended by the Executive Directors, the Clinical Divisional Directors and the Operational Directors. The Executive Committee has the power to make operational decisions and allocate resources. On occasions their decisions do require Trust Board approval. Operating segments are based on the reports made to the Executive Committee. Segments are reported on by expenditure and income, but assets are not recorded by individual segments.

#### Year Ended 31 March 2018

	Family & Clinical Support				
	Surgery £000	Medicine £000	Services £000	Other £000	Total £000
Clinical income	133,873	127,802	80,346	1,811	343,832
Private patient income	4	-	7	6,732	6,743
Other income	2,153	4,126	4,630	27,790	38,699
<b>Total income</b>	<b>136,030</b>	<b>131,928</b>	<b>84,983</b>	<b>36,333</b>	<b>389,274</b>
Pay costs	(74,658)	(80,835)	(66,613)	(38,547)	(260,653)
Drugs	(14,993)	(23,442)	(4,198)	240	(42,393)
Other non pay	(17,622)	(10,770)	(14,460)	(38,054)	(80,906)
<b>Total expenditure</b>	<b>(107,273)</b>	<b>(115,047)</b>	<b>(85,271)</b>	<b>(76,361)</b>	<b>(383,952)</b>
Depreciation	-	-	-	(8,477)	(8,477)
Interest received	-	-	-	32	32
Interest paid	-	-	(2)	(340)	(342)
PDC dividend	-	-	-	(4,637)	(4,637)
Net impairment reversal	-	-	-	2,132	2,132
Donated funds income	-	-	-	1,247	1,247
Profit on disposal	-	-	-	879	879
<b>Total Financing</b>	<b>-</b>	<b>-</b>	<b>(2)</b>	<b>(9,164)</b>	<b>(9,166)</b>
<b>Surplus/(deficit)</b>	<b>28,757</b>	<b>16,881</b>	<b>(290)</b>	<b>(49,192)</b>	<b>(3,844)</b>

The amounts included in the Corporate Division do not meet the definition of an operating segment under IFRS8. Any item of income or expenditure that was not directly attributable to one of the clinical divisions (Surgery, Medicine or F&CSS) has been allocated to 'Other'.

## 5 Operating expenses

	2017/18 £000	2016/17 £000
Purchase of healthcare from NHS and DHSC bodies	2,118	2,584
Purchase of healthcare from non-NHS and non-DHSC bodies	1,027	684
Staff and executive directors costs	256,892	244,697
Chair and non-executive directors' costs	165	149
Supplies and services - clinical (excluding drugs costs)	32,808	34,113
Supplies and services - general	6,593	6,526
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	42,265	41,441
Inventories written down	123	43
Consultancy services	1,048	1,620
Establishment	7,459	3,562
Premises	10,865	11,239
Transport (including patient travel)	351	848
Depreciation on property, plant and equipment	8,284	8,066
Amortisation on intangible assets	193	185
Net impairments	(2,133)	5,043
Increase/(decrease) in provision for impairment of receivables	321	33
Increase/(decrease) in other provisions	-	(197)
Change in provisions discount rate(s)	25	242
Audit fees payable to the external auditor		
audit services- statutory audit	78	77
other auditor remuneration (external auditor only)	12	14
Internal audit costs	100	90
Clinical negligence	12,650	9,118
Legal fees	85	118
Insurance	171	174
Research and development	1,247	-
Education, training and conferences	2,586	1,016
Rentals under operating leases	1,885	2,119
Early retirements	(161)	-
Redundancy	175	102
Hospitality	3	3
Losses, ex gratia & special payments	45	60
Other services, eg external payroll	1,738	1,318
Other	495	610
<b>Total</b>	<b>389,513</b>	<b>375,697</b>
<b>Of which:</b>		
Related to continuing operations	389,513	375,697

## 6. Audit Fees

For the year ended 31 March 2018 external audit fees payable to the external auditor totalled £66,000 (2016/17 - £64,000). Non-audit fees payable to the external auditor are analysed across the following headings:

	Group	2017/18 £000	2016/17 £000
<b>Other auditor remuneration paid to the external auditor:</b>			
1. Audit of accounts of any associate of the trust	-	-	-
2. Audit-related assurance services	12	12	12
3. Taxation compliance services	-	-	-
4. All taxation advisory services not falling within item 3 above	-	-	-
5. Internal audit services	-	-	-
6. All assurance services not falling within items 1 to 5	-	-	-
7. Corporate finance transaction services not falling within items 1 to 6 above	-	-	-
8. Other non-audit services not falling within items 2 to 7 above	-	-	-
<b>Total</b>	<b>12</b>	<b>12</b>	<b>12</b>

Limitation on auditor's liability for external audit work carried out for the financial years 2017/2018 is £2million.

## 7. Impairments

	Group	2017/18 £000	2016/17 £000
<b>Net impairments charged to operating surplus / deficit resulting from:</b>			
Changes in market price	(2,685)	(3,425)	(3,425)
Other	552	8,468	8,468
<b>Total net impairments charged to operating surplus / deficit</b>	<b>(2,133)</b>	<b>5,043</b>	<b>5,043</b>
Impairments charged to the revaluation reserve			
<b>Total net impairments</b>	<b>97</b>	<b>621</b>	<b>621</b>
	<b>(2,036)</b>	<b>5,664</b>	<b>5,664</b>

The group's land and buildings were revalued using professional valuations in accordance with IAS 16. The impairments shown above arose as a result of the revaluation exercise.

## 8. Staff costs and numbers

### 8.1 Total staff costs

	Group	2017/18	2016/17
		Total	Total
		£000	£000
Salaries and wages		207,577	195,423
Social security costs		21,115	19,556
Apprenticeship levy		1,016	-
NHS Pension Costs		24,502	22,470
Temporary staff (including agency)		7,786	8,357
<b>Total gross staff costs</b>		<b>261,996</b>	<b>245,806</b>
Recoveries in respect of seconded staff		(743)	-
<b>Total staff costs</b>		<b>261,253</b>	<b>245,806</b>
<b>Of which:</b>			
Costs capitalised as part of assets		1,508	1,109

### 8.2 The monthly average number of persons employed

Average number of employees (WTE basis)	Group			
	Permanent	Other	Total	2016/17
	Number	Number	Number	Number
Medical and dental	748	-	748	697
Administration and estates	1,436	-	1,436	1,397
Healthcare assistants and other support staff	1,306	-	1,306	1,329
Nursing, midwifery and health visiting staff	1,551	-	1,551	1,603
Nursing, midwifery and health visiting learners	-	-	-	-
Scientific, therapeutic and technical staff	380	-	380	377
Healthcare science staff	132	-	132	133
<b>Total average numbers</b>	<b>5,553</b>	<b>-</b>	<b>5,553</b>	<b>5,536</b>
<b>Of which:</b>				
Number of employees (WTE) engaged on capital projects	26	-	26	26

The 2016/17 comparative figures have been restated as our headcount was re-analysed in 2017/18 to match the categories set out by NHSI in their monthly reporting.

### 8.3 Employee Benefits

The total value of employee benefits paid during the year was £nil (2016/17 - £nil).

### 8.4 The number of early retirements due to ill health

During 2017/18 there were 7 early retirements from the group agreed on the grounds of ill-health (2016/17 -3). The estimated additional pension liabilities of these ill-health retirements is £556,000. (2015/16 - £236,000).

## 9. Finance income and finance costs

	Group	
	2017/18 £000	2016/17 £000
Interest on bank accounts	32	22
<b>Total</b>	<b>32</b>	<b>22</b>
	2017/18 £000	2016/17 £000
<b>Interest expense:</b>		
Loans from the Department of Health and Social Care	324	266
Finance leases	18	52
<b>Total interest expense</b>	<b>342</b>	<b>321</b>
Unwinding of discount on provisions	40	41
<b>Total finance costs</b>	<b>382</b>	<b>362</b>

## 10. Intangible assets

	Group		Trust	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
<b>Software Licence</b>				
Gross cost brought forward	4,839	4,907	4,780	4,853
Additions	1,115	375	1,115	370
Disposals/derecognitions	-	(443)	-	(443)
<b>Gross cost at 31 March</b>	<b>5,954</b>	<b>4,839</b>	<b>5,895</b>	<b>4,780</b>
Amortisation brought forward	4,239	4,497	4,234	4,497
Additions	193	185	186	179
Disposals/derecognitions	-	(443)	-	(442)
<b>Amortisation at 31 March</b>	<b>4,432</b>	<b>4,239</b>	<b>4,420</b>	<b>4,234</b>
<b>Net Book Value at 31 March</b>	<b>1,522</b>	<b>600</b>	<b>1,475</b>	<b>546</b>
<b>Net Book Value at 1 April</b>	<b>600</b>	<b>410</b>	<b>546</b>	<b>356</b>

Intangible assets are depreciated on current cost evenly over the estimated life of the asset, which for Information Technology Software is 5 to 10 years.

**11. Property, plant and equipment**

**11.1 Property, plant and equipment – Group 2017/18**

Group	Payments on account and assets									Total £000
	Buildings excluding dwellings		under construction		Plant & machinery	Transport equipment	Information technology	Furniture & fittings		
	Land £000	Dwellings £000	£000	£000	£000	£000	£000	£000		
Valuation/gross cost at 1 April 2017	21,391	135,211	1,155	212	49,886	236	16,453	1,622	226,166	
Additions	-	4,616	-	1,807	1,358	-	1,714	18	9,513	
Impairments	-	(954)	-	(552)	-	-	-	-	(1,506)	
Reversals of impairments	-	1,922	-	-	-	-	-	-	1,922	
Revaluations	-	3,107	-	-	-	-	-	-	3,107	
Disposals / derecognition	(70)	(199)	-	-	(1,984)	(3)	(112)	(18)	(2,386)	
Valuation/gross cost at 31 March 2018	21,321	143,703	1,155	1,467	49,260	233	18,055	1,622	236,816	
Accumulated depreciation at 1 April 2017 - brought forward	-	-	-	-	33,963	225	9,531	1,238	44,957	
Provided during the year	-	2,795	21	-	3,691	8	1,687	82	8,284	
Impairments	-	(853)	-	-	-	-	-	-	(853)	
Reversals of impairments	-	(746)	(21)	-	-	-	-	-	(767)	
Revaluations	-	(1,192)	-	-	-	-	-	-	(1,192)	
Reclassifications	-	-	-	-	(14)	1	1	12	-	
Disposals / derecognition	-	(4)	-	-	(1,984)	(3)	(112)	(18)	(2,121)	
Accumulated depreciation at 31 March 2018	-	-	-	-	35,656	231	11,107	1,314	48,308	
Net book value at 31 March 2018	21,321	143,703	1,155	1,467	13,604	2	6,948	308	188,508	
Net book value at 1 April 2017	21,391	135,211	1,155	212	15,923	11	6,922	384	181,209	

**11. Property, plant and equipment (continued)**

**11.2 Property, plant and equipment – Group 2016/17**

Group	Payments on account and assets									Total £000
	Buildings excluding dwellings		under construction		Plant & machinery	Transport equipment	Information technology	Furniture & fittings		
	Land £000	Dwellings £000		£000	£000	£000	£000	£000		
Valuation / gross cost at 1 April 2016	21,691	129,444	1,155	8,344	49,578	236	18,023	1,609	230,080	
Additions	-	2,017	-	501	2,171	-	3,273	64	8,026	
Impairments	(300)	(2,937)	-	(8,468)	-	-	-	-	(11,705)	
Reversals of impairments	-	3,432	-	-	-	-	-	-	3,432	
Revaluations	-	3,090	-	-	-	-	-	-	3,090	
Disposals / derecognition	-	-	-	-	(1,863)	-	(4,843)	(51)	(6,757)	
Valuation/gross cost at 31 March 2017	<b>21,391</b>	<b>135,211</b>	<b>1,155</b>	<b>212</b>	<b>49,886</b>	<b>236</b>	<b>16,453</b>	<b>1,622</b>	<b>226,166</b>	
Accumulated depreciation at 1 April 2016	-	-	-	-	32,003	213	12,823	1,209	46,248	
Provided during the year	-	2,588	21	-	3,816	12	1,551	78	8,066	
Impairments	-	(2,588)	-	-	-	-	-	-	(2,588)	
Reversals of impairments	-	-	(21)	-	-	-	-	-	(21)	
Disposals/ derecognition	-	-	-	-	(1,856)	-	(4,843)	(49)	(6,748)	
Accumulated depreciation at 31 March 2017	-	-	-	-	33,963	225	9,531	1,238	44,957	
Net book value at 31 March 2017	21,391	135,211	1,155	212	15,923	11	6,922	384	181,209	
Net book value at 1 April 2016	21,691	129,444	1,155	8,344	17,575	23	5,200	400	183,832	

**11. Property, plant and equipment (continued)**

**11.3 Property, plant and equipment – Trust 2017/18**

Trust	Payments on account and									Total £000
	Buildings excluding dwellings		assets under construction		Plant & machinery	Transport equipment	Information technology	Furniture & fittings		
	Land £000	Dwellings £000	£000	£000	£000	£000	£000	£000		
Valuation/gross cost at 1 April 2017 - brought forward	21,391	127,820	1,155	212	46,062	237	16,379	1,507	214,763	
Additions	-	4,605	-	1,807	1,357	-	1,714	19	9,502	
Impairments	-	(954)	-	(552)	-	-	-	-	(1,506)	
Reversals of impairments	-	1,547	-	-	-	-	-	-	1,547	
Revaluations	-	3,021	-	-	-	-	-	-	3,021	
Disposals / derecognition	(70)	(199)	-	-	(1,867)	(4)	(107)	(2)	(2,249)	
Valuation/gross cost at 31 March 2018	<b>21,321</b>	<b>135,840</b>	<b>1,155</b>	<b>1,467</b>	<b>45,552</b>	<b>233</b>	<b>17,986</b>	<b>1,524</b>	<b>225,078</b>	
Accumulated depreciation at 1 April 2017 - brought forward	-	-	-	-	32,485	226	9,488	1,206	43,405	
Provided during the year	-	2,669	21	-	3,306	8	1,673	69	7,746	
Impairments	-	(853)	(21)	-	-	-	-	-	(874)	
Reversals of impairments	-	(677)	-	-	-	-	-	-	(677)	
Revaluations	-	(1,135)	-	-	-	-	-	-	(1,135)	
Disposals / derecognition	-	(4)	-	-	(1,890)	(4)	(108)	(2)	(2,008)	
Accumulated depreciation at 31 March 2018	-	-	-	-	33,901	230	11,053	1,273	46,457	
Net book value at 31 March 2018	21,321	135,840	1,155	1,467	11,651	3	6,933	251	178,621	
Net book value at 1 April 2017	21,391	127,820	1,155	212	13,577	11	6,891	301	171,358	
Net book value at 1 April 2017	21,391	127,820	1,155	212	13,577	11	6,891	301	171,358	

**11. Property, plant and equipment (continued)**

**11.4 Property, plant and equipment – Trust 2016/17**

Trust	Payments on account and									Total £000
	Buildings excluding dwellings		assets under construction		Plant & machinery	Transport equipment	Information technology	Furniture & fittings		
	Land £000	Dwellings £000	£000	£000	£000	£000	£000	£000		
Valuation / gross cost at 1 April 2016	21,691	122,917	1,155	8,179	45,755	237	17,949	1,496	219,379	
Additions	-	1,986	-	501	2,170	-	3,273	62	7,992	
Impairments	-	(2,823)	-	(8,468)	-	-	-	-	(11,291)	
Reversals of impairments	-	2,723	-	-	-	-	-	-	2,723	
Revaluations	(300)	3,017	-	-	-	-	-	-	2,717	
Disposals / derecognition	-	-	-	-	(1,863)	-	(4,843)	(51)	(6,757)	
Valuation/gross cost at 31 March 2017	21,391	127,820	1,155	212	46,062	237	16,379	1,507	214,763	
Accumulated depreciation at 1 April 2016	-	-	-	-	30,909	213	12,794	1,187	45,103	
Provided during the year	-	2,474	21	-	3,432	13	1,537	68	7,545	
Reversals of impairments	-	(2,474)	(21)	-	-	-	-	-	(2,495)	
Disposals/ derecognition	-	-	-	-	(1,856)	-	(4,843)	(49)	(6,748)	
Accumulated depreciation at 31 March 2017	-	-	-	-	32,485	226	9,488	1,206	43,405	
Net book value at 31 March 2017	21,391	127,820	1,155	212	13,577	11	6,891	301	171,358	
Net book value at 1 April 2016	21,691	122,917	1,155	8,179	14,846	24	5,155	309	174,276	

## 11. Property, plant and equipment (continued)

### 11.5 Property, Plant & Equipment - Group Financing 2017/18

Group	Payments on account and assets									Total £000
	Buildings excluding dwellings		under construction		Plant & machinery	Transport equipment	Information technology	Furniture & fittings		
	Land £000	Dwellings £000	£000	£000	£000	£000	£000	£000		
<b>Net book value at 31 March 2018</b>										
Owned - purchased	21,321	133,375	829	1,467	10,731	2	6,866	246	174,837	
Finance leased	-	1,216	-	-	648	-	-	-	-	1,864
On-SoFP PFI contracts and other service concession arrangements	-	6,334	-	-	-	-	-	-	-	6,334
Owned - donated	-	2,778	326	-	2,225	-	82	62	5,473	
<b>NBV total at 31 March 2018</b>	<b>21,321</b>	<b>143,703</b>	<b>1,155</b>	<b>1,467</b>	<b>13,604</b>	<b>2</b>	<b>6,948</b>	<b>308</b>	<b>188,508</b>	

### 11.6 Property, Plant & Equipment - Group Financing 2016/17

Group	Payments on account and assets									Total £000
	Buildings excluding dwellings		under construction		Plant & machinery	Transport equipment	Information technology	Furniture & fittings		
	Land £000	Dwellings £000	£000	£000	£000	£000	£000	£000		
<b>Net book value at 31 March 2017</b>										
Owned - purchased	21,391	125,483	829	212	13,144	11	6,830	332	168,232	
Finance leased	-	1,144	-	-	906	-	-	-	-	2,050
On-SoFP PFI contracts and other service concession arrangements	-	6,008	-	-	105	-	-	-	-	6,113
Owned - donated	-	2,576	326	-	1,768	-	92	52	4,814	
<b>NBV total at 31 March 2017</b>	<b>21,391</b>	<b>135,211</b>	<b>1,155</b>	<b>212</b>	<b>15,923</b>	<b>11</b>	<b>6,922</b>	<b>384</b>	<b>181,209</b>	

**11. Property, plant and equipment (continued)**

**11.7 Property, Plant & Equipment - Trust Financing 2017/18**

Trust	Payments on account and assets under construction									Total £000
	Buildings excluding dwellings		Dwellings		Plant & machinery	Transport equipment	Information technology	Furniture & fittings		
	Land £000	Dwellings £000	£000	£000	£000	£000	£000	£000		
<b>Net book value at 31 March 2018</b>										
Owned - purchased	21,321	125,512	829	1,467	8,778	3	6,851	189	164,950	
Finance leased	-	1,216	-	-	648	-	-	-	-	1,864
On-SoFP PFI contracts and other service concession arrangements	-	6,334	-	-	-	-	-	-	-	6,334
Owned - donated	-	2,778	326	-	2,225	-	82	62	5,473	
<b>NBV total at 31 March 2018</b>	<b>21,321</b>	<b>135,840</b>	<b>1,155</b>	<b>1,467</b>	<b>11,651</b>	<b>3</b>	<b>6,933</b>	<b>251</b>	<b>178,621</b>	

**11.8 Property, Plant & Equipment - Trust Financing 2016/17**

Trust	Payments on account and assets under construction									Total £000
	Buildings excluding dwellings		Dwellings		Plant & machinery	Transport equipment	Information technology	Furniture & fittings		
	Land £000	Dwellings £000	£000	£000	£000	£000	£000	£000		
<b>Net book value at 31 March 2017</b>										
Owned - purchased	21,391	119,236	829	212	10,956	11	6,799	249	159,683	
Finance leased	-	-	-	-	748	-	-	-	-	748
On-SoFP PFI contracts and other service concession arrangements	-	6,008	-	-	105	-	-	-	-	6,113
Owned - donated	-	2,576	326	-	1,768	-	92	52	4,814	
<b>NBV total at 31 March 2017</b>	<b>21,391</b>	<b>127,820</b>	<b>1,155</b>	<b>212</b>	<b>13,577</b>	<b>11</b>	<b>6,891</b>	<b>301</b>	<b>171,358</b>	

## **11. Property, plant and equipment (continued)**

Equipment and intangible assets are depreciated on current cost evenly over the estimated life of the asset as follows:

Plant and Machinery:	5 to 20 years;
Furniture and Fittings:	5 to 15 years;
Transport Equipment:	7 to 10 years; and
Information Technology:	5 to 10 years;

## **12. Subsidiaries**

### **12.1 Hampshire Hospitals Charity**

At 31 March 2018 the Hampshire Hospitals Charity had assets of £4,806,000 (31<sup>st</sup> March 2017 - £5,380,000), liabilities of £643,000 (31<sup>st</sup> March 2017 - £625,000) and reserves of £4,163,000 (31<sup>st</sup> March 2017 - £4,755,000). For the year ended 31 March 2018 the Hampshire Hospitals Charity had income of £471,000 (2016/17 - £1,352,000) and expenditure of £1,206,000 (2016/17 - 967,000) and net investment gains of £143,000 (2016/17 gains of £489,000). The comparative figures have been amended to match the numbers in the audited accounts of the charity, which were not available at the time of signing the group's 2016/17 accounts.

The Hampshire Hospitals NHS Foundation Trust is the sole beneficiary of the Hampshire Hospitals Charity. The Charity registration number is 1060133 and the registered address is The North Hampshire Hospital, Aldermaston Road, Basingstoke, Hampshire, RG24 9NA. Accounts for the charity can be obtained from <http://www.charity-commission.gov.uk/>.

### **12.2 Hampshire Hospitals Contract Services Limited**

Hampshire Hospitals NHS Foundation Trust is the sole owner of Hampshire Hospitals Contract Services Limited. The Company was established to explore and take advantage of commercial opportunities in the operation of healthcare facilities, initially for the parent NHS organisation. The Company operated two facilities, both of which are run in accordance with NHS standards including all statutory compliance requirements.

	31 March 2018 £	31 March 2017 £
Shares at cost	<u>10,890,000</u>	<u>10,890,000</u>

No goodwill arose in respect of the subsidiary as the reporting Trust established the company and received an interest in the company equal to the fair value of assets on its formation.

## **13. Inventories**

	Group		Trust	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	£000	£000	£000	£000
Drugs	2,130	2,152	1,455	1,645
Consumables	3,480	3,415	3,480	3,415
Energy	16	16	16	16
<b>Total inventories</b>	<b>5,626</b>	<b>5,583</b>	<b>4,951</b>	<b>5,076</b>

Inventories recognised in expenses for the year were £35,646,000 (2016/17 - £33,456,000). Write-down of inventories recognised as expenses for the year were £123,000 (2016/17 - £43,000).

#### 14. Trade and other receivables

Those amounts meeting the definition of a financial asset are set out in note 26.

	Group		Trust	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	£000	£000	£000	£000
<b>Current</b>				
Trade receivables	7,323	3,098	7,323	2,928
Accrued income	6,529	12,051	6,529	12,051
Provision for impaired receivables	(1,041)	(720)	(1,041)	(720)
Prepayments (non-PFI)	2,815	2,267	2,764	2,265
PDC dividend receivable	13	-	13	-
VAT receivable	574	417	224	144
Other receivables	7,770	6,353	8,275	7,489
<b>Total current trade and other receivables</b>	<b>23,983</b>	<b>23,466</b>	<b>24,087</b>	<b>24,157</b>

The book values of trade and other receivables are considered to be approximately equal to their fair value.

#### Provision for impairment of receivables

	Group		Trust	
	2017/18	2016/17	2017/18	2016/17
	£000	£000	£000	£000
<b>At 1 April</b>				
Increase in provision	720	1,087	720	1,087
Amounts utilised	321	33	321	33
<b>At 31 March</b>	<b>-</b>	<b>(400)</b>	<b>-</b>	<b>(400)</b>
	<b>1,041</b>	<b>720</b>	<b>1,041</b>	<b>720</b>

#### Credit quality of financial assets

Group	Group & Trust	
	2017/18	2016/17
Ageing of impaired financial assets	£000	£000
0 - 30 days	-	-
30-60 Days	-	-
60-90 days	-	-
90- 180 days	-	-
Over 180 days	1,041	720
<b>Total</b>	<b>1,041</b>	<b>720</b>

#### Ageing of non-impaired financial assets past their due date

	2017/18	2016/17
Ageing of non-impaired financial assets past their due date	£000	£000
0 - 30 days	1,035	4,031
30-60 Days	255	283
60-90 days	117	305
90- 180 days	143	496
Over 180 days	1,244	563
<b>Total</b>	<b>2,794</b>	<b>5,678</b>

## 15. Cash and cash equivalents

	Group		Trust	
	2017/18	2016/17	2017/18	2016/17
	£000	£000	£000	£000
<b>At 1 April</b>	<b>11,015</b>	<b>8,462</b>	<b>10,934</b>	<b>8,294</b>
Net change in year	(3,232)	2,553	(3,365)	2,640
<b>At 31 March</b>	<b>7,783</b>	<b>11,015</b>	<b>7,569</b>	<b>10,934</b>
<b>Broken down into:</b>				
Commercial banks and in hand	720	841	677	772
Government Banking Service	7,063	10,174	6,892	10,162
<b>Total cash and cash equivalents as in SoFP</b>	<b>7,783</b>	<b>11,015</b>	<b>7,569</b>	<b>10,934</b>
<b>Total cash and cash equivalents as in SoCF</b>	<b>7,783</b>	<b>11,015</b>	<b>7,569</b>	<b>10,934</b>

## 16. Trade and other payables

	Group		Trust	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	£000	£000	£000	£000
<b>Current</b>				
Trade payables	13,713	14,548	15,791	16,838
Capital payables	2,111	1,282	2,049	1,219
Accruals	9,970	8,604	10,126	8,551
Social security costs	2,959	2,750	2,957	2,747
VAT payables	431	544	431	544
Other taxes payable	2,650	2,463	2,649	2,461
PDC dividend payable	-	108	-	108
Accrued interest on loans	66	75	66	75
Other payables	586	431	619	431
<b>Total current trade and other payables</b>	<b>32,486</b>	<b>30,805</b>	<b>34,688</b>	<b>32,974</b>

The deferred income due in more than one year covers three non-current asset schemes and is being released over the lives of those assets. The deferred PFI credit relates to the Servite PFI contract which is further explained in note 20.

	Group		Trust	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	£000	£000	£000	£000
<b>Current</b>				
Deferred income	1,303	1,218	1,303	1,218
Deferred PFI credits / income	285	285	285	285
<b>Total other current liabilities</b>	<b>1,588</b>	<b>1,503</b>	<b>1,588</b>	<b>1,503</b>
<b>Non-current</b>				
Deferred income	1,156	1,209	1,156	1,209
Deferred PFI credits / income	6,675	6,960	6,675	6,960
<b>Total other non-current liabilities</b>	<b>7,831</b>	<b>8,169</b>	<b>7,831</b>	<b>8,169</b>

## 17. Borrowings

### 17.1 Loans – payment of principal falling due

	Group		Trust	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	£000	£000	£000	£000
<b>Current</b>				
Loans from DHSC	1,912	1,912	1,912	1,912
Obligations under finance leases	100	301	100	100
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	-	180	-	180
<b>Total current borrowings</b>	<b>2,012</b>	<b>2,393</b>	<b>2,012</b>	<b>2,192</b>
<b>Non-current</b>				
Loans from DHSC	21,002	18,214	21,002	18,214
Obligations under finance leases	549	648	549	648
<b>Total non-current borrowings</b>	<b>21,551</b>	<b>18,862</b>	<b>21,551</b>	<b>18,862</b>

### 17.2 Finance lease arrangements

	Group		Trust	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	£000	£000	£000	£000
<b>Gross lease liabilities</b>				
of which liabilities are due:				
- not later than one year;	115	318	115	318
- later than one year and not later than five years;	434	444	434	444
- later than five years.	153	257	153	257
Finance charges allocated to future periods	(53)	(70)	(53)	(70)
<b>Net lease liabilities</b>	<b>649</b>	<b>949</b>	<b>649</b>	<b>949</b>
of which payable:				
- not later than one year;	100	301	100	301
- later than one year and not later than five years;	399	397	399	397
- later than five years.	150	251	150	251
<b>Total of future minimum sublease payments to be received at the reporting date</b>	<b>649</b>	<b>949</b>	<b>649</b>	<b>949</b>

The Group one remaining finance lease for the provision of mammography equipment.

## 18. Provisions

Group	Pensions - early departure costs £000	Legal claims £000	Total £000
<b>At 1 April 2017</b>	<b>2,169</b>	<b>866</b>	<b>3,035</b>
Change in the discount rate	15	10	25
Arising during the year	-	43	43
Utilised during the year	(179)	(42)	(221)
Reversed unused	(211)	-	(211)
Unwinding of discount	30	10	40
<b>At 31 March 2018</b>	<b>1,824</b>	<b>887</b>	<b>2,711</b>
<b>Expected timing of cash flows:</b>			
- not later than one year;	177	144	321
- later than one year and not later than five years;	703	170	873
- later than five years.	944	573	1,517
<b>Total</b>	<b>1,824</b>	<b>887</b>	<b>2,711</b>

Provisions which are not expected to become due for several years are shown at a reduced value to take account of inflation. The unwinding of discounts relates to the increase in the value of provisions as their settlement date gets nearer.

The provisions shown under the heading 'Pensions- early departure costs' relating to staff have been calculated using figures provided by the NHS Pensions Agency. They assume certain life expectancies.

The provisions shown under the heading 'Legal claims' relate to public and employer liability claims and the Property Expenses Scheme. The provisions have been calculated using information provided by the NHS Litigation Authority and are based on the best information available at the 31 March. In addition the group has a contingent liability of £73,000 (2016/17 - £61,000) in respect of these provisions – see note 25.

Only the Group position has been disclosed above as there is no difference between the Trust and the Group position.

### Clinical Negligence Liabilities

The group is part of a scheme operated by the NHS Litigation Authority (NHSLA) in relation to clinical negligence. The costs of this scheme are disclosed in operating expenses. The NHSLA handle any claims made against the group.

At 31 March 2018, £132,437,896 was included in provisions of the NHSLA in respect of clinical negligence and liabilities of the group (31 March 2017 - £113,578,129).

## 19. Operating lease arrangements

The group has a number of operating leases including pathology managed contracts and photocopiers. Details of minimum lease payments can be found in note 19.2. In addition the group acts as a lessor in relation to the provision of two retail outlets and a health centre. Details of the lease income can be found in note 19.3.

### 19.1 Payments recognised as an expense

	2017/18 £000	2016/17 £000
<b>Operating lease expense</b>		
Minimum lease payments	1,885	2,119
<b>Total</b>	<b>1,885</b>	<b>2,119</b>

### 19.2 Non-cancellable operating lease commitments

The future minimum lease payments under non-cancellable operating leases are as follows:-

	31 March 2018 £000	31 March 2017 £000
<b>Future minimum lease payments due:</b>		
- not later than one year;	1,870	1,790
- later than one year and not later than five years;	1,313	1,790
<b>Total</b>	<b>3,183</b>	<b>3,580</b>
Future minimum sublease payments to be received	-	-

### 19.3 Operating lease income

	2017/18 £000	2016/17 £000
<b>Operating lease revenue</b>		
Minimum lease receipts	260	213
Contingent rent	-	29
<b>Total</b>	<b>260</b>	<b>242</b>

	31 March 2018 £000	31 March 2017 £000
<b>Future minimum lease receipts due:</b>		
- not later than one year;	275	260
- later than one year and not later than five years;	1,278	1,205
- later than five years.	1,317	1,665
<b>Total</b>	<b>2,870</b>	<b>3,130</b>

Only the Group position has been disclosed above as there is no difference between the Trust and the Group position.

## **20. Private Finance Initiative schemes - service element of PFI schemes deemed to be on-SoFP**

	<b>Viridian Housing</b>
Estimated capital value at start of contract	£6,750,000
Length of project	37 years
Remaining contractual period	25 years 7 months
Start date of contract	1 Nov 2006
Finish date of contract	31 Oct 2043

The group has one PFI scheme deemed to be on-SoFP:

### **Viridian Housing**

The PFI contract relates to the provision of staff residences which was transferred to Servite Houses in November 2006 through a 37 year deal. Servite Houses was responsible for the re-development of the residences and the group has nomination rights. On 17<sup>th</sup> May 2010, Servite Houses changed its' name to Viridian Housing. The redeveloped residences will be maintained by Viridian Housing until they are transferred back to the NHS Foundation Trust after the 37 year scheme ends. The control and residual interest clauses mean the scheme is an On-SoFP scheme. Under the terms of the contract, the Trust has the right to rent the accommodation to Healthcare Key Workers and other tenants who are on its' allocation list for the provision of housing.

Depreciation will be charged to the income statement over the course of the asset life and the remaining deferred PFI credit of £7,530,000 will be released over the life of the contract on a straight line basis (£285,000 per year).

The Viridian Housing PFI contract includes certain guarantees which commit the group to meet or contribute towards the costs of unoccupied rooms. These represent a financial liability – a present obligation arising from commitments made in the contract.

- a) Void rents – the group has a commitment to pay void rents where occupancy levels are between 80%-90%. As this has never occurred in the period from the signing of the contract to the current financial year, the Trust do not recognise a commitment at 31 March 2018 (31 March 2017 – nil).
- b) Diva block – the group has a commitment to pay for all the rooms available in Diva block throughout the contract. Diva block is expected to be fully utilized and all costs are expensed as incurred.

### **Gross PFI liabilities for schemes deemed to be on-SoFP are as follows:-**

There are no gross liabilities for schemes deemed to be on-SoFP as there is no service change within the Servite contract.

Total future obligations under these on-SoFP schemes are as follows:

	Group		Trust	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	£000	£000	£000	£000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	-	180	-	180
<b>Of which liabilities are due:</b>				
- not later than one year;	-	180	-	180
- later than one year and not later than five years;	-	-	-	-
- later than five years.	-	-	-	-

#### Analysis of amounts payable to service concession operator

	Group		Trust	
	2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
Unitary payment payable to service concession operator	180	183	180	183
<b>Consisting of:</b>				
- Interest charge	-	3	-	3
- Repayment of finance lease liability	180	180	180	180
<b>Total amount paid to service concession operator</b>	<b>180</b>	<b>183</b>	<b>180</b>	<b>183</b>

#### 21. Related party transactions

Hampshire Hospitals NHS Foundation Trust is an independent public benefit corporation as authorised by NHS Improvement in their Terms of Authorisation.

The Department of Health is regarded as a related party as it exerts influence over the numbers of transactions and operating policies of the Group. During the year ended 31 March 2018, the group has a significant number of material transactions with other entities for which the Department is regarded as the parent Department.

During the year ended 31 March 2018, none of the Board Members, or members of the key management staff, or parties deemed to be related to them, has undertaken any material transactions with Hampshire Hospitals NHS Foundation Trust.

The following NHS and other government organisations had transactions or balances in excess of £250,000:

**Year Ended 31 March 2018**

	Trade & other receivables £'000	Trade & other payables £'000	Income £'000	Expenditure £'000
Health Education England	384	44	15,772	(1)
HM Revenue & Customs - Other taxes and duties (Not PAYE)	-	5,609	-	22,131
Dept of Work and Pensions	-	-	666	167
NHS Pension Scheme	-	3,466	-	24,502
Southern Health NHS Foundation Trust	495	60	2,039	866
University Hospital Southampton NHS Foundation Trust	817	569	2,445	1,750
Solent NHS Trust	133	3	1,082	260
Care Quality Commission	-	-	-	289
NHS Dorset CCG	72	-	422	-
NHS Fareham and Gosport CCG	3	-	640	-
NHS Newbury and District CCG	449	-	11,879	-
NHS North and West Reading CCG	174	-	1,487	-
NHS North East Hampshire and Farnham CCG	273	-	1,379	-
NHS North Hampshire CCG	1,137	2	121,491	37
NHS South Eastern Hampshire CCG	63	170	4,664	-
NHS Southampton CCG	50	-	1,017	-
NHS West Hampshire CCG	1,963	306	133,543	4
NHS Wiltshire CCG	17	-	2,772	-
NHS Wokingham CCG	-	52	381	-
NHS Resolution (formerly NHS Litigation Authority)	-	-	-	12,650
NHS England - Core	2,525	-	8,795	-
NHS England - Wessex Local Office	208	201	4,913	-
NHS England - Wessex Specialised Commissioning Hub	2,927	-	49,311	-
NHS England - South Central Local Office	235	-	965	-
NHS Blood and Transplant	-	365	-	1,065
Portsmouth Hospitals NHS Trust	3	113	48	1,535
Hampshire County Council	81	7	857	(19)

**Year Ended 31 March 2017**

	Trade & other receivables £'000	Trade & other payables £'000	Income £'000	Expenditure £'000
Health Education England	5	9	13,619	-
HM Revenue & Customs - Other taxes and duties (Not PAYE)	417	5,213	-	19,556
NHS Pension Scheme	-	3,166	-	22,470
Southern Health NHS Foundation Trust	374	64	2,107	746
University Hospital Southampton NHS Foundation Trust	414	360	2,195	1,948
Oxford Health NHS Foundation Trust	-	32	-	266
Solent NHS Trust	134	30	1,079	161
NHS Coastal West Sussex CCG	64	-	251	-
NHS Dorset CCG	216	-	420	-
NHS Fareham and Gosport CCG	62	-	633	-
NHS Newbury and District CCG	492	-	11,165	-
NHS North and West Reading CCG	46	-	1,353	-
NHS North East Hampshire and Farnham CCG	10	26	1,164	-
NHS North Hampshire CCG	1,278	-	116,194	38
NHS South Eastern Hampshire CCG	71	42	4,707	-
NHS Southampton CCG	-	40	916	-
NHS West Hampshire CCG	1,652	-	129,663	-
NHS Wiltshire CCG	17	-	2,533	-
NHS Wokingham CCG	-	61	421	-
NHS England - Core (including sustainability & transformation fund)	4,935	-	12,542	19
NHS England - Wessex Local Office	142	-	5,020	-
NHS England - Wessex Specialised Commissioning Hub	3,798	-	54,413	-
NHS England - South Central Local Office	165	-	698	-
NHS Litigation Authority	-	1	-	9,127
Portsmouth Hospitals NHS Trust	1	74	66	1,115
Hampshire County Council	29	27	323	19
Basingstoke and Deane Borough Council	-	1	-	818

## 21. Related party transactions (continued)

The group prepares the payroll on behalf of St Michael's Hospice, which is considered to be a related party because the Trust's Chief Medical Officer is on their board of Trustees. The transactions and balances with those parties have not been disclosed as they are considered to be immaterial to both parties.

NHS Providers is considered to be related parties because a member of the Trust's board is in a position to exert considerable influence over the other party. The transactions and balances with this party has not been disclosed as they are considered to be immaterial to both parties.

Basingstoke and North Hampshire Medical Trust Fund and Bishop and Brookes are both considered to be related parties because the Trust's Chief Medical Officer is on their boards. The group also receives revenue and capital payments from the Hampshire Hospitals Charity, of which it is a corporate trustee (for additional information see note 12).

The following transactions are considered to material:

	Receivables		Payables	
	31st March 2018	31st March 2017	31st March 2018	31st March 2017
Basingstoke and North Hampshire Medical Fund	49	56	-	-
Hampshire Hospitals Charity	174	168	-	-
Bishop & Brookes Limited	-	-	-	-
	<b>223</b>	<b>224</b>	<b>-</b>	<b>-</b>

	Income		Expenditure	
	31st March 2018	31st March 2017	31st March 2018	31st March 2017
Basingstoke and North Hampshire Medical Fund	382	531	-	-
Hampshire Hospitals Charity	1,042	758	-	-
Bishop & Brookes Limited	-	-	17	31
	<b>1424</b>	<b>1289</b>	<b>17</b>	<b>31</b>

## 22. Events after the reporting date

There have been no events after the reporting date which require adjustment or disclosure within these financial statements.

### 23. Capital commitments

	Group		Trust	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	£000	£000	£000	£000
	216	253	216	253
Property, plant and equipment				
<b>Total</b>	<b>216</b>	<b>253</b>	<b>216</b>	<b>253</b>

### 24. Losses and special payments

Group and trust	2017/18		2016/17	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
<b>Losses</b>				
Bad debts and claims abandoned	-	-	6	60
<b>Total losses</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>60</b>
<b>Special payments</b>				
Ex-gratia payments	43	41	51	60
<b>Total special payments</b>	<b>43</b>	<b>41</b>	<b>51</b>	<b>60</b>
<b>Total losses and special payments</b>	<b>43</b>	<b>41</b>	<b>57</b>	<b>120</b>

Amounts are reported on an accruals basis excluding provisions for future losses. Bad debts (2016/17 £60,000) are included in Other Operating Expenses in note 5 to the accounts.

### 25. Contingent assets/(liabilities)

	Group		Trust	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	£000	£000	£000	£000
	(73)	(61)	(73)	(61)
<b>Value of contingent liabilities</b>				
NHS Resolution legal claims	(73)	(61)	(73)	(61)
<b>Gross value of contingent liabilities</b>	<b>(73)</b>	<b>(61)</b>	<b>(73)</b>	<b>(61)</b>
Amounts recoverable against liabilities	-	-		
<b>Net value of contingent liabilities</b>	<b>(73)</b>	<b>(61)</b>	<b>(73)</b>	<b>(61)</b>
<b>Net value of contingent assets</b>	<b>-</b>	<b>239</b>	<b>-</b>	<b>239</b>

The group has a contingent liability for £72,795 (2017 - £60,730) in respect of employer and public liability incidents for which claims have been made against the group through the LTPS scheme. The figures were provided by the NHS Litigation Authority. Provisions relating to these cases are shown in note 18.

The amounts required by the NHS Litigation Authority are based on the best estimate of the probability of an outflow.

The contingent asset relates to a retrospective VAT claim following the Conde Nast judgement against HMRC.

## 26. Financial Instruments

IAS 32, 39 and IFRS 7, Financial Instruments, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the continuing service provider relationship that the group has with local Clinical Commissioning Groups and the way those Clinical Commissioning Groups are financed, the group 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 the listed companies to which IAS 32, 39 and IFRS 7 mainly apply. The group 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 group in undertaking its activities.

Each of the following risks have been considered, but total comprehensive income for the year and total assets employed are not materially sensitive to variations in those factors, so a sensitivity analysis is not given.

### Liquidity risk

The group's net operating costs are incurred under annual service agreements with local Clinical Commissioning Groups which are financed from resources voted annually by Parliament. The group also financed its capital expenditure in the year from funds generated from its activities. The group is not, therefore, exposed to significant liquidity risks.

### Market risk

All of the group's financial liabilities carry a nil or fixed rate of interest. The group is not, therefore, exposed to significant interest-rate risk.

The group has negligible foreign currency Income and Expenditure and is not, therefore, exposed to significant foreign currency risk.

### Credit risk

The group's risk profile is low with the maximum being disclosed in receivables to customers. The majority of the group's income comes from legally binding contracts with other Government Departments and other NHS bodies. Therefore the group does not believe that it is exposed to significant credit risk.

As set out in note 15, £7,063,000 of the Group's £7,783,000 total cash deposits are held with the Government Banking Service (£10,174,000 of £11,015,000 at 31 March 2017). The remaining cash in both years was held with another UK based bank. The group is satisfied that there is no material exposure to credit risk in respect of cash deposits.

### Fair value interest rate risk

The group has no exposure to a fair value interest rate risk.

#### 26.1 Financial assets

	Group		Trust	
	31 March	31 March	31 March	31 March
	2018	2017	2018	2017
	£000	£000	£000	£000
Investment in associates and joint ventures	-	-	10,890	10,890
Trade and other receivables excluding non financial liabilities	18,649	19,359	18,804	20,052
Cash and cash equivalents at bank and in hand	7,783	11,015	7,569	10,934
<b>Total</b>	<b>26,432</b>	<b>30,374</b>	<b>37,263</b>	<b>41,876</b>

The following are not considered to be financial instruments under IFRS and therefore have been excluded from the above table:

- The NHS Injury Cost Recovery Scheme amounting to £2,506,000 (2017 - £1,840,000)
- Prepayments amounting to £2,815,000 (2017 - £2,267,000)
- PDC receivable amounting to £13,000 (2017 - £nil)

## 26.2 Financial liabilities

	Group		Trust	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	£000	£000	£000	£000
Borrowing excluding finance lease and PFI liabilities	22,914	20,126	22,914	20,126
Obligations under finance leases	649	949	649	748
Obligations under PFI, LIFT, and other service concession contracts	-	180	-	180
Trade and other payables excluding non financial liabilities	24,418	24,960	26,623	27,114
Other financial liabilities	148	34	-	-
Provisions under contract	2,711	3,035	2,711	3,035
<b>Total</b>	<b>50,840</b>	<b>49,284</b>	<b>52,897</b>	<b>51,203</b>

The following are not considered to be financial instruments under IFRS and therefore have been excluded from the above table:

- Deferred Income amounting to £2,459,000 (2017 - £2,427,000)
- Other Tax and Social Security Creditors amounting to £5,603,000 (2017 - £5,213,000 )
- Deferred PFI credits amounting to £6,960,000 (2017 - £7,245,000)
- PDC payable amounting to £nil (2017 - £108,000)

A maturity profile for Obligations under finance leases can be found in note 17, for Obligations under PFI contracts in note 20 and for Provisions in note 18.

## 26.3 Fair values

The book value of financial assets and liabilities are not considered to be materially different from the fair value.



